

USAF RECAPITALIZATION

1. ISSUE: The USAF has insufficient funding to modernize and recapitalize the force while maintaining an acceptable level of readiness.

2. BACKGROUND: The spending reductions of the 1990s created a modernization bathtub across the Air Force. Constrained topline, combined with near-term readiness demands have forced us to underfund modernization and infrastructure accounts placing our mid- and long-term readiness at significant risk.

- In Fall 98, CSAF testified to Congress that USAF's unfunded requirements totaled about \$5B per year from FY00 through FY02. This request focused on near-term readiness and had very little for recapitalization.
- In February 2000, former Defense Secretary Schlesinger testified before the HASC "In order to replace the equipment of the QDR-designated force, we will have to spend approximately \$100 billion a year" (over and above current funding).
- On 27 Sep 00, CSAF testified before the HASC and SASC that the Air Force required an additional \$20 to 30B per year in order to fix readiness and recapitalize the force.

3. USAF POSITION: We estimate the Air Force will need an additional \$20 to \$30B per year, over and above current funding levels to recapitalize the force in support of Defense Strategy and JV 2020. This additional funding would cover near- and mid-term readiness requirements as well as shortfalls in the funding for aerospace modernization, personnel and physical plant improvements to meet to meet future requirements.

4. KEY TALKING POINTS:

- Today, the average age of Air Force aircraft is 22 years and in 15 years it will be nearly 30, even if we execute every modernization program in the fiscally constrained AFPP. We have never dealt with a force this old before, and are consequently vulnerable to a myriad of aging aircraft problems, including technical surprise. Additional investment is necessary in fighters, tankers, airlift, C2ISR, bombers, munitions, and space programs.
 - Need to buy 170 A/C per year till 2017 to get well (120 small, 50 big)
 - Need to buy 150 aircraft per year steady-state (110 small, 40 big)
- Additional funding required for physical plant, including Military Construction, Real Property Maintenance, Vehicles, Support Equipment & Bare Basing, and Communications. We are currently on a 250-year replacement cycle for our buildings--industry standard is 50.
- Additional personnel related funding required to plus up recruiting and retention programs, increase end strength to 370,000 by FY07, and pay DHP costs to including the initial start-up of over-65 TRICARE for retirees.

5. OTHER STUDIES: A number of outside studies validate the degree of the funding shortfalls.

- The CBO Report "Budgeting for Defense: Maintaining Today's Forces, estimates the DOD procurement requirement at \$90B with the Air Force portion at \$35B per year (39%).
- CSIS estimates the DOD procurement requirement to replace QDR force at \$121B with the Air Force portion at \$51B per year (42%). CSIS estimates the DoD procurement requirement to modernize the force at \$163B with the AF portion at \$69B per year (42%).

QDR Themes & Messages

- **Aerospace power is America's asymmetric advantage**
 - Aerospace forces have become a crucial component of joint operations...from enabler to being the centerpiece of a joint campaign, depending on the situation
 - No other nation has the global reach power, and awareness that the US has through its joint aerospace power capabilities
 - The Air Force is America's key aerospace power force
 - America should nurture its asymmetric advantage to deal with the challenges of the emerging security environment - engaging in multiple concurrent, smaller scale contingencies while supporting the 2 MTW requirement at a low-to-moderate level of risk
- **Aerospace power enables change in legacy warfighting concepts yielding greater effectiveness and efficiency; traditional assumptions of how to conduct effective military operations must change**
 - Jointness is using the right force at the right place at the right time - it is NOT using every force, every where, all the time...
 - The QDR debate should be about employing new CONOPS designed around forces most effective in influencing an adversary - not simply about lifting modernized forces to fight legacy CONOPS...
 - Aerospace power can do things it could not do before, and can do more with less for a joint force commander
 - Joint CONOPS should capitalize on concepts and capabilities such as effects-based operations, rapid aerospace dominance, and compellance that benefit from aerospace power's ability to generate strategic effects
 - AF supports a defense strategy force criteria that capitalizes on modern aerospace power capabilities - a force sizing construct better matched to meet the emerging security environment
 - Engagement and multiple concurrent small-scale contingencies define force structure levels vice the sum of regional threats, but within those levels is sufficient force structure to deal with two MTWs - the first a canonical MTW, and a second based on a coercive campaign fought with a precision engagement - centric CONOPS
- **Aerospace capability and employment have defined the RMA: the USAF is transforming accordingly**
 - A combination of revolutionary technologies (stealth, precision, info technologies, etc.), enabled new innovative concepts (rapid halt, parallel war, compellance, etc.), leading to organizational redesign (1992 objective AF & MAJCOM reorganization, 1999 EAF/AEF construct). These three elements define the RMA—and the Air Force leads the way in its implementation
 - Transforming within our means through a balanced, integrated modernization plan has been a continuing and ongoing process for the AF—transformation is a journey not a destination...
 - Revolutionary stealth, precision, and information technologies do not merely represent changes in degrees of survivability, accuracy, and situational

awareness--they mark a qualitative shift in capabilities that enable us to apply innovative concepts like rapid halt, and parallel war

- A key measure of effectiveness for service transformation efforts should be how to achieve greater combat power per unit while decreasing lift requirements
- The Air Force is transitioning to the use of the EAF/AEF as its force structure sizing mechanism
- **Capability to defeat anti-access strategies becoming critical.**
 - Stealth, extended range operations, and EAF provide the capability that can enable the rest of the joint force. Stealth in conjunction with long-range is critical to defeating enemy anti-access strategies
 - Air and space-based C2ISR enabling stealth fighters (F-22, JSF, F-117) teamed with long-range stealth precision strike capability—e.g. penetrating B-2s carrying advanced weapons (JSOW, JDAM, SSB, etc.), and B-52s carrying next-generation stand-off cruise missiles, and later space-based laser—will provide policy makers the ability to rapidly defeat enemy anti-access capability in any theater
 - Global Reconnaissance Strike (GRS)—new USAF CONOPS to defeat anti-access strategies
 - Rapid deploying AEFs will provide effects designed to deny enemy freedom of action and to neutralize enemy forces faster than they can achieve their goals
 - 5 AEFs worth of capability in 15 days is the AF goal in providing regional CINCs the benefit of rapid, highly leveraged force for MTW planning
- **Aerospace integration is the right path to 21st century aerospace power—leveraging the synergy between air and space to provide the best capability for the nation**
 - The Air Force views the flight domains of air and space as a seamless operational medium. Their integration is essential to advancing our war-fighting capabilities in support of the nation's security obligations. We are committed to providing effective and interoperable aerospace capabilities for the nation.
 - The Air Force is not the only U.S. operator in space, but we account for more than 85% of the Department of Defense personnel, budget, assets, and infrastructure dedicated to space-related activities. On a daily basis, all U.S. military forces depend on the full set of space assets acquired and operated by the Air Force.
 - Aerospace integration is the natural weaving together of our air and space capabilities so each works seamlessly to support U.S. joint military operations around the globe.
 - The integration of air and space capabilities is well under way but not complete. We're adapting our doctrine, equipment, and culture to continue our tradition of defending and using the "high ground" and staying on the forefront of technology.
- **Future Total Force efficiencies—one team in everything that we do**
 - The Air Force leads the DOD in developing units that are totally integrated: active duty, Guard, and Reserve; officer, enlisted, civilians, and contractors.
 - We say Air Force and do not have to specify "active or reserve." We are one team.

- The mission capability of the Guard and Reserve is essential to Air Force operations around the globe. We can't leave home without them.
- Guardsmen and Reservists are a vital link between the Air Force and Americans. They not only represent the USAF in the community, but they bring leadership, technical skills, and business acumen to the Air Force.
- **Recapitalization of the air breathing force, space systems, and infrastructure requires greater resources**
 - Under the current modernization plan, the average age of our air-breathing platforms will increase dramatically. By 2020, the average age of:
 - Tankers will be over 60 years
 - Air-breathing intelligence, surveillance, and reconnaissance (ISR) platforms will be 37.8 years
 - Fighters will be 22 years
 - Bombers will be 44.6 years old (with no new bombers to be built until 2037)
 - Those ages do not include how the basic physics of aging aircraft will increase our O&M costs requirements and readiness, nor how technologies increasingly becoming available to our enemies affect the capabilities of aging platforms
 - Recapitalization involves the demand for both air and space platforms. The increasing demand for the nation's space programs is reflected by the fact that space modernization accounts for over 31% of the AF modernization budget
 - The AF has been forced to use infrastructure recapitalization funding as a "bill - payer" to meet today's requirements, resulting in a 250 year timeline to recapitalize AF infrastructure (compared to a 50-year industry standard)

BOTTOM LINE... America should nurture its asymmetric advantage - aerospace power resident in the United States Air Force