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SENATE APPROPRIATIONS COMMITTEE
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UNITED STATES SENATE

PRESENTATION TO THE
SENATE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE
UNITED STATES SENATE

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SUBJECT: United States Air Force Acquisition

STATEMENT OF:

Hon. Andrew P. Hunter
Assistant Secretary of the Air Force
(Acquisition, Technology & Logistics)

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INTRODUCTION

Chairman Tester, Ranking Member Collins, and distinguished members of the subcommittee, thank you for having us here today to provide testimony on The United States Air Force acquisition programs.

The Department of the Air Force (DAF) is critical to our national defense. Our capabilities underwrite the capabilities of the entire of the joint force, and we are uniquely suited to provide this cornerstone of the Nation's defense. We have made significant progress in identifying the capabilities the DAF will need to develop and field to prevail against our adversaries. However, the DAF is facing a significant, dangerous shift in the strategic security environment. The DAF has historically adapted to key inflection points to best compete in emerging security landscapes.

Although we are still the strongest Air Force in the world, deterrence and operational success are at risk and as Secretary Kendall has repeatedly emphasized, we are out of time. The People's Republic of China (PRC) remains our most formidable strategic competitor and while conflict with the PRC is neither desirable, inevitable, or imminent the DAF is moving expeditiously to ensure we're ready to deter, and, if required, prevail in conflict.

CURRENT ACQUISITION LANDSCAPE

Over the last two years, the DAF focused on establishing the modernization programs needed to maintain conventional superiority. In Fiscal Year (FY) 2024 our seven Operational Imperatives and three Cross-Cutting Enablers will produce new investments and programs. The DAF's FY25 President's Budget (PB) reflects our commitment to developing a threat-informed, concept-driven future Air Force but our resources have been limited by the 2023 Fiscal Responsibility Act (FRA). The FRA spending caps force difficult tradeoffs as the DAF strives to produce next-generational capabilities, sustain existing platforms, and ensure that our workforce is prepared to meet the pacing challenge posed by the PRC.

The COVID-19 Pandemic put a spotlight on shortfalls within the Air Force acquisition ecosystem that showed a lack of resiliency in our supply chains and dependence on diminishing manufacturing sources and materiel shortages. The recently released National Defense Industrial Strategy reflects our understanding of the state of the Defense Industrial Base (DIB) and provides a coordinated approach to our priorities. Led by the Office of the Under Secretary of

Defense for Acquisition and Sustainment, DAF programs continue working with their Industry partners in making tremendous strides to recover and improve DIB capacity in the years since.

The DAF continues to face an increasingly competitive labor market. Our DAF acquisition workforce is essential to our mission and we are working to recruit, develop, and retain the critical skills and experience needed across the enterprise. For 25 years, the DoD Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) has provided an inherently flexible pay and personnel management system enhancing the quality, management, and professionalism of the acquisition workforce.

The DAF also appreciates Congressional support in enactment of the "Quick Start" authority in Section 229 of the FY24 NDAA. The authority has already been a vital tool in helping the DAF accelerate its efforts in Moving Target Indication (MTI) at Scale and Resilient GPS. In particular, MTI was an outgrowth of our Operational Imperatives analysis and Quick Start allows us to perform activities that are necessary to our overall approach towards battle management. We look forward to updating the Congress about our progress on both MTI and Resilient GPS.

Finally, the DAF is working closely with DoD to evaluate the recommendations of the Planning, Programming, Budgeting, and Execution (PPBE) Reform Commission. The ability to implement change at the scale and speed the DoD requires is key to overcoming our pacing threat. Transitioning from the 1960's PPBE process to the defense resourcing system process is an enormous opportunity to revisit the need for flexibility on new starts and programs transitioning between milestones in order to foster innovation and adaptability and oversight. We look forward to collaborating with Congress, DoD, the Office of Management and Budget, and other stakeholders to undertake the single most important defense resourcing reform for our generation: a return to predictable and routine resourcing to ensure the federal government can meet the nation's national security needs.

APPROACHES AND ORGANIZATIONS FOR GREAT POWER COMPETITION

The Secretary of the Air Force has made clear we are out of time and must reoptimize now. To achieve a more competitive posture, the DAF is implementing changes centered on how we develop people, generate readiness, project power, and develop integrated capabilities. The Operational Imperatives work highlighted the challenges of integration and the importance

of tight partnerships between the operational and acquisition communities. Reoptimizing the DAF for GPC increases mission readiness by eliminating stovepipes to deliver cross-functional and lethal combat capabilities with the speed and agility required to meet challenges now and for the foreseeable future. We are shifting focus from platforms operating individually to mission threads and what capabilities are required to close those threads reliably, consistently, over time, in a resilient fashion. This requires us to work across our stovepipes and integrate in ways that are often stymied within our existing organizational structure. We are adapting acquisition approaches and our capability development organizational structure to meet the challenges of Great Power Competition including accelerating fielding of technology through better integration and adaptation of internal and external S&T.

Cross-Portfolio Integration (Horizontal Integration)

Driving cross-portfolio mission systems integration and capability development reprioritizes "platform-centric" kill chains to integrated, mission-focused “system-of-systems” kill webs. This underscores the importance of adopting common open architectures and cross-platform integration from the outset, enabling greater flexibility, agility, and rapid system upgrades at the speed of software coding.

We must work across stovepipes to horizontally integrate capabilities from the air fleet with our space capabilities and onto ground capabilities in operationally meaningful ways. The establishment of the Program Executive Officer for Command, Control, Communications and Battle Management (PEO/C3BM) was a pathfinder for horizontal integration. PEO/C3BM’s work on DAF BATTLE NETWORK spans many programs within the DAF and delivers a critical capability for kill chain in future conflicts and combines interoperability at the Joint Level with the flexibility for service needs.

Capability Development Pipelines (Vertical Integration)

The Skyborg effort is a prime example of how to build development pipelines that result in warfighting capability in the least time possible, through accelerated vertical integration. Skyborg, which was a major Air Force Research Laboratory (AFRL) science and technology Vanguard, was not originally connected to a specific program of record. When development showed promise, it was essentially turned into a program of record as the foundation for a collaborative combat aircraft (CCA), which we are now accelerating rapidly into production.

Next Generation Acquisition Approach

The DAF has already recognized many of the challenges laid out in the NDIS, Operational Imperatives, and GPC. These challenges stem from the need for the DAF and the joint forces to be positioned to respond to the pacing challenge both in the near- and long-term. While Reoptimizing for Great Power Competition provides us with the organizational structure to rapidly deliver capabilities to the warfighter over time, taking a next-gen approach to acquisition ensures that we have a framework to build a responsive and resilient industrial base capable of providing us the best capabilities. Traditional acquisition practices organize capability delivery around platforms and have often led to a "winner-take-all" approach with a single prime contractor who essentially controls the development and sustainment of a platform for decades. Subsequently, this has resulted in worse acquisition outcomes, such as: less flexibility in contract negotiations; challenges with data rights, integration of emerging capabilities, and sustainment; and a diminished industrial base.

In contrast, a next-gen approach builds upon a foundation of government expertise, technical architectures that enable open systems, and constant injection of new technologies. It ensures that there is continuous competition throughout the lifecycle of a program, to allow the DAF to take advantage of new advances in technology through incremental development while lowering the barriers to entry for companies, including nontraditional companies. For example, Collaborative Combat Aircraft (CCA) was a Pathfinder for Our Next-Gen Acq Approach that will allow the DAF to ensure both affordable mass and delivery of capabilities quickly, and at scale. It leveraged the existence of two government reference architectures (GRA), AMS GRA and A-GRA, the Air Force's Agile Development office, and preexisting prototypes. In Increment 1, the DAF established vendor pools that allowed the DAF to work with multiple vendors in the design process before deciding to proceed with two vendors. Vendors not awarded an option for CCA Inc 1 design, build and test of production representative test articles remain eligible to compete for CCA Inc 1 production and future CCA increments. The DAF plans to make a competitive CCA Inc 1 production decision in FY26. All current (more than 20), and potential future, industry partners in the CCA vendor pool will compete for the CCA Inc 2 concept refinement activities. The DAF is also exploring opportunities for international participation in future increments. Using the next-gen approach allows the DAF the agility to respond to near-term operational needs while building a long-term, affordable force structure.

A successful next-gen approach requires the DAF to continue to implement digital acquisition approaches and enterprise digital tools through digital materiel management, GRA, and a workforce ready to rethink how we acquire programs and engage industry. From efforts like the Digital Acquisition Task Force to the development of GRAs, we will continue to engage in constant and consistent communication with industry so that we all benefit from the strengths that the government and industry each bring to the table. Traditional acquisition approaches will always have a place in our acquisition system, but just as the threat has evolved, it is also time for us to revisit what has worked and where there is opportunity for improvement.

GPC Organizational Changes

The capability development-related GPC organizational changes we are making at the Secretariat and Air Force Materiel Command (AFMC) institutionalize the lessons learned through the Operational Imperatives by establishing offices and Program Executive Offices (PEO) that will drive integration across the Service.

Integrated Development Office (IDO)

AFMC's IDO will support early integrated capability development planning and ensure requirements development is informed by technological opportunity and risk. As requirements are defined, the IDO will work with the Systems Centers, Air Force Research Laboratory (AFRL), and AFWERX, to ensure continuous pipelines of competitive technology development, and with the Program Executive Officers, or PEOs, to structure execution-ready Programs-of-Record for transition to, and management by, the PEOs and Program Offices within the AFMC Systems Centers. The IDO will work in close cooperation with operators to define and implement early systems acquisition prototyping, experimentation, and mission engineering; execute enterprise-focused and integrated early systems engineering and systems acquisition; and apply the technical architectures developed and managed by the three Systems Centers.

Air Force Information Dominance Systems Center (AFIDSC)

This new Center will consolidate and increase focus on information dominance capabilities: Command, Control, Communications, and Battle Management; Cyber; Electronic Warfare; Business and Enterprise Systems; and Enterprise Digital Infrastructure. Establishment of the Center will follow traditional Air Force processes. There will be minimal impact to the Program Offices designated to become part of this Center, as personnel are expected to re-align in place.

Air Force Air Dominance Systems Center (AFADSC)

Air Force Life Cycle Management Center will be re-designated as the Air Force Air Dominance Systems Center, reflecting the portfolio focus on aircraft, conventional weapons, and associated systems, with an elevated emphasis on readiness through enterprise product support. The Center's headquarters will remain where it is and there will be minimal impact to personnel.

Air Force Nuclear Systems Center (AFNSC)

The Air Force Nuclear Weapons Center will become the Air Force Nuclear Systems Center, focused on the foundational strategic deterrent role of the nuclear mission and importance of nuclear modernization and integration. The biggest change is the creation of the new PEO ICBM to manage the modernization and transition of the land leg of the nuclear triad. In addition, we will strengthen the nuclear material management role of the Center to enable true integration and more effective sustainment of the nuclear enterprise. The Center's headquarters will remain where it is, with minimal impact to personnel.

The other four AFMC Centers – Air Force Research Laboratory, Air Force Test Center, Air Force Sustainment Center, and Air Force Installation and Mission Support Center – remain largely unchanged in structure and mission but will adjust as needed to meet stakeholder needs as other organizations in AFMC and the DAF reorganize and refocus around GPC requirements.

As we implement GPC, we will work closely with our operators and the communities in which we reside in order to achieve the level of integration and collaboration necessary for the counter the pacing challenge.

CONCLUSION

Thank you again for the opportunity to testify. We look forward to working with this subcommittee to ensure the Department of the Air Force maintains the necessary military advantage to secure our vital national interests and support our allies and partners in Fiscal Year 2025 and beyond.