# Department of the Air Force

Presentation

Before the House Armed Services Subcommittee on Readiness

# FISCAL YEAR 2021 BUDGET REQUEST FOR MILITARY READINESS

Witness Statement of

Honorable Shon J. Manasco Performing The Duties Of Under Secretary Of The Air Force By Delegation

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Testimony on Fiscal Year 2021 President's Budget Request for Military Readiness House Armed Services Subcommittee on Readiness Honorable Shon J. Manasco General Stephen Wilson Lieutenant General David Thompson March 3, 2020

# INTRODUCTION

Chairman Garamendi, Ranking Member Lamborn, distinguished members of this committee; thank you for the opportunity to testify on the Department of the Air Force readiness.

On behalf of the 685,000 Total Force Air and Space professionals, we want to thank you and your colleagues in the authorizing and appropriation committees. Your bipartisan leadership has returned fiscal stability and helped arrest more than a decade of readiness decline. The Department of the Air Force stands more ready to confront the complex global security landscape today than we have in years.

Yet, global demand for Air, Space, and Cyber power continue to tax our force structure, driving costly tradeoffs between meeting current operational requirements and restoring our readiness. At the same time, the high costs of sustaining legacy capabilities erodes our ability to build the future readiness our nation requires to maintain deterrence in an era of peer competition.

In order to balance near-term readiness with long-term combat capability we must make bold, hard choices – **we are.** The Department of the Air Force is fully in-line with the Secretary of Defense's goal of irreversible momentum towards implementation of the National Defense Strategy. *This year's budget is about investing in the future, not doubling down on the past.* 

# THREAT ENVIRONMENT

The threat environment facing the United States continues to trend in alarming ways. The rise of China and the resurgence of Russia have established Great Power competition as the chief threat to U.S. interests, security, prosperity, and influence. The military advantage we possessed for the last 30 years is now being challenged, equaled, and in some cases, surpassed.

China and Russia continue to expand their global influence, eroding once well-established security norms and increasing the risk of regional conflicts. This competition cuts across all domains, as they seek to gain technological and military superiority. Notably, space has emerged as a warfighting domain. Our adversaries recognize the military and economic advantages space gives us and are determined to negate our comparative advantage. Both China and Russia are now capable of putting our critical space-based services and capabilities at risk. Space superiority is not just a military imperative, it secures the way of life our citizens enjoy.

## STRATEGY

To address this new reality—with the National Defense Strategy as our guide—the Department of the Air Force is pursuing an integrated design of ready and modernized forces that can:

- Connect the Joint Force so we can operate much more seamlessly as a Joint team.
- **Dominate Space** by defending our use of space while defeating hostile action.
- Generate Combat Power to blunt any attack against the United States or our allies.
- Conduct Logistics Under Attack to sustain high-tempo operations as long as needed.

In each of these areas, we will work with Congress and our sister services, industry, academia, allies, and partners to develop and field innovative solutions that counter aggressive strategies and impose cost on potential adversaries. Focusing on the four areas above, we will continue to provide Combatant Commanders with ready forces and critical capabilities to conduct current day operations even as we adjust to meet future peer threats.

#### **READINESS RECOVERY**

The FY21 budget builds upon the last three years of effort to restore our readiness and build the combat-capable forces necessary to deter war and protect the security of our nation.

In 2018, we received Congress' help to recover from the damaging effects of sequestration and halt declining readiness across the force, and pivoted to space warfighting. This was also the year that the National Defense Strategy and Nuclear Posture Review were released.

In 2019, we focused on readiness recovery, especially for our most sought-after units, making significant gains across multiple aircraft and spacecraft fleets and mission sets, to include Space Domain Awareness.

In 2020, we prioritized innovation and modernization, and set a vector to build the Air Force We Need to successfully execute the National Defense Strategy. Most importantly, we established the U.S. Space Force as a co-equal branch of the military.

Now, in 2021, the Department of the Air Force is applying thrust along that vector and making strategic future investments for Great Power competition. We remain committed to working with this committee and our Joint partners to not just restore readiness, but to expand our margin of superiority and build the Air and Space Forces our nation needs.

**Operational Squadrons**. Our recent experience shows the Department of the Air Force remains too small for the missions it is being asked to perform. *To meet the challenge of 21st Century threats, our Air and Space Forces must modernize our operational squadrons.* 

As briefed last year, the Department of the Air Force remains focused on restoring operational readiness in our pacing units—those squadrons tasked to respond in the first stages of a high-end conflict. With your assistance, we bolstered readiness of these units by a full 35% between April 2018 and April 2019; however, since then, these gains have essentially plateaued as we deployed substantial combat power to the Middle East to meet expanded global requirements.

Our Active Duty pacing units remain focused on reaching our 80% readiness targets by the end of FY20; however, tight labor markets for critical maintenance manning make achieving these targets in the Air National Guard and our Air Reserve unlikely in this Fiscal Year.

**End Strength**. Over the last 3 years, we have grown our uniformed force by 7,820 Airmen and are on the way to an end strength of 333,700 active and 699,013 total personnel. This year, the Department of the Air Force is requesting an additional 900 active duty, 400 National Guard, and 200 Reserve positions to support F-35 operations, cyber mission defense teams, global mobility, and readiness operations.

**Aircrew Task Force Update**. Recruiting, developing, and retaining aviators remains a significant challenge amidst sustained international aircrew shortages—a trend expected to grow more acute over the next decade. As of the end of FY19, the Air Force remains 2,100 pilots short of the 21,000 required to execute the National Defense Strategy.

Increasing production of new aviators remains the most significant lever we have to arrest aircrew shortages. We continue to make progress toward growing pilot production to 1,480 aviators per year by FY24. This budget includes several key requests critical to hardening this expanded capacity including \$9 billion for 1.2 million flying hours across the Air Force, \$275.7 million to execute the T-7A advanced jet trainer program, and \$222.4 million to fund Contracted Adversary Air. The budget further allocates \$27.6 million to scale augmented reality training across the full Undergraduate Pilot Training enterprise under the Pilot Training Next program.

We are simultaneously addressing the retention of our seasoned aviators—a force that remains inspired to serve, but are nevertheless stressed by nearly two decades of sustained combat. Retention of these valued aviators remains at risk should operational demands continue to outpace our available force structure, shifting the burden of a high operations tempo onto our already stressed aircrew. As we continue to address these force structure challenges, we ask Congress' support for the quality of life initiatives that have a uniquely positive impact on retention, such as retention bonuses, quality education for military dependents, and expanded spouse employment opportunities.

**Developing and Caring For Our People and Families.** The foundation of ready air and space power remains the men and women of the Air and Space Forces. It is our sacred duty to ensure they are properly organized, trained, equipped, and courageously led when tasked to do the Nation's business. It is also our responsibility to take care of their families while they are gone and when they return. This is a moral imperative of every Air and Space Force leader. With the support of Congress, we will continue to provide them the resources and support they need.

The most important part of caring for our people and their families is providing a safe, secure environment for them to live and work. That is why the Department is working diligently to address the numerous challenges with privatized housing. We have invested considerable resources to ensure safe and habitable housing for our Airmen, Space professionals, and their families. This budget increases government manning at our bases for oversight and resident advocacy. We will also continue to address the root causes of mold or moisture issues in many of our housing units. Along with our sister services, we are preparing to release our Privatized Housing Tenants' Bill of Rights in the very near future to further empower residents.

**Combating Suicides and Sexual Harassment.** At a more personal level, suicide and sexual assault continue to be insidious threats to our force, and the Department of the Air Force is fully

committed to rooting out both. We are taking a leadership-driven, public-health approach informed by data and analysis, and in partnership with academia, industry, and sister services to find diverse solutions and perspectives. Through efforts such as the True North initiative, we will focus on building connections, detecting risk, promoting protective environments, equipping members and their families, and espousing a culture of dignity and respect where our people feel protected, valued, and supported.

**Military Health Care.** The Department of the Air Force is also providing direct support to the Defense Health Agency as part of the Military Health System transformation. As of October 2019, all U.S. based Military treatment facilities transferred authority, direction and control to the Defense Health Agency. The remaining overseas facilities are scheduled to transfer by the end of FY21. In conjunction with this, the Department of the Air Force has established the Air Force Medical Readiness Agency to improve warfighter deployability and ready medics for expeditionary operations. We will continue to focus on providing quality health care for service members and their families during this transition.

# **COST-EFFECTIVE MAINTENANCE AND LOGISTICS**

The Air Force and Space Force continue to invest aggressively in Weapon System Sustainment to ensure readiness across all 118 major programs, from the newest F-35 to the 58-year-old B-52. This support ranges from Depot Maintenance, to Contractor Logistics Support, to Engineering and Technical Order production, delivering safe and reliable weapon systems required to prosecute the National Defense Strategy.

**FY21 Weapon System Sustainment Budget.** Weapon System Sustainment represents a quarter of our overall Operations and Maintenance budget. We recognize sustaining aging platforms while simultaneously fielding new highly technical and complex weapon systems comes at a high cost for the nation. As such, we are carefully balancing preparing for tomorrow while also meeting the demands of today. In FY21, the Total Force Weapon System Sustainment portfolio is \$17 billion, representing an \$800 million increase over last year's budget driven predominately by increasing our total aircraft inventory and sustaining legacy fighter, tanker, and bomber capabilities. We are also making strategic investments in next generation sustainment concepts such as Condition Based Maintenance to gain efficiency, increase effectiveness, and reduce costs. The FY21 budget funds 87% of Weapon System Sustainment requirements, balancing risk between competing capability, capacity, and readiness demands.

**Evolving Logistics for Peer Competition.** Since the end of World War II, the United States has relied on established, well-supplied, and heavily-defended bases. Future battlefields will be too dangerous, dynamic, and dispersed to allow us to fight this way. Resilient and agile logistics remain a key modernization priority for the Air Force. The FY21 budget increases funding across multiple portfolios and establishes a Logistics Under Attack cross-functional team to identify capability needs to retain freedom of movement during multi-domain operations and provide persistent logistics in the face of a potentially daunting adversary.

#### MODERNIZATION

**Nuclear Forces.** The on-going evolution and fielding of other countries' strategic nuclear capabilities, including hypersonic weapons, continue to challenge U.S. and allied security. A strong, reliable, nuclear triad affords our nation the ability to hold adversary targets at risk, in a way critical to this era of great power competition. The Department of the Air Force owns two-thirds of the nuclear triad, and 75% of the nuclear command, control, and communication capability. Previous deferrals have forced the Department of Defense to modernize and recapitalize the triad simultaneously, and your continued support is critical to ensuring the U.S. maintains a credible and effective nuclear deterrent.

Advanced Battle Management family of Systems. To fully harness the power of the Joint Force, the Department of the Air Force is investing in Joint All-Domain Command and Control, powered by the Advanced Battle Management System (ABMS) and digital modernization. ABMS moves from a platform-centric approach to warfare, to a network-centric approach that will connect the right sensor to the right node to the right shooter, regardless of domain, to achieve rapid decisions and effects. ABMS is building the combat internet of the military. Our Space Force and Air Force budgets include funding to develop the network, connectivity, and infrastructure for this critical capability while working closely with Joint and interagency partners to ensure that our efforts fuse into a holistic framework.

Acquisition Reforms. The Department of the Air Force continues to leverage the authorities provided by Section 804 of the FY16 National Defense Authorization Act and utilize Middle Tier Acquisition to accelerate experimentation and speed capability to the warfighter. Using rapid prototyping and delegated milestone decision authorities, we have been able to execute our programs faster, and saved over 100 years of planned schedule, to date.

Likewise, in space, we have streamlined documentation, reviews, and flattened access to decision authorities, saving more than 27 years across 17 programs. Acquisition initiatives such as "Space and Missile Systems Center 2.0" – an organizational restructure that eliminated three layers of bureaucracy to accelerate decision making and ensures programs are viewed from an enterprise perspective – represent the largest transformation in the Space and Missile Center's 65-year history and reached full operational capability one month ahead of plan.

## **DEFENDING OUR FREEDOM OF ACTION IN SPACE**

**Space Operations**. If we lose in Space, we lose. The standup of the U.S. Space Force remains our **top** policy priority, but we must not lose focus on preparing and presenting space forces ready to win in today's threat environment. In support of space operations, the Department of the Air Force's budget submission includes increased investment in support of space capabilities that contribute to the capability of the Joint Force. This year's budget realigns \$15.4 billion to a separate space budget to ensure we can protect, defend, and, when necessary, fight in, through, and from the space domain. *We are using the establishment of the U.S. Space Force to take a clean sheet approach and design a lean, agile, 21<sup>st</sup> century military service.* 

**Space Cadre Standup.** To build readiness for Space operations in an era of peer-competition, the National Defense Strategy Commission recommends developing "a space cadre that ensures an enduring focus on space capabilities." The FY21 budget anticipates 6,434 military authorizations into the Space Force to form the initial cadre of our newest Service. Planners are actively developing specific processes and conditions that must be met before beginning the transfer process with Air Force members transitioning first with Army and Navy members following at at later date. These forces are supported by the Air National Guard Bureau and Air Force Reserve Command, both of which remain integral in the fields of missile warning, military satellite communications, global positioning, and space electronic warfare.

The longer-term goal is to develop a cadre of more than 12,000 space professionals who will form the core of our Space Force by the end of FY25. To grow and season the burgeoning cadre of space operators, we will continue to participate in and sponsor advanced, coalition-integrated wargames such SPACE FLAG, the Schriever Wargame, and Joint Task Force - Space Defense's Sprint Advanced Concept Training. The concepts developed during these integrated wargames translate into groundbreaking tactics we can employ today and enhance for tomorrow.

**Space Domain Awareness.** In recognition that domain awareness is foundational for effective operations, the Space Situational Awareness mission was renamed to Space Domain Awareness in late 2019 to focus on pivoting the Space community's cultural mindset toward protection and defense of our critical space assets. The Space Force continues to build strong partnerships to revolutionize our ability to protect our interests in Space and to assign proactive attribution to our adversaries for any hostile actions they may commit in Space. These partners include the National Reconnaissance Office on the SILENTBARKER program; the Department of Commerce to transition the Space Traffic Management mission from the Department of Defense in accordance with Space Policy Directive 3 and congressional direction; multiple coalition allies for data sharing, sensing capacity and cooperative operations; and the burgeoning commercial marketplace for Space Domain Awareness services.

Underpinning all this is the implicit understanding that mastery of data is fundamental to maintaining dominance in the Space Domain. To this end, the Space Force has led the build-out of a Unified Data Library capability that is revolutionizing how we aggregate, access, share, and exploit data to enable any Space related operation. This same Unified Data Library capability is also being aligned with the Advanced Battle Management System in support of the Joint All Domain Command and Control effort to ensure that <u>all</u> war fighting domains have real-time, unfettered access to the data they need at all security levels.

**Next Generation Overhead Persistent Infrared**. The growing terrestrial and space-based threat to our homeland and our assets in space demands a technologically advanced, defensible system capable of detecting threats and surviving in a contested environment. The Next Generation Overhead Persistent Infrared family of satellites is that system. With your bipartisan support, we have been able to keep the acquisition of these satellites on track, and thanks to the Section 804 authorities that you have granted us, we will be able to field this game-changing capability 3.5 years faster than the historical average. Together, we are helping to build a system that will keep America safe for the next decade and beyond.

Assured Access to Space. The National Security Space Launch program, with an unprecedented record of 78 consecutive successful launches, is fundamental to sustaining U.S. dominance in space for the Joint Force. The Space and Missile Systems Center's "Phase 2 Launch Service Procurement" contract will provide continued mission success, assured access to space, and flexibility in the contested space domain. Additionally, the U.S. Space Force's Range of the Future initiative will provide adaptive instrumentation, infrastructure, and services to enable Autonomous Flight Safety System operations while fostering partnerships. Its end state envisions globally competitive ranges with the capacity to support the ever-increasing tempo of launch and test operations and ensure affordable space access.

# **REFORMING FOR THE FUTURE**

Reform is much broader than cost savings. The Department of the Air Force is changing the way we do business to ensure the time and the taxpayer dollars entrusted to us are invested in efforts that directly support the priorities of the National Defense Strategy. To that end, last year we conducted a two-month long review of all portfolios, budget accounts, and associated manpower authorizations to identify which programs could be revectored to medium and long-term alignment with the National Defense Strategy.

The National Defense Strategy is clear about the growing threats to the United States and our allies. The Department of the Air Force is pursuing innovative air and space capabilities to connect the Joint force to ensure victory into 2030 and beyond. This means making significant investments in new programs and reforming programs and processes that do not align with the National Defense Strategy, but we are committed to meeting these challenges.

On behalf of all Airmen and Space Professionals, active, guard, reserve, and civilian, thank you for your leadership and partnership as we build the Air and Space Force we need both today and into the future.