



**Air Force Association
Air Warfare Symposium:
“Sustaining Readiness
with Constrained Budgets”**

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**As Prepared
for Delivery**

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Introduction

Sandy, I greatly appreciate that kind introduction. I thank you, Mike Dunn, and the rest of the AFA team for putting together, yet again, a world-class event that continues to set the standard for airpower symposiums and technology expositions. It is a privilege to be able to address this distinguished audience, the likes of which AFA never fails to assemble.

Demands on the Force and the New Defense Strategic Guidance

A heavy operations tempo and demanding deployment rotation since 9/11 has resulted in some detrimental effects on our overall readiness, particularly with regard to aging weapon systems, limited opportunities for full-spectrum training, and stress on our personnel. While these factors have affected all of the Services, they are particularly pronounced for the Air Force, which, after inflicting strategic paralysis on the adversary during the opening salvo of Operation DESERT STORM in 1991, remained at war in Iraq for the next 20 years. After our ground force teammates fought a brilliant campaign, they withdrew from the region in the weeks and months that followed.

But Airmen continued to patrol the skies over Iraq continuously for the ensuing decade, until the return of U.S. and coalition ground forces in 2003. Then, again, Airmen paved the way for, and remained shoulder-to-shoulder with, their Joint teammates for the full duration of operations IRAQI FREEDOM and NEW DAWN. And today, with the withdrawal of ground forces from Iraq, Airmen once again will remain in the Central Command area of responsibility in significant numbers for years to come, training our partner air forces and providing robust combat capabilities to maintain regional stability.



With this in mind, we face a readiness conundrum: the Air Force will get smaller due to reduced budgets, but we also will become more valued due to the requirements of the current and anticipated security environment, as described by the new Defense Strategic Guidance. This strategy emphasizes Air Force capabilities as fundamental to its major priorities, such as deterring and defeating aggression, projecting power in anti-access and area-denial environments, preventing the spread of weapons of mass destruction, conducting space and cyber operations, and maintaining the preponderance of our Nation's nuclear deterrent.

And as we rebalance our military forces from a land-intensive focus to a more air and maritime posture, a broader strategic partnership between the Nation's air and sea services, as articulated in the Air-Sea Battle concept, will be ever more important to ensure our access to the global commons and freedom of action wherever we have national interests. As Secretary Panetta has stated, we must maintain the ability to project power in areas where burgeoning threats, such as ballistic and cruise missiles, advanced submarines and fighters, electronic warfare systems, mines, and advanced air defenses, could threaten our access and freedom to operate. As innovative Airmen, we are committed to working with our Navy, Marine Corps, and Army teammates to develop highly integrated and tightly coordinated operations, and to conceive cross-domain approaches—for example, using cyber methodologies to defeat airborne threats, or using aircraft to defeat threats on and under the sea.

As Airmen, we are committed to fulfilling all of these roles and more. And as professionals, we know the difference between only claiming that we're good and actually being good. But with the smallest Air Force since its inception in 1947, in terms of uniformed Airmen and total aircraft inventory across the Total Force, holding our top spot amongst the world's air forces will not happen without confronting some challenges and committing to bold action. Our urgent task is, despite fiscal austerity, to maintain a ready force.

So, in the coming weeks, months, and years, we will need all members of the extended Air Force family to inform and reinforce our efforts. We have dedicated professionals who will continue to help us make very difficult decisions on how we



best structure the future force, so that it can execute the new defense strategy, maintain readiness not just on paper but in reality, and ensure a future viable force through sound and ruthlessly disciplined investment strategies.

So for example, as we make key decisions through low-rate initial production lots of F-35A and KC-46A—our top acquisition priorities—we cannot afford any splintering of our unity, and in effect undermining of our shared effort, to deliver the centerpieces of our future tactical air combat and strategic airlift capabilities as part of an appropriately balanced force structure. Now more than ever, on any number of wide-ranging issues, this is a time for harmonized voices and close partnerships. We may not agree with complete unanimity on exactly how to compose a smaller force in every detail. But we can all agree that we must avoid a lesser force.

Also toward a smaller, but still very capable, agile, and responsive force, we need our industry partners to be on board as well. Government and industry efforts must be unified in relentlessly keeping costs down, with affordability that is designed into new weapon systems programs and structured into their contracts. We must keep schedules on track by stabilizing requirements, matching ambition with actual operational need, and ensuring more discipline in transitioning appropriately matured technologies to applied research and development. And while the government must ensure reliable funding streams, industry must deliver capabilities on cost and on time to America's warfighters. Responsible stewardship of precious taxpayer dollars demands that we avoid procuring unnecessary capability for the government, or dispensing handsome financial bonuses to industry for unmet milestones and cost creep.

Accepting and Managing Risk

Our paramount consideration with this strategy is minimizing risk and maximizing preparedness. Managing risk requires that we address several dimensions of interrelated risk dealing with readiness, appropriate force structure, and long-term viability.

To address readiness, in our Fiscal Year 2013 budget request, we supported weapon system sustainment at 79 percent of requirements, and facilities sustainment, restoration, and modernization at 80 percent of the facility



sustainment model. And funding our Flying Hour Program will be reinforced through a combination of the baseline budget, the Overseas Contingency Operations, or “OCO,” budget, as well as an increasing use of live, virtual, and constructive operational training capabilities.

As we execute this strategy, we necessarily will continue to evaluate which capabilities, particularly those that were achieved and developed during this past decade of combat, will be genuinely enduring. With the anticipated elimination of OCO funds in FY 14 or soon thereafter, we will face significant resourcing challenges unless some of the OCO funding is migrated back to the baseline budget. The fact is that we will continue to operate our aircraft and weapon systems, and so we will need to continue sustaining these systems and the personnel who operate and maintain them, whether deployed or in garrison. With the new defense strategy guiding our efforts, we are in the process of determining which of those functions that were funded by OCO will endure, and therefore whose funding will need to be migrated at appropriate levels—we estimate in the billions of dollars—back to the baseline budget. We have been weaning ourselves off OCO, and will have to make the full transition in the Fiscal Year 2014 timeframe.

To ensure that our force can achieve the defense strategy, we have determined that, in Fiscal Year 2013, the force should comprise:

- in the combat air forces: 54 combat-coded fighter squadrons encompassing 246 A-10s, 977 F-16s, 249 F-15Cs and Ds, 221 F-15Es, and 178 F-22s toward the program of record of 187;
- in the mobility air forces: 223 C-17 and 52 C-5M strategic airlifters, 318 C-130H and J intratheater airlifters, and 394 KC-135 and 59 KC-10 tankers as a bridge to the new KC-46A fleet;
- and with our intelligence, surveillance, and reconnaissance systems: a robust mix of remotely-piloted aircraft, mature U-2 aircraft and sensors, MC-12s, E-3s, E-8s, and others.

Based on the emphasis areas of the new defense strategy, we believe that this force composition, balanced and structured throughout the Total Force, will ensure not only that we can meet current and near-future demands, but that we can also surge to meet spikes in demand and sustain manning, materiel, and capabilities over the longer term.



Consistent with the new strategic guidance, our planned divestiture of more than 200 fighter, mobility, and ISR aircraft in FY 13, toward a total of 286 aircraft retirements over the Future Years Defense Plan, will achieve \$8.7 billion in Total Force savings over the FYDP. As a general principle, we favored multi-role systems over those that are more specialized, and emphasized more efficient common configuration of those systems that we retained. We also sought to retire entire aircraft types where possible, in order to potentially eliminate entire support infrastructures, thereby gaining greater efficiencies. But where retirement of fleets was not possible, we evaluated options for eliminating aircraft that are the least capable or most expensive to operate and maintain.

These divestitures, along with the cancellation of lower-priority or very expensive programs, such as C-130 avionics modernization and the Defense Weather Satellite System, will help us to protect—in some cases even increase our investments in—our top acquisition priorities such as the KC-46A; our variant of the Joint Strike Fighter, the F-35A; the Long-Range Strike family of systems; Space-Based Infrared System; Advanced Extremely-High Frequency and GPS-III satellite systems; and remotely-piloted aircraft. With the dramatic and inexorable rise in the average age of Air Force aircraft—fighters stand at 22 years old, bombers at 35 years, and tankers at 47 years—we now, after committing the lion's share of the post-9/11 defense budget to wartime operations, must mitigate the risk from a long procurement drought, avoid future ones, and ensure our future long-term viability with properly targeted modernization and acquisition efforts.

The other critical element of readiness and force structure is, of course, personnel. Adjustments to manpower naturally follow the changes in the aircraft numbers that I just described. Therefore, personnel reductions, however painful, will be necessary, on the order of 10,000 active, Guard, and reserve Airmen. But the challenge goes beyond simple numbers; it is also in retaining the proper active-to-reserve component ratio. There is no doubt—none at all—that our investments in the reserve components were, and remain, smart and essential investments. Through the creation of active, Guard, and reserve associations, we have integrated our collective capabilities in all major Air Force mission areas, with returns on these



investments that quite simply have been invaluable. As a Total Force, we are more ready, more sustainable, and more capable of meeting many surge and rotational requirements, such as those that were supported over the past decade.

That is why, in addition to the 100 Total Force Integration associations that we currently maintain across a variety of weapon systems such F-16, C-130J, and MC-12W; and across combat enablers and functional areas such as RED HORSE, security forces, and intelligence, we are planning to add active associations at all Air Reserve Command fighter locations, while Air Mobility Command intends to establish active or classic associations at all future KC-46 units in the continental United States. And we will continue to explore additional opportunities for associations in order to enhance operational synergies, improve access to aircraft and total rotational capacity, add capacity during surge operations at reduced cost, leverage experience and improve retention of valuable human capital—and above all, increase Total Force combat capabilities and effectiveness.

But through two decades of military end strength and force structure reductions, the active-to-reserve ratio has shifted. In 1990, the reserve component represented 25 percent of the Total Force end strength. Today, it represents 35 percent. And in the same period, reserve component aircraft ownership also increased, from 23 percent to 28 percent. These numbers, in relation to requirements, represent the reality that the active component has been cut to the point at which capacity cannot be reduced further without harmful effects to the benefits that I just mentioned: readiness, increased capacity, and ability to surge and rotate at a sustainable tempo.

Additionally, there are some functions for which the entire Total Force relies on the active component to address predominantly—for example: recruiting, training, experiencing, and equipping of the future force. So in order to sustain future Total Force capabilities and effectiveness, we must restore and maintain an appropriate active-reserve balance that is consistent with current realities and likely future trends.

Through this process of elusive balances and difficult decisions, the Air National Guard and Air Force Reserve worked side by side with us in all analyses



and decisions affecting the Total Force. Together, we made the tough calls—understandably, not always with total unanimity. But we continue to share the common goal of ensuring Total Force viability and vitality in order to fulfill the surge and rotational requirements of the new strategic guidance; to ensure that the active component retains the recruiting, training, and experiential base to sustain the Total Force; and to ensure that the reserve component remains relevant and engaged in both enduring and evolving missions. I stand by what the chief of the Air Force Reserve, Charlie Stenner; the director of the Air National Guard, Bud Wyatt; and I wrote several weeks ago, in an *Air Force Times* op-ed piece: that the active component, Guard, and Reserve have worked, and will continue to work, closely together in charting the Total Force's future.

Conclusion

These past several years have been fraught with numerous challenges. And with the trajectory that has been set by an Air Force budget, excluding contingency funding, that in real dollars has been flat since 2004, and that has seen double-digit declines since 2009, we fully expect that we will be making further tough calls. The Defense Strategic Guidance articulates our plan to execute a 487-billion-dollar cut in defense spending over 10 years. And although we have no illusions about the road ahead being easy, we have confidence that this tight fiscal circumstance is manageable.

Deeper cuts, however, will send us effectively back to the drawing board. An across-the-board reduction, in particular, would dramatically change the complexion of our thoroughly deliberated strategy, inflicting indiscriminate “salami-slicing” of the budget without regard to the carefully considered and responsible reductions that preserve our readiness and effectiveness, even with a smaller force.

These past several years have also presented many tremendous opportunities. And we have seized these moments. Consider that, one year ago, at this time, the U.S. Air Force and Armed Forces were mere weeks away from conducting our own version of “March Madness.” But instead of college hoops, tournament brackets, and office pools, we participated in full-spectrum operations spanning intercontinental distances, from humanitarian and disaster relief in East Asia, to



Presidential mobility and logistics support in South America, to combat operations in North Africa. Airmen did not hesitate when the clarion call to duty sounded—Air National Guard, Air Force Reserve, and Active Duty Airmen. As an Air Force—one Air Force—we were prepared.

And, by the way, we executed these pop-up taskings, all the while still remaining fully engaged in Iraq and Afghanistan. By my reading of the new Defense Strategic Guidance, the Air Force capabilities that were demonstrated during our “March Madness”—the full-spectrum airpower that was pivotal to our Nation’s success—will play an increasingly important role in the future.

Indeed, a year ago at this time, we still could not appreciate the full extent and significance of what has become popularly known as the “Arab Spring.” Today, we are watching Syria very closely. The Nation’s strategic pivot to the Asia-Pacific, while maintaining our presence in the greater Middle East and South Asia, has us monitoring additional global situations, from a new North Korean leader with unknown intentions, to an entrenched Iranian regime with a tendency toward consistent misbehavior.

In all of these potential flashpoints, we know that airpower will play a prominent role. And regardless of the eventual balance between land-based and sea-based forces, we all know that what covers one-hundred percent of both land and sea is *air and space*. That is the “ground truth”—an ironic expression, in this instance, to articulate the undeniable need for airpower in the 21st century.

And we certainly know that the principal purveyors of America’s airpower are innovative, forward-looking Airmen who serve with complete devotion to duty—Airmen who have amassed, and continue to amass, an awe-inspiring record of achievements. That is why it has been, and always will be, my distinct honor and privilege to serve with you—America’s Airmen—and with devoted friends and fellow airpower enthusiasts in AFA, in industry, and elsewhere.

I thank you for your time today, and more importantly, for your daily professional contributions to our Nation’s hard-earned security, to our Air Force, our Airmen, and their families. And I wish all of you the very best. Thank you.