

NATIONAL PRESS CLUB HEADLINERS LUNCHEON WITH AIR FORCE SECRETARY
HEATHER WILSON

SUBJECT: THE FUTURE OF AMERICAN AIR POWER IN THE 21ST CENTURY

MODERATOR: DONNA LEINWAND LEGER, 102ND PRESIDENT OF THE NATIONAL PRESS
CLUB

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DONNA LEINWAND LEGER: Good afternoon, everyone. Welcome to the
National Press Club, the place where news happens. I'm Donna Leinwand Leger, the 102nd
President of the National Press Club. We are delighted to have you listening or viewing or in
the room with us today as we hear from Air Force Secretary, Heather Wilson, on the newly
proposed Space Force and the issues facing the U.S. Air Force today.

If you are on Twitter, we do encourage you to Tweet during the program. Please use
the hash tag NPCLive, and feel free to Tweet your questions. We'll ask as many questions as
time allows. For our CSPAN and our Public Radio audiences, please be aware that in the
audience today are members of the general public so any applause you may hear, or any
reaction, is not necessarily from working journalists.

And I will be introducing our head table. Skipping over our speaker, please hold your
applause until all the people on the head table have been introduced. So, we will get started.
On my left, we have John Gallagher, Senior America's Correspondent at IHS Fairplay and a
member of the NPC Headlines team; Gillian Rich, Aerospace, Defense and Space reporter at
Investors Business Daily; Vago Muradian, Editor at Defense and Aerospace Report; Michael
E. Martin, Public Affairs Advisor to the Secretary of the U.S. Air Force; Tony Capaccio,
Pentagon reporter at Bloomberg; Brigadier General Ed Thomas, Director of Public Affairs at
the U.S. Air Force; then there's me, hi. Kevin Wensing, Captain, U.S. Navy, ret., Chair at
FCA Americas and the National Press Club member who organized today's luncheon. Thank
you very much, Kevin.

Skipping over our speaker just for a minute, Amanda Macias, National Security Correspondent at CNBC; Alleigh Marre, Special Assistant and Chief of Staff to the Secretary of the U.S. Air Force; Steve Trimble, Defense Editor at Aviation Week; Max Lederer, Publish at Stars and Stripes; and finally, Mike MacMurray, representing the National Press Club's American Legion Post and a retired naval officer. (Applause)

Please also join me in acknowledging additional members of the Headliners team responsible for organizing today's event Betsy Fischer Martin, Lori Russo, Tamara Hinton, Bill Lord, Danny Selnick, and the Press Club staff, especially Lindsay Underwood, Laura Coker, and Executive Director William McCarren.

As President Trump travels the country promoting candidates for the upcoming midterm elections, one of the topics he frequently mentions is his plan to establish a sixth branch of the U.S. armed forces. Two weeks ago, the United States Air Force, led by Secretary Heather Wilson, our speaker today, delivered to the Pentagon a proposal detailing the structure of a space force military department, which is to be included in the administration's fiscal year 2020 budget.

To establish this new combat command, the proposal noted, will require an estimated \$13 billion over five years in added defense funding. It will also add another 13,000 employees to the federal payroll, including a news service secretary.

Just last week, Secretary Wilson asserted in a speech that we can no longer view space as a function. It is a war-fighting mission. She also called it a mission which requires a separate department that "puts a war fighter's focus on space operations." As she begins defending what is already considered by some to be politically contentious, Secretary Wilson brings decades of experience in the military, politics and public affairs.

Hoping to become a pilot like her father and her grandfather, the Keene, New Hampshire native graduated from the U.S. Air Force Academy in 1982 as part of the school's third graduating class to include women. She earned a Rhodes Scholarship, and upon graduation opted to study at Oxford instead of claiming her spot in flight school. She served as an Air Force officer until 1989 when she joined the National Security Council as Director for Defense Policy and Arms Control for President George H. W. Bush.

In 1998, Wilson resigned a New Mexico cabinet post to enter the Republican primary. She won a special election that fall and became the first U.S. veteran of the U.S. armed forces to serve in Congress. While there, she didn't hesitate to vote independent of her party, particularly on social issues including requiring federal worker health plans to cover contraceptives and opposing an amendment to ban adoptions by gay parents in Washington, D.C.

Secretary Wilson, who was nominated by President Trump and sworn into office on May 16th of last year, now oversees the Air Force's annual budget of more than \$138 billion. Speaking today, she will talk about the future of American air power in the 21st century. Secretary Wilson will fill us in on what it will take to get the Air Force that the United States

currently has to the Air Force that she believes the United States is going to need over the next decade. Please give a warm Press Club welcome to the 24th Secretary of the U.S. Air Force, Heather Wilson. (Applause)

SECRETARY WILSON: Well, thank you so much. Since this is the Press Club, I'm going to start out by correcting the record on at least one thing. And that is that I was actually not-- obviously not the first veteran in the Congress, but I also was not the first woman veteran to serve. There was from, I think, the state of Maryland, a woman who succeeded her husband but then was not reelected to a full term. But she was a nurse in World War II. And since then, of course, we've had other women veterans who are serving, and it's really nice to get to a point in American history where that's really not a notable thing, where women veterans are not only in the Congress, but they are in the board room as well as on the flight line. So it's a pleasure to spend a little bit of time with you this afternoon.

Of course, today on Capitol Hill, the House of Representatives is debating the fiscal year '19 appropriations bill. And the authorization bill has already passed. The military construction bill has already passed. Of course, the Senate has approved the defense appropriations bill for fiscal year '19, and we are that close to having a budget before the first of October for the Defense Department. (Applause) That is a tremendous credit to the United States Congress and to the bipartisan group of members who recognized that the lack of a budget starting in the beginning of a fiscal year is very difficult to deal with. It makes a tremendous difference to have that certainty. And, of course, also to have moved beyond the budget control act and sequester, at least for this kind of two-year agreement. And that certainty will allow us to move forward quickly into the fiscal year and continue the high pace of operations with some certainty on what we can expect over the next year.

Before taking questions, I'd like to highlight a couple of things, talk about a couple of things and priorities for the service. First, and most important, is the top objective of the United States Air Force and really the Department of Defense as a whole under Secretary Mattis. And that is the restoration of the readiness of the force. When I returned to federal service, I had been away from national security for a time. While I worked on it in the Congress, I was the president of a university in South Dakota, South Dakota School of Mines. So I was focused on inflicting calculus on young adults instead of studying national security things.

But one of the things that-- there are a number of things that surprised me coming back to the service. And one was the decline in readiness levels of our forces. And so it was clear to me, as it is I think to most people in the Pentagon, that restoring the readiness of the force had to be our number one priority. This last spring, the chief of staff and I, General Goldfein, asked a group of people from across the service to come together, about 50 people, and they spent six weeks together in a windowless basement room of the Pentagon looking at readiness. And not just in a superficial way, but really doing a deep dive on readiness.

What are we measuring to assess readiness? How do we resource readiness? What are the changes we need to make? What are the barriers to improved readiness? And they

developed a pretty comprehensive understanding and also a plan to move forward. It is the resources that the Congress has provided that were put into the president's budget that are helping us to turn the corner.

We added 4,000 people to the N strength of the Air Force and that allowed us to start to fill in holes that were stripped out of the service in the wake of sequester in cyber, in maintenance, in logistics. In September of 2016, the Air Force was short 4,000 maintainers, just completely short of those maintainers. We prioritized recruiting maintainers and starting to fill out the force to make sure we had enough people to maintain our aircraft. As a result, as of the end of last fiscal year, we were only 400 maintainers short. And by December of this year, we will be back up and even. We will have eliminated the gap and we'll have no more shortage in maintainers.

Now, of course, you can't replace someone who has 15 years of experience as a maintainer with somebody who's brand new. There is the seasoning that goes on and the experience of the force. So while we have enough people for maintainers, we have to season and develop those apprentices into master craftsmen over a period of time. But filling in the gaps in our force is one of the keys to restoring the readiness of the force. Because first and foremost, readiness is about people.

The second element of readiness is training. And training often means creating what the airmen call the white space on the calendar; enough space and time to be able to train for what we call the high end fight. And we've been working to reduce some of the demands overseas, particularly on our air crew, so that we have a better chance to retain those airmen, and they have a better opportunity to train here at home for the high end fight. That also means things like increasing flying hours so that airmen can have more sorties per month to actually get after the training that they need to do.

With respect to training, one of the things that we are also focused on is making sure that we have the simulation and the training aids and the things on our ranges to be able to simulate the environments that air crew will face in a peer or near peer environment. Because we've optimized ourselves over the last 27 years of continuous combat operations for the fight against violent extremism where we have continuous air superiority and where we control the rheostat of time. We cannot anticipate that warfare in the future will be like that, and so we have to be able to train for the high end fight.

As a result of the things that we have done over the last 18 to 24 months, the Air Force is more ready today from major combat operations than we were two years ago; and more than 75 percent of our primary pacing forces are combat ready today with their lead force packages. So we are restoring the readiness of the force. But we have a long way to go and we need to be consistent in our focus on restoration of readiness.

The second thing that I wanted to talk a little bit about is cost effective modernization. We are trying to buy things faster and smarter. I mentioned that in the fight we've been in, we control the rheostat of time. If you control the rheostat of time in any conflict, you also can

control the rheostat of innovation. But we have returned to an era of great power competition and the national defense strategy explicitly recognizes that.

In an era of reemerged great power competition, we have an adversary, and a potential adversary, that is innovating very rapidly. And we need to buy things faster and smarter in order to maintain the advantage that the United States Air Force has enjoyed for many decades.

So how are we doing that? First, competition works. And if we are able to encourage more companies to participate in competition for procurement, that helps to not only drive innovation to get the best out of American industry, but also drives competitive pricing. I think all of you-- probably many of you saw that yesterday when we announced that Boeing has won the contract to replace the UH-1 helicopter for the Air Force. We're going to buy 84 of them. And because of intense competition, we were able to get them at a much better price, saving, we estimate, about \$1.7 billion over what we expected to pay.

Long term, we know that we need a robust defense industrial base in order to have meaningful competition. And we need to open ourselves up to industries that perhaps historically have not bid on projects with the United States Air Force. And so that means doing things a little bit differently. Let me give you an example of how we're trying to do that.

The Congress has given us some new authorities to be able to engage with industry in different ways and to get beyond the very strict and very formulaic way in which acquisition has been done in the past. One of the things we've done with those so-called other transaction authorities is to build consortia of companies to be able to work with; for example, in space. In January of this year, we set up a consortium out of the Space and Missile System Center intending to engage a lot of those companies in commercial space in supplying ideas and technology to the United States Air Force. That consortium now has over 180 companies that are participants in it. Of those 180 or so, 124 have never done business with the Defense Department before. So these are the kinds of innovative companies supplying commercial industry in a very fast paced market segment who we want to engage to potentially help the United States Air Force.

In that consortium, it's a consortium where we've committed up to \$500 million for projects that might be done in that consortium. We put out a solicitation. There are proposals that come in and the average time between the solicitation being put out and a contract award and contract being signed is 93 days. So we're moving very quickly with small companies to get innovation into the Air Force.

Likewise, we're also changing some of the ways we engage small business. Like every federal agency, we have certain goals that we do meet in respect to small business contracting. But we wanted to see whether there was something we could do even better. And we decided that this year, we're going to start engaging small business in a way that the Air Force has never done before. In fact, I don't even know of any federal agency that's done this before.

If a small business has an idea and as much as a PayPal account, then they should be able to do business with the United States Air Force. Here's the concept. We will put out some of our hardest problems that require exceptional innovation and put out the kind of solicitation and problem statement. We'll take in what amount to white papers from anybody, small businesses primarily, and do a very quick review, couple of weeks, and invite the leaders of those companies to come and make their pitch directly to the program executive officer and program managers with the idea that if it's a good idea and business plan, if they have a good technical solution that's worth supporting, even with small amounts of money, that with a one-page contract, they will walk out with a contract and a commitment to fund that day.

That's the kind of speed of business that small business really needs to be able to work with a large entity like the United States Air Force, and we're committed to moving forward with those kinds of arrangements.

The third area that I would highlight is the way that we're trying to buy things faster and smarter. It has to do with prototyping and experimentation. In 2016 and 2017, the Congress put some new provisions in the national defense authorization act to allow more prototyping and experimentation to be able to do things faster. The Air Force is taking advantage of those new authorities and moving out-- stripping years out of program plans as a result. In just the last 6 ½ months, the Air Force has taken 56 years out of our portfolio in our program plans.

As an example, hypersonics. We are working with the Army and the Navy on prototypes for hypersonic weapons. And we intend-- the good thing about prototypes is they're time limited. So, if you can't do it in a five-year period, it shouldn't be a prototype. But all prototypes that we're doing are intended to ultimately result in a system. So you have to have something that's not just-- this is not just a little test. This is something we really want to see if there's a pathway forward. We're doing the same with what are called adaptive engines, as an example.

In the way historically the Air Force would do procurement, if we were going to buy a new engine, we would do several years of analysis of alternatives, we would define requirements, and several years into it all we would have are piles of paper and engineering studies and set the requirements and then send out a request for proposal and people would bid on it. But we'd never really have any good technical data, even on whether it was possible.

Instead, with adaptive engines, we contracted with two of the world's best engine companies and we said build us a prototype. Now, an adaptive engine, just as an example if you had an eight cylinder Corvette, cherry red, and once you get up to speed on a highway, four of the cylinders turned off, but when you pushed on the accelerator, it had eight cylinders again, that's what an adaptive engine is. That's the equivalent of that for a jet engine.

We gave them a goal and said, “See if you can build us an engine that gets a 10 percent increase in thrust and a 25 percent increase in fuel efficiency. Tough problem. Build a prototype, see what you can do. Put your best people on it.” And so we have two companies that are doing that. At the end of that, we will know what is technically possible. We will have built prototypes. And if they say, “Well, we can get to 9 percent and 20 percent increase in fuel efficiency,” we won't define that as failure because our engineering studies in advance said that those should be the requirements. So prototyping, we think in many circumstances, is actually a much better way to do procurement because you understand the limitations and the realm of the possible from the beginning.

The Air Force is using prototyping and experimentation extensively when it makes sense to do so. And we will continue to do so. The one thing that I would say is that we also decided as a service that if we were going to take advantage of these new authorities, we had to be very transparent about it and actually increase the amount of information that we're sharing with both the Office of the Secretary of Defense overseers and with the United States Congress so that we're buying things faster, but we're also buying them smarter and with greater transparency. And we think by doing that, we enhance the security of the country and hopefully get better value for every dollar that the Air Force spends.

So, we are trying to move forward with cost effective modernization. There is a bow wave of modernization that the Air Force is going through. I mentioned the helicopter, but obviously we're buying new tankers, we're buying the F35, we've got new space assets. The modernization of the strategic nuclear deterrence. So there is really a bow wave of modernization that the Air Force will be working through over the next decade. And our responsibility is to try to do that as cost effectively as we can, to get capability from the lab bench to the war fighter faster.

And with that, I will be happy to start answering questions. (Applause)

MS. LEINWAND LEGER: Well, we have a great deal of them, so we'll get started. So I'm going to start with your employment picture, the expansion of the squadrons. The Air Force currently operates 312 squadrons. You have said that this is not enough. You want to go to, I think, 386, 376, somewhere around there, and 40,000 more people by 2030. How would you proposal doing this and how does this reflect the changing nature of warfare?

SECRETARY WILSON: Congress, I think it was in the FY'18 national defense authorization act tasked a series of studies, and this is the first piece of those studies that are mandated by the Congress on what is required to implement the national defense strategy. And so we've been doing some analysis on what's required. Every airman can tell you that they are overstretched. And I think we've all known this for some time. I've talked about it for a couple of years, that the Air Force is too small for what the nation is asking it to do. And the Air Force has declined significantly in size. The Air Force went to war in the Persian Gulf when I was on the National Security Council staff in 1990-1991 and have never come home. Never come home. So basically, 27 straight years of combat operations that the United States Air Force has been engaged in.

And at that time, in 1991 the United States Air Force had 134 fighter squadrons, 134. And today, we have 55. The pace of operations is one of the things that's driving the difficulty and retention of air crew because we're burning out our people. So we took the first piece of this study, there was a lot more that we'll go through over the next five to six months to get the final study. But the interim report to Congress we promised them in the August-September time frame here, and that looks at-- that study looks at what does the national defense strategy ask us to do, how would we best do it? It does a lot of war gaming, modeling and simulation looking at the current operating plans, and what would that general mix of forces be.

And so that was really the first piece of it. We decided that we would share that not only with the Congress, but more publicly last week. It is not intended to influence the fiscal year '20 budget. This is a long-term view looking at the threat and how the threat is changing so that the Air Force can provide kind of a sense of where we think we need to go in the 2025-2030 time frame in order to keep pace with the threat.

MS. LEINWAND LEGER: How much of the lacking operational capacity could be filled by fully funding the readiness accounts for the existing squadrons?

SECRETARY WILSON: This year's president's budget increased significantly the operations and maintenance funds to be able to get flying hours up, to be able to restore our precision weapon stocks, which had been allowed to dwindle, to increase our weapon systems sustainment, which is what we call the money for maintenance and logistics. And so the agreement of the Congress and the president's commitment to restore the defense capability of this country is bringing a tremendous benefit to the United States Air Force.

But remember, we have returned to an era of great power competition. We have an adversary that is rapidly modernizing. I mean, look at-- just take two events out of the news in the last month. Russia conducted its largest exercise on its own soil that it's conducted in four decades; 300,000 troops, a thousand aircraft. China, this last year, commissioned its first aircraft carrier, steamed into the Pacific and began carrier operations. They have located bombers on islands in the South China Sea.

So, we have returned to an era of great power competition, and we have to look not only at where we are in a fight against violent extremism, but where the world demands us-- what's demanded of us and what we must prepare for. So our first priority is to restore the readiness of the force we have. But we also have an obligation to look long-term at what are the threats that are emerging.

MS. LEINWAND LEGER: So, unemployment is a historic low. So how will the Air Force compete with private companies for all the highest potential Americans, and also have a diverse force?

SECRETARY WILSON: With respect to recruitment, the Air Force is doing okay now. We watch this really carefully because unemployment is at historic lows, and we are looking for the best of the best. I know there are two naval folks up here, but we're still

looking for the best of the best. So, we're doing okay with respect to recruitment today. I would say that we are facing challenges in retention. Not overall, we're meeting our goals overall, but in some specific areas. Cyber is one, battlefield airman is another. But the most significant one is air crew. At the end of last year, we were about 2,000 pilots short. And there's a couple of factors here. The most obvious one is we have a national shortage of air crew. The airlines are hiring. Last year, I think they hired about 4,500 pilots into commercial aviation.

Just had a summit a couple of weeks ago with the Department of Labor, Secretary Chao, the head of the FAA, Dan Elwell, and then a bunch of industry people. It was really interesting to me that there was a group of communities there representative of a group of communities of rural air service. There are 37 communities in America that have lost their rural air service not because there aren't companies who would be willing to serve them, but because they can't get the air crew to fly the flights.

So this is a national shortage of air crew. It impacts us because the airlines come and try to hire pilots at the 10 or 12 year point from us, and they're offering very good salaries. Our response to that has been really threefold. The first is to improve the quality of service for those who are in the military, so that we want to be the place where anyone in their right mind would want to stay. And as quality of service and quality of life for the families of our airmen. So things like we looked at all of our requirements for overseas duty and cut by about a third the number of 365 day remote tours overseas requiring a pilot to be in them. So reduce that demand for overseas remote tours.

We're putting people back into the squadrons to support the squadrons, because that's where life happens. It's in the squadron that you need to make sure that the quality of service and the quality of leadership is there.

On the training side, so recruitment is part of it, and some of it's bonuses and those kind of things. A lot more of it is about control. So, letting airmen generally, but pilots specifically, have a little more control and choice about their careers, starting at a fly only track. So we're testing that in air mobility command with a group of about 15 airmen who said, "I don't want to be on the command track. I don't want to go to service school and all those things, I just want to fly," and allowing that. Allowing airmen to do that and stay and do what we really do need them to do. So retention is part of it.

Another part of it is production of pilots. We've actually increased the production of pilots. In fiscal year '16, we trained about 1,100 pilots. In fiscal year '19, our projection is about 1,300 and we're growing to about 1,400 in fiscal year '20. And then after that, about 1,500 a year. So ramping up pilot production and then keeping it there at a steady state. So retention is part of it, production is part of it. And overall, we think the nation has an acute shortage of pilots and air crew, and we need to find a way working with industry to make it possible for the next generation of young aviators to get to the cockpit.

MS. LEINWAND LEGER: A few years ago, I hosted another Air Force Secretary who said that there would be no need for pilots in the future because it would all be drones. I

guess that was wrong. (Laughter) Anyway, so I get the sense that this is a big airplane crew here, aircraft, because I have about 50 airplane questions. So, let's get started on that. How will the Air Force decide which aircraft will be needed for the new squadrons? What factors will be the most important? Will it be cost, will it be peer rivals?

SECRETARY WILSON: Let me first take your 'you don't need pilots because you'll have drones.' What you'll have in that case is a remotely piloted aircraft. You still have to have someone who understands how to fly that aircraft. And so, in fact, the Air Force now has over 300 remotely piloted aircraft. In 1991 when we went to war in the Gulf, when the Air Force went to war and never came home, at that time in all of the United States Air Force, there were eight remotely piloted aircraft. So it has really expanded substantially. It's just that the pilot is not sitting in the cockpit, so we still need those airmen.

Now I'm going to have to remember what you asked. Oh, how do we decide what kinds of aircraft. We are not at the point yet of saying, all right, we need this type and these number of tails and those kinds of things. We actually are required to go deeper in our analysis for the final report that we'll be giving in March, and we'll be trying to do that for the final report.

MS. LEINWAND LEGER: Lot of questions about the F35s. Do you expect an increase or decrease in the number of F35s?

SECRETARY WILSON: The Air Force has proposed-- I'm going to blank on the actual number, but it's over a thousand over time, of the F35A version that the Air Force is buying and deploying. We now have over 100,000 hours, I think, on the F35A. It is a game changing aircraft. It's a computer wrapped in a stealthy aircraft and it's not really about the aircraft anymore. The F35 is much more about the entire-- they're the quarterback and it's changing the way in which airmen are able to fight and operate.

The chief, Dave Goldfein, was out at Nellis at one of the exercises, and he was watching this young-- it was actually a Marine Corps captain who was briefing the mission. And it was amazing that he started out talking about space and then cyber and how he had put his whole campaign and operation together for that exercise. He got ten minutes into the briefing before he even got to the air picture. Then when he put on his helmet and fired-- as soon as they fire up the jet, it's pulling in data from everywhere. When he's out at the end of the runway, he's already monitoring the impact of the cyber operation and adjusting his plan accordingly. It is a very different way of fighting, enables tremendous capability.

With respect to how many, our plan has not changed. With respect to how many per year, the Defense Department is currently in the process of finishing up its version of the budget to go forward to OMB for the FY '20 budget proposal. And, of course, that'll come out with the president's budget in February for what we plan for next year. But overall, over a thousand F35As is the Air Force intention currently.

MS. LEINWAND LEGER: So speaking of the Marines, there have been some reports that the Marines are going to fly their F-35B in the coming days in their first combat mission. Any word on when the Air Force might do its first combat mission with the F35A?

SECRETARY WILSON: You know, I read about the F-35B in the paper this morning as well, and I marked down in my book-- so the three service secretaries get together for breakfast every two weeks and then we sometimes get together on weekends with our spouses to have dinner. We actually get along very well, which I guess historically has not been the case. But there's a lot of good fun in it and this next week I think will be particularly interesting as the Air Force-Navy game is coming up. So there will be pranks in the Pentagon.

But I wrote that down in my book to ask Richard Spencer about, but I actually don't know the answer. I wanted to see what his plans are with respect to the F-35B. But with respect to what aircraft are going into combat, obviously we don't talk about that until after it's over.

MS. LEINWAND LEGER: Okay, good answer. All right, so we're going to move on to the KC-46A, the first delivery of the KC-46A is now scheduled for October 27th. That's more than a year late and there's risk that unresolved efficiencies could push it back even farther. Boeing has lost more than \$3.5 billion on the original fixed price deal. As you approach the award of another fixed price development contract for a new training jet later this week, what lessons do you hope the Air Force and the winning TX contractor take away from the KC-46A experience?

SECRETARY WILSON: There's about four questions embedded in that question, I'm thinking, and a few other presumptions. Let me talk a little bit about the KC-46. We are working with Boeing and trying to drive forward to get the delivery of that aircraft, and it has to do with several things. It has to fly really well, it has to be able to protect itself, it has to communicate and it has to tank. And we are doing the testing. We set with Boeing a very aggressive but achievable schedule to get through all of that and be able to deliver the first of the four operational test aircraft by October. We're still trying to drive toward that, but we're still getting the test reports in and making sure that any deficiencies are taken care of, or that Boeing commits to take care of them at Boeing's expense even while we do operational test and evaluation.

But we're driving through those. This is why we do testing, is to make sure that it works and that all the kinks are worked out of the aircraft. And when it's ready, we will accept it.

MS. LEINWAND LEGER: So what will the Air Force do to insure that Boeing delivers the Huey replacements on time?

SECRETARY WILSON: You know, it's only a day after we did the contract announcement. The intention there is to work with Boeing. This is not all that-- we don't think this is a complicated procurement. The first part on the engineering work on some of

the things that they're going to have to do to modify the aircraft that they were talking about using, they'll move through that. And then we expect to buy 84 of them.

The Huey replacement, there's a history to this one and I learned it when I came here. There was an intention to try to buy some right off the line, but other companies were interested in bidding. We were really required, and the previous administration decided, and I think they were right, but we were required to do a competition. We couldn't just buy it off the line. And as it turns out, I think that probably was the right decision. It wasn't a decision I made, it was made by my predecessor. But because of that competition, Boeing won the competition at a significantly lower price point and so I think the taxpayer's going to get a good deal out of that, and the Air Force will get a replacement for the aging Hueys for both the missile fields and for out here at Andrews.

MS. LEINWAND LEGER: Okay, returning to the KC-46 for just a second, will the issues with that tanker change the way you see using commercial derivatives for military aircraft?

SECRETARY WILSON: I don't think it changes the way we think about commercial derivatives. I do think that the commercial platform. The chief of staff went out and flew the aircraft. I don't know how he-- he gets the good deals sometimes. He went out, General Goldfein, went out and met with Boeing, but also went up and flew the aircraft. And this is an aircraft that is designed to be able to fly steady without spilling people's coffee in the back. And he said it is a very smooth aircraft.

That is also the same characteristic that you want for a tanker and the chief is an F-16 pilot, F-117 and several other air frames. But what you really want in a tanker is it flying at a constant speed, constant altitude so that you're not trying to match that aircraft coming in to tank. You just want them smooth and not spilling the coffee. And it's a very similar kind of profile from a flight profile. With respect to how the aircraft flies, that's a very good way to have purchased the equipment, rather than design something new.

MS. LEINWAND LEGER: Well, as someone who has refueled in the air, I second that requirement. Pass the Dramamine. Do you think the Air Force needs a stealth aerial tanker to support stealth fighters?

SECRETARY WILSON: That's not part of our current plan.

MS. LEINWAND LEGER: In the wake of a loss of a reconnaissance aircraft due to apparent friendly fire by Syrian air defenses, Russia has announced plans to provide Syria with the more capable S-300, which experts say is effective against fourth generation fighter aircraft. How does this move change your assessment of the threat facing aircraft such as the A10, F-16 and F-16 as they support actions on the ground against ISIS forces in Syria?

SECRETARY WILSON: So that's the easy question. No, it's not. I am the Secretary of the Air Force. My responsibility is to organize, train and equip an Air Force, to present ready forces to a combatant commander who fights. It is not my role to talk about--

and I think it would probably be inappropriate for anyone-- to talk publicly about how we might deal with a particular threat. But it's also not my-- I'm the Secretary of the Air Force, I'm not a combatant commander, and I'm not a combat pilot. And so it would be inappropriate for me to even speculate on that.

MS. LEINWAND LEGER: All right. So let's move on to the space force. Former Secretary of the Navy, Sean O'Keefe, described the space force as a solution desperately searching for a problem. You said in a recent speech that we have the responsibility to develop a proposal for the president that is bold and that carries out his vision for a new space command. What exactly is his vision as you understand it?

SECRETARY WILSON: Let me talk a little bit about what we do in space and then what the challenge is. What is the problem and the challenge that we need to address? So what do we do in space? We've got about, I guess, about seven missions; weather, weather from space. Missile warning, so we detect missiles launched and we do that from space. GPS, of the Air Force's 77 satellites on orbit, little over 30 of them are GPS, so what we call - the airmen call it position, navigation and timing. Everybody else knows it as the blue dot on your phone. So GPS.

Communications, lot of communications command and control done through space. Launch, United States Air Force does launch for all of the-- we do it from Cape Canaveral, but we buy launch services for all of our satellites. And then intelligence, surveillance and reconnaissance, so we do that from space. And we do that in partnership-- the National Reconnaissance Office was, for a very long time, for decades, was an unacknowledged program inside of the Air Force that was a partnership initially between the CIA and the Air Force. So, intelligence, surveillance and reconnaissance.

And the final one is space superiority. I would say that six of those seven the United States is the best in the world. We are the best in the world at space. The area where we think we are being challenged and where we have to focus is on space superiority. That is the problem we need to address. And so I believe we have to be the best at space overall.

The president's 2019 budget accelerated defendable space, and there was not much controversy or discussion of that publicly. There was very broad agreement on Capitol Hill that we needed to increase the amount of money we were putting in to space capabilities to be able to defend what we have on orbit. As a result, we canceled-- we call them space-based infrared, our missile warning satellites, our 7th and 8th missile warning satellites. We canceled those and accelerated to a new missile warning sensor that's more defendable.

So think smaller chaff and flares, more maneuverable to be able to, as we say, take a punch and keep on operating. So the fiscal year '19 president's budget accelerates defendable space. In February, the president will send his fiscal year '20 budget to Capitol Hill and we expect that that will include a proposal for a department. That's going to require action from the Congress to create all of the authorities needed for a new department to organize, train, equip and develop separate and be a successful department.

I don't think we need to wait to continue to accelerate defensible space, and the Air Force is not. We are working with the Joint Staff under the guidance of the Secretary of Defense to reestablish a war-fighting command that puts the war fighter's focus on space operations. We used to have a combatant command for space command, and that was actually authorized by the Congress and we're moving forward with a war fighting command.

But we're also accelerating acquisition and buying things faster and smarter. It is my view that the president has brought space into the spotlight. He's made it kitchen table conversation and that benefits this country. And so that's where I think we are.

MS. LEINWAND LEGER: So I think perhaps the controversy arises when we talk about a separate space command as a separate department. It's billions of dollars, it's thousands of people. The Air Force Association opposes it and says that the Air Force and the space command belong together. And congressional critics have said that setting up a sixth branch will create sort of duplicative bureaucracy. What's the case for a separate department?

SECRETARY WILSON: There are differing views in the Congress. There are actually proponents of it in the Congress as well, and I think the president will put forward his concept for a new department and the elected members of the Congress, as well as the president and the vice president who are elected to make these decisions will consider that proposal and probably debate it on both sides and make a decision.

My responsibility, and the Air Force's responsibility, is to help shape and put forward a concept that if approved will help advance our ability to be able to prevail in space, and continue to be the best in the world at space. So, that is the approach that the Air Force has taken, to try to make sure that we put forward a concept that carries out the president's bold vision, to be able to deal with that-- remember that seventh element, which is space superiority. We're already the best in the world at all the rest, so how do we make sure that we're the best at space superiority and dominant in space? And I think the president has really brought this to the fore, and I think that that's great for the country.

MS. LEINWAND LEGER: The United States had a unified U.S. space command from 1985 to 2002, but it was eliminated after September 11th, 2001 terrorist attacks, and many of its functions were merged into the U.S. Strategic Command. Why not reconstitute that function?

SECRETARY WILSON: In fact, we are reconstituting that function, so the war fighting command, a sub unified command was authorized in the national defense authorization act that passed last summer, and we're moving forward with that. I think people are also willing to move forward with a fully unified command. And the Joint Chiefs of Staff, under the guidance of the Secretary of Defense are moving forward with the establishment of that war fighting command, much as the Joint Chiefs of Staff are responsible and did set up cyber command as a separate war fighting command.

So we are moving back-- in 2002, it was a different time and a different world. We were in the wake of a terrorist attack. It wasn't until 2007 or 2008 that China launched a direct ascent anti-satellite weapon and demonstrated the ability to knock down a satellite. So they hit one of their own dead weather satellites, scattered about 3,000 pieces of debris into orbit and demonstrated the ability to destroy a satellite on orbit. That was a seminal moment, and we need to reestablish, it seems to me, a war fighting command focused on space and war fighting.

MS. LEINWAND LEGER: Colorado Springs is already lobbying for the new space command. Colorado Congressman Doug Lamborn Tweeted yesterday that he had made the case to you. Where do you think such a command would be best located, and what factors will you consider? And have you spoken to Jeff Bezos about that? (Laughter)

SECRETARY WILSON: One of the things you do as the Air Force Secretary is host people who come to the Pentagon to visit. I think today it was Little Rock, Arkansas, and Abilene, Texas came by. But Colorado Springs city leaders and kind of city mothers and fathers came by earlier in the week. And obviously, they're very interested in having that command in Colorado. Because it's a unified command, that decision is made by the Office of the Secretary of Defense, not the Secretary of the Air Force.

MS. LEINWAND LEGER: All right, definitely a way to get off the hook. All right, so this is from our foreign press. What role do you envision for the Air Force in maintaining security in the Asia Pacific Arc of Instability?

SECRETARY WILSON: The national defense strategy recognizes the reemergence of great power competition, and obviously what we're seeing as far as Chinese development and innovation and what they are doing in the Pacific is a cause for concern. One of the things that the national defense strategy guides us to do is not only restore the readiness of a force and increase the lethality of the force, but I think for the first time that I remember, our national defense strategy actually calls out the importance of alliances and partnerships. And I don't recall that being a central element of our national defense strategy in previous iterations.

The strategy recognizes those alliances as a strategic advantage for the United States that we're stronger together and that America has allies. There are countries around the world that want to be allied with the United States of America and that is a strength. And so interestingly, you look at Central Command, I think we now have 27, 28 partners in Central Command in the fight against ISIS and in Afghanistan.

I was meeting with the Latvians yesterday, that's another thing that I get to do, is to meet with our counterparts from other countries. Latvia sent some of their military forces to Afghanistan partnered with the Michigan National Guard. So, these connections between military forces go deep, and often they come together first in the air. Because other countries and other parliaments have sometimes the same challenges we do as Americans, where you might be reluctant to put people on the ground in harm's way, but contributions to the air campaign may be something that's more doable.

And as airmen, we're used to operating in a multinational coalition kind of way. The air and space is just kind of that way. So often, the coalition comes together first in the air. We have very deep partnerships and alliances, not only with our 5Is partners, but with multiple countries around the world.

I would also add that we're also doing things to try to make things inherently easier to partner. One of them is what we're doing with the light attack experiment, looking at a light attack aircraft that is not only exportable from the very beginning, but rides on a network that we can fully share so that the information system that connects the joint tactical air controller on the ground with the aircraft and with the air operations center to share information is exportable from the beginning so that we can share that with partners and allies without any restriction on export controls.

MS. LEINWAND LEGER: Okay, so we are about to get to the last question. But before I do, I want to take a moment to let the audience know about some of our upcoming events at the National Press Club. On Thursday, September 27th, the National Press Club politicians versus the press spelling bee, seven p.m. It's really a fantastic event. You'll see who uses spell check and who doesn't.

September 28th, a Headliners Newsmaker featuring House Speaker Paul Ryan. And also a Headliners Newsmaker with the President of the Republic of Slovenia. On Tuesday, October 2nd in the Holeman Lounge, we will have a Headliners Luncheon with the Director General of Al-Jazeera. And on Friday, October 5th, we have a Headliners Book and Breakfast event with MSNBC's Steve Kornacki.

And now with the final question: will the new Air Force Ones be painted red, white and blue? (Laughter)

SECRETARY WILSON: I do not know. But I have to say I'm so glad that you didn't ask me a spelling bee question. So, I admitted this to Kevin on the way in, that I gave up spelling for Lent in like fourth grade, and I never went back to it. So thank you all very much. (Applause)

MS. LEINWAND LEGER: We'd like to thank the Air Force Secretary for coming here today and taking so much time to ask our mountain of questions. I didn't get to one of the crucial ones, which was what is your favorite aircraft. As I said, this is a really big sort of flight oriented audience here. But we'd like to thank you for coming and present you with this National Press Club mug. (Applause) I got to hit the gavel so people can-- thank you again for attending today, and we are adjourned. (Sounds gavel.)

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