

Digging deep to balance the books; Cutting tooth and tail; The unfunded priorities list; Long-range future bomber bucks

THREE LEVELS OF BUDGET PAIN

The Air Force's Fiscal 2015 budget, proposed in early March, is described by service leaders as a long list of "tough choices." It includes the wholesale elimination of the A-10 close air support jet and U-2 spyplane and also offers a second set of numbers explaining what will happen if Congress doesn't repeal sequestration.

The Air Force budget request of \$109.3 billion (the official number is \$137.8 billion, but \$28.5 billion passes through the Air Force to other defense agencies) is the preferred spending amount, and still inflicts substantial pain on the service. Besides the A-10 and U-2 retirements, up to 25,000 uniformed airmen billets would be phased out over five years. These would comprise about 18,800 from the Active Duty, 3,800 from the Air Force Reserve, and 1,800 from the Air National Guard. USAF leaders have said they'll try to accomplish the reduction in force through voluntary means and attrition, but warned of some involuntary separations as well.

Service leaders said the overall effect will produce a smaller Air Force that maintains its capability and technology lead while giving up capacity to act in as many places, or as rapidly, as it has been able to in the past.

Other cuts include a further 51 F-15C fighters—leaving a fleet of 172 aircraft—and a reduction of the planned 65 combat air patrols of medium-altitude remotely piloted aircraft (MQ-1 Predator and MQ-9 Reaper) down to 55. These cuts come on top of steady reductions in force structure over the last few years, including more than 300 fighters. USAF would also start divesting seven of its 31 E-3 AWACS aircraft in Fiscal 2015, but the remaining 24 airplanes would get the Block 40/45 upgrade that improves computing power and navigation capabilities.

Uniformed pay would increase one percent, but general officers would have a freeze imposed on their compensation. Funding for commissaries would be reduced, but not eliminated, and those grocery stores that remain would have to operate more like for-profit businesses. Some service members would be asked to pay more for their health care premiums, which for some haven't gone up in nearly 20 years.

Maj. Gen. James F. Martin Jr., USAF budget director, told reporters at a Pentagon briefing that the "bottom line" of this budget is that USAF will "keep no more force structure than we can afford to keep ready." In other words, USAF won't hold onto force structure if it doesn't have the funds or people to support, train, and operate it.

The second set of budget numbers, describing further cuts if the Budget Control Act of 2009 remains in force, shows that USAF would have to eliminate the entire KC-10 fleet and RQ-4 Global Hawk Block 40 fleet and reduce its CAPs of medium-altitude RPAs to 45. Various efforts to replenish war-depleted weapons stockpiles and restore service readiness would be stillborn under continued sequester; readiness has been declining for a decade and took a nosedive when the BCA took effect last year. Last



USAF photo by Scott M. Ash

USAF has disclosed funding for the long-range future bomber.

spring, numerous USAF squadrons simply stopped flying, and many are still recovering even after Congress provided some sequester relief in the form of the two-year bipartisan budget agreement earlier this year.

Other sequester hits detailed by the Air Force include reduced aerial tanker and intelligence, surveillance, and reconnaissance capacity; reduced investment in new systems such as the F-35, KC-46, and MC-130J; reduced investment in science and technology; halting sensor and radar upgrades for fighter and other platforms; slowed recovery from readiness problems; continued degradation of facilities; and "reduced ability to meet national defense requirements" such as having adequate munition war stocks on hand.

THE BUCK STOPS HERE

The "guiding principles" for the '15 budget were to remain ready for "full spectrum" military operations, Martin said, and "when forced to cut capabilities" or "tooth," USAF will "also cut the associated support structure and overhead," or "tail." The service sought to "maximize the contribution of the Total Force," with more reliance on the Guard and Reserve, and focus "on the unique capabilities the Air Force provides the joint force" in wars against a high-end threat.

Specifically, the budget seeks to continue to provide global reach, power, and vigilance, Martin said, with well-trained, well-equipped airmen. The Air Force will strive for the capability to respond in hours, not days, and fly, fight, and win from home to anywhere on the globe, prevailing in any highly contested battlespace.

While some in Congress reacted favorably to the two-pronged budget request, saying it illustrated both appropriate spending levels and the potential damage caused

by ongoing sequester, others saw the effort as a waste of time. One of those was Rep. Howard P. “Buck” McKeon (R-Calif.), chairman of the House Armed Services Committee, who said he doesn’t see “any possibility of overturning” the sequester.

McKeon told reporters in late February that there’s a sizable faction of Congress that thinks sequester is having a beneficial effect on the federal deficit, and “until a lot of pain is felt by a lot of people” because of it, he doesn’t see a public push to end it.

“Sequestration is the law,” he said. It’s “going to happen. Why not plan on it?” he asked.

Defensewide, sequestration will lop another \$115 billion off the defense budget annually and up to \$12 billion from the Air Force’s budget every year through the remainder of the 10-year law.

OGSI-COLORED GLASSES

The President’s budget is the best-case scenario, but the Pentagon added an even-better-case scenario in the form of a new budget device called the Opportunity, Growth, and Security Initiative. The OGSi lays out further DOD-wide spending of \$26 billion in Fiscal 2015 if Congress agrees to raise some taxes and find other federal spending offsets to fund it. The OGSi is, in effect, the unfunded priorities list usually offered by the Pentagon as a ready-made answer to members of Congress who ask what the department would do if it got more money than it asked for.

The Air Force’s share of the OGSi would be about \$7 billion, and Martin said that if it came through, the service would spend the money on readiness improvements, two additional F-35 fighters, “accelerated” buys of MQ-9s and C-130Js, upgrades for legacy platforms, and working off some of the large backlog of real-property maintenance, among other things. However, Defense Secretary Chuck Hagel, in a budget preview press conference, said the OGSi would only help “mitigate” readiness problems, not cure them.

Not all the budgetary news was grim. Up until the budget’s release, USAF leaders were hinting there would be no Combat Rescue Helicopter funding, but it was added back in at the last minute. Sikorsky will get the contract for a UH-60 variant in June if it passes a Defense Acquisition Board review and various independent cost assessments.

Other new starts include the launch of an effort to replace the E-8 Joint STARS aircraft with a smaller platform, funded for \$100 million in Fiscal 2015 and \$2.4 billion over the five-year Future Years Defense Program, or FYDP. A new weather satellite would also get \$500 million over the FYDP, and the long-deferred T-X trainer, a replacement for the 50-plus-year-old T-38, would get underway in Fiscal 2017, with \$600 million to spend by the end of Fiscal 2019.

STEALTH BOMBER MONEY

The Air Force disclosed funding for the Long-Range Strike Bomber (LRS-B) for the first time, showing in budget documents that the program was funded at \$359 million in Fiscal 2014, but jumps to \$914 million in the new Fiscal 2015 budget. A few days before the budget rollout, Air Force Secretary Deborah Lee James revealed that a draft request for proposal on the airplane is out for comment by industry, and that a formal RFP will be issued by the end of the year. A source selection is to be made in a year.

The Air Force will buy 26 F-35s in Fiscal 2015—seven more than it bought in Fiscal 2014. It will buy a further two if it gets the OGSi funding. The service plans to achieve a buy rate of 60 aircraft a year by 2018. Early plans called for



Retiring the A-10 is an unpopular decision.

buying 80 to 100 F-35s per year to buy them at the swiftest, most efficient rates.

The Air Force would spend about \$2.1 billion on its top four space priorities, including the Space Expendable Launch Capability, supporting the launch of national security space vehicles. The numbers reflect lower negotiated costs on the Evolved Expendable Launch Vehicle program.

As a hedge against reduced numbers of platforms and a wait of at least 10 more years for its new penetrating bomber, USAF will up its buy of the stealthy Joint Air-to-Surface Standoff Missiles-Extended Range (JASSM-ER) weapons from 187 in Fiscal 2014 to 224 in Fiscal 2015, and similarly maintain sustaining buys of the air-to-air Sidewinder and AMRAAM AIM-120D missiles.

Martin said the Air Force “took some risk” with modifications to legacy fighters, saying the F-16 Combat Avionics Programmed Extension Suite, or CAPES, is “one program that we decided not to fund.” CAPES was to replace radars and other gear on some 300 F-16s that the Air Force will retain until they are replaced by F-35s in 10 years or so. Martin suggested these upgrades had migrated to the OGSi account—becoming an unfunded priority—but Air Force Chief of Staff Gen. Mark A. Welsh III had said just weeks before that both active electronically scanned array radars and infrared search-and-track improvements for legacy fighters were an essential part of the budget. The Air Force was not able to provide a more complete answer by press time.

The Air Force said it reversed course on the long-running debate pitting the U-2 against the Global Hawk because the numbers have changed. After negotiations with Northrop Grumman, it’s now cheaper to operate the Global Hawk than it is to operate the U-2, service leaders said. To make the Global Hawk as capable as the U-2, however, USAF will have to spend some money to integrate new sensors and give it better capability for operating in bad weather. If Congress balks and wants the U-2 instead, “we’ll make it work,” said Welsh at the Air Force Association’s Air Warfare Symposium in Orlando, Fla. However, the service can’t afford to keep both high-altitude ISR systems, he insisted.

Retiring the A-10 fleet saves \$3.7 billion in operating costs over the FYDP, and halting the planned rewinging of much of that fleet would save another \$500 million “on top of the \$3.7 [billion],” Martin said. The Air Force may have a tough time getting its way with the A-10s, though, as the Fiscal 2014 National Defense Authorization Act expressly forbids spending any money on retiring it or putting the fleet into mothball storage. Shortly after the Air Force’s formal request to retire the A-10 was submitted, dozens of “Save the A-10” petitions began circulating, as well as numerous Facebook pages and Twitter campaigns seeking to reverse USAF’s plan. ■