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An Independent Nonprofit Aerospace Organization

Chairman Levin, Ranking Member Inhofe, on behalf of the Air Force Association's 100,000 members, I'd like to thank you and the entire Committee for your support of our Active Duty, Guard, Reserve, civilians, retirees, and veterans of the Air Force, their families and survivors, and for the significant concern and effort you have put forth for our national security.

We are grateful for your unwavering commitment to the men and women who defend our nation, and appreciate the priority Congress has given personnel issues in the past decade. We also acknowledge the increasingly difficult choices before our nation.

It is an honor to be here with you, and my fellow colleagues. I know we are all committed to the defense of the nation, those who serve and have served, and their supporting loved ones.

Our Airmen and retirees deserve every dollar they earn. However, as you have heard today, personnel compensation costs continue to climb at unsustainable rates, and, if not addressed, they will consume our combat, training and modernization spending over the next few decades.

We in the Air Force Association believe the sequestration provision of the Budget Control Act of 2011 is destroying military readiness and endangering national security. It has normalized a dangerously low level of defense spending, constrained defense decision-makers and this new normal has created an unhealthy competition for resources within DOD's base budget.

We are facing an even greater hollowing of the military as we strive to meet national security needs in a very dangerous security environment.

We believe this is a paramount national security issue. We urge lawmakers to end the political stalemate over taxes and entitlement spending and agree to a compromise resolution that will replace sequestration. Otherwise we will be forced to endure further manpower cuts aircraft reductions and fewer new aircraft to replace the aging fleet—creating not only dangerously low readiness levels, but a diminished ability to recover a sufficient state of readiness to meet the continuing challenges of national security.

We urge Congress to fund our military to levels enabling all components of the Armed Forces to be adequately manned, trained and equipped to effectively address the nation's security challenges today and tomorrow.

And, no matter what the funding level is for Defense, we must honor our commitments to those serving today and to those who have served this great nation. Any changes to the current compensation and retirement system should include grandfathering the current force.

We could never pay a military member enough for his or her willingness to risk their life for this nation. However, we can ensure military members are competitively compensated to enable us to retain the all-voluntary force. Thanks to increases in compensation and benefits since 2001, our military members are compensated competitively with their civilian counterparts, especially when all benefits are included.

Changes to the military compensation structure should be based on a holistic assessment of the total compensation package, rather than piecemeal cuts. In fact, Congress should just as diligently examine the entire federal employment and benefits system, as it has focused on our men and women in uniform.

We are working with Secretary Hagel's office to continue the dialogue about changes to the current system, and we have testified before the Congressionally-mandated Military Compensation and Retirement Modernization Commission.

We support a compensation package for our all-volunteer force allowing us to recruit and retain the quality of Total Force Airmen our national security demands.

These are challenging times. The force is coming home from thirteen years of war...actually two decades of continuous deployment since Desert Shield and Desert Storm, for the United States Air Force...to a nation that is struggling with pervasive financial crises. Yet...this nation's global national security commitments and obligations continue to increase in scope and complexity.

With last year's grounding of 13 combat squadrons, lost opportunities for real-world training and numerous course cancellations to include our premier Red Flag exercise, our Air Force is at a crossroads. Sending Airmen out to battle without the best training and equipment we can give them could imperil the mission and jeopardize lives. This is unacceptable.

Our members, stakeholders and indeed our Airmen, are committed to keeping faith with the American people, by providing them with an Air Force that is capable, ready and resourced appropriately for the future.

Thank you again for your support of our force, and for the opportunity to offer this testimony from the Air Force Association.

I look forward to your questions.

**“Over the past decade the cost per person in the active duty force has increased by 46 percent. If personnel costs continue growing at that rate and the overall defense budget remains flat with inflation, military personnel costs will consume the entire defense budget by 2039.”** *Center for Strategic Budget Analysis*

## FY 2013 DoD Cost Per Person

	Active Component	Reserve Component
Military Personnel Account	\$84,808	\$26,033
DoD Defense Health	\$19,233	\$8,157
DoD Dependent Education	\$2,034	\$33
DoD Family Housing	\$1,235	-
DoD Commissary	\$996	\$49
<b>Total DoD Compensation Costs</b>	<b>\$108,307</b>	<b>\$34,272</b>

O&M	\$110,532	\$26,477
Procurement	\$71,601	\$4
MilCon	\$5,556	\$1,512
RDTE & Other	\$34,348	\$34,348
<b>Total DoD Compensation Costs</b>	<b>\$22,2037</b>	<b>\$66,108</b>

DoD Total	\$33,0342	\$100,380
Ept of Ed Impact Aid	\$355	\$9
Dept of Treas-Concurrent Receipt	\$4,514	\$747
Dept of Treasury MERHCF	\$3,264	\$2,230
Dept of Treasury Mil retirement	\$39,800	\$13,638
Dept of VA	\$6,334	\$6334
Dept of Labor, Vet Ed/Training	\$12	\$12
<b>Total Cost to US Govt</b>	<b>\$38,4622</b>	<b>\$12,3351</b>