

"ACC Requirements"

**Major General Steve Kwast
Brigadier General Pete Gersten**

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Major General Kwast: All right. You notice we have two people up on stage, so first of all, thank you for taking time to be here. I am Major General Steven Kwast, Director of Requirements for the CAF in ACC and Brigadier General Pete Gersten ACC A5, Plans, Programs and Strategy.

First of all we want to on behalf of General Hostage thank you all for being here and especially thank AFA and industry for the kindness and generosity that goes into this. And to the people I see in this audience, dear friends -- General Lowe, General Hobbins, some other distinguished guests. Everyone in this room I could go through and point to and there's a history there. There's a relationship there, and there's a gratitude that's very deep.

But there's a reason Guns and I are on the stage together. It's because we are going to try and do something creative and innovative, which is dangerous. It's kind of like saying hey, hold my beer and watch this. Okay? We're going to try to make sure it's not one of those moments. But we're going to do something to try to get after an opportunity. And there is a tremendous opportunity. People in this room right here. We are part of a generation that has an opportunity that is unique to Airmen, and like with most opportunities it is born out of crisis, a problem, or better said, a challenge. Put simply, that challenge is for the last 11 years we have been rushing capability to the joint fight to win this counter-insurgency and this war on those that hate America and will strike at her from nebulous places around the globe in a way that has left us with an architecture and a constellation that is cobbled together in many ways, it is inefficient, it is costly. The sustainment bill is enormous. And it is designed for a permissive environment.

Coupled with that reality we have a new strategy that asks us to dominate in a contested environment. We aren't going to have enough money to do both because we have a global crisis that has economic realities that will hit us hard. How hard? You've heard all kinds of people this week talk about it so I won't go there. It doesn't really matter. Because the muscles of intellect and creativity we need to apply at this juncture of opportunity are the same. No matter how big the magnitude of financial reality is that we face.

Now one of the dynamics you've watched in this fiscal crisis is that there is something new under the sun. I know that goes against every tenet we've ever learned, there is nothing new under the sun. But there is. The interdependence of our global economy and our independent economies that are the heartbeat of our national security are intertwined in a way they never have been before. Yet our international affairs, our national security structures and the way we deal with the theology of getting along with other cultures in this globe have not adjusted to this new reality. Part of this problem that is the phoenix of this opportunity we face right now is the fact that we are not structured properly for this new world either. We still bring capability to bear like we did in the B-17 days where we bring capability up and then we throw it on the battle space and expect it to work together. But we aren't doing that anymore. We are integrated. Our major dominance over the enemy is the inter-domain integration that we have with other services, with other nations, with interagency, yet we still acquire, require and bring to bear things in a stove pipe mentality. We suffer from it in uniform, you suffer from it in industry, and we've got to break that paradigm if we're going to take advantage of this opportunity.

So here's what I need from you.

Next slide.

These fields of corn -- just to remind you what we're fighting for. Okay? That's what we're fighting for. We're fighting for the heart of America here and this is serious business. So we may poke fun at this but this is our time to grab hold of an opportunity and that's what we're fighting for.

The reason I put this picture up is because I want to remind you that just as I told you there's nothing new under the sun, and then there is something new under the sun. Well, people have dealt with this problem set -- something new, something different, a problem, and they have shown us the way. Our forefathers have shown us the way. When you take a look at what Arnold (Gen. Henry 'Hap' Arnold) did with Congress, with industry leaders, with the President and senior leaders, senior political leaders of our executive branch, you will find a model that we can follow and this conference, this convention, is the foundation of that relationship. The relationship of trust between stakeholders in this precious symbiotic relationship where industry puts America to work defending the nation, and that everybody wins if we all let go of our sense of control and we collaborate and we trust one another to do the right thing and to make sure that America gets a bang for the buck.

So for me there are two problem sets. One is a short term strategy we need to get through these tough years, and then a long term strategy.

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Short term strategy is embodied by this picture. We need to be creative. Taking what we have today and using it in new and innovative ways to put together a capability that keeps us one step ahead of the enemy. And we're behind right now in that regard. And we aren't going to see the money to create that in the timeframe we're going to need it. So take a close look at this picture with the Navy and the Air Force. And what you don't see behind the scenes of this picture is the Army and the Marine Corps, all part of an innovative way of finding a solution that works. But it means opening up our aperture of creativity on policies and domains that may have been off-limits before. It may require us to open up our aperture of creativity on how much risk we're taking.

Look at this, we drive risk to almost zero as our Airmen go into harm's way. It wasn't so in the days when your life expectancy as a B-17 pilot in England was 21 days. We forget so quickly the courage and the risk that our nation bears in a crisis. We need to think about this.

But today I don't want to have you leave with just lofty ideas. I want something practical. That's what we're going to do is talk to you a little bit about what we're going to do inside ACC to posture ourselves for this precious opportunity to see whether our generation can actually do something about it or not. So like any fighter, when I'm going into a fight I make sure I bring my best gun. So General Hostage has made sure I brought his best gun, -- Guns Gersten. You've got it.

Brigadier General Gersten: Thank you, General Kwast. I want to echo his comments about old friends and new friends we've seen in the group right here. It's an honor to be on the stage with you, obviously, and presenting kind of a new look at some old business.

I would also tell you that I'm standing in front of you as a programmer, so I'm almost certain that General Kwast brought me here because I will be the black hat in this game and he'll be the white hat. But we're trying to get away from that paradigm. We are focused hard on the way we reformat the ACC, Air Combat Command, to presenting new solutions to old problems, and old solutions to new problems.

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It's clear in my mind there's nothing I'm going to tell anybody in this room that you haven't heard before as far as the process, the processes. I also know that we run the risk at ACC to be pushed into a category of okay, change is the illusion of progress. We're simply changing to give the illusion of progress.

I want to hopefully address these topics with you and get you an idea of what not really the process being we need, but the focus in the process is where we're putting our efforts.

As we look at the scenario that we're changing from a programmatic point of view, we know we've been across the scale, the MAJCOM funding to CFE funding to CFMPs. The way we are reorganizing inside of ACC is completely agnostic of the processes that are historic in this way. We are going to format the organization based on the requirement to produce the most agile, open communications, trusted relationships we can up to the limits of the law to give the COMACC a voice to present solutions to problems that are challenging us.

As General Kwast mentioned, it's a complex and rapidly changing global environment. It's challenging for our historic processes that we currently have to keep pace with and be relevant to the new challenges we face. This scenario combined with the formidable challenges of a physical environment have really driven us to a point in time where we must relook at the way we're doing business, at least look at the focus of the way we do business. Like I stated before, there could be new ways of doing old problems; or it might possibly be an old way of presenting a new problem. Truly I'm agnostic. The focus is what's important and that's what General Kwast is eluding to when he talks about trusted relationships and teamwork.

Our foundational approach in that trust department is all about being rapidly adaptable. I know in every one of your eyes as an industrial partner there's really one question. Let's just get to it. The question probably in most of your minds is simply this. In a time of declining budgets how do we as an Air Force and you as our industrial partners become more effective and more efficient, all the while maintaining the current fight and then changing our fight to address the spectrum of the major military options that we have to focus to. We have to continue to fight where we're fighting now, yet adapt to it. That's a formidable challenge. Continue to do what you're doing. Adjust to a new strategy. You have less people, less money. How are you going to do it, guys? Well I would contend to you it's going to be like going back to the basics of how we do business. Just like in the picture you see before you and the picture before that,

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there's a need for trusted relationships and long-term relationships and trust to build these relationships.

There's not enough budget to go around, clearly. As you heard General Dempsey talk this morning, 80 percent of our DoD budget is called for. All the way through the FYDP, probably beyond. At least 20 percent. I would tell you that 20 percent is at high risk of being taken due to sequestration and follow-on demands.

We have to be very clear about what our strategic situation is. Leveraging through open communication and trusted relationships, commercial and military best practices to drive down cost and risk and to decrease the acquisition time which I'm sure you've all heard before is where we need to go. This along with open architecture, modularity, and the foundational components of any system for future growth. We can no longer afford to be building systems that are one and unique. We had an opportunity to do that probably ten years ago, we no longer have it. They have to be built upon each other and be co-adaptable across the spectrum of warfare.

We do encourage our industrial partners to bring forward better, faster, more effective and efficient ways of doing desired effects, and then we as an Air Force need to advocate and hold fast to stop throwing these ideas away for other than reasons besides the actual effect they dealt. We all know where we're going with that.

From a requirements and programming point of view we seek the very thing that your industrial leaders seek. In these turbulent times we simply seek stability and predictability. We at ACC see this foundational approach in many ways. We talked about those, and we certainly don't have a corner on ideas. It's about building long-term relationships with our industrial partners, encouraging open and honest and truthful communication back and forth in the limits of the law as we all understand it exists, honoring cost contracts over time, producing quality products on schedule, and continuing a modular and adaptable approach to the future.

More for the money simply means trusted teamwork. A foundational approach. Like I stated before, I am not interested in really what process we get to in the reorganization as it stands. It's got to be built in a trusted teamwork and open communication between our industrial partners and where our future lies.

This will take time to develop. I will be moved on. General Kwast will be moved on. We understand that. But our

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message will be the same as we continue in the Air Force and hopefully this message will resonate through the rest of the corporate Air Force and through your industrial leaders.

It's General Kwast's job as the 8 to basically establish and introduce those relationships to me. It's my job as the lead programmer for ACC to continue to develop and foster such relationships.

Thank you, sir.

Major General Kwast: Thank you. So what does this mean? We talked about a short term strategy.

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As the requirer, let me tell you what our long term strategy needs to include. I want to leave you with something where you can actually say this is where we're going, and you'll see that there's a catch in this, so let's see if you can find it in my comments.

What we need is within our own structure to make congruent that sense of doctrine, strategy, plans, programming, requirements, all the way through the POM and execution. What we really do is we make sure we provide our political leaders options. So there is a colonel in this room somewhere who will be a future Chairman of the Joint Chiefs of Staff. We need to make sure that that Chairman can answer the following question in the affirmative. When the President says, someday in the future, I need to reach out and hold at risk that, and the adversary has taken away all cyber, all space, all communications, all GPS, that future Chairman can turn to the President and say, no problem. We've been thinking about that. It is this generation in this room that's started down that path.

What can you expect from us? You can expect from this team that we are going to put into structure and process these principles to galvanize a deeper relationship with you so that when we do move on it's not just words and it's not just positive personalities, it is inculcated into the culture and the paradigms of the people in those organizational structures.

You can expect us to be open and transparent and take personal risk to make sure you have the information you need to move forward and to wisely invest your money and the collaboration between industries to bring the very best that America has to offer to the battlespace. And we will give you boundaries that belong to us and to you so that the proprietary reality, our free market society does not become a victim of this

trusted relationship. That you can still put America to work and that there is a fair and equitable balance in the way that your creative ideas are rewarded, but that we can also work together to make sure the American people get the best bang for the buck and they are getting a good deal.

What do I need from you? I need you to build me a future where when the President does ask that question in 2020, 2030, it doesn't matter. You pick the year. That you can get anywhere in the globe in hours, not days; that you can loiter as long as you need with impunity no matter what the environment; and that you can track and see and hear the enemy and each other such that you understand the environment and you can kill anything at the time of your choosing.

Did you catch the flaw? As you fall out of your chair laughing at the overreach of that kind of statement I want to remind you of something that those partners I see from other countries that are standing behind you and in the audience know better than we do, never underestimate the ingenuity and creativity of the American people. Not just the American Airmen. We talk about the Airmen being creative, but we are not historically good in the Department of Defense at raising and growing creative people. We tend to be conservative. We tend to be averse to risk to some degree because we can't afford to lose.

The real creative genius of Americans always lie in scientists and engineers and industry of this nation. Unleashing that is key.

I'm reminded of this with regard to our colleagues from other nations in a conversation that happened about a year and a half ago with Admiral Mullen and General Makarov, the CHOD over there in Russia, Chief of Defense. Admiral Mullen was trying to explain to him why the European Phased Adaptive Approach was not going to be a threat. SM3s Phase one through four was not going to be a threat to his nuclear deterrence, both now and in the future. The translation kept coming back, we don't believe Admiral Mullen was showing them the facts. It was plain, the facts were clear. There was no way, physically impossible. We don't believe it. We need legal guarantees. After about a five minute frantic conversation in Russian between General Makarov and his team, Lonnie Cass who was in the room finally unlocked the window of what was going on. The problem was not that Makarov didn't believe what he was being told. The problem was that in the late '50s Russia did something funny. They launched into space a little thing called Sputnik and they and the rest of the world watched as America went nuts and put a man on the moon ten years later. They recognized something in Americans that is our true dominant advantage that we must take advantage of or we

will be lost. That is when young men and women grow up as free thinkers, where there is no limit to what they can do, you have adults, regardless of their education -- it can be good, it can be bad, it doesn't matter. When they grow up as free thinkers they can do anything, and they can go where no one has ever gone before in a way that is profound. When Americans get mad, when Americans get motivated they can create, innovate and creatively find themselves any solution and that is what Makarov feared. He said next administration, next problem set, and those SM3 missiles overnight can be turned into something that does threaten our nuclear deterrence and we cannot go down this path until we have legal guarantees on the end state because America is capable of anything, and he's damn right. And we need to recognize that.

So I'm asking of you, industry, unlock your most creative geniuses after this problem set, no matter how high-minded or far-sighted it might sound. Because they only really solve the problems you tell them to go chase after. But sometimes you need to open up the aperture of who's chasing after a problem this broad and let them go where they want and see what comes of it. Our Secretary, our Chief, our Chairman, and our President believe in that. We are the ones that have to execute it though.

So this brings me to something Chairman Dempsey said last fall when he first took charge, and I want to remind us all of it, it's important. It is the people in this room that are going to fix this or fail. If we don't strap this on, nobody will. Our senior leaders are busy and they need people with the time to think, to create, and to build the relationships of trust -- the fabric of our future. To bring solutions to the table. They don't have the time to make the solution, but we do and we better get after it.

Here was the warning. As we see this new strategy rebalancing our globe, let's make damn sure it is not turning into an arms race because we keep doing things the way we've done them since we started. All of us have grown up in the paradigm where with the Soviet Union through deterrence properly applied, created a behavior that everybody was more responsible. With an economy as strong as the U.S. we can outbuild and outspend anybody. It worked. We need to be very careful that we don't start applying old solutions to a paradigm that might be totally different. I would propose to you that it is totally different. That our friends in Asia think differently than our friends in Russia. And if we want to be a stabilizing force we can't go off and just start building capability because that's what worked before. We in this room need to keep our eyes on that strategy. Because if we just build capability and don't watch closely the strategy and the underpinning theology in that strategy based on

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the nature of our potential adversary, we will put the President in position either one, not having any options; or two, having applied a lever that does not bring him or her the intended results.

We are culpable in this room. Let's not make those mistakes. Let's watch our strategy. Let's understand the nature of our potential adversaries and let's evolve with our friends in Asia and Europe and the Far East instead of competing with, let's evolve with them because we understand them and we're building a structure of defense that is mindful of the strategy, that is underpinned on the theology by understanding who our neighbors are in this world. And if we don't keep our eye on that ball we are culpable for the failure of our future.

So I'll end where I began.

Next slide.

We are looking back 70 years at men and women behind the scenes who took the opportunity of a crisis to build relationships of trust, to build us the last 70 years of stability, prosperity, where America has been relatively dominant at protecting its citizens. Make it your covenant with your energy, your time, your studies, your collaboration and trust with the people in this room that someday someone will put up a picture of our Chairman and our political leadership and look back 70 years from now and say there was a generation that understood the problem and therefore understood the challenge and the opportunity. If there has ever been an opportunity that was custom made for Airmen, this is it. And we sit in this room. It's ours to lose, it's ours to gain, but it starts by thinking, it starts by trusting. I'm proud to be a teammate with you in that venture and along with Guns and I, I promise you we will be there for you and we will drop everything to make sure we give you what you need to deliver on this promise.

Again, our deep thanks, General Hostage's deep thanks for being here, for caring, for being great Americans, and being truly the wind beneath our wings where we go and defend America because of your creative genius, your ingenuity and your great American spirit that goes above and beyond at giving and not just trying to take.

Thank you very much. Let's go ahead and start with some questions please.

Question: Generals, Amy Butler with Aviation Week. I'd like to get a little bit more explanation on your thoughts about the trust issue, especially with the industrial partners. We

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heard this week from General Bogdan, on the situation with Lockheed Martin and the stakeholders in the Joint Strike Fighter program, the single largest acquisition program in the history of the Pentagon, is not so good. We've seen, I know this was in the MAF, not CAF, the relationship was very rocky with Boeing and the Air Force in the early years of trying to get the KC-46 out. There have been problems with Northrop Grumman on Global Hawk, for example.

So how do you move forward in a situation of trust given this backdrop of the past several years with your industrial partners?

Major General Kwast: That's an excellent question and a very complex question, so I have a very complicated answer for you, and that's in one word. Humility.

Question: On their part or your part. All around?

Major General Kwast: All round. Here is the next page.

Any difficult problem is going to have conflict. Any team is going to require conversations that are uncomfortable. You've heard General Dempsey talk about that this morning. But the rubber meets the road where we can come together and we have a trust relationship where I can speak what I consider to be the truth, knowing that our friendship can withstand the fact that I probably have it wrong. That you can come back to me and help me understand where I'm wrong. That I'm humble enough to listen and to change, just like we teach our children. My son this morning in school -- be humble, learn, you aren't always right. I'm not always right. Industry is not always right. This conversation is what makes America unique as well. Where we have a media, we have a Congress, we have American people, we have politicians, we have industry, we have DoD -- all have a view. They are all legitimate. In fact the man sitting next, right behind you there, is a man that taught me about this where you can be aggressive, you can be honest, and you have no fear. General Keys talked about it earlier with using General Hobbins as an example. This is about loyalty and about integrity.

I have to have the integrity to tell you how I see the world and have no fear about my job or about the fact that I might upset somebody. You've got to tell the truth.

The hard part is the wisdom of knowing when that should be in closed doors amongst sisters and brothers, or when it should be in public. But I'll tell you, the truth in the light of day is a healing thing. It is a cathartic thing. And sometimes it's needed to kick start a relationship so the American people are

not looking at a heap of rubbish in the future going, I thought we hired adults to do this work. And yet we squabble amongst each other until we fail. So humility to me is how I would answer that if my son were displaying behavior that required a little conflict. We can get through this conflict if we all look ourselves in the eye and have the humility to know we don't know everything, we aren't perfect, but if we listen and really are introspective and are humble deep in our soul, we can get there.

That doesn't mean you're passive. That doesn't mean you're not aggressive. It doesn't mean you stand up and you say your piece. It means you go forward with no fear, but you are kind, you are professional, you are humble, and when you make a mistake you're the first one to stand up and say I failed and I will be a better man next time.

Brigadier General Gersten: We can't be held down by some of the situations in our past. We've all been down this road. We've all been close to it. We have to put that behind us and continue on. The dynamics and the environment have changed. Let's not be held at risk by things that happened in the past. Let's have humility, press forward, acknowledge it, step up and move on.

Major General Kwast: By the way, just so you know. One of the reasons I brought Guns up is because when you have a sexy, handsome tall man on the stage everything goes better. So make sure you ask him some questions.

Question: As one of the short guys -- Colin Clark, AOL Defense.

You spoke a lot, sir, about overcoming obstacles, a lot of which with the Doolittle Raid were institutional. And that was an extraordinary circumstance where they were given freedom to go outside the rules.

You guys have enough rules to keep you going for the rest of history. How are you going to escape the DFARS, the [inaudible] requirements process and all the rest you have to cope with and make these things stick?

Major General Kwast: Excellent question. Again, my approach to that is again, going back to something simple and time tested. What I do is I make sure I work within the rules, but that my senior leaders understand the risk. So you're right. We are encumbered with a rule set that were all well-intended, but it is a force of nature. When you have the culture of people who are free and you start with a lot of freedom, that freedom becomes encumbered like calcium on a wound and all for good

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reason. To heal, to protect. And then it crushes you in the end.

So we will work within the rule sets and within our authority lanes, but we will make sure that we do not fall on the historical failure where senior leaders had a catastrophic failures and they turned around and said nobody told me what kind of risk I was taking.

This is why General Welsh talked yesterday about the fact that he's bringing his four stars together to talk about that risk, that readiness, those other things, so that we are painting a very clear picture of where we're at so our political masters understand the risk that's there.

The second part of this strategy is we use this time to prepare because oftentimes the only way you break that calcium off is a catastrophe, a catastrophic event of some kind. God forbid that ever happens, but if it does, shame on us if we have not done our thinking and are ready and that our political masters have thought through this already. They are ready for these branches and sequels that come with unexpected events.

So if there was one phrase to coin it, it would be that our primary job, if I had ten seconds to tell somebody my primary job in uniform, it is to prepare for the unexpected. That means making sure our bosses understand the risk we're taking today based on the world as we can understand it; the wisdom of knowing cause and effect relationships based on cultural differences and world paradigms that are shifting under our feet; and most importantly, that if those restrictions do get released, that we are ready to show the Congress, to show the American people, to show to our political masters a plan that is well thought out, rooted in our strategy, and ready to pull the trigger, and then we move out.

Now the beauty of this strategy is that good leaders listen to that risk conversation and they can break away some of that calcium for us. And this is where the relationship comes in handy. Sitting down with Congress and helping them understand, having them sit down with their constituents and help understand.

Now politics is what it is, and it's all local and it's a four year cycle, so we're never going to come out of that. But we can be ready. Yeah, a two year cycle. But we can be ready and that's what we're talking about here. Being ready. Doing what we can, like Doolittle did, and what he did is he took advantage of the opening of that window of policy because of an urgency and he was ready. We want to be ready for that unexpected event.

Brigadier General Gersten: To piggyback on that, you heard me say that dynamic global environments to include the fiscal realities that are phased into it. We seek the same thing you do -- predictability and stability. But don't let that allude to you that that drives pragmatic thought. You can have predictability and stability in our core programs, but you also hope to have flexibility in key programs.

So we're going to have to break away and keep that open mindset in place where events that occur much like this. Not everything has to be predictable and stable. You always have to have that open process that allows us to be flexible and react rapidly. That's the balance we seek. Communication and trust.

Question: At the risk of deviating to old programmatic think, there is one housekeeping issue I'd like to get your opinion on. Presidential candidate Mitt Romney has said that he is open to restarting the F-22 line. And as a programmer and a requirements guy, can you outline for us, is there a requirement for more F-22s? And even if there is or isn't, are there resources for it?

Major General Kwast: One of those excellent questions and those are questions that are part of the overall balance that has to happen in any of these conversations. You cannot just say this is it, that's it. It's based on the strategy. So it goes kind of back to my comments before. Our entire reason for restructuring within Air Combat Command is we start with our doctrine, then we move to our strategy, and from that strategy comes a plan. That plan has blended into it all the theoretical underpinnings, the postulates of that strategy. Then we start building the requirements and the programming to bring those requirements to fruition.

That has been a balanced portfolio to date. So if we go back and revisit the question you asked, we need to go back to the strategy. We need to reassess how our plans fold into the tapestry of capability.

But this gets to a very important point. This point is something worth thinking about when you talk about what is it we should do. For all of us to think about.

Every military advantage in our job jar of staying one step ahead of the enemy, every military advantage comes to the end of its road, but as it's on the road it's putting Americans to work, it's making America strong, it's making them safe. We have a hard time letting go of that.

Let's take a look at radar, for example. Radar was the end all and be all. It was our comparative advantage and it has been for years. But as we start finding ourselves spending \$10 billion to field capability that takes ten years to field, the enemy takes it away with \$10 million in ten days, we've got to start asking ourselves is that gravy train starting to reduce, or maybe there's a different way of thinking about it. A different way of using the physics to not be spending ourselves into oblivion.

The reason I bring that as an example up, is because your question about should we buy more F-22s, it is irresponsible to answer it directly because it's part of a tapestry and it goes back to the fact that our one dominant advantage over any adversary right now is our cross-domain integration with our coalition partners, our interagency partners and our services within the military. And that is a tapestry of capability that's important. And if we do something like you suggest, we say yeah, what's what we want, what will happen is we may develop and build and produce something that is dominant but as General Mattis likes to say, it's also irrelevant. The only way it's going to be relevant where the President actually has options, is if we tie it to the tapestry of strategy and that strategy comes from the White House. That's what we've done. So those core function master plans within the Air Force is the plan that is based on that strategy and we work hard to make sure that this tapestry is appropriate for the battles of the future, buying down risk and be ready for the unexpected.

I know I didn't answer your question directly, but it's because it would be irresponsible and it would really undercut what the American people need from us.

Brigadier General Gersten: I won't answer your question either. [Laughter].

If you follow through the strategy, this is where becoming a programmer is one of the simplest jobs I have. We're not [inaudible] together watching strategy, programmatics [inaudible]. On the way, the communication I have with the industrial partner and the costing along the way we can either continue to facilitate that discussion or get us to a point where it becomes untenable.

All along the way, you just don't get to the end and waste time getting there. Our [inaudible] systems are now [inaudible] and presenting up solutions and COAs for the future.

When it comes out of a decision if your requirement yields a revisit to any system at all, I will find the money for it, but I

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will also present for you what we're not going to do. There is no longer any trade space available. So if I come forward with a major system, I'm going to come forward with a bunch of subsystems to be taken down that we can no longer do. It is a one-for-one now, in and out, and that's why my job's become a little simpler.

Question: The elephant in the room, sequestration. How does that play into all of your stuff? I know that's an esoteric question, but --

Major General Kwast: It is, but I'll let Guns answer that one first.

Brigadier General Gersten: I'd like to answer the F-22 question. [Laughter]. The application of sequestration is largely unknown. We're certainly addressing it inside the programmatic look. We've done many drills to our program systems, looking at possible levels of what that is laid into, specifically the Air Force TOA. We have different COAs that we go down. It's going to have to be addressed at a multi-service level, whether it's proportionate or balanced across all services. The magnitude of it is yet to be determined. But suffice it to say, we are looking at it. We're looking at it with as fine a tooth comb as we possibly can because we have to have an answer in a very short period of time when it comes up. And it spans the spectrum of it, from nothing to a ten percent take of our TOA. That's a very, very pressing discussion. You put that briefing in front of senior leaders and they see what a ten percent take takes on top of the previous ten percent take, we are heavily challenged to execute the strategy as we talk about it.

But we have done the analysis and we have packages in place to address that.

Major General Kwast: I'll harken back to what General Dempsey said this morning. This is nothing new. Even when you - - If you take a look at sequestration, there are generations that sat in rooms like this back in the day that went through a much more catastrophic event than sequestration would be, even if it unfolded in the worst case scenario. And they lived through it just fine because they went back to the fundamentals, the basics, as our Chief said. So going back to the basics, if we have sequestration we have to crack open on a new strategy. That strategy then will inform the plan, will inform all the way down.

So it's not hard work unless you do it, and we have to do it. So it is hard work and it's fun but it is the foundation of

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what we bring to the American people and that is a deliberate and thoughtful process that was informed by grand strategy, articulated by our political masters, that truly brings an arm of politics that is called military. Air Power for Peace is the title of the 1946 article by Arnold. Air Power for Peace. I love that. I've always loved that phrase because if we do this right we give our President tools that bring peace and stability, predictability and we never have to fire a shot because we evolve with our neighbors, we don't devolve, and have miscalculation.

I don't fear sequestration. I hope it doesn't happen. But I don't fear it because I have faith in the creativity in this room and the people that work for you and I have faith in the diligence and hard work for the military to do their homework and we'll bring something to bear.

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