

## **National Security Forum Keynote**

The Honorable Michael B. Donley

Secretary of the Air Force

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### **Introduction**

Thank you Colonel Fullmer for the kind introduction. General Peck, General Kane, General Hanson, forum visitors, and Air War College students – very soon to be graduates, including members of our Joint and coalition team: Thank you all, and welcome to this year's National Security Forum. I look forward to this event every spring, and this year the leadership has another great line-up of events and speakers, so I hope that you enjoy the week and gain valuable perspective during your stay.

I am proud and humbled to be associated with you and with all of the dedicated men and women who serve this great institution. Our Air Force is, in fact, a world-class institution. And as its stewards, we are committed to ensuring that the United States continues to have the world's finest air force for generations to come.

That is why we cannot ignore the serious long-term financial challenges confronting our Nation, the Department of Defense, and the Air Force. The task ahead of us will be far from easy and comes with its own set of challenges and opportunities. Many difficult choices loom on the horizon.

Secretary Gates often says that since Vietnam, we have an absolutely perfect record in forecasting where we will use military force next. We have never once gotten it right! Acknowledging the difficulty in predicting the future, a strategy focused on **balance** has become a prudent way to accommodate the challenges of the future – balance across core functions, balance across investment categories, and balance across components. I'll discuss each of these today.

### [Air Force Today and Strategic Context](#)

But, as I begin, I want to take a minute to describe the environment in which we operate, the current posture of the Air Force, and some of the challenges we may expect in the months and years ahead.

Today's complex strategic environment calls for military forces ready to conduct a multitude of missions, on short notice, across the globe. As part of the Joint team, America's Air Force continues to provide the Nation's unmatched *Global Vigilance, Reach and Power* across the full spectrum of operations.

From the humanitarian relief operations supporting our Japanese friends in need; to the ongoing stability and counterinsurgency operations in Iraq and Afghanistan, to the no-fly zone enforcement and protection of the civilian population in Libya; and to the continuous air sovereignty, space, cyber and nuclear deterrence missions – the speed, precision, and versatility of the U.S. Air Force is being tested and proven daily.

As the Air Force and the other services fulfill today's mission requirements, we also have a responsibility to plan for the future. But it is a simple fact that no matter how much planning we do, the future is defined by uncertainty. In trying to determine what's coming around the corner, and how to shape our forces accordingly, we must frequently use partial information, intermingled with limited experience, combined with inherently flawed judgment.

Nevertheless, there are some things we do know.

First, we are living in an era of very rapid change. While some aspects of rapid change may offer positive opportunities, from a defense perspective it also means our world is full of rapidly evolving threats. Future trends associated with economic globalization, demographics, environmental change, information technology, shifting balances of power, and key regional developments will impact U.S. security interests, DoD and Air Force strategic planning, and the way we engage with the rest of the world. In the past decade, we have already seen mission impacts in homeland security, in 24/7 counter-terror operations, in new requirements for space situational awareness and missile defense, in ISR, and in the evolution of the cyber domain.

Second, given our Nation's focus on economic recovery as well as our history of federal budget deficits, we know that our Nation will face significant fiscal constraints for the foreseeable future. In fact, last year, the Chairman of the Joint Chiefs of Staff, Admiral Mullen, identified the national debt as the single biggest threat to our national security. If it

wasn't evident before, the President's recent speech on fiscal policy made it very clear that defense expenditures will not be exempt from efforts to reduce spending at the federal level. Of note, the timeline for the President's goal of finding \$400 billion in defense savings extends to 2023, confirming the long-term commitment that will be required to get our Nation's fiscal house in order.

In fact, it is likely that every part of government and every citizen will feel the impact of the federal budget policy decisions coming our way.

### *Reshaping the Air Force*

I've stated before, and would still argue, that the Air Force is at an inflection point in its history. The evolution in the security environment, resource limitations, and new technologies are combining to transform our capabilities and set us in new directions.

Over the past decade, the Air Force has substantially reshaped itself to meet the immediate needs of today's conflicts and position itself for the

future. While we have grown in some critical areas, it has been at the expense of others.

We have added ISR assets, bolstered special operations capacity for counterinsurgency, added 160 F-22s and 120 C-17s to our inventory, funded over 30 satellites, added 2,000 Airmen for critical nuclear and cyber operations and acquisition support.

At the same time, we have also retired 1,500 legacy aircraft, cancelled or truncated procurement of major acquisition programs, shed manpower in career fields less critical for the fight. Overall, in the past seven years we have reduced our active duty end-strength by 26,000 personnel, and our budget -- excluding the wartime supplemental funding to support current operations -- has been flat.

For the future, we face a multi-year effort to recapitalize our aging tanker, fighter, bomber, and missile forces; to continue modernizing critical satellite constellations; to meet dynamic requirements in the cyber domain; and replace other aging airframes, like training, vertical lift, and presidential support aircraft. These recapitalization and modernization programs are

essential to core Air Force capabilities. Their requirements are largely understood; we know when we need them; and in many cases we have settled on an acquisition strategy. The issue confronting us is financing: how can we, how will we, afford all these programs?

### **Budget Environment**

Meeting our Nation's security needs has been a significant challenge over the last decade, but now the fiscal effects of the economic downturn and mounting federal budget deficits, and the call for more constrained defense budgets, will compound the difficulties we face going forward.

Historically, we have long recognized that U.S. defense budgets have gone up and down, fluctuating significantly as policy makers react to events, whether meeting wartime or peacetime needs. And knowing that the defense spending levels of the post-9/11 era could not continue indefinitely, planning for a more constrained defense budget has been going on for some time.

For example, as it became clear that the U.S. would begin to draw down operations in Iraq, we knew it was time to start reducing our reliance on supplemental wartime appropriations, known as the Overseas Contingency Operations or OCO budget, and make sure our needs were met in the baseline budget. In FY12, for example, we have proposed moving operational funding for the MC-12 from the OCO to the base budget.

Last summer, Secretary Gates launched his Department of Defense efficiencies initiative to root out waste and improve efficiency and effectiveness. And as part of this process, the Air Force identified \$33 billion in efficiencies, most of which was reinvested across the Future Years Defense Plan.

But in the environment we now face, efficiencies alone may not be enough to meet the size of the fiscal challenge we are likely to face. This makes it even more critical for the Air Force and the entire defense establishment to not only continue with any further efficiencies we can find, but also to make the right strategic choices to get the most of every scarce defense dollar.

## [Making the Right Strategic Choices: A Balanced Approach](#)

We are in the business of managing risk, and this process involves setting priorities and making trade-offs. We have to make smart choices that enable us to meet a range of potential contingencies that we cannot accurately predict, and to identify and hedge against those areas where our nation may be willing to accept more risk. Balance is the key feature of our resourcing strategy to accommodate the uncertain and fiscally challenging future. Balance between core functions; balance among force structure, readiness and modernization; and balance among our Active Duty, Reserve, and Air National Guard components.

### [Balance Across Core Functions](#)

Uncertainty in the international environment calls for us to build a balanced force that, in essence, hedges our bets. We must build-in the flexibility and versatility that enables our forces to operate effectively across the potential spectrum of operations. This includes the enabling capabilities on which the entire Joint force depends at any level of conflict, capabilities like C4, mobility and air refueling, personnel recovery and ISR, to name a few.

It also reflects the need for a broad range of capabilities. For example, while we are currently reinforcing our counter-insurgency capabilities, we're also building the Joint Strike Fighter. While working on command and control for missile defense, we're building the Light Attack Armed Reconnaissance and Light Air Support aircraft to more effectively train nascent Air Forces. While recapitalizing the tanker fleet, we're strengthening space situational awareness and cyber defense. And, while building up language and cultural competency, we continue research on directed energy weapons.

Of course, building a balanced force also has a temporal dimension. We must balance our operational focus on winning today's fight with the necessary investments for tomorrow's fight, and preserve the personnel, training, acquisition, and other institutional foundations upon which our capabilities are built.

### [Balance Across Force Structure, Readiness, and Modernization](#)

Anticipating the challenges and decisions ahead, Air Force leaders have begun a discussion on how best to balance our investments into our

Force Structure, our Readiness, and our plans for Modernization at whatever level of resources we are provided. And, as General Schwartz and I have previously noted, the key term here is balance.

If our Force Structure – the size and composition of our Air Force – is too large given the resources available, then we risk not being able to sustain the costs of ownership, such as providing for pay and benefits, training, and materiel readiness. If it is too small, we could unintentionally drive some mission areas and career fields to unsustainably low levels, lose the flexibility to accommodate new or evolving missions, or risk our ability to sustain expeditionary operations.

If we allow Readiness to slip, we risk not being prepared for the rapidly developing contingencies that characterize the current security environment. And shortages in flying hours, other training and spare parts would demoralize our Airmen and threaten our ability to retain a quality force. But if we focus too much on near-term readiness, and on preparedness exclusively for today's fights, we risk undermining the longer-term investment and modernization necessary to sustain our technological edge, and to build the Air Force we will need to meet future challenges.

If we fail to modernize our forces at an adequate rate, the cost of maintaining and upgrading our legacy fleets will grow, crowding out longer-term investment; our warfighting advantages in technology could shrink, and the costs of new equipment would likely increase further and be stretched-out even more. But if we put too many resources into modernization as budgets decline, we could risk driving the size of the Air Force to unacceptably low levels, and perhaps not sufficiently sized or ready for the unforeseen contingencies immediately ahead.

### [Balance Across the Air Force Components](#)

I don't need to tell you that the Air Force depends on the Air Force Reserve Components, and that we will remain committed to the Total Force Enterprise – the powerful combination of the Active Duty and Reserve Components that together make up the United States Air Force.

We do, however, have an obligation to consider whether we have the right balance and mix of missions across the components, as well as how we can best organize that mix to maximize the capability and efficiency of

our Total Force. Accordingly, we have set in motion several initiatives to help work through these issues.

For example, we are currently collaborating across the Air Force headquarters, Air Force Reserve, and Air National Guard staffs to develop personnel management policies that recognize and accommodate a longer and more flexible Continuum of Service. Recognizing that our Airmen's personal and professional demands change over time, and that this impacts a member's ability to serve either part-time or full time, we need to facilitate movement across components and position the Air Force to retain the skills and talents of trained and experienced personnel.

A related personnel management initiative started last year is known as 3-1 Integration. By integrating 3 existing Air Force Component Personnel Management Systems into a single system, we intend to improve efficiency, but also promote uniformity in policies, reduce barriers across the components, enhance career opportunities for a Continuum of Service, and provide better service to our Airmen.

But there's probably no better evidence of our attention to the Total Force Enterprise than our work to improve Total Force Integration.

Last year, we began to fully institutionalize our approach to the Total Force Enterprise, setting in motion an Air Force-wide process in which Total Force initiatives to formally associate Active Duty and Reserve units are more explicitly linked to Air Force planning to meet mission needs, are then linked to the Air Force Corporate Structure for approval, and are then linked to resource allocation to ensure the initiatives approved are appropriately funded. Part of the enterprise-wide planning includes a comprehensive review of each of our existing initiatives, including a Business Case Analysis.

This more deliberate approach is helping us decide how and where to grow new missions, and how to fine tune and better balance Active Duty and Air Reserve Component contributions in each of our core functions.

### **Conclusion**

Clearly, significant challenges are mounting, and mounting quickly. Efforts to forge a bipartisan deficit-reduction package as a step towards

Congress raising the Nation's borrowing limit are underway. And as Secretary Gates has noted, we must avoid the temptation to make this a simple math problem. The situation calls for a strategic review and careful analysis so that DoD can continue to meet our Nation's security needs, and our Air Force can continue to fly, fight, and win in air, space, and cyberspace. This will require us to make increasingly difficult decisions, at a time when it is increasingly important to get it right.

Balance will serve as a hedge against the uncertainty we face: balance across the core functions which will enable us to remain prepared for the full spectrum of operations; balance in force structure, readiness, and modernization; and a balance across components, to find the right mix among active, reserve, and guard personnel that will maximize both effectiveness and efficiency.

As we confront these challenges, we can remain confident because we know that our Air Force is blessed with smart, dedicated, professional Airmen from across the Active Duty, Guard, Reserve, and Civilian workforce. And we know we will not do this work alone; national and international security is a team sport and we will have the benefit of Joint

and Coalition partners, many of whom are represented here today. I appreciate all that you have done, and will continue to do as you move onward in your careers, using all your experience here at Air University and elsewhere, to take on these thorny, complicated, critical issues—we are counting on you. And, we are a fortunate Air Force to have such great supportive networks in communities across the country supporting our Airmen—thank you again to our Civic Leader guests for giving of your time and participating in this Forum.