The $10 Billion Gamble

By John A. Tirpak, Editorial Director

The Air Force has asked for $10 billion more in its Fiscal 2016 budget than it will get if sequestration—driven by the 2011 Budget Control Act—comes back in September. Service leaders said in February that at the requested dollar amount, USAF can still do most of what the national military strategy requires. At sequester levels, though, the strategy will have to be thrown out and replaced with something less demanding, because, as Chief of Staff Gen. Mark A. Welsh III said, “We simply can’t execute the defense strategic guidance as written.”

Speaking at AFA’s Air Warfare Symposium in Orlando, Fla., in February, Air Force Secretary Deborah Lee James told reporters, “The national strategy is a good national strategy. We ought not to change it, so we are ... just going to make the case as strongly as we know how with ... Congress that we need this additional funding.” She also said the Air Force, industry, and AFA “must work together to ask Congress to get rid of sequestration permanently.”

The $10 billion boost was approved by top Pentagon leaders and the White House. The Air Force is targeting it toward modernization, improving readiness, revitalizing the nuclear enterprise, and reversing personnel cuts that James said went “too far.”

Even the requested amount, though, isn’t enough to let the Air Force keep the A-10 attack jet or upgrade the F-16 fleet. A return to “full-spectrum readiness,” even at consistently higher funding levels, will still take a decade or more.

This budget is not perfect, James acknowledged in her symposium speech, but if sequester returns, the list of financial casualties will include KC-10 tankers, RQ-4 Global Hawks, F-35 fighters, readiness, Red Flag exercises, and further delay in getting the nuclear deterrent back up to par. The Air Force would likely have to kill a new engine program that holds “great promise for fuel savings.”
Intelligence, surveillance, and reconnaissance—the No. 1 demand from regional commanders right now—would be hit hard. Many of the video screens providing real-time views of enemy activities will “just go dark … and we go blind on the battlefield,” James said. Full mission readiness of the combat air forces—already down to about 40 percent—will slip further.

The big problem with the sequester-level budgets, Welsh told reporters, isn’t just that modernization will be postponed yet again or that neglected facilities will languish longer. It’s that USAF won’t be able to handle the “simultaneity” of what the defense strategic guidance demands.

“We simply will not be able to defeat one adversary, deny a second adversary, and defend the homeland simultaneously,” he said in a press conference. “We just don’t have the capacity to do that anymore at the BCA level.”

In his speech to the symposium, Welsh noted that in the 1990-91 Gulf War, the Air Force fielded 188 fighter squadrons. In the Fiscal 2016 budget, though, “we’ll go to 49.” Similarly, USAF had 511,000 airmen on Active Duty in 1990, but “we now have 313,000. That’s 40 percent smaller.”

What it all adds up to, Welsh said, is “there is no excess capacity anymore. There is no bench to go to in the Air Force. Everything is committed to the fight.”

“The demand for what we do in the Air Force, … for our capabilities” across air, space, and cyber, “is going up, up, up. … Everybody wants more Air Force,” said James. At the same time, adversaries are catching up in technology, there’s no letup in combat operations given the new fight against ISIS in Iraq, and USAF’s aircraft are older than ever.

The Air Force has “12 fleets of airplanes … that qualify for antique license plates,” Welsh noted, and “four fleets … that qualify” for American Association of Retired Persons (AARP) membership—in other words, 12 aircraft types older than 25 years, and four older than 50.
“We must modernize the Air Force. This isn’t optional. We must do it. And it will be painful,” he said, because to find the money to buy new gear, USAF must take older equipment out of service and use the savings to reinvest in the force, even though USAF is already maxed out in using all its remaining assets in real-world operations.

The services got a reprieve from sequester in the 2013 bipartisan budget deal brokered by Sen. Patty Murray (D-Wash.) and Rep. Paul Ryan (R-Wis.). It lifted spending caps for Fiscal 2014 and 2015, but extended the BCA through the middle of the 2020s. James told reporters she has some reason to be hopeful that Congress will recognize the damage that continuing sequester will do to the Air Force.

About the Fiscal 2015 budget—when the Air Force recommended retiring the A-10 and U-2 and was rebuffed on both counts—“there was great disagreement on those proposals but there was quite a lot of agreement … on other matters,” James said in a press conference.

“After all the dust settled,” she continued, “we got most of the money and most of the accounts as we would have wished” and for that, “we’re grateful to … Congress.”

Nevertheless, USAF has to put together one- and five-year spending plans that match the strategy and the money available. It has to “make sense as a whole,” she said. Though some proposals have drawn objection, “it comes back to, ‘if not this, then what?’ leaders, have concluded that “enough is enough. No more. We need to stop this.”

**A DECADE BEFORE BREAKING?**

Under the Fiscal 2016 budget request, the service would buy back some people it has given up in previous rounds of budget-cutting. Total Force end strength—Active, Guard, and Reserve together—would actually increase by 6,600 people, to 492,000.

That figure “should give us the breathing room to alleviate some operational strain, to bolster our nuclear enterprise, to increase the number of cyber teams, and plug some holes” in the force, such as in maintenance. She said she and Welsh regard the manning issue to be a “red line. We want no more downsizing.”

For the reserve component particularly, the budget would buy back some F-15Cs for Air National Guard units, create classic associations on RQ-4 Global Hawk units, and increase the number of cyber operators in the reserves, she said. There would also be some innovations, such as seeking permission to allow reservists to train Active Duty pilots.

In addition, the extra funds would help stem the drain of people from remotely piloted aircraft units, which are badly overworked, by offering new retention pay. Incentive pay would also be increased for some nuclear specialties, to attract and retain people in that field. Combatant commanders are demanding ever-more ISR capability, and “given the changed world circumstances,” such as the fight against ISIS and Russia’s belligerence in Eastern Europe, coverage will ramp up with additional medium-altitude RPAs, more AWACS, and an extension of the U-2’s service life.

Near-term readiness would be boosted by restoring full funding for Red Flag and Green Flag exercises, James said. The flying hour program would also be funded “to the maximum execution level.”

Welsh said the readiness situation “is not a new problem,” having grown over the years when USAF was concentrating on the current fight in Iraq and Afghanistan and neither investing in future systems adequately nor training for a “high-end” fight.

“One of the things” the sequester reprieve gave the Air Force “was the ability to … improve individual and unit short-term readiness,” he explained.
That meant more flying hours, “the ability to train, more exercises,” but it did not allow USAF to invest in what he calls long-term readiness.

“We haven’t upgraded our training ranges to reflect current and emerging threats. We haven’t upgraded the test facilities” for both secret and open “test infrastructure.” Investing in those things—steadily—will allow USAF to regain its full-spectrum readiness, he said.

“We have got to get back to a persistent, consistent investment in this kind of infrastructure or our Air Force will break 10 years from now,” Welsh warned attendees.

“It will take us 10 to 12 years before we recover ‘big readiness,’” he said. If sequester resumes, “hanging onto” less than 50 percent full-mission capability “is going to be fingernails scratching down the side of the wall, trying to hold on.”

The nuclear enterprise is slated to get an additional $5.6 billion over the next five years under USAF’s proposed budget. It’s “a very significant increase for a community that over time has not gotten this level of attention. So we’re committed to persistent focus” on the nuclear mission over time, James said.

In terms of hardware, the new budget would support a Minuteman ICBM fleet follow-on program and accelerate the Long-Range Standoff Weapon—a replacement for the 1980s-vintage Air-Launched Cruise Missile—“by two years,” she added.

**HARDWARE IMPERATIVES**

It’s critically important that USAF’s top three modernization priorities—the F-35 fighter, KC-46 tanker, and Long-Range Strike Bomber—he kept on track, James said, as they provide the basic capability to win “in ... a high-end threat environment.” Joining those three are two new hardware imperatives: the T-X trainer to replace the 50-year-old T-38 and a new JSTARS ground-monitoring radar system to replace the existing fleet.

The T-X, James said, will be a “test case” for a new way of doing business with industry. The Air Force will share its requirements with industry early—they were set to be released in March—and there will be a “dialogue” with contractors about what can be provided, and at what cost, well before the request for proposals is posted in Fiscal 2016. “Industry will know, when the time comes,” what requirements the Air Force must meet and what capabilities it would like to have and how much more—if anything—the service would be willing to pay to get the extras.

Convinced that competition always leads to lower costs and better capabilities, James said she is working to infuse every procurement with as much competition as possible.

“We in the Air Force are committed to ending our reliance on the Russian RD-180 engine for space launch,” she said, noting that there’s $293 million in the five-year budget plan as a “down payment” on a new rocket motor. Technical maturation and risk reduction efforts will be undertaken “in cooperation with NASA, the national labs, universities, and industry.” The goal is “to ensure commercially viable domestic launch service providers that will give us assured access to space for our national security space mission.”

The Air Force, however, won’t skimp on the process of certifying new launch service providers, like SpaceX. USAF does not want “a repeat of the spectacular space launch failures that occurred in the 1990s,” when billion-dollar military satellites were lost, James cautioned. However, she said the service is doing all it can to find ways to “speed up the process.”

There’s a “resetting” going on in the broader discussion of space as a “warfighting domain,” Welsh said.

“We don’t want to fight a war, kinetically, in space,” he noted. But the Air Force must “acknowledge the fact that others are posturing to be able to do just that. And we either adjust to that or face the consequences.”

The Air Force’s vision of space superiority is evolving, he said. Not long ago, it was focused on space situational awareness, which remains “critically important” but is “not sufficient in and of itself,” Welsh asserted.

“No you have to be able to survive in space. Resiliency is critical.” Air Force
Space Command is now defining what “locational or situational superiority in space” means, he said. Welsh also urged that the Air Force continue to be “the lead operational voice in discussions about the space domain ... because nobody knows [it] ... better.” He said James has “helped us by energizing” USAF’s executive agency for space and is deeply involved in its details.

The Pentagon is looking for offsetting technologies that can provide a leap beyond the weapons now being fielded by US adversaries, James said. “They’ve been studying us carefully … and they haven’t been standing still,” she noted. The Air Force can’t stand still either, she said, and is raising its research, development, test, and evaluation budget for Fiscal 2016 by $2 billion over Fiscal 2015 levels. She’s hoping that an increased emphasis on innovation and partnership with industry will “make the impossible possible.”

Hypersonics is one such area, James noted, pointing out that the X-51 Waverider project in 2013 demonstrated “that we can go real fast and shoot from a safe distance and strike targets before they can shoot back or move—or even know that we’re coming toward them.”

THE “HOW” OF STRATEGIES

Technology is a big element—but not the only one—in the Air Force’s strategic master plan, which Welsh said brings together all the roadmaps, concepts of operations, personnel plans, and acquisition programs into a single, coherent document, to be fully fleshed out this month. The roadmap merges the “what we do, ...who we are going to be,” and the “how” of USAF’s strategies.

To live within the money USAF hopes to have, “anything that’s disconnected” from the rest of the plan “should be thrown away,” he said. “We don’t have money to keep doing stuff that isn’t connected” to where the service needs to be 10, 20, and 30 years from now.

Welsh said the Air Force will dive back into “developmental planning,” a cycle of assessing the environment, threat, and strategies and plugging in the needed hardware, costs, and operational concepts that pull it together and expose the “gaps and shortfalls.”

The Air Force has “pockets of it, but institutionally, we gave it away” when Air Force Systems Command was folded into Air Force Materiel Command. “We have to bring it back,” Welsh insisted.

A big part of that process will be to have a plan ready to go when certain technological breakthroughs pay off—not wait until the breakthrough happens. Industry will be brought in early to help USAF figure out “what we plan to do” when technologies—such as hypersonics, lasers, directed energy, or nano-tech—become practical.

Developmental planning will “allow us to now plan for success” in the R&D world, he explained.

Welsh said the queries he hears from airmen in the field about sequestration, downsizing, furloughs, and whether the retirement system will change are all symptoms that “we’re distracted.” He said “for a military service, this can be a problem if it continues over time.”

In 2015, “I think we need to refocus on the things that really matter,” Welsh said, starting with “a refocus on our mission … to fight and win our nation’s wars.”

Toward that refocus, Welsh announced that Air Education and Training Command is creating a “new Profession of Arms Center of Excellence” to ensure that every professional military education course reinforces the warrior ethic. The profession of arms is “an ugly business sometimes and somebody’s got to be good at it,” Welsh said.

“We can’t afford to ever forget that airmen are still, right now ... engaged in very real and very dangerous operations in Afghanistan, in Iraq, in Syria, in Africa, even in Eastern Europe,” he asserted. They “stand ready on the Korean Peninsula,” serve on “February’s frozen missile fields,” and Air Guardsmen “here in this country still stand strip alert to conduct air defense missions.” The reality of being in the fight “should be the focus of our efforts day to day,” Welsh said.

AIR FORCE Magazine / April 2015