

Statement of
The Honorable F. Whitten Peters
Nominee for Secretary of the Air Force
before the
Committee on Armed Services,
U.S. Senate

July 21, 1999

Thank you Mr. Chairman, Senator Levin and distinguished members of the committee. It is an honor and a privilege to appear before you today as the nominee to be Secretary of the Air Force. I am very grateful for this opportunity to continue to serve my country and the men and women of the United States Air Force.

I would like to take a moment to express my profound thanks to the President for his support and his trust in my ability to lead this great Service as its Secretary. I am also grateful for Secretary Cohen's confidence and support as I embark on this confirmation process. I also want to thank General Mike Ryan and the men and women of the Air Force who have been so gracious in supporting my nomination.

Mr. Chairman, I also thank you and this committee for the unwavering support you have shown each of the services. As a former service secretary yourself, you know only too well that our men and women in uniform look to Washington for signs that what they do is appreciated and valued. This Committee has always been there -- both with resources and with an understanding of the sacrifices made daily by our airmen.

As acting Secretary for the past 20 months, I have developed and enjoyed a great partnership with the Air Force Chief of Staff, General Ryan. We complement and encourage each other's efforts. I have been inspired by his commitment to our service members and their respect for him as a leader. It would be a privilege to continue our work together.

Finally, I must also extend a very special thank you to my wife and children for their unflinching support and encouragement for my extended detour from the practice of law.

My second family – the Air Force Family – has made the past two years, as Undersecretary and Acting Secretary, the most memorable and exciting of my career. Air Force men and women, whether active duty, Reserve, Guard or civilian, have achieved tremendous success through hard work, dedication to duty, and a total commitment to this nation. I am humbled by what I see them accomplish every day and pledge my continued total and unwaivering support.

Our airmen have earned the trust and confidence of the American people. Even before their victory during the NATO air campaign in Kosovo, our airmen proved to be the most capable, professional and valuable aerospace force in the world. Daily, they preserve the peace in Bosnia, fight drug traffickers to our South, keep watch over the Korean peninsula and Southwest Asia, and serve in dozens of lonely, austere assignments around the world. They have won the peace not only by their ability to command and dominate the aerospace medium that will define future battlefields but also by their humanitarian example.

If confirmed, my top priority will be to take care of our people. To do this, we must continue the transformation of the Air Force into the responsive Expeditionary Aerospace Force (EAF). The evolution of the EAF will continue to meld the talents of our active duty, reserve, guard, and civilian forces for a seamless integration of air and space assets. The EAF concept of operations provides us with the means for full-spectrum dominance. It is a capability that the nation must have to meet its foreign policy and national security goals and that our people must have to bring stability and predictability back to their lives.

The greatest threat to our Air Force is our inability to retain the men and women who today proudly wear Air Force blue. When we do not retain them at the rate we need, the costs are high. Our weapon systems are complex – the most technologically advanced in the history of warfare. They give our warfighters a decisive edge in the battle arena. To operate and maintain these advanced systems requires intense training and the dedication of our nation's best and brightest. When we lose these men and women, we not only pay a high price in additional recruiting and training dollars, but more importantly, we suffer lower overall force readiness. We must find ways to bring our retention of trained officers and enlisted personnel back up to the level that will sustain the force.

To do so, we must address the issues that are stressing the force. Overwork and family issues consistently top the list. Some 70% of our force is married – the majority are young men and women with young families.

Growing numbers of our military members live in two-income households. Today, repeated deployments severely stress those families. Even our single airmen are gone too often and, when at home, are working too hard to have a reasonable personal life. For example, we offer excellent educational benefits, but deploy our airmen so often and with so little warning that they often cannot complete courses. General Ryan and I are committed to getting the Air Force into the EAF structure, which will permit greater stability and predictability in our airmen's lives while reducing both days deployed away from home and home station workloads.

We are equally determined to modernize our aging fleet of aircraft and vehicles and to ensure adequate supplies of spare parts. Every time we have to cannibalize a plane or vehicle for spare parts, we are adding to the workload of already overworked airmen and degrading their quality of life.

The pay and retirement proposals in the President's budget will greatly aid recruiting and retention. Mr. Chairman, your personal leadership and the leadership of this Committee on the compensation issues have provided important support for these initiatives. It has sent a powerful message to the troops. Assuming we see the pay and retirement reforms through to successful enactment, you will have helped us address some of the leading factors that surveys show are driving folks to leave.

The demands of our airmen are not unreasonable and we must meet them at least half way. I have seen, firsthand, the incredible desire of our airmen to serve the common good, preserve our way of life, and take an active role in leading this nation into the next century. Whether aiding refugees in Albania, launching jets on the flightline at Aviano, patrolling through the scorching sands of Saudi Arabia, standing watch at a missile complex, or volunteering in organizations across our nation, they make a difference in our world -- and they do it while living in tents, eating MREs, and putting service before personal comfort and convenience and when necessary, before their families. Above all, they are motivated by a sense of service. But patriotism and service before self can only carry them so far; we must bridge the remaining distance.

This committee is also keenly aware of the recruiting challenges faced by the Air Force and its sister services. This year, the Air Force will, for the first time in two decades, not recruit as many new airmen as we need to sustain the force. To be sure, those we are recruiting continue to be of incredibly high caliber. And while we have resisted any move to lower standards, we are working harder than ever to recruit the forces we need and have added both manpower and television advertising to our recruiting strategies. Nonetheless, a booming economy and shrinking recruitment pool mean we could be facing this challenge for years to come. On a hopeful note, we are beginning to see our pilot retention rates climb back up and, this year, we expect to have nearly

700 former enlisted members come back into the Air Force. And I am happy to report that those former members say that the reason they came back was that higher pay in the civilian world did not compensate for the loss of the camaraderie, teamwork, and sense of purpose they enjoyed in the Air Force.

I remain convinced that by focusing on fair compensation, improved quality of life and better, more satisfying working conditions, we can meet this challenge. We're well on our way to addressing pay issues. I want to continue to explore options that will allow us to offer housing that not only meets basic expectations for security and comfort but also presents an image of pride in our military communities. We must work even harder to ensure that we have a health care system that meets the reasonable medical needs of every member of our Air Force family -- including our retirees. Finally, we must have a system that rewards achievement and recognizes leadership potential across the spectrum of Service specialties. We must show our people that an aerospace force is more than a catchy phrase by continuing to break down the walls between career fields and encouraging people to break out of their functional stovepipes.

As important as pay, benefits and career opportunities are, we also have an obligation to provide our people with state-of-the-art systems and training to effectively apply their talents in the defense of our nation. My goal is to provide them with the finest weapon systems, equipment, and infrastructure to support the world's premier aerospace force across the spectrum of conflict. If we ask these young people to put themselves in harms' way, we as public officials have a solemn obligation to give them the tools needed to win -- to decisively win -- at the least possible risk.

We have carefully mapped out a path to modernization that focuses on those air and space systems, such as the F-22 air superiority fighter, which we consider essential to our future force and the security of this great nation. We focus on the F-22 because air superiority is the critical enabler for all other joint forces. The F-22 is capable of destroying both hostile aircraft and integrated enemy air defenses at an acceptable risk in the very opening minutes of a fight. It does so well before it is safe to bring in the jammers and supporting surveillance platforms required to permit less capable aircraft to operate in hostile airspace. I ask you to continue your support of this vital platform.

Mr. Chairman, the challenges facing the Air Force, to be sure, are not trivial. But the rewards of working with the fine men and women who serve our nation make it all worthwhile.

If confirmed, I look forward to a continuing and growing partnership with you, Senator Levin, and this Committee. Again, thank you for your past support. I will be happy to address any questions you may have.

Responses to Advance Questions
for the Honorable F. Whitten Peters

Defense Reforms

More than ten years have passed since the enactment of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 and the Special Operations reforms. As part of your confirmation in October 1997, you affirmed your support for full implementation of these defense reforms.

Do you still support full implementation of the Goldwater-Nichols and Special Operations reforms?

Yes.

The goals of the Congress in enacting these defense reforms, as reflected in section 3 of the Goldwater-Nichols Department of Defense Reorganization Act, can be summarized as strengthening civilian control; improving military advice; placing clear responsibility on the combatant commanders for the accomplishment of their missions; ensuring the authority of the combatant commanders is commensurate with their responsibility; increasing attention to the formulation of strategy and to contingency planning; providing for more efficient use of defense resources; and enhancing the effectiveness of military operations and improving the management and administration of the Department of Defense.

Do you agree with these goals?

Yes.

Recently, there have been articles which indicate an interest within the Department of Defense in modifying Goldwater-Nichols in light of the changing environment and possible revisions to the national security strategy.

Based on your experience as Under Secretary of the Air Force and Acting Secretary of the Air Force, would you recommend any changes to Goldwater-Nichols or the Special Operations reforms? If

so, what areas do you believe it might be appropriate to address in these proposals?

No.

Duties

Section 8013 of title 10, United States Code, outlines the duties of the Secretary of the Air Force, subject to the authority, direction and control of the Secretary of Defense.

Assuming you are confirmed, what duties do you expect that the Secretary of Defense will prescribe for you?

Subject to the authority, direction, and control of the Secretary of Defense, the Secretary of the Air Force, pursuant to 10 U.S.C. Section 8013, is responsible for and has the authority necessary to conduct all affairs of the Department of the Air Force. These functions include organizing, supplying, equipping, training, maintaining and administering. If confirmed as Secretary of the Air Force, I would expect the Secretary of Defense to assign me duties consistent with these responsibilities.

What duties and responsibilities do you plan to assign to the Under Secretary of the Air Force?

Pursuant to 10 U.S.C. Section 8015, the duties of the Under Secretary of the Air Force are prescribed by the Secretary. Historically, and under Secretary of the Air Force Order 100.1, the Under Secretary has been authorized to act for and with the authority of the Secretary of the Air Force on all matters for which the Secretary is responsible. In essence, the Under Secretary has been a deputy and principal assistant in the general management of the Department and in the completion of its numerous missions. By Department of Defense regulation and practice, the Under Secretary is also a member of the Defense Management Council, which provides direction to the Defense Reform Initiative, the Senior Readiness Oversight Counsel, which monitors readiness of forces, and various other Department-wide boards and councils. Consistent with these authorities and precedent, I would expect to prescribe a wide range of duties and responsibilities for the Under Secretary.

If confirmed, what will be your relationship with the Secretary of Defense?

Subject to the authority, direction and control of the Secretary of Defense I would be responsible for conducting all affairs of the Department of the Air Force. If confirmed as Secretary of the Air Force, I will continue to work closely with the Secretary of Defense and keep him informed of all Air Force matters that could affect his responsibilities.

If confirmed, what will be your relationship with the Deputy Secretary of Defense, the Under Secretaries of Defense, the Assistant Secretaries of Defense and the General Counsel of the Department of Defense?

The Deputy Secretary of Defense has been delegated full authority to act for the Secretary of Defense. Consequently, if confirmed as the Secretary of the Air Force, I will continue to keep the Deputy Secretary of Defense informed of all Air Force matters that could affect his or the Secretary's responsibilities.

With regard to the Under Secretaries of Defense, the Assistant Secretaries of Defense and the General Counsel of the Department of Defense, with whom I have previously served, I will continue to foster close working relationships with these officials and also between these officials and the civilian and military leadership of the Air Force.

What will be your relationship with the other Service secretaries?

If confirmed as the Secretary of the Air Force, I will continue to build on my close working relationship that I have developed over the past two years with the Secretaries and Under Secretaries of the Army and Navy. I look forward to continuing to share views with them in order to more effectively manage of the Department of the Air Force and to coordinate with the other services on matters of mutual interest and cooperation.

If confirmed what will be your relationship with the Chairman of the Joint Chiefs of Staff?

If confirmed, I will continue to foster a close working relationship with the Chairman of the Joint Chiefs of Staff to assist him in developing and executing the strategic direction, planning and preparedness required to implement national security policy.

What will be your relationship with the regional combatant CINCS?

If confirmed, I will continue to work closely with the regional combatant CINCS in order to carry out the responsibility of the Department of the Air Force to fulfill the current and future operational requirements of the unified and specified commands.

If confirmed what will be your relationship with the Under Secretary of the Air Force, the Assistant Secretaries of the Air Force, the General Counsel of the Air Force, and the Inspector General of the Air Force?

In addition to the duties prescribed by 10 U.S.C. Sections 8016, 8019, and 8020, the Assistant Secretaries, the General Counsel, and the Inspector General perform such duties as the Secretary may prescribe. Historically, Secretary of the Air Force Orders have delegated to these officials the responsibility for providing guidance, direction, and oversight of all matters within their areas of responsibility. These orders were thoroughly reviewed and revised by Secretary Widnall during the last months of her tenure. In the past 20 months, I have changed these orders only slightly, primarily to accommodate vacancies in these positions. By statute and order, the General Counsel is the chief legal officer of the Department and provides oversight, guidance and direction for legal advice throughout the Air Force. The Inspector General is responsible for inquiring into, and reporting on, the discipline, efficiency, and economy of the Air Force. If confirmed as Secretary of the Air Force, I would continue to utilize the Assistant Secretaries, the General Counsel, and the Inspector General in these capacities. I also expect the Under Secretary, General Counsel, Inspector General and the Assistant Secretaries to provide me candid advice and counsel and to work together with each other and with the military leadership of the Department to form a cohesive and effective management team.

If confirmed, what will be your relationship with the Chief of Staff of the Air Force and the Vice Chief of Staff of the Air Force?

The Chief of Staff, subject to the authority, direction, and control of the Secretary, presides over the Air Staff. He is a principal advisor to the Secretary. The Chief of Staff is responsible for transmitting to the Secretary the plans and recommendations of the Air Staff and, upon approval by the Secretary, ensuring that they are implemented. To the extent his independence as a member of the Joint Chiefs is not impaired, the Chief of Staff also keeps the Secretary informed of military advice and operations affecting the Department of the Air Force. Pursuant to 10

U.S.C. Section 8034, the Vice Chief has such authorities and duties as the Chief, with the approval of the Secretary, may delegate. Historically, the Vice Chief has performed all duties delegated to the Chief in the place of the Chief during the Chief's absence. Within these general guidelines, General Ryan and I have worked very hard, with considerable success, to create a cohesive management team. General Lyles has recently become a part of that team. If confirmed as Secretary of the Air Force, I would expect to continue my very close working relationship and personal friendship with both the Chief and Vice Chief.

If confirmed, what will be your relationship with Airmen and their families?

Our airmen are the foundation on which Air Force success depends. Fostering the well being of our airmen and their families has been the highest priority for both General Ryan and myself during the time I have been the Acting Secretary. If I am confirmed, that priority will continue. Over the past 20 months, I have attempted to "operationalize" that priority in our budget submissions and policy choices. I have gone to the field as often as is practicable to meet personally with our airmen and their families. I wanted to see first-hand where they live and work and hear directly from them about the successes and failures of Air Force programs. I also wanted to respond directly to them on what Air Force leadership is doing. I have had an opportunity to travel to all the theaters, to most of our forward operating areas to include Tirana, Albania, Southwest Asia, Korea, and Bosnia, and to many bases in the U.S. My goal is to bring what I learn back to the Pentagon and to work on common-sense solutions that help our people perform their missions.

Qualifications

If confirmed, you will be entering this important position at a time of concern about the adequacy of the budget, force levels and readiness of our forces.

What background and experience do you have that you believe qualifies you for this position?

My civilian profession, time in the Departments of Defense and Air Force, and personal life provide the experience and perspective to lead a large governmental organization. I have worked closely with Secretary Cohen, Deputy Secretary Hamre, and other senior officials of the

Department in resolving many difficult and sensitive issues over the past few years.

First, having served as acting Secretary of the Air Force for the last 20 months and having traveled to all theaters where Air Force personnel serve, I have seen and heard first hand from members of the Active, Reserve, Guard, and civilian components of the Air Force. My understanding of the Air Force mission and the challenges people face is extensive. I have also had the opportunity to learn and subsequently to shape Air Force policy in such important areas as implementation of the Expeditionary Aerospace Force, programs and budget, retention and recruiting, base closure, housing and business reform. Finally, I have had the opportunity to work with members of Congress and the administration to further important Air Force programs.

In addition, my experience and work as Principal Deputy General Counsel in the Office of the Secretary of Defense was valuable in addressing broad military and fiscal management issues that face all of the armed services today. I am well acquainted with the personnel and functions performed by the Office of the Secretary of Defense and the joint arena.

Finally, I am a former Navy officer. My family and I have lived as a part of the military family. We have first-hand understanding of the demands, sacrifices and rewards of military service.

Together, General Ryan and I have developed a clear vision of where the Air Force is, where it needs to go in the next century, and where we need to place our emphasis to lead it into the future.

Do you believe that there are any steps that you need to take to enhance your expertise to perform the duties of the Secretary of the Air Force?

Every day I gain a better and deeper understanding of the issues facing the Air Force and, I hope, a clearer vision of what must be done to transform the Air Force into an expeditionary force ready to face the demands of the 21st Century. While I believe that my 20 months as acting Secretary have prepared me to perform the duties of the Secretary of the Air Force, I also believe that I must continue to go to the field frequently to determine whether policies are working as intended and whether past assumptions remain valid.

In your opinion, is it necessary, desirable, or helpful for the Secretary of the Air Force to be a qualified military pilot? Please explain your answer.

No. While it may be helpful to be a qualified military pilot, I do not think it is necessary. The Secretary has constant access to technical and operational advice, and is also permitted and encouraged to fly with qualified instructor pilots. Unquestionably, I have learned a great deal from those units with which I have flown. I also have gained a greater appreciation of both the exhilaration of military operations and the physical demands of high performance flight. However, the key to Air Force success both today and in the future is in the successful integration of air, space, and supporting personnel and systems. Therefore, it is equally important for a Secretary to work with and appreciate the roles of those who maintain our strategic missile systems, operate the “scopes” in the back of the AWACS and JSTARS, guard our forces, repair and refurbish aircraft in our depots, provide medical care through Tricare and in field hospitals, predict solar weather, cook food for 500 airmen in a field kitchen, or perform the hundreds of occupations that are necessary to support an Expeditionary Aerospace Force. It is far more important that a Secretary possess a solid understanding of the roles of airmen and of aerospace power in providing for the national defense and the managerial and executive expertise to ensure efficient, effective, and integrated operation of the Department and its myriad systems.

Air Power Primacy

Some Air Force proponents have asserted the primacy of air power in future conflicts. Citing recent events, they describe a doctrine that air power alone can dishearten, disrupt and destroy enemy ground forces to the extent that only minimal "mopping-up" by ground forces would be necessary.

To what extent do you subscribe to such a doctrine?

I do not. I am a strong advocate of the synergy of the joint force. We must use land, sea, and aerospace assets to produce effects far greater than the individual contribution of each Service. Each military challenge will be different, and I believe that we should use the right force, at the right place, and at the right time. The Air Force is proud to be a member of our joint team, with each Service having an essential role in defending our nation.

Recent events have shown that advances in technology are revolutionizing military operations. We should continue to fully exploit aerospace power's ability to bring force to bear accurately and quickly anywhere on the globe, while minimizing the risk to large numbers of young Americans.

Aerospace power -- Air Force, Navy, Marine and Army -- is our premier and most versatile asymmetric advantage. It will be vital to all future military operations across the spectrum of conflict. From providing humanitarian assistance to rapidly halting distant aggression, aerospace power will be an important part of our joint response and will offer our leaders a range of options to achieve our national objectives.

What lessons, if any, would you recommend be learned from the NATO campaign in KOSOVO?

We are still gathering objective facts about the Kosovo operation, but we can make some subjective observations.

The first is that our people and technology worked! We demonstrated the value of our training and the high quality of Air Force people. We also demonstrated that our path of modernization is valid – modernization since Operation Desert Storm successfully increased precision-guided-munitions-capable aircraft from 10% in Desert Storm to 90% in Operation Allied Force – this was critical to the success in Kosovo.

We also proved that the Expeditionary Aerospace Force concept works. Kosovo deployments to many bare bases demonstrated our ability to transform a base with no U.S. facilities into a fully operational base, ready to turn sorties, within hours to a few days. Our ability to rapidly deploy on a global scale proved the wisdom of our investments in the C-17 airlifter, as well as in the modernization of the KC-135 tanker. The deployments also showed the value of more mundane modernization items such as transportable satellite antennas, lightweight field kitchens, and our “Harvest Eagle” and “Harvest Falcon” “base-in-a-box” assets.

In B-2 operations, we had a glimpse of our path toward all-weather precision capability and also demonstrated that we could deploy successfully from the United States to any spot on the globe. We saw the increasingly effective use of UAVs. We saw the start of information superiority envisioned in Joint Vision 2010 with real time targeting and data-linked imagery which resulted in successful prosecution of time-critical targets. We also demonstrated the integration of air and space assets as Predator video images were fused with digital terrain elevation data provided from national satellite systems to provide precise targets for orbiting aircraft. Finally, we demonstrated “reach-back” – the capability to use stateside assets to process surveillance data and transmit processed data back to the theater, all in real time. All of these capabilities required ongoing, dynamic command, control and communication modernization.

Excellent logistical support kept sorties cancelled due to maintenance to under 2%. We successfully surged our depots and many of our contract suppliers. Thanks to the efficiencies gained through BRAC and public-private competitions, we managed the surge efficiently and to date have no losses in the supply or depot maintenance working capital funds. We were also able to demonstrate the capability of Worldwide Express and commercial express carriers to provide time-definite delivery directly to users, cutting inventory requirements in theater.

We currently have teams focusing on these issues, quantifying lessons learned, and ready to lay in requirements, as appropriate.

Bottom Line: We succeeded in achieving our objective. The NATO forces came together and did a fantastic job. We showed that our vision is sound, even as it evolves and is fine-tuned for the post Cold-War environment. As we evaluate the lessons learned, we will be able to move closer to Joint Vision 2010.

It is now the time to reconstitute our force. Our airmen made a difficult job look easy, but it took hard work, much sweat and lots of equipment. Now the task is to repair our platforms, train, and provide some hard earned and much needed “family time” for the troops.

Maintaining a Ready Force

In recent months, senior officials within the Air Force and the Department of Defense have expressed concern that the high operating tempo may impact readiness.

Is the Air Force currently experiencing a decline in readiness as a result of the air campaign in Kosovo?

Yes, in some areas. While deployed to Kosovo, some training and currency items were not accomplished. As units return from the deployment, they will need to make up these lost training and currency items. Further, we need to give our people a rest. Even before Kosovo, the operations tempo was high and this operation sent it still higher.

Periodic aircraft maintenance was also deferred during the Kosovo operations and these routine events must be made up. Also, higher than expected aircraft usage resulted in maintenance events such as engine cycle times accelerating, which will cause earlier than planned engine overhauls.

Although we face challenges, increased funding for spare parts and depot maintenance is having the desired effects. Those funds coupled with increased efficiencies at our depots ensured sufficient spares to allow us to meet minimum programmed requirements and to keep mission capable rates for deployed aircraft at impressively high rates. Cannibalization rates -- taking parts out of one plane to fix another -- are declining. At the same time, we were actually able to increase the fill rates of deployable spares kits in all theaters. Although the annual non-mission capable rate is still high -- due in large part to the dwindling supply of skilled maintenance forces -- the monthly rate has decreased from 13.0% to 12.3% over the last three months. We are making progress.

What indicators or early warning signs have been established to permit the Air Force to monitor unit readiness?

The Air Force uses several indicators to monitor readiness. The Status Of Resources and Training System (SORTS) assesses a unit's manning, training, equipment, and equipment condition. Each unit commander is responsible for monitoring and reporting the current unit status and estimating future unit readiness. Also, maintenance indicators such as mission capable rates, cannibalization rates and supply rates are closely monitored. Further, the Air Force closely monitors recruiting and retention data to help assess overall readiness.

Are the existing procedures and practices sufficient to provide the Air Force leadership meaningful and timely information which will permit identification and corrective action to prevent an impending readiness problem?

Yes. However, we need to do even more to develop tools to forecast readiness in order to provide more time to take corrective actions. Existing reporting tools generally provide a snapshot of what has happened, but cannot predict what will happen. Since corrective actions often take resources that have not been programmed and fairly long periods of time for implementation, it is essential that we develop tools that predict the future as well as report on the past. We have developed

some rudimentary forecasting tools. However, real progress probably hinges on the implementation of better, more “real time” information processing systems. We will continue to work to improve readiness reporting and forecasting.

Priorities

Over the next two years the Air Force will face many challenges in its ability to support the National Military Strategy. Recent operations in the Balkans demonstrated the need for such things as electronic warfare assets, and enhanced mobility assets if we deploy forces to a theater of operations in a timely manner. These operations also demonstrated the need for efficient management of key personnel.

If confirmed, what will be your priorities for ensuring an Air Force that is manned and equipped to meet the needs of the 21st Century security environment?

The Air Force is transitioning from a Cold War Force to an Expeditionary Aerospace Force for the next century. As we reorganize the force, our priorities will continue to be our people, readiness, and modernization.

Our airmen are the most critical asset. The Air Force selects airmen carefully and trains them exhaustively for demanding roles that require skill, dedication, technical competence and experience. Without a doubt, the principal factor of our success in Desert Storm, the Balkans, and most recently in Kosovo was the quality of our airmen. They are the world’s finest, and we must offer them and their families a lifestyle and a working environment that is commensurate with the sacrifices they make on our nation’s behalf. That is why we have stressed the need for better pay and retirement reform, as well as overall improvements in quality of life based on better housing, better child care, and top-quality medical care.

Readiness remains a key concern. Our high tempo of operations and aging equipment are straining our units. In addition, training opportunities, so important to developing the experience of our airmen, are being lost due to maintenance problems and to time spent on deployments for contingency operations. Our Air Force is one-third smaller than it was a decade ago, and we are deploying at four times the rate of 1989. The budget increases we have proposed and that Congress has supported will help us make the investments in spare parts, flight hours, and other operations and maintenance accounts that are essential to improved readiness. Beyond that, though, readiness depends on recruiting and retaining our airmen. The Air Force will end this fiscal year about 10,000 members short of its authorized manning. This shortfall is driven by the combination of unprecedented low levels of retention coupled with an equally unprecedented difficulty in recruiting qualified airmen. Our recruiting command has done better in FY99 than it did in FY98, but the improvement is still not enough to replace the high numbers of airmen leaving the force. The pay and retirement initiatives set out in the FY2000 President's Budget are essential to achieving better retention and improved recruiting levels. Equally essential will be full implementation of the Expeditionary Aerospace Force (EAF) that offers the promise of reduced deployment levels, reduced work levels at home station and greater stability and predictability for our airmen. We will be moving into the EAF structure on October 1 of this year to the greatest extent possible consistent with reconstituting the force after Kosovo operations.

Modernization is my third priority. To remain the world's best aerospace force of tomorrow, we need to make the investment today in both new systems and modernized older systems.

The F-22, designed to assure air dominance well into the next century, is our top priority. Through the use of stealth, supercruise, integrated

avionics and precision weapons, the F-22 is able to penetrate modern integrated air defense systems (IADS), and severely degrade both those systems and any hostile aircraft that may be flying. The F-22 is a key enabler. As integrated air defense systems improve, we must move beyond our first generation stealth technology. We must field a replacement that can degrade the sophisticated IADS which are ubiquitous throughout the world today, with minimal risk to itself. This is a critical first stage in any conflict, because it is extremely dangerous to put either our high value Intelligence, Surveillance, Reconnaissance (ISR) platform assets or our strike aircraft anywhere near a fight until the IADS is degraded.

The F-22 is blended in a time-phased modernization program with other funded new systems such as C-17, Airborne Laser, CV-22, Joint Strike Fighter, SBIRS, and Evolved Expendable Launch Vehicles. We are also committed to continued modernization of our bomber fleet, improved sensor-to-shooter capabilities and acceleration of intelligence, surveillance and reconnaissance sensors and data-link systems that enable continued dominance within the information superiority arena. In addition, we have accelerated the funding for avionics, flight safety and navigation system upgrades for our primary passenger carrying aircraft as well as our large C-5, C-130, and KC-135 fleets. We must also fund the next generation of precision weapons; continue to improve our use of space through advanced constellations; and upgrade our current support systems.

Equally important are our investments in space launch and space platforms such as SBIRS and Discoverer II. Space systems and space-derived capabilities provide an instantaneous worldwide presence not achievable at acceptable cost by ground or air-based forces. They enable the United States to leverage information to influence, deter or compel an adversary and shape a situation. Kosovo showed the value of controlling space as the ultimate high ground because of the advantage it gave us in situational awareness. Assured access to space with the most capable sensors is no longer a “nice to have.” It is a “must have” in all future operations.

Realizing the necessity to maintain a capable and ready force, do you believe the modernization priorities you have outlined are affordable?

Air Force modernization priorities are embodied in the Air Force Program Projection (AFPP). The AFPP is the service's corporately approved investment strategy developed to implement and sustain Air Force core competencies. It provides a time phased, realistic and affordable investment strategy over 18 years (three FYDPs). But in the end, maintaining a capable and ready force is a matter of purchasing power. In the fall of 1998, the Air Force quantified a \$5 billion shortfall each year across the FYDP. The plus-ups within the FY00 President's Budget cut that annual shortfall in half, thus stopping our decline in readiness. However, in order to improve operational readiness, additional topline is needed to fund the remaining shortfalls. Unless the remaining \$2.5 billion per year shortfall is addressed, our ability to maintain the correct balance between our readiness today and the modernization for tomorrow is in jeopardy.

What do you see as the most significant challenges to your ability to execute the Air Force modernization plan?

Our modernization plans must be framed on the new and emerging threats and requirement of the Post-Cold War era. We are shifting from a forward-based, containment-focused force to one largely CONUS-based, therefore expeditionary and focused on Global Engagement Operations. We must operate from bare bases while bringing our own force protection and relying on reachback for supply and maintenance. We will rely even more on standoff, precision weaponry.

Some of the forces the Air Force built to respond to the Cold War threat have shown great flexibility in transitioning to the post-Cold War world. Others have taken more effort to adapt, but adapt we must. In this environment, the continuing budget shortfall of \$2.5 billion per year creates significant challenges and a need every year to carefully balance modernization programs to ensure an integrated suite of combat capabilities. It is also increasingly clear that surplus defense infrastructure is hampering our ability to invest in modernization. Each budget year, we are forced to migrate investment funds to pay increasing operating costs and to support an infrastructure that is no longer proportional to our force structure. To reduce funding instability, we need to reduce infrastructure and migrate the savings to modernization.

Current operations are accelerating the stress on our aging aircraft fleet. Sustainment of an aging aircraft fleet

places increasing burdens on Air Force total obligation authority. These burdens directly reduce the funds available to modernize our aircraft at a pace that is required to establish an effective balance between modernization and sustainment, while meeting the warfighter's needs.

What enablers do you anticipate you will need to execute this plan?

In order to free up funding for our modernization program we continue to aggressively pursue acquisition and business area reforms while downsizing the workforce. We also need two more rounds of BRAC. We need to continue our Revolution in Business Affairs by institutionalizing throughout the Air Force those areas of reform and concepts we have been working over the past several years. These include: reduction in total ownership cost (RTOC), total system performance responsibility (TSPR) for our industry partners, and support for spiral development approaches to reduce the cycle time to field our systems to the warfighter.

We also benefit from the trend of fewer and smaller Congressional general reductions (CGRs) and more latitude to distribute them. We support Congressional efforts to reduce CGRs.

Finally, we need to challenge missions. Recently, we have taken on new missions before old missions end. At some point, this must stop or the budget must go up. However, success breeds demand and the Air Force successes have led to increased demand for our services. We must instill a disciplined system of prioritization. We have had considerable help in this regard from the Joint Chiefs and from OSD, but more is needed.

Consolidation in industry has continued below the prime contractor level.

Do you believe there will be a point where competition and innovation will be stifled due to this consolidation? Explain.

The Air Force and OSD recognize industry consolidation could impact

competition. We have instituted several studies and acquisition reform initiatives to ensure effective competition is maintained and technological innovation is encouraged. Competition at the subcontractor level and the technological innovation derived from that level are critical to the successful development and production, at affordable prices, of new weapon systems for the next century.

A 1997 Defense Science Board study on vertical integration recommended that program managers must get involved in prime contractors' subcontracting plans and review their sub-tier suppliers to ensure adequate competition does or will exist. This policy recommendation has been implemented in DoD acquisition policy.

DoD and the Services also instituted a formal merger review process enabling DOD to work in conjunction with anti-trust authorities in the analysis and review of proposed mergers and acquisitions. Proposed mergers or company acquisitions are reviewed by OSD and the Services from the perspective of potential impacts on competition, and the Department's views are communicated to the appropriate anti-trust agencies. On many of the major merger transactions, antitrust authorities have taken steps to ensure competition is maintained by using consent decrees requiring divestitures of portions of companies before the transaction could proceed. Over the past year alone, the Air Force has assisted OSD in analyzing more than twenty-five mergers and acquisitions for potential impact on AF programs.

Other policy initiatives addressing the impacts of consolidation include increased emphasis on market research during the formation of acquisition strategies to insure that competition at the subcontractor level is maintained. DoD is also initiating reforms to foster civil/military integration in order to attract commercial firms which have not previously done business with DoD and are at the cutting edge of technology and innovation.

We are encouraging increased participation by small businesses through the Small Business Innovative Research program. This program is specifically designed to stimulate technological innovation among small companies and provide the government with new, cost-effective, technical and scientific solutions to challenging problems. Additionally, the Mentor/Protégé program provides incentives for DoD prime contractors to assist small disadvantaged businesses to enhance their capabilities and increase their participation.

Maintaining competition at the subcontractor level is a top DoD and AF priority, and we are working closely together to ensure that the impacts of industry consolidation are appropriately addressed.

What efforts are being undertaken by the Air Force to control price for weapon systems in a fiscally constrained, yet less competitive market?

Constrained defense budgets and defense industry consolidation are a fact of life in today's acquisition environment and continue to create significant challenges. To address these challenges, the Air Force has instituted several reform initiatives to help control prices and reap the technological and cost efficiencies of civil/military integration.

As part of OSD's civil/military integration initiatives, we are moving from cost-based acquisition approaches, with detailed Government oversight of contractor practices, costs, and systems, to commercial price-based processes that more closely mirror commercial practices. A key part of this effort is the replacement of detailed military specifications with commercial specifications through DoD's single process initiative. We are also rapidly moving to a much greater use of performance based specifications which allow contractors to propose and use the most efficient and cost effective processes available.

The Air Force is also significantly increasing its emphasis on market research to tap into non-traditional sources that will help us constrain prices. One of our major reform initiatives is Lightning Bolt 99-3, Market Analysis and Pricing Centers of Expertise (COE). This Lightning Bolt will establish and electronically link COEs at each product and logistics center allowing the Air Force acquisition personnel to share knowledge and become “smarter buyers.”

We have also instituted innovative contractual arrangements like production price commitment curves that encourage contractor cost-reduction strategies. An excellent example of this is on the Joint Direct Attack Munition (JDAM) Program. Prior to production, the contractor agrees to a price curve associated with various incentives for several future production lots. As long as the contractor proposes prices for these lots that stay within the pricing curve, Government oversight is maintained at a minimal level.

We also have instituted integrated product team (IPT) pricing which involves contractors in the pricing process. This ensures that all supplier and government team members involved in the negotiation process are fully aware of the requirements, specifications, and monetary and funding issues, resulting in more realistic and achievable prices.

Finally, we have instituted a major initiative to control and reduce weapon system life cycle costs called reduction in total ownership cost (RTOC). As part of this initiative, managers of existing programs are researching and identifying the significant cost drivers on their programs so that we can pursue ways to reduce future costs. We are also using cost as an independent variable (CAIV) methods to identify trade-offs among user requirements, performance enhancements, and operations and maintenance costs.

Forward Operating Locations

In compliance with our treaty obligations, the United States recently ended counter-drug operations from Howard Air Force Base. General Wilhelm, Commander-in-Chief of the U.S. Southern Command, has developed a plan, which was approved by General Shelton and Secretary Cohen, to create forward operating locations in the source and transit zone from which to deploy U.S. counter-drug assets. There have been reports that the Air Force is opposed to this decision.

If confirmed, will you ensure the Air Force supports the needs of the regional CINC's and the decision of the Secretary of Defense?

Yes. We have already started Counterdrug (CD) Forward Operating Location (FOL) operations from Curacao with ANG F-15/16 aircraft, and E-3 AWACS expeditionary operations in accordance with USCINCSOUTH's theater engagement strategy. The other services and interagency organizations have also started operating from Aruba and are performing limited expeditionary operations from Manta, Ecuador. The Air Force operates these three FOLs. We are committed to our responsibilities as Executive Agent for these FOLs.

If the Air Force opposes forward operating locations, what is the basis of the opposition?

The Air Force originally questioned why it was being required to operate three FOLs when one FOL at Curacao was sufficient to maintain an equivalent level of Air Force support to that we had provided at Howard Air Force Base. Curacao's strategic location allows Air Force assets to support both transit and source zone Counter Drug operations while providing the flexibility to easily swing between zones. A single FOL at Curacao also minimized the need to deploy very heavily stressed base operating personnel, such as security forces and air traffic controllers. Also, since other services or civilian agencies would be the predominant users of the Aruba and Manta FOLs, we felt that it was fair to ask those users to bear the manpower and budget costs of those FOLs. These recommendations were considered and rejected within the Department, and we have moved out as directed.

Do you believe that these Forward Operating Locations are necessary to ensure that we continue to provide an adequate level of airborne coverage over the source zone?

With the possible exception of achieving USCINCSOUTH's requirement to meet deep source zone detection and monitoring, which may require an FOL in Ecuador, a single FOL at Curacao would be effective for Air Force operations. In addition, a single FOL at Curacao, because of its strategic location, would provide an equivalent level of support to that which the Air Force provided from Howard Air Force Base. The other services and civilian agencies may require the Manta and Aruba FOLs to be effective.

Excess Infrastructure

In your view, what steps does the Air Force need to take to reduce excess infrastructure?

The greatest savings would be realized through two additional rounds of BRAC. None of the alternatives to reduce excess infrastructure are as effective. The Air Force is continuing initiatives to eliminate infrastructure identified in the Defense Reform Initiative. The Air Force is also reengineering/restructuring through competitive sourcing and enhanced leasing (at Brooks AFB, for example). We are also pursuing approximately 260 utility privatization agreements, making substantial progress on family housing privatization and exploring cooperative agreements for dual uses with local communities.

Do you believe the Air Force needs to close additional bases?

Yes. We must reshape our infrastructure to match out changing mission requirements. The Air Force cannot afford to maintain excess infrastructure. BRAC generated savings can then be applied to readiness and modernization.

We also need to return to 24 Primary Aircraft Inventory (PAA) fighter squadrons. Many of our squadrons are now sized at 18 PAA.

Consolidating to 24 PAA reduces the number of squadrons without changing our total fighter strength. Consolidation also frees up pilots, aircrew and maintenance personnel to be applied to areas where we currently have shortfalls – indeed, the former ACC commander estimated that consolidating to 24 PAA squadrons would reduce Air Force requirements by over 600 pilots – almost half of this year’s shortfall! A 24 PAA fighter force is also more efficient and the right size for an Expeditionary Aerospace Force, which must generally deploy with 12 aircraft, leaving too few aircraft at home for effective training.

Brooks Air Force Base Efficiency Project

We understand that the Brooks Air Force Base Efficiency Project was included in the fiscal year 2000 legislative package submitted to the Office of Management and Budget. However, the Armed Services Committee could not consider the Brooks legislation because it was delayed within the Office of Management and Budget. The legislation was subsequently included in the Defense Appropriations Bill without consideration by any congressional committee.

What changes to the legislation requested by the AF did OMB recommend with regard to the Brooks AFB Efficiency Project?

The Brooks project was mandated by Congress. The Air Force did a study, as required, which showed \$103 to \$204 million in potential savings, depending on the degree of city and private investment and risk taking. The project would leverage the installation’s assets by partnering with private developers and local and state governments. The idea is to provide operational support for the Brooks Air Force Base mission through joint use of facilities and other assets and through shared costs.

This is groundbreaking legislation for us and was a challenge to draft and perfect. As it proceeded through the normal review process, certain provisions in this legislation were modified in light of a package of legislative proposals the Administration is developing to address federal property management issues on a government-wide basis. Additionally, a few changes were needed to ensure the proposal is consistent with Budget

Enforcement Act scoring rules and to scope the proposal to a level appropriate to the project's goals.

The major thrust of the Brooks proposal remained intact. The following are the major issues resolved with OMB:

**OMB Circular A-76 cost comparison studies
McKinney Homeless Assistance Act
Screening requirements for disposal of real property
Fair market value consideration
Leaseback of real property**

What benefits in terms of cost savings and infrastructure improvements would the Air Force realize from this project?

The Air Force has designated Brooks AFB as a “Reinvention Lab” to test and demonstrate new and innovative approaches to reduce infrastructure and base operating costs. We expect to maintain the high quality of our installation while cutting both operating and capital requirements. As stated above, initial studies put the potential saving in the \$100 to \$200 million range, depending on the final level of partnering we can achieve.

The project seeks to achieve cost reductions by employing techniques proven in the private sector to improve the efficiency of AF business processes and to manage Air Force capital assets more effectively.

Is there any basis to the allegation that this legislation (Brooks) may be an attempt to BRAC-proof Brooks AFB?

No, there is no Air Force intent to “BRAC-proof” Brooks AFB. The submittal of this legislation by the Department of Defense was mandated in the Strom Thurmond National Defense Authorization Act (at section 2814). In preliminary discussions with public and private sectors, the Air Force has explicitly and repeatedly cautioned all concerned that these arrangements should not be interpreted as “BRAC-proofing” Brooks AFB or inhibiting or precluding such a decision under a future round of BRAC.

Military Housing Privatization

The Military Housing Privatization Initiative was approved by the Congress with the overwhelming support of the Military Departments and with great hopes. The optimism however was short lived and as of February 1999 the Department of Defense has only awarded three privatization projects.

What has been your personal involvement in the AF efforts to carry out the Military Housing Privatization Initiative?

Housing and Quality of life for our military members and their families is one of my top concerns. For the past two years, I have been actively engaged in providing oversight, guidance and project approval of our Air Force housing privatization program. In the case of the Robins and Elmendorf projects, for example, I have even been intimately involved with some of the more detailed issues facing our program. Additionally, I have led an effort to use our traditional Reserve and Guard personnel as expert resources. We have several traditional Guard and Reserve officers who are successful real estate developers in areas near our bases. We have drawn upon their skills to educate Air Force leadership in effective real property development and management, and they have helped us locate private industry consultants to help guide the Air Force in this endeavor. We also drew upon our Reserve and Guard officers for guidance in our early housing projects and they have helped us produce superior results which we expect from the awarded Lackland AFB project and other projects nearing contract closure. We continue to work with this group to develop a better business strategy for performing housing privatization.

To date, we in the Air Force have taken the approach to housing privatization we believe Congress intended. We identified a modest number of projects for execution in this pilot program to test the authorities. Additionally, General Ryan and I just signed the Air Force Family

Housing Master Plan outlining our approach to revitalize housing by the year 2010 using a mix of traditional military construction, operations and maintenance and, where it makes sense, housing privatization. Our approach is measured. We intend to use privatization as one possible tool to revitalize our military housing. We will turn to privatization when it does not conflict with operational mission requirements and where analysis indicates economic viability. We intend to continue with this approach as long as we can demonstrate that privatization is an effective means of stretching limited funds and improving more housing units.

Improving military family housing is only part of the solution. Although we have designed our privatization projects with no out-of-pocket cost to our military members, out-of-pocket cost for our other military members living off base is still a concern.

The AF plans to make solicitations for three privatization projects this calendar year.

What is the status of these solicitations?

Actually, we have five projects we intend to solicit this year. The Elmendorf AFB project was advertised in March and proposals are now being submitted for evaluation. We are currently awaiting the House Appropriations Committee release of the Dyess project for advertisement. In addition, we are preparing the solicitation documentation with plans of notifying Congress of our intent to solicit projects at Kirtland, Patrick and Dover Air Force Bases this year.

In your personal view, is the Military Housing Privatization Initiative cost effective and living up to its expectations?

When conditions are right, it can be cost effective. Our experience with the Lackland project is a good example. We had expected to spend \$17.7 million in regular

military construction funds to replace 149 family housing units. Through privatization, we will construct 420 units for only \$6.3 million. In this case, we demonstrated cost-effectiveness by obtaining 8 dollars worth of modern housing for each and every dollar invested. Through privatization, we can revitalize more units more quickly than through a similar investment in traditional MILCON.

The economics of these transactions are complex, but if done correctly the total cost over the life of a privatized project should be roughly the same as the total cost of a traditional military housing project. Because of these complexities, and because of some spectacular failures of earlier Air Force privatization initiatives -- such as the housing at Ellsworth AFB, where last year we had to bring a False Claims Act suit against the builder to get massive defects corrected -- we have taken a more measured approach to privatization than the other services. We are learning as we go and expect use the lessons learned each time to further leverage our dollars and to avoid repeating mistakes.

For those who expected privatization alone to be the “silver bullet” that would solve our shortage of acceptable family housing, the program is unlikely to live up to expectations. It will, however, prove to be a valuable tool as we strive to meet our commitment to provide adequate housing for all of our troops.

Sexual Harassment and Relationships

The Administration and the Congress are both reviewing the issues related to sexual harassment, sexual misconduct, gender-integrated training and personal relationships between military personnel and between military personnel and non-military personnel.

In your view, what are the primary issues that must be addressed in terms of policy changes and the impact such changes may have on force management and military readiness?

To ensure we get the most from our people and maintain the levels of readiness expected, the Air Force policy regarding sexual harassment is very clear: Zero Tolerance. Our Equal Opportunity education and assessment programs play an integral part in helping us to combat sexual harassment. The Air Force Equal Opportunity 2000 Awareness training received laudatory comments from the Defense Advisory Committee on Women in the Services (DACOWITS). Last year, we conducted the highest number of unit organizational assessments in 10 years. Continual evaluation is the key to maintaining success. The Air Force is taking the right approach to address sexual harassment, and we must stay the course.

The Air Force has conducted gender-integrated training for more than 20 years. It is a proven success story. We are approaching the time when there will be no one in the Air Force who was not trained in a gender-integrated setting. Our training instills teamwork, mutual respect, and esprit de corps, which directly enhance combat readiness. Beyond basic military training, gender integration is the rule in the Air Force, not the exception. Over ninety-nine percent of Air Force jobs are open to women, including the cockpits of fighter aircraft. As we prepare for our role as an Expeditionary Aerospace Force, we must train the way we fight, as a gender-integrated force. The Air Force's record of success on this is peerless.

As you know, the Secretary of Defense created three task forces to study issues related to gender-integrated training, good order and discipline, and personal relationships. I am committed to incorporating those recommendations that will strengthen and improve our overall training program. In fact, we already have done so in many cases.

In your view, is the Air Force capable of reviewing the existing policies and practices and recommending policies, which will be credible to, and enjoy the confidence of, the Congress and the American people?

Yes.

Officer Promotion Procedures

Do you personally have confidence that the Air Force officer promotion system is fair and has integrity?

Yes. As Acting Secretary I have had regular, personal involvement in the officer promotion system and have debriefed every board president. I have been impressed with the consistent emphasis on fairness and integrity. Equally important, surveys of our officers consistently show that they believe the system is fair and has integrity. That is the true test. However, we cannot become complacent. The Air Force regularly reviews the promotion system and progressively implements refinements to ensure that it remains a process in which we can all have confidence.

If confirmed as Secretary of the Air Force, will you carry out the spirit as well as the letter of the law to ensure that officer promotion procedures in the Department of the Air Force are administered in a fair and objective manner, consistent with the law and all relevant Department of Defense and Air Force rules, regulations and directives?

Yes.

Senior Executive Service Development and Training

What are your personal views on the adequacy of training programs for members of the Senior Executive Service in the Department of the Air Force?

The Air Force has an excellent process in place to ensure that new SES members are properly oriented to the Air Force and Department of Defense, and to their roles as Federal executives. The Air Force also strongly supports the continuing skill enhancement

of current SES members including a number of development opportunities in which civilian executives are fully integrated with general officers. In 1995, SES members were incorporated, along with Active Duty, Air National Guard and Reserve officers, into the Chief of Staff's Senior Leader Orientation Course for new general officers. Not only does that provide them needed senior management skills, but it sends the message that we expect out senior civilian and uniformed leaders to work as a fully integrated team. In the same vein, our SES members attend DoD National Security courses. Given their critical roles and the impact of their decisions, it is of particular importance to me that SES members in the Air Force, regardless of their specific assignment or area of expertise, possess an understanding of military doctrine and the importance of aerospace dominance.

What initiatives would you propose to enhance this training?

If confirmed, I will continue to improve civilian leadership development by ensuring future leaders have a corporate view with functional (e.g., acquisition, finance, engineering) expertise, proven leadership in demanding jobs, and high-level staff experience. I will strongly support the Defense Leadership and Management Development Program (DLAMP). This program provides Air Force participants an understanding of our joint national security missions, strengthens communication and trust among senior military and civilian leaders, and prepares our executives to assume positions of greater responsibility. I also will support opportunities for current Air Force SES members to work for a year or two in the Office of the Secretary of Defense or another federal agency and then return to the Air Force, bringing with them experience and knowledge that will prepare them for more responsible positions. I am particularly supportive of a succession program at the SES level to ensure that civilian executives are in place and prepared to assume key Air Force leadership positions.

Priorities for the Department of the Air Force

With declining fiscal resources, a balanced budgeted agreement with the defense top line determined for five years, the decisions

regarding how to balance the available resources between personnel, quality of life, near-term readiness and modernization programs are more important than ever.

What priorities would you recommend for the Air Force?

The FY00 President's Budget added about half of our requested increase to our top line across the FYDP. The added funding was applied to our most pressing needs with people programs at the top of the list. Additional funding supported a 4.4% pay raise, improved retirement benefits and better housing for our troops.

The next priority is readiness followed by modernization. Increased funding to purchase aircraft spare parts and added funding for depot-purchased equipment maintenance will help arrest the decline in our readiness indicators. Increased top line funding also will allow our aircraft fleet to age more gracefully as we invest increased funding into the modernization of subsystems in our existing aircraft. Examples of this include the accelerated implementation of avionics and safety modifications in our C-5, C-130, and KC-135 aircraft, as well as avionics and weapons systems modernization in our B-52 and B-1 fleets. Increased procurement funding went towards aircraft engine modernization programs, engine modification programs, and engine component improvement programs. Added funding in our modernization accounts was also applied to a wide range of space systems (for example, GPS, DSCS, MILSTAR, NPOES, SBL and Discoverer II) and to space range modifications. Additionally, we remain committed to a time-phased modernization approach in our Fighter, Bomber, Airlift, Space, and Command and Control systems.

Our fourth priority is infrastructure and facilities. We are committed to providing our troops with a high-quality working environment and we must do more to improve in

this area. Our ongoing housing and utility privatization programs seek to accelerate modernization with reduced reliance on public funding.

Special Access Programs

The Air Force oversees a large portion of the special access program budget. Due to the necessary restricted nature of classified programs, the committee can only obtain information through the Department.

Will you ensure the committee is promptly informed of program changes, realignments, or difficulties promptly?

Yes.

Science and Technology

Section 214 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 recognized the fundamental importance of the Department's Science and Technology Program in developing the technologies that will be needed to meet future threats to national security by establishing a goal of increasing the Department's Science and Technology budget at a rate of two percent above the rate of inflation for Fiscal Year 2000 through 2008. The Air Force budget request for Fiscal Year 2000 fell far short of this recommended goal.

If confirmed as the Secretary of the Air Force, what measures do you intend to take to ensure adequate funding for the Air Force Science and Technology Program in the future?

The Air Force Science and Technology (S&T) Program contains the research essential for the Air Force vision of an Expeditionary Aerospace Force and remains focused on the most critical technologies needed to perform our national security mission in the future. The S&T Program undergoes constant corporate review and must compete within the overall Air Force budget. The Air Force needs about \$2.5 billion more in each fiscal year of the FYDP to

fund its minimum essential program. S&T funding must therefore be fiscally constrained the same as the rest of the Air Force budget. As with many other budget items, the Air Force funds the most critical requirements and places very important, but less critical items in an Unfunded Priorities List. In the FY00 President's Budget, the Air Force (with the full knowledge and agreement of OSD) funded approximately the same amount of S&T as it did in FY99 and it identified \$94.6 million in unfunded S&T priorities and included this in the Modernization section of the Chief of Staff's Unfunded Priorities List. I will again examine the entire S&T Program as part of the FY01 budget deliberations. We will try to stabilize S&T funding, but in this time of overall shortage, S&T cannot be fully funded without regard to other critical programs.

In your tenure as Acting Secretary of the Air Force, there were severe reductions to the Air Force technology base. It is the understanding of this committee that the specific reductions taken in the Fiscal Year 2000 budget request were the result of last minute restructuring of the Air Force's Science and Technology Program.

Please provide the method and criteria used to determine how these reductions would be taken.

In early 1998, General Ryan and I asked the Air Force Research Laboratory (AFRL) to provide a plan for shifting Air Force research out of air programs and more into space programs over the course of the FYDP. We also tasked the Air Force Chief Scientist to perform a study, "Doable Space," to identify those high priority S&T efforts that might be critical enablers for space operations. We subsequently tasked the Air Force Science Advisory Board (SAB) to do a broad-ranging study of space issues that would include consideration of S&T priorities. The genesis of these efforts was our belief that space systems would play an increasingly important role in Air Force operations and that it was therefore of paramount importance in a constrained budget environment to find ways to make these systems more capable, reliable and, at the same time, affordable.

These three separate but interrelated studies were reported out over the course of 1998 and early 1999. They recommended, among other things, that the Air Force support the Discoverer II program in the form of a DARPA, NRO, Air Force joint venture. Discoverer II is intended to demonstrate ground mobile target tracking from space, a military capability that will be useful only if it can be implemented in a relatively large constellation of low earth orbit (LEO) satellites. Because of the size of the constellation, it is essential that the cost of each satellite be reduced to \$100 million or less. From an S&T perspective, Discoverer II is intended to demonstrate technologies for reducing satellite costs – technologies that will hopefully be transferable to other satellite systems. From a military utility perspective, Discoverer II will demonstrate the ability to supplement the JSTARS airborne system. This is extremely important because the JSTARS system will clearly be a low-density/high-demand (LD/HD) system for which there will be an insatiable – and unsupportable – demand no matter what the supply. This has been proven over and over again with every ISR platform.

These same studies recommended against the fielding of a Space Based Laser Demonstrator. However, that is obviously a high priority Congressional program. In recognition of this, we and BMDO chose to structure that program as an R&D effort in its early years, focusing on some critical enabling technologies like large deployable optics systems, and we also increased its funding.

As we worked through the FY00 budget cycle, it became clear that the best the Air Force could do in a constrained budget environment was to maintain overall S&T investment at or near FY99 levels. Consistent with the advice of AFRL, the Chief Scientist, the SAB, and Congressional interest, we moved the S&T portions of Discoverer II and SBL into the Air Force S&T accounts and moved \$94.6 million in lower priority efforts to the unfunded priority list. The items moved to the unfunded list were chosen from a prioritized list of programs prepared by AFRL, and were predominantly programs that supported air operations. The reductions to non-space efforts were the result of difficult choices aimed at protecting the most important S&T investments in air and space. Ultimately we adjusted the funded portion of S&T to protected 6.1 funding for Basic Research and most of the Integrating Technology Thrust Programs (funded mostly in 6.3, Advanced Technology Development) which are of direct interest to the warfighter. Protection of 6.1 funding was based on the urgent advice of the Air Force Chief Scientist and of OSD. That meant that air-related Enabling Technology programs (funded mostly in 6.2,

Applied Research) received the major share of the reductions. Criteria used to aid the decision to protect a particular program included the extent to which the program was well-integrated technologically; addressed high priority user needs; had a firm, funded transition path; and involved firm collaborative agreements with other Services and/or Defense Agencies. This was a meticulous and thoughtful process intended to move Air Force research into high priority areas while doing as little damage as possible to key 6.1 and 6.3 programs. This process was frequently discussed with the highest levels of OSD and was ultimately approved by OSD.

Major Challenges

In your view, what are the major challenges confronting the next Secretary of the Air Force?

The overarching challenge of the Air Force is to have ready forces today and tomorrow that are manned, trained, and equipped to deal with an uncertain, diverse, and dynamic international security environment. My experience is that the United States Air Force is the finest aerospace team on the planet, primarily because it has consistently accepted only the best people into its ranks.

Therefore, my top priority as Secretary will be to continue to attract and retain talented, committed professional men and women into the Air Force. Obtaining modern equipment must also be a top priority, but without quality people to procure, support, and operate that equipment, and the infrastructure from which to operate, we will not be able to optimize the budgetary resources given to us, no matter how generous. The essential quality of life and recruiting issues that underpin this objective will continue to receive my personal attention as Secretary.

A similar high-profile challenge will be to continue the seamless integration of air and space capabilities within our Air Force. It is apparent that our goal to be a truly expeditionary force with global reach will depend on our ability to project precise, devastating airpower over vast distances. That objective necessitates a lean, mobile force, characterized by a greatly reduced deployed footprint and real-time

access to global communication, surveillance and intelligence capabilities from forward combat locations. Our ever-growing capabilities in space provide the opportunity to significantly advance the creation of such an expeditionary force through reach-back access directly to supporting organizations in the U.S. As Secretary, I would work to optimize the synergy between air and space in our aerospace Air Force to achieve this important objective.

If confirmed, what plans do you have for addressing these challenges?

If confirmed, I intend to continue to work closely with General Ryan, the other service Secretaries, the Chairman, the Secretary of Defense, and Congress to address these challenges. Specifically:

- **Initiate a comprehensive review of recruiting and retention programs to ensure that they are receiving the necessary budgetary and managerial support and are appropriately structured to meet the needs of today's Air Force.**
- **Provide senior oversight of the EAF implementation and optimize integration of space-based resources.**
- Continue to meet with, talk to, listen and understand Air Force people and their needs.
- **Continue to institute our programs to revolutionize Air Force business affairs.**
- **Execute the time phased modernization plan with an eye on program stability and fiscal responsibility.**

Most Serious Problems

What do you consider to be the most serious problems in the performance of the functions of the Secretary of the Air Force? What management actions and timelines would you establish to address these problems?

Our headquarters operations are ponderous and inefficient; we need to

invest in enabling information technologies and reengineer many of our administrative processes. The Air Force has proven its ability to rapidly respond to any worldwide contingency, but we need to apply that capability to the day-to-day management operations in our headquarters. Surely an organization that can win decisively in Kosovo should be able to answer an inquiry from Congress or the public with equally deliberate speed and precision – but we do not in fact seem able to do this.

General Ryan and I are absolutely committed to making our headquarters as nimble and responsive as our combat operations. We are weeding out redundant processes and making better use of the resources we have. As part of our effort to improve headquarters functions, we have begun a broad review called HAF 2002. The mission statement for the HAF 2002 program states the goal as well as it can be stated: “Create a world class military headquarters that is effective, efficient and a great place to work.” That is easier said than done and takes dramatic reworking of many of our processes and some investment in better information technology infrastructure. But it must be done if we are to position the Air Force for 21st Century challenges we face. We expect early results to be implemented within 6 months and a second round of results to be implemented in about a year. Among early programs will be an integrated data, tasking, and e-mail system for the headquarters. We see HAF 2002 as the beginning of a continual process of reengineering that will ultimately allow the excellent people we bring to Washington to excel in all they do.

Congressional Oversight

In order to exercise its legislative and oversight responsibilities, it is important that this Committee and other appropriate committees of the Congress are able to receive testimony, briefings, and other communications of information.

Do you agree, if confirmed for this high position, to appear before this Committee and other appropriate committees of the Congress?

Yes.

Do you agree, when asked, to give your personal views, even if those views differ from the Administration in power?

Yes.

Do you agree, if confirmed, to appear before this Committee, or designated members of this Committee, and provide information, subject to appropriate and necessary security protection, with respect to your responsibilities as the Secretary of the Air Force?

Yes.

Do you agree to ensure that testimony, briefings and other communications of information are provided to this Committee and its staff and other appropriate Committees?

Yes.