



HOUSE ARMED SERVICES COMMITTEE DUNCAN HUNTER – CHAIRMAN

PRESS RELEASE

For Immediate Release:
March 1, 2006

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CHAIRMAN HUNTER OPENING STATEMENT

Full Committee Posture Hearing on the Department of the Air Force's Fiscal Year 2007 Budget Request

Washington, D.C. – This morning, the committee continues its review of the Department of Defense fiscal year 2007 budget request, today hearing from the Department of the Air Force. Our witnesses are the Honorable Michael Wynne, Secretary of the Air Force, and General Michael Moseley, Chief of Staff, United States Air Force. Gentlemen, thank you and welcome to your first hearing before the Committee as Secretary and Chief. And thank you for your continued dedication and service to the nation.

This year's Air Force budget is no exception to those of past years in posing a number of serious resource challenges. Air Force weapon systems continue to age due to procurement shortfalls that began in the nineties. The challenge of operating and maintaining older equipment is further compounded by a continued high operational tempo. Within this environment your airmen, young men and women, have continued to perform magnificently all over the world -- often times in roles usually performed by other services such as escorting truck convoys and guarding prisons.

The DOD budget legacy is one of missed procurement opportunities. This, as you point out in your statement, gives us the oldest fleet of aircraft in the history of the Air Force, with the fleet having been engaged in or supporting some level of combat for the past fifteen years. The aircraft fleet has been operating at utilization rates far beyond those planned. The consequence of age and high operational tempo is reflected in reduced readiness rates. It is to the Air Force's credit that professional fleet management has achieved the safety record that it has.

Your budget has grown to \$105.9 billion. Yet your vision for the Air Force future appears to be under considerable stress.

Congress is admonished each year by representatives from the Department of Defense regarding the importance of acquisition program stability. However, recent budgets and the resulting program instability caused by those budgets call into question the broad acquisition strategy of the Department, its underlying goals, and planning assumptions. The examples of this, unfortunately, are many.

The F-22, frequently referred to as the Air Force's premier acquisition program, experiences yet another course change in the budget request before us, with one of the most unusual year-to-year budget changes I think I have ever seen. Without going back to the 750 aircraft F-22 program to detail the litany of changes, it is instructive to note the three year, fiscal 06 to 08 period. Last year, the Air Force projected procurement of 24, 29, and 27 aircraft in fiscal 06, 07, and 08, respectively. This year, for those same years, it is a 23, 0 and 20 aircraft procurement program. In FY 05 the F-22 was a 277 aircraft program, as I mentioned, down from 750 aircraft in a series of reductions through the years. Last year, in the closing days of the budget cycle, the F-22 became a 179 aircraft program as a result of OSD action. This year, in which you had projected to buy 29 aircraft, you are asking for an authorization of no aircraft, yet the program is extended two years, increased by four aircraft to 183 aircraft and by one billion dollars, again due to OSD action. This year, although \$1.5 billion is requested for aircraft procurement and another \$500 million in advance procurement, no F-22s would be procured with the requested funds. Instead, the committee understands these funds would be used for subassembly work in Fiscal Year 2007, with the remaining full funding increment planned for authorization of 20 aircraft in Fiscal Year 2008. Twenty aircraft per year are also planned for Fiscal Years 2009 and 2010 in a three-year multiyear procurement program. Under this proposal, funds would also be requested in 2008 and 2009 for subassembly activities. Not only are you asking us to approve incremental funding for the F-22, a precedent in and of itself, but the committee also understands that the associated justification documents for the proposed multiyear procurement are not scheduled to be made available to the committee until the May timeframe, likely precluding sufficient time to adequately evaluate those documents prior to markup.

We understand a case is being made that this change to the F-22 program is being made to keep a 5th generation tactical production line open, in part due to concerns over possible delays in the Joint Strike Fighter. Yet, the JSF program projected procurement schedule has been relatively stable over the past two budget cycles. So one has to ask, if there was a need to have a 5th generation fighter production line open, why the decision was made last

year to cut the F-22 production line and then this year reverse that decision and extend the production line -- in both cases producing about the same number of aircraft, only now for a billion dollars more in program cost. Again, this change was made at the last minute in budget deliberations, which precludes the Air Force from having the time to prepare the required documentation before we have to decide on our course of action for the program. Given the high priority the Air Force places on the F-22, we assume that this is a decision that OSD made and that the Air Force is trying to do the best it can with the resources provided. We look to the Secretary and Chief today to help us understand what the future holds for the F-22 program and how we have arrived at the unusual, precedent setting funding strategy proposed in the budget request.

A second example of major program instability in this year's budget request is the alternate engine for the Joint Strike Fighter. The JSF, known as the F-35, has until this year included funding for an alternative fighter engine, to maintain competition in the program and as a hedge against possible problems with the lead engine. In fact the Department signed a Systems Development and Demonstration contract for the alternate fighter engine last year for a \$2.4 billion. Now, with this budget, we are told that the F-35 alternate fighter engine program will be terminated. We understand that the Air Force did not agree with this decision. We would like our witnesses' views on that.

A final example: two years ago we had a DARPA led, Air Force-Navy development program for the Joint Unmanned Combat Air vehicle. Last year J-U-CAV became a \$6 billion Joint Air Force-Navy Unmanned Combat Air System program. We questioned the efficacy of the program, but due to the efforts of the OSD Acquisition, Technology and Logistics staff, under your leadership Secretary Wynne, we agreed to authorize the program. Now, we are told the program is terminated.

There are other difficult to understand program budget decisions coming out of the Pentagon affecting the stability of acquisition programs in the Air Force and in the other services as well -- affecting budgets as well as capability. Frequent changes in acquisition programs lead to increased programs costs, and in the end, result in fewer platforms being fielded because of those increased costs. This continues to be a major problem -- trying to fund too many programs with inadequate funding and in the end spending large amounts of money in research and development and having very little to show for it in what is fielded...the F-22 being the prime example. Other changes result in forever lost capability -- like those decisions, again made in the closing days of the budget cycle, to retire the F-117 and U-2.

A final observation: We received the Air Force's unfunded priority list this week. It is also generating questions regarding acquisition program strategy. The Air Force's unfunded priority list includes 7 C-17s, which would make the C-17 at least a 187 aircraft program, while at the same time the Air Force in its budget documentation is showing the program will end at 180 aircraft. Further, the multi-year-in-preparation mobility capability study concluded that only 180 C-17s are required. We are anxious to hear our witnesses' views on that as well.

Our primary concern remains the welfare of our men and women in uniform engaged in the global war on terrorism, and in providing them with the most effective equipment available. In that our objectives are the same. They depend on us as we are counting on them.

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