Senator Richard Durbin (D-IL): (Sounds gavel.) The subcommittee meets this morning to receive testimony on the fiscal year 2015 budget request for the United States Air Force.

Our apologies for being a little bit late, but we had a scheduled vote and rushed right over.

I'm pleased to welcome the secretary of the Air Force, the Honorable Deborah Lee James. Thank you for coming.

SECRETARY DEBORAH LEE JAMES: Thank you.

SEN. DURBIN: The Air Force chief of staff, General Mark Welsh III. Thank you, General, for being here.

GENERAL MARK WELSH: Thank you.

SEN. DURBIN: Chief of the National Guard Bureau, General Frank Grass. Good to see you again. The director of the Air National Guard, Lieutenant General Stanley Clarke III. General Clarke. And the chief the Air Force Reserve, Lieutenant General James Jackson. Thank you so much. We appreciate your being here.

The fiscal year 2015 president's budget request includes $108 billion for the Air Force that falls under our jurisdiction. The budget does not include funding for overseas contingencies operations, and that's a concern. Until we receive the president's plan for support in
Afghanistan post 2014, it is extremely difficult, if not impossible, to appropriate proper levels of funding to support our war fighters.

This budget establishes obvious priorities, and the purpose of this hearing is to investigate the rationale behind those priorities.

The budget submission clearly prioritizes training as a part of a long-term plan to restore readiness after sequestration. The Air Force is also canceling some planned upgrades to legacy equipment in order to fund new capability priorities.

In the interest of time, I'll ask that the remainder of my opening statement be placed until the record and turn the floor over to my friend and colleague, Senator Cochran, before recognizing the panel.

SENATOR THAD COCHRAN (R-MS): Mr. Chairman, I'm very pleased to join you in welcoming Secretary James, General Welsh, General Grass and the leaders of the Air Guard and Reserve to our committee's hearing to review the Air Force budget request for fiscal year 2015.

I have a statement which I will ask be printed in the record, Mr. Chairman, and will look forward to our discussion of the recommendation and the requests from this panel. And we thank you for your cooperation.

SEN. DURBIN: Thank you, Senator Cochran.

And now, we'll open with Secretary James. Your written statement will be placed in the record. If you would like to summarize it or add to it, this is your opportunity.

SEC. JAMES: Thank you so much, Mr. Chairman, Senator Cochran. It is certainly a pleasure for me and my colleagues to come before you this morning.

And even more so, it is a huge honor and a privilege for me to serve as the 23rd secretary of the Air Force on behalf of our 690,000 active duty, Guard, Reserve, civilian airmen and their families.

I am now all of three months old on the job, and what a busy time it has been. I've been to 18 different bases in 13 states as well as having just returned from my first overseas trip where I visited with airmen in Germany, Qatar, Kuwait, UAE and Afghanistan, to include Kabul, Bagram, Kandahar and Shindand.

And what I wanted you to know is that at each and every location that I have visited, I have seen really three key things. I have seen terrific leaders who are tackling issues, tough
issues. They're tackling them head on and directly. I have seen superb total-force team work everywhere I have been, which is extremely encouraging.

And most importantly, I have seen just amazing and very, very innovative airmen who are extremely dedicated to the service of our country. So very inspiring.

With that said, Mr. Chairman, we are living in very challenging times both in terms of our security environments as well as the budget environment that we are facing. And in our submission that you now have before you, we have attempted to take these challenges on, again, directly and deliberately and thoughtfully. And we have done so as a team very inclusively.

To make these choices, we first began with the strategy. And that begins with the strategy of today, which includes defending the homeland against all threats, building security globally by projecting U.S. influence and deterring aggression, and number two, remaining prepared to win decisively against any adversary should deterrence fail.

That's the story of today for our strategy. But there is also a story for tomorrow. The story for tomorrow is we need to invest now in the technologies and platforms. We need to also turn ourselves and direct ourselves to new centers of power and be prepared to operate in a more volatile and unpredictable world, a world in which we can no longer take for granted American dominance of the skies and space.

Now, your Air Force is crucial in this strategy throughout, both the part for today and the part for tomorrow. But the trouble is the likely budget scenarios that we are facing will probably leave us with certain gaps. In fact, I'm certain that that will be the case.

Now, having been an observer on the scene of defense for more than 30 years, I know and you know there are always some degree of gaps that we face between strategy and budgets. They never match exactly.

And when those mismatches occur, what we have to do is we have to make decisions. We have to ultimately come down to judgment calls on base military -- based on our best military judgment about what risks are most prudent, what risks can we assume.

Now, I'll grant you this has been a more complex year than most, a more difficult year than most because there was no low-hanging fruit to capture as part of these budgetary actions.

Now, we are grateful for the greater stability and the additional bump-ups that we got in FY '14 and '15 through the Bipartisan Budget Act and the FY '14 appropriations acts.

It didn't solve all of the issues before us, but it was a great help. And we thank you for that.
Our FY '15 budget hits the target under the BBA, but it also contains what we call the opportunity, growth and security initiative. That's $26 billion additional across DOD, 7 billion (dollars) of which would come to the Air Force. And we would put that money toward readiness and investment priorities that would help us get closer to where we think we need to be.

So the bottom line here is that the budget and the five-year plan is one in which we are rebalancing. We are coming out of the 13 years of a persistent war in the Middle East, and now we need to rebalance. We need to recapture our complete readiness and our future capability.

It's really not an either/or situation because we very much need to have both in that rebalancing action.

Let me quickly give you some of our major decisions, and I'd like to lay them out in terms of the priorities that I have laid out for our Air Force. And those priorities are: number one, taking care of people; two, balancing today's readiness with tomorrow's readiness; and three, ensuring that we have the best Air Force in the world, the most capable Air Force but at the best value for our taxpayers.

So beginning with priority one, as far as I'm concerned, a hundred percent of the time it always comes down to people. So taking care of people, to me, means we need to recruit the right people, the we need to retain the very best people. Once we have them, we need to develop them. We need to shape the force as we go forward as well and get the right balance between our active duty, our National Guard and our Reserve components.

And by the way, our plan going forward does rely more heavily on the National Guard and Reserve, not less reliance but more reliance.

It also means that we have to communicate well the various force management techniques that we are now utilizing within the force. And certainly we're trying to do our best at this.

It also means having diversity of thought and background at the table as we make decisions. We'll get better decisions if we achieve that.

We have to protect our most important family programs. We have to maintain that the climate -- ensure that the climate is one of dignity and respect for all. We have to continue to combat sexual assault and make sure that everybody is living and leading our core values in the Air Force, which is integrity, service and excellence. And we need to do fair compensation going forward, as well, but we do feel we have to slow the growth in that compensation. And that's one of those hard decisions that no one is fully happy with, but we
feel it's necessary in order to free up money to plow back into readiness and modernization for the future.

And that leads me to my second priority, and that's balancing today's readiness with tomorrow's readiness. The readiness of today, of course, is training, it's equipment, it's what we need today to do our job; and it has taken a hit over time, particularly last year during sequestration. So our FY '15 request fully funds flying hours and other high-priority readiness issues, and we will see, if this is approved, gradual improvements in our readiness. We won't get it all done in one year; it's going to take time, but it will set us on the right path.

In terms of our investments for tomorrow, we did protect our F-35 program, the KC-46 tanker and the long-range strike bomber, which are the three top priorities in terms of new investment programs. We also, of course, continue to support the nuclear triad, two-thirds of which are ICBMs and our bombers -- are in the Air Force. We also have begun to replace, or we've made decisions to replace, our aging platforms like the combat rescue helicopters and invest in a new jet engine technology that promises reduced fuel consumption, lower maintenance, and will help our industrial base.

Now, to pay for all of this, given our budget realities, we had to make some very, very tough choices. So we're proposing to retire some fleets, entire fleets. That way, we will get billions of dollars of savings vice millions of dollars. This will include the A-10 and the U-2, two terrific platforms that have served us well for years -- but, again, tough choices were in order. We'll also have to limit the growth of combat air patrols. We will retire our fleet of Predators over time, the MQ-1, in favor of a fully capable MQ-9 Reaper fleet in the future.

So these are just a few of the trade-offs, but by doing so, we can ensure that we will maximize our combat capability in the future and maximum combat power at the best cost to the taxpayer, which leads

me to priority number three, and that's make every dollar count. So in these tough budgetary times in particular, we need to make sure that every dollar counts.

So to me, this means we're going to be focusing on keeping our acquisition programs on budget and on schedule. We're going to continue to move forward and get to a point where we are auditable as a Department of Defense and as an Air Force. We're going to trim overhead, including that 20-percent reduction you've heard the secretary of Defense talk about. And, by the way, I do want to join with the secretary and ask you to please approve another round of BRAC in 2017.
Now, while sequestration-level funding will have us spend less in the short term, the ramifications of returning to lower levels and sequestration levels in FY '16 we feel will compromise our national security simply too much. And so we would ask, please, do whatever you can so that we will not return to the sequestration levels in ‘16. But if we must, we have thought through how we would manage that as well. So if we were to return to FY '16 sequestration levels, we would have to retire up to 80 more aircraft, including the KC-10 tanker fleet. We would have to defer some sensor upgrades that we want to do to the Global Hawk that would bring it up to parity with the U-2. We'd have to slow the purchases of F-35s; we'd have to have fewer combat air patrols, fewer Predator, Reaper patrols.

We couldn't do that next-generation jet engine program I told you about. And we would probably need to re-evaluate the combat rescue helicopter and some of our other important programs. So that return to sequestration would have very serious ramifications in '16 for us if we have to do so. And again, we ask you to please support the higher levels going forward in the five-year plan.

I'll conclude, Mr. Chairman, by giving you my vision for the Air Force where I hope the Air Force will be 10 years from now. I'm certain our Air Force will be smaller but it will be highly capable and it will be innovative and it will be ready. We'll be a good value for the taxpayers and we will be recognized as such.

We'll be able to respond to problems when our country asks us to step up overseas to whatever mission comes our way -- unparalleled air power -- as well as here at home when disaster strikes us. We'll be more reliant -- not less reliant but more reliant -- on our National Guard and Reserve because it makes good mission sense and it's a good value for the taxpayer. And we'll be powered by the best airmen on the planet.

I thank you so much for what you do for our nation and look forward to your questions.

SEN. DURBIN: Thanks, Madam Secretary. I'd say to the remaining members of the panel, your written statement can be made part of the record; if you'd like to highlight it for a moment or two, we'd really like to get to questions. We have a lot of them.

General Welsh, you’re first up.

GENERAL MARK WELSH: Thank you, Mr. Chairman, Vice Chairman Cochran, senators, thank you so much. It's always an honor to be here, and I will keep this very brief in accordance with your desire, sir.

Let me just say that your Air Force is the finest in the world, and we need to keep it that way. And we built this budget to ensure that Air Force combat power remains unequaled,
but that does not mean that it will remain unaffected. Every major decision reflected in our FY ‘15 budget proposal hurts. There are simply no easy choices left.

Every option reduces capability that our combatant commanders would love to have and believe they need, and we simply cannot ignore the fact that the law as currently written returns us to the sequestered funding levels the secretary mentioned in FY ‘16. And to prepare for that, we must cut people and force structure now to create a balanced Air Force that we can afford to train and operate in FY ‘16 and beyond.

We also have to look at where must we recapitalize to be viable against a threat 10 years from now, where can we modernize with the remaining forces, and what is the impact that has on everything else. That summarizes everything we’ve done in the budget, sir, and we look forward to your questions.

SEN. DURBIN: General Grass.

GENERAL FRANK GRASS: Chairman Durbin, Vice Chairman Cochran, members of the subcommittee, it’s an honor and privilege to be here today. First, I want to share my gratitude for the great working relationship we have with the Air Force today. The relationship comes directly from the leadership of General Welsh and Secretary James.

I want to start by saying that the National Guard does three things well: fighting our nation’s wars, defending the homeland, and building partnership capacity overseas. These missions have come to us both for the Army and Air Guard, and we support the COCOMS in every one of those missions. But we want to maintain the same types of equipment, the same types of training and structure that the Air Force has today.

Our equipment, training, structure and unique dual skills enable us to provide a cost-effective force that furthers our national security. During the past 12 months -- I'm sorry -- during the past 12 years, we have deployed Guardsmen overseas 760,000 times. Domestically, these soldiers and airmen responded to emergencies in all 10 FEMA regions during fiscal year 2013. Today, the soldiers and airmen of Washington National Guard are demonstrating that capability with over 140 soldiers and airmen deployed around the world and over 232 responding to the tragic mudslides in their state, assisted by the state of Colorado.

Fiscal challenges will continue to shape us in the future. I know that the Budget Control Act and sequestration is the law, so we are looking to the future to figure out what capabilities the National Guard will need both for the governors as well as overseas. One of the areas
we're looking at in very great detail with the Air Force and the Army is looking at cyber, and we feel that cyber is an area for the National Guard to look into in the future.

Sir, I will defer my time to my director of the Air National Guard, General Sid Clarke.

SEN. DURBIN: General Clarke, if you'd like to summarize your remarks, please.

GENERAL STANLEY CLARKE: (Off mic.) Senator Durbin and Vice Chairman Cochran --

SEN. DURBIN: You need to turn on your microphone.

GEN. CLARKE: Can you hear me now, sir?

SEN. DURBIN: Yes.

GEN. CLARKE: Thank you. (Chuckles.) Chairman and Vice Chairman, thank you for the opportunity. I'll parallel with what General Grass has said, and also the secretary and chief of staff, in that the total force is a healthy total force. I've been on the job for a year now; I've had a chance to observe it at many levels here in Washington but more importantly out in the field, and watch their amazing stories of the people as they return home from their opportunities to serve overseas side by side with regular force, regular Air Force, if you will, airmen and members of the Air Force Reserve -- a seamless, total force.

The credit for that goes to the United States Air Force senior leadership, both current and previous, who designed the Air Force the way it is. And we operate in a way that you can't tell the difference between the airmen and what they do.

Behind that is the fact that we have challenges. We want to continue to modernize, re-cap on par with the regular Air Force. We plan to do that in the '15 POM and beyond. But the opportunity to continue to serve operationally side-by-side with the regular airmen of the Air Force and the Air Force Reserve is paramount to what we do.

So our balanced strategy going forward in the future is to first make sure that we can be the first choice for homeland operations. We'll continue to be a proven choice for war fighting operations. And we'll be an enduring choice for security cooperation.

Thank you for the opportunity.

SEN. DURBIN: Thank you. And General Jackson?

GENERAL JAMES JACKSON: Chairman Durbin, Vice Chairman Cochran, distinguished members of the committee, thank you very much for the opportunity. I'll do the same and keep my remarks very brief.
Your Air Force Reserve is a combat-ready force stationed locally and serving globally in support of every combatant command in air, space and cyberspace.

One of the key strengths of our Air Force Reserve is the flexibility of our force. In my eyes -- and we’ve heard this mentioned before -- we are no longer a strategic reserve; we are daily an operational reserve.

But instead of using those terms, I like to use operational capability that your Air Force Reserve brings to the nation every day. The strategic depth and the surge capacity, all three of those bins are how we go ahead and provide our nation's defense.

We have wide-ranging operational capability in every combatant command. Today, over 4,000 Air Force reserve members are doing exactly that. And of course, we do it in every mission set. Global capability deployed at home, such as space, cyberspace and ISR, not to mention support of the homeland with capabilities such as aerial firefighting, aerial spray and a shared mission with the Air National Guard in firefighting and weather reconnaissance and also Hurricane Hunters.

The strategic depth we provide is the 70,000 selected reserve members that make up your Air Force Reserve, most of which 75 percent of those are part time. This includes our individual reservists on all combatant commander staffs and major commands available for your leadership and support at every level of conflict.

And then the surge capacity, which we saw during Tomadachi and Odyssey Dawn and other recent events allow us to serve, train and integrate every single day with the active duty, as Sid Clarke mentioned. And the majority of our reservists serve alongside our active duty members since a propose of associations are within your Air Force Reserve.

Integrating through association delivers significant taxpayer value both in cost-savings and improved mission effectiveness.

And lastly, committee members, I'd like to thank you for your support of the NGREA Fund and the appropriation. Without it, your continued support there, we could not continue to transform the Air Force Reserve and modernize it, which is critical.

Thank you very much, and I'll look forward to your questions.

SEN. DURBIN: Thanks, General. We'll have seven-minute rounds, and I'll start.
Madam Secretary, it's no secret that we've had some differences with Russia in the last few months, and some have even suggested our relationship is getting colder between the two countries.

And yet in at least one important area, we are still dependent on Russia in terms of our American national defense, which might come as a surprise to many people.

The United Launch Alliance uses Russian-made RD-180 engines in its Atlas 5 launch vehicles. ULA has told this committee it has two years' worth of engines so I shouldn't be concerned.

But a recent article in Bloomberg Magazine stated that Pentagon officials have asked the Air Force to review whether the use of Russian engines on rockets creates a national security risk.

Another article in Aviation Week points out that U.S. co-production of the RB-180 engine would cost $1 billion over five years to accomplish. If we decided to produce this engine domestically, clearly, we have a big bill to pay.

I'd like to ask you what your take is on this potential challenge, something we need to at least look ahead and anticipate in the hopes it never happens.

SEC. JAMES: Mr. Chairman, my take is I too find it worrisome. I too have read these reports. I've talked to my own people just in the first couple of months here.

We did, as you mentioned, initiate a review, which is due at the end of May. So it's a fairly quick review to get to the bottom of some of these questions and, more importantly, to provide some answers that, if we did have it shut off, what would it mean.

Again, I too have heard two years of supply. I've learned spare parts are very important. So that's a question that the review is also going to look at is do we have the spare parts for the two years.

I will tell you that, if anything would go wrong in the immediate future, we could also go to the delta option. So we have that as a fall-back in the immediate future.

But I too am interested in what the domestic production would look like and the costs. So we are studying it. We're studying it quickly, and we hope to have some more answers shortly.

SEN. DURBIN: Well, it's no secret that we have anticipated a competition which will engage another company in this process. And I believe the president's budget diminishes that competition in years to come, which seems to be moving in an opposite direction, really
putting most of our faith in the ULA project to continue despite the question mark about Russian sources.

SEC. JAMES: So here's the way I would describe the EELV program. It's comprised of, to use very simple language, heavy launches and lighter launches.

So we want competition for all of the launches. And by 2017, under the process that's been laid out, we expect that we will have new entrants to compete for all of it.

By the end of this year, we hope to have people qualified -- other companies qualified to compete for the light launches. So there's heavies and there's lights.

So what you're referring to is the fact that, in terms of the light launches, some of those launches have gotten deferred beyond the five-year plan. Why? The answer is those launches involve GTS satellites. And it turns out that the existing GPS satellites are lasting longer than we originally anticipated. Therefore, we don't need to launch them as quickly.

Now, with that said, we anticipate eight of these launches to occur over the five-year period of the light ones, and seven of the eight will be competitive, assuming the new entrants qualify, and everything I'm hearing tells me they will.

SEN. DURBIN: General Welsh, I'd like to ask you about two specific decisions that are part of this budget.

The first decision calls on the Air Force Guard to give up the Apache helicopters, to transfer those to the active Air Force.

It's my understanding that the Air Force Guard has now taken those helicopters into combat and has combat-hardened crews that are currently serving and protecting our nation. The future of those crews may be in jeopardy if we trade the Apache for the Blackhawk.

And I'd like to ask you why, since it's only a small portion of the Apache helicopter fleet, you would want to eliminate the Air Guard commitment in that area.

Secondly, I may have mentioned this to you; I think I did. Reading an article when it came to an aircraft that you're familiar with, the Warthog, the A-10, it was a Harper's article that talked about actual battlefield decisions being made by A-10 pilots who were close in viewing a potential target and then transferred to a B-1 bomber at high altitude that made a different decision which turned out to be a fatally wrong decision.

So the notion of retiring the A-10 fleet, the Warthogs, at this point, I'd like to ask you if you've taken into consideration the versatility and capability of that aircraft that might be sacrificed in this change.
GEN. WELSH: Thank you, Chairman.

On the first issue, the Apaches are probably a better topic for General Grass to address with you.

SEN. DURBIN: I said Air Force Guard. I'm incorrect. It's Army Guard.

GEN. WELSH: Yes, sir. But the -- on the -- on the A-10 side of the house, the discussion for us really is about the mission of close-air support, not specifically about platforms that fly it.

We are making choices, as I mentioned in my brief opening comments, that are no fun for any of us. Everything is affecting capability now. We are going to affect our mission areas with any decision that we make in this budget.

The combatant commanders, the service chiefs are all part this conversation. The Air Force provides a series of things to a ground force commander and a combatant commander, not just close-air support. And our attempt and our recommendations in this budget is to balance those mission areas.

There are terrible stories about mistakes that are made in combat in every platform we fly, every one of them. The specific article you're referring to, sir, I would love to come walk through the article with you. There are some things in there that I don't believe are completely factual, or there's more to the story that the reporter just didn't have access to.

I would love to talk in detail about this topic with you and explain the analysis. For example, we looked at options on the operational side of divesting the A-10 fleet, divesting the B-1 fleet, divesting X number of F-16s, probably 350 or so, to make the same amount of savings as the A-10 fleet.

We looked at an option of divesting the F-15Es to a certain level to pay that same bill. We looked at deferring more F-35s outside the FDYP. We looked at grounding current squadrons and giving up readiness in order to pay the bill to keep the A-10 fleet active.

So we looked at a number of different ways to create the 4 billion or so dollars of savings in the budget. And then we did a very detailed operational analysis against the standard DOD scenarios that we are required to prepare for. And the operational result was that the best operational military answer was to divest the A-10 fleet.

I would love to have that discussion in detail, probably not the forum for it. But, sir, this is about much more than a particular airplane. The A-10 is a great airplane. We have many other airplanes who fly -- (inaudible) -- very, very well and have been doing it for a long
SEN. DURBIN: Time. This is a much broader discussion than that because it's about balance and what an Air Force brings to the theater.

SEN. DURBIN: I look forward to that discussion.

General Grass, if you could clarify? I made a mistake earlier in reference to the Apache. But if you would clarify that.

GEN. GRASS: Yes. Chairman Durbin, we've been working closely with the Army to try to find a solution. The Army has some major issues they have to deal with right now in rotary wing aircraft, both in the training aircraft as well as the scout vehicle.

We agree with the Army divesting of those two platforms. What we're concerned about, though, is taking all of the Apaches from the Guard and putting them onto active duty.

We have units with thousands of flying hours in combat. We also provide an opportunity for active pilots coming off to come into the Guard and maintain that capability.

But at the same time our proposal would actually put some of our Apaches back into the active side to pay part of their bill. So we have a proposal on the table. We're waiting for a response to see if we could come up with a solution with the Army.

SEN. DURBIN: Thanks, General. Senator Cochran.

SEN. COCHRAN: Mr. Chairman, thank you and my thanks too to the panel for being here today to discuss the Air Force budget request. We are concerned about the situation in our state at Keesler Air Force Base, which is one of the sources of pride we have in our close connection with military training activities. Keesler is well known throughout the Air Force and certainly throughout our state as a wonderful place to work and to live, to raise a family and to serve.

We are concerned that we keep getting mixed signals about exactly what the budget request contains for funding of the training mission at Keesler and any other needs for funding that may exist and are not reflected in the submission to the committee. So I direct my question to Secretary James and General Jackson. I'm concerned about the justifications that we find in the total Air Force plan for 2015. Included in the proposal is an indication that there will be a relocation of 10 C-130J's from Keesler Air Force Base to some other location.

It seems to be inconsistent with comments that we've had in the past. General Jackson, I appreciate your briefing us yesterday on your plan, but we haven't heard any real justification for this decision and I would like to have some update from the panel, either in
writing later or any comments that you care to make now to clarify what the intentions are and what the budget request contains with respect to Keesler Air Force Base.

SEC. JAMES: So Senator, maybe I could just begin and then General Jackson could provide some additional details.

SEN. COCHRAN: That's fine.

SEC. JAMES: But from sort of the big picture perspective, as we put the budget together and we look at the strategy and we look at what the requirements are, we have too many C-130s in the inventory vis-a-vis the requirements. So that's kind of the big picture first point. And so we're looking to reduce some C-130s, trying to keep the newer ones in the inventory, retire the older ones, and so things are moving around as a result.

Now as to what is moving where and why, there is where I think General Jackson would be better to answer that.

SEN. COCHRAN: General?

GEN. JACKSON: Thank you, ma'am. Senator Cochran, thank you for the opportunity. As we discussed yesterday, this is a comprehensive C-130 plan that we had to put together with the Air Force in concert with Air National Guard and the active duty on where we're going to put our C-130 fleet. The Air Force's -- their part of that discussion was to bring to the table the 11 locations that we currently operate C-130s and have the discussion on where we should try and consolidate to achieve the savings that we need to achieve for the Air Force.

The Air Force Reserve has currently lost approximately from 104 down to 66 C-130s and we need to make sure those are located at exactly the locations where we can get the most benefit for the Air Force and the total force. Little Rock is the location that we've determined that would be a good place to go ahead and take and try and consolidate that C-130 schoolhouse, the two active duty squadrons, the Air Force Reserve squadron, and of course the C-130J and of course the C-130H schoolhouse at that location because it allows us to provide backshop synergy.

We have some manpower savings from that location. Change also from the reduction in North Carolina at Pope, and that's what we're seeking to achieve, is to go ahead and pay the bill that we need to pay when it comes to that airframe, sir.
SEN. COCHRAN: One of the missions of that facility is the so-called hurricane hunters. Who is going to end up being responsible for providing information to the people who live in the Gulf of Mexico area with respect to the hurricanes that sometimes come up through the gulf, and isn't Keesler located in ground zero and probably the best place to have vigilance flown -- missions flown from there rather than going inland some several hundred miles to Little Rock to get you out of the picture? You might be getting going to the coast and the hurricane and everybody will be over and everybody's lost everything by the time the planes get to the gulf.

What's your reaction to that? Does that make sense? It doesn't sound like it makes good sense to me.

GEN. JACKSON: Senator, there is absolutely no intention of removing the 403rd wing or the hurricane hunter mission from Keesler, Mississippi. We currently -- as you're probably aware we have currently 10 C-130Js that are part of the 403rd that do that mission.

And the other 10 C-130Js that the Air Force Reserve has assigned to them are the ones that we'd be looking to move to Little Rock to achieve the synergy that we want to achieve and the savings we'd like to achieve.

We do have to -- we have looked at really hard to make sure that the 403rd and Frank Amadeo, the wing commander, has everything he needs to continue to conduct that mission for the nation and I do not see any adverse impact to their mission set at all.

SEN. COCHRAN: Very good. Thank you for that explanation. Thank you very much.

SEN. DURBIN: Senator Leahy.

SENATOR PATRICK LEAHY (D-VT): Thank you, Mr. Chairman. And the chairman's asked a couple of questions I was thinking of on the Apaches and others so I won't repeat that, but I think we all know we have to not only re-think our approach to security because of the changes in the world and in our fiscal policy, but it's probably something we should do all the time anyway.

I remember two years ago when the Air Force had proposed some changes that were found unacceptable to both parties here on the Hill that turned into a real battle between the active and Reserve components, but now two years later the Air Force is a model for cooperation. And General Welsh and Secretary James, I've talked to both of you about this. I just wanted to compliment you publicly for that. It's a great change in tone and cooperation, something so rare sometimes we see around here. I'm delighted to see it.
And I know, General Grass, that the Army is going through some questions on that and I'm sure Senator Graham and I will probably have further -- further questions because I am concerned that as we draw down dramatically our Guard and Reserves, that if we try to bring them back up because of an emergency, there's not going to be any there there, that we're going to be able to do the kind of recruiting they need to do. I hope there would be an understanding that sometimes these cuts are penny-wise and pound-foolish and I hope you would agree with me. I don't mean to put you on the spot but I just want you to know how I feel about it.

The commission on the structure of the Air Force showed the right destination for a total force and we should get it done. Secretary, will you continue to make use of the expertise of the commissioners and their staff?

SEC. JAMES: So, Senator, I think they delivered a -- just a fine, fine body of work overall, so I would like to just say that publicly. And I know many of the commissioners and I'm certain that we're going to continue to call upon their expertise in the future. And there is an awful lot about that report that we absolutely agree with. There's a couple of points of disagreement which we can talk about if you'd like, but overall it's an excellent report.

SEN. LEAHY: Well, I look at our active -- since we've had an active association with our partner wing in Vermont and I don't -- nobody would ever be parochial in their questions from this panel. So I'll break that. But I don't think it's as active as it would be possible.

I hear from active pilots their concerns about careers after the National Guard, so we should look at the increase in the number of airmen in active associations and the incentives while serving a tour with a different component.

SEC. JAMES: So going forward in perpetuity, I'll say we in the Air Force have what we'll call our total force continuum team.

So this is a team of active Guard and Reserve officers who are forever now going to be helping us move forward in terms of looking at can we rely more and more on the Guard and Reserve, and the area of associations has been a great success story for us overall. I think we now have more than a hundred different types of associations in the Air Force and I think the key next step there is to capture the lessons learned from those associations so that as we take it forward in the future we can apply those lessons learned and do it -- even a better job of it.

SEN. LEAHY: Well, your work for total force integration means you have to make some tough decisions and I am confident you will. But I would hope that you would, as you go on
some of those as going back and forth don't ever hesitate to call us up here on the Hill. You have a lot of people in both parties who care greatly in where we are and not only today but where we're going to be 10 years from now, and you continuously have to plan for that 10 years from now. If I have further questions I'll submit them for the record, Mr. Chairman.


SENATOR LINDSEY GRAHAM (R-SC): Thank you, Mr. Chairman, and Senator Leahy and I will be -- Leahy will be getting back with the active duty and Guard to see if we can help you all come together -- (laughs) -- and I would suggest you take us up on it. Now, General Welsh, if you took the United States out of NATO in terms of airlift capability for NATO troops what would we have left?

GEN. WELSH: It would be dramatically reduced, sir. There's limited capability in a few countries and there is a consortium that does support NATO occasionally and the strategic airlift wing in Hungary, not just NATO countries, NATO --

(Cross talk.)

SEN. GRAHAM: Would you lose, like, 90 percent of the capability?

GEN. WELSH: Sir, I don't know the number. A lot of the capability.

SEN. GRAHAM: Yeah. A vast majority?

GEN. WELSH: In the strategic airlift fleet, -- (inaudible). Tactical air lift with the A400 acquisition by a number of the countries they are actually improving their capability. But it's a large number, sir.

SEN. GRAHAM: Large number. So is NATO's countries outside the United States are they ramping up their defense spending or not?

GEN. WELSH: No, sir. They're not.

SEN. GRAHAM: OK. So when you look out at the next 10 years, would you say that our allies are going to be spending less money, not more, on defense?

GEN. WELSH: There's a lot of allies, sir.

SEN. GRAHAM: NATO.

GEN. WELSH: I know that the general trend is down in Europe. There are a few exceptions where a percentage of GDP on defense spending is actually going up but there's a very few number of those countries --
SEN. GRAHAM: How many countries in NATO spend more than 2 percent of GDP on defense?

GEN. WELSH: The last I can accurately tell you is 18 months ago. It's the last time I looked, and there were four.

SEN. GRAHAM: Four. OK. Just want the committee to know that, you know, we’re entering into a world where we have less capable allies. I'm sure it's budget driven too. Secretary James -- Madam Secretary, I want to applaud you and General Welsh and the whole Air Force team for taking the sexual assault issue head on, and I understand that our pilot project in the Air Force is spreading to the other services so where a sexual assault victim would be assigned a individual judge advocate. Is that correct?

SEC. JAMES: That is correct.

SEN. GRAHAM: Do you have the money you need in this budget to continue the progress you're making in terms of dealing with the sexual assault problem?

SEC. JAMES: I believe that we do, yes. And as you said, we are -- we are on it and it requires constant vigilance and leadership and we’re committed to it.

SEN. GRAHAM: To our Reserve components, at the height of the Afghan-Iraq conflict what percentage of C-17s and C-130s were being flown -- missions being flown by either Air Guard or Air Reservists? Do you know? Let's start with the C-17.

GEN. CLARKE: Sir, I don't have the numbers. I'd have to get back to you with the actual numbers.

GEN. JACKSON: Senator, I'll have to report back on the Reserve piece of that also. But I will tell you that progress is being made to actually capture all that data. One of the things we're doing is to do an electronic capability to look at every single member in each component to capture that data.

SEN. GRAHAM: And the reason that's important because I think it's over 50 percent -- that over half the air crews during the height of the war were Reservists and Guard members. General Welsh, does that sound about right?

GEN. WELSH: Senator, it does, just from the perspective of well over 50 percent of our air lift fleet and C-130 is in the Reserve component.

SEN. GRAHAM: OK. Is there a statutory cap on how long you can bring somebody onto active duty? Is there a time limit?
GEN. CLARKE: If I may, sir. Currently, the 1,095 limitation is what -- if you have someone on active duty and MPA status with the Reserve or Guard members that is one of the first milestones that if you achieve that. Now we have the capability to go past that to other numbers. But there is a limitation on how long you can keep a member on.

SEN. GRAHAM: Is it two years?

GEN. GRASS (?): Yes, sir. It's 1,095 days consecutive that would be counted against you as a part of the end strength. But there are some places that you can change that number a little bit. But that's the basic number.

SEN. GRAHAM: How many people crossed that number but decided to serve anyway?

GEN. GRASS: Sir, I'd have to get back to you with the numbers. I don't have those.

SEN. GRAHAM: There's a lot. So the point is if they all decided then I'm tired -- I don't want to go back, I think we need to look at that because if half -- at least half of the missions being flown are by Guard and Reservists and you've got a statutory limit on how long they can serve, we need to make sure. Do you agree that that could be a conflict?

GEN. CLARKE: Sir, I can just tell you that in my time in the Air Guard it's changed quite a bit. In the Air Guard I joined people built their Guard life basically around their civilian life and I've noticed over time that people have built their civilian life around their Guard life and it's because it --

SEN. GRAHAM: I think that's well said and that's a fundamental shift, and we need to address that and understand that this is a fundamental shift in the way people serve. Back to our favorite subject, the A-10. The idea of losing the A-10, General Grass, is that a good thing or a bad thing, from your point of view?

GEN. GRASS: Senator, as a ground forces guy it's bad but General Welsh and I have worked through this and he's explained why and I totally support his decision.

SEN. GRAHAM: And I understand, General Welsh, you know, the dilemma you face. I mean, we've created this problem, not you. I mean, we didn't -- you didn't pass sequestration. We did. I believe that what Senator Durbin was saying that the A-10 is unique (is ?) the F-15 and F-16 are great airplanes. No doubt about that. But the ability to get back on the target is faster. The ability to survive in a close air support environment is at least equal if not superior and it will be 2021 before we get any large numbers of F-35s. Is that correct, Senator -- General Welsh?

GEN. WELSH: That is when the full operational capability is reached.
SEN. GRAHAM: If everything goes well?

GEN. WELSH: Yes, sir.

SEN. GRAHAM: OK. So for about $3.5 billion over the next five years if we could find the money you could afford to keep the A-10 on board. Is that correct? If you had the money.

GEN. WELSH: Sir, I -- this will sound -- this will probably inflame you a bit. I don't think that's the issue.

SEN. GRAHAM: No, I understand.

GEN. WELSH: The issue is what Air Force do you want at the end of sequestration -- is it the Air Force you need against the threat and the scenarios at that time.

SEN. GRAHAM: Are you retiring the A-10 because it's no longer relevant to the fight or because of budget problems?

GEN. WELSH: No, sir. Because of budget problems, clearly.

SEN. GRAHAM: OK. All right. Well, that --

GEN. WELSH: But we have other airplanes that can do close air support. There are other things that if you give up those airplanes you cannot do with an A-10. That's the balance I'm referring to.

SEN. GRAHAM: I got it. But if you think the airplane is a good fit for the Army for the next few years to come and the reason you're retiring the airplane is because of budget problems, what if we fixed the budget problem? Would you keep the airplane?

GEN. WELSH: Sir, as I mentioned, I think it's a bigger issue. We also -- the pilots, for example, from the A-10s will help populate other systems like the emerging F-35 squadrons. The maintenance folks from the A-10 community will transition.

SEN. GRAHAM: OK. But it's hard to use a squadron that doesn't exist. A-10s exist. F-35s are not around. So it's hard to deploy a squadron you don't have. Last question about space launch vehicles. The evolved expendable launch vehicle, the Air Force was directed to open that up to more competition. It is my understanding that in 2015 the Air Force is not going to allow any competition and between 2015 and 2017 instead of 14 launches subject to competition you're going down to seven. Is that true, Secretary James?

SEC. JAMES: So the numbers that you quoted, Senator, in terms of a decrease it's because those 14 launches now some of them are beyond the five-year plan. So we're still
projecting them but we've pushed them out because it turns out those particular launches are for GPS satellites and those satellites are lasting longer than anticipated. So we don't need to do those launches as early on as possible.

SEN. GRAHAM: So I am confident that the Air Force is not reducing competition. We're just having fewer launches because of the lack of need. Is that right?

SEC. JAMES: Absolutely not reducing competition. We're in favor of it and the quicker that -

SEN. GRAHAM: Senator Durbin and I are going to make sure that withstands scrutiny because that's the right answer. Thank you.

SEN. DURBIN: Senator Feinstein.

SENATOR DIANNE FEINSTEIN (D-CA): Thank -- (clears throat) -- excuse me -- thanks very much, Mr. Chairman. I want to take off -- up where you left off on the United Launch Alliance.

I was first visited by them on May 23rd of 2012, and they told me about the fact that two big American defense companies were going to come together and, instead of competing, that they could lower costs through this alliance.

Well, it turned out that year they couldn't; the cost went up 60 percent. At the end of that year, Frank Kendall wrote a memorandum, which I ask be included in the record, which essentially said that these launches would be competed.

And since then, costs have continued to go up. The GAO pointing out enormous cost increases. And the budget document points out how costs actually have increased.

And I gather, on a per core basis, the price has increased about 186 million (dollars) from one year to the next. Candidly, I find that unacceptable.

If I understand what you told the committee through Senator Durbin's question, the Air Force was directed to compete up to 14 cores with an initial contract award as early as 2015. Today, you're saying that is eight.

The thing of it is you are still allowing 35 cores to ULA with only the 8 being competed. And so it seems to me that what Frank Kendall wanted was, opening the program to competition, is really not happening. You're really reducing the ability for competition.

And, I mean, I recognize that outside companies may be looked at differently than two big, huge defense companies. But the cost just continues to go up.
So I have a very difficult time understanding the Air Force's resistance to, say, anticipated costs which have gone up, we're going to really compete these programs -- these cores and allow for free and open competition for just as many as people qualify for.

SEC. JAMES: If I may, so first of all, I agree with everything you said in terms of the desire for competition. And I tell you that is absolutely what I want.

Now, this particular contract I think that you're talking about, which was the so-called sole source to ULA, which locks in, I believe it's 36 cores over time --

SEN. FEINSTEIN: Rather than 35? OK.

SEC. JAMES: Or it might be 35.

SEN. FEINSTEIN: OK.

SEC. JAMES: So let me come back for the record on that.

SEN. FEINSTEIN: OK.

SEC. JAMES: But that's about the order of magnitude.

That was signed in December, actually before I got there. But I'm told that that particular contract locked in cost savings of 1.2 billion (dollars) to the taxpayers as compared to what the "should cost" analysis said.

So in other words, your information is a little different from my information. It sounds to me like the costs are getting better.

But with that said, there's no doubt in my mind that even the threat of competition probably helped those numbers come down.

So the quicker we can get other companies qualified to compete, the better, as far as I'm concerned. And again, by the end of 2014, I believe they will be qualified to compete for the lights. And by 2017, they'll be able to compete for the heavies as well, which means the whole thing would be opened up to competition.

SEN. FEINSTEIN: Well, let me just quote a sentence from the GAO report of last week. "The program is estimated to cost over 70 billion (dollars) through 2030. EELV program officials are currently conducting activities to certify new launch providers and signed a contract modification to procure additional EELV launches."

Now, if those launches are almost 3-to-1 in cost to a competitor, why would this make sense?
SEC. JAMES: Well, I have to believe the $70 billion is their extrapolation, taking the data of today and simply going forward to 2030. And if we can't do better than that, then shame on us.

And I'm convinced that competition will help us as we move forward and as we get these new competitors qualified to be part of that competition.

SEN. FEINSTEIN: Well, six of us -- I've watched this now for some time. Six of us are sending a letter to the secretary of defense and asking him to take a look at this program. I'm very worried that the costs are not going to be lower in any way, shape or form. In time, of course, costs go up.

But I'm worried about them -- the costs going up exponentially. And what this has said to me, that when you put two big defense contractors together, it's a problem; the costs don't drop.

And as you know, there was a huge up-front payment to them, as I understand it, as well. And so my view is that there should be full and free competition and, additionally, you know, the main competitor -- let's put it on the table -- is SpaceX. It's all an American rocket. That has a great deal of attraction, I think, to the American people.

And if it can come in competitively, what this says about American ability is enormous.

So I -- to lock them out by reducing the number of launches that they can qualify for, which is my understanding of what has just been done, I don't think is the right thing.

SEC. JAMES: And I totally agree with you on competition, and I -- that's absolutely the way I want to move as well. And I'm going to be pressing for that.

The launches that they -- that are reduced, they're not reduced in the absolute. They're just delayed. And the reason for that delay was because we don't need them as quickly because the existing satellites are lasting longer. It had nothing to do with locking someone out of competition. That's the absolute last thing that it related to.

SEN. FEINSTEIN: Well, when will the first competitive launches begin? And how many launches, for the record, will be competitive at that time?

SEC. JAMES: So, may I come back to you on the record for that? But there are -- my understanding is, in terms of the overall numbers, there are eight in that light category over the next five years. Seven of those eight will be competitive.

SEN. FEINSTEIN: Beginning when?

SEC. JAMES: That's what I need to come back to you on.
SEN. FEINSTEIN: OK. Fair enough. Thank you. Thank you very much, Mr. Chairman.

SEN. DURBIN: Senator Murkowski?

SENATOR LISA MURKOWSKI (R-AK): Thank you, Mr. Chairman. Welcome to all of you. General Welsh, I want to give a special thank you for your leadership and decision as it related to the F-16 Aggressor Squadron there at Eielson. I think I speak for the entire Alaska community in thanking you for that decision.

I want to address my comments this morning to you, though, as it relates to the F-35s and basing in the Pacific.

It's my understanding that PACAF is going to be the second operational location for the F-35s. I certainly see that benefit. We've had this conversation before.

But I'd like you to just briefly explain to the subcommittee why it's so important to expedite placement of this fifth-generation fighter into the Pacific. And then if you can also address the concern -- we were told at the -- at the briefing -- the OSE staff briefing -- that, if sequestration funding levels continue, we might see the F-35 buys reduced by 17 aircraft. What, if anything, would that do to the Air Force basing strategy in the Pacific?

GEN. WELSH: Senator, the importance of the F-35 in both the Pacific and European theaters is, number one, we have partners in both theaters who are going to buy the airplane as well.

SEN. MURKOWSKI: Right.

GEN. WELSH: And being able to work and train with them side by side develops greater coalition war fighting capability for the future so that the U.S. doesn't have to do as much on their own. We can get more support from partners in contingency operations in the future. It also promotes other kinds of understanding and cooperation between nations.

The F-35's technical and war fighting abilities are also very well suited for a very highly technical threat in that part of the world. And it'll be important for us to train in that environment.

The actual basing process, this summer, we should announce the preferred and alternative choices for the Pacific bed-down. As you know, the site surveys are ongoing now for the bases that were nominated by Pacific Air Forces to be included for the Pacific bed-down. And so we should have the next decision point this summer.
SEN. MURKOWSKI: And of course, you know that I will continue to maintain that, when we're talking about the proximity of the Pacific theater, the polar considerations that Alaska, and particularly Eielson is the ideal location for the F-35s there when it comes to the -- to the PACAF basing. So we will await the outcome of the site surveys this summer.

General Grass, I wanted to ask you, again, some sensitive issues as it relates to sexual misconduct and allegations involving our Alaska National Guard.

Last week, our governor asked the National Guard Bureau to initiate an investigation into sexual misconduct allegations. Unfortunately, this isn't new; this was revealed in our state's largest newspaper last fall. I spoke about this on the Senate floor. These were, in fact, the same allegations that my office forwarded to the Department of Defense inspector general on June 19th of last year.

This, of course, is a great concern not -- the issues that we have been debating here in the United States Senate as to the process and how we move forward with the chain of command, from Alaska's perspective and what we have seen -- and the failure to find closure with respect to these allegations really leaves a cloud out there.

The question to you this morning is whether or not the National Guard Bureau is coordinating its investigation with others who may also be conducting investigations at this time. What's the status of these investigations? When will we know something? And will the outcomes be transparent because I think that that's absolutely critical along the way.

GEN. GRASS: Yes, Senator. And about two years ago, we stood up an office of complex investigations with trained investigators trained out of Fort Leonard Wood, Missouri, and what we've done at request from the state is sent up an investigation team about three weeks ago. That was their first visit. We're looking at a broad brush of complaints, and we'll do the analysis. I'm free to come and brief you in more detail of where we're at on that and how much time it might take.

SEN. MURKOWSKI: Well, I would appreciate that, but I would also like the assurance that when the investigation is concluded that there'll, again, be a level of transparency with reports, with the outcomes.

GEN. GRASS: Yes, ma'am. And the reason we did stand up the office of complex investigations was exactly for that reason: that we can bring someone from outside the state and provide a report back to the governor.

SEN. MURKOWSKI: Appreciate that. Thank you.
Secretary James, in your opening remarks, you confirmed that a return to sequestration in FY ‘16 could potentially kill the combat rescue helicopter. As you know, in Alaska we have amazing men and women within our Air National Guard rescue squadrons. They do some amazing rescues in some pretty incredible places. Last year alone, they saved 101 lives, over 2,000 lives saved since 1991. What they do is, again, just amazing. But in order to do the amazing things, they need to have equipment, they need to have helicopters that are state-of-the-art.

We're told through our adjutant general -- he says that the HH-60s, with all the punishment that it takes up north and on the battlefield, he figures that they've got about three years left in them. And they're stretching this even with great maintenance and all that they do, but the mission-capable rate is falling.

So with the decision to move forward with the combat rescue helicopter, know how much I support this and think that this is the right step. I think it's great that the Air Force is moving forward with the program, but you've got this gap in funding across the future years defense plan. Assuming that we can fix the burden of sequestration, what are your plans to cover this gap and ensure the program remains on track going forward?

SEC. JAMES: So we estimate that we'll need to shift about $430 million or so --

SEN. MURKOWSKI: Right.

SEC. JAMES: -- within the five-year defense plan. So we're talking about options for doing just that. Of course, there's monies beyond the five-year defense plan that will also be coming due eventually, but what we need to do is figure out in the fairly near term that $430 million bill.

And if I could just say, I agree with everything you just said about the combat rescue helicopter. And to me, having to re-open that and all of these other decisions that we would have to be faced with if we return to sequestration levels would just be really bad. And I really, really hope that we don't come to that.

SEN. MURKOWSKI: Well, we need to work with you, of course, on that. But what I am hearing you say, though, is that you are preparing as to how you would address this gap if we are able to address the sequestration issue.

SEC. JAMES: Yes, that's correct.

SEN. MURKOWSKI: Good. Thank you, Mr. Chairman.

SENATOR MARK PRYOR (D-AR): Thank you, Mr. Chairman, and thank you for your leadership on this. General Welsh, let me start with you -- just say thank you for coming to Fort Smith, Arkansas, whenever that was, to look at the 188th down there and the A-10 situation, and appreciate your efforts on that.

And just as a refresher, the A-10s leave -- the last two A-10s, we think, will leave around June of 2014, and the MQ-9 doesn't become -- doesn't hit that fully operational capability status until sometime in FY '20. So that's a -- that's a pretty big gap there. And of course, I have some concerns there about personnel and, you know, what the folks in Fort Smith and the 188th will be doing in the interim.

Can you walk me through that gap and tell me about personnel and, you know, just the capabilities they have there during that gap -- that gap period?

GEN. WELSH: Senator, as you know, we'd delayed the departure of the A-10s to make it a little bit slower departure and transition for the unit. And we built the timeline based on that desire. And so we have -- we do have crews who have already gone through some of the initial training in the new platform. They're actually operating on a TDY basis with other units, and so they're building their experience level. We anticipate these folks will be the instructor cadre at Fort Smith as we do the full transition.

It will take a couple of years to go from initial operating capability to full operating capability as hardware, software and people are trained and arrived. But the game plan right now as far as I know it -- I'll check with General Clarke here to confirm this -- is on track. It's on the schedule we built a year ago and ran by you.

SEN. PRYOR: Great. And I know that in the FY '14 Defense appropriations bill, we had some report language about beginning the RSO training and whatnot in that 2014 timeframe. And just a quick status report on that -- are you happy with where that is? Do you think that's progressing as it should be?

GEN. WELSH: Senator, let me -- let me defer briefly to General Clarke on the specifics, but yes, my -- the latest update that I got is that we are on track.

SEN. PRYOR: Great. Thank you. General Clarke?

GEN. CLARKE: Yes, sir. Senator, the Arkansas Guardsmen are remarkably resilient going through this mission change, and that takes really good leadership to make sure that that happens, giving the people a picture of what the future looks like and where they're going. And they're doing a good job of that.
All of the different parts that you're talking about -- what's key to that is they get the appropriate training opportunity to do the tech schools and fill that in, and a little bit of flexibility built into the system to ensure that when they hit the ground, they hit the ground running. That's one thing we do in Air National Guard very well: When we're given a new mission, we take it on with a lot of gusto and we do a great job of picking it up. And I know the Arkansas Guardsmen will do the same thing.

SEN. PRYOR: Right. I think “resilient” is a good word because they just went through that F-16 to the A-10 transition, and now they're going to A-10 to, you know, the RSO transition. So I think they are very resilient. And they're very -- they have a lot of pride about what they do down there, so --

GEN. CLARKE: Yes, sir.

SEN. PRYOR: -- that whole community is very, very committed to making sure this gets done. And it's something they're very proud of.

Now, one other question, and I don't know if General Clarke, if you're the best -- or General Welsh, I'm not quite sure -- but just one of the local matters we have there with losing the A-10s is our crash and rescue there at the airport; it's the Fort Smith municipal airport. And I know that may be a little bit below your pay grade, but it's not below my pay grade to worry about things like that. So do we know when we might anticipate that those funds, if they do dry up, when they might dry up for the crash and rescue? Do we know that?

GEN. CLARKE: Sir, typically, after the mission goes away, where it requires the crash rescue personnel, there is a transition period built in there. And whenever that date is set, we'll give them an opportunity to transition.

You know, our concern remains that for years, we've provided that capability there for the local airport. It's one of our great partnerships that we have around all the communities that we serve. What we hope is that there's a good transition. And oftentimes, we'll find the equipment to allow the locals to transfer that equipment, if you will, for them to use and continue to sustain that. But they'll use different personnel to -- obviously -- do that mission.

SEN. PRYOR: Yeah, I'd like to work with you on that. So you know, we'll circle back around after this to talk through some of that. So thank you for that. And you know, we'll see if we can find the best landing spot for everybody there.

And let me also -- General Welsh, while I have you here, let me change gears and talk about the Little Rock Air Force Base. I know that Senator Cochran a few moments ago
made a mention of the C-130s down in Mississippi, and some of the J models are coming to Little Rock. And certainly, we're proud of that. But we also are losing some H models.

And let me just say this while I'm thinking about it. The leadership at Little Rock Air Force Base is top-notch. Great. I was just with -- there's a number of folks there that are in leadership positions, but I was just with Colonel Brewer this weekend and I mean, just really top-notch, well-motivated. Everybody on that base is really, really great. And again, the whole community supports that.

But let me ask about that sort of change there, where we're getting 10 new C-130J's. We're losing I believe it's 12 C-130H's, and I know, you know, there's always going to be some change and transition there. My understanding is we are losing some personnel there as a part of this. Do you have a sense of what those numbers are and what that timetable's like?

GEN. WELSH: Sir, we can get you the exact numbers of people who are affected by this. It's not a very large number. J.J. will probably know in the Reserve unit because he was looking at this yesterday, so let me let him answer that.

GEN. JACKSON: Thank you, Chief. And Senator Pryor, it's approximately 60 positions. Most of those are part-time positions. A little over 100 of the part-time positions -- I'm sorry, 60 positions total at Little Rock from the Air Force Reserve footprint that we currently have there as our chief -- (inaudible) -- transitions from the FTU into the combat-coded responsibility there.

SEN. PRYOR: So does that mean that all the loss will be in the Reserve component or there will be some active duty loss?

GEN. JACKSON: Well, sir, currently we are taking 60 out of the Air Force Reserve component. There are -- we are working with the active duty side because that association is outstanding, like you mentioned. We have an active association that is tied to that Air Force Reserve unit-equipped squadron and group there.

So as we work through that part of it we're looking for the synergy to find where we can go ahead and take the backshop and whether it has to be a full-time or it can be a part-time type of situation and how we integrate every level of that. So we're still working through that. Sir, I'll have to get you any answer on the active duty manpower numbers.

SEN. PRYOR: That would be great.

GEN. WELSH: Senator, I would offer that Little Rock is the home of tactical airlift for us. It is one of the gems of the United States Air Force. Now what we're trying to do is make it more efficient in ways that we can, not figure out how to get rid of anything at Little Rock.
SEN. PRYOR: No, no. And I recognize that and I recognize you all's commitment to Little Rock Air Force Base and the important role it plays for you so don't take that as a complaint. But of course the community reaches out to me and says, what do we expect here, what is this we hear? You know, those type things. So I thought I would ask you about that directly. And again, we'll follow up afterwards.

But again, thank you for your -- all of your service to this great country and just thank you for what you do. Thank you.

SEN. DURBIN: Thank you, Senator Pryor. Thanks to the panel, Secretary James and the general officers who joined us today. We'll have some questions in writing, which I know you're really familiar with, and in hopes that you can respond in a timely basis we'll add those to the record. We'll be working closely with you as we face the challenge of the next fiscal year budget.

Thank you very much. This meeting of the subcommittee stands adjourned. (Sounds gavel.)