United States Air Force

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DEPARTMENT OF THE AIR FORCE

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FISCAL YEAR 2013 AIR FORCE POSTURE STATEMENT

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Introduction

Since the first clash of battle, warriors have relied on breaking through the lines to achieve victory. However, once the airplane was used over the battlefields of World War I, the battle itself was forever revolutionized. In the 65 years since the establishment of the United States Air Force as a separate Service, its technological, strategic, and tactical innovations have been elemental in shaping the way the United States engages in war, deters aggression, and maintains peace. Because America's Airmen characteristically view defense challenges differently, our Air Force has pioneered advancements that have been essential in ensuring our Nation's security while reducing the overall casualty counts inflicted by war. As the Department of Defense faces fiscal pressures and an evolving strategic environment, America will continue to depend on the Air Force to contribute innovative strategies and systems to conduct our most important military missions.

During the past decade, the United States has engaged in a prolonged war aimed at disrupting, dismantling and defeating al-Qa'ida and its network. A major part of this effort involved long-term and large-scale presence on the ground. The withdrawal of combat forces from Iraq and the drawdown in Afghanistan signal the beginning of a new chapter for America in which we will rely more heavily on airpower to complement innovative, lower-cost, lighter footprint approaches around the world. As the Nation sustains its global presence with a renewed emphasis on the Asia-Pacific region, in addition to continued focus on the Middle East, we must maintain the best military in the world—a force capable of deterring conflict, a force capable of projecting power, and a force capable of winning wars. We will preserve the capability and expertise in irregular warfare that we developed over the past decade and we will invest in fielding appropriate amounts of new and existing military capabilities in order to meet the national security challenges of today and the future.

Despite new challenges and fiscal stress, America is and will unquestionably remain the global leader. The strategic choices embodied in the proposed FY13 budget reflect 21st Century defense priorities and will enable your Air Force to play a critical role in sustaining that leadership. As the Department of Defense's (DoD) recently released strategic guidance articulates, the Joint Force of the future must be smaller and leaner—but agile, flexible, ready, and technologically advanced. The Air Force will leverage the innovative ability and technological acumen of its Airmen as we conduct the military missions that protect our core national interests: defeating al-Qa'ida and its affiliates and succeeding in current conflicts; deterring and defeating aggression, including those seeking to deny our power projection; countering weapons of mass destruction; operating effectively in cyberspace and across all domains; maintaining a safe and effective nuclear deterrent; and protecting the homeland. Air Force contributions to total Joint Force effectiveness make us indispensable in carrying out these missions and overcoming existing and emerging threats in this strategic environment.

Strategic Environment

After ten years of sustained large scale overseas operations, major changes in the strategic environment required a reshaping of defense strategy and priorities. Over the last several months, the Air Force, together with our Joint partners, has reassessed our future military strategy and

posture to determine how the Air Force will best contribute to achieving U.S. security objectives, including freedom of action in the global commons.

The major factors and trends of the strategic environment identified in the 2010 Quadrennial Defense Review (QDR) continue to affect the security environment and inform its trajectory. The rise of new powers, the growing influence of non-state actors, the proliferation of weapons of mass destruction (WMD), the proliferation of conventional arms, and the transfer of other destructive enabling technologies are all trends that still require focused attention when considering how the Air Force will execute America's national security strategy.

Since the release of the QDR, however, we have witnessed events that further inform our strategy. The Arab Awakening in the Middle East and North Africa has brought about regime changes in some nations in the region and challenged the stability and security of others. The global economic crisis has made some nations reluctant to support international cooperative military efforts as they have shifted their focus towards domestic issues. The economic crisis continues to contribute to the economic and political shift toward the Asia-Pacific region; although we will continue to place a premium on U.S. and allied military presence in – and support for – partner nations in and around the Middle East. The demise of Osama bin Laden and other senior al-Qa'ida leaders has led to deterioration in the organization's leadership and impaired its strategic coherence, although the threat of extremism remains. We are also transitioning out of the post-Cold War world where our military could easily gain access to the battlefield and operate major systems unimpeded. Today, adversaries are developing ways to prevent our access to the battlefield and deny our freedom of action once there.

As a result of these factors, DoD undertook a comprehensive strategic review and recently released new strategic guidance, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*. The new guidance notes the importance of recalibrating Joint Force capabilities and investments to succeed in the following key military missions: counter terrorism and irregular warfare; deter and defeat aggression; project power despite anti-access/area denial (A2/AD) challenges; counter weapons of mass destruction; operate effectively in cyberspace and space; maintain a secure and effective nuclear deterrent; defend the homeland and provide support to civil authorities; provide a stabilizing presence; conduct stability and counterinsurgency operations; and conduct humanitarian, disaster relief, and other operations. In determining development of the force required to meet these missions, the Secretary of Defense has directed that we maintain a broad portfolio of capabilities that, in the aggregate, offer versatility across this range of missions. Other factors that are important to the implementation of the new strategy include understanding which investments must be made now and those that can be deferred, maintaining a ready and capable force, reducing "the cost of doing business," examining how the strategy will influence existing campaign and contingency plans so that more limited resources are better tuned to their requirements, determining the proper Active and Reserve Component mix, retaining and building on key advances in networked warfare on which the Joint Force has become truly interdependent, and maintaining the industrial base and investment in promising science and technology.

Airpower – the ability to project military power or influence through the control and exploitation of air, space, and cyberspace to achieve strategic, operational, or tactical objectives – has been a

necessary component of successful U.S. military operations for many decades, and a reasonable assessment of the strategic environment suggests an even greater role for those capabilities. Since the end of the Cold War, the Air Force's contributions to national security have evolved with the times. We have become not only more effective, but also increasingly intertwined with the successful operation of the Joint Force. We have now reached a point where no other Service operates independently of the Air Force; we are a necessary catalyst for effective U.S. and Coalition military operations. As we realign our resources to support the new strategic guidance, the capabilities that underpin these contributions on which the Joint Force depends will be protected.

Realignment to the New Defense Strategic Guidance

The Air Force has made the hard choices to closely align with the new strategic guidance by trading size for quality. We will be a smaller, but superb, force that maintains the agility, flexibility, and readiness to engage a full range of contingencies and threats.

New Concepts

One way in which the Air Force is posturing itself for the future in light of the strategic guidance is through our pursuit of the Air-Sea Battle (ASB) concept in partnership with our sister Services. The rise of near peer capabilities—such as fifth-generation fighters, air defense systems and ballistic missiles—evince emerging A2/AD threats. The ASB concept will guide the Services as they work together to maintain a continued U.S. advantage against the global proliferation of advanced military technologies and A2/AD capabilities. ASB will leverage military and technological capabilities and is guiding us to develop a more permanent and better-institutionalized relationship between the Military Departments that will ultimately shape our Service organizations, inform our operational concepts, and guide our materiel acquisitions.

Enduring Air Force Contributions

The Air Force will also continue to bring four enduring and distinctive contributions to the Nation's military portfolio to support the new strategic guidance: (1) air and space control; (2) global intelligence, surveillance, and reconnaissance (ISR); (3) global mobility; and (4) global strike. These four core contributions—plus our ability to command and control air, space, and cyberspace systems—will sustain our Nation's military advantage as the Joint Force becomes smaller and as we face emerging A2/AD threats.

Air and Space Control

From the World War II Pacific island-hopping campaign, to the success of liberation forces in Libya, control of the air has been and remains an essential precondition for successful land and maritime operations. Today, control of the air and space, along with assured access to cyberspace, allows U.S. and Coalition forces to take advantage of unique capabilities in mobility, strike, and ISR and permits surface forces freedom of action without the threat of adversarial attack from above. Whether friendly naval forces are helping to secure vital lines of communication and transit, Marines are conducting amphibious operations, special operations

forces are executing counterterrorism missions, or ground forces are engaged in combined-arms maneuvers, these operations all fundamentally depend on the Air Force to provide mission-essential control of air and space. In the coming decade, our ability to assert control in all domains will be increasingly at risk as sophisticated military technology proliferates. The new strategic guidance demands that we forge ahead and maintain the air and space power advantages that will enable our entire Joint Force to deter and defeat aggression, operate effectively in space and cyberspace, defend the homeland, and conduct stability operations.

Global ISR

Combat experience over the last decade has shown how important ISR capabilities are to the counterterrorism and irregular warfare missions, and has also made it increasingly clear that these capabilities will be required in contested environments in future conflicts and as we take an active approach to countering extremist threats. Through a mix of aircraft and satellite sensors and corresponding architecture for exploitation and dissemination, Air Force ISR affords U.S. leaders an unparalleled decision-making advantage on which commanders rely—from supporting national strategic decision-making to successful outcomes in life-and-death tactical situations. Moreover, Airmen provide expert processing and exploitation of staggering volumes of raw data and timely dissemination of usable intelligence. In the past ten years, Air Force ISR contributions have been ascendant, particularly from our space-enabled remotely-piloted systems. But power projection in the future strategic environment will require extending today's ISR capability into contested battle spaces. This demands significant and sustained attention to modernization of our ISR capabilities.

Global Mobility

The capability to get friendly forces to the fight and to extend the range of airborne strike platforms is a unique Air Force contribution that not only enhances Joint effectiveness, but also embodies the Nation's global reach and power. The military's ability to deter and defeat aggression, project power, provide a stabilizing presence, conduct stability operations, and conduct humanitarian and other relief operations depends on the airlift and in-flight aerial refueling that the Air Force provides. We ensure that Joint and Coalition assets get to the fight and remain in the fight, posing a potent threat to adversaries and a persuasive presence to allies. Our airlift fleet transports massive amounts of humanitarian-relief supplies and wartime materiel to distant locations around the world in impressively short time periods. Furthermore, in-flight aerial refueling is the linchpin to power projection at intercontinental distances. Global mobility also provides for persistent pressure and over-watch once we arrive, as demonstrated last year in the skies over Libya.

Global Strike

Finally, the Air Force's ability to conduct global strike—to hold any target on the globe at risk—will be of growing importance in the coming decade. Our conventional precision strike forces compose a significant portion of the Nation's deterrent capability, providing national leaders with a range of crisis response and escalation control options. Our nuclear deterrent forces provide two-thirds of the Nation's nuclear triad, competently forming the foundation of global

stability and underwriting our national security and that of our allies. However, increasingly sophisticated air defenses and long-range missile threats require a focused modernization effort exemplified by the long-range strike family of systems. A key element of this effort is the Long-Range Strike bomber (LRS-B) which will strengthen both conventional and nuclear deterrence well into the future.

Collectively, these capabilities, and the Air Force's ability to command and control the air, space, and cyber systems, provide the Nation with the *Global Vigilance, Global Reach,* and *Global Power* necessary to implement the new strategic guidance.

Adapting to Constrained Resources

Although the contributions that the Air Force provides to the Joint Force have increased in relevance over time, there has not been a corresponding proportional increase in resources. The Air Force has entered this era of fiscal austerity with significantly fewer uniformed personnel, with older equipment, and with a smaller budget share than any military Department in half a century. The Air Force has been continuously engaged in combat for over two decades and has taken on a range of new missions. Yet over that same time period, our aircraft inventory and end strength declined. Since 2001, we have reduced our inventory by over 500 aircraft and have added new missions, while end strength has come down by thousands of Airmen, leaving us next year with the smallest force since our inception in 1947. Meanwhile, the average age of Air Force aircraft has risen dramatically: fighters stand at 22 years; bombers, 35 years; and tankers, 47 years. Reduced manpower, full-scale operations, and reduced training opportunities have pushed our readiness to the edge. The budget increases that have occurred in the last decade were primarily consumed by operational expenses, not procurement. There is a compelling need to invest in next-generation, high-impact systems so that the Air Force can continue to provide the capabilities on which our Nation relies. The failure to make the proper investments now will imperil the effectiveness of the future force and our ability to execute the new strategic guidance for decades to come.

We are mindful, however, of the current fiscal situation and recognize that we must contribute to government-wide deficit reduction as a national security imperative. Our ability to make proper investments to modernize and sustain the capabilities of the Air Force is directly tied to the economic health of the United States. In addition, as respectful stewards of the American taxpayer's dollars, the Air Force is committed to achieving audit readiness and meeting Secretary Panetta's accelerated goal to achieve auditability of the Statement of Budgetary Resources by 2014. Over the last year, the Air Force has made real progress, receiving clean audit opinions on two important components of our budget and accounting processes from independent public accounting firms. In the coming year, the Air Force expects to have independent auditors examine the audit readiness of our military equipment inventories, our base-level funds distribution process, and our civilian pay process.

The Air Force Fiscal Year 2013 (FY13) budget request reflects aggressive prioritization of limited resources, heavily informed by the new strategic guidance, with regard to both capability and capacity of our forces – that is, both what capabilities we should buy and how much of them. The budget brings together strategic guidance with fiscal constraint. Its guiding principle was

balance. To retain critical core Air Force capabilities and the ability to rapidly respond to mission demands, the Air Force balanced risk across all mission areas.

Although we will be smaller and leaner, we will not sacrifice readiness. Selected reductions in force structure and modernization programs were based on careful assessments reflecting the requirements to address potential future conflict scenarios and to emphasize the Middle East and Asia-Pacific regions. Force and program development choices were also influenced by the need to protect our ability to regenerate capabilities to meet future, unforeseen demands. Our budget request seeks to leverage strong relationships with allies and partners, including the development of new partners. Finally, the FY13 budget request honors and protects the high quality and battle-tested professionals of the All-Volunteer Force.

FORCE STRUCTURE

The fiscal reality and strategic direction mean that the Air Force will continue the long-term trend of accepting a smaller force to ensure high quality. In planning for a smaller force, our decisions favored retention of multi-role platforms over those with more narrowly focused capabilities – for example, F-16s over A-10s and F-15Cs, and C-130s over C-27s. Where feasible, we sought to divest smaller fleets with niche capabilities and stressed common configurations for key platforms in order to maximize operational flexibility and minimize sustainment costs.

Aircraft

In meeting the force sizing requirements of the new strategic guidance, and to remain within the constraints of the Budget Control Act, the Air Force made the difficult choice of divesting 227 aircraft from our combat and combat support aircraft fleets in the FY13 budget request. Total divestitures rise to over 280 aircraft over the FY13-17 Future Years Defense Plan (FYDP) period. These divestitures will result in $8.7 billion in savings across the Active and Reserve Components.

In order to balance current and future requirements in the Combat Air Forces (CAF), we are reducing the total number of combat-coded fighter squadrons from 60 to 54 (31 Active squadrons and 23 Reserve Component squadrons). As part of a broader strategy to reshape the Air Force into a smaller, yet capable force, we divested 21 F-16 Block 30 aircraft in the Reserve Component and 102 A-10s (20 Active and 82 Reserve Component) from the total aircraft inventory. In making these difficult choices, we considered several factors: the relative operational value of weapon systems to counter capable adversaries in denied environments; fleet management principles, such as retiring older aircraft first and prioritizing multi-role aircraft; and operational flexibility, forward-basing, and host-nation commitments. The allocation of reductions between the Active and Reserve Components took into consideration the Air Force's surge requirements as directed by the new strategic guidance, the expected future deployment tempo, the need to increase means to accumulate fighter pilot experience, and the imperative to ensure that the Reserve Component remains relevant and engaged in both enduring and evolving missions.

In the Mobility Air Forces (MAF), we sized the fleet to a total of 275 strategic airlifters—52 C-5Ms and 223 C-17s. We will seek legislative approval to retire 27 C-5As across FY13-16, going below the FY12 National Defense Authorization Act strategic airlift floor of 301 aircraft. This will avert higher sustainment costs for aircraft with substantially less reliability than the C-17 or C-5M. For our intra-theater airlift, the fleet was sized to meet the airlift requirements of the new strategy, including our direct support requirements of ground forces. We will retire 65 C-130Hs across FY13-17 and are divesting the C-27J fleet. After these retirements, we will maintain a fleet of 318 C-130s (134 C-130Js and 184 C-130Hs). Our air refueling fleet is being reduced to 453 tankers after retiring 20 KC-135s. The development and procurement of the KC-46A is on-track for initial delivery in FY16 with the strategic basing process underway.

In our ISR aircraft fleet, we plan to divest all 18 RQ-4 Global Hawk Block 30 aircraft and retain the U-2S Dragon Lady program. Due to the reduction in high altitude ISR combat air patrol (CAP) requirements, the need for RQ-4 upgrades to meet current U-2 sensor operational performance levels, and the high operational costs of the RQ-4, continued investment into the U-2 is both the fiscally and operationally responsible choice. Transferring the MC-12W Liberty from the Active Component to the Air National Guard (ANG) reflects the assessment that the ANG is the appropriate place for long-term, scalable support of medium altitude ISR. The Active Component will retain association with the ANG units. The MC-12W will also perform the mission of the divested RC-26 fleet. Finally, we will retire one E-8C Joint Surveillance Target Attack Radar System (JSTARS) aircraft that is damaged beyond economical repair.

Air Force leaders recognize that proposals to retire aircraft are often contentious and that the Congress has at times written legislation blocking or delaying proposed retirements. We are committed to faithfully executing the law; however, we urge the congressional defense committees and Congress as a whole to be especially cautious about proposals to block or delay aircraft retirements that do not provide the additional human and financial resources needed to operate and maintain those airframes. Retaining large numbers of under-resourced aircraft in the fleet in today's fiscally constrained environment will significantly increase the risk of a hollow force. After the intense efforts to find efficiencies over the past few years, the Air Force has only a limited ability to reallocate resources and personnel to uncovered operations without creating major disruption in other critical activities.

End Strength

In correlation to the reductions in our aircraft force structure, we are also adjusting our end strength numbers. Since 2004, our Active, Guard, and Reserve end strength has decreased by over 48,000 personnel. By the end of FY13, end strength will be reduced a further 9,900 from 510,900 to 501,000. This will result in a reduction in Active Duty military end strength from 332,800 to 328,900, Reserve military end strength will decrease by 900 to 70,500, and Air National Guard military end strength will decrease by 5,100 to 101,600. Although the reductions in aircraft and personnel carry risk, we are committed to managing that risk and ensuring successful execution of the new strategic guidance.

Reserve Component

The Air Force has enjoyed great success in leveraging our Total Force Enterprise to present our enduring core capabilities to the Joint warfighter. The Air National Guard (ANG) and Air Force Reserve are integrated into all major Air Force mission areas, train to the same high standards as the Active Component, and are invaluable partners in helping us meet our many and varied commitments. This will not change—we will rely on our Air Reserve Component (ARC) as both a strategic and operational reserve. A strategic reserve can be employed to mobilize significant numbers of Airmen in the event of a significant national crisis while an operational reserve will still be used to augment day-to-day operations.

Maintaining the appropriate mix of forces between the Active and Reserve Components is critical to sustaining Air Force capabilities for forward presence, rapid response, and high-rate rotational demands within a smaller overall force. Over the years, we have adjusted the mix between Active and Reserve Components to ensure we maintained a ready and sustainable force and could meet our surge and rotational requirements. The Air Force has successfully met the demand of increased operations tempo through a combination of volunteerism, selective mobilization, and the establishment of Classic, Active, and ARC associations to better manage high activity rates. However, two decades of military end strength and force structure reductions in our Active Component have shifted the ratio of Active to Reserve Component forces. In 1990, the Reserve Component represented 25 percent of Total Force end strength; today that percentage is at 35 percent. Reserve Component aircraft ownership also increased from approximately 23 percent to 28 percent over the same period.

The Total Air Force leadership carefully considered the ratio between the Active and Reserve Components for the proposed force structure reductions in the 2013 budget request. The expected deployment tempo and the need to increase pilot seasoning drove the allocation of reductions between Components. The proper ratio between Components must be achieved to maintain acceptable operations tempo levels within each Component and to preserve the ability of a smaller Air Force to meet continued overseas presence demands and the rapid deployment and rotational force requirements of the strategic guidance.

While the Air Force Reserve and ANG are significantly affected by the proposed 2013 Air Force budget request, they remain essential elements of our Total Force. Due to the magnitude of the budget decline, our programmed reductions are wide-ranging, directly impacting over 60 installations. Thirty-three states will be directly impacted, but all 54 states and territories will be affected in some way by the proposed aircraft and manpower reductions. Although some squadrons will actually grow larger, it is unlikely that there will be a 100 percent backfill of personnel or alternative mission for every location. Without the Total Force re-missioning actions we are proposing, these reductions would have significantly affected 24 units and left eight installations without an Air Force presence.

In close coordination with our ANG and Air Force Reserve leaders, we have developed a detailed plan that will mitigate the impact by realigning missions to restore 14 of the 24 units. Nine of the remaining 10 units have existing missions, or the mission will transfer from the Air National Guard to the Air Force Reserve. Our plan also maintains an Air Force presence on

seven of the eight affected installations. This plan will allow us to preserve an appropriate Active to Reserve Component force mix ratio and minimizes the possibility of uncovered missions. The aircraft force structure changes also presented an opportunity for the ANG to realign manpower to ensure proper mission resourcing while simultaneously bolstering ANG readiness. The FY13 adjustments in strategy, force structure, and resources allowed us to realign manpower within the ANG to properly source its growing MC-12W and MQ-1/9 missions.

After the proposed force reductions and mitigations, Reserve Component end strength will make up 33 percent of Total Force military personnel, a reduction of two percent from the FY12 numbers. Within the CAF, the Reserve Component will have 38 percent of total aircraft which is four percent lower than FY12. For the MAF, the Reserve Component shares shifts from 51 percent to 46 percent. In order to maintain capability, the Air Force intends to grow the number of Total Force Integration associations from 100 to 115. This will enable the seasoning of our Active Duty personnel while improving the combat capacity of our Reserve Component.

READINESS

Readiness is comprised of complementary components, such as flying hours, weapon system sustainment, and facilities and installations. A good readiness posture depends on health in all of these key areas. In spite of aircraft divestments and reduction in personnel, we are committed to executing the defense strategy and will ensure America's Air Force remains ready to perform its mission every day. High operations tempo has had some detrimental effects on our overall readiness, particularly in the context of aging weapons systems and stress on our personnel. Since September 11, 2001, the Air Force has flown more than 455,000 sorties in support of Operations IRAQI FREEDOM and NEW DAWN and more than 350,000 sorties in support of Operation ENDURING FREEDOM. In 2011, our Airmen averaged approximately 400 sorties every day, with December 17, 2011, marking the first day in 20 years that the Air Force did not fly an air tasking sortie in Iraq. Maintaining our ability to be ready across the full spectrum of operations has been challenging in recent years, especially for the CAF and certain limited-supply/high-demand units. We will continue to revise our readiness tracking systems to provide increasingly accurate assessments and mitigate readiness shortfalls. Preserving readiness and avoiding a hollow force was a non-negotiable priority for the Air Force and the DoD in developing the 2013 budget.

Weapons System Sustainment

During previous budget cycles, the overall Air Force weapons system sustainment (WSS) requirement increased each year due to sustainment strategy, the complexity of new aircraft, operations tempo, force structure changes, and growth in depot work packages for legacy aircraft. In FY13, although the Air Force is retiring some combat, mobility, and ISR force structure, our overall weapon system sustainment requirements continue to increase. These cost increases, along with a reduction in the Service's Overseas Contingency Operations (OCO) request, resulted in a slight decrease in the percentage of weapons systems sustainment requirements funded from FY12 to FY13. Including the OCO request, WSS is funded at 79 percent of requirement in the FY13 budget.

We maintained our readiness capability in the portfolio areas most directly affecting readiness such as aircraft, engines, and missiles, while taking some risk in areas that are less readiness related in the short-term such as technical orders, sustaining engineering, and software. Additionally, the Air Force continues to conduct requirements reviews and streamline organizations and processes to reduce maintenance and material costs, develop depot efficiencies, and manage weapon system requirements growth. The goal of these efforts is to sustain FY12 weapon system sustainment performance levels for FY13.

Facility Sustainment, Restoration and Modernization

The sustainment portion of facilities sustainment, restoration and modernization (FSRM) was funded just over 80 percent of the Office of the Secretary of Defense (OSD) facility sustainment model. Due to current fiscal realities the revised strategic guidance, the Air Force is also taking a deliberate pause in its military construction (MILCON) program, resulting in a nearly $900 million reduction from FY12 enacted levels. To manage the risk associated with these actions we continue civil engineering transformation to employ an enterprise-wide, centralized, asset management approach to installation resourcing which maximizes each facility dollar.

Flying Hour Program

The emphasis on readiness in the new strategic guidance reinforced Air Force focus on the importance of maintaining our flying hour program (FHP). The FY13 budget removes flying hours where associated with the retirement of some of our oldest aircraft and divestiture of single-role mission weapon systems. In the remainder of the FHP, however, levels are consistent with FY12 levels to prevent further erosion of readiness. The FY13 baseline FHP remains optimized as we continue to fly a significant portion of our hours in the Central Command (CENTCOM) area of responsibility (AOR), but still poses a measured risk to our full spectrum training and readiness levels, especially with our tactical fighters. As operations in the CENTCOM AOR decrease, these OCO hours will migrate back to our baseline program to ensure peacetime FHP requirements are met. We are also committed to a long-term effort to increase our live, virtual, and constructive operational training (LVC-OT) capability and capacity by funding improvements in our LVC-OT devices (e.g., simulators and virtual trainers) and networks.

Although the Air Force has no single rollup metric to measure flying hour program requirements, we are working toward a set of metrics that clearly articulate the training requirements needed to support desired readiness levels. Our challenge is that the diversity of our missions does not lend itself to yardsticks like “hours per crewmember per month.” The Air Force operates a wide variety of aircraft – including multi-role aircraft – that require differing training requirements in amount and type for each aircrew member. In addition, we have critical space and cyber units that involve no aircraft at all. As we develop FHP metrics, we will dovetail our efforts with the work being done at the Cost Assessment and Program Evaluation (CAPE) office at the Office of the Secretary of Defense to study the relationship between defense funding and military readiness and mature necessary metrics and assessment tools.

Even though the Air Force will be smaller in capacity, we will remain highly capable and lethal, as well as ready, agile, and deployable.

MODERNIZATION

Looking ahead, the Air Force faces two primary strategic challenges. In the face of declining budgets, we must still provide the essential force structure and capabilities on which the Joint Force depends. Historical and projected uses of U.S. military forces, and our inability to accurately predict the future, make the complete divestment of the capability to conduct any one of the twelve Air Force Core Functions imprudent. Yet, the new strategic guidance also requires continuing modernization of our aging force to address the proliferation of modern threats. Finding the right balance requires a long-range plan that begins with a strategic vision. Implementing across the board cuts will not produce the envisioned Joint Force of 2020.

Accordingly, we carefully scrutinized all our weapons systems and capabilities to determine which require investment today and those that can be deferred. We then made the tough choices to maximize our military effectiveness in a constrained resource environment. Combat and combat support aircraft force structure reductions, coupled with reduced development and procurement of preferred munitions and other key modernization programs, were essential to achieving the Air Force FY13 budget targets.

In FY13, we have programmed $35.8 billion for modernization, approximately 33 percent of the Air Force total obligation authority. We are slowing the pace and scope of modernization while protecting programs critical to future warfighter needs. Focused investment in high priority programs such as the F-35 Joint Strike Fighter, Long Range Strike Bomber, KC-46A refueling tanker, service-life extension of the F-16, Space-Based Infrared and Advanced Extremely High Frequency satellites, space situational awareness capabilities, and our space launch capability is critical to the Department's overall strategy. Access and continued freedom of maneuver within cyberspace is an essential requirement for our networked force, therefore the development of offensive and defensive cyber capabilities remains a top Air Force priority. Additionally, in coordination with the Navy, the Air Force will fund modern radars, precision munitions, and other priorities to support the ASB concept and ensure worldwide power projection despite increasing A2/AD challenges.

To continue funding these high priority investments, we made the hard choices to terminate or restructure programs with unaffordable cost growth or technical challenges such as the RQ-4 Block 30, B-2 Extremely High Frequency radio improvements, and the Family of Advanced Beyond Line of Sight Terminals. We eliminated expensive programs, such as the C-130 Avionics Modernization Program, the C-27J program, and Defense Weather Satellite System, which have more affordable alternatives that still accomplish the mission. Likewise, we discontinued or deferred programs that are simply beyond our reach in the current fiscal environment, such as the Common Vertical Lift Support Platform, Light Mobility Aircraft, and Light Attack and Armed Reconnaissance aircraft. The FY13 budget also accepts significant near-term risk in military construction for current mission facilities, limiting ourselves to projects required to support new aircraft bed downs and emerging missions.

Underpinning the Air Force's ability to leverage and field these crucial technologies is America's aerospace research and development infrastructure—a national asset that must be protected to ensure future U.S. advantages in technology and civil aerospace. Therefore, the Air Force's budget protects science and technology funding as a share of our total resources.

MORE DISCIPLINED USE OF DEFENSE DOLLARS

In June 2010, the Secretary of Defense challenged the Services to increase funding for mission activities by identifying efficiencies in overhead, support, and other less mission-essential areas in an effort to identify $100 billion in DoD savings for reinvestment. Our FY13 budget continues to depend on successfully managing and delivering the $33.3 billion in Air Force efficiencies from FY12 to FY16 associated with the FY12 PB submission. We are actively managing and reporting on these, as well as the Air Force portion of DoD-wide efficiencies. In light of the current budget constraints, the Air Force continues to seek out opportunities for additional efficiencies.

The FY13 budget request includes additional savings of $6.6 billion over the next five years from our more disciplined use of defense dollars. This represents $3.4 billion in new efficiency efforts as well as $3.2 billion in programmatic adjustments. These reductions continue to focus on overhead cost reductions and spending constraints consistent with Executive Order 13589, "Promoting Efficient Spending," and an OMB memo, dated November 7, 2011, to reduce contract spending for management support services. Areas in which we are seeking major efficiencies and spending reductions in this budget submission include information technology, service contracts, travel, and inventory.

We are identifying and eliminating duplicate information technology applications across our business and mission system areas. Policies and better spending controls will be placed within modernization and legacy systems sustainment areas. We have committed to save $100 million in FY13 and $1.1 billion across the FYDP in this area. We continue to put downward pressure on service support contract spending and are committing to an additional $200 million reduction in FY13 and $1 billion across the FYDP. These efforts are consistent with Secretary of Defense-directed efficiencies across the DoD and OMB guidance to reduce contract spending by 15 percent by the end of FY12 from an FY10 baseline. Executive Order 13589 also directs reductions in travel across Departments. The Air Force budget for travel has steadily declined from actual spending of $984 million in FY10 to a budgeted-level of $810 million in FY12. Between Air Force budget reductions and DoD-directed travel reductions, the FY13 PB reflects an additional $116 million travel savings in FY13 and $583 million across the FYDP. Finally, a bottom-up review of base-level inventory is planned, with the intent of identifying consumable and repairable items that are excess, including Government Purchase Card-procured excess inventory. We estimate $45 million savings in FY13 and $225 million across the FYDP.

TAKING CARE OF OUR PEOPLE

Regardless of any strategy realignment or future mission commitment, the hallmark of our success as an Air Force has always been, and will remain, our people. Our mission effectiveness depends first and foremost on the readiness and dedication of our Airmen. Nearly two decades

of sustained combat, humanitarian, and stability operations have imposed extraordinary demands on our force. As we look to the future of reduced funding and fewer manpower positions, we are working hard to continue meeting the needs of a 21st Century force. The Nation owes a debt of gratitude for the sacrifices made by our Airmen and their families.

Despite the difficult budgetary environment, we are committed to our Air Force community. Therefore, quality of service programs must continue as one of our highest priorities. We are sustaining cost-effective services and programs to maintain balanced, healthy, and resilient Airmen and families so that they are equipped to meet the demands of high operations tempo and persistent conflict. As our force changes, we must adapt our programs and services to ensure we meet the needs of today's Airmen and their families. Developing our Airmen will be a key focus as we continue efforts to reduce the "cost of doing business" and develop lighter-footprint approaches to achieving security objectives. We will do this by developing expertise in foreign language, regional, and cultural skills while also ensuring our educational programs focus on current and anticipated mission requirements.

Even as Air Force end strength continues to be reduced, requirements for some career fields—like special operations, ISR, and cyber—continue to grow. We will continue to size and shape the force through a series of voluntary and involuntary programs designed to retain the highest quality Airmen with the right skills and capabilities. As we take steps to reduce our end strength, we will offer support programs to help separating Airmen translate their military skills to the civilian workforce and facilitate the transition in a way that capitalizes on the tremendous experience in technical fields and leadership that they accrue while serving.

Although retention is at a record high, we must sustain accessions for the long term and utilize a series of recruiting and retention bonuses to ensure the right balance of skills exist across the spectrum of the force. Enlistment bonuses are the most effective, responsive, and measurable tool for meeting requirements growth in emerging missions, while retention bonuses encourage Airmen to remain in, or retrain into, career fields with high operational demands.

We recognize the unique demands of military service and want to ensure that our Airmen are compensated in a way that honors that service. Accordingly, the President has announced a 1.7 percent increase in basic military pay for FY13. The costs of military pay, allowances, and health care have risen significantly in the last decade. These costs have nearly doubled DoD-wide since FY01 while the number of full-time military personnel, including activated reserves, has increased only eight percent. As budgets decrease, we must find ways to achieve savings in this area to prevent overly large cuts in forces, readiness, and modernization. As part of a DoD-wide effort, we are looking at a gamut of proposals, including health care initiatives and retirement system changes, to meet deficit reduction targets and slow cost growth. Proposed health care changes will focus on working age retirees and the retirement commission will address potential future changes, with the current force grandfathered into the current system. The defense budget includes a number of proposals to control health care cost growth in FY13 and for the longer term. The recommendations included in the budget reflect the proper balance and the right priorities.

We must go forward with balanced set of reductions in the military budget that not only implements the strategic guidance, but also does our part to alleviate the Nation's economic difficulties. Any solutions to this problem will be deliberate, will recognize that the All Volunteer Force is the core of our military, and will not break faith with the Airmen and families who serve our Nation.

With this as a backdrop, the Air Force has approached its investment strategy in a way that seeks to apply our resources to the people, programs, and systems that will best contribute to the new DoD strategic guidance.

Air Force Core Functions

The Air Force Core Functions provide a framework for balancing investments across Air Force capabilities and our enduring contributions as we align our resources to the new defense strategic guidance. However, none of these core functions should be viewed in isolation. There is inherent interdependence among these capabilities within the Air Force, the Joint Force, and in some cases, throughout the United States Government. The Air Force's budget request of $110.1 billion reflects the difficult choices that had to be made as a result of Air Force fiscal limitations, while still providing an appropriate balance of investment across our core functions in a way that best supports key DoD military missions. Additional detailed information about each core function, including specific investment figures, can be found in the Budget Overview Book and in the detailed budget justification documents provided to the Congress.

Air Superiority

U.S. forces must be able to deter and defeat adversaries in multiple conflicts and across all domains. In particular, even when U.S. forces are committed to a large-scale operation in one region, they must also be capable of denying the objectives of – or imposing unacceptable costs on – an opportunistic aggressor in a second region. Securing the high ground is a critical prerequisite for any military operation to ensure freedom of action for the Joint Force and the Nation. In making operational plans, American ground forces assume they will be able to operate with minimal threat of attack from enemy aircraft or missile systems. For nearly six decades, Air Force investments, expertise, and sacrifice in achieving air superiority have ensured that condition. The last time any American ground forces were killed by an enemy air strike was April 15, 1953.

But while the United States has enjoyed this control of the air for the last sixty years, there is no guarantee of air superiority in the future. Airspace control remains vitally important in all operating environments to ensure the advantages of rapid global mobility, ISR, and precision strike are broadly available to the Combatant Commander. Fast growing, near-peer capabilities are beginning to erode the legacy fighter fleet's ability to control the air. Likewise, emerging adversaries are developing significant air threats by both leveraging inexpensive technology to modify existing airframes with improved radars, sensors, jammers and weapons, and pursuing fifth-generation aircraft. Simultaneously, current operations are pressing our legacy systems into new roles. As a result, the legacy fighter fleet is accumulating flying hours both faster and differently than anticipated when they were purchased decades ago.

Given these realities, the Air Force's FY13 budget request includes $8.3 billion for initiatives to address current and future air superiority needs. We continue incremental modernization of the F-22 fleet, including Increment 3.2A, a software-only upgrade adding new Electronic Protection (EP) and combat identification techniques. The FY13 budget request includes approximately $140.1 million for Increment 3.2B, which includes the integration of AIM-120D and AIM-9X capabilities, data link improvements, and faster, more accurate target mapping. We are continuing the F-15 active electronically scanned array (AESA) radar modernization program, funding the F-15 Advanced Display Core Processor (ADCP), and funding the development and procurement of an Eagle Passive/Active Warning and Survivability System (EPAWSS). We are also investing in fourth-generation radar upgrades to ensure their continued viability, sustaining the development and procurement of preferred air-to-air munitions and select electronic warfare enhancements, and resourcing critical readiness enablers, including training capabilities and modernized range equipment.

As part of our Airspace Control Alert mission, the Air Force, working closely with U.S. Northern Command, reduced full time Air National Guard requirements at two sites while maintaining overall surveillance and intercept coverage.

GLOBAL PRECISION ATTACK

A critical component of the broader mission to deter and defeat aggression is the Air Force's ability to hold any target at risk across the air, land, and sea domains through global precision attack. Global precision attack forces perform traditional strike and customized ISR roles to support Joint and Coalition ground forces every day. However, as A2/AD capabilities proliferate, our fourth-generation fighter and legacy bomber capability to penetrate contested airspace is increasingly challenged.

The A2/AD threat environment prescribes the type of assets that can employ and survive in-theater. While the Air Force provides the majority of these assets, success in this hazardous environment will require a combined approach across a broad range of assets and employment tools. Even then, these will only provide localized and temporary air dominance to achieve desired effects. Simultaneously, ongoing contingency operations in a permissive, irregular warfare environment at the lower end of the combat spectrum require adapted capabilities, including longer aircraft dwell times and increasing use of our platforms in unique intelligence gathering roles. Our FY13 budget request of $15.5 billion applies resources that will help the Air Force best meet threats in evolving A2/AD environments.

To enhance our global strike ability, we are prioritizing investment in fifth-generation aircraft while sustaining legacy platforms as a bridge to the F-35 Joint Strike Fighter, the centerpiece of our future precision attack capability. In addition to complementing the F-22's world class air superiority capabilities, the F-35A is designed to penetrate air defenses and deliver a wide range of precision munitions. This modern, fifth-generation aircraft brings the added benefit of increased allied interoperability and cost-sharing between Services and partner nations. The FY13 budget includes approximately $5 billion for continued development and the procurement of 19 F-35A Conventional Take-Off and Landing (CTOL) aircraft, spares, and support equipment. In FY13 we deferred 98 CTOLs from the F-35A program.

As we move toward fifth-generation recapitalization, we are funding fourth-generation fighter modernization to ensure a capable global attack fleet. Reserve Component recapitalization will begin based on F-35 production rates, basing decisions, the F-16 Service Life Extension Program (SLEP), and Combat Avionics Programmed Extension Suite (CAPES). The Air Force will continue to plan and program for approximately 350 F-16 service life extensions and capability upgrades over the FYDP to ensure a viable F-16 combat capability across the Total Force and to mitigate the effects of F-35 procurement rate adjustments on the total fighter force capacity during completion of system development and Low Rate Initial Production.

In our FY13 submission, we accepted risk by retiring 102 A-10s and 21 F-16s. Although the A-10 remains essential for combined arms and stability operations, we chose to retire more A-10s because other multi-role platforms provide more utility across the range of the potential missions. We are retaining enough A-10s to meet the direction of the new strategic guidance to maintain readiness and capability while avoiding a hollow force.

We are modernizing conventional bombers to sustain capability while investing in the Long-Range Strike Family of Systems. The bomber fleet was retained at its current size because we recognized the importance of long range strike in the current and future security environments. The Air Force is enhancing long range strike capabilities by upgrading the B-2 fleet with an improved Defensive Management System (DMS) and a new survivable communication system, and is increasing conventional precision guided weapon capacity within the B-52 fleet. We are investing $191.4 million in modernizing the B-1 to prevent obsolescence and diminishing manufacturing sources issues and to help sustain the B-1 to its approximate 2040 service life. In addition to aircraft modernization, we are upgrading our B-1 training and simulator systems to match aircraft configuration and ensure continued sustainability.

Procuring a new penetrating bomber is critical to maintaining our long-range strike capability in the face of evolving A2/AD environments. The new long-range, penetrating, and nuclear-capable bomber (LRS-B), which will be capable of both manned and unmanned operations, will be designed and built using proven technologies, and will leverage existing systems to provide sufficient capability. It will also permit growth to improve the system as technology matures and threats evolve. We must ensure that the new bomber is operationally capable before the current aging B-52 and B-1 bomber fleets are retired. LRS-B is fully funded at $291.7 million in the FY13 budget.

GLOBAL INTEGRATED INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE

Global integrated ISR includes conducting and synchronizing surveillance and reconnaissance across all domains—air, space, and cyber. These ISR capabilities produce essential intelligence to achieve decision superiority through planning, collecting, processing, analyzing and rapidly disseminating critical information to national- and theater-level decision-makers across the spectrum of worldwide military operations. Air Force ISR growth and improvement over the last decade has been unprecedented. Because of the dynamic nature of the operating environment, the Air Force conducted an extensive review of the entire Air Force ISR enterprise in 2011 to inform future planning and programming decisions. Even as the United States plans to reduce our military presence in CENTCOM AOR, Combatant Commands will continue to use

our ISR capabilities to combat global terrorism, provide global and localized situational awareness, and support future contingencies.

Recognizing the need for continued and improved ISR capabilities, and based on the 2011 ISR review, the Air Force is investing $7.1 billion in this core function in FY13. We are continuously improving the current suite of capabilities and will field the MQ-9 Reaper to meet delivery of 65 remotely piloted aircraft (RPA) combat air patrols (CAPs) by May 2014. We are actively managing our procurement rate of MQ-9s to efficiently increase RPA fleet size while allowing for necessary aircrew training. We are extending operations for the U-2 Dragon Lady manned aircraft, in lieu of investing more heavily in the RQ-4 Block 30 Global Hawk fleet. Despite early predictions, the savings anticipated by the use of Global Hawks have not come to fruition and we will not invest in new technology at any cost. Divesting the RQ-4 Block 30 fleet and extending the U-2 will save the Air Force $815 million in FY13 and $2.5 billion across the FYDP. Sustaining the U-2 fleet will ensure affordable and sustained high altitude ISR for the Combatant Commanders and Joint warfighters.

We will maintain investment in the MC-12 Liberty as we transfer it to the Air National Guard, but we will establish Active unit associations to meet combat air patrol and surge requirements. The MC-12 will also perform the mission carried out by the RC-26 as we divest 11 of those aircraft from the Air National Guard (ANG). In the ANG, six RPA units have been or are currently being established, and an additional five units will stand-up in FY13. An ANG ISR group with two squadrons will be established to conduct ISR in cyberspace and to conduct digital network intelligence and cyber target development.

We are developing a more balanced and survivable mix of airborne platforms to enable continued operations in permissive environments and to enable operations in A2/AD environments. We are exploring innovative ways to leverage space and cyberspace capabilities as part of the overall mix of ISR capabilities and partner with Joint, Coalition, and Interagency partners, including the use of Air-Sea Battle as a framework to develop required capabilities for the Joint fight. We are investing $163 million in FY13 in our ground processing enterprise, the Distributed Common Ground System, and will continue migration to a service-oriented architecture to handle the increasing quantities of ISR data that is integrated and delivered from emerging sensors and platforms operating in all domains. We will also improve our ability to move information securely and reliably over information pathways. Finally, we are improving analyst capability through improved training, automation and visualization tools while we deliberately plan for future operations using a refined capability planning and analysis framework.

CYBERSPACE SUPERIORITY

Access and continued freedom of maneuver within cyberspace is an essential requirement for our networked force. Today's modern forces require access to reliable communications and information networks to operate effectively at a high operations tempo. Air Force and DoD networks face a continuous barrage of assaults from individual hackers, organized insurgents, state-sponsored actors, and all level of threats in between. Our adversaries are also realizing gains from electronically linking their combat capabilities. This is creating new warfighting

challenges that the Joint Force must be prepared to address. As we work to ensure our freedom of movement in cyberspace, we will also work with Service, Joint, and Interagency partners on additional and further-reaching cyberspace initiatives.

We are using a cyber strategy which not only improves the Air Force's ability to operate in cyberspace, but also mitigates constantly increasing infrastructure costs. This approach focuses on near-term FYDP investments to automate network defense and operations which increase both combat capacity and effectiveness. This effort, led by 24th Air Force, under Air Force Space Command, includes continued development of the Single Integrated Network Environment which provides a seamless information flow among air, space, and terrestrial network environments, and most importantly, mission assurance to the warfighter.

Our FY13 budget request for cyberspace superiority is $4.0 billion. With these funds, we are expanding our ability to rapidly acquire network defense tools, such as Host Based Security System, a flexible, commercial-off-the-shelf (COTS)-based application to monitor, detect, and counter cyber-threats to the Air Force Enterprise. We are also investing in advanced technologies to monitor and secure both classified and unclassified networks. We have made considerable progress in our efforts to meet the emerging challenges and threats in cyberspace by fielding a Total Force of over 45,000 trained and certified professionals equipped to ensure continuity of operations in cyberspace. The establishment of an additional ANG network warfare squadron (NWS) will enhance the Maryland ANG 175th NWS as they actively conduct cyber defense to protect networks and systems. The Air Force Reserve will also stand up an Active Association Network Warfare Squadron with the 33rd Network Warfare Squadron at Lackland AFB, Texas.

To keep with the rapid pace of technology, the Air Force is developing Joint standardization and acquisition strategies to enable quick delivery of cyber capabilities to address constantly evolving and more technologically advanced cyber threats and to improve intelligence capabilities in cyberspace. The Air Force is spending $27.3 million on the Air Force Wideband Enterprise Terminal, leveraging Army procurement efforts for significant quantity savings, Joint standardization, interoperability, and enabling wideband global satellite communication (SATCOM) Ka-band utilization, resulting in greater bandwidth for deployed warfighters. The Air Force continues efforts toward the Single Air Force Network, which increases Air Force network situational awareness and improves information sharing and transport capabilities. For future budget requests, the Air Force is working with DoD to define near- and long-term solutions to deliver warfighting communication capabilities, such as Family of Advanced Beyond Line of Sight Terminals (FAB-T) and upgrading the Air Force's wideband enterprise terminals to provide Joint standardization and greater bandwidth.

SPACE SUPERIORITY

America's ability to operate effectively across the spectrum of conflict also rests heavily on Air Force space capabilities. Airmen provide critical space capabilities that enhance the DoD's ability to navigate accurately, see clearly, communicate confidently, strike precisely, and operate assuredly. General purpose forces, the intelligence community, and special operations forces depend on these space capabilities to perform their missions every day, on every continent, in the

air, on the land, and at sea. In addition, space operations help ensure access and use of the global commons, enabling a multitude of civil and commercial activities such as cellular communications, commercial and civil aviation, financial transactions, agriculture and infrastructure management, law enforcement, emergency response, and many more. Like air superiority, space-based missions can easily be taken for granted.

The Air Force has maintained its record of successful space launches, began on-orbit testing of the first Advanced Extremely High Frequency military communications satellite, and launched the first Space Based Infrared System geosynchronous satellite. Our ability to deliver space capabilities is currently without equal. As we become a smaller, leaner force in accordance with the new defense strategic guidance, the leveraging and multiplying effects that space provides will become increasingly important. Improving space situational awareness will be key to protecting the unique advantage space provides.

Rapid technology advancements and the long-lead time for integrating and fielding new space technology results in an ongoing need to plan, design, and implement space advancements. We must procure our space systems at the lowest cost possible while providing assured access to space. Our innovative acquisition strategy for the Efficient Space Procurement (ESP)[1] of complex space systems is designed to identify efficiencies and use those resources to provide enduring capability and help provide stability to the space industrial base. We are again requesting advance appropriations to fully-fund the satellites being procured under ESP. While we are modernizing and sustaining many of our satellite constellations, funding constraints have slowed our ability to field some space capabilities as rapidly as is prudent. Therefore, as we continue to sustain our current level of support to the warfighter, the current fiscal environment demands that we explore alternate paths to provide resilient solutions. As we incorporate the tenets of the new National Space Policy and National Security Space Strategy, we are actively developing architectures that take into consideration the advantages of leveraging international partnerships and commercial space capabilities. One example being tested is a commercially hosted infrared payload (CHIRP) launched from Guiana Space Center, Kourou, French Guiana, which begins to explore the utility of a dedicated payload for missile warning hosted on a commercial communications satellite.

With the $9.6 billion in funds for space programs in the FY13 budget request, the Air Force is recapitalizing many space capabilities, fielding new satellite communications systems, replacing legacy early missile warning systems, improving space control capabilities, and upgrading position, navigation and timing capabilities with the launch of Global Positioning System (GPS) IIF satellites and the acquisition of GPS III satellites. Consistent with the 2012 National Defense Authorization Act (NDAA) and Department of Defense Appropriations Act, the Air Force is canceling the Defense Weather Satellite System, saving $518.8 million in FY13 and $2.38 billion over the FYDP. The Defense Meteorological Satellite Program (DMSP) will continue to fulfill this critical requirement as the Air Force determines the most prudent way forward.

[1] Previously known as Evolutionary Acquisition for Space Efficiency (EASE).

NUCLEAR DETERRENCE OPERATIONS

Credible nuclear capabilities are required to deter potential adversaries from attacking our vital interests and to assure our allies of our commitments. Although the threat of global nuclear war has become remote since the end of the Cold War, the prospect of nuclear terrorism has increased. Proliferation of nuclear weapons, especially among regional power aspirants, is on the rise. Advanced air defenses increasingly threaten the survivability of current bombers. Area denial and ballistic missile threats reduce our basing options and challenge the responsiveness and survivability of long range strike. As a result, the United States must shape its deterrent forces to maintain stability among existing nuclear powers, to strengthen regional deterrence, and to reassure U.S. allies and partners.

The Air Force is responsible for two of the three legs of the nuclear triad and continuing to strengthen the Air Force nuclear enterprise remains a top Air Force priority. Air Force investment in our bombers and intercontinental ballistic missile (ICBM) systems reflects our commitment to the nuclear deterrence mission well into the future. Our request of $5.1 billion for this core function in FY13 increases sustainment for the Minuteman III ICBM through 2030 with fuze component replenishment and replacement programs, as well as new transporter erectors. We are also enhancing long range strike capabilities by upgrading the B-2s with an improved Defensive Management System (DMS) and a new survivable communication system. These investments will ensure the Air Force maintains the capability to operate and sustain safe, secure and effective nuclear forces to deter adversaries, hold any target at risk, and respond appropriately if deterrence fails. In particular, the responsiveness of the ICBM leg and the flexibility of the bomber leg are valued attributes of the nuclear force. We are committed to a future force that will have the flexibility and resiliency to adapt to changes in the geopolitical environment or cope with potential problems in the nuclear stockpile.

The New Strategic Arms Reduction Treaty requires the United States to reduce warheads and delivery capacity by 2018. Our FY13 budget request includes $20.1 million to fund treaty preparatory actions that began in FY12 and additional actions necessary to accomplish the treaty-required reductions by 2018. While final force structure decisions have not yet been made, we are continuing to develop detailed plans, working with the Department of Defense and U.S. Strategic Command, for executing force reduction decisions which retain the attributes of the Triad needed for 21st Century deterrence.

RAPID GLOBAL MOBILITY

The Air Force provides unparalleled in-flight refueling and cargo carrying capacity in support of worldwide operations. Mobility forces provide vital deployment and sustainment capability for Joint and Coalition forces by delivering essential equipment, personnel, and materiel for missions ranging from major combat operations to humanitarian relief operations. Achieving unprecedented survival rates, our highly skilled aeromedical transport teams swiftly evacuate combat casualties, ensuring our wounded warriors receive the best possible medical care. A unique Air Force contribution, rapid global mobility must be maintained on a scale to support DoD force structure and national strategic objectives.

On any given day, the Air Force fleet of C-17s and C-5s deliver critical personnel and cargo, provide airdrop of time-critical supplies, food, and ammunition, and enable rapid movement of personnel and equipment. Air Force air refueling aircraft will continue to play a vital, daily role in extending the range and persistence of almost all other Joint Force aircraft. The Air Force remains committed to fully funding the acquisition of the new KC-46A tanker with $1.8 billion in research, development, testing, and evaluation (RDT&E) in FY13, while also resourcing critical modernization programs for the KC-10 and KC-135 fleets. This will ensure our Nation retains a tanker fleet able to provide crucial air refueling capacity for decades to come. The retirement of 20 KC-135s is consistent with our analysis of warfighting scenarios based on the strategic guidance and will results in savings of $22.5 million in FY13. As part of our energy efficiency initiatives, we plan to begin upgrading 93 KC-135 engines in FY13 and 100 more each year through the FYDP. We anticipate overall savings in fuel and maintenance of $1.5 billion from this $278 million investment.

In addition, with our FY13 budget request of $15.9 billion in rapid global mobility funds, the Air Force will continue to modernize its inter-theater airlift fleet of C-17s and C-5s. To move towards a common fleet configuration, the Air Force is investing $138.2 million in FY13 for the Global Reach Improvement Program (GRIP). The GRIP brings the multiple variants of C-17 to a standard configuration, designated the C-17A, that will provide efficiencies in operations and weapon system sustainment. We also plan to transfer eight C-17s from the Active Component to the ANG in FY13, and an additional eight in FY15. We are modernizing the most capable C-5 airframes while retiring the final 27 of the oldest model, the C-5A. On the remaining 52 C-5s, the Air Force is investing $1.3 billion in modernization in FY13 to improve capability and reliability, including $1.23 billion on the Reliability Enhancement and Re-engining Program. We currently have seven operational C-5Ms. The retirement of the last C-5A by FY16 is timed to match the completion of the last C-5M upgrade.

Because the strategic guidance reduced the overall requirement for intra-theater airlift, we are retiring C-130H aircraft (39 in FY13 and a total of 65 over the FYDP). These older aircraft would require costly modification or modernization to remain viable. We will maintain the necessary intra-theater airlift capability and capacity by completing the recapitalization of older C-130E/H aircraft with the C-130J. The remaining legacy C-130H aircraft are being modernized to reduce sustainment costs and ensure global airspace access.

Finally, after rigorous mission analysis, we determined the mission performed by the C-27J fleet could be performed by the C-130 fleet which is fully capable of meeting direct ground support and homeland defense requirements.[2] The fiscal constraints that demand we become a smaller Air Force also support the decision to retain aircraft that have multiple role capabilities, like the C-130. Therefore, all 21 C-27Js in the current fleet will be retired and we are canceling procurement of 17 additional aircraft. Without question, the Air Force's commitment to support time-sensitive, mission-critical direct airlift support to the Army is unaltered by the divestment of the C-27J.

[2] Six of the seven Air National Guard units that are affected by the divestment of the C-27J fleet are being backfilled with MC-12W Liberty, ISR/cyber, MQ-9, or C-130 units.

COMMAND AND CONTROL

Command and control (C2) of our forces has never been more vital or more difficult than in the highly complex 21st Century military operations that depend on close Joint and Coalition coordination. C2 is the key operational function that ties all the others together to achieve our military objectives, enabling commanders to integrate operations in multiple theaters at multiple levels through planning, coordinating, tasking, executing, monitoring and assessing air, space, and cyberspace operations across the range of military operations. No longer in a Cold War technological environment, the Air Force is transforming its C2 to an internet protocol-based net-centric war fighting capability. To do so, the Air Force must sustain, modify, and enhance current C2 systems, and develop deployable, scalable, and modular systems that are interoperable with Joint, Interagency, and Coalition partners.

The Air Force is focusing its attention to modernization efforts to operate in A2/AD environments with our fourth- and fifth-generation weapon systems. In doing so, the Air Force will continue to use a balanced approach across the C2 portfolio by investing in sustaining legacy platforms while modernizing our C2 aircraft fleet and ground operating nodes only as needed to sustain our capability. Our FY13 budget request of $5.8 billion for C2 includes $200 million to support secure and reliable strategic level communications through the E-4 National Airborne Operations Center (NAOC). We are also spending $22.7 million to begin fielding a cockpit modernization development program to sustain the capability of the existing Airborne Warning and Control System (AWACS) platform and we will continue to modernize and sustain the Theater Air Control System Command and Control Centers (CRC). The modernization of the Air Operations Center (AOC) will move this weapon system to an enterprise system which can accept rapid application upgrades and enable future warfighting concepts.

To reduce unnecessary cost, the Air Force will retire one JSTARS aircraft that is beyond economical repair, saving the Air Force $13 million in FY13 and $91 million over the FYDP. The JSTARS re-engining system development and demonstration (SDD) flight test program completed in January 2012; however, because the FY12 NDAA reduced re-engining funding, full completion of the re-engining SDD is under review. The JSTARS re-engining program is not funded in FY13. We also terminated our portion of the Army-managed Joint Tactical Radio System (JTRS) small airborne radio program that was over cost and behind schedule and will instead leverage industry-developed hardware, while continuing the development of the required radio waveforms. The termination of this program and the associated non-recurring engineering will save $294 million in FY13 and $3.2 billion over the FYDP.

SPECIAL OPERATIONS

Success in counterterrorism and irregular warfare missions requires the ability to conduct operations in hostile, denied, or politically sensitive environments, using other than conventional forces. Air Force special operations capabilities continue to play a vital role in supporting U.S. Special Operations Command and geographic Combatant Commanders. U.S. special operations forces (SOF) depend on a balanced force of air, sea, and land capabilities; Air Commandos bring specialized expertise for infiltration and exfiltration and the kinetic and non-kinetic application of airpower that are essential to Joint special operations capabilities.

Our investments in SOF must strike a balance between winning today's fight and building the Joint special operation force of the future, including the ability to act unilaterally when necessary. Despite the challenging fiscal environment, with our budget request of $1.2 billion, the Air Force was able to sustain nearly all of the SOF aviation improvements realized over the past several years. The programmed buy of 50 CV-22 Ospreys will complete in FY14, and the procurement of MC-130Js for the recapitalization of 37 MC-130E/Ps will also complete in FY14. MC-130H/W recapitalization will begin in FY15, a year earlier than scheduled in the FY12 PB, which ensures a continued, more capable SOF mobility fleet. The Air Force is modernizing our SOF precision strike capability by procuring AC-130Js, on a one-for-one basis, to recapitalize our legacy AC-130Hs. We are also ensuring our Battlefield Airmen continue to receive first-class equipment and training by adding funds to operations and maintenance accounts.

PERSONNEL RECOVERY

The Air Force remains committed to modernizing crucial combat search and rescue (CSAR) capabilities. The additional use of personnel recovery (PR) forces for medical and casualty evacuation, humanitarian assistance, disaster response, and civil search and rescue operations has steadily risen since the early 1990s. This increase in usage has taken its toll on the aircraft and significantly affected availability. Currently, Air Force PR forces are fully engaged in the CENTCOM and Africa Command AORs, accomplishing lifesaving medical and casualty evacuation missions. They are also supporting domestic civil land and maritime search and rescue, humanitarian assistance/disaster relief, and mass casualty evacuation missions. The dynamic geopolitical environment suggests that the continued need for PR forces to conduct non-permissive CSAR in contingency operations and permissive humanitarian assistance, disaster response, and civil search and rescue operations will remain.

To ensure the Air Force is able to provide this vital core function in the future, we are recapitalizing our fixed wing aircraft, replenishing our rotary wing aircraft through the Operational Loss Replacement (OLR) program, and replacing aging rotary wing aircraft through the Combat Rescue Helicopter (CRH) program. The $1.4 billion FY13 budget request for PR includes $152.2 million for the HC-130J and $183.8 million for the OLR and CRH programs. The FY13 RDT&E funding for the CRH was reprogrammed to support the acquisition of two test aircraft. The program remains on track to produce a replacement for the HH-60G through a full and open competition, with initial operational capability planned for FY18. The Air Force also continues to fund the HH-60G and HC-130 sustainment programs while continuing to invest in the Guardian Angel program that provides first-class equipment and training for the rescue force.

BUILDING PARTNERSHIPS

Building the capacity of partner governments and their security forces is a key element in our national security strategy. The establishment of strong, foundational aviation enterprises in our partner nations enables successful, sustainable security within their own borders while contributing to regional stability. Successful partnerships ensure interoperability, integration and interdependence between air forces, allowing for effective combined and coalition operational

employment. These partnerships also provide partner nations with the capability and capacity to resolve their own national security challenges, thereby reducing the potential demand for a large U.S. response or support.

The necessity for partnering is evident every day in Afghanistan where U.S. and Coalition air forces provide flexible and efficient airpower support to International Security Assistance Force operations. In both Iraq and Afghanistan, Airmen are building the capabilities and capacities of the Iraqi and Afghanistan air forces so that they can successfully employ airpower in their own right. In addition, the success of the Libya operations last year can be partly attributed to years of engagement that led to improved interoperability and highly capable and equipped partner nations.

These international engagements require Airmen to perform their duties effectively and achieve influence in culturally-complex environments around the globe. Fielding the Joint Strike Fighter and other platforms will help further our partnerships with more established allies. The U.S. role in the 12-nation Strategic Airlift Consortium enables a unique fully operational force of three C-17s to meet the airlift requirements of our European allies. The FY13 budget request of approximately $300 million in this core function continues to fully resource the Strategic Airlift Consortium effort at Papa AB, Hungary. The Air Force also committed to field a new aviation detachment in Poland.

Due to fiscal constraints, the Air Force terminated the Light Attack Armed Reconnaissance and the Light Mobility Aircraft programs; however, the Air Force believes this requirement can be substantially met with innovative application of Air National Guard State Partnership Programs and Mobility Support Advisory Squadrons. We are working with partner nations to build and sustain ISR capacity and help them effectively counter threats within their borders. We are also pursuing international agreements to increase partner satellite communication, space situational awareness, and global positioning, navigation, and timing capabilities.

The Air Force also recognizes that it cannot build effective international partnerships without effective U.S. Government interagency partnerships. To that end, we are a strong supporter of State-Defense exchanges and other programs that provide interagency familiarity and training.

AGILE COMBAT SUPPORT

Underpinning our capacity to perform the missions in these core functions is the ability to create, protect, and sustain air and space forces across the full spectrum of military operations – from the training, education, and development of our Airmen to excellence in acquisition. The FY13 budget request includes $31.0 billion for agile combat support.

We will continue to support our Airmen and their families through quality of life and support services such as child care and youth programs and initiatives, medical services and rehabilitation for wounded warriors, improvements to dining facilities, food delivery, fitness centers, and lodging. We are partnering with local communities, where feasible, to provide the highest quality support, and we are changing the way that we provide services so that Airmen and their families are more able to easily access and receive the support they need. To ensure we

continuously focus on and improve readiness and build a more agile and capable force, we have strengthened technical and professional development by enhancing technical training, professional military education, and language and culture programs.

The Air Force is committed to sustaining excellence with a smaller force. We remain attentive to force management efforts and continue to size and shape the force to meet congressionally-mandated military end strength. A series of voluntary and involuntary force management efforts have been successful in reducing Active Duty end strength. Force management programs in FY12 include voluntary and involuntary programs which lessen the need for involuntary actions in FY13. We are posturing accessions for the long term and ensuring the right balance of skills exists to meet operational requirements. The Air Force will meet its OSD-directed civilian end strength target for FY12. The Force Management Program is not a quick fix, but a tailored, multi-year effort to manage the force along the 30-year continuum of service.

We are improving acquisition processes, recently completing implementation of the Acquisition Improvement Plan (AIP). We have also institutionalized the "Better Buying Power" (BBP) initiatives promulgated by the Under Secretary of Defense for Acquisition, Technology and Logistics and are expanding those improvements through our Acquisition Continuous Process Improvement 2.0 (CPI 2.0) effort. The major elements of the CPI 2.0 initiative – process simplification, requirements, realizing the value proposition, and workforce improvement – will build upon the BBP initiatives and continue our momentum in improving our acquisition workforce skills.

We are ensuring the Air Force continues to have war-winning technology through the careful and proactive management of our science, technology, engineering, and mathematics (STEM) workforce and improving our means to attract and recruit future innovators for the Air Force. Properly funding our science and technology laboratories enables them to continue discovering, developing, and demonstrating high payoff innovations to address the changing strategic environment and sustain air, space, and cyberspace superiority. Therefore, the Air Force's budget protects science and technology funding as a share of our total resources.

Science and technology investments are also a key toward enhancing our energy security and meeting our energy goals. The Air Force is requesting over $530 million for aviation, infrastructure, and RDT&E energy initiatives in FY13 to reduce energy demand, improve energy efficiency, diversify supply, and increase mission effectiveness. A focus of these initiatives is to improve our energy security by diversifying our drop-in and renewable sources of energy and increasing our access to reliable and uninterrupted energy supplies. We are investing more than $300 million in energy RDT&E, which includes $214 million for the FY13 Adaptive Engine Technology Development (AETD) initiative. This initiative will build upon the Adaptive Versatile Engine Technology (ADVENT) effort to reduce energy consumption and improve efficiency and reliability of future and legacy aircraft.

We are continuing to support an important aspect of our readiness posture through weapons system sustainment, the requirements for which have grown due to the complexity of new aircraft, operations tempo increases, force structure changes, and growth in depot work packages for legacy aircraft. We are mitigating overall WSS growth through efficiency efforts and

requirements reviews. WSS funding through OCO requests remains critical while we continue to be engaged in these global operations. For FY13, we are seeking $11.6 billion in WSS (including OCO). We are committed to retaining three strong organic depots. In FY12, we are investing approximately $290 million in new technologies and infrastructure in all of our depots. Although we may have a short term challenge to meet the Title 10, § 2466 Depot 50/50 Rule requirements due to force structure changes, we have a robust plan in place to perform organic repair for future weapon systems like the KC-46A.

As noted earlier, Air Force continues to emphasize the importance of maintaining readiness in support of our flying hour program. The Air Force's $44.3 billion FY13 operations and maintenance request supports 1.17 million flying hours for new pilot production, pilot development, maintenance of basic flying skills, as well as training of crews to support Combatant Commander priorities.

Facility sustainment, restoration and modernization and MILCON are essential tools for providing mission capability to our warfighters. The $441 million in MILCON funding, a $900 million decrease from FY12 enacted levels, represents a conscious decision to take a deliberate pause in MILCON investment. During this pause, we will maintain funding levels for facility sustainment at $1.4 billion and restoration and modernization at $718.1 million. We will continue to fund the most critical construction priorities of our Combatant Commanders and the Air Force, including projects aligned with weapon system deliveries—supporting beddowns for the F-22, F-35, HC-130J/C-130H, and MQ-9. In addition, our investment funds some much-needed support to our Airmen, with $42 million in dormitory recapitalization.

Conclusion

Given the continuing complexity and uncertainty in the strategic environment, and a more constrained fiscal environment, DoD and Air Force resources are appropriately targeted to promote agile, flexible, and cost effective forces, and to mitigate strategic risks. The FY13 Air Force budget request reflects the extremely difficult choices that had to be made that will allow the Air Force to provide the necessary capability, capacity, and versatility required to prevail in today's and tomorrow's wars, prevent and deter conflict, and prepare to defeat adversaries and succeed across the range of potential military operations—all the while preserving and enhancing the All-Volunteer Force. Additional reductions would put at risk our capability to execute the new strategic guidance.

We are confident in our Airmen and their families. They are the best in the world, and we rely on them to meet any challenge, overcome any obstacle, and defeat any enemy—as long as they are given adequate resources. As they have time and again, our Airmen innovators will find new and better ways to approach future military challenges across the spectrum of domains and against nascent threats. We are committed to excellence and we will deliver with your help. We ask that you support the Air Force budget request of $110.1 billion for FY13.