

TRANSCRIPT

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THIS IS A RUSH TRANSCRIPT AND MAY CONTAIN ERRORS. USERS ARE ADVISED TO CONSULT THEIR OWN TAPES OR NOTES OF THE SESSION IF ABSOLUTE VERIFICATION OF WORDING IS NEEDED.

Q: I wanted to ask you about a statement, or statements, that some senior DOD officials made recently about two fighters, the F-22 and the F-35. Specifically the claim was that there's, I'm paraphrasing, not a dime's worth of difference between the two. That from a performance standpoint they're extremely close and that this is one reason that we all should have a comfort factor dropping off from the F-22 and going to the F-35. Take that specific claim of comparison, performance comparison between the two aircraft. What's your view of that?

A: First off, let me say thanks for the opportunity to share breakfast, even though I'm probably not going to eat. But more than that, an opportunity just to share some thoughts.

I treasure time with you guys in this forum because I can get a sense about what you're working and what you're thinking and see if we can get a help with that. Plus also just to share a few thoughts about what's going inside the United States Air Force which is a little bit different than what's going on inside the Army, the Navy or the Marine Corps. So I appreciate the forum and I appreciate the time, and I know everybody's busy.

Let me address that question up front. I believe the two airplanes are complementary. I believe the two airplanes are required. We need the two airplanes because of recapitalization challenges on our fighter inventory. The F-35 is going to be a good airplane when it gets into production. The A model is the most maneuverable, has the wider armament range on it because it's got an internal gun. The stealthy characteristics of it are going to be very useful for us as we look to backfill our F-16s and later F-15Es. We're looking now at keeping still 356 A-10s because the fight we're in today and the fight we'll be in for probably the next 10 or 15 years, I think the A-10 with its characteristics, especially the 30mm gun and its loiter time is a very useful entity for the

Combined Force Air Component Commander to have, and y'all know we've put money into that with the wings, the gun mounts, the landing gear to keep the A-10 alive, with the next thing on my plate being the engines.

The F-35 is going to be the ideal follow-on to the F-16. The mix of F-15s and F-16s I think is a good way to look at the mix of F-22 and F-35. The F-22 is in production and this budget continues the line so that we'll be able to discuss numbers down the road. But we're grateful in the '09 budget that the line is still alive and we'll work that out later.

So I think both airplanes are required and I think both airplanes fit into what I see as the vision for the future of the United States Air Force which is to move into fifth generation capability. Because fifth generation capability is the way to survive the new integrated air defense systems, it's the way to survive the new early warning radar, tracking radar, SAMs, the new fighters, the new integrated systems. So the signature piece of the airplane is very important. So the two airplanes are fundamentally required.

I won't speak for the Marines or the Navy even though yesterday the Commandant and the CNO had this chat about F-35s and about continuing the notion of production and continuing the notion of integration. Not to drag this out, but the first plane is flown, the first A model comes off the line I think in June or so. The first B model comes off the line I think in May or June. So the A model and the B model will be flying toward the latter part of the summer. And inside, if I remember right, y'all probably know this better than I do, but inside that line I think there are 11 or 12 airplanes coming through that line with two of them being the Navy version and the others being the Air Force and Marine version.

So I'm a big fan of the airplane, I'm a big fan of both airplanes, and they're complementary, exactly like F-15, F-16 was 30 years ago when we fielded these two airplanes.

Q: Complementary, but not comparable.

A: I'd say complementary. But that may be, I'm being very precise here about the requirement for both airplanes and how they complement each and how one is designed for a specific task. The other is designed for more of a general task. Together they will provide the theater capability that we need for combatant commanders.

Q: General, about a year ago Dr. Wynne made a speech in which he said the Air Force is essentially going out of business if it didn't recapitalize. Since that time you've signed off on two budgets that call for a smaller Air Force and fewer airplanes. Do you agree that the Air Force is going out of business? It seems like you're going to dip below your required level of fighters in '13 and you never get back up. You get down to, I don't know what the number is, but 800 in about 20 years and probably not enough to do the job. Why doesn't anybody seem distressed about this at the higher levels of the Pentagon?

A: Let me first say the Air Force is not going out of business. Nothing goes on the American military that the Air Force is not a primary player, whether it's sensors, space, lift, fighters, kinetic, whether it's in counter-insurgency or irregular warfare, or whether it's in theater warfare. The Air Force is certainly not going out of business, nor has any combatant commander written me a letter lately saying I think I can live without the United States Air Force, so I don't think that's an issue.

What you're really addressing is the affordability issue of how to recapitalize in a shorter term. I asked the staff yesterday to give me a list from 1990 to '91 by year of procurement of flying machines and satellites. In each budget from '90-'91 until '09, how many airplanes and satellites were in each of the President's budgets? Then I asked for a matching diagram of how many were actually delivered. Because if you remember over time we would get additional C-130s or we'd get additional airplanes for a variety of reasons. So what was in each budget and what was delivered were two different things. But I would like to have those matching sets of graphics.

When we get those, if y'all would be interested in that, I'd be willing to share that.

And John if you remember, well this year, for instance, we've got 93 airplanes in the budget. Fifty-two of those are unmanned vehicles. But when you look at the bathtub of procurement over the last 15-20 years you get a really graphic depiction of how many airplanes were bought in each budget.

So to address your question, Air Force is not going out of business, but we're faced with a decision, do we go back and schlep service life extend or mod or somehow look at keeping older machines? Or do we begin to divest ourselves of the older machines and roll that O&M money and that capital investment into the future. That's the decision that Secretary Wynne and I have made.

Because the cost per flying hour, as the aircrafts age, any of the MBSes. The brake rates per flying hour, the maintenance time for flying hour, the cost per flying hour which is of course relatively fuel, but all of that goes up at a relative steep rate.

The manpower relative to the older airplanes is also higher. If you look at an F-22 versus an F-15 or a C-5 versus a C-17 or a T-37 versus a T-6, take any of the older legacy systems and the newer systems and add up how many crew chiefs, how many back shop, how many flight line maintenance is required, you see a dramatic decrease in the numbers of people required for the newer systems.

So if you keep the older airplanes, you were less capable, it cost you more, you can't generate the sorties, so you're faced with an interesting decision. A lot of my predecessors were forced into paying bills out of the investment account which then takes you to 24 year, 25 year average age. Y'all know better than anybody, there's only four kinds of money. Personnel money, infrastructure money, O&M money and

investment accounts. If you're fighting a war you can't take too much of a hit in O&M. Infrastructure is your quality of life and your base operating support. That's where your people live and work, so that leaves personnel and investment. So we paid the bill last year, year before last, out of the personnel account. That's the 40,000 people, to be able to protect O&M, infrastructure and the investment accounts.

The assumption in that is that you can begin to retire old airplanes, and that's been our constant drum beat that we would really like to have the authorities to retire old airplanes and be able to diversify ourselves of older, more expensive equipment and get into fifth generation because that's the future of how to meet this demand signal from the combatant commanders and the national military strategy.

Q: But even if you do that you're still not buying enough airplanes.

A: It's an affordability issue. That gets back to the top line. That gets back to what's the percent of GDP. It gets back to the bigger discussion of overall notions of visions and what the American military is supposed to do across those domains of air and space and maritime and SOF and land component. So if the top line is fixed at less than the ability to recapitalize and reset an Army, a Navy, a Marine Corps and an Air Force, then that's where you are.

Q: Back to his original question. We're not the only ones that realize that. Why is there no action? I know it's an affordability issue, but is the decision that that kind of Air Force is not affordable.

A: I don't think that Air Force is not affordable and that's the discussion that we're having in the Tank, that's the discussion we're having inside the administration right now on is it time to have a discussion on something that looks like four percent of GDP. Is it time to look at a floor that looks something like four percent of GDP that allows an Army to reset, that allows an Army to grow, which I believe in; allows the Navy to build ships, which I believe in, because if you don't build ships you don't have a Navy; that allows the Marine Corps to flesh itself out and reset; and allows an Air Force to recapitalize. Because if you don't build satellites and airplanes, you don't have an Air Force. If you don't build ships, you don't have a Navy.

Now that decision's not been made, quite honestly. We're in the discussion phase of that, and this is not the first time y'all have heard me or the Chairman or the CNO or anybody else say maybe it's time to have that discussion about a percent of GDP. But your question implies that we somehow wake up one morning and decide to keep old airplanes, not buy anything, divest ourselves of people, and continue to operate 50 year old airplanes. That doesn't work.

Q: My question is why isn't anybody exercised about this? It seems like everybody's perfectly happy with the Air Force basically winding down to oblivion.

A: I don't think so, John. I don't think the combatant commanders are in that boat. I don't think the Chairman's in that boat. I don't think the other Chiefs are in that boat. You can ask them.

I spend a lot of time with the combatant commanders and the other Chiefs and that's not what I hear from them.

Q: The future of airborne electronic attack. Are you going to take another whack at EB-52 or do you see another manifestation of that perhaps in the next generation bomber? How do you compensate for the EB-6 that's going away, or the EA-6?

A: First off, electronic combat or electronic warfare is a big deal. You can look at it in any number of ways. An Air Force looks at it across an entire theater, so when we looked previously at the B-52 as a standoff jammer, when it started off at less than a \$1 billion program and then one morning you wake up and it's over \$7 billion because people have duct-taped so many things to it, it's time to kill it. But that didn't mean you walk away from the mission, the core mission area. It just means that that program began to be everything to everybody and it was unaffordable.

An Air Force is still required to be able to conduct electronic combat across an entire theater. We partner with our Navy who also does electronic combat, but they focused on electronic combat primarily for mission events from a carrier which is a very very useful tool for arrays. It's tough to be able to conduct electronic combat cross an entire theater from a platform like the EF-18, even though that is a critical piece of something bigger for the theater.

So as John Corley down at Air Combat Command looks at this, and Bruce Carlson at Air Force Materiel Command, I've asked them to look at this as an enterprise that wraps up space, cyberspace, wraps up offensive and defensive electronic combat, partners with the Navy on their Growler, but puts this in perspective of something much bigger.

So does it take us back to something like a B-52? It may very well bring us back to that as a platform.

And remember, that platform was attractive because it has acreage. The antenna array is bigger on that airplane versus a smaller airplane so you can get different apertures and you can jam different frequencies with something that big. Plus with the generating capacity of the engines, you can generate higher output.

Q: How quickly do you make a decision on which direction you're going to go in the airborne part of it? Jumper was a big fan of Suiter and that was an impressive capability. Are you pushing similar capabilities?

A: We are. Remember, I fought two theater campaigns so I've got this T-shirt about how to conduct electronic combat and electronic warfare against some fairly sophisticated

IADS. In my view, it's a theater effort. In my view it is a synergy of capabilities that are space-borne, cyberspace, airborne, surface, and partnered in the joint world with manned and unmanned systems.

I believe it's too simple to say hang a big jammer on a B-52 and everybody will be happy. I think this is a bigger problem.

Q: Do you use that capability migrating to F-22, F-35 and UAVs more than B-52?

A: I think attendant inside the capability of an F-22 and an F-35 lives inherent electronic warfare, electronic combat capabilities, but I think that is a piece. That's a piece of a bigger mosaic about how do you take down an IADS? How do you confuse and cripple an IADS and how do you take down an IADS and how do you mask and protect activities?

Q: I understand that, but there still seems to be a missing part in the tactical aircraft part that belongs to the Air Force. Can you tell me what's your desire, what's your wish, what your notional plans are for something that flies--

A: I don't think there's a missing part when you put what's possible out there inside, from Rivet Joint to perhaps the new versions of Global Hawk to space and cyberspace, you put the F-22 and the F-35 out there, and then you put the capabilities that perhaps will be attendant back on a B-52. But we don't know that yet. That's the piece that I've asked John Corley to go bring together. Is there something that we strap onto a big airplane that begins to tie all this together? I don't know that yet.

Q: So you don't see an EF-22, you don't see an EF-35?

A: I wouldn't discount that, but no, I have not asked that question of building a version of those two airplanes that's an EF because attendant inside the sensors and attendant inside the capabilities of that airplane effectively lives what an EF-111 used to do.

Q: General, more than a decade ago we began seeing things coming from the Pentagon to Capital Hill called unfunded priorities lists. This ripened into unfunded requirements lists. Around this table I think we all call them wish lists.

Earlier this month the Air Force's came out and it was four times the size of any other service. It included dorm furniture, it included small arms for pretty much everybody in the Air Force. Given that the Army and the Marines are fighting the bulk of this war, why is the Air Force request so much bigger than the other services? Are you guys being used as a bank to fund the other services and that's why you need more money? What's going on here?

A: I know you're asking that to be a bit provocative, but it's not a wish list. It's an unfunded requirements list. And I've been very honest with people to say the baseline

budget provides so much. Anything beyond that, and I opened this up to the entire operations that we've got going on right now and said if I had an additional dollar, this is where I would spend it. So it's not a wish list. And notice we don't call it a priority list any more because from our weapons transfer issue at Minot, inside that unfunded requirements list is a whole series of things that help me address the follow-on to the Blue Ribbon Review. I think that's a big deal. I think the pistol is a big deal. You kind of make light of that, but the Air Force uses a sidearm as a higher percentage of any other service as a primary defensive weapon.

Q: A hundred thousand of them in one year?

A: I've conducted a variety of studies with all law enforcement, with the Secret Service, with the FBI, with the Agency. I've gone out and interviewed--not me, but I've had the staff interview everybody that's used the 9mm and it is deficient in about six or seven or eight areas. So I'm partnering with the Marine Corps, the Special Ops community and the other services to develop a new sidearm in a joint sense because that is the primary defensive weapon for the United States Air Force, and a higher percentage of people use a sidearm in the Air Force for a defensive weapon than any other service. So I take some issue that that's somehow in question.

Dorm furniture, if I had one more dollar to spend would I spend it on quality of life for our people? Would I spend it on something that maintains the standard of living where our people work, for their productivity? Yeah. That's exactly where I'd put it.

So it's not a priority list, it's not a wish list.

Last year it was about \$17 billion. This year it's about \$18 billion. And it shouldn't be lost on y'all that we've said over and over and over again that our deficit is about a \$20 billion bogey. So that's the wedge.

If the other services chose to do something different, depending on supplementals and depending on percentage of supplementals, I'd ask you to ask them that question.

Q: How do you square the fact that in that wish list you're requesting advanced funding to buy 380 F-22s after you just said you fully support the President's budget?

A: Again, it's not a wish list. But in there also if the line does not shut down then how do you bridge over into a set of decisions? If you don't have the ability to bridge over and you don't have the ability to up-front pay that, if the decision is made to keep the line open then you can't get there. If the decision is made to terminate the line, then you can reprogram that money. That's just basic funding.

Again, I do take issue with that being a wish list. We're talking about people at war and we're talking about people actually engaging people with those sidearms, and we're talking about people actually at risk,

Q: General, now we know that the C-5As will not be RERP'd. So after all the mobility studies are done and after Congress makes its decisions, you'll have some number of C-5As that will remain in the fleet and get the AMP upgrades. My question is, how do you anticipate that we will be able to use those aircraft compared to how you'll be able to utilize the C-5Bs and Cs that do get the RERPs? I heard some people say that the Air Force should be able to use those two aircraft interchangeably, but I don't understand how that would be possible, given that the As will not have the same reliability and they won't have the new engines. So how do you anticipate being able to use them?

A: We'll use them just like we do now. We schedule them to operate. The Avionics Modernization Program will actually let us fly the airplanes in the international game because now they'll be compliant with all of the new [IKO] rules so we can actually get them out there.

In the A models, with even its in commission rates and its availability rates, they're still a useful airplane. Whether it's from Air Mobility Command or the Air National Guard or Reserve or through TRANSCOM, we'll still fly them.

But when you start talking about a program that approaches, maybe approaches \$17 billion, in today's world, going back to the unfunded requirements list or going back to the ability to recapitalize, if you've got \$17 billion on the table to effectively put new engines on a 30-something year old airplane that gives you 10 percent more capability, you've got to ask is that a reasonable tradeoff and investment given the other challenges?

The B model is a different airplane, if you'll remember. The B model was built differently. The two C models are different because we've got the upper deck out so you can fly special space equipment on them.

So to AMP and RERP the B models and two C models and begin to AMP the A models I think is a reasonable way to look at this.

Q: In the past Secretary Wynne said maybe those A models that remain would be relegated more to domestic missions, that kind of thing. Are you still thinking in those terms?

A: I don't know that we need to--I'm not arguing with my boss, but I don't know that you need to think about it that way. We'll meet the mission sets as required by USTRANSCOM, so the units that fly the A models will still have tasking, whether it's Katrina relief or disaster relief or in support of the theater and the C-5s. The C-5 has some really interesting capabilities because of the out-size box. So the A model's still got the same box. So we'll use that airplane like we have all along. It's just the avionics program will give us a little bit higher reliability and you just won't re-engine it.

Q: Are you open to the idea of maybe, if there's money, of maybe doing some kind of reliability enhancement to those As? Not a full RERP, that's not going to happen, but just enhancing the reliability of those As in some way?

A: I'd be interested to see what reliability program would exist beyond the AMP. Because you've got skins that are cracked above on the crown molding, you've got the wing roots, you've got a variety of other things out there that could be addressed. If that's what you're talking about, I'd be interested in seeing that, but we've not laid any of that into the budget because we're still dealing with the set of affordability issues.

Q: I wanted to address quickly the tanker issue, [inaudible]. It may come out today, tomorrow or Monday? Do you--

A: Tony, I have no idea. As you know, by policy and law I'm not in the acquisition business and I have no idea which airplane I'm going to get, no idea which airplane I'm going to get to fly, and I don't know when [inaudible] going to announce.

You're right, it could be today. We're a day closer to whenever it's going to be announced. [Laughter]. I don't know when John Young is going to sign the document. I don't know when he signs the document how much time it will take us for us to pull something together. But you and I have had this conversation from the time I've been the Chief. I am looking to get a new tanker so that we can begin to recap 45-50 year old airplanes.

Q: When might the first one fly?

A: I don't know. It depends on who wins. I've not asked that question because I don't want to. But I'm looking forward to seeing who wins this so I can then ask the question okay, when do I get my first airplane.

Q: Can I take it to a different part real quick. Iran, double digit SAMs. You've mentioned this. Yesterday the DIA Director made a kind of a cryptic reference, said Iran soon will get the SA-20. That's Russia's premier double, triple, whatever--

A: Double digit SAM.

Q: How significant an increase is it to their capability?

A: Let me put that in generic terms, not necessarily about Iran. The double digit SAM, the SA-20, is a big deal. If you put an SA-20 up next to the Washington Monument you've got a 100 mile range with that thing. So you can range airplanes all the way from Philadelphia to Richmond. So an SA-10 you can range 50 miles, and SA-20 you can range over 100 miles. So you can engage aircraft out as far as Philadelphia and as far south as Richmond.

So how do you deal with that? That gets you back to your F-22, F-35 question. If you wade into that kind of environment with an aluminum airplane, the chances are pretty high that your attrition will take you out of that. So you've got to be able to go into those environments with some form of signature-reduced airplanes--F-35s and F-25s and you have to engage the SAM in case the F-22 at those altitudes and speeds, you can engage from outside the min range on that missile and you can actually go in and kill the system.

But remember, it's not just the SAM. It's the early warning radar, it's the target tracking radar, it's the SAM battery, it's the operator, it's the network, it's the fighters, it's the connectivity, the command and control. All of that gets back to the electronic combat, electronic warfare of when you go into something like that you attack it across the entire system. From cyberspace, through systems in space. So it's not just killing the launcher, even though a guy like me that's much more fulfilling, but it is the entire synergy of that integrated air defense system. The SA-10 and the SA-20, the double digit SAM.

Q: Iran said yesterday they're going to get it soon. Does that give them a quantum--

A: Of course it does.

Q: I don't want to put words in your mouth, but--

A: Of course it does. Because that makes all of your aluminum airplanes and all of your big airplanes very risky to fly inside of 100 miles from that battery. So you have to do something about that SAM. You either confuse it, cripple it, jam it, somehow degrade it or kill it.

Q: Or have Russia not sell it to them.

A: That's a different issue.

Q: To clarify, he said "a quantum leap."

A: It is a quantum leap. If you can engage from a surface-to-air missile system out to 100 miles then where do you put your tanker orbits? Where do you put your Rivet Joint? Where do you put your AWACS? Where do you put your JSTARS? Where do you put your sensors? If you can engage out to 100 miles and control that airspace, this is a different game. But again, it's not just Iran. You think about it as an exportable capability that we have to somehow consider.

Q: General, you're eager to keep the F-22 line open. Australia has now expressed interest, joining Japan. There's a law that bans the export of the F-52.

Q: The what? The F-52?

Q: F-22.

A: Do you guys know something I don't?

Q: Do you think it would be a good idea to change that law and look into an export version of the F-22?

A: I think Secretary Gates had that right when he said we need to talk about this one. The attributes of the airplane are so significantly better, the capabilities of the airplane are so significantly more enhanced than anything else that if we're going to have that discussion about asking Congress to walk away from the [Obey] Amendment, then we probably need to have some discussions about what does that mean to us.

I think when Secretary Gates said when he was in Australia he'd come back and take a look at that, I've not been asked that question by anyone. Other than just now. So there's been no dialogue about an export version or a dialogue about what would we do with the airplane or the design, yes or no. Then would there be opportunities to export it. I've not been asked that question.

So if Secretary Gates comes back and wants to have that discussion, I'm looking forward to participating in that.

Q: Did you say we need to talk about that?

A: No, I didn't say we need to talk about that. He said he's been asked that question now from a couple of countries and he will take that back to Washington. So if he wants to have that discussion, I welcome it. But as of right now I've not been asked that question.

Q: Hi General. Can we get an update from you about the current aircraft? Where do you stand [inaudible] right now, figuring out [inaudible]? And also how has the roles and missions study that Congress has mandated impacted--

A: Those are two big questions. General Casey and I have spent a lot of time together privately discussing this and a couple of other things. In fact the last day or so he and I both signed a letter to go over with the Rand study over on the Hill that says the Air Force and the Army are committed to this program in the original bed-down, in the original timelines. So we can get on to fielding this.

As we'll look at how this plays out later about is this an Air Guard or an Army Guard and how this works, he and I will work that out later.

I still believe that theater airlift is an Air Force core competency and it's an Air Force mission and that's what we do for the combatant commander and we're working our way through all of that.

The roles and missions discussion, we have not started that yet in the Joint Staff. We've had the initial discussions about how to do this. Chairman Skelton yesterday at the hearing opened up with a discussion about roles and missions but he didn't get into any of that in any of the questions.

So we're beginning to work our way through how you set that up and what's the nature of the report and what does that mean and what's the reporting timelines on that. We know we have a congressional mandated timeline, so how do we begin to go through that? We're just starting that.

Q: What does this mean now for the budget this year? I think Congress froze some of the [inaudible] the Air Force [inaudible] in the Army.

A: Until the report is handed over and OSD PA&E has that report, and they're looking at it for a sufficiency review. As soon as they finish the sufficiency review then that can be handed over to Congress and then off we go. But I'm a big believer in that airplane for a variety of reasons. I'm a believe in that airplane because in the international strategic partnering world there are countries out there that cannot afford to buy into C-17 or C-130J, that can afford to buy C-27. There are countries out there that we can partner with as far as lift, humanitarian relief, disaster relief. There are countries out there that we can exchange pilots, loadmasters, crew chiefs on this airplane that we can't. The life cycle cost of that airplane will be less than the C-130J. We love the C-130J and we continue to buy C-130Js, but these are two different things. With two different strategic partnering opportunities. We've had two conferences that I have, the Secretary of the Air Force Office of International Affairs has written letters to the rest of the Global Air Chiefs asking for their inputs and partnership, twice. We've had another conference scheduled. We're going to have another one that we bring countries together and talk about opportunities with the C-27.

So on the partnering side of this, on building partnership capacity, and on getting other Air Force's capabilities that they can use like inside Africa, C-27 offers some wonderful opportunities.

The same with Special Ops Command. Same with an opportunity that Admiral Olson and I are looking at, in perhaps putting a 30mm gun out the side of it for an AC-27 version of that. Because we're fighting irregular war, we're going to do this for a while. We can't build any more AC-130s so perhaps an AC-27 is a good way to go, and those countries out there also have opportunities to do that.

So your question leads to a whole bigger set of opportunities not just between a National Guard or an Air National Guard squadron.

Q: Two questions. First on F-22. It's been criticized because it hasn't been used in the GWOT [inaudible]. So my first question is, does that matter? If so, why? If not, why not?

Second, on bomber. You called for a next generation bomber. They say the technologies won't be ready by 2018. Do you think they will be?

A: Let me take the bomber first. That's a great question, Dr. Grant, I appreciate it.

Those that say the technologies don't exist likely don't understand flying machines and building flying machines. What we're doing with the 2018 timeline is we're integrating existing systems not inventing new technologies. What we've told industry is use existing engines, sensors, offensive, defensive sensors, weapons, weapons bays. Use the existing capabilities and integrate it into something that gives us the range and payload and persistence.

So people that say you can't get there because of the technology are either thinking about a 2035 and beyond hypersonic exoatmospheric platform, which the technologies don't exist, or they're denying the fact that we can actually integrate existing technologies and build an airplane with that range and payload and persistence. So I think it's doable, and I think you've got to start somewhere.

We've now got 20 B-2s. We've got 67 B-1s that are not survivable against the SAM that you describe. We've got 93 plus one B-52s that are not survivable against the SAM that you described. And depending on the standoff missile, if you're engaged at 100-plus miles, then how close do you have to get from the standoff missile.

So the standoff capability of the existing B-52 or the not survivable nature of the B-1 takes you where?

So the ability to field a system by 2018 if you integrate existing technologies, it's doable. If you try to reach the exoatmospheric, hypersonic, it's not doable. There's no propulsion out there that will take you there and there's no control alter skin or design that will take you exoatmospheric.

F-22. We've got the airplane in the AEF rotation. The F-22's been flying in Operation Noble Eagle. In fact the weekend that Air Combat Command declared initial operational capability was over the top of Washington, Camp David and New York.

We've flown the airplane against a Russian bomber penetrations, against the outer ADEZ up in Alaska. We've deployed the airplane to Alaska for as series of operations. And we've deployed the airplane into Japan and Okinawa for an extended deployment in the Western Pacific. We've had scheduled now and we have scheduled again deployments into the Middle East, into the Gulf Air Warfare Center. So the notion that the airplane is not participating overall is just not right. The fact that it has not dropped a bomb in Afghanistan or Iraq is absolutely true. But that's not necessarily germane to the notion of getting the airplane deployed like we have in Alaska or into Japan or into the Gulf Air Warfare Center at Al Dafra to be able to fly the airplane in theater.

Q: Sir, General Lichte last week was talking about the [inaudible].

A: C-27.

Q: C-27. He was talking about [inaudible] study and said that the chances are the Air Force's requirement [inaudible] probably won't be higher than was expected and the two gunships [inaudible] unfunded requirement.

The question for you is do you see that number going up?

A: Yeah.

Q: And would you see it [inaudible]?

A: Let me tell you with what I think I know now. I think the total number of C-27s is about 125 airplanes. When you add the Army Guard, the bed-down that we have now, the roadmap for the airplane that we have now takes us to somewhere around 125 airplanes. That's a mix of Air Force Special Ops command, it's a mix of the Air National Guard, maybe even an acting squadron or two. We haven't got that far yet. It will be as we develop this thing out.

But I still believe the airplane is an incredibly capable airplane relative to international partnering and building capacity. I think if a country out there that cannot afford a C-130J, either the Batch 30 version or the basic version, the C-27 with the same engines and the same propellers and basically the same cockpit is a reasonable substitute, and the life cycle cost of the C-27 versus the C-130J is much less.

So for us then to be able to base the C-27s and the C-130s at the same base, the same location, because you've got the same engine, the same props, you can dual qualify people. There's a whole variety, from an operator perspective, that makes that attractive.

So I think with what I know now there's a requirement out there, that's a demand signal out there for about 125 airplanes. But that's way early, because that gets us beyond the FYDP and it gets us beyond this budgeting cycle.

Q: You talked about the international partners. I know there's a [inaudible] called for four Central American countries to give them airlifters, helicopters. Is the C-27 being looked at for that?

A: Yep, it's being looked at for that, it's being looked at in a variety of places in the Middle East, it's being looked at in a variety of places in Africa. But again, three or four times we've had conferences now, and I think the first one is [inaudible] where we bring the international Air Chiefs or their staff together and talk about this particular airplane and partnering with this particular airplane, what that would look like Air Force to Air

Force.

Q: General, what is the prospect for an Air Force playing a bigger role in either Iraq or Afghanistan, either in traditional combat or training or another less traditional role?

A: We've got two sets of people out there right now building the Afghan Air Force and building the Iraqi Air Force. We've got general officers out there with a fairly robust staff that are embedded inside each of those systems. They're looking at what's next for both the Afghan Air Force and the Iraqi Air Force. So we're involved in that just shoulder to shoulder.

On the non-kinetic and kinetic side, if you think back to the spring of 1991, who would have thought that we would have stayed out there 12 years doing no-fly zones and exclusion activities? So I don't know what it will look like as the land component participation begins to mature over time. I don't know that it's not going to be another set of no-fly zones. I don't know that it's not going to be another set of operations with sensors to be able to provide situational awareness to the Afghans and Iraqis. I don't know if it's going to look like mobility search and rescue, some attendant strike. With that comes some notion of how do you partner with terminal air controllers and how do you train ground FACs to be able to do that. So there's an evolving set of opportunities here that I'm not willing to say that I have an absolute clear vision over the next 10 or 15 or 20 years.

Q: What about the shorter term? A matter of months. Is there any prospect or any plan to increase roles, add people in different roles,--

A: We have a little over 20,000 people right now tied up in "in lieu of" tasking. We have about 6500 people on the ground and about 15,000 or so that are in the pipeline to do that. I don't see--

Q: You're talking about Iraq and Afghanistan?

A: In both places. The "in lieu of" tasking that airmen are doing things that are normally outside Air Force roles. But I'm okay with that because the country's at war and we're working our way through that.

Now that does bring stress on our systems and it does bring stress on our end strength. And as we get closer and closer to a much smaller Air Force then the flexibility that we had to be able to continue at that level of "in lieu of" tasking becomes a bit of a challenge.

Q: How many is that did you say?

A: About 20,000 or so.

Q: In lieu of?

A: Yeah. We've got about 6500 on the ground and about 15,000 or so in the pipeline. Training.

So we are involved in that. If you look at the CAOC's that at Al Udaid and all the things we do with manned and unmanned systems, Global Hawks, U-2s, Predators, for Special Ops, with irregular warfare, for counter-insurgency.

Q:--doing more.

A: In fact this is a good question. It lets me, again, reiterate on the airlift side, every month we're taking somewhere between 9,000 and 10,000 people a month off the roads, and we're taking somewhere between 3500 and 3600 convoys off the roads away from IEDs, insurgents, snipers, et cetera. We're putting them in C-130s and C-17s. So if you can take 3500 convoys and 9,000 people at the low end a month off the road, then that's some good work.

Now you're also running up the utilization rates on your 130s and C-17s by doing that. So you're burning the airplanes our faster. But you're saving lives and you're taking a lot of people out of risk. So there's a balanced contribution.

Q: I wanted to ask about [inaudible]. [Inaudible]. I was wondering [inaudible] see as airstrikes being [inaudible].

A: If it's incompatible with counter-insurgency, we're sure getting a lot of requests for precision delivery of ordnance, whether it's a JDAM or a small diameter bomb. So the people that say that it's not compatible with counter-insurgency probably are not the people engaged on the ground that are asking for the weapon.

The challenge of this, from my time in Afghanistan and my time in Iraq is the enemy now moves among friendlies and the enemy moves inside in urban areas, so your requirement for being absolutely precise, whether it's artillery or small arms or an M-16 or a pistol, is there regardless of whether it's delivered by the air or delivered ground to ground.

The real issue here, I believe, is to begin to understand the counter-insurgency game you have to be amongst the opponent, you have to have a reasonable amount of intelligence, surveillance and reconnaissance, you have to have a reasonable amount, an actionable amount of situation awareness, and you have to have the right weapon at the right time to address the right problem. If that's a 2,000 pound JDAM or if that's a 9mm pistol you have to have the full spectrum available 24 hours a day, seven days a week.

Q: Just to be absolutely precise, does the Air Force have the tools it needs to be able to do that now?

A: The average miss distance off of our JDAMs are inside the length of the weapon. So the precision delivery of the weapon is not the case. It's the blast effect of the weapon. That's why the small diameter bomb is very useful, and that's why we also drop practice concrete bombs in the same environment, because with that there's no detonation whatsoever, it's just the ballistic effect of the knock-down of the weapon.

So those that say air power has no rolling counter-insurgency, either haven't actually fought in counter-insurgency or they haven't actually thought about the full range of ISR to mobility to airlift, to kinetic, to non-kinetic to the Rivet Joint to the JSTARS to the satellites, to cyberspace. You need to bring the full weight of effort to bear against a problem like this and it's not just one component.

So if I were the Chief of Naval Operations I'd be saying the same thing about the abilities to do things in a maritime domain. So the art form in this is to be able to step back and look at the entire tool set across the entire joint portfolio and pick the right tool and the right capability for the right job.

Q: On the larger defense budget and the GDP issue, the defense budget can't be considered in a vacuum. Obviously there are other pressures, domestic, budgets riding, deficits rising. How realistic, is it a pipe dream, or--

A: No, I wouldn't say it's a pipe dream. I think the American people deserve the best defense and the most secure environment that we can possibly provide. I think the American people will fund the defense they believe is necessary in a fairly uncertain world.

I tried to capture a lot of that uncertainty in my White Paper relative to what I see out there is true uncertainty. Not just weapons of mass destruction, but ethnic strife, competition for resources, militarization of rapid technology change, climate change. There's nothing out there that would lead you to believe that tomorrow or the next 10 or 15 years is going to be a more tranquil place.

So what does that mean for the United States? What does that mean in a world of rising regional powers? What does that mean in a world of uncertainty as far as regional capability versus global capability? And how do you approach this problem from the top down? How do you approach the problem from sensors and the ability to see and assess? How do you approach the problem being able to, for a land component or maritime of SOF to be able to act out there?

If the world is going to be fairly uncertain then what is the role of the United States military in providing some security and some security umbrella so that the diplomatic and the political and the economic piece of this can play out?

And I'm not talking about picking bad guys. I'm not talking about IDing bad guys, just

overall, what should the Department of Defense be required to do as far as stability and as far as deterrence and security.

Q: Will DOD not be able to do all of that if the defense budget doesn't go up?

A: Well, it's the lowest percent of GDP we've had fighting a war in the history of this entire business. Now when you add the supplementals on top of the baseline budget you're up to about 4.6, 4.7 or so of GDP. What some of us have been saying is why don't we look at something that's about four percent as a floor and try to get the supplemental business into the baseline budget. Because the supplementals create opportunity, but it's hard to lay in long term capital investment if you're having to do that with supplementals. Plus the supplementals are a bit artificial and the supplemental is for an emergency appropriation, like a Katrina or a fuel spike. Or while you're at war, which is exactly where we've been.

So I don't think it's that far-fetched to say what about looking at putting more of the supplementals into the baseline budget and allowing the department to program over the long term with real strategic capital investment? Whether it's ships or airplanes or satellites or people. And be able to lay those budgets in and then be able to stabilize the contracting base and be able to get at the acquisition challenges we have and be able to do that long-term as opposed to having to fight this out brush fire to brush fire.

A lot of the critique that we all live with on acquisition is from one day to the next we really don't know what the budget authority is going to be and the contractors don't know, et cetera, et cetera, and y'all write about that better than anybody.

So I think it is time to perhaps have a discussion about what would four percent look like, and then how could you get the supplementals back into the baseline and get this so you can plan and execute long term capital investment. Which is also MilCon, infrastructure, people accounts, education, training, et cetera, for your people.

Q: Your base program is about three percent of GDP now. Going to four, one percent of a \$15 trillion economy is \$150 billion. Are you saying that's the scale of increase--

A: I don't think it's \$150. I think by the end of the FYDP it's about 3.2. But I think we've been operating somewhere around 3.5, somewhere between 3.4 and 3.6. So rough numbers, somewhere between \$80 and \$100 is a rough gouge, and you can get that by getting the supplementals into the baseline. And you can actually save, this is a relative term, but if you can get those supplementals down you can actually save four, five, six percent and then be able to do something else with that.

Q: So the sups into the budget wouldn't help the Air Force [inaudible].

A: It would help all of us. The thing that it would help us all do is be able to lay that into the reset and recapitalization pieces of our budget, and then let you get at the questions

that John's talking about, about how do you recapitalize over the long term? How do you lay that in so you get economic order quantities. You can get the price down on things. Whether it's a submarine or a ship or an amphib vessel or an MRAP. Get the quantities up, get the length of the program stabilized. Then you can deliver at a higher rate, you can save the money and you can manage the program. Then you can address the acquisition challenges you always have, you can address the industrial base challenges you have, whether it's shipbuilding or aircraft or spacecraft. It seems to make sense to me. So again, I say maybe it's time to have that discussion.

Q: I wanted to ask a question along similar lines. Congress seemed inclined [inaudible] the Army and Marines more inclined to ask questions about programs that we're talking about today.

Going through the QDR process, a new administration and all the rest, how do you see that dynamic? Is [inaudible] actually looking at fighting the previous war, [inaudible], but [inaudible] short term thinking?

A: No, in fact I would say just the opposite. Congress has been, every time I go over there I'm asked what do you need and what do we need to give you? I say well, I live within the President's budget. We're squeezing this out and we're trying to make this work across all four portfolios.

I wouldn't say that Congress is focused only on the Army and Navy. I think the Congress is also focused on long terms issues with shipbuilding in the size of the Navy and what does the Navy present. I think the Congress is also very concerned about the aerospace industry and what does that do to satellites and what does that do to the overall aviation piece which is not just Air Force but commercial, Navy and Marines.

So I would push back a little bit and say I've not got that sense from Congress, that they're only concerned about the United States Army and Marine Corps.

Now I'm concerned that the United States Army and Marine Corps have the best equipment, that it's the right size. As a member of the Joint Chiefs, it's my Army. I think it should be bigger, I think it should be better equipped. I think it should be reset and recapitalized. The same with the Marine Corps. But I also feel same way about the United States Navy, and of course I feel that way about the Air Force.

Q: But you guys have to make a harder pitch for that given the current environment [inaudible].

A: I don't know. Again, the President's budget, most of our programs are intact. Our programs are intact and progressing. So sometimes the challenge is to answer the question about what if we give you more, where would you put it? I think the essence of your question, though, is the challenges of late have been Army and Marine related because of the nature of the fight we're in. That's fair. That's very fair. The Navy CNO

and I have been very very supportive in trying to get the Army the right size and the right equipment with the right funding. But I don't see anyone attempting to say it's an either/or game. I don't see anybody saying we're going to somehow diminish the American Navy and American Air Force. I haven't seen that. If you've seen that, that's news to me.

Q: A question about the incident last August when some nuclear weapons were inadvertently loaded onto a B-52 from Minot to Barksdale. My understanding is that ACC has not listed this in some sort of listing of serious incidents that occurred in 2007. Not listed at all, nor even as [inaudible] experts say this probably qualifies as.

What's your thought about that?

A: I don't agree with that. In fact Air Combat Command are the folks that reported the [inaudible]. If there's a list that's out at Langley somewhere that does not have that on there as a significant event, I'll go find out from John Corley. It's a significant event to me. It's a significant event to all of us that we had a failure in our people, a failure in procedures on check lists and tech orders, and a failure in oversight. I'll find out from General Corley if he's somehow not reported that. But it is a big deal.

We had an immediate command directed investigation from ACC. We had a list of about 15-20 things we did--inventory, stand-down, Chief-directed inspections, all of that. Then I asked for a Blue Ribbon Review headed by Major General Polly Paier to go out and she spent about four months or so looking at things. Then General Welch, previous Air Force Chief, went out and did that for the Defense Science Board. We got all that information. We cross-referenced all of that. There's 128 things, I believe, that were proposed. Four of those are not within the Air Force authority to do, so 124 of those things. Fifty-three of them are done. Seventy-one of them are coming to closure. So I take this very serious.

Not to mention the command directed nuclear assuredty inspections that we've done now, 30-plus additional inspections to be able to give people an opportunity to train and refocus on this. So no, this is a big deal. And of 124 things, we're closing down on all 124 of those to even include the notion of putting bombers in an AEF rotation for the nuclear mission and effectively fencing them off from nuclear mission for a period of time so you can have the squadron commander able to train her or his people up all the way to that AEF rotation, hand those over to USSTRATCOM as an AEF task mission to USSTRATCOM, separate from conventional strike, separate from moving it to Guam or Diego or wherever, and just having them do that for a period of time, six months to a year, and then rotate that squadron.

In fact when I get home I'll call General Corley and see if he's somehow forgotten. I'll tell him that you told me that he forgot. [Laughter].

Q: A quick follow-up. Some people are reading the GSB recommendations and findings

as saying that that nuclear weapons on bombers should be kept at a higher state of alert. Is that your view?

A: I don't know about a higher state of alert, but I believe that we need to somehow allow the squadron commander to focus on that and that alone. As we've followed this war on terrorism, to go back to the question about insurgencies, a lot of people dropping those bombs are our B-1s and our B-52s because you've got the persistence to stay over the target. The B-1's not a nuclear system any more, but the B-52 is. So we've told people over and over and over again, you've got to do both. [Inaudible] deployed and the conventional piece and the nuclear piece we've assumed.

So this Blue Ribbon Review and Joe Welch's work has kind of led me to believe maybe we should go back and literally assign that squadron inside an AEF rotation to do the nuclear piece and then sanctuary them off so that's all they do. I think you'll see us pull that string here shortly.

I just don't know yet whether it's for six months or a year, but I think this is the way to do this.

Q: Training?

A: Well, yeah. Pick a squadron, 1st Squadron at Minot, I would tell you as the squadron commander for the next six months to a year, whatever we choose as the rotation rate, all you do is nuclear business. It gets to Elaine's question. So you have your spin-up to that for your pilots, your crews, your [inaudible], your maintainers, your logistics folks. You get an NSI, you get an ORI, all in the nuclear piece. You get yourself certified and qualified. Then that's all you do for that period of time.

At the end of that you come back into the conventional world. But we don't mix you inside your commitment; we don't mix you back and forth from theater conventional to nuclear.

So I don't think it's a higher alert, I think it's a focus on what we ask you to do with your people.

Q: [Inaudible] shortage in South Korea?

A: Training range shortage in South Korea. We've had encroachment on the ranges. We've had, and of course the ROKAF flies in those same ranges. In the old days we had a lot of ranges off in the Yellow Sea, R-88 and those. Most of those are still there but the over land ranges, because the population dynamics have been changing and the encroachment has been changing, that's becoming harder and harder. No different than it is on the East Coast, out at Seymour Johnson or Shaw or Moody or Patrick. If you can get out over the water it's a little easier because you can go supersonic. There's tactical ranges you can drop bombs. But inside the peninsula itself where the ROKAF and we

both fly, that's a bit of a challenge.

I'm not sure it's an insurmountable challenge, or it's not something that we throw our hands up and walk away from, but it's no different than on our own East Coast or out West. A range is a range, and the people that live around it, you want to make sure you don't drop bombs off the range. The supersonic business is a little testy over towns. So you've got a tactical opportunity on a control range to be able to strafe and drop bombs and be able to grade that. But that's always going to be a problem.

Do you know something I don't?

Q: Just to follow up on an earlier question, do you think that F-22 will be used to drop bombs in Iraq and Afghanistan? [Inaudible] this year?

A: I don't know. I know we'll deploy the airplane, and I know we'll get it out to the Gulf Air Warfare Center. I don't know that we'll ask it to drop bombs yet. Part of that will be between Fox Fallon and Gary North and myself. But I would just like to get the airplane--we've had it in Japan, we've had it in Alaska. I'd like to get it to the Gulf Air War Center and exercise out there. Remember, the Gulf Air War Center is like our Nellis operation inside the United Arab Emirates.

Q: Is it not ready yet, or--

A: No, it can drop bombs. If you've got F-15Es that can drop small diameter bombs as well as anything else, and you've got those deployed. If we deploy the airplane and decide to drop bombs with it, that's okay with me.

If you're asking will we specifically task it now to go out there and drop a bomb, no, I'm not going to do that. If it comes up in the AEF rotation and it deploys out there and it's asked to do that, that's fine. But just to make a point to send it out there to drop a bomb, nah.

Q: Two small questions. First of all, when do you think [inaudible]? And how long is it going to take [inaudible] into [inaudible]? And the second question is--

Q: Let him answer this one first.

A: The first question is I don't know because I don't know which airplane will win so I don't know which airplane will win and which company will deliver an airplane soonest, so whichever company wins, my first question is going to be when can I get my hands on the first airplane. So that answers the first question. I don't know.

The second question is, we'll integrate it near immediate. As soon as I get my hands on the first airplane it will go to Edwards, we'll check the airplane out at Edwards, we'll do all these tests on the airplanes at Edwards, then we'll get the airplanes to Altus which is

our flying training unit so we can teach people how to fly. The first few weeks or months will be to validate the syllabus on the new airplane, so as an instructor pilot or an instructor boomer you now have the new airplane at the schoolhouse. You write the syllabus for me to go through that syllabus in another three or four months.

Then as we take deliveries of the airplane we'll put them at one of the four locations that we've talked about. Grand Forks, McConnell, MacDill, or Fairchild.

So the first 179 airplanes, the first airplanes will go to Edwards so we can do the tests. That's what you expect us to do. Then we'll put the airplanes at the schoolhouse so we can validate a syllabus and start building a syllabus so we can start training people. Then we'll start bedding the airplanes down at the locations so we can combat operational with them.

Q: Does that make sense, to have two types of airplanes [inaudible] in the fleet of tankers?

A: We've got three now. Actually we've got four now.

Q: Okay, but [inaudible]?

A: Sure. We can do this. We can walk and chew gum at the same time. We've got C-130 tankers, we've got KC-135Es, we've got KC-135Rs and we've got KC-10s. So to bring the other airplanes in, remember the KC-135Es are being retired out. The C-130s are being replaced by C-130Js so that part's taken care of. So you're really only looking at the KC-135R and the KC-10.

So to bring the third airplane in is no different than we've got now. This is the Air Force, we can do this.

We can mix the inventories, we can train the pilots, we can train the crews, and as the airplanes begin to come in then we begin to retire the old airplanes out.

Q: What's your best assessment of what happens to the planes [inaudible]?

A: I hope there's not a protest. I really hope that our acquisition guys have, I mean we've taken so long to do this.

Look what's happened to us with the helicopter. We've lost \$800 million in this protest and we've lost over a year to a year and a half of operational time on not being able to field an airplane. I've said this before and I don't say it in a mean sense, but this is not about lawyers and companies, this is about operational capability and fielding capability for the country. So if we get a long drawn out protest, we'll just still operate 44 year old airplanes longer. To me that's a big deal. It's a big deal for the people that I ask to get in the airplane, it's a big deal for the people I ask to take the airplane to combat. I don't

control those lawyers other than from a Service Chief's perspective I would ask them, think about the country and think about the people that are flying the airplanes. I don't know that there will be a protest, don't know that there won't, don't know what the criteria would be. I just hope there's--

Q: [Inaudible]?

A: No, we've just said we'll do this the best we possibly can, we'll do this as open as we possibly can, we'll do this in the most defensible way we possibly can, and if there's any issues that get protested to the GAO, let them look at it. If we've missed something, we'll fix it like we have with the helicopter, but for every month of delay, it costs you money and time. And the helicopter, for every month of delay we've still got people flying HH-60s in combat in an airplane that's not as capable as it could be. We'll see what happens.

Q: A question on the C-5s. We know now that you're not going to RERP the C-5As, but what's your plan [inaudible] and how fast [inaudible]?

A: As soon as we can. That's been the program all along. That's been the program that we've proposed all along, the Bs and the Cs get AMP'd and Reaped, and that the As get AMP'd and you begin to work your way through that. You can't just flick your finger and have 52 airplanes AMP'd. At some point some of the A's will probably retire. So as you look at the retirement opportunities out there over the next ten years or so they begin to move last on the schedule and you look at the AMPs, as you begin to go through the inventory, somewhere out there there are probably airplanes that will retire, not AMP. I don't know what tail number that is, I don't know how many that is, I don't know where those are. Just as a guy that looks at fleet management I think the AMP and RERP of the B models and the two C models and beginning the AMP on the A models is a good way to start.

I just don't know how to answer your question, where it ends.

Q: But where do you start with the C-5As, AMPing them? How many are you going to AMP in FY09? How many are you going to AMP over the FYDP?

A: I don't know.

Q: When will you know?

A: When we find out. Let me find out and see if somebody knows that.

Q: We're out of time. Thank you very much.

A: Thanks.

END TEXT

