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**SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT, GOVERNMENT
INFORMATION, FEDERAL SERVICES, AND INTERNATIONAL SECURITY**

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

**HEARING: "The Cost Effectiveness of Procuring Weapon Systems in Excess of
Requirements: Can We Afford More C-17s?"**

Opening Statement of Senator Thomas R. Carper, Chairman

"Three years ago, this subcommittee held a hearing on strategic airlift that analyzed the cost effectiveness of the C-5 modernization program. Two years ago, we investigated the growing cost overruns of the Department of Defense's (DOD) major weapon systems.

"Last year, Secretary Gates recommended eliminating a handful of expensive weapon systems in order to save taxpayer dollars. Congress largely agreed and cut nearly every one of them.

"Last month, Secretary Gates announced that the Pentagon will attempt to cut its budget by more than \$100 billion over the next five years.

"This will be no easy task, but this subcommittee will continue to identify ways to help Secretary Gates and his team achieve this savings. We must do so because we face a troubling budget outlook. Our yearly budget deficits are currently over \$1 trillion and are projected to be hundreds of billions of dollars over the next few years.

"Our spending levels are at record highs and our revenue levels are near historic lows as a percentage of GDP. To compound matters, we owe our top competitors abroad hundreds of billions of dollars. If we do not control spending, increase revenue and begin to close our deficits, we will pass on a legacy of crippling debt to our children.

"This hearing will analyze potentially unnecessary spending by once again looking at strategic airlift. This hearing will ask, what happens when we buy more weapons systems than the Pentagon says we need? Specifically, this subcommittee will ask our panelists what happens if we buy more C-17s, even though recent airlift studies have stated that our strategic airlift capability exceeds our demand.

"Let me quickly set the scene for this topic. Our strategic airlift fleet consists of 111 C-5s and 223 C-17s.

“At Dover Air Force Base in Delaware, you’ll find both C-5s and C-17s. The C-17 is an exceptional aircraft that can transport cargo from our shores to austere runways across the world. It is the backbone of our strategic airlift fleet.

“As good as the C-17 has been, though, it cannot do everything, which is why we have 111 C-5s and a host of C-130’s. A C-5 carries more and flies farther than a C-17, but it cannot land on austere runways and also has suffered from lower reliability rates over the years.

“To correct these reliability problems, the Air Force and Congress implemented a modernization program several years ago to raise the mission capable rates of the C-5 from the 50-60 percent range to above 75 percent.

“All three of the fully modernized C-5s – two C-5B’s and one C-5A -- are currently assigned to the Dover Air Force base and, so far, they are performing up to expectations, and in some cases exceeding them. In fact, one of the C-5M’s broke 41 airlift world records last September. Moreover, during flights in support of the Afghanistan surge, two of the modernized C-5s at Dover boasted mission capable rates of over 85 percent. I anticipate that the C-17 will continue to play a leading role in airlift for years to come, and I also expect that fully modernized C-5s will be a worthy compliment to our C-17 fleet.

“However, while an even more robust fleet of C-5Ms and C-17s would ensure that we would never have to worry about strategic airlift, our current budget problems force us to confront tough decisions about how many more aircraft we should buy. This starts by looking at how many more C-17s we can afford and whether it is cost effective to keep buying them.

“The last time the Air Force requested C-17s was in Fiscal Year 2007. However, since then Congress has purchased 43 additional unrequested C-17s. If this trend continues, then we should expect that Congress will soon be confronted with the choice of whether to buy more C-17s or to end production.

“Much has changed over the past year that will help to inform our decision. Earlier this year, for example, the Pentagon released its Mobility Capabilities and Requirements Study 2016, which determines our airlift demand and assesses the adequacy of our current fleet. As a result of this study’s conclusions, Secretary Gates has recommended that the President veto any spending bill that includes funding for more C-17s.

“In this hearing, we will explore how to manage a cost effective strategic airlift fleet. We will look at whether it is cost effective to increase our fleet by buying more C-17s. Finally, we will determine if there is a business case for increasing airlift capabilities further beyond our airlift demand.”

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