

**SJR**

**14**

<TARGET><BILL>SJR 14</BILL><SUBJECT>SJR  
14</SUBJECT><COMM>SSTA27</COMM></TARGET>

## SENATE COMMITTEE REPORT First Committee of Referral

DATE: 2/1/12

FURTHER: Rules

Date of 5-Day Notice: 2/2/12  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 2-7-12

State Affairs Committee considered SENATE JOINT RESOLUTION NO. 14

### SJR 14-MILITARY PERSONNEL CUTS & BASE CLOSURES

Urging the United States Department of Defense to protect military bases and military personnel in the state.

and recommends:

- be replaced with CS SJR 14 ( STA ) [ ] Same Title  New Title
- [ ] adopt previous CS \_\_\_\_\_ SCS/CS- Forthcoming \_\_\_\_\_ ) [ ] Same Title [ ] New Title
- [ ] attached amendment(s)
- [ ] adopt \_\_\_\_\_ Letter of Intent
- [ ] further referral to \_\_\_\_\_ Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
S.STA			✓	1

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

[ ] APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Allant Kookesh</i>	Kookesh	X			
<i>Joe Pasquin</i>	Pasquin	X			
<i>K. Meyer</i>	Meyer	X			
<i>Giessel</i>	Giessel	X			
CHAIR: <i>[Signature]</i>	Wielechowksi	X			

# FISCAL NOTE

**STATE OF ALASKA**  
**2012 LEGISLATIVE SESSION**

Bill Version CSSJR 14(STA)  
 Fiscal Note Number 1  
 (S) Publish Date 2/8/12

Identifier (file name) \_\_\_\_\_ Dept. Affected \_\_\_\_\_  
 Title SJR 14 MILITARY PERSONNEL CUTS & BASE CLOSURES Appropriation \_\_\_\_\_  
 Allocation \_\_\_\_\_  
 Sponsor Senator Wielechowski  
 Requester (S) State Affairs OMB Component Number \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated **SUPPLEMENTAL (FY12) operating costs** \_\_\_\_\_ (separate supplemental appropriation required;  
 (discuss reasons and fund source(s) in analysis section)

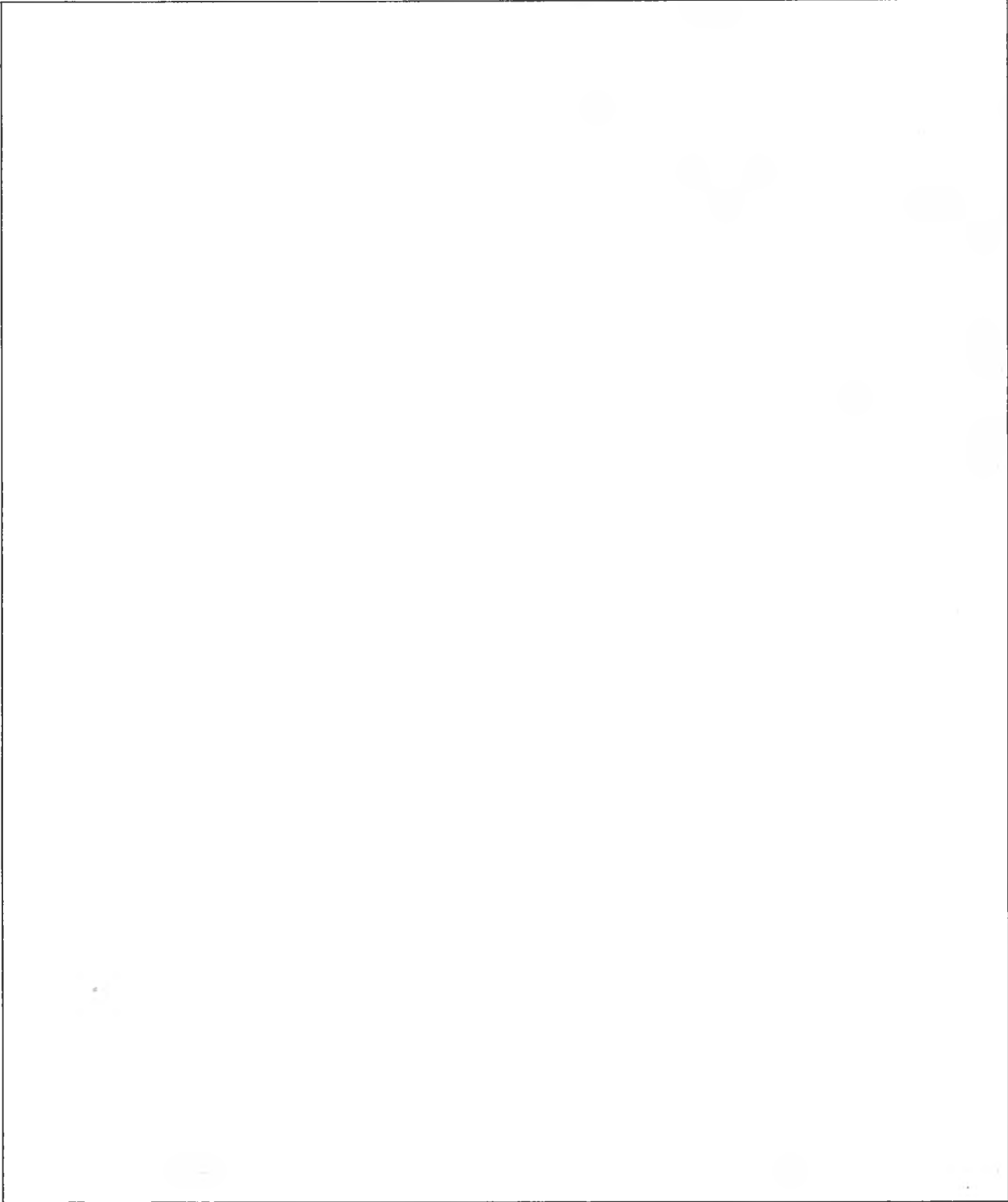
Estimated **CAPITAL (FY13) costs** \_\_\_\_\_ (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by (S) State Affairs  
 Division \_\_\_\_\_  
 Approved by /s/ Senator Wielechowski, Chair  
 \_\_\_\_\_

Phone 465-2435  
 Date/Time 2/7/12 12:00 AM  
 Date 2/7/2012

**Analysis**



# ALASKA STATE LEGISLATURE

## Session

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State Affairs Committee

## Co-chair

Joint Armed Services Committee

## Vice Chair

Resources Committee  
Judiciary Committee

## Member

Administrative Regulation Review

## SENATOR BILL WIELECHOWSKI

### SJR 14: Protecting Military Personnel Cuts and Base Closures Sponsor Statement

**"I believe that in the future, whoever holds Alaska will hold the world. I think it is the most important strategic place in the world."**

- U.S. General Billy Mitchell to the U.S. Congress in 1935

Our primary concern must always be national defense and the security of the United States and Alaska. Alaska's geographic location is of vital strategic advantage for current and future missions, force mobilization, and offensive and defensive operations, and is of strategic importance on polar air routes.

Defense Secretary Panetta recently announced that the Pentagon will seek new rounds of military base closures as part of the budget-cutting process. Over the next five years, the Army will drop from 562,000 to 490,000 soldiers and the Marine Corps from 202,000 to 182,000 marines in an effort to cut \$487 billion over the next decade. These cuts could have a devastating impact on Alaska's and our nation's security.

Alaska's military force is of great importance to our economy with 32 military installations, more than 23,000 active duty service members and more than 37,000 active family members, contributing approximately 13 percent to Alaska's economy.

During the 2005 Base Closure and Realignment Commission (BRAC), Eielson Air Force Base was originally designated for realignment. A strong community and state effort opposed the Department of Defense recommendation by pointing out the critical strategic importance of Eielson, the loss of training opportunities, and the fact that its realignment would not have produced the estimated savings DoD anticipated.

It is imperative the Alaska Legislature officially show our support for Alaska's military bases and personnel. Passage of SJR14 will send a message to the United States Department of Defense, U.S. Congress and the President that Alaska's military bases and service members are of strategic importance to the defense of our nation.

27-LS1299(M)  
Bannister  
2/6/12

**CS FOR SENATE JOINT RESOLUTION NO. 14(STA)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SEVENTH LEGISLATURE - SECOND SESSION**

**BY THE SENATE STATE AFFAIRS COMMITTEE**

**Offered:**  
**Referred:**

**Sponsor(s): SENATORS WIELECHOWSKI, McGuire**

**A RESOLUTION**

1 **Urging the United States Department of Defense to protect military bases and military**  
2 **personnel in the state for the defense and protection of the state and the nation.**

3 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **WHEREAS** United States Secretary of Defense Leon E. Panetta recently announced  
5 that the Pentagon will seek new rounds of military base closures as part of the budget cutting  
6 process; and

7 **WHEREAS** United States Secretary of Defense Leon E. Panetta stated that, in an  
8 effort to cut \$487,000,000,000 over the next decade, the number of soldiers in the United  
9 States Army will drop over the next five years from 562,000 to 490,000, and the number of  
10 marines in the United States Marine Corps will drop over the next five years from 202,000 to  
11 182,000; and

12 **WHEREAS** the nation's primary concern must always be national defense and the  
13 security of the United States, including Alaska; and

14 **WHEREAS** the geographic location of Alaska provides a vital strategic advantage for  
15 current and future missions, force mobilization, and offensive and defensive operations,  
16 including the state's strategic importance for polar air routes; and

1           **WHEREAS** the state's strategic global position has been recognized since World War  
2 II and is very important to the United States, providing a prime location to defend the United  
3 States against the potential aggression of hostile nations; and

4           **WHEREAS**, from bases in Alaska, the United States Air Force can gain quick access  
5 to the Pacific and European theaters and can transition across the Arctic to arrive in Europe  
6 faster than if flying from the East Coast of the United States; and

7           **WHEREAS**, with 32 military installations, more than 23,000 active duty service  
8 members, and more than 37,000 family members of active duty service members, the military  
9 force in Alaska is economically important; and

10           **WHEREAS** the 63,000 square mile range of the military complex in the state  
11 provides a unique training and readiness compound unlike any other in the world; and

12           **WHEREAS** Alaska serves as a site activation ~~command~~ for the United States Missile  
13 Defense Agency; ~~and~~

14           **WHEREAS** the United States Department of Defense recognizes Alaska as an  
15 important strategic location, recently increasing and upgrading the missile defense capability  
16 in the state; ~~and~~

17           **BE IT RESOLVED** that the Alaska State Legislature strongly urges the United States  
18 Department of Defense to protect Alaska's military bases and to keep the number of military  
19 personnel in the state intact for the defense and protection of the state and the United States.

20           **COPIES** of this resolution shall be sent to the Honorable Barack Obama, President of  
21 the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and  
22 President of the U.S. Senate; the Honorable Leon E. Panetta, United States Secretary of  
23 Defense; the Honorable Harry Reid, Majority Leader of the U.S. Senate; the Honorable John  
24 Boehner, Speaker of the U.S. House of Representatives; and the Honorable Lisa Murkowski  
25 and the Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S.  
26 Representative, members of the Alaska delegation in Congress.

*add*

## Alaska politicians pledge to oppose military base cutbacks

By DAN JOLING

(01/27/12 16:24:34)

Defense Secretary Leon Panetta's announcement that the Pentagon will seek new rounds of military base closures drew a swift response from Alaskans who watched a similar process nearly gut Eielson Air Force Base in Fairbanks in 2005.

Alaska's congressional delegation and Gov. Sean Parnell issued a joint statement saying they will stand together to resist attempts to close or shrink Alaska bases.

"Alaska's military bases provide essential defense for the nation," Sen. Mark Begich, D-Alaska, said in the statement. "They are even more important with the administration's new focus on security concerns in the Pacific and with international attention on the changing Arctic."

Panetta at a news conference Thursday said the Army by will be cut by 80,000 soldiers, from 570,000 to 490,000, by 2017. He also called for additional rounds of base closures and realignment.

Under the closure process, defense officials submit a list of bases to a Base Closure and Realignment Commission. The commission analyzes the recommendations and sends its own list to the president, who can ask for more evaluation. The president eventually sends the report to Congress, which can pass a joint resolution to reject the full report. If Congress does not pass the joint resolution, the report becomes law.

The military in May 2005 recommended closure of 33 major bases and substantial reductions at 29 more. That included the recommended partial shutdown of Eielson Air Force Base, the sprawling air field in the Fairbanks North Star Borough, which housed a squadron of F-16 fighters and A-10 Thunderbolts. The Defense Department recommended Eielson for "warm" status, a part-time base where squadrons from other bases could use for training.

Begich, Parnell, U.S. Sen. Lisa Murkowski and Rep. Don Young on Thursday stressed Alaska's strategic importance to the nation, but an underlying issue is the role the military plays in the state's economy — 32 installations, more than 23,000 active duty service members, more than 37,000 active family members. It adds up to more than 13 percent of the state economy.

The Pentagon in 2005 projected Eielson's loss at 2,821 military jobs and 319 civilian jobs — just under 4 percent of the Fairbank North Star Borough population without counting 3,300 dependents. The military estimated a savings of \$2.7 billion over 20 years at Eielson.

When the BRAC commission visited Fairbanks a month after the announcement, the community responded with fervor. More than 3,000 residents filled a civic center for the hearing. The late U.S. Sen. Ted Stevens, retired Air Force General Pat Gamble and retired Army Maj. Gen. Mark Hamilton, the current and former presidents of the University of Alaska, made impassioned statements in opposition to Eielson changes, noting its strategic importance on polar air routes and its location at the mid-way point of the trans-Alaska pipeline.



The testimony and show of community support worked. The base lost its A-10 warthogs but kept the F-16s and most permanent employees.

Young called Panetta's announcement unwelcome and not surprising, but said it's only the beginning of a long process that will include opportunities to support Alaska's military installations.

Begich said he supports saving money in nearly every area of the federal budget, including the cutting of overseas military bases, which are more expensive to operate and maintain.

"But requesting congressional approval to begin another domestic BRAC process in 2013, shortly after spending billions to complete the most recent BRAC round just doesn't make sense," he said.

Murkowski, who was serving her first term in 2005, said the military's increased commitment to Asia and the Pacific underscores the importance of Alaska bases.

"If the Defense Department is true to its strategy, contribution to the military mission should grow in the coming years," she said in the statement.

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## Government Contracts Advisory

FEBRUARY 1, 2012

### CONTACTS

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### Department of Defense to Request Additional Base Closures and Realignment: Implications for Contractors and Communities

On January 26, 2012, Secretary of Defense Leon Panetta unveiled key features of the Obama Administration's defense budget request for fiscal year 2013. Among the key features of the Department of Defense's (DOD's) spending priorities for fiscal year 2013 will be a request that Congress authorize at least one more round of domestic military base realignments and closures (BRAC rounds). If approved by Congress, new rounds of base closures could have both positive and negative implications for government contractors. The actual fiscal year 2013 budget request will not be transmitted to Congress until February 13.

Base realignment and closure refers to a process designed to save costs and increase operational efficiency by closing excess military installations and realigning and redistributing the asset inventory among remaining defense bases. More than 350 installations have been closed in five previous BRAC rounds: 1989, 1991, 1993, 1995 and 2005.

New legislation would be required to implement another BRAC round. If the legislation followed the process in the most recent 2005 round, then DOD would submit recommendations for closure/realignment to an independent commission (the BRAC Commission), which may accept, reject or amend the DOD recommendations. The revised list is then submitted to the President for approval. In the 2005 BRAC Round, DOD recommended 190 closures and realignments, and the BRAC Commission approved 119 with no changes and accepted 45 others with modest amendments. The Commission rejected 13 DOD recommendations and significantly modified 13 others.

Because base closures are so politically charged, recent rounds have been structured to insulate base closure recommendations from the normal political aspect of lawmaking. Under these procedures, the President certifies the recommendations of the BRAC Commission and transmits them to Congress. Fast track parliamentary procedures have been established so that the entire package of recommended base closures automatically goes into effect unless Congress adopts a joint resolution of disapproval rejecting the package within 45 days of the President's submission or the adjournment *sine die* of the session of Congress, whichever occurs earlier.

Experience with past BRAC rounds has shown that base closures and realignments can save the government money, although the savings have proved more modest than many initial forecasts.<sup>1</sup> There are also significant fiscal, economic and environmental consequences that flow from base closures at the state and local level, including the loss of jobs and challenges

with developing and implementing a viable base reuse plan. There are also strategic and operational considerations associated with BRAC for DOD.

For affected communities and contractors alike, the ability to ensure potential candidates for closure or realignment survive can often depend on making a case that such action would be inconsistent with evaluation and closure criteria. It is not too early for state and local governments whose installations will be under scrutiny to begin developing a national security and business case to resist closure or realignment.

For contractors with business operations at military installations subject to potential closure or realignment, particularly companies in the construction and service industries, the prospect of another BRAC round can have significant financial consequences. At this stage, it is important to assess which bases with company operations are the most likely candidates for closure or realignment. Ultimately, business judgments will have to be made about whether and in connection with which bases a company should wage a campaign (because that is what it will take) to shape the perceptions and decisions of DOD and a future BRAC Commission.

Given the political environment, it seems unlikely Congress will authorize another round of base closures and realignments in an election year. Nevertheless, given the size of the federal deficit and debt ceiling, the weak economy and the imperative for DOD to achieve real long term savings required by the Budget Control Act of 2011<sup>2</sup> (not to mention the threat of sequestration), one or more future rounds of base closure seem inevitable. As Deputy Secretary of Defense Ashton Carter recently said, "If we have ... unneeded basing structure in our armed forces in a time when we're trying to deal with the deficit reduction, national security imperative that we face, how can we not put on the table unneeded basing structure?"<sup>3</sup> Businesses and communities that stand to be affected by another BRAC round should anticipate this eventuality and begin preparing now to protect their interests and be meaningful participants in the process.

<sup>1</sup> See, e.g., U.S. General Accounting Office, GAO/NSIAD 96-67, Military Bases: Closure and Realignment Savings Are Significant, but Not Easily Quantified, (Apr. 1996); U.S. Government Accountability Office, GAO-08-315, Military Base Realignment and Closures: Higher Costs and Lower Savings Projected for Implementing Two Key Supply-Related BRAC Recommendations, (Mar. 2008).

<sup>2</sup> Pub. L. 112-25.

<sup>3</sup> Interview of Deputy Secretary of Defense Ashton Carter, PBS News Hour, Jan. 26, 2012, at <http://video.pbs.org/video/2190617039/#>.



## USAF Force Structure Changes: Sustaining Readiness and Modernizing the Total Force



### New Strategic Guidance

For the last decade, the United States has undertaken extended operations in Iraq and Afghanistan. As we responsibly draw down from these operations, take steps to protect our Nation's economic vitality, and protect our interests in a world of accelerating change, we face an inflection point. The changing geopolitical environment and our changing fiscal circumstances merited a reassessment of U.S. defense strategy. Out of this assessment, the Department of Defense (DoD) developed a strategy that transitions our defense enterprise from an emphasis on today's wars to preparing for future challenges, protects the broad range of U.S. national security interests, advances the Department's efforts to rebalance and reform, and supports the national security imperative of deficit reduction by reducing defense spending. The resulting strategic guidance provided a set of precepts to guide decisions regarding the size and shape of the force over subsequent budget cycles.

To implement the new strategic guidance, the Joint Force will need to recalibrate its capabilities and make selective additional investments to succeed in the following missions: countering terrorism and irregular warfare, deterring and defeating aggression, projecting power despite anti-access/area denial challenges, countering weapons of mass destruction, operating effectively in cyberspace and space, maintaining a safe, secure, and effective nuclear deterrent, defending the homeland and providing support to civil authorities, providing a stabilizing presence, conducting stability and counterinsurgency operations, and conducting humanitarian, disaster relief, and other operations.

These missions will determine and shape the capabilities required by the future Joint Force, and the Air Force must continue to provide key capabilities in all 10 mission areas. However, the overall capacity, or size of the force, will be based on the requirements that the following missions demand: countering terrorism and irregular warfare, deterring and defeating aggression, maintaining a safe, secure, and effective nuclear deterrent, and defending the homeland and supporting civil authorities. U.S. forces will no longer be sized to conduct large-scale, prolonged stability operations.

The new guidance requires U.S. forces to remain capable of deterring and defeating aggression by any potential adversary. Credible deterrence results from maintaining both the capabilities required to deny an aggressor the prospect of achieving his objectives and from the complementary capability to impose unacceptable costs on the aggressor. Our planning envisages forces that are able to fully deny a capable state's aggressive objectives in one region by conducting a combined arms campaign across all domains – land, air, maritime, space, and cyberspace. Even when U.S. forces are committed to a large scale operation in one region, they

will be capable of denying the objectives of – or imposing unacceptable costs on – an opportunistic aggressor in a second region.

The Air Force employed this guidance to prepare an FY13 budget request that ensures the Air Force meets the capability and force-sizing requirements directed by the new strategic guidance, and is:

- Adaptable and capable of deterring aggression and providing a stabilizing presence, especially in the highest priority areas and missions in the Asia-Pacific region and the Middle East, while still ensuring our ability to maintain our defense commitments to Europe and other allies and partners;
- Ready, rapidly deployable, and expeditionary such that it can project power on arrival;
- Capable of conducting homeland defense and providing support to civil authorities;
- Armed with cutting edge capabilities that exploit our technological, joint, and networked advantage;
- Able to reconstitute quickly or grow capabilities as needed; and
- Manned and led by the highest quality professionals.

To deliver the capabilities required by the new strategic guidance and remain within funding constraints, the Air Force made difficult choices in all core functions, including the decision to divest portions of combat and combat enabler forces. The guiding principle was balance. To retain critical core capabilities and maintain our ability to rapidly respond to mission demands, the Air Force balanced risk to force structure and modernization, while maintaining readiness and people programs across all mission areas. We will provide more details about our FY13 decisions on modernization, readiness, and people programs in the coming weeks.

This paper will focus on the decisions we made to divest aircraft and re-mission units, with a particular emphasis on how these choices affect the Air National Guard (ANG) and Air Force Reserve. Our programmed reductions follow detailed assessments of future conflict scenarios and enduring rotational deployment requirements and were chosen to maintain capable and lethal forces while preserving ready and sustainable Active and Reserve Components. The Air Force will be smaller, but will remain highly capable, lethal, ready, agile, and deployable.

### **Air Force Aircraft Reductions**

The Air Force FY 13 Budget Request achieves \$8.7 billion in savings across the Active and Reserve Components by retiring over 200 aircraft in FY 13 and nearly 300 aircraft over the FYDP, consistent with the new strategic guidance. Our programmed force reductions are wide ranging and affect over 60 installations. Without the Total Force re-missioning actions described later in the paper, they would have significantly affected 24 units and left eight installations without an Air Force presence. They will have direct impact in 33 states, but in order to support Total Force re-missioning, the manpower realignment plan built by the Reserve Components will significantly

affect additional units in all 54 states and territories. We will be able to provide manpower adjustments by installation and state in the coming weeks.

Our analysis of requirements driven by the new strategy shaped all of our decisions. Our force sizing analysis answered two complementary questions: what is the maximum, or surge, requirement posed by the force sizing model of the new strategy; and what is the steady state, or post-surge, requirement for deployed rotational forces? Because the new guidance requires the Joint Force to be capable of fighting one large scale, combined arms campaign with sufficient combat power to also deny a second adversary, and deemphasized large-scale, prolonged stability operations, our FY13 budget request accepts risk by retiring fighter, mobility, and intelligence, surveillance, and reconnaissance (ISR) aircraft excess to the surge requirements of the new force sizing construct. Although the U.S. has removed all combat forces from Iraq and the new strategic guidance reduces the steady state requirement for ground forces, we expect Air Force steady state rotational requirements to remain nearly constant, or perhaps increase, under the new strategy. This continuing rotational post-surge requirement is a key factor in determining the required mix between Active and Reserve Component forces due to differences in sustainable deployment rates and operations tempo.

Where possible, we attempted to retire all aircraft of a specific type, allowing us to also divest the unique training and logistic support structure for that aircraft. Where that was not possible, we worked to retire the oldest aircraft first, and redistributed aircraft into effective and economical units, eliminating other units when that was most efficient. Where we retained older aircraft, we are taking steps to ensure they will remain viable into the future.

#### Combat Air Forces

As directed by the new strategic guidance, we accepted risk in our Combat Air Forces by retiring or reclassifying aircraft from seven squadrons: five A-10 squadrons, one F-16 squadron, and one training/support coded F-15 Aggressor squadron. Because of the Department's evolving posture, one of the retiring squadrons is an overseas squadron. We chose to retire more A-10s as a result of guidance to size our forces for one large scale combined arms campaign with sufficient combat power to also deny a second adversary, without conducting a large scale, prolonged stability operation. The A-10 remains essential for combined arms and stability operations and we retain enough A-10s to meet the requirements of the new strategic guidance, but multi-role platforms provide more utility across the range of the potential missions for which we are directed to prepare.

After reductions, we retain 54 combat-coded fighter squadrons and maintain the capabilities and capacity required to meet the requirements of new strategic guidance at increased risk while providing a bridge to the Fifth Generation F-35. Although we transfer five F-15 Aggressor aircraft to attrition reserve status and eliminate one Aggressor squadron flag, we maintain a robust Aggressor training capability. We will relocate our F-16 Aggressor squadron in Alaska from Eielson AFB to Elmendorf AFB, allowing us to achieve savings in base support at Eielson beginning in FY15.

### Mobility Air Forces

We also reduced our mobility capacity in line with the requirements of the new strategic guidance and the parallel reductions in land forces, retiring all 27 C-5As, retiring or canceling procurement of all 38 planned C-27Js, and retiring the 65 oldest C-130s. We chose to retire C-5As because of historically lower mission capable rates relative to the C-17 and C-5M. Retiring the entire C-5A fleet provides additional savings in training and logistics support that could not have been achieved by spreading retirements over multiple aircraft types. Divesting the entire C-27J fleet also achieves savings by substituting the lower life cycle costs of the more capable C-130 for the niche C-27J capability. As part of our C-130 retirement strategy, we streamline operations and maintenance by realigning some additional C-130 aircraft to ensure Reserve Component units operate only one C-130 type at any location.

After retirements, we will maintain a fleet of 275 strategic airlifters (52 C-5Ms and 223 C-17s) and 318 C-130s (134 C-130Js and 184 C-130Hs) and our analysis shows that the remaining aircraft are sufficient to meet the airlift requirements of the new strategy, including our commitment for direct support of the Army. We appreciate Congress' support in adjusting the legislated mandatory number of strategic airlifters. Given the changes in strategy and force sizing, we will be seeking a new minimum of 275 aircraft.

We also retire 20 KC-135s and maintain a fleet of 453 air refueling aircraft, sufficient to meet refined requirements. KC-46 development remains on track for initial deliveries in FY16.

### Intelligence, Surveillance, and Reconnaissance

Intelligence, surveillance, and reconnaissance reductions divest all 18 Block 30 RQ-4s, generating \$2.5 billion in Future Years Defense Program (FYDP) savings by choosing to rely on the proven capability of the mature U-2S aircraft and sensors. The U-2 has superior sensor capabilities now, meets the new Joint Requirements Oversight Council (JROC) force structure requirement, and is viable through 2040. We generate additional savings by eliminating funding for all 11 RC-26s while transferring the more capable MC-12 fleet from the Active Component to the Air National Guard in FY14. We also retire one E-8C aircraft that is damaged beyond economical repair.

### **Reserve Component Aircraft Reductions and Re-Missioning**

The Air Force has enjoyed great success in leveraging our Total Force Enterprise to present our enduring capabilities to the Joint warfighter, and we have successfully met the demand of increased operations tempo over the last two decades through a combination of volunteerism, selective mobilization, and the creation of Active, Reserve, and Guard Associations. The Air National Guard and Air Force Reserve are integrated into all major Air Force mission areas, train to the same high standards as the Active Component, and are invaluable partners in meeting our many and varied commitments. Over the years, we have adjusted the mix between Active and Reserve Components to ensure we maintained a ready and sustainable force and could meet our

surge and rotational requirements. However, two decades of military end strength and force structure reductions have shifted the ratio of Active to Reserve Component forces. In 1990, the Reserve Component represented 25 percent of the Total Force end strength; that percentage has increased to 35 percent today. Reserve Component aircraft ownership also increased from approximately 23 percent to 28 percent over the same period.

Our Reserve Components have proven to be a superb investment -- providing critical Air Force capabilities through a very challenging time. However, our analysis tells us we have reduced the Active Component to the point that further reductions would limit our ability to respond quickly to multiple crises or sustain long duration commitments without asking our Airmen -- Active and Reserve Component -- to deploy at rates that cannot be sustained by our Total Force Airmen and their families. We also know that the entire Total Force -- Active Component, Air National Guard, and Air Force Reserve -- depends on the Active Component to recruit, train, and equip the Airmen of the future. Further Active Component aircraft reductions would require detailed analysis to ensure we do not make the Active Component too small to provide the skilled aircrew, maintenance, and support personnel required to sustain the Total Force. Maintaining the appropriate Active/Reserve mix will remain critical to sustaining Air Force capabilities for forward presence and rapid response, meeting overseas rotational demands with a smaller force, and taking care of our most precious resource, our people.

As we were driven to consider reductions in FY13, we carefully considered the ratio between the Active and Reserve Components and made choices that:

- 1) Ensured the Total Force could fulfill the Air Force's surge requirements as directed by the force sizing construct of the new strategic guidance;
- 2) Maintained the balance between Active and Reserve Components required to fulfill continuing rotational requirements at deployment rates and personnel tempos that are sustainable for both the Active and Reserve Components;
- 3) Made sure the Active Component retained the recruiting, training, and operational seasoning base required to sustain the Active Air Force, Air National Guard, and Air Force Reserve into the future; and
- 4) Ensured the Reserve Component remains relevant and engaged in both enduring and evolving missions.

The Air National Guard and Air Force Reserve were involved in all analysis and decisions, and employed the following principles and strategies to build Reserve Component aircraft reduction and re-missioning plans.

The Air National Guard's Capstone Principles informed Air Force decisions involving the ANG:

- 1) Allocate at least one flying unit with ANG equipment to each state;
- 2) Recapitalize concurrently and in balance with the regular component;
- 3) Manage Air National Guard resources with Air National Guard people;



- 4) Adopt missions that fit the militia construct; and
- 5) Build dual-use capabilities.

The Air Force Reserve employed the following realignment strategies in selecting specific locations for aircraft reductions:

- 1) Ensure aircraft reductions do not negatively impact operational support to the Combatant Commands;
- 2) Ensure force structure movements do not create any new Air Force bills;
- 3) Ensure risk is minimized by optimizing crew ratios to exploit expected increase in mission capability rates; and
- 4) Considered locations that continued to have an Air Force mission due to the presence of another Air Force Component.

### Total Force Aircraft Reductions by Fiscal Year

**FY 13 Actions:** Divests all C-27J aircraft, eliminating aircraft based at or planned for Warfield AGS (Martin State), MD (4), Kellogg AGS (Battle Creek), MI (4), Fargo AGS (Hector), ND (4), Mansfield Lahm AGS, OH (4), Great Falls, MT (4), Bradley, CT (4), and Key Field AGS (Meridian), MS (6). Removes A-10s from Barksdale AFB, LA (retires 21 and transfers three), Selfridge ANGB, MI (21), Ft Smith, AR (20), Ft Wayne, IN (20), and an Active Component overseas location (20). Removes F-16s from Des Moines, IA (21) and transfers Active Component F-16 Aggressors from Eielson AFB, AK (19) to Joint Base (JB) Elmendorf-Richardson, AK (19). Aircraft retirements and transfers result in net reductions of C-130Hs at JB Elmendorf-Richardson, AK (4 H2) (eliminating an Active association), Niagara, NY (3 H2) (eliminating a Reserve association), Rosecrans AGS (St Joseph), MO (10 H2.5), Youngstown-Warren, OH (6 H2), Louisville, KY (1 H2.5), Charleston, WV (1 H3), Cheyenne, WY (1 H2.5), Stratton AGS (Schenectady), NY (4 H2), Dobbins ARB, GA (7 H2), and Pittsburgh, PA (7 H2). The Pittsburgh actions result in the closure of the associated Air Reserve Station at Pittsburgh, PA (closure does not exceed Base Realignment and Closure (BRAC) threshold in accordance with 10 U.S.C. § 2687). Retires KC-135s from Rickenbacker, OH (6), Pittsburgh ANGB, PA (4), Tinker AFB, OK (4), and Altus AFB, OK (three Active Component) as well as three Backup Aircraft Inventory (BAI) aircraft from Sky Harbor (Phoenix), AZ (1), Sioux City AGS, IA (1), and March ARB, CA (1). Reduces KC-135s at McGhee-Tyson, TN (2) and Gen Mitchell, WI (2). Begins retirement of the C-5A fleet at JB San Antonio (Lackland AFB), TX (5) and eliminates an E-8C damaged beyond economical repair from Robins ARB, GA (1). Retires Active Component Block 30 RQ-4s from Beale AFB, CA (18).

**Proposed FY 14 Actions:** Removes C-130Hs from Maxwell AFB, AL (7 H2), Naval Air Station (NAS) Joint Reserve Base (JRB) Ft Worth (Carswell), TX (8 H2) and Minneapolis-St Paul (8 H3), and removes C-130Js from Keesler AFB, MS (10). Continues to retire C-5As at JB San Antonio (Lackland AFB), TX (3) and Shepherd Field AGS (Martinsburg), WV (5). Converts Active Component F-15Cs at Nellis AFB, NV (5) from Primary Aircraft Inventory (PAI) to BAI status. Transfers 42 Active Component MC-12s from Beale AFB to the Air National Guard.

**Proposed FY 15 Actions:** Retires remaining Air National Guard C-5As based at Shepherd Field (Martinsburg), WV (6), and additional Air Force Reserve C-5As at JB San Antonio (Lackland AFB) (2). Eliminates funding for all 11 RC-26 aircraft, retiring aircraft based at Ellington Field (Houston), TX (1), Kirtland AFB, NM (1), Tucson, AZ (1), Fresno, CA (1), Fairchild AFB, WA (1), Key Field (Meridian), MS (1), Dannelly Field, AL (1), Truax AGS (Madison), WI (1), Hancock Field AGS (Syracuse), NY (1), Charleston, WV (1), and Jacksonville, FL (1).

**Proposed FY 16 Action:** Completes retirement of the Air Force Reserve C-5A fleet by divesting the remaining aircraft at JB San Antonio (Lackland AFB), TX (6). Removes C-130H from Savannah, GA (8 H2) and Little Rock, AR (eight Active Component H3). Removes C5Ms from Westover, MA (8).

**Proposed FY 17 Actions:** Removes C-130Hs from Niagara, NY (8 H2), Little Rock, AR (three Reserve Component H2), Charlotte, NC (2 H3), and Little Rock AR (six Active Component H3).

### Total Force Re-Missioning by Fiscal Year

As a Total Force – Active Air Force, Air National Guard, and Air Force Reserve -- we have developed a detailed re-missioning plan that realigns continuing missions to preserve 14 of 24 units, maintains an Air Force presence on seven of the eight affected installations, expands Reserve Component participation in our growing ISR mission, and preserves an appropriate Active and Reserve Component force mix. The Air Force FY13 budget request commits approximately \$600 million over the FYDP to execute and sustain re-missioning actions that establish new MQ-1/9 Remote Split Operations Squadrons, transfer the MC-12 fleet to the Air National Guard, thicken Reserve Component ISR and cyber participation, and transfer Active Component C-17s to the Reserve Component.

**FY 12 Actions:** Transfers six WC-130 aircraft from Nashville, TN to Luis Munoz, Puerto Rico, replacing retiring C-130Es. Establishes an MQ-1/9 Remote Split Operations (RSO) squadron at Nashville. Enlarges Nashville's Intelligence Squadron into a Targeting Group and creates a new Cyber/ISR Group.

**FY 13 Actions:** Completing a FY12 PB action, transfers eight C-17s from the Active Component to the Air National Guard at Memphis, TN (replacing C-5As). Adds C-130Hs at Youngstown-Warren, OH (4 H2.5) and Cheyenne, WY (1 H3). Establishes an ISR Group and expands the Net Warfare Sq at Warfield AGS (Martin State), MD to replace divested C-27s; establishes an Intelligence Targeting Group at Fargo AGS (Hector), ND; creates four additional MQ-1/9 RSO elements at Ft Smith, AR (replacing A-10s), Des Moines, IA (replacing F-16s), Kellogg AGS (Battle Creek), MI (replacing C-27s), and Willow Grove, PA; adds KC-135s to Selfridge ANGB, MI (4). Adds A-10s at Whiteman AFB, MO (3).

**Proposed FY 14 Actions:** Transfers 42 Active Component MC-12s to the Air National Guard by assigning between nine and eleven aircraft to each of four Air National Guard locations -- Ft Wayne, IN (replacing A-10s), Bradley, CT (replacing C-27s), Key Field AGS (Meridian), MS (replacing C-27s), and NAS Ft Worth JRB (Carswell), TX (replacing C-130s). Creates an Active Association at Beale AFB, CA to conduct MC-12 training and provides an additional deployed Combat Air Patrol

forward using up to six Air National Guard aircraft. Final aircraft assignments for the four Air National Guard locations and the Active association at Beale will be determined as part of the Air Force's FY14 budget submission after completion of a program plan and operational concept. Transfers C-130Js to Dobbins ARB, GA (10) (replacing C-130Hs) and C-130Hs to Rosecrans AGS (St Joseph), MO (8 H3) and Great Falls, MT (8 H2) (replacing C-27s).

**Proposed FY 15 Action:** Transfers eight Active Component C-17s to the Air National Guard at Shepherd Field AGS (Martinsburg), WV (replacing C-5As).

**Proposed FY 16 Action:** Within the Air Force Reserve, transfers eight C-5Ms from Westover ARB, MA to JB San Antonio (Lackland AFB), TX, (replacing C-5As). Replaces C-130H2s at Savannah, GA (8) with C-130H3s. Replaces Active Component C-130H3s (8) at Little Rock AFB, AR with C-130H1 (7).

**Proposed FY 17 Action:** Dobbins ARB, GA receives two additional C-130Js for a total of 12. Replaces C-130H2s at Niagara, NY (8) with C-130H3s. Replaces Active Component C-130H3s (6) at Little Rock AFB, AR with C-130H1s (7).

After proposed reductions and re-missioning, Reserve Component end strength will make up 33 percent of Total Force military personnel, a reduction of two percent from the FY12 President's Budget (PB) position. The Reserve Component will own 24 percent of Total Force aircraft, two percent less than their FY12 PB share. Within the Combat Air Forces, the percentage of total aircraft in the Reserve Component will be 38 percent, four percent less than in FY12. For the Mobility Air Forces, the Reserve Component share shifts from 51 percent to 46 percent.

### **Additional Actions**

In addition to specific re-missioning actions, the Air Force has also taken a variety of steps to secure the future of the Air National Guard and Air Force Reserve in a balanced Total Force.

#### Future Aircraft Flow Down

We remain committed to acquiring the F-35A as our future multi-role fighter. Although delivery of the F-35 has been delayed, it is still the future of both Active and Reserve multi-role squadrons. The Air Force has acquired 12 F-35s to date and plans to acquire over 160 more through FY17. The full-rate production plan is yet to be determined.

We have decided to pursue a scalable Service Life Extension Program (SLEP) for approximately 350 F-16s. Although our oldest F-16s will remain viable through the end of this decade, we plan to begin fielding aircraft with SLEP structural improvements in 2017. The program will ensure the F-16 remains viable and relevant for future Active and Reserve Component multi-role fighter squadrons until the F-35 arrives in greater numbers. We will also upgrade combat avionics for a substantial portion of the SLEP-ed aircraft with aircraft delivery beginning in FY18.

We are committed to developing a detailed aircraft flow down plan that describes how the F-35 and modernized and SLEP-ed F-16s will be integrated into the Total Force and replace aging aircraft. We will build a detailed plan after we have a clearer view of F-35 delivery schedules and

have completed Force Composition Analysis studies to determine the optimum Active and Reserve Component unit size and force mix for our remaining multi-role fighter force. As always, the leadership of the Air National Guard and Air Force Reserve will be active partners in determining this mix.

We are also committed to making sure our 184 remaining C-130H variants remain viable and relevant. We developed the C-130 Avionics Modernization Program (AMP) to ensure our C-130H fleet met basic communication, navigation, surveillance, and air traffic management (CNS/ATM) requirements. We later determined that there are less technically complex approaches to meet these requirements and resolve select obsolescence issues. Therefore, our FY13 budget submission terminates the C-130 AMP. However, we have funded an FY13 new start CNS/ATM program to ensure our C-130H fleet will remain viable and relevant, while generating more than \$2.2 billion in savings over the FYDP.

#### Strategic Basing Process

The Air Force Strategic Basing Process was established by the Secretary of the Air Force in August 2009 to create an open, transparent, and consistent process for selecting preferred Total Force basing options. We will employ the Strategic Basing Process to identify preferred Active and Reserve Component basing locations for new aircraft as they become available as part of our recapitalization and modernization efforts.

BRAC 2005 established Eglin AFB as the Initial Joint Training Site for the F-35A. In July 2010, the Air Force announced preferred alternatives for further basing of the initial 250-300 F-35As, identifying Hill AFB and Burlington ANGB as the initial operational locations and Luke AFB as the next training location after Eglin, accommodating all F-35As currently scheduled for delivery through FY19. The Air Force will announce future preferred and reasonable alternatives approximately three years prior to delivery of aircraft to the next round of bases. Given current F-35 production estimates, the next set of F-35 basing decisions will include domestic and overseas bases and will not be required prior to FY17. Over the next two years, we will determine the optimum size of Active and Reserve Component F-35 units and the total number of required F-35 operating locations.

The Air Force is currently developing requirements for the first two KC-46 bases, and expects to approve basing criteria in March 2012, identify candidate installations in June 2012, select preferred and reasonable alternatives in December 2012, and make final decisions in December 2013. These first two bases will begin receiving aircraft in FY16. We will announce future preferred and reasonable alternatives approximately three years prior to delivery of aircraft to the next round of bases. Given current production estimates, the next KC-46 basing decisions will not be required prior to FY14. We are committed to creating associations at all KC-46 operating locations in the continental United States.

#### Potential Legislative Changes

In coordination with the Air National Guard and Air Force Reserve, the Air Force and the Department of Defense are reviewing the authorities that might be needed to address the impact

of programmed force reduction and re-missioning actions on the affected members of the Air National Guard, Air Force Reserve, and their families.

#### Air Force Total Force Enterprise and Associations

The Air Force Total Force Enterprise (TFE) management approach provides an inclusive, fact-based, and iterative process designed to maximize combat capability and optimize force structure through a range of innovative organizational constructs and personnel policies that optimize and integrate the capabilities of all Air Force components.

Associations are an integral part of balancing the Total Force to meet the current and future air, space and cyber requirements of the Joint warfighter. Total Force Integration (TFI) associations pair two units, (host and associate) representing two Air Force components, operating together. The host unit is assigned the physical resources for mission accomplishment (aircraft, equipment, facilities) and the associate unit shares those resources. Currently, there are three types of TFI associations: Classic, Active and Air Reserve Component (ARC).

Classic Associations pair units as an Active Component host with a Reserve Component associate which can improve operational synergies and add capacity during surge operations at reduced cost. Active Associations pair a Reserve Component host and an Active Component associate to improve access to aircraft and total rotational capacity by assigning Active Component Airmen in Reserve Component units, allowing the highly experienced Reserve Component to help develop and season maturing Active Component Airmen. ARC Associations pair a Reserve Component host and a Reserve Component associate to deliver operational and organizational efficiencies.

There are currently 100 TFI associations across a variety of weapons systems/functional areas and Air Force Major Commands. The Air Force is planning to add Active Associations at all ARC fighter locations, and Air Mobility Command intends to establish Active or Classic Associations at all continental U.S. KC-46 locations. The Air Force will continue to explore additional opportunities for associations in order to create efficiencies, encourage retention of valuable human capital, and above all, increase Air Force combat capabilities.

#### New Associations

The Air Force has decided to maintain 18 assigned F-16 aircraft at Air National Guard fighter squadrons to support new F-16 Active Associations at Truax AGS (Madison), WI, Buckley, CO, Joe Foss Field, SD, and Duluth, MN, in addition to the Associations already programmed at Burlington, VT, and Dannelly Field, AL. Although the previously programmed Active Association at Barksdale AFB, LA, is eliminated with the Air Force Reserve Command A-10 retirement, the Active Associations at Whiteman AFB, MO, NAS Ft Worth JRB (Carswell), TX and Homestead ARB, FL will continue as planned. The Chief of Staff of the Air Force has directed the Air Force to develop additional Active Associations at all ARC fighter locations to ensure that the Total Force is able to absorb and season enough young pilots and maintainers to meet future Total Force requirements.

The AF FY13 budget request also establishes C-130J Active Associations at Dobbins ARB, GA starting in FY14, Quonset Point Airport, RI in FY16, and Channel Islands, CA in FY17, as well as an

Active Association with a C-130H unit in FY13 at a location still to be determined. Additionally, Classic Associations will be established in intelligence at Fort Meade, MD, Offutt AFB, NE and Hurlburt Field, FL, and in program analysis at Wright-Patterson AFB, OH. We have also established a new association with the MC-12W mission transfer to the Air National Guard in FY 14. An Active Association will be stood up to operate the MC-12W Flying Training Unit at Beale AFB, using up to six Air National Guard aircraft. The Active Association will also provide one Combat Air Patrol (CAP) of deployed capability.

The Air Force previously funded a RED HORSE Active Association at Beale AFB, CA, as well as Classic Associations in cyber at JB San Antonio (Lackland AFB), TX; Aviation Foreign Internal Defense at a location to be determined; Security Forces at Davis-Monthan AFB, NM; and intelligence at Wright-Patterson AFB, OH, and JB Langley-Eustis, VA. In all, 15 new Associations are programmed, and the Air Force will explore additional opportunities for associations in our FY14 budget submission.

#### Military Personnel Appropriation Budget Activity Code

We are normalizing our approach to how we program ARC Military Personnel Appropriation (MPA) man day funding by improving the way we forecast, plan, program, and fund MPA man day accounts in our budget build process. These inputs will ensure adequate and predictable funding to support the required level of Reserve Component participation. Our normalization efforts include introducing MPA requirements into our corporate planning process earlier and working with the Office of the Secretary of Defense to create a distinct budget activity with a sub-account dedicated to facilitating more flexible Reserve Component operations, increasing opportunities for Reserve Component participation, and tracking MPA within the Air Force Military Personnel Account. If approved, we would expect to include this account in our FY14 budget submission.

#### Improving Strategic Planning Transparency and Processes

We have embarked on an effort to examine Active Air Force, Air National Guard, and Air Force Reserve composition across all the Air Force's major functions through the Total Force Enterprise Review Process and System Force Composition Analyses. The Total Force Enterprise Evaluation Group reviews and provides oversight of all Total Force Associations and ensures they have met the requirements for effective operations. Force Composition Analyses examine individual weapons systems or processes and make recommendations for an appropriate Active/Reserve Component mix based on analysis of combat requirements, Total Force capacity, and system and manpower costs.

Most importantly, we have strengthened and refined our corporate processes to ensure that the Air National Guard and Air Force Reserve are involved at every step of our analysis and decision making. Air Force senior leaders have directed that the Air Force Reserve and Air National Guard will continue to be fully represented during system Force Composition Analyses and will participate fully in development of the Core Function Master Plans that guide actions to organize, train and equip the Total Force in each core function.

### Air Force Reserve Component 2020 Study

We believe the Air Force Reserve Components set the DoD standard for Total Force integration and operational effectiveness, but we must ensure that we continue to improve our performance and processes to maximize our contribution to the Joint Force of 2020 and beyond. The Chief of Staff of the Air Force and Reserve Component leadership are developing terms of reference to guide an independent study that will evaluate our on-going efforts to optimize the Total Force and make recommendations to guide and shape our future efforts. The study team will likely be led by a former Chief of Staff of the Air Force and will include a former Director of the Air National Guard and Chief of the Air Force Reserve.

### **Conclusion**

We remain fully committed to the essential contributions of the Total Force and have taken proactive steps to:

- Address the impact of force structure reductions in our Reserve Components by re-missioning units with enduring missions and assigning aircraft with extended life spans and improved capabilities;
- Plan for robust use of associations as we field F-35 and KC-46 units;
- Increase the number of associations between existing Active and Reserve units;
- Normalize our management of Reserve Component man days; and
- Improve the transparency of Total Force planning and develop our Total Force vision for the future.

The future of the Air Force depends on sustaining strong and ready Reserve Components, and we believe the Air Force Total Force sets the standard for integrating Active and Reserve Components to improve efficiency and effectiveness in peace and war. The force reductions proposed in the Air Force FY13 budget request were developed in response to new DoD strategic guidance, informed by reduced funding, and shaped by analysis to ensure that the Total Force will continue to fulfill the Air Force's surge requirements and meet continuing rotational demand. We will ensure that the Reserve Component remains engaged and relevant as the Active Component maintains the recruiting, training, and operational seasoning base required to sustain the Total Force into the future.