



SECRETARY OF THE AIR FORCE
WASHINGTON

OCT 17 2018

The Honorable Charles E. Grassley
Chairman
Committee on the Judiciary
United States Senate
Washington, D.C. 20510-6275

Dear Mr. Chairman:

I am responding to your questions in your October 2, 2018 letter referencing procurement of water heaters used across the Air Force cargo fleet, including 59 KC-10, 52 C-5, and 222 C-17 aircraft. You are right to be concerned about the high costs of spare parts and I remain thankful to have your support in addressing this problem. The average age of our KC-10 fleet is 34 years and it uses approximately 75,000 different parts.

Many suppliers have either stopped producing certain parts or have gone out of business. It is simply irresponsible to spend thousands of dollars on manufactured parts when we have the technology available to produce them ourselves. In July 2018, I directed creation of the Air Force Rapid Sustainment Office to further develop agile manufacturing (3D printing, cold spray, digital modeling, etc.) to develop and deliver parts at a fraction of the costs of using traditional manufacturing methods. We recently demonstrated capability to 3-D print replacement handles for this item at a cost of about fifty cents each.

Advanced manufacturing is a significant priority for all of the Services as part of a broader strategy to reform acquisition and drive down cost. The Rapid Sustainment Initiative, included in the FY19 Senate Defense Appropriations Bill, will continue to advance the efforts of all the Services in this regard. We very much appreciate your support of this initiative. While 3-D printing of parts is one promising way to reduce the cost of maintaining aircraft, there are others that we are also pursuing, including techniques that repair the worn surface of metals so that parts do not have to be replaced.

There are opportunities to get better value for taxpayer dollars and we trust that our innovative Airmen will deliver. Thank you for your continued interest in this very important work. We stand ready to brief you on our ongoing initiatives.

Sincerely,

A handwritten signature in blue ink, appearing to read "Heather Wilson", is positioned above the printed name.

Heather Wilson

Attachment:
Responses to October 2, 2018 Letter

Response to Senator Grassley's Letter of 2 October 2018

Q1: The 60th Aerial Port Squadron at Travis Air Force Base has reportedly spent \$56,000 on replacing hot cups since 2016. How many cups have been purchased by the Air Force during this timeframe, and what is the total cost of these purchases?

A1: The item in question is a specially manufactured electronic water-heater that plugs into aircraft systems. Because it connects to the aircraft, replacements require FAA airworthiness certification. The Air Force has purchased 391 of these items since 2016 at a total cost of \$326,785.

Q2: Why has the price of the hot cup increased from \$693 in 2016 to \$1,280 in 2018??

A2: The average age of our KC-10 fleet is 34 years. In many cases, suppliers have either stopped producing certain parts for those older aircraft or have gone out of business. In addition, the Defense Logistics Agency attributes increases in the price of raw materials for this particular item. Specifically, copper and chrome plating costs have increased 180% since 2016.

Q3: What cheaper alternatives for providing hot coffee to crew have been explored by the Air Force? Is this particular cup truly necessary, or are there other more cost effective options available?

A3: In July 2018, I directed creation of the Air Force Rapid Sustainment Office to further explore agile manufacturing (3D printing, cold spray, digital modeling, etc.) to develop and deliver parts at a fraction of the costs using traditional manufacturing. General Goldfein and I also directed this new office to complete a review of procurement to proactively identify items we may self-produce or other overpriced parts we need to stop buying without impact to the mission. The Air Force has recently demonstrated capability to 3-D print replacement handles for this item at a fraction of the cost of complete cup procurement.

Q4: Will you be asking the Office of Inspector General to review spending on these high-priced cups to determine if the Air Force did an adequate job of looking at alternatives, and what would have been a better choice?

A4: General Goldfein and I have initiated our own review of parts procurement to identify aircraft parts that the Air Force can produce ourselves which current acquisition analysis show are overpriced and/or parts we can stop buying, without impact to the mission.