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HOUSE ARMED SERVICES COMMITTEE
SUBCOMMITTEE TACTICAL AIR AND LAND FORCES
UNITED STATES HOUSE OF REPRESENTATIVES

PRESENTATION TO THE
HOUSE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON TACTICAL AIR AND LAND FORCES
UNITED STATES HOUSE OF REPRESENTATIVES

HEARING DATE/TIME: May 2, 2019, 9:00 A.M.

SUBJECT: Department of the Air Force Acquisition and Modernization Programs in the Fiscal
Year 2020 National Defense Authorization President's Budget Request

STATEMENT OF:

The Honorable Robert B. Daigle
Director, Cost Assessment and Program Evaluation.

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Written Testimony of the Honorable Robert B. Daigle
Director, Cost Assessment and Program Evaluation
Hearing of the Tactical Air and Land Forces Subcommittee
House Armed Services Committee
Thursday, May 2, 2019

Chairman Norcross, Ranking Member Hartzler, distinguished members of the subcommittee; thank you for the opportunity to present the results of the Department of Defense's collaborative effort to acquire the appropriate mix of tactical aircraft for our future fights—a mix that can meet the challenges outlined in Department of Defense National Defense Strategy. I would like to thank your staff, and the staffs of the other defense committees, for the hours they have dedicated to discussing this important topic with us. Their insights have been very helpful. The result of this concerted work is United States Air Force, Department of the Navy, Joint Staff, and Department agreement that our strategy for procuring tomorrow's tactical aircraft force structure creates a powerful combination designed to succeed on tomorrow's battlefield.

The National Defense Strategy acknowledges an increasing complex global security environment, characterized by overt challenges to the international order and the re-emergence of strategic competition between nations. The Department of Defense's plan to win the potential conflicts that result from this increasingly tense atmosphere includes a broad set of missions that demand a mixture of penetrating and stand-off capabilities for both high-end fights with great power competitors and the increasingly more demanding operations at the lower end of the conflict spectrum.

The 5th generation F-35 is critical to winning future wars with near-peer competitors, and we remain fully committed to the program. Our budget submission for fiscal year 2020 funds procurement of 78 aircraft, underwrites our modernization requirements, and improves our ability to sustain the aircraft we are buying far into the future.

Our analysis determined that capacity is also important. Our current inventory of 4th generation aircraft is reaching the end of its service life more quickly than expected. This will create a fighter capacity gap if we don't address it. Since we are already on a path to buy the 5th generation fighters we need to meet peer competitor challenges, our analysis shows the best way to avoid a fighter capacity gap is to begin buying new 4th generation fighters now. These 4th generation fighters are the most cost effective way to meet lower-end mission demands, which ensures our 5th generation fighters are available for high end fights.

For Example, as illustrated in the following table, an F-35A is projected to cost approximately \$47 million more per aircraft to acquire and sustain over 10 years than an F-15E, assuming each aircraft is flown 250 hours per year.

	Acquisition Cost per Aircraft* (FY20\$M)	10 Year O&S Cost per Aircraft (FY20\$M)	10 Year Cost of Ownership per Aircraft (FY20\$M)
F-35A	\$100	\$110	\$210
F-15EX	\$90	\$73	\$163

*Note: the costs often cited by the F-35 JPO are Unit Recurring Flyaway costs which includes costs for airframe, contractor furnished equipment, engines, and engineering change orders. Acquisition cost is URF plus non-recurring engineering, ancillary equipment, technical data publication, contract support services, support and training equipment, factory training, and initial spares

Matching capabilities to missions with a mix of technologies is not a unique approach to designing a future force structure. Faced with the challenge of obtaining a minimum of 175 bombers by the 2040s, the Air Force plans to upgrade its 76 B-52s and buy at least 100 new B-21 stealth bombers. The Department of Defense is also exploring how small commercial space systems complement our exquisite current national security space assets. The Department is also purchasing light attack aircraft to conduct cost-effective operations in permissive environments.

PB20 therefore requests to purchase F-15EXs, and we must begin procuring these planes now. Waiting to procure F-15EX airframes after the production line closes would cost the Department of Defense about \$10 billion dollars in development fees, money we could be using to buy new aircraft. This estimate is based on our experience with the F/A-18E/F.

The President's budget submission for FY 20 includes more than \$12 billion in new procurement. \$9.2 billion is allocated for 78 F-35s, \$1.8 billion for 24 new F/A-18E/Fs, and \$1 billion for 8 new F-15EXs. The proposed budget also requests \$1.6 billion for F-35 modernization and \$2.2 billion for F-35 sustainment, which includes accelerating depot stand-ups and increasing spare parts supplies to improve readiness.

Thank you again for this opportunity and I look forward to both your questions today and a continuing dialogue about this and many other important topics with all of the defense committees.