TRANSCRIPT
Event
“Air Force Priorities in an Era of Strategic Competition”

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FEATURING
The Honorable Kristyn E. Jones
Performing the Duties of the Under Secretary of the Air Force, Assistant Secretary of the Air Force for Financial Management and Comptroller

Lieutenant General Richard G. Moore, Jr.
Deputy Chief of Staff for Plans and Programs, U.S. Air Force

CSIS EXPERTS
Kari A. Bingen
Director, Aerospace Security Project and Senior Fellow, International Security Program, CSIS

Seamus P. Daniels
Fellow, Defense Budget Analysis, CSIS
Kari A. Bingen: All right. Welcome, everybody. Appreciate you joining us today, both our in-person guests and our online audience. My name is Kari Bingen. I’m the director of the Aerospace Security Project here at the Center for Strategic and International Studies.

It is such a privilege to welcome the Honorable Kristyn Jones, the undersecretary of the Air Force but also pulling double duty as the assistant secretary of the Air Force for financial management and the comptroller; as well as Lieutenant General Rick Moore, who’s the deputy chief of staff for plans and programs.

So we’re going to have a wide-ranging discussion today on “Air Force Priorities in an Era of Strategic Competition.” We’re going to cover the status of programs in fiscal year 2024, the secretary’s operational imperatives, reoptimization, ABMS or Advanced Battle Management System, nuclear weapons, space, and a whole host of other topics. We won’t be able to get into the – or, I should say they won’t be able to get into the details of the fiscal year 2025 budget request, but I do anticipate that they will share insights into the strategic thinking that has gone on this year and some of those key issues, choices, and hard tradeoffs that have informed their 2025 budget build.

We will have a bit of moderated Q&A here between us, and then we will shift to audience questions. So online and folks in person, please go to our event website. You can click there to submit a question or you can look here, for the audience in person, click the QR code here, and it will take you to “ask a question.”

Seamus P. Daniels: Good morning, everyone. My name is Seamus Daniels. I’m a fellow for defense budget analysis here at CSIS. And I’m also excited for this conversation on the Air Force’s strategic decision-making with two of the two officials who are overseeing that process.

Now, just to kick things off, I think we need to address the elephant in the room here, which is the lack of regular appropriations for fiscal year 2024. Congress just punted again by passing another continuing resolution until March. Now, DOD and the Air Force are no strangers to operating under CRs, but can you explain the impact of a long-term CR like this on the Air Force and specifically what it means for Air Force programs in 2024?

Kristyn E. Jones: Sure. Well, first of all, thank you for having us this morning. We’re happy to be able to talk about these things and to get the message out about why it’s so important that we get the appropriations we need for ’24.

For the last 12 years, we’ve had significant CRs, very lengthy, to the point that out of those 12 years we’ve lost about four years in terms of having
actual appropriations. Meanwhile, that’s not happening in China and other adversaries. They’re not losing that time that we’ve been losing every year.

So a couple of the things that are really significant is the impact on our new starts. As an example, one of the key areas that we’re focused on is our collaborative combat aircraft, our CCAs. That’s one of the areas that we’re particularly excited about to add additional mass to our force at lower prices than our current aircraft. We now have five performers who are on contract, but being able to move forward with that effort and moving into the next stages of production are going to be slowed because of this.

We had a significant increase in our ’24 budget for our agile combat employment, as one example, about a 1,500 percent increase from prior expenditures in that area, and that’s key to being able to operate in the INDOPACOM environment. And so we’re not able to bring our investments up to those levels that we had planned. So we’re continuing to cede time to our adversaries, and that’s causing significant impacts now – even more if we don’t get the appropriations, we have a full-year CR, or even worse go to the FRA levels, which get to FY ’23 minus 1 percent. And I can go into some of the details of that, which are really pretty catastrophic. And I don’t think there’s been enough discussion about some of those impacts.

Mr. Daniels: Yeah. I wanted to pull on the details of the FRA levels, because, if you don’t know, if Congress doesn’t pass all 12 regular appropriations acts by the end of April, DOD spending levels will be reduced to 2023 minus 1 percent. What does that mean specifically for the Air Force?

Secretary Jones: So we’ve had significant increases in our appropriations over the last couple of years, so it might not have as much of an impact if you’ve had flat budgets. But for us going to the ’23 minus 1 percent levels is a $13 billion decrease in buying power, and that’s not adjusting for inflation.

So what are some of the things that that means? It impacts 89 new starts, cancels $2.8 billion in Space Force growth, impacts seven national security space launches. I can go on and on; 34 construction projects that would not happen. And then because of the fact that we’ve had a really historic increase in our pay for this year, both military and civilian, we’ve had to absorb that already starting at the beginning of this calendar year, and so that requires us to make even bigger impacts in the non-pay areas.

But anything you want to highlight?

Lt. Gen. Richard G. Moore Jr.: No, ma’am. I certainly agree. And just the U.S. Air Force portion of that 13 billion (dollars) is 8.8 billion (dollars), so this is shaping up to look much like 2013 did. By the time this implements we’ll be halfway through the fiscal year, but the number doesn’t change. So that means the last two
quarters of this fiscal year we’ll have to find $4.4 billion a quarter of things that we thought we were going to be able to do that we now can’t. Military construction impacts the places where airmen work, the places where they live. It impacts families. It’s really difficult to quantify some of those things, but I think anybody that you ask about what they think about 2013 and how their workforce continues to feel about 2013, it’s a decade later and we’re still not past that. These having lasting impacts, these kind of – these kind of implemented penalties. It will take us a long time to get past this. And the combat capability that we need to field in order to stay relevant and to try and keep up with the pacing threat, they’re not possible under fiscal guidance like this.

Ms. Bingen: Well, and that’s what’s been particularly striking, is ’24 was just such a big year moving in that direction and that’s now being held up, that movement.

I want to shift a bit and help set the stage here in terms of you have to operate in a contested environment, in a much more sophisticated technical – sophisticated operational environment than we’ve done for the last 20 years of counterterrorism. Secretary Kendall had said last fall that we must be ready for a kind of war we have no modern experience with. Can you talk through what are those planning assumptions or describe that environment for the Air Force that is really driving and shaping your programming and budgeting looking forward? And what does that mean in the context of great-power competition?

Secretary Jones: Sure. So next month we’ll be talking a lot more about what we’re doing at the AFA event about the specifics on great-power competition, but I’ll start first about the why.

For the past several decades we’ve been focused primarily in the Middle East with VEOs as our primary threat, often deploying very small units from our Air Force – four at a time, six at a time, those kinds of things. As we look at the future environment, General Moore already mentioned the tyranny of distance and how big that AOR is, but also the need for scale. We haven’t had the kind of deployments of mass numbers, you know, large formations that we would expect to have in an INDOPACOM environment in many, many decades. And so one of the things that we’ve been thinking about is: How do we move faster at scale? Where can we bring in enterprise solutions? How do we focus on mission over function to really maximize effects? So those are some of the things that we’re focused on addressing.

Within our great-power competition effort, we’ve had a sprint over the last couple of months looking at, really, across the board for Air Force and Space Force what we needed to change. The Air Force has more dramatic things that we’re going to be rolling out than the Space Force – given that
it's only four years old, so it was birthed into this environment whereas the Air Force hasn't made dramatic changes in quite a while. So we are looking at things that impact our readiness, our people, our ability to project power, and also what that means for our installations and our ability to develop capabilities.

So one of the things that I'll highlight about that in particular, you've all heard about Secretary Kendall's operational imperatives. And that was something – in some cases some of those efforts were already underway before he became the secretary, but really being able to look at what are our modernization priorities, how do they need to be integrated, how do we look at both air and space capabilities. So what started the operational imperatives was really him driving us in that direction.

So how do we sustain that? How are we ready to fight tonight, as well as continuing to have the capabilities that we need for decades to come? And so that's one of the areas that's been a particular focus on us, is how do we have the right capability development and the right lifecycle to be able to think of the capabilities we need, move them from S&T and experimentation to fielding, and in particular at affordable mass where we can?

Lt. Gen. Moore: Yeah. And I'll just kind of try and set a little bit of context for this conversation. We talk all about what a war with China would look like and what we would need to prosecute a war with China. We do not want that war. We do not want war with China and war with China is not inevitable. But if provoked and drawn into that war we intend to win, and that's what this is all about. But there's nothing inevitable about this conflict. It does not have to occur and it will not occur by our choice.

For the operational imperatives, we've been working on operational imperatives for two years now. We have not spent the first dime of operational imperative money. We should be doing that now. We should be in the second quarter of operational imperative funding. But as yet, none of it has arrived. And until we get past continuing resolution and get an appropriations bill for this year, there will be only operational imperative work that was already under work, and we'll continue with that and pivot it towards the things that are most important. But the fact of the matter is, all of this is held up by the fact that we were not able to receive an appropriation in normal order.

So we'll – we will continue doing the best we can with what we have. That's our charge. But we've got to – we've got to – we've got to stop giving time away.
Mr. Daniels: Well, I wanted to pull that thread on the operational imperatives and what it means for the current level of funding. So how does the lack of appropriations for 2024 really impact your ability to implement the operational imperatives? Because, as you mentioned, they've been announced in 2022. You have the POM process. And so you're waiting for the '24 money to actually spend. But how does that affect your planning for '25 and beyond?

Mr. Jones: Right. That’s a good question. I’ll mention a couple of things, and then this is a great area for Rick to do a deeper dive. As we mentioned, some of the things that are related to operational imperatives were already underway.

As an example, B-21 was one of the things that was already underway. You saw last year that our flight program began, and based on successful testing so far we’re moving into the LRIP stage. But we’re going to be limited in terms of forward progress based on the CR. CCA. As I mentioned, you know, we’ve made some progress being able to award contracts to some of the initial designers, but we can’t ramp that.

Munitions. We’re stuck at the same scale that we were in previous years.

So across the board we’re able to make limited progress, but not where we need to be to address our pacing challenge. But –

Lt. Gen. Moore: I absolutely agree. And I’ll just – I’ll just follow that on by saying the threat that we face is accelerating. It is not slowing down. Their procurement – their procurement programs are not slipping to the right; they’re pulling them to the left. And so if we want to be able to keep pace with that, we’ve got to be able to do the same thing. That is one of the challenges that we face.

And the federal budgeting process, with designed-in oversight in order to make sure that the Congress is able to exercise their constitutional responsibility, it is slow to begin with. From the time we start building a budget until we finish executing it is about 1,200 days. The question we’re asking here is, how much of that period of 1,200 days is going to be quality work that can get done – we can get RDT&E done, we can get procurement done, we can do new starts, we can build facilities for our families and our airmen? How much of that time will we be able to use for that?

So, as the secretary mentioned, we’ve lost – we’ve lost about a third of the last 12 years. And actually, 77 out of the last 79 years we’ve had – sorry, back to 1977, only two years since 1977 have we had an appropriation in
normal order. So we would – we would certainly hope that we would be able to focus on the work at hand, and that is keeping pace with the threat.

Ms. Bingen: OK. The timelines. Urgency. Many in the department are talking about 2027. Secretary Kendall has talked about we must be prepared for war because China is already preparing to war, to your point, and we – deterrence, and we need to deter, and war is not inevitable from our perspective. But clearly, there is an urgency there. I mean, do you see that urgency across the department and across the Department of the Air Force?

And you know, when I think about capabilities is we may very well be in a position where we have to fight with the toolkit that we have today, which for me places a premium on integrating what we have. And that’s really what ABMS is – has been created to do. Can you talk through some of those integration activities? Because that’s not the sexy stuff. I mean, that’s the plumbing a lot of times, but it’s so critical to getting capability to the edge. So can you talk through the integration and the urgency dimensions of this?

Secretary Jones: Sure. So one of the things, as we’ve been thinking through our budgets over the last couple of years, is how do you balance those various time epochs – the fight tonight, readiness today, and for the next couple years – with the modernization we need to stay ahead of the pacing challenge or to keep pace. There may be areas where we’re not ahead. And so how do we think about all of those things? That’s been a primary driver in how we’ve been looking at both the ‘24 and ‘25 budget. In some cases, as we’ve thought about the budget we’ve had to be able to preserve readiness at the expense of modernization. So we’ve had to make some really difficult choices there.

But one thing that I would say as we move from the initial operational imperatives work moving into ‘25 has been this focus on integration in a number of different ways. So it’s things like reference architectures for NGAD. It’s things like creating a PEO for our C3 battle management; and making sure that we’re thinking about all of these capabilities and how they integrate together, both air and space; and that we’re working with our joint force and, as we move into other areas, with our allies and partners with things like our mission partner environment. So I think integration is one of the things that has been a focus for ‘25 and will ramp up even more with our great-power competition efforts in ’26 and out as we think about how to be better integrated, less platform-focused and more effects-focused end to end, and how we integrate these capabilities, again, across air, space, and with allies and partners in the joint environment.
Lt. Gen. Moore: I think what you’ve just described is one of the major shifts that you’ll see from our ‘24 budget process to the ‘25 budget process. The level of analysis that we had in ‘24, accounting for the threat and for our capabilities that we were trying to build, largely focused on platforms and weapons. And both of those are truly important, and without them there’s not any ability to create effects.

However, the analysis that we’ve been able to do since then has matured, and what we now have is the ability to look – as the secretary mentioned – from the very first sensing all the way to effects creation and all the things it has – it takes to link together. And I’ll give you just one example.

Secretary Jones mentioned the command, control, and communications battle management program executive officer that we’ve just stood up. Brigadier General Luke Cropsey is that PEO. There’s finally one person in the Air Force that I can say I’d rather have my job than his. (Laughter.) He has a daunting challenge. But in the very short time that he’s been in the seat, he has fielded the first part of the battle web. He has fielded the first instantiation last October of cloud-based command and control. It’s in New York at the Eastern Air Defense Sector, and we’ve now got a tangible result of all of the research and development, and all of the thinking, and all of the design that’s gone into ABMS as our contribution to the joint fight. And it’s now on the floor at EADS in New York and working.

And so as these things become real and as our – as our analysis matures, it gets to be really exciting the kind of things that we can see from an integration perspective. Unfortunately, it also tells us where the shortfalls are in our budget and it tells us that we’re not as close to that as we would like to be.

Ms. Bingen: And it’s such a daunting challenge just to get arms around what’s happening within the Department of the Air Force, but then you have the other services as well. So how is that going in terms of integration beyond when you’re looking at other domains and other services?

Lt. Gen. Moore: So I think we’ve got now the tightest linkage that we have between the analysis efforts amongst the services. And so the analysis that I mentioned that transitions us in ‘24 from platforms and weapons to ‘25 to integrated end-to-end effects chains, that – all of that analysis has been integrated amongst the services. And one of the things that that allows is to make sure that there’s not redundancy of the RDT&E efforts or the procurement efforts between the services. One man’s redundancy is another man’s resiliency, and so we don’t want to completely take resiliency out of the system. But we want to make sure that we’re not double developing or double spending, and I think that’s one of the benefits of this. It also allows
us to see that we truly are interdependent as a joint force. And you’ll – I think you’ll see the results of that in our ’25 budget when it gets released.

Mr. Jones: And piggybacking on that, I think that is one of the areas where OSD has been particularly helpful in working with the joint force. The CDAO efforts help us to integrate across the different services, and working with the joint force and in particular INDOPACOM and guide experiments are allowing us to see how all these different components of CJADC2 are coming together to get the effects we need.

Mr. Daniels: I wanted to – Secretary Jones, I wanted to come back to what you said earlier about preparing for great-power competition. And you know, something that we’ve been trying to review and unpack is Secretary Kendall’s repositioning review. So I’d really love for you to be able to go into more detail and kind of unpack, why? What is the impetus behind this?

And, two, what are the areas where, you know, we may see changes within the Air Force? Is it from an organizational structure perspective? Is it from a process and timeline perspective? You know, I’d love – granted, you know, I think the process is ongoing through January – but I’d love to hear where you are with that.

Secretary Jones: Yeah. So I mentioned earlier the four areas that you’ll hear us make announcements – in the readiness, power projection, capabilities development, and people. But a little bit more on the why. Like I mentioned, you know, we’re seeing a very different environment that we would be operating in. And there were examples after examples of – for he and I and our service chiefs as we would go out to our various bases. And we’d find areas that weren’t completely optimized. Whether it was how we made decisions on our budgeting processes that were optimizing a part of the capability but not the whole, as one example. We were sending new fighters to a given location, but we didn’t have the hangars. We didn’t have the dorms for the airmen. We didn’t have all of these things. So our decision-making processes.

I talked about the capabilities development area and now we need to move from individual platforms to looking more at those integrated missions, and the end-to-end effects that we’re looking for for that, and the ability to move from S&T across that valley of death and into production and scaling. Those are all some of the types of things that we’re looking at. But we also recognize that it’s a much more intellectual fight in the future. It’s a much more software, cyber-dependent. And so do we have the right capabilities in our workforce to be able to deal with that, whether it’s C5ISRT capability, or protecting our bases if there were any cyberattacks at the time of mobilization, and those types of things.
We recognized that we just weren’t where we are – or, where we need to be in a number of different areas. And so that required us to really focus on this. And that’s why I mentioned a sprint for the last couple of months. This has been our number-one priority. Implementation will continue to be our number-one priority, because we need to make sure that in addition to that modernization program that was started under the operational imperative, that our people are ready, we know where the gaps are, we’re addressing those gaps, we’re recruiting the right people, we’re developing them, and retaining them. So there’s a lot of other things, building on the operational imperatives, that we need to be doing in order to stay ready.

Mr. Daniels: Yeah, and to me, it sounds like it’s not only preparing for strategic competition, great-power competition, but also driving greater efficiency within the Air Force. And, you know, both of you mentioned the modernization priorities and strategic tradeoffs with readiness. But is it also looking for kind of, you know, where you can be more efficient and where you can find funds to invest elsewhere?

Lt. Gen. Moore: So I would – the specific purpose of re-optimization is not to become more efficient, it’s to become more effective. And at some point, the magnitude of the task that we face says that pure efficiency is not necessarily going to get us there. What we have to focus on is effectiveness. And I’ll give you just an example, because it’s deliberately outside of what global power competition is looking at right now. But the whole of our basing infrastructure was built in the ’40s and the ’50s. It was built in the ’40s to support World War II. It was built in the ’50s to support the Cold War. Do we think that that is the basing infrastructure that we should look to as we go towards peer competition in the Pacific?

We know we’re not – the ability to just pick up bases and move them, that’s not a thing. And that’s part of the reason that this example is one that we can talk about now, is because it is not a part of GPC. You know, certainly, the logistics associated with that are daunting. But that is pervasive across the Air Force. And what we’re actually after is the ability to create effects, not the ability to do it on the cheap. We will find places where there are things we know we could be more effective at if only we had the ability to resource them better. And we’ll work through that with the department and with the Congress. We have what we believe are great partnerships with both. But I’m not – I’m not trying to pick it your words and I’m not – I’m not trying to shoehorn this conversation, but the – efficiency is not the goal of this. Its effectiveness, pure and simple.

Secretary Jones: Mmm hmm. Yeah, building on that, that was one of the things that the secretary has said in numerous settings. I believe that China is getting ready to fight. And so, based on that, are we doing the right things that we
need to do? I mean, 2027 has been thrown out there, other dates have been thrown out there. We hope that that fight doesn’t happen. But if it were to, what are the things that we need to do to make sure that we’re ready and that we’re not completely sacrificing the future? As I mentioned, we have to make those hard trades between various time epochs. But how do we get ready, stay ready, and preserve that for decades, in a different type of environment than we’ve been in in the last several? So that’s really what the focus is. We will look for areas where we can make hard trades and prioritize for this type of environment. So there may be some efficiencies that we see. But it’s more about readiness and managing risk.

Ms. Bingen: So it sounds like everything is on the table here – the policy, investment, capability, personnel, infrastructure – the whole thing.

Secretary Jones: We have some limitations. As an example, I don’t think that we’re going to get the ability to do a BRAC. (Laughter.) But as far as installations, we’re looking at, as an example, how do we make sure that our installations are ready to support mobilization. But also, a lot of our workforce is employed in place, particularly for the Space Force, but for our ICM workforce, some of our cyber and intel capabilities. Do we have the right power for them? Have we thought about what happens to that base as we mobilize? Those types of things. So I wouldn’t say that we’re looking at realigning where installations are, or closing anything, not to that extreme. But really, how do we make sure that we’re using our installations as bases for power projection?

Ms. Bingen: Well, and then as you tie this great-power competition initiative, this re-optimization initiative, to investment strategy. Because one of the things that I noticed when I was at the department is it seemed like every year as you go through programming and budgeting it was almost as if you were playing on the margins. You could affect maybe 15 percent of the budget. So, I mean, some of these things you’re talking about, these require some big movements. Do you think the appetite’s there to really make some of those changes?

Secretary Jones: So that’s a really interesting question, because for the most part we have tried to make this as resource neutral as possible. Even if we’re modifying or changing organizations, we’re not looking for massive infusions of new general officers, or end strength, or anything like that. So that is a factor. But where I will say dealing on the margins is a challenge for us is with the Space Force. So the Space Force has been around for four years. We’ve recognized that China is moving fast, Russia is putting a lot of capability into space. And playing on the margins in this area is going to make it very difficult for us to compete.
We’ve seen a number of areas already where we need to change some of our existing assumptions about the Space Force. As an example, we need more space officers on the joint staff and in OSD, so that space effects are considered throughout our decision-making processes. So where do we find them? We’re putting space components in all of our combatant commands. So that’s another area. But some of the capabilities that we need for the joint war fight and for handling space as a warfighting domain are not there. And so that’s where we’re hoping that in the next couple of years we can get the resources we need to address those capability gaps.

Mr. Daniels: On the topic of the Space Force, I mean, you mentioned broadly about the department-wide goal of – from ’24 to ’25 of shifting from platforms to linkages and integration. Can you speak about any shifts, if there are any, within the Space Force priorities as you’re heading into ’25? Or what stands out to you within the ’25 POM process?

Secretary Jones: I think that one is more continued movement of where we already were, building out our space data network and the transport layer, missile warning, missile tracking, the Space Development Agency getting their next tranche up into space later this year. So those are a number of the areas. Space control is a significant area that we’re looking at to make sure that we have the capabilities we need, again, as not the Space Force as a support to the joint war fight, but as a warfighting domain in itself. So those are some of the areas that we’ve continued to look at. And having the partnership with others, particularly the NRO and NGA, in terms of what capabilities they’re investing in, how those complement ours, and how they work together for command and control, or communications, etc.

Ms. Bingen: If I can shift gears here to nuclear modernization. I want to ask a question or two, and I’m going to start incorporating audience questions. So I have a few here from the audience. So there was the announcement last week that the new ICBM in development, Sentinel, has incurred a Nunn-McCurdy breach. The estimated cost growth is somewhere around 37 percent or so. And that’s for – that’s tied to individual unit procurement costs. Can you explain a bit – can you explain why? What’s happening here? What’s the path forward?

Secretary Jones: Sure. So I knew that this one would likely come up. So the Sentinel program is a massive undertaking. The biggest thing that we’ve done – I mean, it’s probably the biggest program of the century for the Air Force. Maybe about five ACAT I programs put together. Some of the program is not seeing significant cost growth. The missile itself is not an area of concern. But if you think about this, a large portion of it is essentially a civil works program. And those are areas that traditionally in government have been challenging, and especially the last couple of years given the
macroeconomic environment, the labor force, military construction, supply chain. Those kinds of things are contributing to some of the challenges that we're seeing.

So we had to notify Congress of a significant deviation to the original program costs. There’s a process underway that OSD will lead that we will be heavily involved in looking at the program for a number of dimensions. One is to look at where are there opportunities for bringing the cost down. We’ve looked at that pretty extensively already. But that will continue. The management structure of the program is another area that we’re looking at. We already have some ideas that we’re working on to see how we can source that. But my hope is that throughout the end of this process, we’ll be able to fine-tune the program and reduce risk moving forward, but that there won’t be a decision made that we can live without it.

Our nuclear modernization is core to our national defense. I believe the vast majority of Congress also agrees with that. So that is one of the things that we have to look at in the process. But we believe very strongly that our nuclear modernization will continue, and that we just need to make some changes into how we’re operating the program, dial in some of those costs, moving forward, and continue the oversight that we’ve had. But focusing much more on how we’re moving in the future.

The reason that this was so challenging is we really haven’t done anything like this. The last time that we looked at these types of cost estimates for our nuclear programs was about 70 years ago, for the vast majority of these requirements, in a much more analog world. And so some of the assumptions that were made at the beginning of the program when the initial cost estimates were made were just not particularly valid. And now we have a lot more information that should allow us to stay much closer to the cost estimates that’ll be developed as part of the Nunn-McCurdy process.

Ms. Bingen:

Well, when you think about what China and Russia are doing to modernize their nuclear forces and build up – I mean, what China is doing is pretty breathtaking, I think, is what a former Strategic Command commander had said. You know, the secretary coming out and saying Sentinel is one of the department’s most important programs I think is very telling. Thinking about it now from a programming and budgeting perspective, I mean, one of the challenges here is the Air Force is modernizing to nuclear programs – two legs of the triad simultaneously – the Sentinel ICBM and then the bomber with the B-21. How are you thinking about those simultaneous large investments, the modernization bow wave? And then I’ll add on here, General Moore, John Tirpak at Air and Space Forces Magazine asked, where is the Air Force expecting to find the funds to cover the Sentinel program?
Secretary Jones: So I'll take the easy part of that then turn it over to you. (Laughter.) So, as mentioned, we are responsible for two-thirds of the nuclear triad. We've just talked about the land aspects. B-21 is going along well. As I mentioned, it's moving into LRIP. We are expecting to see planes from an event-driven perspective. So we're not communicating specific timelines, but as the testing process goes, as we move into low-rate production, we'll start to see those planes heading out to Ellsworth for, you know, our initial unit there. And that's our initial site for training.

So the good thing for us is that that one aspect has been right on the constant schedule that we've expected. So no significant changes there. But in terms of the overall effort, and, again, as part of one of the challenges with the Nunn-McCurdy process, it is looking at how are you going to address those costs and schedule impacts? And what do we see that doing to impact all of our other monetization? I'm going to turn that one over to Rick to get his thoughts. (Laughter.)

Lt. Gen. Moore: So we have predicted that the nuclear bow wave for the Air Force would peak in 2027. We now see that that is slipping to the right. Probably 2028, maybe even 2029. But at its peak, the nuclear modernization effort is about a third of the investment portfolio of the Air Force. It's not just two-thirds of the nuclear triad, by the way. It's also 75 percent of the nuclear command and control that we have. And it's not just B-21 to make the air leg. It's also the weapon that goes along with it. It's not just Sentinel. It's also a new reentry vehicle and a new warhead that we're working on.

So there is a lot of stuff going on in this portfolio. And as they stack up on top of each other, it becomes a daunting task. We had hoped to get that peak behind us before the things that we're working on for research and development right now go into procurement. Unlikely that that will be the case. So John's question is very insightful. And we will have to find the money. Sentinel is going to be funded.

One way not to solve this is to think that we can just extend Minuteman-III. There is not a viable service life extension program that we can foresee for Minuteman-III. It was fielded in the '70s as a 10-year weapon. And we will do everything we can to keep it in the field. It will remain safe, secure, and reliable. But extending it for some lengthy period of time, that's not a viable option. And so Sentinel will be funded. We'll make the trades that it takes to make that happen. We'll see, as we work through this process, what the results are. But we are committed to Sentinel. And that's not going to change. It is funded now, and that's also not going to change.

Mr. Daniels: As we're discussing this longer-term outlook and tradeoffs in the future, I was wondering if you could go into more detail on, you know, how you envision your strategy for the future makeup of the aircraft inventory.
Obviously, part of that you requested a number of divestments for this year, which Congress allowed some in the NDAA. They’ve blocked a number of others. Where does the divestment strategy fit into your overall long-term plan for the aircraft inventory?

Lt. Gen. Moore:

So the divestment strategy is a second-order effect. The strategy is not to divest. The strategy is to modernize. Forty-four percent of the fleets that we have in the Air Force are past their designed service life. When we went into Desert Storm, we had – just using the fighter portfolio as an exemplar – we had 4,000 fighters. They averaged eight years old. Our pilots were flying 18 to 20 hours a month. And we were ready for great-power competition against the Russians.

Now, as we come out of counterinsurgency warfare and look to pivot towards peer competition or peer conflict with a very different adversary – as you mentioned at the beginning, Secretary Kendall has said this is a war that we’ve not ever seen the likes of before. And that’s absolutely true. We have not 4,000 fighters, but 2,000. They average not eight years old, but 28 years old. Our pilots are flying not 18 to 20 hours a month but six to eight hours a month. And we’re ready not for great-power competition, but for counterinsurgency warfare.

So the purpose is to modernize and pivot towards great-power competition, and get past the things that are holding us back from being able to compete. In the fighter enterprise, we’ll go from seven fleets down to two. In the bomber enterprise, we’ll go from four down to two. In the tanker enterprise, we’ll go from three down to two. Not with the purpose of getting rid of airplanes, but with the purpose of bringing down the average fleet age, bringing up the capabilities, and only fielding things that are relevant.

It’s not just about the money, although there is a lot of money in legacy force structure to keep it viable. It’s also about the people. There are a lot of airmen in the Air Force that are not doing things that contribute to what we envision as the future task. And as you mentioned, it’s not just about doing this efficiently. It’s about doing it effectively. And that means we’ve got to get those airmen and those dollars away from things that don’t mean anything to this task. And we’ve got to pivot them to the future.

So I can go into a little bit more detail. I’m happy to do that later. But ultimately, the purpose is to consolidate to the things that we need that are relevant to the future fight, and make them the most relevant that we can. And, by the way, one of the things that goes along with that that is also a significant lift is munitions.
Ms. Bingen: Well, and — if I can jump in here as well — how do you think about that tradeoff between quality and quantity? You just went through a list of a lot of reductions in force size, but yet we’re going — we’re looking at adversaries that have a lot of mass to bring. So how do you think through that trade?

Secretary Jones: I think one thing, quickly, on that is this idea of affordable mass. And that’s where, as an example, the CCA has helped with a number of these areas. We don’t have to worry as much about the number of flying hours on those things, the entry into the depot, and a lot of the other things that that cause us to spend a significant amount of money on these older aircraft. So that’s an area. In particular, the secretary mentioned previously a planning factor of about 1,000 of those. So if you think about the costs for maintaining that with much fewer people and the logistics tail being significantly smaller than maintaining, let’s say, our fourth-gen aircraft, that’s a significant difference that will allow us to focus more time and energy on our higher end fifth- and sixth-gen that we’re planning. As opposed to maintaining a lot of older planes just for the number of platforms.

Lt. Gen. Moore: Absolutely. And there is a substantial commitment to procurement in our budget. You can see in the in the ’24 budget 260 fighter aircraft. We continue with KC-46 and B-21 is coming on. There is a commitment to procurement, but only the things that are relevant. And the things that are not, we just simply have to move past them. And the cost comparisons, by the way, there’s this thought that that the strategy is divest to invest. The books don’t close on that. You have to — you have to divest an entire squadron of F-16s to afford a single F-35. You have to divest an entire squadron of KC-135s to afford a single KC-46. It’s not divest to invest. It’s get airmen and money out of things that don’t matter and put them towards the future.

Secretary Jones: And one of the things that can really help with that is our allies and partners. I mean, there are hundreds of F-35 that are out there. So even if we aren’t buying as many as we might like, there are so many capabilities that our closest allies are buying, that that helps with some of that scale.

Mr. Daniels: I want to shift to that conversation about the application of aircraft and force posture. General Moore, you brought up before basing in the Indo-Pacific. For the past few years, agile combat employment has been, you know, one of the dominating operational concepts for the Air Force. Can you go into more detail about, you know, how you view the current status of agile combat employment? How you’re thinking through, you know, future Air Force posture in the Indo-Pacific, but also, you know, thinking of other areas, theaters like Europe?

Lt. Gen. Moore: Sure. So I would say that there are two separate parts of this. There’s posture, and that is how our forces are bedded down day to day. And then
there’s what we think we’ll do in the event that crisis turns to conflict, and that’s ACE. The purpose of ACE is to complicate the targeting solution and to make ourselves unpredictable in order to enhance survivability.

And we’ve talked a lot about the concept of pulsed operations. The purpose of ACE is to make those pulses unpredictable, the origin unpredictable, the timing unpredictable, and the targets unpredictable. And so ACE is not about realigning posture in the Pacific, but it is about creating opportunities for us to operate in a way that doesn’t focus solely on main operating bases.

Those main operating bases will remain important. There is a great deal of construction going on on Guam because Guam is going to be one of the cornerstones of our posture in the Pacific, both in competition and in crisis – in the event that it evolves into conflict the same. So I think what you’ll see is us setting ourselves – setting ourselves up for austere operations, quick pulses, unpredictable movements so that we can enhance survivability, and therefore lethality. Ultimately, sortie generation is a part of that as well. Those things all go together, I would say.

Mr. Daniels: Yeah. And to me, it seems like those quick pulses – being able to do those quick pulses, ultimately, means that we’re relying more on allies and partners in the region.


Secretary Jones: That’s what I was going to say. I think this has implications in a number of different things – allies and partners, and overflight and basing, prepositioning munitions, pre-positioning medical equipment, those types of things; airbase air defense and where that’s being provided from, whether that’s the Army, the Air Force, our allies. So those are all the types of things that we’re looking at.

Again, the tyranny of distance impacts fuel, impacts our ability to get resupply and logistics. And so those are all some of the things that we’re looking at as we’re building and continuing to improve relationships with our allies and partners, but also as we do exercises in the area.

Ms. Bingen: I want to jump into this topic of technology and innovation, and I’ll start with – revisit your comments on CCA, Madam Secretary. So the collaborative combat aircraft – so think of this as drone wingmen – this was a major new start in ’24, so we are seeing impacts of not having an appropriations bill for that. The secretary mentioned at the Reagan Defense Forum in December that, you know, we’re going to get some things started. Andrew Hunter, assistant secretary of the Air Force for acquisition, noted that there may be upwards of 20 to 30 competitors that
could provide a meaningful CCA capability. That suggests that me that you’re looking broader than, I mean, the traditional companies that are in this business plus some of the nontraditionals.

Secretary Jones: Can you talk through what’s in the mix here when we look at CCA?

So I’ll start and keep going.

As I mentioned, we have five contracts awarded. In many cases those are teams of both traditional and nontraditional. Where a lot of the nontraditionals are coming in is in the autonomy and that pairing with the crew platforms.

So we’re seeing a lot of innovation in this area. Some folks have never worked in the defense space before but they bring those kinds of capabilities that allow for a lot of innovation as we move from this design phase into the next phases of development.

But do you –

Lt. Gen. Moore: So I think a fair question is, how is this innovative? Like, we could have always done this. The thing about this that’s innovative with CCAs in particular is the secretary asked us, please don’t go to industry and give them a requirement. The last thing in the world we want to do is tell them what to build.

We want to go to them with questions and we want to find out what they can do, what is the art of the possible and what is it that they could provide, and let’s allow the envelope to expand by not constraining it with a requirement.

And I think what we’re starting to see now is that there are a lot of thoughts out there, some of them from – not necessarily from the large defense primes that really will be beyond what we would have conceived had we decided to write a requirement.

So it is exciting to see what’s coming and I think the way that this is innovative is something that will transition to other programs. I don’t think that this is one and done because I think that we’re going to find it to be wildly successful.

Ms. Bingen: So then the next – the follow-up question is Replicator. What is the Air Force nexus with Replicator?

Secretary Jones: So Replicator was announced by the deputy secretary after the ’25 budget had already been submitted by the Department of the Air Force. So what’s happening now is relooking for the most part capabilities that were
already starting to be identified to see where can we meet the criteria that were laid out for Replicator.

Again, the idea of affordability of attritable platforms and those kinds of things, being able to get scale 18 to 24 months. That 24 months is August of ’25. And so throughout the department we’re all engaged in looking at what are the types of programs that were already conceived that can start to meet those requirements and how do we move those through the budgeting and acquisition processes faster than usual so we can meet those timelines.

And so in the case of, well, where is the money coming from, in some areas we’re looking at unexecuted ’23 funding. Hopefully, we’ll get an appropriation in ’24 but we’ll have to look at ’24. The department has figured out where we can get some ’25 funding and put that into the program.

And so this is just the first phase of Replicator, the first tranche as being identified. There will be continued efforts because one of the key things that the deputy secretary wants to do is have a process for moving fast and using this as a way to focus the senior leadership of the department on getting the capabilities that we need faster than our normal processes.

So we’re going to see significant mass in terms of capabilities but also a repeatable process for getting us the capabilities that we need not in a wartime scenario like we’ve done with MRAPs and other capabilities in the past but pre-conflict so that we have that repeatable process for the future.

Ms. Bingen: And then so let me tie in a question here from the audience.

Tyrell Junius at Tiami Network: So for direct to Phase II SBIR awards that are deemed selectable but not funded, what is the best approach to advocate your technology to other Air Force and the broader Department of Defense. And if I can pair that with sometimes the department will, say, gets accused of innovation theater. So how do you think – how do you think about moving beyond just that innovation theater to sustained innovation and fielded capabilities? I’ll give you both of those.

Lt. Gen. Moore: Sure. So I think it’s a fair question and I think what we see as the most successful SBIR entrants are entrants that demonstrate that they’ve heard what the secretary and the chief have said, they understand the problems they are trying to solve, and they’ve gone after that, and they have a way to solve the specific problems that the chief and the secretary are after.
So I think if I were to put a constraint on how to stay successful in that it would be ensure that the problem that you’re solving is one that the chief and the secretary are truly looking for a technical solution for.

We have seen great entrants via the SBIR program and we have identified many of the nontraditional sources that we’ve identified for CCA started out in the SBIR program. So there are successes that come from that but they are the ones in general the most successful entrants or the most successful graduations from the SBIR program are the ones that have solved very specific questions that have been posed by the chief and the secretary.

Mr. Daniels:

You know, on a related and timely topic is the state of the Defense Industrial Base. Obviously, DOD just released its strategy this month that identified, you know, particular areas that it needs to bolster for the current time frame and also the future.

From the Air Force perspective how would you characterize kind of the state of the industrial base and whether there are any particular pressure points? Secretary Jones, you mentioned, you know, munitions for one as an example.

Secretary Jones:

That is a challenge. We’ve seen from what’s going on in Ukraine that you run through stockpiles pretty quickly and so the ability to increase our production. Again, the lower cost and mass applies to this area as well.

So that’s one of the areas that we are looking to see the industrial base help us with that. Of course, the ’24 budget had some multiyear procurements that are currently in jeopardy. We’re hoping, again, that with appropriation that we’ll be able to move forward on those and have that more consistent message to the industrial base about these are the areas that we want you to invest in.

But, Rick do you want to –

Lt. Gen. Moore:

So I’d just put a little bit finer point on what you said. You know, we seem to be loath to facilitate surge capacity. The munitions industry is a great example. When Ukraine kicked off and we went back to the munitions industry and said, hey, we’d like you to surge they said, yeah, four years, maybe three.

They’ve done exactly what we asked. They got really, really lean and really, really efficient but there was no capacity to surge. And so it would seem to us that it make sense that we should be willing to invest in surge capacity that we may not intend to fully procure from. But if we don’t build it now it
won't be there when the time comes that we need it and it seems to us that that's a pretty good investment.

I think the Air Force is maybe on a little bit of an island there. That doesn't seem to play well outside the Air Force. But it seems like a pathway to us that could be kind of straight up the middle considering budgetary pressures but also the need to move rapidly into surge mode in the event that crisis turns to conflict.

Ms. Bingen: Well, and we at CSIS have done some important work in that area. Our colleague Mark Cancian has done a wargame looking at the China-Taiwan scenario where you run out of schlitz, basically, within the first two weeks. Seth Jones has done an important report on empty bins that highlight some of the same issues.

But to your point, time matters. You can't just flip industrial capacity on a dime. It does take a couple of years to get that facilitization and capacity in place.

Lt. Gen. Moore: Yeah. If you haven't done that before it won't be ready when you need it.

Ms. Bingen: Yeah. That's a great point.

Let me shift to a couple more audience questions here. I want to go back to international here.

Sangmin Lee at Radio Free Asia asks: In dealing with the North Korea threat what is the Air Force priority? How are you thinking about it? How does the Air Force conduct regular exercises between the U.S., South Korea, and Japan?

Can we talk a little about North Korea?

Lt. Gen. Moore: So happy to do that. So I don't mean to mince words but the Air Force doesn't have priorities against North Korea. U.S. Pacific Command does, and so all of the service's efforts come together orchestrated by U.S. Pacific Command to make sure that the United States responds to North Korea, not the Air Force.

And I'm not trying to duck the question or get out from under anything but what we do is support the combatant commander's goals, and Admiral Aquilino has very specific ideas about how we should interact with and against North Korea, how we should interact with South Korea, and to what end, what messages we want to communicate, and we support that with Air Force forces.
Ms. Bingen: OK. Let me hit two more questions here.

So Brian Everstine at Aviation Week asks about: Current major acquisition programs have not met their delivery timelines. KC-46 and the F-35 are examples of this. What is the near-term impact of these delays and how can the Air Force expect future programs to deliver on some of these aggressive timelines that have been set?

Lt. Gen. Moore: Yeah. So there’s definitely an impact on the warfighter and, you know, we continue to work with the suppliers, especially KC-46 and F-35. Those are great examples. We continue to work with the suppliers. They’re working very well with us to get to the aircraft that we need and to get them on a schedule and a budget that we can all agree on.

I think, you know, we all like to think that COVID is behind us and that’s a thing of the past but the fact of the matter is workforce, supply chain, and inflation remain very powerful influences on – both on us and on our suppliers and our suppliers’ suppliers and so on and we just – we have to all work through that together.

And I think we have a good track record with the primes of doing that and we’ll continue from the government perspective to hold the primes accountable and they will continue to do everything that they can to meet the schedules and the cost and the performance that they’ve agreed to.

Secretary Jones: And I think a few things that we can continue to do are – on our side are risk reduction efforts, some of the things like Rick talked about, not being so prescriptive on requirements early on and learning during that process and our choice of the contracting vehicles. The cost plus B-21 is moving forward well.

Sometimes when we go to firm fixed-price vehicles our vendors tend to make choices in order to win the award that don’t turn out to be the right things in the long run, and so as we learn from those experiences how can we use that to shape our acquisition strategies for the future.

Ms. Bingen: You know, that reminds me. So there were some really important things covered in the defense bills this year that I don’t know that we’ve talked about enough. In the ’24 National Defense Authorization Act they authorized Secretary Kendall’s request for I guess I’ll say quick start acquisition authority so this authority to allow DOD to start some new program development maybe in lieu of a formal new start.

You had the House Appropriations Committee, and I know they’re not – their work isn’t done yet but they included a provision on a hedge portfolio
of funds. How would the Air Force look at these two – this new authority and this potential hedge fund?

Secretary Jones: Yeah, I’ll start with the quick start. I’ve had a number of conversations with the secretary about this, and as we talked about with the operational imperatives there was fantastic analysis done a couple of years ago that we’re still waiting to be able to execute those dollars. Even without a CR we would have been waiting a long time.

And so those are the types of things that we’re looking for. As we see a new capability how do we move into getting that funded, at least the initial effort, so that then we can program for it and continue a program of record.

So there are a couple of areas that are in discussion now. Maybe by AFA we’ll be able to announce the particular areas. But it’s really – it’s not a hedge against a CR. It’s really being able to use that time from an idea is identified, we believe it supports a particular capability, we want to move forward, but our lengthy budgeting processes are holding us up and so being able to use that time more effectively.

Lt. Gen. Moore: Absolutely. CR or not from the start of a budgeting cycle until the finish of the completion of execution is about 1,200 days – do we think that’s sufficient to keep pace with a rapidly cycling peer adversary.

Ms. Bingen: I’m going to end on a question here from Michael Darrah. He is a CSIS military fellow. We are very fortunate to have just a superb group of military fellows here including Air Force fellows.

And I’m going to preface this by saying, you know, the one thing that is always correct is that we get something wrong. You know we get the – you know, we get the threat wrong.

So he asks: Given that it currently takes a decade or more to reorient the force towards a new threat, from the end of the Cold War to counterinsurgency to China, what is the risk that we overspecialize in the Pacific at the cost of readiness for an as yet unknown future threat.

Secretary Jones: In my opinion the reason that we’re focusing on China so much is because they are the pacing challenge. They have the most advanced capabilities and are showing the focus on being able to counter our capabilities.

And so it’s not that we don’t believe our Airmen and Guardians will be used to support other theaters of operation. We’re seeing today that we’re supporting multiple right now with the efforts in the Middle East and support to Ukraine and other things that we’re doing without direct involvement in all of those.
But if we focus on the most difficult situation then we’re likely to be able to address any emerging threat that comes along. So we’ll continue to look at our intelligence and understand the threat environment throughout the world and focus on what’s going to be the most challenging for us to deal with.

Lt. Gen. Moore: And the alternative is to focus on something other than the most challenging threat and fail to build towards the most challenging threat if that threat becomes – if crisis turns to conflict, now what?

Mr. Daniels: Well, I’m conscious of both of your schedules and time.

Let’s thank Secretary Jones and General Moore for a great conversation tonight. (Applause.)

(END.)