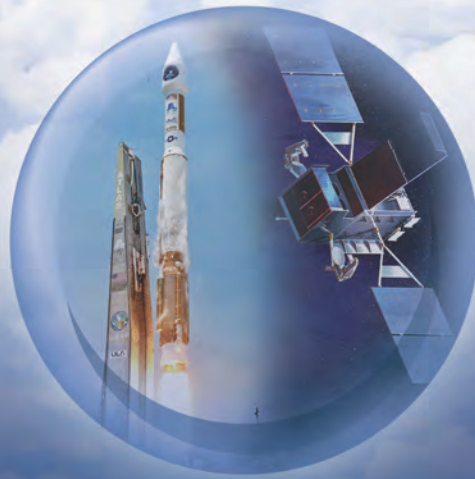


UNITED STATES AIR FORCE

FY 2013 Budget Overview



SAF/FMB

February 2012

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United States Air Force

FY 2013 Budget Overview

The information contained in the Budget Overview Book is supported by the Air Force J-Books. Preparation of the J-Book report/study cost the Department of Defense a total of approximately \$2,474,000 for the 2012 Fiscal Year.

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Foreword

Today's dynamic global and fiscal environments require us to reassess our future military strategy and posture to determine how the Air Force will best contribute to achieving U.S. security objectives and foreign policy freedom of action. We must balance our operational focus on winning today's fights with necessary investments for the future and preserve the personnel, training, acquisition, and other institutional foundations upon which our capabilities are built. The FY 2013 President's Budget request balances risk across all mission areas while retaining our Air Force core capabilities.

The United States Air Force brings four enduring and distinctive contributions to the Nation's military portfolio, each of which are critical in the new national strategy: (1) air and space control; (2) global intelligence, surveillance, and reconnaissance (ISR); (3) rapid global mobility; and (4) global strike. These four core contributions—plus our unrivaled ability to command and control air, space, and cyberspace systems—will sustain our Nation's military advantage as the Joint Force becomes smaller and as we face emerging threats in increasingly contested environments.

While today's global and fiscal environments have changed, our focus has not. The Air Force must continue to be a force capable of deterring conflict, a force capable of projecting power, and a force capable of winning wars. To meet these demands we must ensure freedom of action in air and space. Our ability to assert control in both domains allows U.S. and Coalition forces to accomplish their missions in different locations without the threat of adversary attack from above and full leverage of essential space services.



EDWARD L. BOLTON, JR., Major General, USAF
Deputy Assistant Secretary (Budget)

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Introduction

The United States Air Force provides the air power advantage that all joint forces rely upon for successful mission completion. The FY 2013 Budget Request supports the new defense strategy with regard to capability, capacity, and today's fiscal environment. It fulfills the four Quadrennial Defense Review priority objectives: prevail in today's wars, prevent and deter conflict, prepare to defeat adversaries and succeed in a wide range of contingencies, and preserve and enhance the all-volunteer force. This request carefully balances near-term operational readiness with longer term needs. The enduring contributions articulated and funded in this budget request help us achieve the balance we need among our core functions, force structure, readiness, and modernization that enable us to fly, fight, and win in air, space, and cyberspace.

This FY 2013 Budget Overview explains how the Air Force allocates resources across priorities. Each Air Force dollar is part of Air Force Total Obligation Authority (TOA)--the amount of funds the Air Force has the authority to obligate throughout the life of the appropriation. Air Force TOA is viewed in two "buckets"--"Blue TOA" and "Non-Blue TOA"-- allowing Air Force leadership to distinguish between those resources under direct Air Force management and those managed by other organizations. In accordance with guidance from Congress and Administration policy, the Air Force budget includes a separate but simultaneously submitted request for Overseas Contingency Operations (OCO) funding. The OCO request is addressed in a separate Budget Overview section and highlighted, as appropriate, in funding tables.

The Budget Overview is organized in four sections:

1. Section 1 is an Air Force baseline budget summary, organized by appropriation as it is presented to Congress. This section partitions the Air Force FY 2013 Budget Request into Blue and Non-Blue TOA, and highlights Blue discretionary initiatives. This section does not include OCO.
2. Section 2 summarizes the FY 2013 OCO Budget Request and is organized by major appropriation. FY 2013 Budget Request descriptions reflect requirements to support the needs of Combatant Commanders. OCO includes Blue and Non-Blue TOA.
3. Section 3 is the Air Force Performance Based Budget summary organized by the Air Force's 12 Core Functions with a discussion of the current strategic plan's four enduring and distinctive contributions. The Performance Based Budget (PBB) discusses Air Force performance goals in specific mission areas and progress achieved towards these goals. The totals in this section match the budget materials provided to Congress for FY 2013. This section includes Blue TOA.
4. Section 4 highlights the Air Force Working Capital Fund budget and is organized by Consolidated Sustainment Activity Group, Supply Management Activity Group - Retail, and Transportation Working Capital Fund (Non-Blue). The Working Capital Fund budget includes revenue and expenses required to meet the logistics demands of the warfighter on a daily basis.

Section 1: FY 2013 Budget Highlights (Overview)

The FY 2013 Air Force Budget Request stems from the new DoD Strategic Guidance which required the Air Force to reassess its posture for the 21st century security environment. The new strategy drove an Air Force budget approach that retains critical core capabilities and maintains the Air Force's ability to rapidly respond to global mission demands across the spectrum of conflict, and operate effectively in anti-access and area denial environments. It requires the Air Force to balance modernization and force structure reductions while maintaining our readiness and commitment to take care of our people. The priorities articulated and funded in the FY 2013 Budget Request achieve a balance among the service core functions, force structure, readiness, and modernization that enables the Air Force to fly, fight, and win in air, space, and cyberspace.

The FY 2013 Budget Request supports a Total Force Endstrength of 685,089. It supports recruiting and retention bonuses to ensure the Department has the right number of personnel with the right skill sets. The budget provides our Airmen and families with increased pay, as well as increased allowances that reflect inflation indices for housing and subsistence. However, in the fiscally constrained environment imposed by the Budget Control Act, the Air Force supports efforts to slow the out-year rate of growth in overall military compensation to protect readiness and avoid driving even deeper reductions to force structure and modernization efforts critical to support the warfighter and National Defense.

The FY 2013 Budget Request balances reductions from the Budget Control Act of 2011 with the need to retain critical core Air Force capabilities. One way the Air Force worked to close this gap was through aggressive implementation of the President's Executive Order promoting efficient spending. However, to meet the requirements of the new defense strategy with the limited resources available, the Air Force needed to make difficult but necessary adjustments in force structure. The Air Force made the difficult choice to divest a portion of combat and combat support aircraft fleets amounting to 227 aircraft in FY 2013. The Air Force will eliminate or reduce smaller fleets of single purpose aircraft and maximize the efficiencies of multi-role platforms. These reductions save the Air Force \$8.7B across the FYDP.

The Air Force is committed to fulfilling our mission to fly, fight, and win. The Department realizes that proposals to retire aircraft are contentious. However, Congressional action to block or delay force structure changes without providing the additional resources needed to operate and maintain those weapon systems will significantly increase the risk of a hollow force. After the intense efforts to find efficiencies over the past few years, the Air Force has only a limited ability to reallocate resources and personnel to uncovered operations without creating major disruption in other critical activities.

The O&M budget supports flying hours, Weapon System Sustainment, pay and benefits for civilian personnel, and family services. Likewise, the Service will continue to build on efficiencies gained in FY 2011 and FY 2012 such as the Air Force Materiel Command reorganization and reduction from 12 to 5 centers. The Air Force has also benefited by consolidating Air and Operations Centers (AOC), consolidating Numbered Air Forces, saving fuel, improving our logistics and Weapon System Sustainment, and reducing information technology costs. The Department is continuing to implement the \$33.3B in efficiencies submitted in the FY 2012 - 2016 FYDP. The Air Force submission for FY 2013 includes an additional \$6.6B in savings to promote the more disciplined use of defense dollars.

The Military Construction (MILCON), Base Realignment and Closure, and Military Family Housing budget request reflects a \$900M decrease while the Air Force takes a deliberate pause to implement force structure changes. Although the Air Force is taking a deliberate pause in construction, the Department provides solid support to Airmen with dormitory improvements. The budget also supports Combatant Commanders by funding the second increment of the United States Strategic Command Headquarters

project as well as new construction aligned with weapon system deliveries. Additionally, the Department will continue implementation of FY 2012 POM efficiencies.

The Research, Development, Test and Evaluation (RDT&E) appropriation funds basic and applied scientific research as well as future weapon systems' development, test and evaluation. RDT&E supports every Air Force Core Function. The FY 2013 Budget Request supports modernization of the Minuteman III Intercontinental Ballistic Missile, and funds the development of two Space Based Infrared System Geosynchronous Earth Orbit vehicles. The budget continues investment in fifth-generation aircraft. This budget request continues Air Force investment in the Long Range Strike Family of Systems development, an essential capability for the new strategy. The Air Force remains committed to the acquisition of the new KC-46 tanker with \$1.8 billion in RDT&E in FY 2013, while also funding modernization programs in the KC-10 and KC-135 fleets.

The Procurement budget supports global integrated intelligence, surveillance and reconnaissance (ISR) capabilities. Procurement efforts enhance ISR capability and Joint warfighter support providing essential intelligence to achieve decision superiority through planning, collecting, processing, analyzing, and rapidly disseminating to decision-makers. The budget request procures state-of-the-art F-35, MQ-9, and CV-22 aircraft. It continues modernization of MQ-1, MC-12W, B-1, B-2, and F-22 aircraft. This appropriation also supports Space Superiority, recapitalizing many space capabilities, fielding new wideband and protected satellite communications, replacing legacy early missile warning systems, improving space control capabilities, continuing the acquisition of a ground-based Space Fence radar, and upgrading position, navigation, and timing capabilities with the launch of Global Positioning System (GPS) IIF satellites and acquisition of two GPS III satellites. Additionally, the Air Force continues efficiency efforts through the innovative acquisition strategy of Evolutionary Acquisition for Space Efficiency/Efficient Space Procurement (EASE/ESP).

The FY 2013 Budget Request for Overseas Contingency Operations (OCO) supports Air Force operations in Afghanistan, the Office of Security Cooperation in Iraq, and contingency operations around the world. It funds \$1.3B to continue special pay and allowances for approximately 26,200 Airmen, \$2.4B to fund 281,000 flying hours and \$2.1B to fund Weapon System Sustainment. The OCO request delivers critical command and control, persistent ISR, and firepower to U.S. and coalition forces. It increases support for in-theater movement and force protection and is vital to the Air Force's ability to provide the joint and coalition team the air power required to win today's fight. The FY 2013 request realigns OCO funding back to the baseline program for enduring missions/requirements (i.e. Theater Security Package, Flag exercises).

The United States Air Force provides the air power advantage that all joint forces rely upon for successful mission completion. The FY 2013 Budget Request postures the Air Force to support the new defense strategy in today's fiscally constrained environment. This request reflects difficult decisions required to balance near-term operational readiness with longer term needs. The priorities articulated and funded in this budget request achieve the balance required to support the Air Force core functions, force structure, readiness, and modernization that enable us to fly, fight, and win in air, space, and cyberspace.

Table 1. Air Force Budget Highlights Summary

FY 13 PB Budget Facts					
	FY 12 APPN		FY 13 PB		Delta
Total Air Force (\$M)	162,520		154,337		(8,183)
Blue TOA	115,215		110,115		(5,100)
Operation and Maintenance (O&M)	44,036		44,294		258
Military Personnel (MILPERS)	29,965		28,922		(1,043)
Military Construction (MILCON)	1,298		442		(856)
Military Family Housing	485		578		93
Procurement	21,396		18,366		(3,030)
Research Development Test & Evaluation (RDT&E)	17,910		17,389		(521)
Base Realignment and Closure (BRAC)	125		125		(1)
Non-Blue TOA	30,471		29,949		(522)
OCO TOA	16,834		14,273		(2,561)
OCO Blue	13,759		11,527		(2,232)
OCO Non-Blue	3,075		2,746		(329)
General Facts					
	FY 12 PB		FY 13 PB		Delta
Major Installations*	80		79		(1)
Total Aircraft Inventory	5,587		5,341		(246)
Flying Hours	1,189,763		1,165,592		(24,171)
Personnel Facts					
	FY 12 PB		FY 13 PB		Delta
Authorized Manpower	696,874		685,089		(11,785)
Military	510,900		501,000		(9,900)
Active	332,800		328,900		(3,900)
AFR	71,400		70,500		(900)
ANG	106,700		101,600		(5,100)
Civilian	185,974		184,089		(1,885)
Major Procurement Quantities**					
	FY 12		FY 13		
Aircraft	61	54	Space	10	8
MQ-9A Reaper	0	24	EELV	4	4
F-35A Lightning II	18	19	GPS III	2	2
Light Attack Armed Reconnaissance	6	0	Advanced EHF	2	0
C-27J Spartan	9	0	WGS	2	0
MC-130 Recapitalization	6	4	SBIRS GEO	0	2
CV-22B Osprey	5	4	Weapons	3,125	4,250
HH-60M Operational Loss Replacement	3	0	JDAM	2,313	3,259
RQ-4B Global Hawk	3	0	AGM -114 Hellfire	407	413
C-37A (Lease Purchase)	3	0	AIM-9X Sidewinder	125	164
HC-130 Recapitalization	3	1	AIM-120D AMRAAM	138	113
Common Vertical Lift Support Platform	2	0	AGM-158 JASSM	142	157
C-130J Super Hercules	1	0	Small Diameter Bomb	0	144
AC-130 Recapitalization	1	2			
Small Unmanned Aircraft System	0	0			
C-17 Globemaster III	1	0			

Numbers may not add due to rounding
 *Includes Active, AFR and ANG installations
 **Baseline budget quantities only – OCO not included

Total Air Force (Components)

The components of the Air Force--Active, Reserve, and Guard--make up the Total Force and supports the domains of air, space, and cyberspace. The integration of the Active, Reserve, and Guard components allow for a flexible and agile response in today's complex strategic environment. The correct mix of operational forces must be leveraged across the Total Force to shift quickly and efficiently from one mission to another. The Air Force seeks to balance capabilities across the components to meet the Nation's military challenges now and into the future.

Active Air Force

The Active component military endstrength comprises approximately 66 percent of the Air Force's Total Force. In FY 2013, the Active Air Force will maintain 3,999 aircraft and be responsible for 72 major installations across the United States and overseas. All mission areas are supported by the Active Air Force: Global Strike; Homeland Defense and Civil Support; Global Mobility; Global Persistent Attack; Nuclear Response; Space Superiority; Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance; and Agile Combat Support. The Active Air Force is the only full time component--the other components can be called to full time when "activated" to support operational requirements.



Air Force Reserve

The Air Force Reserve Command (AFRC) has 33 flying wings outfitted with 317 dedicated aircraft and nine associate units who share aircraft with Active Duty units. Four space operations squadrons share the satellite control mission with the Active force. There are also more than 377 AFRC mission support units, equipped and trained to provide a wide range of capabilities to include all Air Force Core Functions. Air Force reservists are part-time Airmen until "activated". The Air Force Reserve (AFR) supported contingencies with over 4,353 work years in FY 2011.



Air National Guard

The Air National Guard (ANG) federal mission is to maintain well-trained, well-equipped units available for responsive mobilization at times of war and provide assistance during national emergencies such as natural disasters or civil disturbances. In peacetime, combat and support units are assigned to Air Force major commands to carry out missions compatible with training, mobilization, readiness, humanitarian, and contingency operations. ANG units maintain 1,025 aircraft and may be activated in a number of ways as prescribed by public law. The Guard provides almost half of the Air Force's tactical airlift support, combat communications functions, aeromedical evacuations, and aerial refueling. Further, the ANG provides the majority of forces for the United States Air Defense. In addition to its Federal mission, the ANG is available to state governors in the case of natural disasters and other emergencies.



Military Personnel Total

Figure 1 depicts the FY 2013 Blue TOA request shown in Table 2 below and displays the relative size of each subsection of this appropriation.

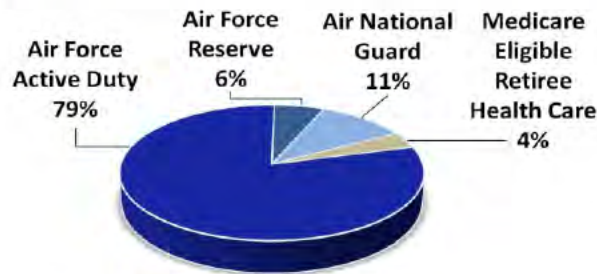


Figure 1. Military Personnel - Total Force FY 2013 Blue Budget Request

The FY 2013 Budget Request for Military Personnel supports all Air Force Core Functions and allows the Air Force to maintain the right size of the world’s best trained, highest quality force. It reflects rebalancing between Active and Reserve Components to preserve the Total Force capability and capacity requirements of the new strategy. Pay and allowance increases maintain a standard of living that will attract and retain outstanding Airmen. However, in the fiscally constrained environment imposed by the Budget Control Act, the Air Force supports efforts to slow the rate of growth in overall military compensation to protect readiness and avoid driving even deeper reductions to force structure and modernization efforts critical to support the warfighter and National Defense. Details of what is included in this appropriation:

- Our Total Force Endstrength decreases by 9,900 personnel from FY 2012 to FY 2013
- Includes Active component endstrength of 328,900; reduced by 3,900 from FY 2012
- Includes AFR component endstrength of 70,500; reduced by 900 from FY 2012
- Includes ANG endstrength of 101,600; reduced by 5,100 from FY 2012
- Funds recruiting efforts focused at attracting a diverse and multi-skilled workforce
- Provides across-the-board 2013 calendar year increases of 1.7 percent for military pay, 4.2 percent Basic Allowance for Housing, and a 3.4 percent Basic Allowance for Subsistence

Table 2. Military Personnel – Air Force Total Force TOA

Military Personnel, Air Force Total Force TOA (\$M)	FY 12 APPN	FY 13 PB
Air Force Active Duty	23,191	22,991
Air Force Reserve	1,694	1,723
Air National Guard	3,072	3,093
Medicare Eligible Retiree Health Care	2,007	1,115
Blue Total	29,965	28,922
Non-Blue	5,390	5,560
Air Force Military Personnel TOA Total	35,355	34,481

Numbers may not add due to rounding.



WW II AF Veteran at AF Memorial



PA ANG TACP specialist named one of AF’s Top-12



Reservists deliver aid to Haiti for humanitarian-aid mission

Military Personnel – Active Air Force

Figure 2 depicts the FY 2013 Blue TOA shown in Table 3 below and displays the relative size of each activity within this appropriation.

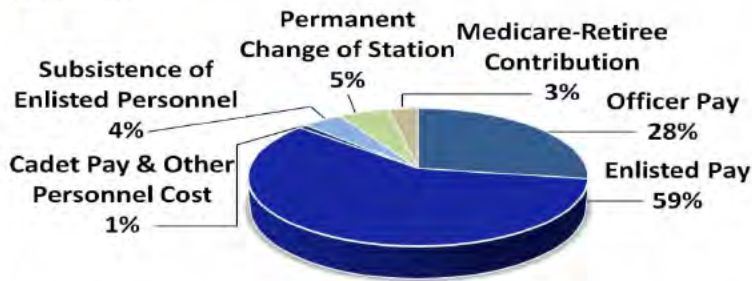


Figure 2. Military Personnel – Active Air Force FY 2013 Blue Budget Request

The Air Force Military Personnel appropriation preserves and enhances the all-volunteer force while implementing force structure changes in line with the new defense strategy. It includes all direct military compensation for Active Duty personnel including regular pay, special pays, retired pay accruals and allowances for subsistence and housing. As the Department continues to tackle total compensation costs we continue to take care of our Airmen and families with an increase in pay of 1.7 percent. It includes increases to allowances to match inflation indices with a 4.2 percent increase to housing allowances and a 3.4 percent increase to subsistence. Recruiting and retention incentives and permanent change of station moves are also funded within this appropriation. Other personnel costs include death gratuity and unemployment compensation benefits and bonuses. The decrease in Medicare-Retiree contributions is attributable to a 50 basis points reduction (6.25 percent to 5.75 percent) in the annual long-term medical trend growth rate and legislative changes transitioning Medicare-eligible retirees to the TRICARE-for-Life program.

Table 3. Military Personnel – Active Air Force TOA

Military Personnel, Air Force TOA (\$M)	FY 12 APPN	FY 13 PB
Officer Personnel Pay and Allowances	6,699	6,544
Enlisted Personnel Pay and Allowances	14,104	13,946
Cadet Pay and Allowances	73	70
Subsistence of Enlisted Personnel	937	999
Permanent Change of Station	1,238	1,289
Other Personnel Costs	142	142
Subtotal	23,191	22,990
Medicare-Retiree Contribution	1,396	749
Blue Total	24,587	23,739
Non-Blue	5,349	5,520
Air Force Active MILPERS TOA Total	29,936	29,259

Numbers may not add due to rounding.



Airmen raising the flag at Joint Base Langley-Eustis, VA the morning after hurricane Irene



Air Force Academy cadets study art of cyber warfare



Electronic Warfare Officer performs a pre-flight check

Military Personnel – Air Force Reserve

Figure 3 depicts the FY 2013 Blue TOA shown in Table 4 below and displays the relative size of each subsection of this appropriation.

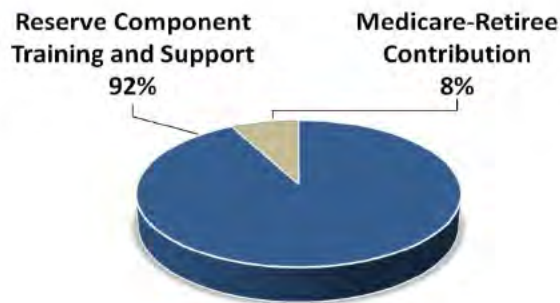


Figure 3. Military Personnel – Air Force Reserve FY 2013 Blue Budget Request

The Air Force Reserve (AFR) Military Personnel budget funding pays for direct military compensation including regular pay, allowances and benefits for AFR Airmen to provide trained units and individuals to augment the Active force in supporting the Combatant Commanders. The budget encompasses force structure adjustments between the Active and Reserve Components required to meet the new defense strategy. School training and special tours of Active Duty training required to build and maintain skill level proficiency to accomplish mission assignments are funded through this appropriation. The FY 2013 Budget Request includes manpower funding in support of ISR, nuclear mission requirements and other stressed career fields.

Table 4. Military Personnel – Air Force Reserve TOA

Air Force Reserve Personnel, TOA (\$M)	FY 12 APPN	FY 13 PB
Reserve Component Training and Support	1,694	1,723
Medicare-Retiree Contribution	236	142
Blue Total	1,930	1,865
Non-Blue	22	20
Air Force Reserve MILPERS TOA Total	1,952	1,885

Numbers may not add due to rounding.



Whiteman reservist aims at his target during M-4 qualification to prep for mobilization



Reservist assigned to 512th SFS clears his weapon during the Unit Training Assembly at Dover AFB, DE



Rescue reservist hone search and rescue skills in Operation SHOCKER

Military Personnel – Air National Guard

Figure 4 depicts the FY 2013 Blue TOA shown in Table 5 below and displays the relative size of each subsection of this appropriation.

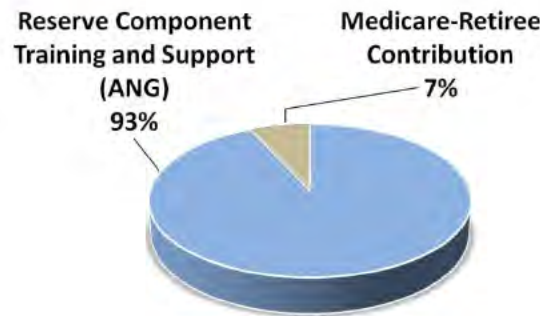


Figure 4. Military Personnel – Air National Guard FY 2013 Blue Budget Request

The Air National Guard (ANG) Military Personnel budget funds direct military compensation including regular pay, special pays, retired pay accruals, basic allowances for subsistence and housing, recruiting and retention incentives, and clothing allowances to provide trained units for participation in the Expeditionary Air Force as well as to perform Air Sovereignty Alert missions. The budget encompasses force structure adjustments between the Active and Reserve Components required to meet the new defense strategy. This funding supports annual 15-day tours and 48 drill periods, as well as tours of Active Duty for training of selected ANG personnel in FY 2013.

Table 5. Military Personnel – Air National Guard TOA

Air National Guard Personnel, TOA (\$M)	FY 12 APPN	FY 13 PB
Reserve Component Training and Support	3,072	3,093
Medicare-Retiree Contribution	376	225
Blue Total	3,448	3,318
Non-Blue	19	19
Air Force ANG MILPERS TOA Total	3,467	3,337

Numbers may not add due to rounding.



116th ASOS advises ground forces and directs combat aircraft onto enemy targets



ANG NCO supports Air Force airdrops of food and supplies at remote base



ANG Leadership view JSTARS in action

Operation and Maintenance

Figure 5 depicts the FY 2013 Blue TOA shown in Table 6 below and displays the relative size of each subsection of this appropriation.

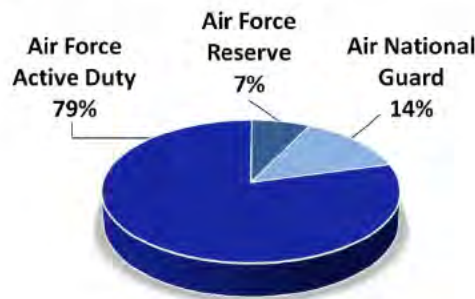


Figure 5. O&M Budget Request FY 2013 Blue Budget Request

The FY 2013 Operation and Maintenance (O&M) Budget Request funds the day-to-day expenses of the Air Force to meet mission sustainment activities. It supports 79 major installations (72 Active, 2 Air National Guard and 5 Air Force Reserve), funds the costs associated with flying operations, space operations, cyber operations, intelligence, logistics, nuclear deterrence, search and rescue and special operations activities. All Air Force Core Functions are supported by this appropriation. Table 6 describes O&M across the Total Force broken into the three components.

Table 6. O&M – Air Force Total Force TOA by Budget Category

Operation and Maintenance, Air Force Total Force TOA (\$M)	FY 12 APPN	FY 13 PB
Active Air Force	34,663	35,112
Air Force Reserve	3,274	3,166
Air National Guard	6,099	6,015
Blue Total	44,036	44,293
Non-Blue	907	898
Air Force O&M TOA Total	44,942	45,192

Numbers may not add due to rounding.

To meet force sizing requirements of the new defense strategy and meet the current fiscal challenges, the Air Force balanced risk across all core functions, including divesting portions of combat and combat enabler forces. Our programmed reductions follow detailed assessments of future conflict scenarios and rotational deployment requirements, and were chosen to maintain capable and lethal forces while preserving ready and sustainable Active and Reserve Components. The Air Force will be smaller, but will remain highly capable, lethal, ready, agile, and deployable.

The Air Force has enjoyed great success in leveraging our Total Force Enterprise to present our enduring capabilities to the joint warfighter, and we have successfully met the demand of increased operations tempo through a combination of volunteerism, selective mobilization, and the creation of Active, Reserve, and Guard Associations. The Air National Guard and Air Force Reserve are integrated into all major Air Force mission areas, train to the same high standards as the Active Component, and are invaluable partners in meeting our many and varied commitments. However, two decades of military endstrength and force structure reductions, taken primarily from our Active Component, have shifted the ratio of Active to Reserve Component forces. In 1990 the Reserve Component represented 25 percent of the Total Force endstrength; that percentage has increased to 35 percent today. Reserve Component aircraft ownership also increased from approximately 23 percent to 28 percent over the same period. Maintaining

the appropriate active – reserve mix is critical to sustaining Air Force capabilities for forward presence and rapid response, and meeting high rate rotational demand with a smaller force.

Key highlights:

- Force structure changes: adjusted force mix between Active and Reserve Components
- 227 Aircraft retire in FY 2013 (additional retirements are scheduled in FY 2014 – 2017)
 - CAF: 123 Aircraft (20 AD/82 ANG/21 AFR)
 - MAF: 85 Aircraft (3 AD/53 ANG/29 AFR)
 - ISR: 19 Aircraft (18 AD/1 ANG/0 AFR)
 - Other aircraft will transfer between components to backfill various missions
- As part of DoD’s initiative to comply with the Budget Control Act of 2011 and the November 9, 2011 Executive Order 13589, “Promoting Efficient Spending”, the Air Force continued to seek further progress towards a more disciplined use of defense dollars. Some specific examples include:
 - Reduced funding for administrative travel service support contracts
 - Reduced on-hand support equipment inventories through improved procurement practices
 - Reduced the size of the overall vehicle fleet
- Funds 1.17M flying hours and sustains a fleet of 5,239 aircraft
- Reflects the Joint force emphasis on ISR capacity and continues progress to reach 65 Combat Air Patrols (CAPs)
- Air Force is the lead Service for space launch, supporting DoD, National and Commercial agencies -- supports 16 launches in FY 2013 and operations at two spacelift ranges
- Funds facilities and sustainment at slightly over 80 percent for daily operations at 79 Total Force major installations
- The Air Force is also reaping benefits of prior year efficiencies. Some specific examples include:
 - Reduced purchased utilities as a result of prior years’ energy conservation projects
 - Savings in facility sustainment due to the elimination of obsolete or excess facilities and infrastructure in prior years

Table 7 displays O&M across major mission areas.

Table 7. O&M – Air Force Total Force Blue TOA

Operation and Maintenance, Air Force Total Force TOA (\$M)	FY 12 APPN	FY 13 PB
Civilian Pay	11,067	11,432
Flying Operations	15,769	16,638
Mobility Forces	1,144	860
Space/Other Combat Forces	5,733	5,674
Training & Recruiting	1,099	1,140
Logistics Operations and Air Force Wide Support	2,275	2,329
Installation Support and FSRM	6,949	6,220
Air Force O&M Blue TOA Total	44,036	44,293

Numbers may not add due to rounding.

Major Mission Area Highlights:

- Supports civilian endstrength of 184,089 (All appropriations) which is a modest decrease from FY 2012. Provides a 0.5 percent raise in civilian pay after two years of pay freeze.
- Flying operations support aircrew combat training, maintenance and repair, parts and aviation fuel to support Joint warfighter and humanitarian operations. This program fully funds 1.17M flying hours (\$7.1B): Active is 861,561 hours (\$4.8B), ANG is 195,974 hours (\$1.5B), AFR is 108,057 hours (\$0.8B). Weapon System Sustainment (WSS) supports aircraft sustainment through an enterprise level concept for managing Depot Maintenance, Contractor Logistic Support, Sustaining Engineering and Technical Orders. The \$11.6B (\$9.5B baseline plus \$2.1B in OCO) program funds 79 percent of the validated WSS requirements, including OCO funding and efficiencies
- Mobilization preparedness sustains contingency operations and wartime requirements through War Reserve Materiel prepositioning, weapons storage, industrial preparedness and medical capabilities
- Supports combat and specialized operations, management, readiness, and sustainment of weather and space capabilities
- Funds primary combat forces composed of front-line fighters, bombers, and strike assets
- Supports Global Command, Control, Communication, Intelligence (C3I), Early Warning systems
- Funds Space Launch & Operations composed of spacelift ranges, launch vehicles and satellite weather/GPS Systems
- Serves as Combatant Command Support Agency for five Combatant Commands (COCOMs)
- Funds educational opportunities that support professional and personal goals for all Air Force personnel
- Provides funds required to recruit personnel at the required quantity, quality, and skills
- Funds readiness for Air Force Materiel Command (Air Logistics Centers, headquarters, product centers, acquisition program offices and field operating agencies)
- Funds Second Destination Transportation for movement of all materiel already in the Air Force inventory or supply system, to include engines, helicopters, vehicles, subsistence and munitions
- Funds installation support functions, engineering and environmental programs to sustain capability, quality of life, workforce productivity and infrastructure support

The tables that follow display the funding request in different categories relevant to Active, Air Force Reserve and Air National Guard components.

O&M – Active Air Force

Figure 6 depicts of the FY 2013 Blue TOA shown in Table 8 and displays the relative size of each subsection of this appropriation.



Figure 6. O&M – Active Air Force FY 2013 Blue Budget Request

The FY 2013 Active Air Force Budget Request supports 72 major installations, two space ranges, produces 1,136 new pilots and funds 861,561 flying hours while sustaining a fleet of 3,897 aircraft. The budget continues the implementation of previously programmed efforts by decreasing support service contractors and increasing civilian endstrength by 1,632 positions. O&M resources provide funding for essential combat enablers such as: intelligence; logistics; weather; air traffic control; search and rescue; reconstitutions; airfield, runway and base facility maintenance; civilian pay; and improvements to working and living environments for Air Force personnel. Land-based nuclear and space forces, electronic warfare, irregular warfare and ISR missions are also supported by O&M funding. Categories in the table below include funding for civilian pay, flying operations, mobility forces, space/other combat forces, training and recruiting, logistics operations and Air Force-wide support and installation support and facilities, sustainment, restoration, and modernization (FSRM).

Table 8. O&M – Active Air Force TOA

Operation and Maintenance, Active Air Force TOA (\$M)	FY 12 APPN	FY 13 PB
Operating Forces	19,637	20,047
Mobilization	4,579	4,434
Training and Recruiting	3,638	3,746
Administration and Service Wide Activities	6,218	6,310
Environmental Restoration	526	529
Medical WRM	65	46
Blue Total	34,663	35,112
Non-Blue	907	898
Air Force Active O&M TOA Total	35,569	36,010

Numbers may not add due to rounding.



F-15E Strike Eagles above the Nevada Test and Training Range



Airmen repeat oath of enlistment at BMT graduation



353rd SOG personnel unload humanitarian aid at Sendai Airport

O&M – Air Force Reserve

Figure 7 depicts of the FY 2013 Blue TOA shown in Table 9 below and displays the relative size of each subsection of this appropriation.

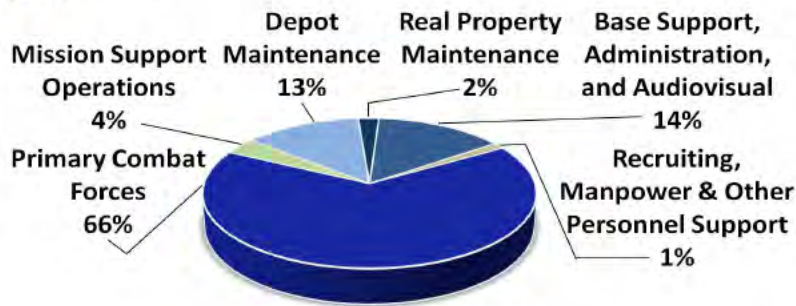


Figure 7. O&M – Air Force Reserve FY 2013 Blue Budget Request

The O&M AFR appropriation provides funding to maintain five major installations and train units for immediate mobilization and administrative support. The FY 2013 Budget Request provides for the operation and training of 33 wings, 108,057 O&M funded flying hours, maintains 317 aircraft, funds air reserve technicians (military) and civilian technicians and provides mission training for 70,500 Reserve personnel. Activities include aircraft operations, training, base and depot level aircraft maintenance, mission support, facilities sustainment, restoration and modernization and supply and maintenance for AFR units. Categories in the table below include funding for civilian pay, flying operations, mobility forces, space/other combat forces, training and recruiting, logistics operations and Air Force-wide support and installation support and FSRM.

Table 9. O&M – Air Force Reserve TOA

Operation and Maintenance, Air Force Reserve TOA (\$M)	FY 12 APPN	FY 13 PB
Primary Combat Forces	2,172	2,089
Mission Support Operations	116	113
Depot Maintenance	472	406
Real Property Maintenance	77	72
Base Support	309	365
Administration	84	79
Recruiting and Advertising	17	16
Military Manpower & Personnel Management	20	19
Other Personnel Support (Disability Compensation)	6	6
Audiovisual	1	1
Blue Total	3,274	3,166
Non-Blue	-	-
Air Force Reserve O&M TOA Total	3,274	3,166

Numbers may not add due to rounding.



A Reserve HH-60G takes-off after a pararescue drop-off during training exercises



Reserve C-5B crew off-loads cargo in Djibouti



AF Reserve NCO checking things out one step at a time

O&M – Air National Guard

Figure 8 depicts the FY 2013 Blue TOA shown in Table 10 below and displays the relative size of each subsection of this appropriation.



Figure 8. O&M – Air National Guard FY 2013 Blue Budget Request

The O&M ANG appropriation funds the flying and maintenance of ANG aircraft and the operation of two major installations. It also funds the facilities, equipment and manpower required to sustain the force at a combat readiness level enabling immediate assimilation into the Active Air Force as well as the ability to conduct independent operations in accordance with unit wartime taskings. The FY 2013 Budget Request funds 195,974 O&M flying hours, maintains 1,025 aircraft and supports mission training of 101,600 ANG personnel. Categories in the table below include funding for civilian pay, flying operations, mobility forces, space/other combat forces, training and recruiting, logistics operations and Air Force-wide support and FSRM.

Table 10. O&M – Air National Guard TOA

Operation and Maintenance, Air National Guard TOA (\$M)	FY 12 APPN	FY 13 PB
Air Operations	3,648	3,560
Mission Support Operations	742	721
Depot Maintenance	754	775
Real Property Maintenance	284	271
Base Support	598	624
Administration, Recruiting and Advertising	73	64
Blue Total	6,099	6,015
Non-Blue	-	-
Air Force ANG O&M TOA Total	6,099	6,015

Numbers may not add due to rounding.



ANG aircraft supporting firefighting operations



ANG members practice weapons firing using 12-gauge shotguns



KC-135 takes off from Selfridge ANG Base, MI for refueling mission

Research, Development, Test & Evaluation

Figure 9 depicts the relative size of each subsection of this appropriation as shown in Table 11 below.

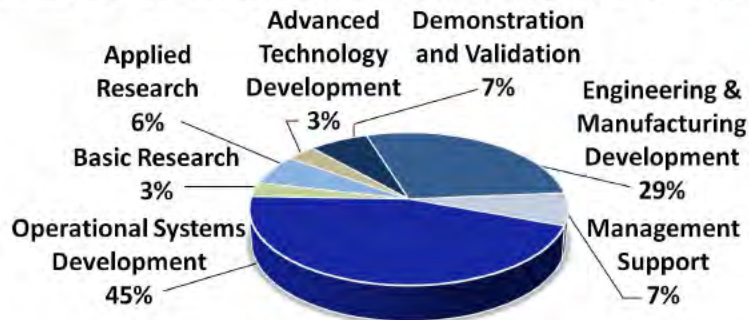


Figure 9. RDT&E FY 2013 Blue Budget Request

The Research, Development, Test and Evaluation (RDT&E) appropriation funds basic and applied scientific research as well as future weapon systems’ development, test, and evaluation. Basic research involves the scientific study and experimentation related to long-term national security, while applied research is the systematic study to understand the means to meet a recognized and specific national security requirement. The FY 2013 request includes development of a long-range, penetrating bomber as well as B-2 Spirit and Minuteman III Intercontinental Ballistic Missile modernization projects ensuring future viability within the Nuclear Deterrence Operations Core Function. The FY 2013 request funds F-22 Raptor Increment 3.2 software development within Air Superiority and continues F-35 Joint Strike Fighter flight testing within Global Precision Attack. RDT&E for Space Superiority capabilities continued development of the first two Global Positioning System (GPS) IIIA satellites, Space Based Infrared System (SBIRS) Geosynchronous Earth Orbit (GEO) and SBIRS GEO-2 final integration, test, and launch support. The KC-46A replacement tanker development will continue for the first four aircraft, representing a substantial enhancement to Rapid Global Mobility. Finally, Global Integrated ISR enhancements continue across the spectrum of unmanned platforms (RQ-4 Global Hawk Block 40, MQ-1 Predator and MQ-9 Reaper) and with improved ISR payloads such as Gorgon Stare. Table 11 summarizes funding for RDT&E by budget activity.

Table 11. RDT&E TOA

Research, Development, Test, and Evaluation TOA (\$M)	FY 12 APPN	FY 13 PB
Basic Research	531	516
Applied Research	1,219	1,109
Advanced Technology Development	627	597
Demonstration and Validation	1,445	1,181
Engineering & Manufacturing Development	3,851	4,967
Management Support	1,351	1,190
Operational Systems Development	8,888	7,829
Totals	17,910	17,389
Non-Blue	8,570	8,039
Air Force RDT&E TOA Total	26,480	25,428

Numbers may not add due to rounding.



Loadmaster tests the joint service aircrew mask



KC-46A Tanker



GPS IIIA

Procurement

Figure 10 depicts the FY 2013 Blue TOA shown in Table 12 below and displays the relative size of each subsection of this appropriation.

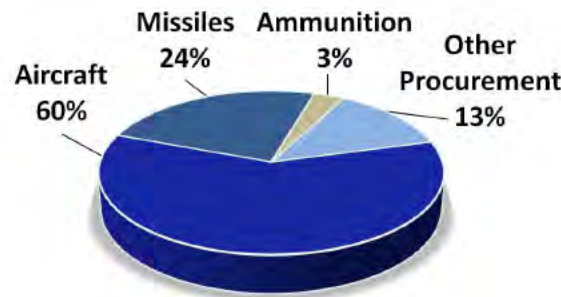


Figure 10. Procurement FY 2013 Blue Budget Request

The Procurement appropriation portfolio delivers both immediate and future capabilities through investment across four specific appropriations: Aircraft, Missile, Ammunition and Other Procurement. The FY 2013 Budget Request supports all Air Force Core Functions with significant investment in Space Superiority, Global Precision Attack, Rapid Global Mobility and Global Integrated ISR Core Functions. In this appropriation, the Air Force is accepting lower overall rates of procurement while focusing investments on the highest strategic priorities and most technologically promising areas. The following pages will discuss procurement appropriations in more detail.

Table 12. Procurement TOA

Procurement TOA (\$M)	FY 12 APPN	FY 13 PB
Aircraft	12,934	10,983
Missiles	5,299	4,394
Ammunition	499	599
Other Procurement	2,664	2,390
Blue Total	21,396	18,366
Non-Blue	15,521	15,449
Air Force Procurement TOA Total	36,917	33,815

Numbers may not add due to rounding.



F-35 Lightning II



Air Intercept Missile (AIM) 9 Sidewinder



Munitions

Procurement – Aircraft

Figure 11 depicts the FY 2013 Blue TOA shown in Table 13 below and displays the relative size of each subsection of this appropriation.

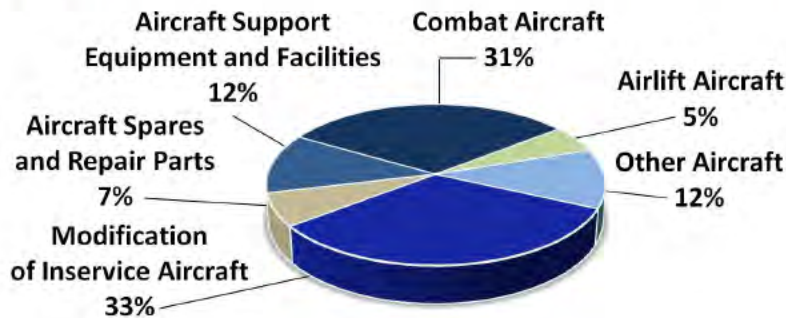


Figure 11. Aircraft Procurement FY 2013 Blue Budget Request

The Aircraft Procurement appropriation funds aircraft procurement and modifications and procurement of support equipment, specialized ground handling equipment, training devices and spare parts. The FY 2013 Budget Request supports key systems across multiple Air Force Core Functions. Within Nuclear Deterrence Operations, the request funds various modifications to B-2 Spirit and B-52 Stratofortress bomber platforms. Key Air Superiority modifications include F-22 Raptor Common Configuration. Global Precision Attack initiatives include procuring 19 F-35 Joint Strike Fighter Aircraft. Rapid Global Mobility procurements include major modification programs such as the C-5 Galaxy Reliability Enhancement and Re-engining Program and the C-17 Modifications. Special Operations procurements include four CV-22B Osprey, four MC-130 aircraft, and two AC-130 aircraft. Global Integrated ISR is supported through procurement of 24 MQ-9 Reapers. Finally, procuring one HC-130J supports the Personnel Recovery Core Function. Table 13 summarizes funding for aircraft procurement by budget activity.

Table 13. Aircraft Procurement TOA

Aircraft Procurement TOA (\$M)	FY 12 APPN	FY 13 PB
Combat Aircraft	3,623	3,418
Airlift Aircraft	1,857	596
Trainer Aircraft	1	0
Other Aircraft	1,303	1,306
Modification of Inservice Aircraft	3,835	3,610
Aircraft Spares and Repair Parts	927	730
Aircraft Support Equipment and Facilities	1,389	1,324
Totals	12,934	10,983
Non-Blue	17	20
Air Force Aircraft Procurement TOA Total	12,950	11,003

Numbers may not add due to rounding.



B-2 Spirit



C-5 Galaxy



F-35 Lightning II

Procurement – Missile

Figure 12 depicts the FY 2013 Blue TOA shown in Table 14 below and displays the relative size of each subsection of this appropriation.

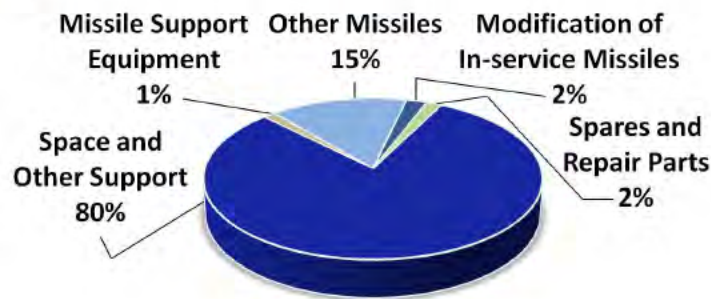


Figure 12. Missile Procurement FY 2013 Blue Budget Request

The Missile Procurement appropriation funds acquisition and modification of missiles, spacecraft, launch vehicles, spare parts, and support equipment. In FY 2013, we will continue the Evolutionary Acquisition for Space Efficiency/Efficient Space Procurement (EASE/ESP) approach for a fixed price block buy of Advanced Extremely High Frequency satellite vehicles 5 and 6 and Space-Based Infrared System GEO-5 and 6. The FY 2013 Budget Request also includes a cost-saving acquisition approach, based on a notional baseline procurement spanning the FYDP, for four Air Force funded medium and intermediate classes of Evolved Expendable Launch Vehicles (EELV). Also planned under the Space Superiority Core Function is the procurement of two GPS IIIA satellites. Within the Nuclear Deterrence Core Function, the Air Force plans to continue funding key modernization efforts within the Minuteman III program. The Budget Request funds Air Superiority capabilities: 164 AIM-9X Sidewinder Air-to-Air missiles and 113 AIM-120D Advanced Medium-Range Air-to-Air Missiles. The Air Force also plans to procure 413 Hellfire missiles (another 304 are requested for OCO), the key air-to-ground missile supporting the current Afghanistan conflict. Also funded in this appropriation is the Small Diameter Bomb II which provides a capability to attack mobile targets from stand-off, in adverse weather.

Table 14. Missile Procurement TOA

Missile TOA (\$M)	FY 12 APPN	FY 13 PB
Missile Support Equipment	68	57
Other Missiles	582	649
Modification of In-service Missiles	167	97
Spares and Repair Parts	43	74
Space and Other Support	4,439	3,518
Blue Total	5,299	4,394
Non-Blue	769	1,098
Air Force Missile Procurement TOA Total	6,068	5,492

Numbers may not add due to rounding.



Loading a Conventional Air Launch Cruise Missile



Connecting AIM-9X Sidewinder missile



AGM-114P Hellfire Missile

Procurement – Ammunition

Figure 13 depicts the FY 2013 Blue TOA shown in Table 15 below and displays the relative size of each subsection of this appropriation.

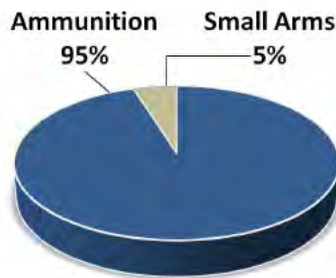


Figure 13. Ammunition Procurement FY 2013 Blue Budget Request

The Ammunition Procurement appropriation funds procurement, production, and modification of ammunition. The portfolio primarily supports the Global Precision Attack Core Function and includes ammunition, bombs, flares, fuses, cartridges, and related training devices. Specifically, the FY 2013 base Budget Request procures munitions to maintain appropriate War Reserve Materiel munitions quantities and test and training stockpiles including 3,259 Joint Direct Attack Munitions (another 1,419 are requested for OCO) and general purpose bombs, practice bombs and rockets. The Air Force also invests in preferred munitions for A2/AD environment and maintains readiness.

Table 15. Ammunition Procurement TOA

Ammunition Procurement TOA (\$M)	FY 12 APPN	FY 13 PB
Ammunition	492	570
Small Arms	7	29
Blue Total	499	599
Non-Blue	-	-
AF Ammunition Procurement TOA Total	499	599

Numbers may not add due to rounding.



.50 - Caliber Machine Gun Ammo



Maintaining a rotary launcher



AF Small Arms Qualification Course

Procurement – Other

Figure 14 depicts the FY 2013 Blue TOA shown in Table 16 below and displays the relative size of each subsection of this appropriation.

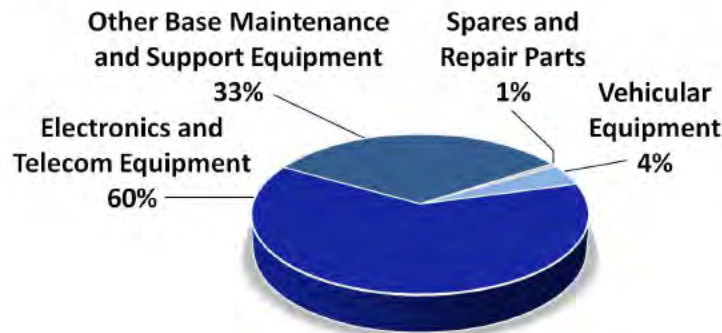


Figure 14. Other Procurement FY 2013 Blue Budget Request

The Other Procurement appropriation funds several systems including procurement and modification of equipment, ground electronic systems, communication equipment, information systems, and vehicles. Within the Space Superiority Core Function, the Air Force will continue Air Force Satellite Control Network and the Spacelift Range System upgrades. The Air Force Network of Systems, which continues consolidation and standardization of the Air Force network boundary, and Military Satellite Communication ground terminals both support the Cyberspace Superiority Core Function. Continued modernization of the Distributed Common Ground System is key to Global Integrated ISR, providing a network backbone for time-critical intelligence data. The Air Force Networks (AFNet) has reached sustainment and will be moved to Operations and Maintenance in FY 2013. Additionally, the contract supporting the Family of Advanced Line of Sight Terminals (FAB-T) will be terminated allowing the program to be re-scoped and re-validated. The current program fails to provide the capability required.

Table 16. Other Procurement TOA

Other Procurement TOA (\$M)	FY 12 APPN	FY 13 PB
Vehicular Equipment	149	103
Electronics and Telecom Equipment	1,670	1,491
Other Base Maintenance and Support Equipment	830	781
Spares and Repair Parts	15	15
Blue Total	2,664	2,390
Non-Blue	14,736	14,331
AF Other Procurement TOA Total	17,399	16,721

Numbers may not add due to rounding.



MRAP-ATVS arrive in Afghanistan



Sweeping dipoles on a Solar Radio Spectrograph



RED HORSE team uses heavy construction equipment

Military Construction

Figure 15 depicts the FY 2013 Blue TOA shown in Table 17 below and displays the relative size of each subsection of this appropriation.

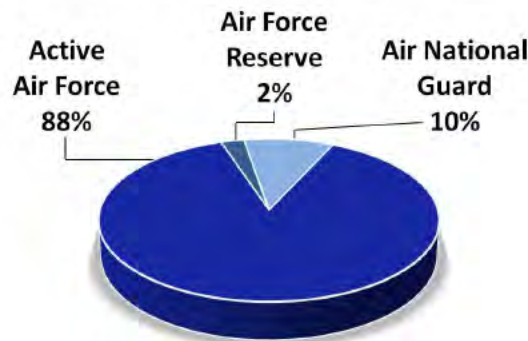


Figure 15. MILCON FY 2013 Blue Budget Request

The Air Force Military Construction (MILCON) appropriation funds construction projects which support operational needs, air, space and cyber infrastructure modernization, COCOM priorities and quality of life initiatives for Airmen and Joint personnel. The Air Force will take a deliberate pause in MILCON in FY 2013 while we realign our force structure with the defense strategy. The deliberate pause reduced the request by nearly 68 percent. Included in the FY 2013 budget request are beddown projects, a COCOM Headquarters facility, training and simulator facilities, and dormitory replacement projects at various Air Force and Joint Bases. Table 17 displays a summary of Active, Air Force Reserve and Air National Guard MILCON with a breakout of major and minor construction funding in the subsequent tables.

Table 17. MILCON TOA

Military Construction TOA (\$M)	FY 12 APPN	FY 13 PB
Active Air Force	1,148	388
Air Force Reserve	34	11
Air National Guard	116	42
Totals	1,298	442
Non-Blue	79	0
Air Force MILCON TOA Total	1,377	442

Numbers may not add due to rounding.



Air Force Reserve Command's newest green building, the Air Reserve Personnel Center at Buckley AFB, CO



Recently completed state-of-the-art training complex for the Inter American Air Forces Academy at Joint Base San Antonio, TX



HC-130J Simulator Facility at Davis Monthan AFB, AZ

MILCON – Active Air Force

Table 18. MILCON, Active Air Force TOA

Military Construction, Air Force (Active) TOA (\$M)	FY 12 APPN	FY 13 PB
Major Construction	1,046	351
Minor Construction	20	18
Planning and Design	82	19
Totals	1,148	388
Non-Blue	79	0
AF Active MILCON TOA Total	1,227	388

Numbers may not add due to rounding.

The Air Force Active MILCON program is experiencing a deliberate pause in FY 2013 as the overall Air Force determines the best structure to shape the future force in a constrained fiscal environment. Active MILCON supports high priority projects across the spectrum of Air Force and COCOM priorities to meet warfighter needs and supports quality of life for Airmen. The largest project in the FY 2013 Budget Request, representing 41 percent of the Active MILCON program, will fund the second increment of the United States Strategic Command (USSTRATCOM) Headquarters replacement facility at Offutt AFB, NE. Twenty-seven percent of the budget request will support new mission requirements for C-130H/J, MQ-9, F-22, F-35 and other weapon systems, while 11 percent of the MILCON program will be used to fund the construction of new airmen dormitories at Joint Base San Antonio, TX and Thule Air Base, Greenland. In addition, the Air Force was able to fund a transient aircraft hangar and transient contingency dormitory at Naval Station Rota, Spain and a sanitary pump station at Lajes Field (Azores), Portugal.

MILCON – Air Force Reserve

Table 19. MILCON, Air Force Reserve TOA

Military Construction, Air Force Reserve TOA (\$M)	FY 12 APPN	FY 13 PB
Major Construction	26	6
Minor Construction	5	2
Planning and Design	2	3
Totals	34	11
Non-Blue	0	0
AF Reserve MILCON TOA Total	34	11

Numbers may not add due to rounding.

The FY 2013 AFR MILCON request supports one project, a C-130H Flight Simulator Training Facility at Niagara Falls Air Reserve Station, NY.

MILCON – Air National Guard

Table 20. MILCON, Air National Guard TOA

Military Construction, Air National Guard TOA (\$M)	FY 12 APPN	FY 13 PB
Major Construction	95	33
Minor Construction	9	6
Planning and Design	12	4
Totals	116	42
Non-Blue	0	0
AF ANG MILCON TOA Total	116	42

Numbers may not add due to rounding.

ANG MILCON for FY 2013 provides a Total Force Integration (TFI) F-22 Combat Apron addition at Joint Base Pearl Harbor-Hickam, HI and a C130H Flight Simulator Facility at the Wyoming Air National Guard base at Cheyenne Municipal Airport, WY. Both of these projects support new mission beddowns. Additionally, ANG MILCON alters the target intelligence facility at Kirtland AFB, NM.

Military Family Housing

Figure 16 depicts the FY 2013 Blue TOA shown in Table 21 below and displays the relative size of each subsection of this appropriation.

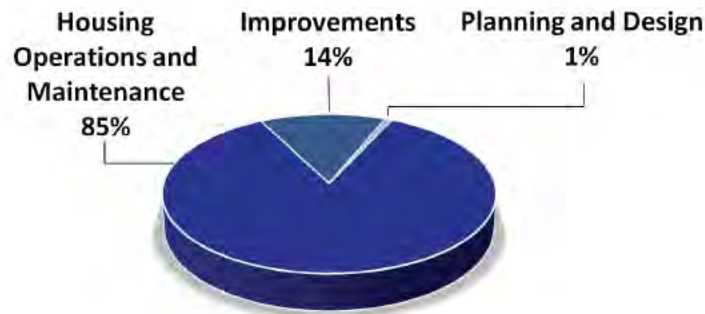


Figure 16. Military Family Housing FY 2013 Blue Budget Request

The FY 2013 Military Family Housing budget request reflects the Air Force’s continued emphasis on revitalizing housing and providing service members with homes that meet contemporary standards similar to the size and floor plans of homes constructed in the local community. The Air Force uses the Family Housing Master Plan as the roadmap to guide investment planning and programming, operation and maintenance, and military family housing privatization. The FY 2013 Budget Request continues privatization as well as supports maintenance of owned and leased units and oversight of privatized units.

Table 21. Military Family Housing TOA

Military Family Housing TOA (\$M)	FY 12 APPN	FY 13 PB
New Construction	0	0
Improvements	56	80
Planning and Design	4	4
Housing Operation and Maintenance	425	494
Totals	485	578
Non-Blue	4	4
Air Force Military Family Housing TOA Total	490	582

Numbers may not add due to rounding.



New family housing constructed at Osan AB, Korea



Renovated single-family MFH on Vandenberg AFB, CA



Military Family Housing at Seymour Johnson AFB, NC

Base Realignment and Closure

Figure 17 depicts of the FY 2013 Blue TOA shown in Table 22 below and displays the relative size of each subsection of this appropriation.



Figure 17. BRAC FY 2013 Blue Budget Request

The law authorizes Base Realignment and Closure (BRAC) accounts to fund one-time costs that are a direct result of BRAC-directed actions. In prior years, Air Force BRAC funds paid for implementation actions including construction, force structure realignment, personnel/equipment movement, required training, environmental compliance/restoration and property/program management.

The FY 2013 budget for BRAC 1995, totaling \$123M, includes funds for environmental restoration and property management at 28 installations closed under BRAC 1988, 1991, 1993 and 1995.

The FY 2013 budget for BRAC 2005, totaling \$2M, includes funds for environmental restoration and property management at six closed installations.

The Air Force continues to support further infrastructure reductions with a future round of BRAC.

Table 22. BRAC TOA

Base Realignment and Closure TOA (\$M)	FY 12 APPN	FY 13 PB
BRAC 1995	124	123
BRAC 2005	2	2
Blue Total	125	125
Non-Blue	0	0
AIR FORCE BRAC TOA Total	125	125

Numbers may not add due to rounding



Monitoring Well installation at former Galena FOL in Galena, AK



Crane removing first of two air stripper towers, used to treat contaminated groundwater at the former Castle AFB in Atwater, CA



Soil excavation for water removal from a remediation site at former Kelly AFB, TX; preparation for a carbon source placement

Summary

The FY 2013 Budget Request is the product of careful analysis and difficult choices across all core functions including the decision to divest portions of combat and combat enabler forces. The programmed reductions follow detailed assessments of future conflict scenarios and rotational deployment requirements, and were chosen to maintain capable and lethal forces while preserving ready and sustainable Active and Reserve Components. The guiding principle was balance--the need to execute the new defense strategy, modernize the force for tomorrow's fight, and support the Airmen who ensure mission success. The Air Force will be smaller, but will remain highly capable, lethal, ready, agile, and deployable.

Section 2: FY 2013 Overseas Contingency Operations Request

The Air Force remains heavily committed to current operations in Afghanistan and will continue to carryout contingency operations around the world including supporting the Office of Security Cooperation in Iraq. Maintaining combat readiness is a key factor in supporting Overseas Contingency Operations (OCO). The Air Force must sustain critical mission areas of *Global Reach*, *Global Vigilance*, and *Global Power*, while continually maintaining an agile, adaptable, persistent, lethal and surge-ready air, space, and cyberspace force. For the past two decades, the Air Force has taken the fight to hostile forces around the world and continues combat operations through forces deployed to the United States Central Command's (USCENTCOM) Area of Responsibility (AOR). OCO funding supports the deployment of Active Duty and Reserve Component personnel to the USCENTCOM AOR. This funding also supports post-hostility operations and actions facilitating the transition from war to peace. Details of the FY 2013 OCO Budget Request are shown in the table below.

Table 23. FY 2013 OCO by Appropriation

OCO by Appropriation (\$M)	FY 12 APPN	FY 13 PB	Delta
MILPERS	1,493	1,323	(170)
O&M	10,554	9,362	(1,192)
RDT&E	191	0	(191)
Procurement	1,509	602	(907)
MILCON/Military Family Housing	0	0	0
Working Capital Fund	12	240	228
Total Blue OCO Request	13,759	11,527	(2,232)
Total Non-Blue OCO Request	3,075	2,746	(329)
Total OCO Request	16,834	14,273	(2,561)

Numbers may not add due to rounding.

Today the Air Force flies and fights in air, space, and cyberspace, globally and reliably, as a valued member of our Joint and coalition teams. Nearly 39,000 Airmen are deployed to 135 locations across the globe, with over 29,000 in and around Afghanistan.

Since September 11, 2001, the Air Force has flown more than 455,000 sorties in support of Operations IRAQI FREEDOM and NEW DAWN (OND) and more than 350,000 sorties in support of Operation ENDURING FREEDOM (OEF). Just in the last year, the Air Force conducted more than 41,000 sorties supporting OND and almost 118,000 sorties supporting OEF, delivered over 1.78 million passengers and 712,000 tons of cargo, and employed almost 2,580 short tons of munitions. Over Afghanistan, Airmen conducting 1,700 airstrikes, responded to nearly 3,000 troops-in-contact situations and performed over 300 airdrops in support of ground operations. Additionally, since September 11, 2001, Airmen have transported nearly 96,000 patients, including 6,000 critical care patients, from the USCENTCOM AOR. An additional 57,000 Total Force Airmen are forward stationed overseas providing capabilities in direct support of our Combatant Commander requirements. From home stations here in the United States, approximately 134,000 Airmen provided daily support to Combatant Commanders' worldwide operations, including standing nuclear alert, commanding and controlling our satellites, controlling remotely piloted aircraft, analyzing Intelligence, Surveillance, and Reconnaissance (ISR) data and much more.

The Air Force's budget request invests in the organization, training, and equipping of Airmen supporting OCO. To increase flexibility and lethality that meets the needs of Combatant Commanders in the AOR, Air Force officials will continue to align resources to support efforts in Afghanistan and the Horn of Africa.

The Air Force provides the administrative support for the Office of Security Cooperation-Iraq (OSC-I) operations, which is a critical part of the U.S. long-term strategic partnership with Iraq. OSC-I is the cornerstone to building partnership capacity in the Iraqi Security Forces and it will conduct the full range of traditional security cooperation activities such as advising, training, and equipping Iraqi forces, supporting professional military education, and planning joint military training exercises.

Military Personnel

The FY 2013 Budget Request includes \$1.3B for boots on the ground and wings in the air of the approximately 26,000 Airmen directly supporting OEF. This funding pays over 11,200 Air Force Reserve and ANG personnel mobilized for duty and provides incremental pay and allowances (e.g., hostile fire, imminent danger, hardship duty, family separation) for more than 15,000 active duty members.

Operation and Maintenance

OCO funding supports operational costs associated with flying hours for multiple aircraft, supplies and materiel, transportation costs for equipment and personnel to be shipped into and out of the theater, equipment, communications, and other miscellaneous costs to meet world-wide operational requirements. The FY 2013 Budget Request includes \$8.9B in incremental funding required for OEF and \$0.5B in support of the Office of Security Cooperation - Iraq. The Air Force is not requesting any funding for OND in FY 2013. OEF funding supports 281,000 flying hours, inter/intra-theater airlift, sustainment, and base support/airfield operations. It also delivers critical Command and Control, persistent ISR, Personnel Recovery and firepower to United States and Coalition forces. Personnel Recovery forces are fully engaged in Afghanistan and the Horn of Africa accomplishing lifesaving medical and casualty evacuation missions. Air Force ISR provides timely, fused, and actionable intelligence to the Joint Force from forward-deployed locations and distributed processing centers around the globe. The Air Force continues to rapidly increase ISR capability and capacity to support combat operations and will continue to build on ISR progress made in FY 2012 to achieve 65 Remotely Piloted Aircraft Combat Air Patrols in 2014. The Air Force continues to provide unparalleled airlift and air refueling capability to support national defense. Mobility forces present a vital deployment and sustainment capability for Joint and Coalition forces, globally delivering equipment, personnel, and materiel essential for major combat operations in the USCENTCOM AOR. Air Force fighters and bombers continue to provide COCOMs with precision strike capability, delivering critical support to ground troops.



Supplies air dropped to forces at remote location in Afghanistan

Investment (RDT&E and Procurement)

Very limited FY 2013 OCO investment funds provides reconstitution of equipment and ammunition and delivers increased operational capability to the warfighter to successfully meet a range of in-theater security challenges. The Air Force continues its support of C-5 and C-130 Large Aircraft Infrared Countermeasures supporting man-portable missile survivability. It also continues the replacement of Basic Expeditionary Airfield Resources (BEAR) and Fuels Operational Readiness Capability Equipment (FORCE) worn out and transferred assets. Beginning in FY 2013, the procured Joint Counter Radio-

Controlled IED Electronic Warfare (JCREW) systems will meet capability requirements for interoperability, threat defeat, and minimized configuration management across the services.

Working Capital Funds

The Air Force Working Capital Fund (AFWCF) provides maintenance services, weapon system spare parts, base supplies, and transportation services. The United States Transportation Command's (USTRANSCOM) Transportation Working Capital Fund (TWCF) is included in the AFWCF; however, the Air Force is only charged with cash oversight while USTRANSCOM has operational accountability over TWCF. The Air Force is requesting FY 2013 funding to support two TWCF missions: \$10M in Fallen Heroes and \$230.4M in support of C-17 Engine Repairs. The National Defense Authorization Act 2007, Section 562, establishes the Fallen Heroes Program, which provides transportation of Service members killed in combat operations through contract airlift. C-17 engine overhauls are required due to excessive wear and tear resulting from operating in the contingency environment.

Summary

The Air Force supports OCO in multiple regions in support of the Combatant Commander. Airmen are training, coaching and mentoring Afghan police and providing medical supplies to remote areas of Afghanistan. The Air Force is also providing day-to-day support to Army and Marine counterparts, assisting with transportation and security details while providing airdrop capabilities to remote areas all over the globe. The Air Force is committed to OCO and will continue to support Combatant Commanders by ensuring forces are adequately trained, equipped and supported across the full spectrum of mission sets. The FY 2013 OCO request sustains this support and ensures troops have the necessary resources to accomplish their mission.

Section 3: Performance Based Budget (Overview)

This section discusses how the Air Force budget is aligned to accomplish strategic goals and objectives and provides historical performance information on specific program areas. The performance based budget described in this section is organized by Air Force Core Function. The core functions encompass the full range of Air Force capabilities that provide the foundation of activities to support the Air Force’s enduring contributions and carryout the mission. Air Force programs within each core function support the objectives, the enduring contributions, and ultimately the mission of the United States Air Force as depicted in Figure 18.

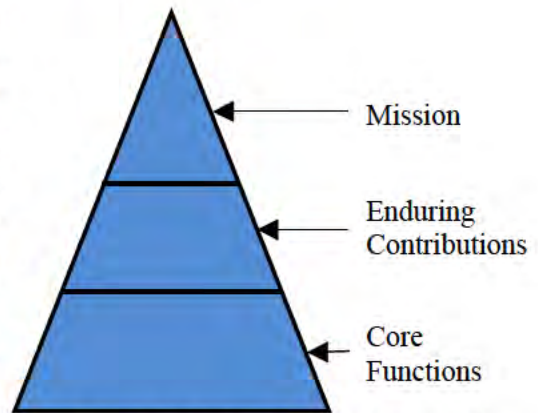


Figure 18. Air Force Performance Pyramid

Air Force Mission:

Fly, fight and win...in air, space, and cyberspace.

Enduring Air Force Contributions:

- *Air and Space Control*
- *Global Intelligence, Surveillance, and Reconnaissance (ISR)*
- *Rapid Global Mobility*
- *Global Strike*

The Air Force compliments these contributions with its ability to command and control air, space, and cyberspace systems.

Air Force Core Functions:

Nuclear Deterrence

Special Operations

Air Superiority

Global Integrated ISR

Space Superiority

Command and Control

Cyberspace Superiority

Personnel Recovery

Global Precision Attack

Building Partnerships

Rapid Global Mobility

Agile Combat Support

Alignment to Department of Defense Priorities

The Air Force FY 2013 Budget Request supports Department of Defense (DoD) priorities in the Quadrennial Defense Review (QDR) and contributes to overall department performance objectives. The direction from the QDR, National Security Strategy and National Military Strategy creates the vision and guides the Air Force’s Annual Planning and Programming Guidance, the Air Force Core Function Master Plans and the Force Planning Construct.

The new DoD strategy requires the Air Force to reassess its posture and the budget that flows from it, while continuing to bring four enduring and distinctive contributions to the Nation’s military portfolio: air and space control, global intelligence, surveillance, and reconnaissance (ISR), rapid global mobility, and global strike. These four core contributions—plus our ability to command and control air, space, and cyberspace systems—will sustain our Nation’s military advantage as the Joint Force becomes smaller and as we face emerging anti access/area denial threats.

The Air Force’s enduring contributions provide focus to support the Air Force mission and align with DoD guidance and Combatant Commanders’ needs. Air Force Core Functions describe what the Air Force provides to Combatant Commanders beyond *Global Vigilance, Reach, and Power*. The Air Force’s resource choices represented in this budget request were balanced across the 12 Core Functions to address both near- and long-term requirements. While the core functions appear individually in this document, it is important to recognize their inherent interdependence to support Air Force, Joint force and broader national security needs.

The Air Force **mission and enduring contributions** come together to support the Joint mission by providing *Global Vigilance, Reach, and Power* across the globe. The Air Force core functions provide a framework for balancing investments across Air Force capabilities and our enduring contributions as we align our resources to the new defense strategy. The 12 Air Force Core Functions are defined below:

Nuclear Deterrence Operations	Air Superiority	Space Superiority	Cyberspace Superiority	Global Precision Attack	Rapid Global Mobility
Operate, maintain, and secure nuclear forces to achieve assured capability to deter an adversary from taking action against US vital interests	Deliver dominance in the air battle	Deliver dominance in space over adversaries	Deliver dominance in cyberspace of one force over another that permits conduct of operations by the former	Hold at risk or strike rapidly and persistently any target to achieve precise effects	Timely deployment, employment, sustainment, augmentation and redeployment of military forces and capabilities
Special Operations	Global Integrated ISR	Command & Control	Personnel Recovery	Building Partnerships	Agile Combat Support
Specialized airpower operations conducted in hostile, denied or politically sensitive environments	Conducting and synchronizing surveillance and reconnaissance across all domains	Ability of commanders to integrate operations in multiple theaters at multiple levels	Recovery and return of US military, DoD civilians and DoD contractor personnel	Set conditions for interaction with partner, competitor or adversary leaders, military forces or relevant populations	Field, protect and sustain air, space and cyber forces

Figure 19. Air Force Core Functions

Performance Management

The Air Force is making progress in its performance management system to include alignment between DoD and Air Force strategic objectives. Part of this effort includes enhancing the relevance, utility, and maturity of performance measures used to support Air Force senior decision makers. Some measures

used in the Air Force performance management system are included in this budgetary publication. The Air Force has initiated quarterly reviews and uses performance measures to make enterprise-level decisions regarding resources and prioritization of effort to assure the more disciplined use of defense dollars. This is an evolutionary process to continuously improve the quality of the performance measures used for decision support. Future performance budgets will evolve with the Air Force performance management system.

One key performance measure used by the Air Force is the Aircraft Availability Rate. This measure is used across most Air Force Core Functions with flying mission responsibilities. The Aircraft Availability Rate is calculated by dividing Mission Capable hours by the Total Aircraft Inventory hours to assess the health of the entire fleet. This measure helps leadership assess how many jets will be ready to perform missions at any given time and is tracked at the mission design series level. Each weapon system has individually calculated standards, or goals, based on Operational Plan requirements that will meet QDR scenarios. Many factors impact the availability rates. Examples include depot maintenance, parts availability, use of aircraft and climate. Because there are so many factors, this document will discuss the overall mission impact versus addressing each rate in the Service Core Function sections that follow.

Summary of Planned Accomplishments

The FY 2013 Budget Request is designed to defend and advance the interests of the United States by providing unique capabilities to succeed in current conflicts while preparing to counter future threats. Specifically, this budget provides resources to meet growing intelligence, surveillance and reconnaissance needs, as well as mobility, Command and Control (C2) and building coalition partner capacity to prevail in today’s wars. The request also supports the previous years’ momentum to continue strengthening the Air Force portion of the Nation’s nuclear deterrence, recapitalize the aging tanker fleet and modernize across multiple mission areas to meet future threats. Finally, this budget request preserves and enhances our all-volunteer force through education, training and quality of life initiatives for Airmen and their families.

The following pages of this performance budget section will describe in greater detail by Air Force Core Function the successes and challenges the Air Force is experiencing and the initiatives implemented to make further improvement. All dollar figures within this section will be Air Force “Blue” Total Obligation Authority (TOA) unless stated otherwise. The funding in the bar charts on the following pages depicts FY 2011 actuals, FY 2012 enacted, and FY 2013 budget request figures.

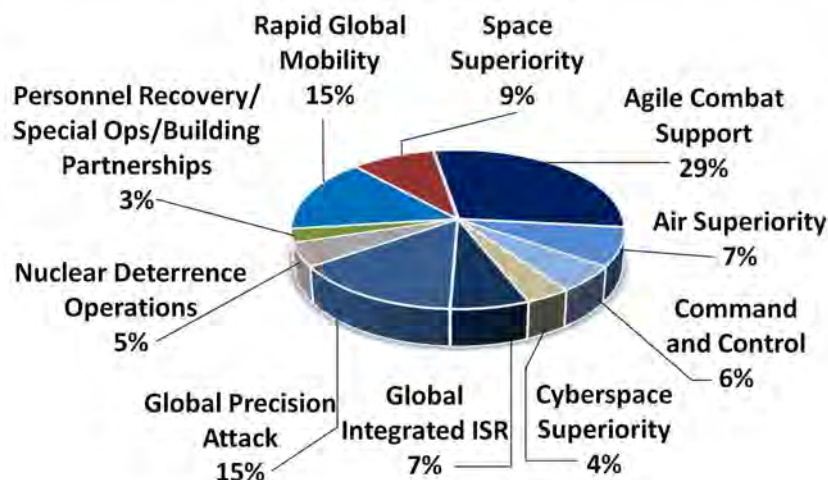


Figure 20. FY 2013 Budget Request by Air Force Core Function

Nuclear Deterrence Operations

Overview

The Nuclear Deterrence Operations Service Core Function provides safe, secure, and effective nuclear capabilities for the nation to maintain strategic deterrence and stability, strengthen regional deterrence and prevent nuclear proliferation and nuclear terrorism. The Air Force continues recapitalization and modernization efforts critical to sustaining a credible deterrent. The Air Force’s intercontinental ballistic missiles and heavy bombers provide two critical legs of the nuclear triad. Dual-capable fighters and bombers provide extended deterrence and reassurance to our allies and partners. Nuclear Deterrence Operations accounts for \$5.1B of the Air Force FY 2013 Budget Request as reflected in Figure 21. Additional details of FY 2011 accomplishments and FY 2013 initiatives are included in the sections that follow.

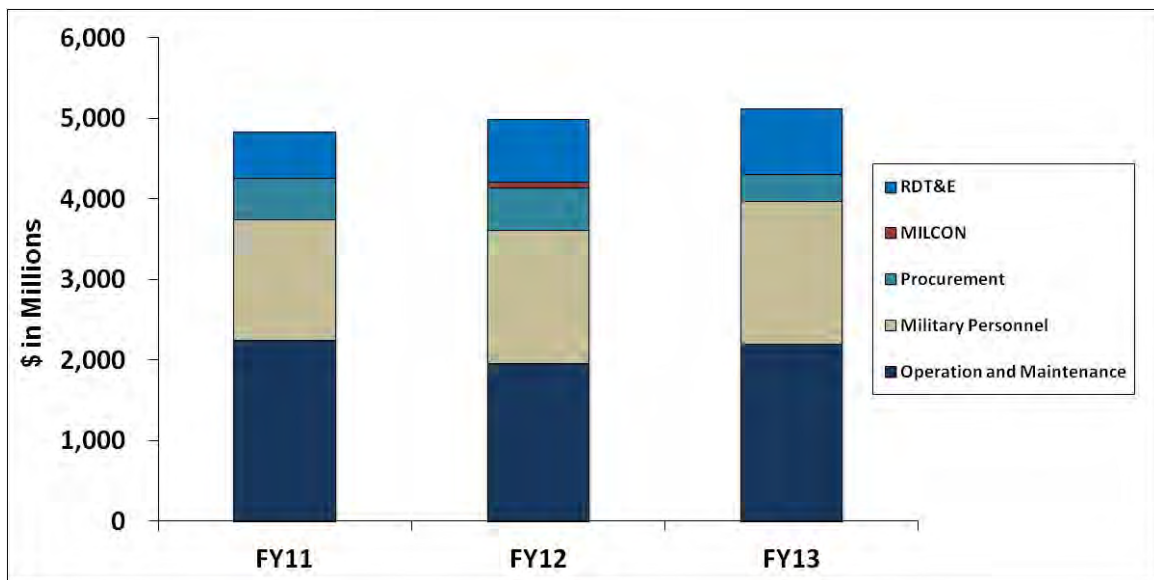


Figure 21. Nuclear Deterrence Operations TOA by Appropriation

Accomplishments

In 2011, the Air Force continued to strengthen the nuclear enterprise with several organizational, cultural and procedural enhancements. The skill and leadership of our “nuclear-minded” Airmen at all levels continued to allow us to institutionalize improvements and capitalize on gains made since the Air Force began reinvigorating the nuclear enterprise in 2008. Air Force Global Strike Command (AFGSC), the Air Force Nuclear Weapons Center (AFNWC) and the Assistant Chief of Staff, Strategic Deterrence and Nuclear Integration ensured support for the people, equipment, and processes that provide nuclear deterrence on a daily basis.

Organization and Culture: In 2011, the Air Force continued to build upon the foundation of performance and accountability that was established by the stand up of AFGSC. Key nuclear munitions maintenance units, which were initially under Air Force Materiel Command, were aligned under a single commander. The realignment improved unity of command, which in turn improved oversight and standardization of our nuclear weapons, cruise missiles, re-entry vehicles/systems, storage, accountability, handling and control.



Minuteman III ICBM maintenance

In addition, organizational changes were complemented by procedural changes that created a stronger nuclear enterprise. For example, a senior-level functional authority for human capital was designated to build nuclear-leader expertise throughout the enterprise. This senior-level focus ensures that nuclear professionals are deliberately developed to grow the experience and leadership skills needed in key career fields for decades to come. This will provide an experienced workforce and future leadership pool of Senior NCOs and officers in sufficient numbers with the depth and breadth to meet the USAF's nuclear deterrent operations requirements. Additional senior governing bodies met at least quarterly in 2011 to provide oversight to all aspects of the nuclear enterprise. The Nuclear Oversight Board (NOB), which is co-chaired by the SecAF and CSAF, addressed issues impacting force development, sustainment and recapitalization.

Air Force nuclear surety inspections remain rigorous and challenging while at the same time, units are demonstrating improved performance trends. This inspection rigor, coupled with the improving performance trend, is indicative of a more focused and disciplined force. The Air Force will continue to build upon this trend and review inspection processes and schedules to ensure that commanders have the resources to meet mission demands and maintain stellar inspection performance.



Vandenberg Airmen conduct ICBM Minuteman III flight test

Modernization and Recapitalization: In 2011, modernizing and recapitalizing nuclear programs remained an institutional priority. AFGSC created strategic modernization plans and a detailed Intercontinental Ballistic Missile (ICBM) Master Plan. These efforts will guide Minuteman III sustainment through 2030 by investing in infrastructure, support equipment and operational/test missile modernization. Some of the FY 2013 funded efforts include cryptographic improvements, ballistic missile fuze components, and transporter erector replacements. The Air Force is also aware that the maintenance of the ICBM research and development industrial base

and the associated critical nuclear skills is essential in keeping the Minuteman III viable while addressing a follow-on system. The multifaceted Air Force sustainment and recapitalization effort is successfully addressing and developing critical deterrence initiatives including a study of the Ground-Based Strategic Deterrence (GBSD), which will examine potential follow-on systems to the Minuteman III. A study for the future long-range standoff (LRSO) weapon, the Air Launched Cruise Missile follow-on, is also underway. The Air Force is also evaluating Nuclear Command, Control, and Communications (NC3) requirements, and modernizing lagging infrastructure to ensure credible, reliable, and survivable nuclear command and control

FY 2013 Initiatives

Strengthening the nuclear enterprise will remain a high priority within the Air Force. To date, significant progress has been made allowing the nuclear enterprise to operate at a higher proficiency level. In FY 2013, the Air Force will continue vital recapitalization, modernization, and sustainment efforts started in FY 2011.

The Air Force will continue bomber modernization and sustainment efforts, to include the B-2 Defensive Management Systems program, the B-2 Very Low Frequency/Low Frequency communications program, and the B-52 1760 Internal Weapons Bay Upgrade. Additional investments that will sustain the ICBM force through 2030 include replenishing and developing new ballistic missile fuze components as well as replacing transporter erectors. In support of general nuclear sustainment, the Air Force included funding for missile test equipment, munitions handling units and technical order development. The Air Force will remain focused on



B-2 Spirit Ready for Take-Off

human capital and carefully balancing the requirements for the Airmen of the nuclear enterprise.

The FY 2013 Budget Request also includes approximately \$80M to fund the Air Force's portion of the B61 life extension program. In partnership with the Department of Energy, the life extension program will reduce the number of B61 variants, overcome aging problems and improve safety, security and reliability.

With the February 2011 entry-into-force of the New Strategic Arms Reduction Treaty, the Air Force must implement a force structure that provides for a safe, secure, and effective strategic deterrent posture that remains within treaty limits. Consistent with the Treaty's protocols and obligations, the FY 2013 Budget Request funds compliance activity and force reduction options to meet the central limits of the Treaty. These include actions such as the elimination of phantom ICBM launcher and bombers, the conversion of some B-52Hs from nuclear-capable to conventional-only capability, and the transition of all ICBMs to a single warhead configuration.

The FY 2013 Budget Request also highlights two critical elements of America's nuclear triad and forward-deployed extended deterrence. Looking forward, continuing to strengthen the nuclear enterprise entails a long-term, systematic effort to refine and improve upon earlier initiatives. The Nuclear Deterrence Operations Service Core Function reflects the Air Force's firm and steadfast conviction that nuclear deterrence and global strike operations require the highest standards of performance and accountability.

Charting Our Flight Path: The Air Force will continue to strengthen its nuclear enterprise. The SecAF and CSAF have articulated a flight path to guide the Air Force's commitment to sustained success across the nuclear enterprise. We will focus on:

- Ensuring Air Force efforts to strengthen the nuclear enterprise remains a top institutional priority. The Air Force will continue to work with other key agencies to sustain critical modernization and life extension programs and guarantee a safe, secure, and effective nuclear capability.
- Supporting implementation of the New Strategic Arms Reduction Treaty protocols and obligations by developing force planning, programming, logistics, engineering, and environmental options for civilian decision-makers.
- Revitalizing thinking within the Air Force about crisis stability and 21st century deterrence dynamics. In particular, we must develop a better understanding of how non-nuclear capabilities, including missile defense, complement our nuclear deterrent.
- Evaluating nuclear command, control, and communications requirements, and modernizing lagging infrastructure to ensure credible, reliable, and survivable nuclear command and control.

The Air Force continues to strengthen the Nuclear Deterrence Operations Service Core Function and institutionalize the structure, process and cultural changes underway. The FY 2013 Budget Request builds upon the nuclear reinvigoration successes achieved since 2008 and enables the Service Core Function to maintain its role as a bedrock of strategic deterrence and stability.

Air Superiority

Overview

Securing the high ground is a critical prerequisite for any military operation to ensure freedom of action for the Joint force and the Nation. For over five decades, Air Force investments, expertise and sacrifice in achieving air superiority have ensured that friendly ground forces operate without threat of attack from enemy aircraft. While the United States has enjoyed this freedom for the last sixty years, there is no guarantee of Air Superiority in the future. Airspace control remains vitally important in all operating environments to ensure the advantages of rapid global mobility, ISR, and precision strike are broadly available to the Combatant Commander. Currently the United States benefits from the only operational fifth-generation fighter aircraft, the F-22 Raptor, but adversaries are rapidly developing competitive fifth-generation fleets. Global and regional competitors are working towards fifth-generation fighter aircraft and advanced surface-to-air missile systems that present an area denial capability that challenges U.S. air superiority. Additionally, improvements to adversary fourth-generation fighters put them on par with legacy F-15C/D aircraft that constitute a significant component of U.S. air superiority capability and further threaten our ability to ensure air superiority. Given these realities, the Air Force’s FY 2013 budget request includes initiatives to address current and future air superiority needs. This core function accounts for approximately \$8.3B of the Air Force FY 2013 Budget Request as reflected in Figure 22. Additional details of FY 2011 accomplishments and FY 2013 initiatives are included in the sections that follow.

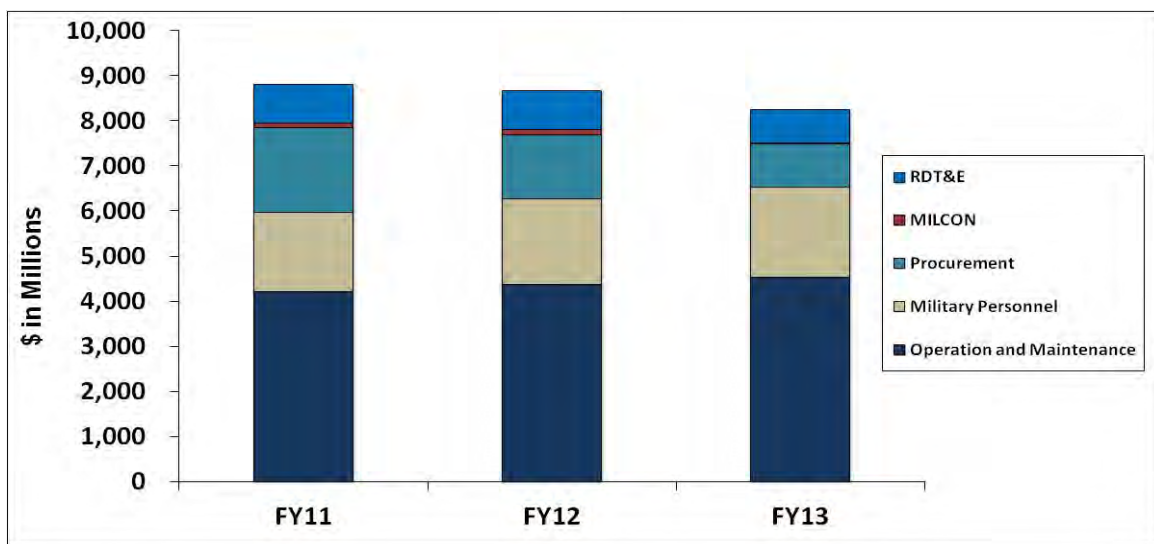


Figure 22. Air Superiority TOA by Appropriation

Accomplishments

In FY 2011, Air Superiority activities focused on expanding the T-38 Adversary Air program, continuing development of the AIM-9X air-to-air missile, taking further delivery of and modifying the F-22A fleet, and upgrading legacy fighters to maintain fleet viability.

The T-38 Adversary Air program that began at Holloman AFB was expanded to Langley AFB and Tyndall AFB in support of F-22A training. Additional T-38s for the program were acquired from aircraft scheduled for retirement and in storage. When complete in FY 2013, the program will include 20 T-38s



F-22 Raptor and T-38 Talon at Joint Base Langley-Eustis, VA

at Tyndall AFB and 14 at Langley AFB. The T-38 provides an extremely cost effective platform to provide training scenarios for F-22A pilots.

The AIM-9X Block II successfully entered Milestone-C in June 2011. The program has consistently delivered on-cost and ahead of schedule for nine straight years. Significant performance improvements include: new computer, improved Lock On After Launch, infrared counter-countermeasures, data link, lofting, and laser target detector. Software development is on schedule with nine successful live fire events demonstrating all planned capabilities. Block II production started in FY 2011 and active affordability improvements are underway to drive costs down.

In FY 2011, the Air Force received 14 F-22As at Joint Base Langley-Eustis, VA. Basing actions have been finalized and will maximize combat squadrons available for contingencies by consolidating aircraft at existing bases, while increasing operational flexibility. The Air Force is working to provide a common configuration by upgrading Block 10 training aircraft to a Block 20 configuration and upgrading Block 20 combat-coded aircraft to a Block 30/35 aircraft configuration. As part of the F-22A modernization effort, Block 30/35 aircraft are being fielded with Increment 3.1 capabilities that include air-to-



F-22 Raptor flies over Hawaii

ground and electronic attack modes for the APG-77 radar. The Air Force continues to research, test, and develop Increment 3.2 capabilities on Block 30/35 aircraft that include modifications to use the most advanced air-to-air weapons, such as the AIM-120D Advanced Medium-Range Air-to-Air Missile (AMRAAM) and the AIM-9X Sidewinder, as well as upgrades to achieve the desired find, fix, track, and target capabilities. Future upgrades also will include an automatic ground collision avoidance system and advanced data links to allow data transmission to other aircraft.

The Scientific Advisory Board, aided by the Safety Investigation Board identified and mitigated a number of risks associated with the F-22 Oxygen Generation system. The measures taken to protect the crews and gather appropriate data are providing substantive and valuable information and have narrowed the possibilities while maintaining combat capability. Some of the mitigating measures taken include installing an independent oxygen sensor, conducting recurring inspections, adding an air filter, and improving Emergency Oxygen System activation. Additional long-term solutions are being pursued. Funding will be identified as specific technical solutions are determined.

To meet air superiority goals, Air Force projections require 249 legacy F-15C/Ds to remain viable until 2030. The average age of the F-15C/D fleet is over 25 years old and full scale fatigue tests are currently underway to study possible extensions to their service life, currently projected to be at least 2025. Given the fatigue data collected to date and the unique six year depot maintenance cycle of the fleet, it is expected that service life will be extended beyond this date when testing completes. The Air Force continues to modernize the F-15 fleet with APG-63(V)3 Active Electronically Scanned Array (AESA) radars. AESA radars are a quantum leap in capability over older mechanically-scanned radars and are one of the modernization efforts needed to keep the F-15 viable until 2030. In addition, the Air Force continues the Advanced Display Core Processor program which replaces the current 1970's-era central computer. These efforts should successfully enable the F-15C/D fleet to operate safely and effectively through at least 2030.

FY 2013 Initiatives

Combat Air Forces structure is constantly assessed in relation to the dynamic security environment, Joint force needs, and the current fiscal climate. The Air Force's new fighter force plans fulfill Combatant Command strategies and requirements with an increased amount of risk. Part of the plan calls for current legacy fleet service life sustainment and modernization efforts as well as F-22A upgrades to increase its

air superiority capabilities and operational effectiveness. The FY 2013 Budget Request includes \$1.7B for Procurement and Research, Development, Test and Evaluation in Air Superiority.

F-15C/D: The average age of the F-15C/D fleet is over 25 years. In response to the challenges created by age, the Air Force is conducting extensive investigation into the service life of the fighter fleet to better understand the feasibility of extending their service life given the economic and operational environments. Current projections indicate the F-15 C/D fleet is viable until about 2025 with full-scale fatigue testing currently underway.



F-15C Eagles from Kadena Air Base, Japan

In addition to the Programmed Depot Maintenance of these systems, the Air Force continues to modernize the F-15 fleet for offensive and defensive viability with AESA radars and begins development of an Eagle Passive/Active Warning Survivability System (EPAWSS). AESA radars outperform older radars by spreading broadcasts across a band of frequencies making it very difficult to detect and allowing aircraft to maintain a reduced signature. These efforts should successfully enable the 175 F-15C/D “Long-Term Eagle Fleet” to operate safely and effectively through at least 2025, as determined by the full-scale fatigue test. The FY 2013 request includes over \$15.9M for AESA radar investment.

To ensure the F-15C/D remains viable to 2025, the FY 2013 Budget Request includes an initiative to replace the obsolete and operationally limited Tactical Electronic Warfare System (TEWS) with EPAWSS. EPAWSS bolsters F-15C/D survivability through installation of a new radar warning receiver, internal jammer, and countermeasures dispenser system integrated with the AESA radar. The FY 2013 Air Force request includes \$5.1M to begin development of EPAWSS for the F-15C/D.

F-22A: The F-22A and F-35 represent the newest generation of fighter aircraft for the United States. Both aircraft are necessary to maintain superiority and access for Joint and coalition air and ground forces. While both of these aircraft provide air superiority and global precision attack capabilities, the F-22A’s primary role is air superiority. Details on F-35 initiatives are discussed in the Global Precision Attack Core Function of this document. Similar to other weapons systems in America’s inventory, the Air Force re-phased F-22A upgrades this year for maximum efficiency while maintaining a positive glide path towards ensuring air dominance for decades to come. Air Force investment in the F-22 program consists of three major efforts in the subcategories of organic sustainment, aircraft availability & combat capability modernization.

The Air Force receives its last production F-22A in 2012, culminating the 187 aircraft production run. As the Raptor transitions from production into sustainment, the Air Force is investing in organic depot standup activities to ensure the Air Force depot system contributes to F-22A structural and avionics sustainment for the lifecycle of the weapons system. The Air Force also plans to reprioritize and emphasize aircraft availability by continuing to invest in the Reliability and Maintainability Maturation Program (RAMMP). RAMMP continuously evaluates the entire air vehicle and its interconnected subsystems making it the built-in process to assess and implement necessary modifications to rectify identified deficiencies, such as last year’s life support system malfunctions resulting in a five month fleet grounding and ongoing corrosion control efforts. Finally, as the world’s premiere Air Dominance fighter, modernization of the F-22’s combat capabilities is a major area of emphasis. Increment 3.1 capabilities continue to field in FY 2013, including APG-77 radar air-to-ground and electronic attack improvements.



Lockheed Martin rolls-out final F-22 Raptor

Also in FY 2013, the Air Force prudently responds to the new fiscal environment by segmenting follow-on Increment 3.2 capabilities into three separate deliveries: Increments 3.2 A thru C. Investment in Increment 3.2A and 3.2B research, testing and development efforts will eventually incorporate the most advanced air-to-air weapons in the inventory to include the AIM-120D Advanced Medium-Range Air-to-Air Missile and the AIM-9X Sidewinder to counter anti-access threats.

Air Superiority Munitions: The Air Force continues to enhance development, production and integration of modern munitions for Air Superiority. The FY 2013 Budget Request includes AIM-9X Block 2 development and production and AIM-120D development, integration, and production. The AIM-9X adds lock-on-after launch and data link capabilities that allow pilots to release the missile without having the target “locked” at the time of launch. This decreases time required from target identification to firing. The AIM-120D is the next iteration of the AMRAAM missile with increased range and radar capabilities. The AIM-120D program was restructured to slow production while test program proves out missile software and production delays are resolved. The Air Force plans to increase production rates as soon as possible.

Space Superiority

Overview

Space Superiority is the ability to deliver a degree of dominance in space over National adversaries that permits the conduct of operations by United States and Allied land, sea, air, space and special operations forces. Through the Space Superiority Core Function, Airmen provide space capabilities that enhance the DoD’s ability to navigate accurately, see clearly, communicate confidently, strike precisely and operate assuredly. These capabilities are critical to Joint operations and national security. In addition, space operations enable many civil and commercial activities such as cellular communications, navigation, financial transactions and much more.

The Air Force is the DoD’s steward of space, offering vital capabilities to support the warfighter. These space capabilities include critical missile warning; space situational awareness (SSA); military satellite communications; positioning, navigation and timing (PNT); access to space for all National Security Space (NSS) missions; and weather data. Rapid technology advancements and the long-lead time for developing new space technology results in an ongoing need to plan, design, and implement space advancements. This core function accounts for approximately \$9.6B of the Air Force FY 2013 Budget Request as reflected in Figure 23. Additional details of FY 2011 accomplishments and FY 2013 initiatives are included in the sections that follow.

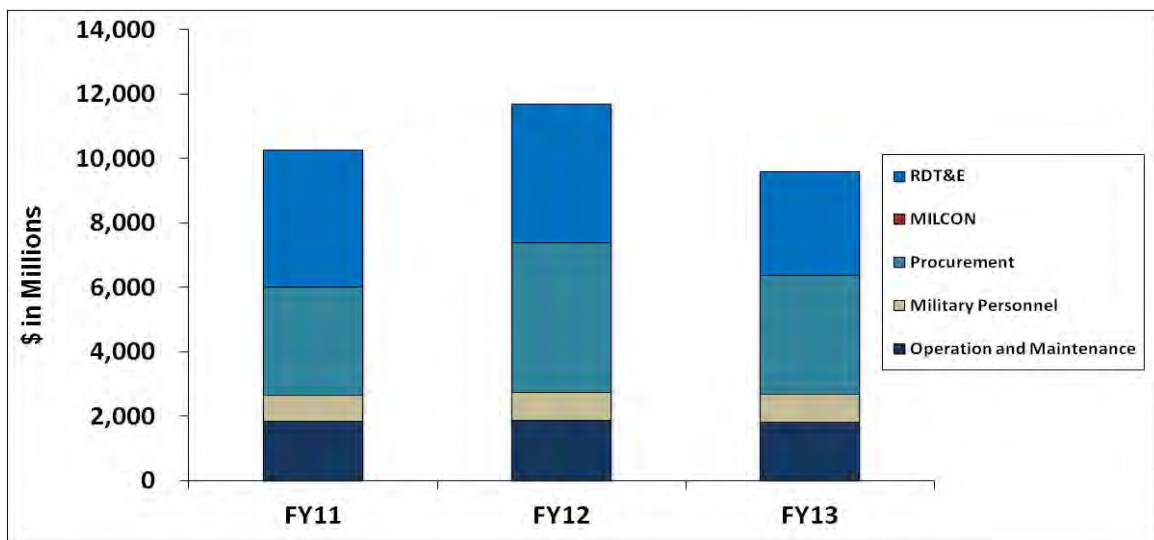


Figure 23. Space Superiority TOA by Appropriation

Accomplishments

In FY 2011, the Air Force launched the first Space Based Infrared System (SBIRS) Geostationary (GEO) satellite. SBIRS GEO 1 will provide more accurate missile warning in less time, support national and theater missile defense, gather data and a variety of infrared signatures for analysis, and provide battlespace awareness of tactical events. SBIRS GEO 2 is in testing, with a scheduled launch in FY 2013.



SBIRS GEO-1 completes integrated system test

The Air Force continues to sustain and modernize the Global Positioning System (GPS) for the nation, providing all-weather, 24/7 precise positioning, navigation, and timing (PNT) information to an unlimited number of civil and military users. Since declaring Full Operational Capability (FOC) in 1995, the GPS has met or exceeded performance standards for accuracy, availability, and

reliability and is committed to do so in the future. The second of 12 GPS Block IIF satellites launched in FY 2011 continues both the sustainment of this global utility and the fielding of improved capabilities for civilian (L2C and L5 signals) and military (M-Code) users. In an effort to maintain mission assurance and meet the nation’s civil and military requirements, the Air Force continues to develop the next generation of satellites (GPS III), control segment, and military GPS user equipment (MGUE). In order to provide full coverage, the Air Force maintains a minimum of 24 fully mission-capable GPS satellites at all times. At the close of FY 2011 the Department had 30 operational satellites in orbit, as shown in Table 24.

Table 24. Number of Operational GPS Satellites

Period	Required	Actual	Status
Q1 FY11	24	31	●
Q2 FY11	24	30	●
Q3 FY11	24	30	●
Q4 FY11	24	30	●

In FY 2011, the Air Force conducted six successful National Security Space (NSS) Evolved Expendable Launch Vehicle (EELV) launches, and as of January 2012 had completed the 45th consecutive successful operational EELV launch.

In addition, the Air Force made great strides in space situational awareness. In FY 2010, the Air Force’s only Space Based Surveillance Satellite (SBSS) asset was launched. SBSS tracks debris, spacecraft, and other distant objects in space unconstrained by weather, daylight, or line of sight from deep space to low-earth orbit. The SBSS also reduces the revisit rate on high-priority space objects from 72 hours to approximately 24 hours and provides the flexibility to quickly respond to new and changing mission needs thereby taking SSA to unprecedented levels.



Computer-generated image depicts objects in low Earth orbit being tracked

In FY 2011, the Air Force continued to operate the world’s premiere Space Surveillance Network (SSN) for SSA. The Air Force continued to support efforts aimed at providing SSA services to commercial and foreign entities in support of National Space Policy. In addition, the Air Force worked on several international engagements in SSA, as directed in National Space Policy, and expects to conclude agreements in FY 2012 with Canada regarding SAPPHERE (a Canadian space-based space surveillance system which will complement SBSS).

Through the Operation Silent Sentry (OSS) program, the Air Force seeks to continually enhance warfighter capability through the identification and characterization of electro-magnetic interference signals. To this end, the counterspace program promotes OSS support with the fielding of the Rapid Attack Identification Detection and Reporting System (RAIDRS) Deployable Ground Segment (RDGS-0) and the development of the RAIDRS Block 10 program. RDGS-0 is currently fielded and undergoing operational evaluation

FY 2013 Initiatives

The FY 2013 Budget Request took steps to continue the Defense Meteorological Satellite Program (DMSP) which has been supporting the Joint warfighting and intelligence community users for 50 years. The next DMSP satellite is set to launch as early as FY 2014 with the final satellite available for launch

when required to sustain the DoD’s operational needs. Continuing DMSP allows the Air Force to re-define the space-based weather requirements and capabilities needed by the DoD to deliver a follow-on system to the warfighter in the most cost effective manner.



Advanced Extremely High Frequency (AEHF) Satellite

In the FY 2013 Budget Request the Air Force commits \$36.8M to provide checkout and launch support for Wideband Global SATCOM while allocating \$469.9M to continue the second year of procurement for the Advanced Extremely High Frequency (AEHF) satellites 5 and 6 supporting Combatant Commander’s wideband and protected communication requirements. The FY 2013 Budget Request includes \$1.4B to continue vital PNT capability. Since declaring FOC in 1995, GPS has been the PNT global standard and is used in everything from consumer automobiles, precision farming, and smart phones, to enabling this Nation’s most sophisticated weaponry and economic systems. Lastly, in the areas of missile warning and SSA, respectively,

the Air Force requested \$1.1B for the Space Based Infrared System and \$57M for the Joint Space Operation Center Mission System (JMS). JMS will provide integrated capabilities to command and control space assets and employ SSA services to ensure continued freedom to operate in this domain. Table 25 below shows planned space procurements as well as the key capability provided by each for FY 2013.

Table 25. Planned FY 2013 Space Procurements

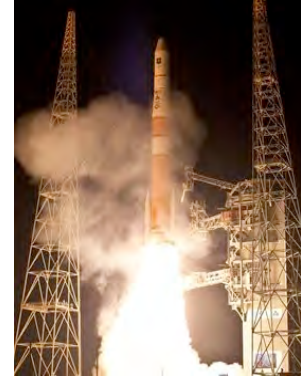
Satellite Procurement	Role/Capability	FY 13 Qty
Global Positioning System (GPS) III	Advanced positioning, navigation and timing	2
Space Based Infrared System	Missile warning, missile defense, and battlespace characterization	2
Satellite Procurement Total		4
Evolved Expendable Launch Vehicles (EELV)	Launch vehicles ensure assured access to space in support National Security Space requirements	4

For FY 2013, the Air Force is committed to delivering space capabilities to the warfighter at a better value to the taxpayer. The Air Force is continuing its support for a new and innovative acquisition strategy for the Efficient Space Procurement (ESP) of complex space systems. The ESP strategy, formerly known as Evolutionary Acquisition for Space Efficiency (EASE), will address the objectives established by the SECDEF’s Efficiency Initiatives and USD(AT&L)’s Better Buying Power guidance. The key tenets of the ESP strategy include a sound application of Fixed-Price incentive fee contracts, conducting “Should Cost, Will Cost” program reviews, implementing an acquisition strategy that encompasses block buys of satellites, and stable research and development investment. Using this approach, the Air Force foresees savings that can be reinvested in research and development to further improve performance and lower the cost of follow-on systems. This commitment to satellite production and reinvestment in technology development provides stability and predictability for the nation’s critical space industrial base. This initiative began with the FY 2012 procurement of AEHF space vehicles 5 and 6.

Spacelift is the foundation for the NSS enterprise. However, the current workload for domestic space launch contractors has not been sufficient to sustain the EELV industrial base. The EELV industrial base was addressed in the FY 2012 Budget Request and again in the FY 2013 Budget Request to ensure the Air Force's strategy towards a fixed annual production rate that should also help control cost growth. Space capabilities enable the United States military efforts and are essential for national security. The need for space superiority will remain a priority, and Airmen will lead the way in providing this critical capability for our Nation.

Force Structure Changes: The Air Force budget approach retains critical core capabilities and maintains the Air Force's ability to rapidly respond to global mission demands. It requires the Air Force to balance modernization and force structure reductions with a commitment to maintain readiness and take care of our people. To align with the new defense strategy the Air Force will eliminate the Operationally Responsive Space (ORS) program office and transition ORS experience, mission, and activities to the Air Force Space and Missile Systems Center for application across existing space architectures. This refocused effort will integrate the operationally responsive space efforts, principles and activities to ensure resilience, survivability, flexibility and responsive capabilities are considered in all future space programs.

To help meet our fiscal guidance, the Air Force is transitioning GPS III from an incremental block approach to a continuous production program focused on affordability. This change reduces production schedule risk and supports maintaining required production rate for constellation sustainment. This budget submission also terminates and restarts Family of Advanced Beyond Line-of-Sight Terminals (FAB-T) program and restructures program to re-compete for RDT&E and production. The new acquisition approach reduces risk to met requirements by winding down the current development effort and establishing a new competitively awarded, fixed-price approach. Additionally, the Air Force terminated the Defense Weather Satellite System (DWSS) program and extended the DMSP program to fulfill the requirement. DWSS is unsustainable in the current fiscal environment and early to need given DMSP capability.



**EELV Delta IV with GPS
Block IIF Satellite payload**

Cyberspace Superiority

Overview

Cyberspace Superiority is the degree of dominance of one force over an adversary to conduct full-spectrum military cyberspace operations that permit freedom of action in cyberspace at a given time and place while denying those freedoms to that adversary. It lets commanders integrate operations in multiple theaters at multiple levels through planning, coordinating, tasking, executing, monitoring and assessing air, space, and cyberspace operations across the range of military operations. Air Force Space Command is the lead for Air Force cyberspace operations and provides COCOM support to the United States Cyber Command (USCYBERCOM) through the 24th Air Force (AFCYBER). This core function accounts for approximately \$4B of the Air Force FY 2013 Budget Request as reflected in Figure 24. The difference from FY 2012 to FY 2013 results from a significant information technology efficiency savings, the restructure of the Family of Advanced Beyond-Line-of-Sight Terminals (FAB-T) and various department-wide efficiencies. Additional details of FY 2011 accomplishments and FY 2013 initiatives are included in the sections that follow.

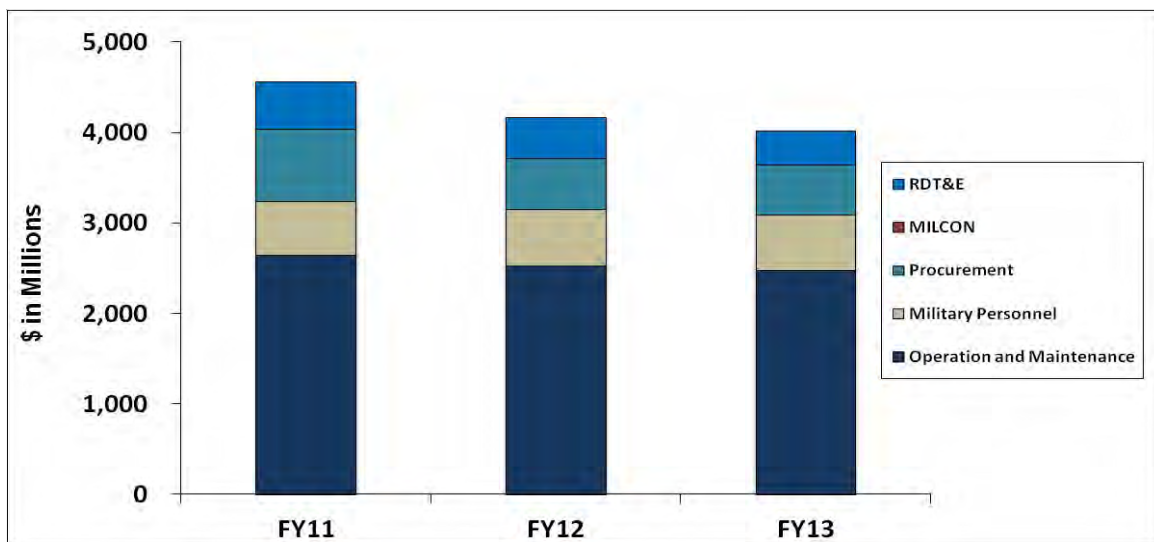


Figure 24. Cyberspace Superiority TOA by Appropriation

Accomplishments

2011 was a significant year in the evolution of cyberspace as an operational domain for the Air Force. Notable advancements were seen in the areas of command and control and force presentation, integration of cyberspace capabilities and effects into exercises, growth and maturation of the Air Force network, and further development of our cyberspace professionals.

One of the key areas where the Air Force is maturing is our ability to command and control cyber operations. The 24th Air Force, as the Air Force component to USCYBERCOM, continues to develop capability including the maturation of the Air Component Coordination Element to USCYBERCOM. This office is responsible for consistent, as with COCOMs, representation of Air Force capabilities to the sub-unified Joint Command. The 624th Operations Center is now combat mission ready and provides command and control of combat mission ready crews conducting network operations, network defense, and other crucial cyber capabilities.

The Air Force is currently working through the force presentation model for cyberspace forces by exercising and wargaming various options between centralized and geographic models to present forces to Combatant Commanders. Final Joint direction for the force presentation model is still pending, but the

Air Force has done the background research to determine that either model should work and has contributed to the Joint dialog in decision-making forums to advocate for centralization of cyberspace forces.

The Air Force participated in the first-ever cyber-centric exercise hosted by USCYBERCOM. It allowed Air Force cyber forces to demonstrate the unique Air Force capability in a Joint arena with a realistic adversary and synergistic execution of offense, defense, and network operations Joint teams. Air Force demonstrated capabilities which were effective for gaining situational awareness and defending against adversary activity on contested networks. USCYBERCOM leadership praised all service activities for their demonstration of capability in a way that brings cyberspace's unique characteristics and vulnerabilities into sharp focus. Additionally, cyber capabilities, both offensive and defensive, and network operations were a major player in Red Flag 11-3, with integrated cyber and kinetic play throughout the duration of the exercise. Cyber blue and red forces had open engagement that directly impacted the execution of the exercise.



Perched on a 140-foot-tall communications tower adjusting a microwave antenna needed for network access

The Air Force continues moving towards a single Air Force Network on NIPRNet by migrating users and bases. Now 17 percent complete, this Air Force Network (AFNet) migration will standardize network operations across the entire enterprise thereby enhancing security and allowing improved oversight of network threats, vulnerabilities, and performance. Upon completion, it will allow Air Force personnel the ability to log on to the unclassified network at any Air Force installation. Airmen all over the globe can simply insert their Common Access Card wherever they are and use the Air Force network and shared resources away from their home station. Additionally, it will streamline the permanent change of station process because Air Force personnel have immediate access to network resources such as the Air Force Portal and email, via Webmail, at any base. The AFNet also interfaces with several personnel databases, such as Defense Enrollment Eligibility Reporting System, to provide automatic updates to user accounts. Air Force Reserve Command and Air Mobility Command have been completely migrated into the AFNet while Air Education and Training Command and Air Force Space Command have partially been migrated over.



Air Force students receive advanced training on becoming mission-ready information operations and cyber warfare operators

The maturation and technical competence of the Air Force cyber warriors continued to be a priority in 2011 as the Air Force develops its cyber career force. Building on the successes of the fully functional Undergraduate Cyberspace Training course and Cyber 200/300 courses, the 39th Information Operations Squadron developed and implemented the Intermediate Network Warfare Training. It graduated its first class in March 2011 and will graduate over 250 students per year who will be ready to take positions in cyber operations units worldwide. Additionally, the first cadre of the cyberspace Weapons Instructor Course convened at Nellis AFB, NV, and began developing curriculum to support overall weapons school and specialized curriculum for cyberspace operators to ensure Air Force forces are ready to integrate and fight.

From a cyber perspective, 2011 was a banner year for the Air Force with robust progress in command and control, cyber exercises and wargames, AFNet growth, and force development. The Air Force will continue to mature cyber capabilities into 2012 and beyond to meet the priorities of our senior leaders.

FY 2013 Initiatives

The FY 2013 Budget Request includes \$4B to maintain and sustain critical cyberspace capabilities. Funding will support consolidating and improving network security and capability to provide seamless information flow among air, space, and terrestrial network environments and most importantly, complete mission assurance to the warfighter. The Air Force established three new Total Force cyber units, two Air National Guard Information Operations Squadrons (IOS) and one Air Force Reserve Network Warfare Squadrons (NWS) while expanding one Air National Guard NWS. These Total Force cyber units support cyberspace operations, execution of the Cyber Operations Hunter mission and provide strategic surge capacity for cyberspace situational awareness on the Global Information Grid and Combatant Command networks.

The Air Force is also working with the Office of the Secretary of Defense to define near and long-term solutions to deliver warfighting communication capabilities to the warfighter by upgrading aircraft and satellite communication systems. In addition, upgrades to the Air Force Wideband Enterprise terminals will provide Joint standardization and greater bandwidth. An investment will be made in Rapid Cyber Acquisition to enable quick delivery of cyber capabilities to address constantly evolving, new and more technologically savvy cyber threats and to better protect secure classified and unclassified information and networks vital to Joint force operations.



Air Force NCO repairs optical fiber cable

Global Precision Attack

Overview

The Global Precision Attack core function describes the USAF ability to hold any target at risk across the air, land and sea domains. This is primarily accomplished with A-10, F-15E, F-16, and B-1B aircraft. These aircraft perform both traditional strike and non-traditional Intelligence, Surveillance and Reconnaissance (ISR) roles to support Joint and coalition ground forces on a daily basis. While the United States and coalition team have a distinct precision attack advantage in Afghanistan today, potential adversaries are leveraging technologies to improve existing airframes with advanced radars, jammers, sensors and more capable surface-to-air missile systems. Increasingly sophisticated adversaries and the proliferation of anti-access and area-denial capabilities will challenge the ability of USAF legacy fighters and bombers to engage in heavily defended areas. In response to these challenges, the Air Force’s FY 2013 budget request encompasses a balanced approach to precision strike capabilities within fiscal constraints to influence, manipulate or dismantle an opponent’s capacity to deny access. This core function accounts for approximately \$15.5B of the Air Force FY 2013 Budget Request as reflected in Figure 25. Additional details of FY 2011 accomplishments and FY 2013 initiatives are included in the sections that follow.

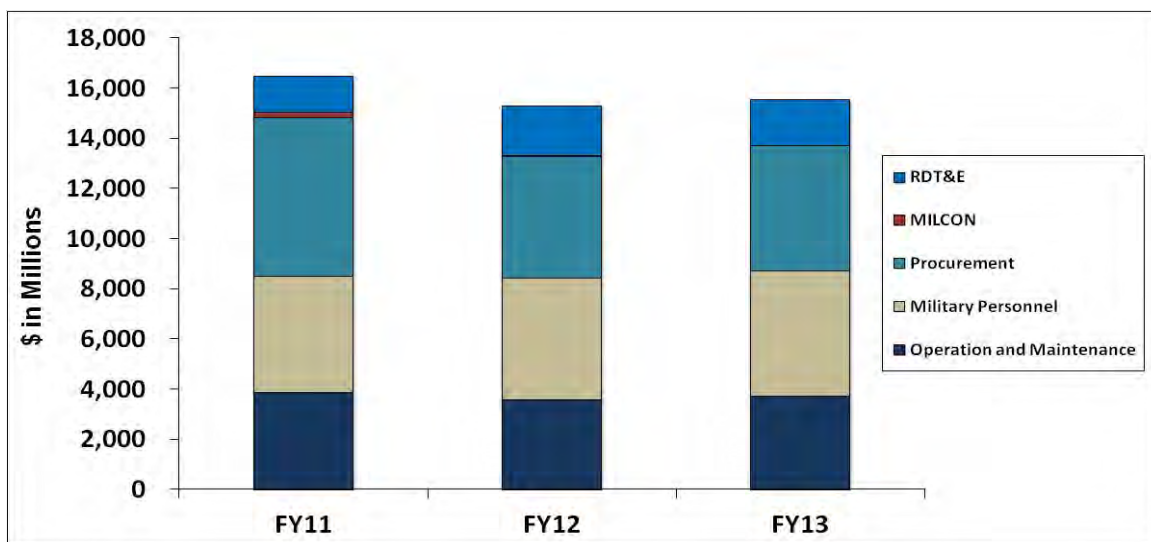


Figure 25. Global Precision Attack TOA by Appropriation

Accomplishments

The Air Force currently has nearly 32,000 Airmen deployed to contingencies across the globe with over 25,000 in the USCENTCOM AOR. Air Force global precision attack aircraft flew over 110,000 hours and 24,000 sorties in support of Overseas Contingency Operations in FY 2011.

The Air Force fielded several new Advanced Targeting Pod capabilities in FY 2011. LITENING G4 pods fielded and deployed to OEF on the A-10C, and the Sniper Compact Multi-band Datalink (CMDL) capability fielded and deployed to the PACOM AOR for the first time. Both capabilities significantly increase long-range battlefield situational awareness and help ensure positive target identification. In addition, the CMDL upgrade ensures air-to-ground transmissions are protected from enemy exploitation while also seamlessly integrating with Joint Terminal Attack Controllers via the ROVER system.



A-10 with Litening Pod

The Air Force also completed the transition from A-10A to the newer C model in June 2011; the entire fleet is now A-10Cs. The upgrade incorporates a state-of-the-art digital sensor into a highly survivable airframe. The modification to the A-10C model enhances the interoperability and effectiveness of the weapon system. In FY 2011, the Air Force took delivery of the first wing from the Wing Replacement Program (WRP). WRP will replace old wings that are not economically repairable, with brand new wings manufactured by Boeing. Up to 233 wings sets will be replaced under this program, which extends beyond the current FYDP.

In FY 2011, the Air Force fielded the BLU-129/Precision Lethality Mk-82 500 pound munition, fulfilling the Joint Urgent Operational Need request for a very low collateral damage and high lethality weapon. The Air Force continued developmental testing of preferred air-to-ground munitions, completed critical Joint Air-to-Surface Standoff Missile (JASSM) test firings, achieving a 94 percent success rate, and completed a successful fourth test drop of the Massive Ordnance Penetrator (MOP). Additionally, continued development of the second increment of the Small Diameter Bomb (SDB) provided the Air Force even greater capability and flexibility in all weather conditions.

The Air Force continues to prepare for delivery of the new F-35A Lightning II at Eglin AFB, FL; Hill AFB, UT; Burlington Air Guard Station, VT; and Luke AFB, AZ. The Air Force took delivery of F-35As for developmental testing and to train the test pilot cadre, while also continuing to modernize the legacy fighter fleet to maintain sufficient capability and capacity until the F-35A fleet is fully operational.

FY 2013 Initiatives

The FY 2013 Budget Request in Global Precision Attack funds modernization of legacy fighters, the B-1B, F-35 development and procurement, development of a new Long Range Strike (LRS) capability, and continued investment in preferred air-to-ground munitions. As a whole, the adjustments described below provide a sustainable, relevant fleet. While risk is minimized, overall risk increased.

F-15E: The Air Force continues to support future precision attack capabilities with AESA radars for the F-15E. AESA radars on the Strike Eagle will ensure weapon system viability, create cost avoidance in the manufacturing base, and provide a robust, all weather, air-to-ground targeting capability. Additionally, the agile beam transmissions from AESA radars improve F-15E survivability. The Air Force will further enhance electronic protection capabilities against newer surface-to-air threats. Like the F-15C/D, F-15E modernization includes EPAWSS to promote aircraft survivability against modern threats.

F-16: The FY 2013 Budget Request continues two life extension programs for the F-16: structural Service Life Extension Program (SLEP) and Combat Avionics Programmed Extension Suite (CAPES); F-16 SLEP & CAPES are a bridge to the F-35. SLEP activities include a full scale durability test and structural modifications to add 8-10 years of service life to each airframe. The CAPES upgrades include an AESA radar, a new cockpit display, data link enhancements and an improved defensive suite.

F-35A: To counter the anti-access and area denial challenge the United States faces in many potential theaters, the Air Force is procuring the F-35A Lightning II. This aircraft is expected to provide significant capability gains over the legacy aircraft it will replace. The aircraft benefits from stealth technology and its one engine will provide more power than the two engines used in the Eurofighter or the F-18. The aircraft holds its weapons inside versus on pylons, improving stealth and maneuverability. The FY 2013 Budget Request includes funding for the continued development and procurement of 19 F-35A aircraft. The F-35A will eventually replace



F-35A Roll out

the F-16 and A-10 aircraft for Global Precision Attack functions and will complement the F-22A Raptor for Air Superiority functions. The F-35A brings significant increases in capabilities and a smaller basing footprint requiring less infrastructure and sustainment materiel. While this aircraft has experienced some program delays, the Under Secretary of Defense for Acquisition, Technology and Logistics certified the program as essential to National security.

Long Range Strike: The Air Force is committed to modernizing bomber capacity and capabilities to support LRS military options. Development of the next steps to advance the family of systems critical to the LRS capability is ongoing. These steps include the platforms, ISR, electronic warfare, communications and weapons that make up this critical national capability. The future bomber, LRS-B, must be able to penetrate the increasingly dense anti-access/area denial environments developing around the world. To this end, the Air Force FY 2013 Budget Request includes funding to continue the development of an affordable, long range, penetrating aircraft that incorporates proven technologies. This follow-on bomber represents a key component to the Joint portfolio of conventional and nuclear deep-strike capabilities.

B-1B Modernization: In addition to the development of LRS-B, the Air Force will continue to modernize the B-1B to ensure the fleet remains viable until recapitalization can be accomplished. The FY 2013 Budget Request includes the continuation of the B-1 Integrated Battle Station contract which concurrently procures and installs Vertical Situation Display Upgrade (VSDU), Central Integrated Test System (CITS), and Fully Integrated Data Link (FIDL). VSDU and CITS each address obsolescence and diminishing manufacturing sources for the B-1 fleet. FIDL provides both the electronic backbone for VSDU and CITS, as well as a capability enhancement of line-of-sight/beyond line-of-sight Link 16 communications. In addition, the FY2013 Budget Request includes upgrades to flight and maintenance training devices to ensure continued sustainability and common configuration with the aircraft fleet. These initiatives will help bridge the gap until the next generation long range strike aircraft is operational (B-2 and B-52 initiatives are addressed in the Nuclear Deterrence Operations core function on page 37).



GBU-53B loaded on an F-15E

Global Precision Attack Munitions: The FY 2013 Budget Request includes \$754M for the GBU-53B, Small Diameter Bomb Increment II (SDB II). The GBU-53B provides a capability to hold moving targets at risk in all weather and at stand-off ranges. SDB II is a key part of the anti-access and area denial solution for future conflicts and will be integrated onto the F-22 and F-35, among other legacy platforms.

The procurement of 157 Joint Air-to-Surface Standoff Missile-Extended Range (JASSM-ER), AGM-158B, is also included with the FY 2013 Budget Request at \$1B. This is an upgraded version of the baseline JASSM that can fly a much greater distance providing excellent stand-off ranges in an anti-access and area denied environment, increasing the flexibility and lethality of the force.

The FY 2013 Budget Request for Global Precision Attack capabilities reflect the need to win today's fight, while investing in systems to address the anti-access and aerial denial challenge faced by the United States. It also continues to modernize the legacy fighter and bomber fleet to maintain sufficient capability and capacity as the Air Force transitions to a fully operational F-35 fleet.

Force Structure Changes: The Air Force budget approach retains critical core capabilities and maintains the Air Force's ability to rapidly respond to global mission demands. It requires the Air Force to balance modernization and force structure reductions with a commitment to maintain readiness and take care of our people. To align with the new defense strategy the Air Force will retire 102 A-10C aircraft and 21 F-16 (Block 30) aircraft across the FYDP. These realignments are made in light of new strategic guidance and DoD planning scenarios.

Rapid Global Mobility

Overview

Rapid Global Mobility is a key enabler for the Joint and coalition team and provides the air refueling, deployment, employment/sustainment of combat power and medical evacuation required to be successful in today’s worldwide environment. This core function accounts for approximately \$15.9B of the Air Force FY 2013 Budget Request as reflected in Figure 26. (Note: It is important to understand that unlike the other operations discussed in this performance based budget that are funded entirely by appropriated dollars, global airlift operations are funded primarily by airlift customer transportation accounts through the Transportation Working Capital Fund). To ensure mobility capacity is sufficient to meet future operations, a Mobility Capability & Requirements Study (MCRS) was conducted to evaluate the mobility system, as directed by the Secretary of Defense, to ensure proper resources will be available to support a variety of strategic engagements. This analysis, published in February 2010, informed strategic planning and support decisions regarding future mobility force structure. Updated guidance in the 2010 Quadrennial Defense Review and the Department of Defense’s ongoing Comprehensive Review have changed the basis for much of the study though various cases and excursions in the study remain relevant and were used to inform FY 2013 budget decisions. Based on analysis building on MCRS and the new strategy, the Air Force reduced portions of the airlift and tanker fleets in relation to reductions in force structure across the Department, retiring some of the oldest, least capable aircraft while continuing modernizations efforts to ensure the remaining aircraft are the most capable to meet the requirement. This analysis also validated the Air Force plan to address the tanker replacement as its number one modernization priority and to sustain the current airlift capacity through modernization, reliability and efficiency upgrades. Additional details of FY 2011 accomplishments and FY 2013 initiatives are included in the sections that follow.

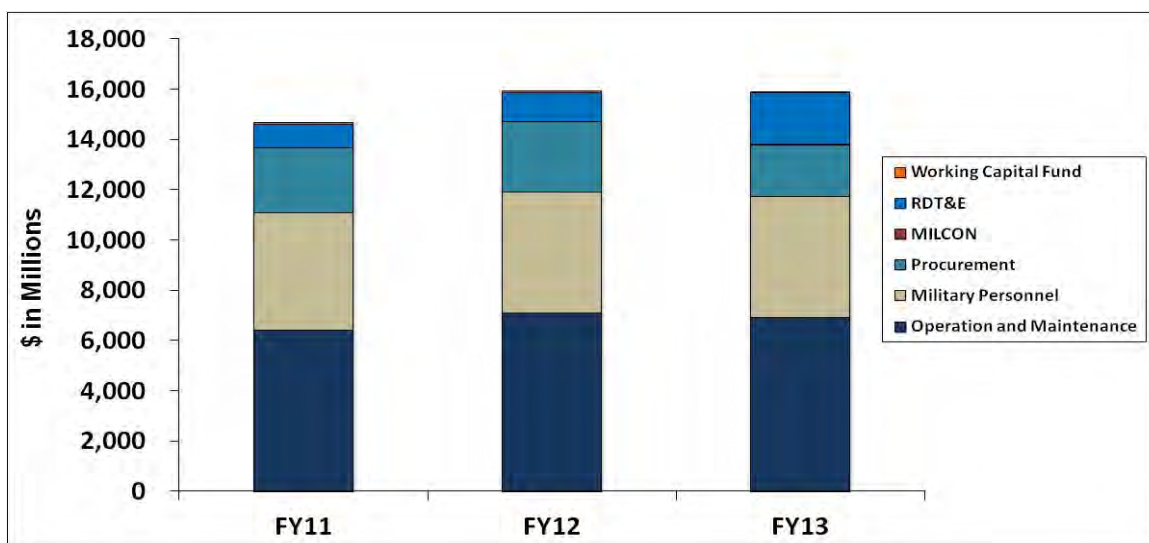


Figure 26. Rapid Global Mobility TOA by Appropriation

Accomplishments

Tanker Operations: Air Force tankers extend the range and persistence of other aircraft to conduct operations around the world. In FY 2011, Air Force tankers in the USCENTCOM AOR refueled more than 88,000 Joint and coalition aircraft with more than 1.2 billion pounds of fuel. Since September 11, 2001, the Air Force has delivered more than 14 billion pounds of fuel to Air Force, Joint and coalition aircraft; enough fuel to fill 3,165 Olympic-sized swimming pools. The KC-135 and the KC-10 are the primary aircraft providing refueling capability to both United States and coalition aircraft. These aircraft must respond to both planned and changing combat conditions that demand aircraft availability to

perform against each mission. While current operational requirements are being met, the KC-46 program is critical to meet future operational demands in this mission area.



C-17 Globemaster III waits on the flightline at Skardu Airfield, Pakistan

Airlift Operations: The bulk of airlift operations are supported by C-5, C-17, and C-130 aircraft to deliver supplies and equipment to both United States and coalition forces and for humanitarian relief efforts. The ability to deliver critical supplies into the most remote regions of Afghanistan provides Combined Forces Land Component Commanders the freedom to maneuver and arrange forces as needed. In many locations, Soldiers and Marines depend exclusively on airlifters to bring them supplies to carry out their missions. Since September 11, 2001, the Air Mobility Command has executed more than 440,000 airlift sorties moving more than 3.6 million tons of cargo and nearly 6.9 million

passengers in support of Operations IRAQI FREEDOM/NEW DAWN and Operation ENDURING FREEDOM.

Aeromedical Evacuation: The men and women who put themselves in harm's way serving the Nation can be assured they will receive rapid, top-notch care if required. The Air Force can use any aircraft in the mobility fleet to airlift patients to the appropriate medical facilities. Aircraft already airborne can be re-routed within 20 minutes of notice to address priority cases. In FY 2011, aeromedical crews performed more than 19,000 patient movements averaging 52 per day and having completed nearly 180,000 patient movements since September 11, 2001.



AF aeromedical personnel care for fellow warfighters

FY 2013 Initiatives

The Air Force continues to recapitalize its oldest aircraft while ensuring legacy mobility fleet viability through modernization. The FY 2013 Budget Request provides for initiatives including Tanker replacement and modernization upgrades to the C-5 and C-130 fleets.

Tanker Replacement: The FY 2013 Budget Request reflects a balanced approach across the tanker and airlift portfolios. The KC-46 tanker recapitalization program remains an Air Force priority; without tankers, the Air Force isn't global. The new tanker will replace the oldest KC-135 aircraft built in 1957. More than a mere replacement for aged KC-135s, the KC-46 will provide a forward leap in capability. The KC-46 will be able to multi-point refuel Joint and coalition aircraft, carry cargo or passengers, conduct aeromedical evacuation and self deploy to any theater. The program plan is to purchase 179 KC-46 aircraft. The FY 2013 Budget Request includes approximately \$1.8B for this critical program's continued development.

Airlift Modernization: A "New Start" requirement begins in FY 2013 to replace the C-5 Core Mission Computer (CMC) and Weather Radar to mitigate obsolescence of the existing system. This effort centers on replacing the current CMC to obtain sufficient capability/capacity for future requirements. An upgraded, common fleet offers life cycle cost benefits including greater reliability and simplified fleet-wide training. The C-130 Communications, Navigation, Surveillance, and Air Traffic Management (CNS/ATM) program updates the C-130 fleet to comply with modern air space requirements. Both programs allow aircraft to fly at the most advantageous altitudes and direct routes, thereby reducing fuel consumption. New avionics systems will also provide a systems architecture flexible enough to meet future communications, navigation, surveillance and Air Traffic Management requirements. However, the Air Force's budget terminates the C-130 Avionics Modernization Program. There are less technically

complex approaches to meet the basic CNS/ATM requirements and resolve obsolescence issues for the legacy C-130 fleet. The budget includes a new program that mitigates impact of this termination.

Another part of the C-5 Galaxy modernization plan is the Reliability Enhancement and Re-engining Program (RERP). RERP includes new engines that will produce 22 percent more thrust and upgrades to cockpits, skin and frames, pressurization systems and landing gear. These upgrades will not only result in higher reliability and availability rates, but the newly designated C-5M Super Galaxy will have a shorter takeoff distance, higher climb rate, increased cargo loads and greater range. The FY 2013 Budget Request continues funding for this program.



Two M-1 Abrams tanks are loaded in the cargo area of a C-5M Super Galaxy

The FY 2013 Budget Request supports KC-46 development and modernizes America's airlift aircraft while incorporating upgrades to improve fuel efficiency and performance. These investments sustain the strategic advantage of rapid global mobility the United States uses to support global Joint, coalition and humanitarian missions.

Force Structure Changes: The Air Force budget approach retains critical core capabilities and maintains the Air Force's ability to rapidly respond to global mission demands. It requires the Air Force to balance modernization and force structure reductions with a commitment to maintain readiness and take care of our people. The new defense strategy reduces the Mobility Air Forces fleet size to 275 strategic airlifters. The fleet for intra-theater airlift was sized to meet the direct support requirements of ground forces. To accomplish the reductions, the Air Force will divest 27 C-5A aircraft and retire 65 C-130H aircraft. The reduction of older and less reliable aircraft averts higher sustainment and modernization costs across the FYDP. The Service will also divest the C-27J fleet by retiring 21 aircraft and canceling procurement of 17 additional aircraft. Retiring niche capability aircraft like the C-27J allows the Air Force to conduct direct support and homeland defense missions in a more cost-effective manner utilizing the C-130. In line with the reduction in mobility aircraft, the Air Force will retire 20 KC-135R aircraft. The Air Force will maintain the capacity to provide global reach with a fleet of 453 tankers (59 KC-10A and 394 KC-135R).

Special Operations

Overview

The United States faces adversaries who choose to fight using a hybrid of irregular, disruptive, catastrophic and traditional capabilities as a way to achieve their strategic objectives. This involves persistent/protracted conflict in which conventional and irregular warfare (including counterinsurgency) are blurred and can occur simultaneously. This operational environment is likely to continue for the foreseeable future. The Special Operations Core Function is at the heart of tackling these challenges. Special Operations capabilities can be tailored to achieve military objectives with or without broad conventional force requirements and can support the application of diplomatic, informational and economic instruments of national power. Special Operations are typically low-visibility, clandestine, conducted in all environments and are particularly well suited for denied or politically sensitive environments. Operations in Afghanistan and Iraq have increased the requirement for low-density/high-demand Special Operations Forces (SOF) personnel and platforms. High demand is expected to continue as counterterrorism and irregular warfare missions are prosecuted. Consequently, DoD’s prioritized investments continue to grow the Nation’s special operations capabilities. This core function accounts for approximately \$1.2B of the Air Force FY 2013 Budget Request as reflected in Figure 27 below. Additional details of FY 2011 accomplishments and FY 2013 initiatives are included in the sections that follow.



Special Forces member takes aim with a MK-12-SPR

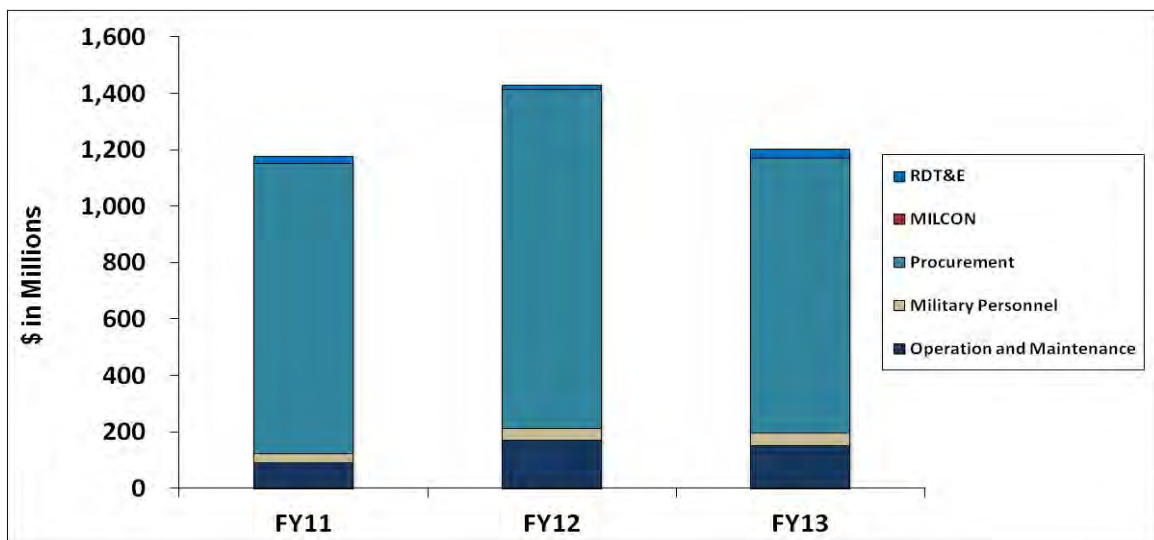


Figure 27. Special Operations TOA by Appropriation

As the lead command for Air Force Special Operations Forces (AFSOF), Air Force Special Operations Command (AFSOC) receives funding from both the Air Force and United States Special Operations Command (USSOCOM). In general terms, base operating support and service common equipment are funded by the Air Force, while SOF dedicated operations, including flying hours, SOF unique equipment, modifications to service common equipment and new SOF mission MILCON are funded through USSOCOM. This unique funding construct demands synchronization between the Air Force and USSOCOM.

Accomplishments

In FY 2011, AFSOC flew thousands of direct-action and Special Tactics combat sorties in support of Operations ENDURING FREEDOM, NEW DAWN, ODYSSEY DAWN and UNIFIED PROTECTOR. 2011 saw AFSOC airmen fly 12,891 combat sorties for over 58,000 combat hours. Airmen moved 36.4 million pounds of cargo, transported over 46,000 passengers and fired 27,000 rounds of ammunition. These missions achieved critical effects as the Air Force partners with the Joint and coalition team to win today's fight.



Airmen assigned to the 8th SOS take off in a CV-22 Osprey

FY 2011 also saw continued high operational deployments of Special Operations capability including the armed MC-130W Dragon Spear, an aircraft that went from concept to deployment in 22 months. The Dragon Spear is designed to provide SOF infiltration, exfiltration and armed overwatch, and is the first platform to carry the new Precision Strike Package which provides armed overwatch capability. The strike package contains a mission management console, communications suite, two electro-optical/infrared sensors, fire control equipment, precision guided munitions delivery capability, and one side-firing, trainable 30mm gun with tracer-less ammunition and associated munitions storage system. Additionally, the CV-22 Osprey completed its second combat deployment in FY 2011 after reaching initial operational capability in FY 2009. The Osprey combines vertical/short takeoff and landing capabilities with extended range and speed, allowing SOF to strike farther away in less time than when employing rotary wing lift. The ability to produce combat capability on the battlefield is supported by the Air Force Special Operations Training Center (AFSOTC), Hurlburt Field, FL. AFSOTC allowed AFSOC units to shift efforts away from training and operations to focus solely on combat missions. The center has paid huge benefits. Early on, airmen introduced to a possible career as a combat controller at basic training experienced a wash out rate of nearly 90 percent due to the physical demands. After AFSOTC transitioned to "targeted recruiting," more than 90 percent of recruits pass.

AFSOC has continued to grow to meet the increasing requirement for special operations capability. In 2011, the command activated the 522d Special Operations Squadron and its aircraft, the first MC-130J Combat Shadow II. The 193rd Special Operations Wing, an Air National Guard AFSOC Unit, continued to support AFSOC's transition to the MC-130J by training multiple AFSOC and ACC crews in C-130J tactics, techniques and procedures. The 193rd also volunteered for a 9 month deployment in support of Operation ODYSSEY DAWN and UNIFIED PROTECTOR providing over 4,000 broadcast hours from Commando Solo aircraft in support of NATO and U.S. Military Information Support Operations (MISO). In FY 2011, the 193rd also successfully completed the first ever broadcast of a digital TV signal from an airborne platform utilizing a new Removable Airborne MISO System (RAMS). Further, the 27th Special Operations Wing at Cannon Air Force Base, NM activated the 20th Special Operations Squadron and its CV – 22 aircraft as well as the 56th Intelligence Squadron. In June 2012, AFSOC will stand up a new 24th Special Operations Wing, comprising over 1,200 Special Tactics personnel, in an effort to fulfill a critical combat capability.



MC-130J Combat Shadow II, sits on the tarmac after its unveiling

FY 2013 Initiatives

In the FY 2013 Budget Request, the Air Force increases the special operations aircraft inventory and grows Battlefield Airmen. To continue to support SOF with specialized air mobility and precision strike capabilities, aging MC-130P and AC-130H aircraft will be recapitalized with the procurement of four MC-130J aircraft in FY 2013, as well as two AC-130J gunships. Fielding of the Air Force's SOF vertical

lift capability remains on track with the CV-22 fleet growing to 37 aircraft by FY 2013 and 50 by FY 2016. Table 26 shows the planned FY 2013 Air Force Special Operations weapon system procurements as well as the key capability provided by each.

Table 26. Air Force Special Operations Planned FY 2013 Weapon System Procurements

Weapon System	Role/Capability	FY 13 Qty
MC-130 Recapitalization	Low-level air refueling, infiltration, exfiltration, and resupply of special operations forces	4
AC-130 Recapitalization	Modular precision strike package with sensors, communications, and weapons	2
CV-22	High speed vertical lift	4
Total		10

The FY 2013 Budget Request will also fund training for SOF Battlefield Airmen (Special Tactics Officers, Combat Rescue Officers, Combat Control Technicians, Para-rescue Jumpers, Tactical Air Control Parties and Special Operations Weather Teams) to meet mission growth for these essential warfighters.

AFSOC, the USSOCOM air component, is engaged in operations around the world. Many AFSOC operations support strategies aimed at building relationships to prevent future conflict within a region. AFSOC employs a dedicated force that executes: the mission areas of SOF mobility, shaping and stability operations, battlefield air operations, ISR, precision strike, agile combat support, C2, and information operations enabling delivery of special operations combat power anytime, anywhere. Air Force special operations is also pushing the innovation and technology envelope to develop responsive, relevant and sustainable capabilities to achieve Combatant Commander goals within the context of a dynamic security environment. As an adaptive learning organization, AFSOC’s understanding of irregular challenges has been the catalyst to modify the Air Force Special Operation’s warfighting approach. In summary, AFSOC has evolved organizations and capabilities to remain a step ahead in an ever-changing environment.



JTAC provides bottle water to Afghan children

Global Integrated Intelligence, Surveillance and Reconnaissance

Overview

Global Integrated ISR includes conducting and synchronizing surveillance and reconnaissance across all domains for producing essential intelligence to achieve decision superiority through planning, collecting, processing, analyzing and rapidly disseminating critical information to decision-makers across the spectrum of worldwide military operations at all levels of warfare. Through the Global Integrated ISR Core Function, Airmen provide timely, fused and actionable intelligence to the Joint force commanders. Air Force Investments in Global Integrated ISR have grown at an outstanding rate of 123 percent between 2002 and this year. This core function accounts for approximately \$7.1B of the Air Force FY 2013 Budget Request as depicted in Figure 28 below and reflects a careful balance between the fiscal realities faced by the Service and the commitment to continue providing unparalleled, full-spectrum ISR to deployed warfighting forces. Additional details of FY 2011 accomplishments and FY 2013 initiatives are included in the sections that follow.

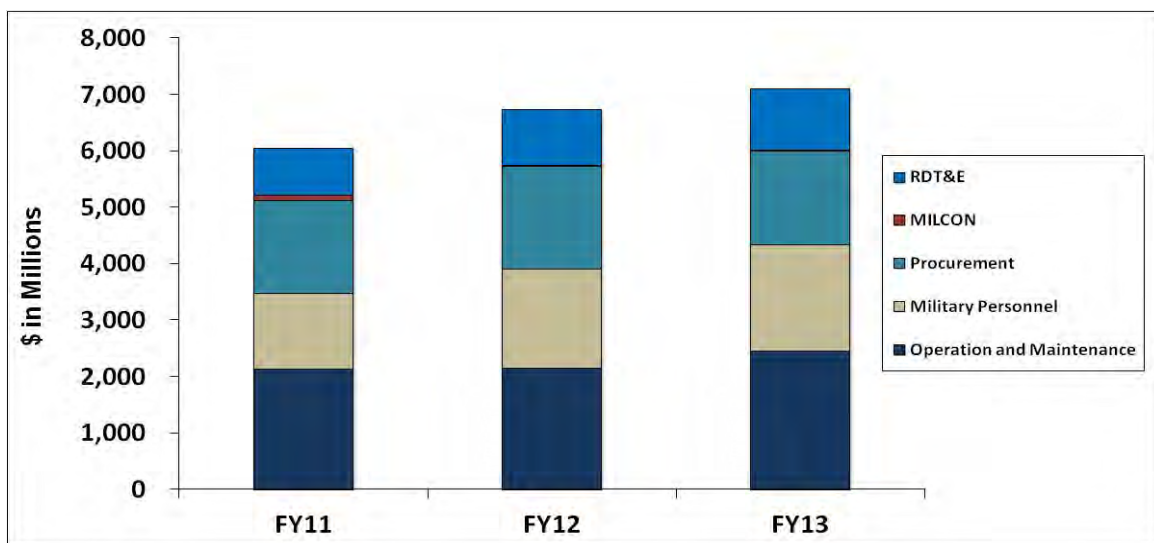


Figure 28. Global Integrated ISR TOA by Appropriation

Accomplishments

Global Integrated ISR cuts across every domain, and impacts almost every mission area, driving varied operations. Missions in Iraq and Afghanistan have highlighted the increasing need for timely, fused data from all available sources. To address this need, the Air Force continues to expand manned and unmanned airborne ISR assets. In 2011, the Air Force increased the number of Combat Air Patrols (CAPs) from 44 CAPs to 60 MQ-1B Predator and MQ-9A Reaper CAPs. In addition, the RC-135 RIVET JOINT (RJ) continues to fly 9,000 hours annually in support of OEF. The RJ provides medium-altitude Signals Intelligence support and continues to ensure battlefield success. The U-2 continues to satisfy Combatant Commander’s high-altitude ISR requests. Ongoing efforts provided additional multi-spectral sensors for Afghanistan and Iraq, will add new hyper-spectral capabilities, and address cockpit pressurization modifications to extend our ability to meet the Combatant Commanders’ increasing demand for U-2 support.



U-2 Dragon Lady

There has been significant operational growth in ISR flight hours since 2001. While there has been consistent growth, during 2010 the Project Liberty aircraft (MC-12W) made a significant contribution with 30 aircraft total in Afghanistan and Iraq.

The Air Force is looking at ways to increase efficiencies in the ISR arena to save resources. One example of this is the expansion of the Air Force's partnership with the United Kingdom (UK). The UK RIVET JOINT Program will allow the DoD and United Kingdom Ministry of Defense to pool resources to better meet intelligence challenges of the future. Synergies in personnel, equipment and training should increase capacity while decreasing overall DoD cost. This concept was demonstrated in 2011 when fully trained UK crewmembers flew alongside U.S. counterparts on U.S. RIVET JOINT missions during both Operation ENDURING FREEDOM and Operation UNIFIED PROTECTOR. Three UK RC-135 operators recently passed the 1000 hour mark flying as a part of co-manned U.S./UK RC-135 crews and have made significant operational contributions to Operations UNIFIED PROTECTOR and ENDURING FREEDOM.



RC-135 RIVET JOINT takeoff



MQ-1 pilot training locating simulated targets

An increasing number of Airmen are required to operate and maintain these ISR assets and more intelligence analysts are needed to process, analyze and disseminate the data. In response, the Air Force initiated a Remotely Piloted Aircraft (RPA) training pipeline to include a new official career field for RPA pilots. The first RPA training class began in October 2010 and includes flight training, RPA instrument qualification, a fundamentals course and training at one of the Air Force's RPA Formal Training Units. The Air Force created a new enlisted career field of Airborne ISR operators to support the requirement for tactical intelligence analysis provided by the Project Liberty Aircraft and other

emerging programs. The Air Force is also recruiting and training additional linguists, geospatial intelligence, and signals analysts to process, analyze, and disseminate information collected by ISR assets.

Using the Air Force's Distributed Common Ground System (DCGS), a net-centric global intelligence-sharing weapon system, Airmen provide actionable intelligence to troops at the forward edge of operations. DCGS serves as the Air Force's "central nervous system" for processing, exploiting and disseminating imagery and signals intelligence. As the Air Force increases the number of assets providing information into the DCGS and amount of data the sensors collect, the Air Force is exploring software solutions that can help automate data processing and provide more tailored information for intelligence analysts. Through the Air Force ISR Flight Plan process, Air Force ISR personnel are working to identify needs, gaps and potential candidates for automated solutions. These data storage, processing and dissemination systems will make the right information available to the right people at the right time.

FY 2013 Initiatives

The FY 2013 ISR Budget Request supports the Joint force emphasis on ISR capacity and continues building on ISR advancement. ISR funding remained near 7 percent of Air Force TOA and right-sizes the ISR enterprise for today's and tomorrow's fight while leveraging capability improvements for tomorrow's high-end military operations.

The Budget Request supports continued medium altitude RPA growth capability and sustains high-altitude ISR dominance. The Air Force will continue production of the MQ-9 Reaper to ensure delivery of 65 RPA CAPs by the end of May 2014 and will extend support for the U-2 Dragon Lady manned aircraft to mitigate the divestiture of the RQ-4 Block 30 program, while the planned use of the Airborne Signals Intelligence Payload will increase battlefield signal collection



MQ-9 Reaper on Patrol over southern Afghanistan

capabilities. These actions will ensure sustained high-altitude ISR support to Combatant Commanders and Joint warfighters. The Air Force is continuing to invest in RQ-4 Block 40, planning its initial operational test for FY 2014. In FY 2013, Block 40 will continue development tests. The Air Force envisions the Block 40 as a complement to other ISR systems.

The FY 2013 ISR Budget Request also realigns Air Force Total Force operation and maintenance by transferring the MC-12W operational mission to the Air National Guard and establishing an Active Associate unit to conduct Formal Training Unit operations and to augment the Air National Guard's deployed mission.

Global Integrated ISR enables warfighters to locate the enemy, avert enemy plans, deliver weapons on target and assess the impact of their efforts. This persistent surveillance provides critical support to military operations and national security objectives.

Force Structure Changes: The Air Force budget approach retains critical core capabilities and maintains the Air Force's ability to rapidly respond to global mission demands. It requires the Air Force to balance modernization and force structure reductions with a commitment to maintain readiness and take care of our people. To align with the new defense strategy the Air Force will transfer MC-12W from the Active Component to Air National Guard and divest 11 RC-26 aircraft. Transferring the MC-12 to the ANG allows the Air Force to maintain state-of-the-art ISR capability and avoids heavy investment in a similar capability. This change ensures viability of domestic response and DoD support to civil authorities and Homeland Defense missions. The Air Force will also divest 18 RQ-4 (Block 30) aircraft in favor of retaining the U-2 program. Due to the reduction in high-altitude ISR combat air patrol (CAP) requirements, the need for RQ-4 upgrades to meet current U-2 sensor operational performance levels, and the higher operational costs of the RQ-4 now and into the future, continued investment into the U-2 is both the fiscally and operationally responsible choice. The cost to develop and sustain the RQ-4 (Block 30) aircraft is higher than sustaining the U-2 and the timeline for the Block 30 to reach intelligence collection parity with the U-2 is 2020 or later.

Command and Control

Overview

Military operations in the 21st century are highly complex and require close coordination to be effective. An effective Command and Control (C2) system allows efficient and effective coordination of all the means that Airmen can bring to bear on a conflict and speed the outcome in our favor. C2 is the key operational function that ties all the others together to achieve our military objectives. It enables commanders to integrate operations in multiple theaters at multiple levels through planning, coordinating, tasking, executing, monitoring and assessing air, space, and cyberspace operations across the range of military operations. C2 operations enable efficient and effective exploitation of air, space, and cyber domains and include both air and ground based systems such as the E-3 Airborne Warning and Control System (AWACS), E-8C Joint Surveillance Target Attack Radar System (Joint STARS), E-4B National Airborne Operations Center (NAOC), Air and Operations Centers (AOC), and Control and Reporting Centers. This core function also includes funding for Joint Terminal Attack Controllers and Air Liaison Officers. The FY 2013 Budget Request for this core function is approximately \$5.8B as reflected in Figure 29 below. Additional details of FY 2011 accomplishments and FY 2013 initiatives are included in the sections that follow.

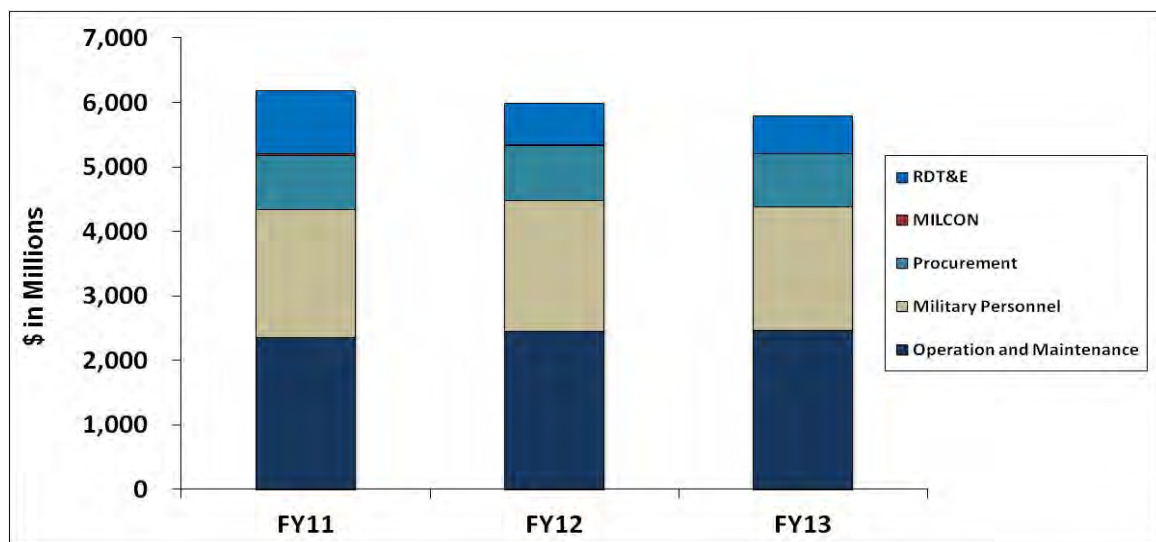


Figure 29. Command and Control TOA by Appropriation

Accomplishments

Several enhancements to Air Force C2 systems were made in FY 2011. For airborne C2 systems, one recent success story is how the Joint STARS aircraft and on-board Battle Management Command and Control was used over Libya to provide game changing, real-time Command and Control while detecting, tracking and coordinating target prosecution. In addition, the Joint STARS testbed aircraft completed flight demonstration/test with the MS 177 long-range multi-spectral sensor. This sensor gives Joint STARS aircrews the ability to identify targets to aid ground commanders in making decisions in real time.



E-8C Joint Surveillance Target Attack Radar System (JSTARS)

Development of a new integrated avionics system continued on E-3 AWACS aircraft which will allow the E-3 to operate in congested civil airspace. Block 40/45 equipment upgrades initiated in November 2010 on the E-3 are replacing a mission computer system installed in the 1970s. These upgrades will provide

new computer equipment that will improve information sharing, target tracking and identification as well as integrate sensory inputs both on and off the aircraft.

The E-4B National Airborne Operations Center began to receive significant communications upgrades to four aircraft further reinforcing the Air Force commitment to the nuclear mission. In addition, a study was commissioned to assess options to ensure future nuclear C2 mission support.



JTAC...Eyes on the battlefield

In 2011, the Air Force continued work to field additional Air Support Operations Center (ASOC) Gateways to support our new concept of placing the ASOC at Division level. The ASOC Gateway is a digital communications bridge/translator and extender which expands the ability of the C2 team to conduct digital close-air support across the spectrum of joint datalink systems. The Tactical Air Control Party (TACP) Modernization Program fields small wearable computers that, when combined with the updated Close Air Support System (CASS) software, PRC-117G Radio, and Pocket Laser Range Finder, allows dismounted JTACs to execute digitally aided close air support missions in support of Army and coalition ground forces. The PRC-117G radios provide an advanced data communications capability that improves access to Army digital networks with a 30 percent reduction in size and weight and a 50 percent reduction in battery requirements. These improvements allow our JTACs to provide precise targeting while maneuvering on foot with ground forces.

In CY 2011, Operation ODYSSEY DAWN (OOD) continued to highlight the importance of Total Force Integration (TFI) with Air Force Reserve and Guard partners. Additionally, OOD demonstrated successful distributed operations as the Air Force Targeting Center was used extensively in support of 617th/603rd AOCs combat operations. The Air Force is evaluating and implementing steps to more efficiently operate AOCs.



Since 2006, the USAF, in partnership with the Department of Homeland Security, Customs and Border Protection has been in a 50/50 cost share program to extend service life on the 81 interior Long Range Radar Systems through 2025. The \$287M program began deployment of the Common Air Route Surveillance Radars in May 2011 and will deploy through 2015 when the program is completed. Results of the preliminary testing data indicate many improvements in the radar performance as well as extending the life of these radar systems. In addition, the AN/FPS-117 in Alaska,

Canada, Hawaii and Puerto Rico have an approved \$126M service life extension program called the Electronic Parts Replacement Program (EPRP) with contract award in May of 2011 to Lockheed Martin. The EPRP is funded through FY 2015 with deployment through 2015.

Battle Control System – Fixed (BCS-F) completed deployment of version 3.1 with operational acceptance in June 2010. BCS-F version 3.2 began site acceptance testing in October 2011 with operational testing to begin in April 2012. BCS-F provides the full spectrum of tactical-level aerospace battle management and execution functions to NORAD and PACOM region and sector commanders which include; Integrated Battle Management and Intelligence, Information Superiority and Precision tracking and engagement.



During FY 2011, the Air Force began using TFI to support the AOCs during surge operations and war time. The TFI initiative enables the Air Force to establish a ready reserve capability for future AOC restructuring considerations. In addition to the stand-up of Reserve units, the Air Force funded AOC Reserve unit training suites to be fielded by 2013. AOC 10.1 will continue to be sustained, while investment in AOC 10.2 is ongoing.

FY 2013 Initiatives

The C2 emphasis in the FY 2013 budget complies with DoD's budget reduction goals while maintaining viable C2 capability. Support for the E-3 AWACS and E-8 JSTARS programs extended the FY 2012 program plans. The E-3 AWACS will continue the Block 40/45 upgrades while investments in JSTARS will sustain the fleet pending the outcome of the SAR/MTI/JSTARS Mission Area Analysis of Alternatives. The FY 2013 program continues full funding for Joint Tactical Radio System (JTRS) waveform development and the handheld/manpack programs.

The Air Force added funds to its long-range radar development program to account for increased engineering and manufacturing design costs and to improve vendor competition in FY 2013 to reduce long-term program costs. It will replace the legacy TPS-75 radar and be the principal USAF long-range radar, improving aircraft and ballistic missile warning. It will provide a Multi-Source Integration (MSI) capability for an improved picture of the battlespace and threat identification.

The Air Force added \$70.5M across the FYDP to develop and procure a new mission computer to replace the current computer in the control reporting center's (CRC) operations module. The new CRC computer will improve tracking capacities and fusing capabilities to support air battle management.



Candidate...mobile surveillance and air traffic control radar system (D-RAPCON)

The Deployable Radar Approach Control (D-RAPCON) Program received an additional \$130.2M across the FYDP to add a year of engineering and manufacturing design, another preproduction unit, and an organic depot. D-RAPCON will replace the 40 year old AN/MPN-14K and AN/TPN-19 Airport Surveillance Radar and Operations Shelter (OPS) subsystems with state of the art digital systems. The D-RAPCON will provide both a terminal and enroute aircraft surveillance capability, and will be used with the Deployable Instrument Landing System and a fixed or mobile control tower to provide a complete air traffic control capability. The D-RAPCON will support tactical military operations and also provide a capability

to support domestic disaster relief.

Funding for the Joint Precision Approach Landing System (JPALS) was increased by \$60.8M across the FYDP. JPALS is the next generation DoD/Civil interoperable anti-spoof, anti-jam adverse weather/night precision approach and landing system. This is a joint program with the Navy, who is building the Maritime system, and the Air Force producing the land based system. Interim Operational Capability (IOC) is scheduled for FY 2017.

Force Structure Change: The Air Force budget approach retains critical core capabilities and maintains the Air Force's ability to rapidly respond to global mission demands. It requires the Air Force to balance modernization and force structure reductions with a commitment to maintain readiness and take care of our people. To align with the new defense strategy, the Air Force will divest one JSTARS aircraft that is beyond economical repair, saving the Air Force \$13 million in FY13 and \$91 million across the FYDP.

Personnel Recovery

Overview

Personnel Recovery (PR) is the sum of military, diplomatic, and civil efforts to recover and return DoD personnel and contractors in danger of becoming, or who have already become, beleaguered, besieged, captured, detained, interned or otherwise missing or evading capture while participating in United States-sponsored activities or missions. The Air Force is the only Service with a dedicated force organized, trained and equipped to execute the military option of Personnel Recovery. These highly trained Airmen support Air Force, Joint, coalition and Special Operations Forces. The Air Force’s synergistic PR capability is made possible through the collective, coordinated employment of the HH-60G Pave Hawk helicopter, HC-130P/N Combat King fixed-wing PR platform and the Guardian Angel pararescue force. This core function accounts for approximately \$1.4B of the Air Force FY 2013 Budget Request as reflected in Figure 30 below. Additional details of FY 2011 accomplishments and FY 2013 initiatives are included in the sections that follow.

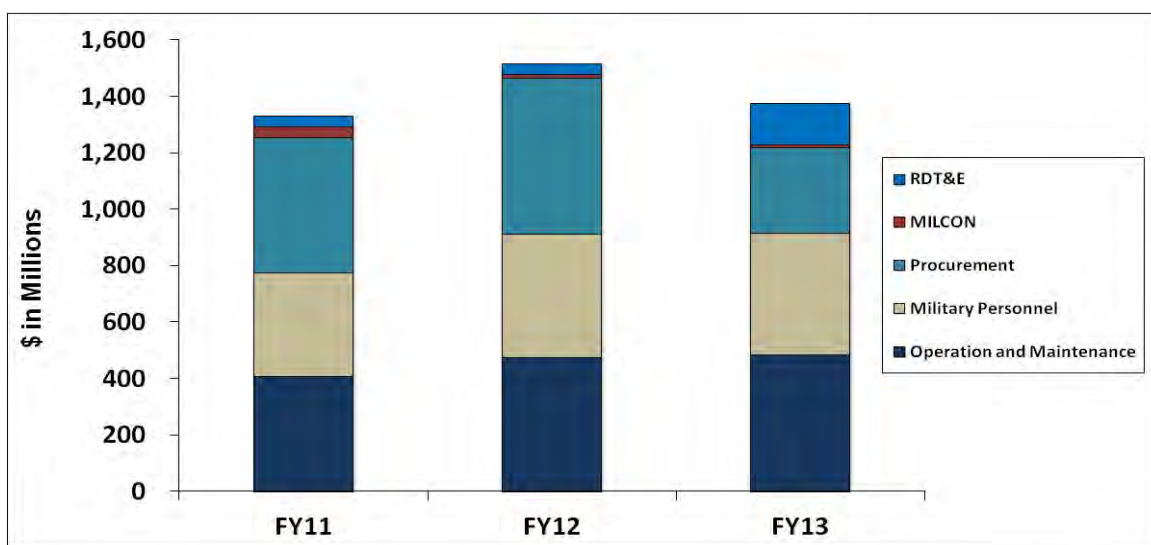


Figure 30. Personnel Recovery TOA by Appropriation

Post 9/11 steady state taskings for PR assets have nearly tripled over pre-9/11 levels to support Overseas Contingency Operations (OCO). The January 2009 Secretary of Defense (SECDEF) directed Review of Helicopter Assets determined that Air Force HH-60Gs were the most heavily COCOM committed helicopters in the DoD, with 49.3 percent of assets deployed at any given time. In addition to the heavily tasked operations in OEF and Operation NEW DAWN (OND)/Operation IRAQI FREEDOM (OIF), Air Force PR forces also serve as a Global Response Force maintaining a real time deployable status and contribute to United States Northern Command’s Defense Support to Civil Authorities for disaster relief and humanitarian assistance operations.

The increased operational tempo on these Low Supply/High Demand (LS/HD) assets has driven the active duty force well below the Air Force target of 1:2 deploy-to-dwell ratio. Worldwide HH-60, HC-130 and Guardian Angel forces are currently at a 1:1.5 ratio, with CONUS-based HH-60s at a 1:0.95 ratio for the last 18 months. The increased tempo is also beginning to take a toll on aircraft. Battle damage, structural



HH-60G Pave Hawk hovers over pararescuemen in Afghanistan

cracks in aging aircraft and extremely high utilization rates in OEF have left insufficient HH-60 aircraft in the active force to provide combat-ready crews.

Accomplishments

The Air Force HH-60G, HC-130P/N and Guardian Angel assets continue to meet Personnel Recovery and Casualty Evacuation (CASEVAC) response times in both OEF and OND to meet the SECDEF-mandated “Golden Hour” requirement to respond within 60 minutes from the time a medical evacuation tasking is received, to patient transfer to a higher level of medical care. In CY 2010, HH-60Gs and HC-130Ps flew over 9,411 hours and 9,701 combat sorties in support of CENTCOM, averaging over 26 combat sorties per day. From January through November 2011, HH-60Gs and HC-130Ps flew over 5,886 hours and 5,957 combat sorties in support of OEF and OND, averaging 17 combat sorties per day. The vast majority of missions flown were CASEVAC/Aeromedical missions.

Figure 31 shows the number of saves and assists performed from CY 2009 through CY 2011. Air Force Rescue forces are credited with saving 1,981 coalition lives in CY 2010 and 1,691 lives in CY 2011.

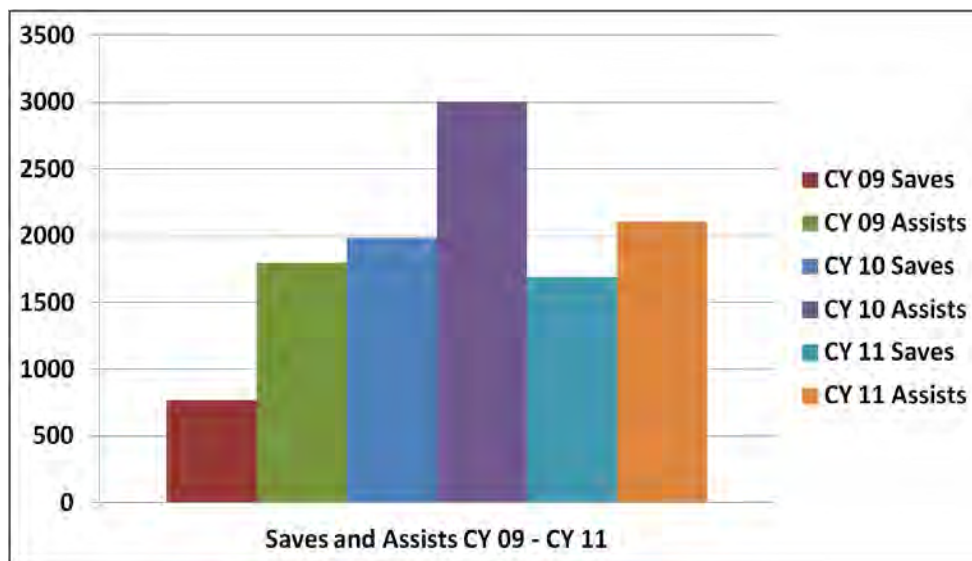


Figure 31. CY 09, CY 10, and CY 11 OEF and OND Saves and Assists

Throughout CY 2011, Air Force Rescue forces remained fully engaged in personnel recovery efforts across the globe. Rescue forces operated in Afghanistan, Iraq, the Horn of Africa, and in Operation UNIFIED PROTECTOR (OUP). Rescue assets are limited supply/high demand, and operated throughout CY 2011 at a significantly higher deployed rate over previous years due to added OUP commitments.

PR ushered in a new era of modernization with the delivery of the first operational HC-130Js. HC-130Js will replace all active duty and ARC fixed wing assets on a tail for tail basis until the fleet of 37 is complete with recapitalization. In order to support the need for HC-130J training, the 415 SOS was activated in September 2011 at Kirtland AFB, NM. The 415 SOS will serve as the single source for HC-130J flight training unit upgrades.



HC-130J with improved diagnostic system, a universal air refueling receptacle, and enhanced generators

Modernization also continues in PR with the beginning of the process to field a new Combat Rescue Helicopter to replace aging HH-60Gs. The Air Force will continue the ongoing program to replace HH-60Gs lost in operations and attrition, through the Operational Loss Replacement.

FY 2013 Initiatives

Recognizing the increasingly important role that PR forces play in today's fight, investments have been prioritized to recapitalize materiel and continue growing the forces critical to providing PR capability, to include continued funding of the Guardian Angel Program. PR Airmen are a highly trained forward medical force, equipped to prepare and respond to rescue operations supporting combat or humanitarian missions.

Responding to the increased requirement for these LS/HD personnel and platforms, the FY 2013 Air Force Budget Request continues to recapitalize aging HC-130P/Ns with HC-130Js. In addition, the HH-60 Operational Loss Replacement program increases funding to replace the legacy HH-60 losses to ensure the Air Force can continue providing Joint personnel recovery to Combatant Commanders until the Combat Rescue Helicopter program can recapitalize the HH-60G fleet. In April 2011, the Air Force also made an acquisition decision to recapitalize the legacy HH-60G by introducing a "full and open competition" that will replace rotary wing aircraft through the Combat Rescue Helicopter program.

The continued growth in global Counter Terrorism and IW operations, coupled with the expected future growth in Building Partnership Capacity (BPC), ensures that an ever-increasing number of United States personnel will remain at risk of isolation throughout the world. The FY 2013 initiatives support the Core Function Master Plan future vision by ensuring an Air Force with the capability to recover isolated personnel as quickly as possible across the entire spectrum of military actions, regardless of time and place, with the minimum expenditure of resources.



Survivors are prepared for rescue by an inbound HH-60 Pavehawk

Building Partnerships

Overview

The Air Force remains fully committed to the long-term goal of fostering relationships and supporting the ongoing security efforts with partner nations around the globe. Building Partnerships includes the ability to set the conditions for interaction with partner, competitor or adversary leaders, military forces or relevant populations by developing and presenting information and conducting activities to affect their perceptions, will, behavior and capabilities. This mission area supports the Air Force’s Security Cooperation role and also supports the building partnership capacity/security force assistance operations. In FY 2011 the Air Force revised our Global Partnership Strategy with the official release on 28 November 2011. The purpose of this strategy is to guide the USAF on future security cooperation efforts aimed at nurturing and deepening existing partnerships and creating new ones to counter violent extremism, deter and defeat aggressions, strengthen international and regional security, and shape the future force. Building Partnerships accounts for approximately \$0.3B of the Air Force FY 2013 Budget Request as reflected in Figure 32 below. Additional details of FY 2011 accomplishments and FY 2013 initiatives are included in the sections that follow.

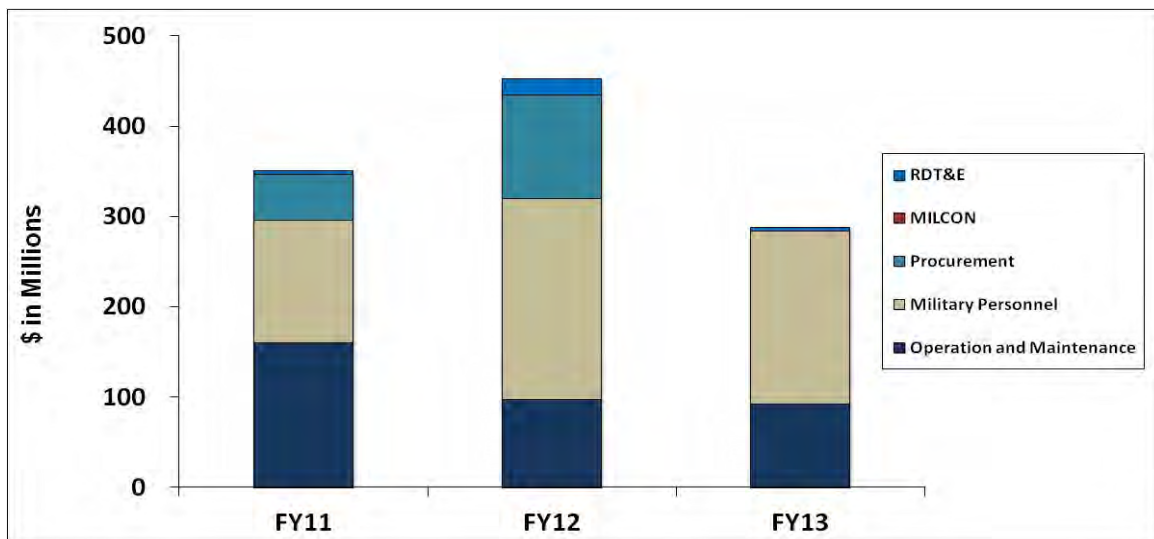


Figure 32. Building Partnerships TOA by Appropriation

Accomplishments

The C-17 Strategic Airlift Capability (SAC), a consortium governed by a 2008 Memorandum of Agreement between 12 nations, with a fleet of three C-17s, reached 6,000 flight hours in December, 2011. The program continues to mature and the Heavy Airlift Wing (HAW) based in Papa Air Base, Hungary, expects to reach Full Operational Capability in late 2013. The HAW provides direct logistics support to International Security Assistance Forces operations. The HAW flew its first combat mission without a U.S. crew member in 2010. More recently, the consortium passed a major milestone when a HAW crew flew the first Estonian mission into Afghanistan November 2011, marking the linkage of the planning and logistics network of the final nation into the SAC flying program.

Communication and cultural awareness are key ingredients to integrating with global partners, and the Defense Language Institute English Language Center (DLIELC) at Joint Base San Antonio, TX is providing classroom instruction to international partner military



Afghan helicopter pilot candidates attend a press conference at the DLIELC

members to enhance their English skills and build lasting relationships. DLIELC offers three types of academic training (general English, specialized English, and instructor development) to meet the specific needs of students and their respective career fields. Once a week, an average of 60 students graduate and return to their countries of origin, or continue to train at United States military sites equipped with the English language proficiency necessary to adapt to American military cultures. In addition to students trained at Joint Base San Antonio, TX, DLIELC supports nonresident English language programs through the deployment of instructors. On any given day, approximately 60 DLIELC instructors are on assignments around the globe, traveling to more than 25 different countries every year. In FY 2011, DLIELC graduated 2,557 international students, building a foundation for future United States relationships.

The International Affairs Specialist (IAS) Program is comprised of Regional Affairs Strategists (RAS) and Political-Military Affairs Strategists (PAS). RAS officers are deliberately developed with a regionally-focused master's degree, language proficiency and in-region experience. RAS officers perform those functions most critical to create and sustain partnerships including serving as Attachés and Security Cooperation officers. Inventory of RAS officers increased 32 percent from the end of FY 2010 to the close of FY 2011. PAS officers serve as political advisors and in political-military billets to advise Combatant Commanders and enable the international relationships leveraged in the Building Partnerships Core Function. Demand for PAS officers remains steady with an increase in inventory by 16 percent.



U.S. and French pilot swap as part of the three-year foreign exchange pilot program

The Military Personnel Exchange Program (MPEP) enables United States military personnel to exchange positions with military personnel from other nations to promote partnerships, interoperability, and standardization. MPEP is a valuable means of military-to-military cooperation as it supports security cooperation goals and contributes to interoperability and coalition warfighting capability. The CSAF approved the expansion of the MPEP program from 156 reciprocal positions in 23 countries to a total of 219 reciprocal positions in 45 countries by the end of FY 2015.

The Rivet Joint (RJ) Sustainment and Follow-on Development (SFD) Memorandum of Understanding (MOU) signed in FY 2011 between the United States and the United Kingdom is the last piece of the "One Fleet concept". The One Fleet concept is a hybrid that includes the UK acquiring three RC-135s through Foreign Military Sales, signing a SIGINT Data-sharing MOU with NSA, signing a Co-Manning MOU framework for UK RJ crewmembers, trained through FMS, to supplement U.S. RJ crews after Nimrod retirement and prior to UK RJ deliveries, and the RJ SFD MOU. The RJ SFD MOU allows the U.S. and UK to cooperatively manage 20 aircraft (17 U.S. and 3 UK) as one fleet; baseline capability upgrades and sustainment of the overall RJ system, including mission systems, aircraft structures, and ground equipment will be accomplished and funded cooperatively (85% U.S. – 15% UK). This unique "one fleet concept" offers great benefits to the U.S. and supports our closest coalition partner. Benefits to the U.S. include: complete interoperability with the UK ISR program; increased fleet size supporting greater operational coverage; increased funding for upgrades; UK manning of Joint Program Office; and within a two month period UK personnel have participated in operations over CENTCOM and AFRICOM AORs with over 1000 hours flown on U.S. RJs through a co-manning agreement.

In FY 2011, the Air Force signed 28 International Cooperative Research, Development, and Acquisition (ICRD&A) agreements involving partnerships with 29 nations and two NATO organizations. These ICRD&A agreements have a value of \$6.33B, leveraging \$1.20B in partner contributions. The agreements support collaborative programs to update, modernize, and sustain fleets, develop and demonstrate air, space, and cyber systems (i.e., electronic warfare, weapons, virtual environments, universal armaments interfaces, and techniques) to enhance coalition capabilities and interoperability.

Also in FY 2011, SAF/IA received authority to develop and negotiate a multilateral framework RDT&E MOU with Australia, Canada, and the UK. The MOU will provide the necessary legal and policy foundation to develop and execute air, space, and cyberspace related RDT&E and prototyping project arrangements, equipment and materiel transfers, and personnel exchanges identified through formal MOU Working Groups. Once signed, this long-term MOU will be the first of its kind to enable multilateral cooperation across the full spectrum of defense capabilities at the classification levels required to achieve and maintain interoperability of our defense forces. Furthermore, the Air Force made excellent progress in developing over ten additional international space and cyberspace cooperative agreements to enhance partnerships related to these domains.

During FY 2011, the Air Force continued to strengthen and institutionalize capabilities within the general purpose forces to conduct Security Force Assistance (SFA) and Building Partnership Capacity (BPC) activities with partner nations. A key part of these activities continued to be the work of the USAF air advisors assigned to the 321 Air Expeditionary Wing (AEW) in Iraq and the 438 AEW in Afghanistan. These air advisors provided foundational work while assisting their Iraqi and Afghan counterparts in the building of professional, credible, and operationally capable air forces that will meet the security requirements of their respective countries. The 321 AEW was deactivated during the first quarter of FY 2012, while the air advisors of the 438 AEW will continue assisting their Afghan counterparts.

As a key part of strengthening general purpose force capabilities, the Air Force activated the 818 Mobility Support Advisory Squadron (MSAS) at Joint Base McGuire-Dix-Lakehurst, NJ, and the 571 MSAS at Travis AFB, CA during FY 2011. These squadrons, which are responsible for assisting partner nations in the development of their aviation enterprises, have core capabilities of command and control, air operations, communications, aerial port, aircraft maintenance, aeromedical evacuation, and support functions. In order for MSAS personnel to build enduring relationships with the partner nations of a particular region and to grow in the cultures and languages of these regions, the 818 MSAS has been regionally aligned with U.S. Africa Command and the 571 MSAS has been regionally aligned with U.S. Southern Command. Both squadrons are expected to achieve Initial Operational Capability (IOC) during FY 2012. In addition, both squadrons are also planning to conduct proof of concept activities with partner nations in their areas of responsibility during FY 2012.

To prepare air advisors for deployments to Iraq and Afghanistan, the Air Force Air Advisor Course at Joint Base McGuire-Dix-Lakehurst, NJ, continued to provide pre-deployment training to all air advisors deploying to these locations. During FY 2011, the Air Advisor Course increased its training capacity as well as expanded its focus to provide a more robust curriculum to cover air advising operations globally and was redesignated as the Air Advisor Academy. For example, the Air Advisor Academy trained an initial cadre of MSAS personnel aligned with U.S. Africa Command and U.S. Southern Command areas of responsibilities. In FY 2012, the Air Advisor Academy is expected to achieve IOC.



Political-Military Affairs Strategist (PAS) is interviewed by national media after observing local elections in The Gambia

Another important aspect of strengthening general purpose force capabilities to conduct SFA and BPC activities is thorough training of the planning staff of the air component to the combatant commander. This planning staff is the key Air Force organization responsible for developing the overall SFA and BPC plans for individual partner nations in conjunction with the combatant commander and the U.S. country teams in these partner nations. An initial training course was developed and conducted during FY 2011 for air component planning staffs. This initial effort will be expanded upon in FY 2012 by implementing a permanent training course for these Air Force staff planners.

FY 2013 Initiatives

Looking forward to FY 2013, the Air Force will continue to emphasize deeper levels of language skills and regional knowledge in its cadre of RAS and will look to continue the expansion of this cadre to fill the ever-increasing number of RAS requirements. For FY 2013, a combination of certified RAS and best-fit officers will fill over 298 billets with 180 of those officers working in-country, directly with partner nations as Attachés and Security Cooperation Officers (SCO). A combination of PAS and best-fit officers will fill some 317 billets requiring in-depth understanding of the interagency processes leveraged when building partnerships. Additionally, with the stand-up of a SCO program management function, the IAS program office will design and schedule pre-arrival training programs and manage both the SCO personnel and billets.

English language proficiency is a prerequisite to nearly all of the training the Services provide to partner nations. In order to meet increasing partner demand for English language training, in FY 2012, the Air Force expands the capacity at the DLIELC through the addition of more than 326 authorizations with the same capacity proposed for FY 2013 (total of 652 authorizations). In addition, the FY 2013 Budget Request continues to fund the Language Enabled Airman Program (LEAP) and also expands foreign language instruction for officer commissioning programs.

The Air Force will dedicate resources and manpower to enhance the capabilities of partner nations through a wide variety of security cooperation activities. To meet these requirements, the Air Force is increasing throughput capacity of its Air Advisor Academy to meet the greater demand for general purpose force Airmen to conduct Security Force Assistance and partner engagement missions across the globe. Additionally, the Air Force is providing valuable training assistance to the nascent Air Forces in Iraq and Afghanistan, while continuing to increase each nation's ability to become a self-sustaining force and support the rule of law. Further, the fielding of the Joint Strike Fighter will increase partnerships with more established allies, while the C-17s procured for the 12-nation Strategic Airlift Consortium are fully operational and currently meeting the airlift requirements of European allies. Our Contingency Response Groups, one of the cornerstones of building partnerships efforts, continue to mature as they utilize trained air advisors with language and region-specific skills to conduct training and exchanges with partner nations.



USAF and Polish AF Generals discuss Polish aircraft

A new Poland Aviation Detachment is standing up to strengthen our working relationship with the Polish Air Force's F-16 and C-130 flying operations. This bilateral agreement provides for a 10-person detachment that will manage approximately four USAF C-130 and F-16 rotations each year. Additionally, the United States will strengthen and institutionalize general purpose capabilities for security force assistance to other partner air forces by developing the Air Advisor Program. Finally, the Air Force will allocate funds to support humanitarian assistance missions to meet United States Pacific Command theater objectives through the Pacific Angel program. The Air Force is committing over \$5M annually to this

critical piece of the Building Partnerships portfolio with resounding success to assist and train many Pacific nations in disaster support and relief operations.

Force Structure Change: Due to fiscal constraints, the Air Force terminated the Light Attack Armed Reconnaissance and the Light Mobility Aircraft programs; however, the Air Force believes this requirement can be substantially met with innovative application of Air National Guard State Partnership Programs and Mobility Support Advisory Squadrons. The Air Force is working with partner nations to build and sustain ISR capacity and help them effectively counter threats within their borders. The Department is also pursuing international agreements to increase partner satellite communication, space situational awareness, and global positioning, navigation, and timing capabilities.

Agile Combat Support

Overview

Agile Combat Support (ACS) is the ability to field, protect, and sustain air, space and cyber forces across the full range of military operations to achieve Joint effects. Air, space and cyberspace power relies on a myriad of combat support activities that Airmen provide on the ground. These include functions like force protection, engineering, logistics, personnel management, finance, acquisition, family support, professional development and training, military medicine and other combat support functions. This core function accounts for over 28 percent of Air Force funding and this section will focus on the following key areas: personnel and force management, support to Airmen and their families, the energy program, acquisition excellence, Civil Engineering, and weapons system sustainment. Since the topics discussed in ACS are so broad, each will discuss accomplishments and initiatives together by subject area. This core function accounts for approximately \$31B of the Air Force FY 2013 Budget Request as reflected in Figure 33 below.

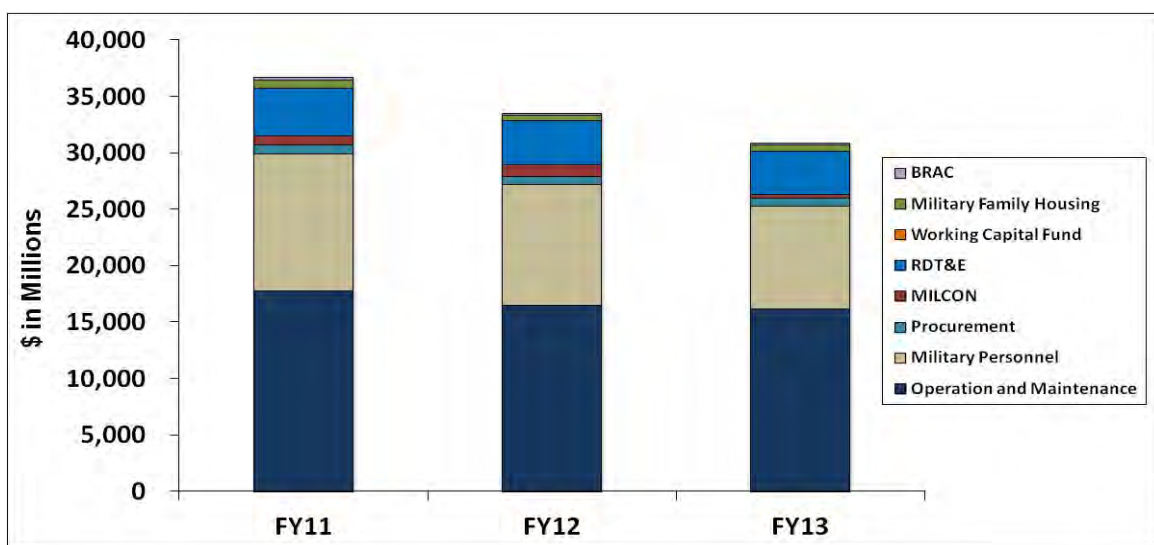


Figure 33. Agile Combat Support TOA by Appropriation

Recruiting / Retaining / Training

Endstrength/Force Shaping: The FY 2013 Budget Request reduces Active Duty and Reserve military manpower by about one percent and limits civilian endstrength growth as we meet Air Force priorities within fiscal constraints. The overall programmed Air Force endstrength for FY 2013 is approximately 686,000 personnel. This includes approximately 328,900 active duty, 70,500 Reserve, 101,600 Air National Guard, and 184,089 civilian personnel. Air Force efficiency efforts reduce manning in overhead and support functions and shift resources to warfighter and readiness programs such as nuclear enterprise, ISR, and Building Partnership Capacity. The current economy has slowed attrition and had the effect of increasing active duty manning. As a result, the Air Force exceeded endstrength in FY 2011 by 1,170 as depicted in Table 27. This remains within two percent of authorized, active duty endstrength as required by law.

Table 27. Air Force Active Duty and Total Civilian Endstrength

	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Officer	65,722	64,805	65,496	66,201	65,487	65,428	64,900
Enlisted	263,372	258,092	263,351	263,437	263,542	263,372	260,000
Cadets	4,401	4,482	4,561	4,558	4,341	4,000	4,000
Total Military	333,495	327,379	333,408	334,196	333,370	332,800	328,900
SECDEF-Approved	334,200	328,600	316,600	331,700	332,200	332,800	328,900
Goal Met						N/A	N/A
Total Civilians	163,807	161,108	168,760	179,008	184,722	185,974	184,089
Total Active	497,302	488,487	502,168	513,204	518,092	518,774	512,989

In order to avoid exceeding allowed endstrength, the Air Force expanded the existing force management program in FY 2011 by decreasing officer and enlisted accessions; increasing service commitment waivers for United States Air Force Academy, Reserve Officer Training Corps and enlisted members; waiving some education cost recoupment; implementing a Career Intermission Program to allow up to a three-year sabbatical for officers and enlisted; waiving enlisted time-in-grade requirements for retirement; and executing three enlisted Date-of-Separation rollbacks. To further progress towards meeting endstrength ceilings by FY 2012, the Air Force sought legislative authority in FY 2011 to allow temporary early retirement approval, reduce the minimum amount of commissioned service time required for prior enlisted members to retire as officers from ten to eight years, provide voluntary retirement incentives, and implement involuntary programs including reduced officer promotion opportunities and enlisted Date-of-Separation rollbacks.

Recruiting and Retention: The Air Force continues to attract some of the brightest and best from eligible populations. In FY 2011, 98 percent of recruits scored at or above the 50th percentile of the Armed Forces Qualification Test and 99 percent had at least a high school diploma. This trend is projected to continue through FY 2013. Sustainment of quality Airmen in the Air Force starts with attracting the best and brightest across the broadest landscape.

The Air Force is experiencing record high retention rates; however, retention within specific enlisted skills and year groups remains challenging. To that end, the Selective Reenlistment Bonus (SRB) program is the most instrumental tool to ensure Airmen remain in our most critical skills. Critical skills are characterized by retention levels insufficient to sustain the career force at an adequate level. SRBs are a retention tool used to address reenlistment challenges within specific year groups. To ensure the most prudent and effective expenditure of funds, the Air Force performs a top-to-bottom review of all skills twice each year. Retaining an adequate budget (set at \$232M in FY 2012) allows for the distribution of bonuses to alleviate manning shortfalls.

Table 28 displays historical retention (i.e. average career length) for the ten most closely monitored enlisted career fields from FY 2008 – FY 2011. The table reflects the success of these bonuses as the retention trend has been strong, even for our historically hard-to-retain career fields. In total, the Air Force currently provides SRBs to 78 enlisted Air Force Specialties in various combinations of four separate year group cohorts (17 months-6 years, 6-10 years, 10-14 years, 18-20 years). This permits precise targeted retention improvements. Maintaining our current budget will solidify these positive trends.

Table 28. Air Force Enlisted Retention for Top 10 Monitored Career Fields

Air Force Specialty	Title	FY08 Retention	FY09 Retention	FY10 Retention	FY11 Retention	Trend	FY11 Retention Goal*	Goal Met
1C4X1	Tactical Air Control Party	11.20	10.20	12.10	14.30	↑	13.83	●
1W0X2	Special Operations Weather	n/a	21.00	20.64	19.98	→	19.89	●
3E8X1	Explosive Ord Disposal	9.90	11.20	11.60	11.94	→	8.24	●
6C0X1	Contracting	6.20	7.50	7.60	11.36	↑	8.79	●
1C2X1	Combat Control	13.00	15.10	15.80	12.97	↓	15.55	●
1T2X1	Pararescue	12.30	13.20	14.60	16.38	↑	14.92	●
1N1X1A	Geospatial Intel	9.70	9.60	9.20	9.64	→	12.98	●
1A8X1	Airborne Crypto Linguist	10.48	9.58	8.26	10.07	→	14.09	●
1C1X1	Air Traffic Control	8.47	9.96	11.22	11.73	↑	8.81	●
1T0X1	Survival, Evasion, Rescue,	13.30	16.30	16.20	13.82	↓	16.06	●

*Average career length measured in terms of completed service

Combat Control and Pararescue career fields also received the OSD-approved Critical Skills Retention Bonus (CSRB). This incentive program is critical to maintaining Air Force Special Operations capabilities.

The Air Force continues emphasis on improving the health of our most stressed career fields. Stressed career fields are those meeting at least two of the following three conditions: Operational Demand (very high deployment rates), Worktempo (Required vs Funded Manpower) or Personnel Inventory/Retention (meeting the unhealthy skill code criteria based on personnel inventory and retention). Over 17 percent of the active force serves in stressed career fields. Although recruiting and retention both improved in FY 2011, the number of Airmen on the career field stress list increased because of greater operational demands and high deployment rates. Table 29 and Table 30 below provide end of FY 2011 details on stressed career fields for enlisted and officer, respectively. The Air Force pursues manning, retention, retraining, and recruiting improvements to improve the overall health of these specialties.

Air Force Specialty	Title	Operational Demand	Required vs. Funded Manpower	Personnel Inventory /Retention	Recruitment Goal Met	Trend	Retention Goal Met	Trend
ENLISTED AFSCs								
1A8	Airborne Crypto Language Analyst	✓		✓	●	→	●	→
1C2	Combat Control	✓	✓		●	→	●	↓
1C4	Tactical Air Control Party	✓		✓	●	→	●	↑
1N0	Operations Intel	✓	✓	✓	●	→	●	→
1N1	Imagery Analyst	✓		✓	●	→	●	→
1N4	Network Intel Analyst	✓		✓	●	→	●	↓
1T2	Pararescue	✓		✓	●	→	●	↑
1W0	Spec Ops Weather	✓		✓	●	→	●	→
3E2	Pavement/Construction Equip	✓	✓		●	→	●	↑
3E3	Structural	✓	✓		●	→	●	→
3E4	Utilities Systems	✓			●	→	●	↑
3E5	Engineering	✓	✓		●	→	●	↓
3E8	Explosive Ordnance Disposal	✓	✓	✓	●	→	●	→
3P0	Security Forces	✓	✓		●	→	●	→
6C0	Contracting	✓	✓		●	→	●	↑

Table 29. Enlisted – Career Field Stress

Table 30. Officer – Career Field Stress

Air Force Specialty	Title	Operational Demand	Required vs. Funded Manpower	Personnel Inventory/ Retention	Recruitment Goal Met	Trend	Retention Goal Met	Trend
OFFICER AFSCs								
13D	Control and Recovery	✓		✓	●	→	●	↑
13M	Airfield Ops	✓	✓		●	→	●	↓
14N	Intelligence	✓	✓	✓	●	↓	●	↓
32E	Civil Engineer	✓	✓		●	→	●	→
35P	Public Affairs	✓	✓		●	→	●	→
64P	Contracting	✓	✓		●	→	●	→

Officer retention remains high; however, the Air Force has continuing needs in critical specialties such as Aircrew, Control and Recovery, and Contracting. Additionally, we must focus on requirements growth in emerging missions in Intelligence, Surveillance, and Reconnaissance (ISR) and Remotely Piloted Aircrew (RPA) forces. Contracting Officers and Special Operations Control and Recovery Officers are still receiving a CSR. The Air Force projects a need in FY 2012 for additional retention in skills such as Airfield Operations, Intelligence, Civil Engineering, and Public Affairs due to personnel shortages with specific commissioned years of service and who have had high training investment costs. We continue to closely monitor these specialties that are trending towards critical levels and are taking appropriate force management actions to improve retention to appropriate levels.

Recruitment and retention of Health Professions officers continues to be a challenge. Medical accessions of fully qualified health professionals were restricted due to Air Force overall endstrength limitations. For FY 2011, Air Force Recruiting Service (AFRS) was able to meet these lowered goals of fully qualified health professionals. In the larger student-based market, AFRS continued delivering positive results in meeting 100 percent of the fully goaled Health Professions Scholarship Program requirements. However, there was less success with the Financial Assistance Program (FAP) for physicians and dentists, meeting 86 percent of that target. Specialty-trained physician recruiting remains a challenge within the critical health profession specialties. Enhancing and continuing financial incentives and accession bonuses are key to recruiting and retaining Health Profession officers. Although recruitment and retention of medical specialties remains challenging, overall the Air Force is making improvements in meeting retention goals.

Language Training: Today’s global environment calls for Airmen to have the knowledge, skills and attitudes to build partnerships and effectively communicate with international partners and potential adversaries. Air Force leaders recognize that without the proper training and development to produce cross-culturally competent Airmen, forces will lack the critical warfighting skills to ensure mission success, especially for counterinsurgency and building partnership operations. As a result, the Air Force continues to pursue and implement initiatives to expand and enhance language proficiency and cultural expertise as discussed in the Building Partnerships Core Function. The Air Force focus on language and culture training has resulted in an increase in filled language-required billets with qualified Airmen; however, a significant capability gap remains.

The Air Force also increased the culture and language content of selected pre-deployment training courses and recently inaugurated a new language learning program—the Language Enabled Airman Program (LEAP). LEAP is a career-long program designed to select, deliberately develop and sustain a cadre of language-enabled Airmen. The goal of LEAP is to identify Airmen who speak a foreign language, maintain their abilities through individual customized sustainment plans and ensure they utilize their language skills by filling language-required billets or taskings. The Air Force Academy’s language programs serve as an “onramp” for LEAP. Every cadet receives exposure to at least two semesters of required foreign language coursework, which exposes cadets to college-level language courses and identifies those with an interest in and aptitude for continued language study. To date, the Air Force

Culture and Language Center has selected approximately 460 United States Air Force Academy, Reserve Officer Training Corps and active-duty officers to participate in the program.



Air Force basic trainees march from a mock air base

Basic Military Training: The Air Force expanded BMT from 6.5 weeks to 8.5 weeks in December 2008 to incorporate a greater focus on warfighting skills. In May 2010, the Air Force’s 22nd Basic Military Training Triennial Review Committee validated the positive effect that expanded BMT has on graduates. The committee noted trainees are given a skill set that they “can directly transfer to their first duty station.” In addition, the attrition rate has been reduced from around eight percent prior to the change, to 6.2 percent in FY 2010 and 5.9 percent in FY 2011 due in part to instructors having time needed to mentor and teach trainees. In addition, the Air Force continues to improve facilities that support our newest Airmen at Joint Base San Antonio, TX by bringing three new recruit facilities (dormitory, classroom, and in-processing center) online in FY 2013. These projects improve BMT and provide incoming Airmen with facilities commensurate with the commitment they make to our Nation.

Taking Care of Our People

Regardless of any strategy realignment or future mission commitment, the hallmark of our success as an Air Force has always been, and will remain, our people. Our mission effectiveness depends first and foremost on the readiness and dedication of our Airmen. We are sustaining cost-effective services and programs to maintain balanced, healthy, and resilient Airmen and families so that they are equipped to meet the demands of high operations tempo and persistent conflict.

Air Force Caring for People Forum: The Air Force Caring for People Forum was held in 2011. Both the SECAF and the CSAF participated in the forum. This year, the Caring for People (CfP) Forum consisted of a “3-tiered” approach which began at the installation level. There, community members met to identify, develop and prioritize issues that affect their personal and professional lives. Issues which could not be addressed at installation level were elevated to MAJCOM-level Community Action Information Board/Integrated Delivery System (CAIB/IDS) for review. MAJCOMs then forwarded up to 10 issues for review and action at the CfP Forum. Each group presented their top three recommendations to Forum membership for vote. Those initiatives voted in the final Top 10 were presented to the Air Force CAIB for review and action at the end of the Forum.



General Schwartz at the Air Force Caring for People Forum

Transition Assistance and Force Management: The Air Force participated in the sub-working group of the White House Veterans Employment Initiative. The purpose of the overall employment initiative is to reduce unemployment of our veterans. The sub-working group is focusing on a total re-engineering of the existing Transition Assistance Program (TAP). TAP is a joint responsibility of the Departments of Defense, Labor, and Veterans’ Affairs.

Military Spouse Employment Partnership: Air Force joined the other Services in the creation of the Military Spouse Employment Partnership (MSEP). Modeled after the previous Army Spouse Employment Partnership, MSEP represents increased access to potentially thousands of flexible, portable job opportunities for military spouses. The MSEP website provides global 24-7 online assistance for all military spouses via Military OneSource, a digital recruiting platform offering access to job seeking military spouses, a simplified “search and match” for companies seeking skilled military spouses, and trainings to improve workplace alignment between employers and spouses. MSEP has high level interest as it directly addresses the spouse employment pillar of the First Lady’s “Joining Forces” initiative and the President’s Strengthening Our Military Families (PSD-9) Report, signed in Jan 2011.

Child Education: The Air Force actively participates with the other Services, Department of Education, and Department of Defense Education Activity (DoDEA) in revising and developing initiatives to implement the Memorandum Of Understanding between the Department of Defense and Department of Education. Additionally, the Air Force is part of the working group developing the 2012 - 2017 DoDEA Strategic Plan. In 2011, the Interstate Compact on Educational Opportunity for Military Children, which facilitates transitions between school districts when families move, added four states as signatories. This brings the total members to 39 and covers more than 90 percent of military connected students.

Youth: Youth Programs were highlighted in FY 2011 with the emergence of the Air Force Teen Council. The Air Force Teen Council Program was instituted at the Installation, MAJCOM, and Air Force levels and includes representatives competitively selected from active duty, guard and reserve installations. As members of the Air Force Teen Council, teens develop leadership skills and exercise their civic engagement while interacting with other teens and senior leaders at all levels to address issues faced by Air Force teens. The FY 2011 Air Force Teen Council project was titled “*My Healthy Generation - how teens can combat childhood obesity and get more youth active in their community.*”

Child Care: Child care for Air Force families remains a significant focus area. Air Force continues to increase child care spaces and reduce waiting lists by ongoing Child Development Center construction projects. These projects will eliminate the known child care space deficit of 6,318 by the end of FY 2012. Additionally, 73 accessible playgrounds for child care programs and 27 accessible community nature parks were initiated. Further emphasis was placed on strengthening our Air Force Community by meeting child care needs with programs such as the Extended Duty Program, Home Community Care, Missile Care, and the Supplemental Child Care initiative. Expanded eligibility of Operation Military Child Care to include Air Reserve and Air National Guard Technicians provided additional child care support to these geographically displaced Air Force families.

Exceptional Family Member Program: The Exceptional Family Member Program (EFMP) continues to be a top level priority for the Air Force. In March 2011, experts in EFMPs from across the Department of Defense and the public sector provided training to Air Force EFMP Family Support coordinators and School Liaison Officers to implement and standardize family support services to EFMP families. The CSAF and his spouse hosted the closing session. To further assist these families, the Air Force launched the Exceptional Family Member Respite Care Program in July 2011. Seven locations were chosen to roll out this program to support the respite child care needs of military families with exceptional family members. The 2011 Caring for People Forum elevated three EFMP issues for action: optimizing current medical clearances for families with special needs; continuity and standardization of total force EFMP support; and under used special needs services among the Air Reserve Component.



Air Force Fitness Program

Airman Resiliency Program: The Airman Resiliency Program office has been in existence for a year and a half, and during FY 2011 has been working to lay the foundation for the Air Force wide initiative. Through approval of the Community Action Information Board (CAIB)/Integrated Delivery Systems (IDS), the Resiliency Program initiative is called Comprehensive Airman Fitness (CAF). Working with several subject matter experts, CAF developed the Air Force’s Model of Resilience. In addition, the implementation strategy is a targeted and tiered program – meeting the individual where they are. The graphic in Figure 34 below depicts how each tier will be addressed. Each initiative listed is underway and will be implemented in FY 2012.

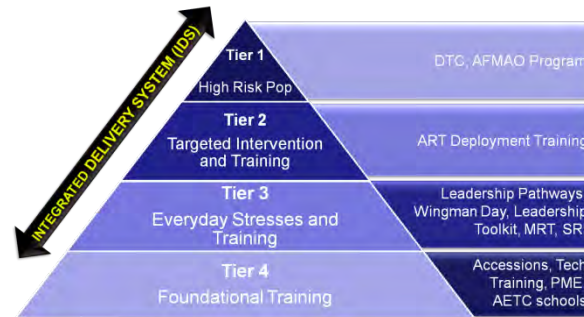


Figure 34. Integrated Delivery System (IDS)

The Deployment Transition Center (DTC) at Ramstein Air Base, Germany, has aided a total of over 2700 Airmen and approximately 135 Marines, through development and execution of a two-day, post-deployment decompression training event. DTC satisfaction ratings are consistently above 90 percent. Research tying together medical utilization and Post-Deployment Health Reassessment responses, in comparison with a control group, demonstrates that individuals who attended the DTC reported lower levels of alcohol usage, fewer reported Post Traumatic Stress symptoms, and less conflict with others.

Wounded Warriors: The Air Force is highly committed to the Wounded Warrior Program that ensures access to medical and rehabilitation treatments for the ill and wounded. We provide this service with two very distinct entities. The first is the Air Force Warrior and Survivor Care Division. This division is dedicated to providing Airmen and families with comprehensive non-clinical care. This care network provides dedicated Recovery Care Coordinator coverage from the moment Air Force Casualty reports an Airman in Seriously Injured or Very Seriously Injured status. Care is constantly improving as we continue to build a culture of understanding and concern for wounded, ill and injured Airmen. The program manager and 33 Recovery Care Coordinators continue to provide exceptional service to our wounded warriors across the continental United States, PACAF and USAFE. Additionally, the Air Force has implemented new personnel policies regarding retention, retraining, promotions, assignments and evaluation of our Wounded Warriors.



The Air Force team marches down Olympic Path during the opening ceremony of the 2011 Warrior Games

The second entity is the Air Force Wounded Warrior program. This program provides personalized care to Airman with a combat and or hostile-related illness or injury requiring long-term care that will require a Medical Evaluation Board or Physical Evaluation Board to determine their fitness for duty. This critical program continues to provide support and advocacy throughout the Airman's recovery and if retention is not feasible, the Non-Medical Care Managers will ensure wounded warriors and their families/caregivers receive professional, individualized guidance and support to help them successfully navigate the complex process of transitioning out of the Air Force.

Food Transformation Initiative: Air Force implemented the Food Transformation Initiative (FTI) to address Airmen’s concerns with dining facility closings, lack of healthy food options and insufficient operating hours. The FTI focuses on building efficient and operationally sound methods to feed Airmen. It will enhance food quality, variety and availability while maintaining home base and warfighting capabilities and saving the Air Force on food service contract costs. Implementation at six pilot bases began in October 2010. Since implementation, an additional 530,000 meals have been served at the dining facilities at the six pilot locations, of which 133,000 were served to junior enlisted members on a meal card. The General Accounting Office (GAO) conducted a review of FTI, with a report published in

July 2011. The GAO made four recommendations for the program, all of which have been implemented. The next portfolio of bases will be implemented in FTI in October 2012.



Rambler Fitness Center, Randolph AFB, TX

Morale, Welfare and Recreation (MWR) Programs: Air Force MWR programs are a key component of Air Force resources for building healthy families and communities by providing high quality recreational outlets that support units, individuals and families. These programs contribute significantly to the Air Force readiness and retention equation. Mission sustaining programs that contribute directly to physical and mental well-being of military members such as fitness centers, lap pools, sports, and athletics, were enhanced in FY 2011 through DOD financial support of \$39M. The funding was used for minor construction and renovation projects for improving fitness and sports facilities throughout the Air Force. Procurement included 120 projects for repairing and revitalizing many overworked fitness and sports facilities where funding has been limited. An additional \$25.3M in FY 2011 purchased modern high-use equipment replacements throughout Air Force fitness centers.

Airman & Family Readiness Centers (A&FRC): The Airman and Family Readiness Center promotes family preparedness through education and participation in readiness support. Families are also provided assistance during extended absences of the military member, emergencies, and natural disasters. In support of Operation TOMADACHI, the Air Force provided support to more than 20,000 Airman, DOD civilians', retirees, US citizens and their family members. A&FRCs from each MAJCOM provided assistance with travel of personnel, pets, and belongings. Furthermore, A&FRCs provided assistance in the areas of medical health, schools, onward transportation, temporary housing and finances. Immediately following resolution of the return of US citizens to Japan in June 2011, A&FRCs again stepped up and assisted with the Minot AFB flooding event.

Sexual Assault Response Prevention (SAPR): Air Force Sexual Assault Prevention and Response Program (SAPR) reinforces the Secretary and Chief of Staff's top priority of "Taking Care of Airmen and Their Families". Throughout FY 2011, the SAPR Program continued to transition to a prevention-based approach to prevent sexual assaults before they occur. This endeavor seeks to address Airman behavior, culture, and operating environments through a variety of initiatives. The Air Force further validated its commitment to the SAPR Program through its initiative to develop a Wing Commander's Guide; a guide developed for commanders, by commanders. This undertaking served to support and enhance the Air Force SAPR vision of cultivating an Air Force without sexual assault which will be the benchmark for society and model for the world.

Business Process Improvements

Audit Readiness: The Chief Financial Officers' Act provides direction for achieving a clean audit through leadership commitment, modernized government financial management systems, and strengthened financial reporting. Sound financial management helps to ensure the maximum combat capability for each taxpayer dollar. The Air Force is committed to achieving the SECDEF's goal for audit readiness on the statement of Budgetary Resources in 2014 and full compliance with legislative requirements for a clean audit by 2017. These goals are challenging for an organization as large and diverse as the Air Force, however the strong engagement of Air Force leadership, additional financial resources provided in recent years, and focus on fielding effective financial systems will help achieve it. Over the last year, the Air Force has made real progress, receiving clean opinions on two important components of our budget and accounting processes from independent public accounting firms. The Department is focusing its efforts on the information most relevant to decision makers, and the Air Force Financial Improvement Plan is closely aligned with the DoD strategy to achieve a clean audit. In the coming years, the Air Force

expects that it will have independent auditors examine the audit readiness of its military equipment inventories, base-level funds distribution process, and civilian pay process, among other areas.

The entire Air Force leadership is committed to improving its business processes to eliminate excessive costs and enhance management controls to achieve audit readiness. Efficiencies and audit readiness complement each other and the Air Force is investing significant recourse to achieve these goals. The Service recently deployed the Defense Enterprise Account Management System (DEAMS) at Scott AFB, IL. DEAMS allows multiple users to access common data reducing data entry time and enhancing audit readiness. In September 2010, the Air Force asserted audit readiness for Appropriations Received and distributed to the MAJCOM level. The Service is implementing additional controls that will allow it to track funds distribution down to the execution level enhancing its ability to manage Air Force funding more efficiently and promote more disciplined use of defense dollars. The Air Force's assertion covers approximately 82 percent of its budget authority and is actively working the remaining elements – reimbursable authority and unobligated balances brought forward.

The Air Force also recently implemented a tool that allows reconciliation of 99.9 percent of the dollars paid from its Fund Balance with Treasury account at the transaction level. The Air Force achieved this goal while reducing the reconciliation time from several months to several days.

Finally, the Air Force believes its Military Equipment is properly supported and auditable. This represents 33 percent of the Service's total assets. Like private sector counterparts, the Air Force knows where its major assets are, the condition they are in, and their cost. Over the next year, the Air Force will implement corrective actions and assert audit readiness on spare engines, missile motors, cruise missiles, drones and targets, approximately 26 percent of its Inventory items. The controls implemented to achieve audit readiness will help the Air Force manage these assets at the most efficient level possible.

Recapture Acquisition Excellence: The Air Force continues to deliver superior weapons systems to meet a dynamic international environment marked by security challenges of unprecedented diversity. Air and space systems' extended operational lifetimes testify to superior capabilities of the Nation's industries and the Air Force acquisition community's ability to manage systems development, delivery and sustainment. The Nation benefits from these extended lifetimes, but there are also associated challenges which require the concerted stakeholder effort to justify needs, provide resources and deliver capabilities. The Air Force is addressing challenges through a high-level focus on the acquisition community, whose responsibility it is to deliver the needed air, space and cyberspace capabilities.



Air Force takes steps to advance procurement fraud fight

The Air Force has recently completed implementation of the Acquisition Improvement Plan (AIP), arguably the largest and most significant acquisition reform of the last decade. The AIP streamlined 170+ processes and has been fully implemented in the following areas:

- Revitalize the Air Force acquisition workforce
- Improve requirements generation process
- Instill budget and financial discipline
- Improve Air Force major systems source selections
- Establish clear lines of authority and accountability within acquisition organizations

The Air Force has institutionalized the Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)) "Better Buying Power" (BBP) initiatives in the Air Force and is expanding those improvements through its Acquisition Continuous Process Improvement 2.0 (CPI 2.0) effort. This

effort will build upon the BBP initiatives and continue the momentum in improving the Service's acquisition workforce skills. The major elements of this new CPI 2.0 initiative are:

- Process Simplification
- Requirements
- Realizing the Value Proposition
- Workforce Improvement

In addition, the Air Force has continued enhancing its acquisition of services. The Air Force is improving the effectiveness of its services requirements definition process by increasing the dialogue with other PEOs and the HAF staff. The Air Force's collaboration with Defense Acquisition University (DAU) for training opportunities and the use of templates and tools is paying off. The Air Force is particularly pleased with DAU's Automated Requirements Roadmap Tool and are seeing increased customer-demanded usage across the Air Force.

The Air Force is focusing on educating its workforce on these preferred techniques and building upon the synergies from all of the improvement initiatives. The Air Force is creating a foundation for a robust improvement within acquisition and is implementing approximately 75 corporate efficiencies that range in scope and impact throughout the acquisition enterprise. Examples are as follows:

- AEHF-4: Negotiated to reduce period of performance, testing requirements, and proposal preparation costs resulted in \$98M in savings
- AWACS: Modified the AWACS modernization and sustainment support (AMASS) contract to eliminate direct charges for contractor proposal preparations that saved \$26.9M across the FYDP.
- C-130J: Continued contractual negotiations that delivered savings of \$110M.

The Air Force's continual pursuit of acquisition excellence has strengthened its ability to provide relevant, game changing capabilities to its joint warfighters and solidified its commitment to rebuild an Air Force acquisition culture that delivers military products and services as promised; on time, within budget and in compliance with all laws, policies and regulations.

More Disciplined Use of Defense Dollars: In June 2010, the Secretary of Defense challenged the Services to increase funding for mission activities by identifying efficiencies in overhead, support and other less mission-essential areas. Reducing the cost of business is an essential approach in order to maintain mission capability and readiness in a time of declining fiscal resources. The Air Force identified approximately \$33.3B in efficiencies associated with the FY 2012 President's Budget Submission and continues in FY 2013 with \$6.6B in savings to promote more disciplined use of defense dollars across the FYDP. Additional savings will be achieved by continuing to target overhead cost reductions and spending constraints. Examples of major efficiency efforts include:

- Identifying and eliminating duplicative IT applications across business and mission system areas
- Service support contract reductions in accordance to the SECDEF's directed efficiency efforts and OMB's guidance
- Reductions in travel by promoting efficient spending and use of technology based alternatives
- Conduct a bottoms up review of base-level supply inventories to identify consumable and repairable items considered excess to include Government Purchase Card procured inventory

The Air Force identified \$9.6B in PB12 and another \$1.7B in PB13 acquisition efficiencies. The Air Force is successfully reducing acquisition costs by consolidating services, scrutinizing contracts, reducing contract support, and more efficiently using resources to deliver capabilities and support to the warfighter. Partnering with the Defense Contract Management Agency (DCMA), the Air Force is seeking additional reduction to program costs by reducing contractor overhead costs.

The Air Force is also reducing duplication, overhead, and excess in the services for which we have contracts. The Air Force will reduce staff support contractor workforce by ten percent per year, over the next three years in accordance with DoD's guidance with an estimated FY 2013 savings of \$190M; reduced staff augmentation with an estimated FY 2013 savings of \$200M; and reduced advisory studies funding 25 percent from FY 2010 levels over the FYDP with an estimated FY 2013 savings of \$83M.

The Air Force identified other areas that will result in reductions to its headquarters contract workforce that releases resources for warfighter use. These include Knowledge-based services estimated at \$277M in FY 2013; and Program Management Administration estimated at \$466M in FY 2013. The Air Force also identified improvements in acquisition that resulted in savings. The KC-46 developed a competitive acquisition strategy which utilized fixed price contracts for the program development and production phases resulting in \$2.4B in savings across the FYDP. The realization of these efficiencies allows the Air Force to reallocate funding to modernize and recapitalize weapons systems, improve capabilities, and enhance warfighter operations.



Installation of a C-130 engine

Weapon System Sustainment: Weapon System Sustainment (WSS) provides sustainability for weapon systems and programs to provide Global Power, Global Reach, and Global Vigilance. The Air Force requirement to fund WSS continues to grow rapidly due to acquisition strategy, the complexity of new aircraft, operations tempo increases, force structure changes, and growth in depot work packages for some legacy aircraft. In FY 2013, baseline requirements increased by \$884M from the FY 2012 budget while overall funding increased by \$626M.

The Air Force continues to scrub end-to-end sustainment through the Centralized Asset Management (CAM) process. We are also restraining overall WSS cost growth through on-going efficiency efforts totaling \$3B over the FYDP. WSS funding through Overseas Contingency Operations (OCO) supplemental requests (\$2.1B in FY 2013) remains critical while the Air Force remains engaged in global operations and as we reset the force.

Force Structure changes have created a need for mitigation efforts to ensure the Air Force can meet the 50/50 requirement in the Weapon System Sustainment program. Reductions in organically maintained aircraft (A-10, C-5, and C-130) while increasing the contract supported aircraft inventory (F-22, F-35, and C-17) has shifted the balance within the maintenance portfolio. The Air Force is developing mitigation strategies to avoid a 50/50 breach in FY 2013. General Officer and Senior Executive Service members have also formed a Senior Tiger Team review in an effort to drive programmatic actions necessary to ensure compliance with 50/50 rule.

Installations

Family Housing and Dorms: Under the housing privatization initiative, approximately 41,500 units have been privatized at 47 bases with a goal to have 53,800 units privatized by the end of 2013. The Air Force has privatized 76 percent of family housing and has eliminated over 37,000 inadequate units. The Air Force plan is to negotiate and close the remaining CONUS privatization projects by the end of 2013. In addition, the Air Force FY 2013 budget for housing construction includes \$84M for improvements to 400 overseas homes.

The Air Force also remains committed to providing excellent housing for unaccompanied Airmen. The FY 2013 Budget Request includes two dormitory projects totaling more than \$42M for dorms at Joint Base San Antonio, TX and Thule AB, Greenland. The Air Force is finalizing an update to its Dorm Master Plan that will identify future investments. The Air Force focus on dormitories has allowed it to



New dorm under construction at Keesler AFB, MS

exceed the DoD goal of maintaining at least 90 percent of both CONUS and overseas units are adequate (i.e. Q1 or Q2 condition) as shown in Table 31 below.

Table 31. Percent of United States and Overseas Dormitories in Q1 or Q2 Condition

	FY 2009	FY 2010	FY 2011
CONUS enlisted unaccompanied housing units	40,980	39,342	38,742
Percent in Q1 or Q2 condition	93%	93%	96%
Goal Met	●	●	●
Overseas enlisted unaccompanied housing units	31,129	30,158	30,158
Percent in Q1 or Q2 condition	90%	95%	95%
Goal Met	●	●	●

Installation Investment Strategy: Since 2007, Air Force civil engineers have transformed how they deliver installation support for in-garrison and Combatant Commanders, improving both effectiveness and efficiency. The Air Force continues to look for efficiencies in its operations as a way to smartly adjust to the changing fiscal environment and provide the right support at the right time for its installations and contingency missions. Through enhanced employment of Air Force asset management principles, standardization of levels of service, and centralization of program management, civil engineers will embrace the department's fiscal constraints while supporting its installations and maintaining its Expeditionary Combat Support capability. The Air Force's overall Installation Investment Strategy and world-class stewardship of both the natural and built environment reflects those principles.

The Air Force's FY 2013 budget employs a balanced approach to funding installation facility requirements. Facility Sustainment, Restoration & Modernization, and MILCON are essential tools for providing mission capability to our warfighters. Air Force Civil Engineers continue to employ enterprise-wide asset management principles to provide more effective and efficient use of resources in this fiscally challenging environment. We maintained funding of Facility Sustainment requirements at 80 percent of the DoD's Facility Sustainment Model to "keep our good facilities good", and sustained investment levels in Restoration & Modernization to recapitalize aging facilities, promote consolidation, and demolish unnecessary facility footprint.

In FY 2013, the Air Force requests \$442M for the Active, Guard and Reserve MILCON programs. The 22-project program, while smaller than in previous years, affects 12 states and 4 countries. For FY 2013, the Air Force is taking a deliberate pause in light of the fiscally constrained environment and force structure changes. This pause will allow senior Air Force leadership to make critical basing decisions without being tied to specific military construction requirements, yet still ensure the proper investment of limited resources. The request supports critical Air Force requirements for new mission beddowns (F-35, F-22, MQ-9), realignments, and upgrades for C-130H/J, HC-130J, RPA, and other mission support facilities. Additionally, the request includes the second increment of the USSTRATCOM Headquarters replacement facility at Offutt AFB, NE, and quality of life projects for unaccompanied airmen dormitories at Joint Base San Antonio, TX and Thule AB, Greenland. While the Air Force MILCON program is on the deliberate pause, the Service continues to meet mission requirements.

The Air Force utilizes an all-hazards approach to Combat Support and Emergency Management that fully integrates doctrine, training, leader development and education, materiel, and Airmen in order to maximize preservation of life, minimize loss or degradation of resources, and continue, sustain, and

restore combat power for the Air Force and Joint forces. Our FY 2013 Budget specifically enhances Explosive Ordnance Disposal and Airfield Damage Repair equipment enhancements, to include research and development efforts targeted at increasing capability for full spectrum contingency response. These research and development activities are particularly critical to the Air Force's overall anti-access/area denial capabilities for the regional Combatant Commanders. Part of this program also includes our commitment to fully supporting the Department of Defense's pledge to improve prevention and response to internal threats. To date the Air Force has budgeted and programmed \$246M over the next six years to fully implement DoD-required Installation Emergency Management programs, information sharing programs like Joint Terrorism Task Forces (JTTFs), Digital Data Exchange (DDex) and Defense Biometric Identification System, and Air Force Status of Health and Airman Resiliency Exchange (SHARE). In addition, all AIR FORCE installations will have e911 capability by 2014. Equally important, we are making every effort to make all Airmen better wingmen--more cognizant of stressors we face in our duties and personal lives, and more capable of recognizing and guiding troubled or potentially violent individuals to the care they need.

The Air Force is committed to Joint Base success and is the lead Service for six of twelve Joint Bases and a proud partner at four Joint Base endeavors led by the Army and Navy. Our Airmen receive an increased level of joint training through the Joint Base process, ensuring they are better prepared warfighters as individuals and ready to make a positive impact in current and future fights as joint team members. Across the DoD enterprise, Joint Basing introduces the Services to new perspectives and ways of doing business. The Air Force will endeavor to take these best practices and incorporate them into our policies and procedures to maximize our efficiency to deliver Global Vigilance, Mobility, and Power for America.

As the DoD faces new fiscal constraints, all military installations will be impacted by reduced budgets. The Air Force will maintain the critical balance between operational capability, infrastructure, and personnel as it works to reduce its overall budget requirements, it. At Joint Bases where the Air Force leads, we will promote the development and implementation of best-practices and efficiencies to ensure service level standards are met despite the fiscally constrained environment. Where we are supported, we will actively partner with the Joint Base lead to champion best-practices for the benefit of all installation personnel and the DOD as a whole.

Energy

Energy is a fundamental requirement for all Air Force missions, operations, and organizations, and for the Air Force to project power. By itself, energy represents a risk because the Air Force is reliant on outside entities, including foreign nations, for the resources needed to meet its mission and because energy provides the Air Force with the ability to become more efficient, avoid costs, and mission effectiveness. As such, the Air Force has a strategic rationale and operational imperative for both decreasing energy demand and diversifying sources of supply as a means to enhance its energy security. The Air Force is creating an energy posture that is robust, resilient, and ready by improving resiliency, assuring energy supplies, reducing energy consumption, and fostering an energy aware culture.



Hurlburt Field Renewable Energy Demonstration

The Air Force, like the rest of the country, is heavily constrained in this budget environment with fiduciary responsibilities to continue to look for ways to operate more efficiently. In FY 2011, the Air Force spent over \$9.5B on fuel and electricity, which represented nearly 6 percent of the total Air Force budget, and expect that number to only increase in future years as the price of energy continues to increase. Every dollar increase for a gallon of jet fuel means an additional \$2.4B over the year we cannot use for other priorities.

As part of our institutional effort to utilize energy to sustain an assured energy advantage to meet future challenges, the Air Force is requesting over \$530M for energy initiatives in FY 2013. This includes over \$32M for aviation energy, \$216M for facility energy initiatives, and over \$290M for materiel acquisition and energy RDT&E opportunities. The focus of these initiatives are to improve the Air Force's energy security by diversifying its drop-in and renewable sources of energy and increasing access to reliable and uninterrupted energy supplies, while increasing the energy efficiency and operational efficiency for Air Force systems and processes without degrading mission capabilities. By continuously improving efficiency, the Air Force will be able to decrease the amount of energy required by its systems and operations, while increasing the flexibility, range, and endurance in all operations.



F-22 Raptor flown on synthetic bio-fuel

The Air Force has a number of energy goals across installations, aviation, and ground vehicles to focus its efforts and improve its energy use. The Air Force is continuing to reduce the amount of energy it uses to power its facilities and expects to achieve over a 37 percent reduction in its energy intensity by 2020. Currently, the Air Force has 194 renewable energy projects at 71 installations in operation or under construction and anticipates meeting its goal of acquiring 25 percent of its energy from renewable sources by 2025. In addition, the Air Force has instituted a number of fuel saving initiatives and reduced the amount of fuel its aircraft has consumed by over 100 million gallons since 2006, despite increased operational requirements associated with ongoing operations. The Air Force has also continued to invest in energy efficiency engine technologies, such as the Adaptive Versatile Engine Technology (ADVENT) initiative, that could result in increases in efficiency of up to 25 percent.

These examples are just a small portion of what the Air Force is working on to make the Service more energy secure today. The Air Force also assessed its science and technology options in energy through its Energy Horizons review. This assessment provided a blueprint for future energy science and technology investments that span the domain of air, space, cyber, and infrastructure in the near, mid, and far-terms. Along the way, the Air Force will be providing benefits to the economy, communities, and enabling the Service to fly, fight, and win in air, space, and cyberspace.

Section 4: Working Capital Fund

A Defense Management Review Decision established the Defense Working Capital Funds (WCF) for the purpose of carrying out specific mission activities in a market-like financial framework, providing customers common goods and services in the most efficient way possible. The Air Force Working Capital Fund (AFWCF) is designed to operate on a break-even basis and provides maintenance services, weapon system spare parts, base supplies, and transportation services. These AFWCF services and products are integral to readiness and sustainability of air and space assets and the ability to deploy forces around the globe.

The AFWCF conducts business in two primary areas: depot maintenance and supply management. The maintenance depots provide the equipment, skills and repair services necessary to keep forces operating worldwide. The supply management activities procure and manage inventories of consumable and repairable spare parts required to keep all force structure elements mission ready. Directly or indirectly, AFWCF activities provide warfighters key services needed to meet mission capability requirements.

Figure 35 shows how customers place orders with a working capital fund provider and are later billed for the goods and services provided.

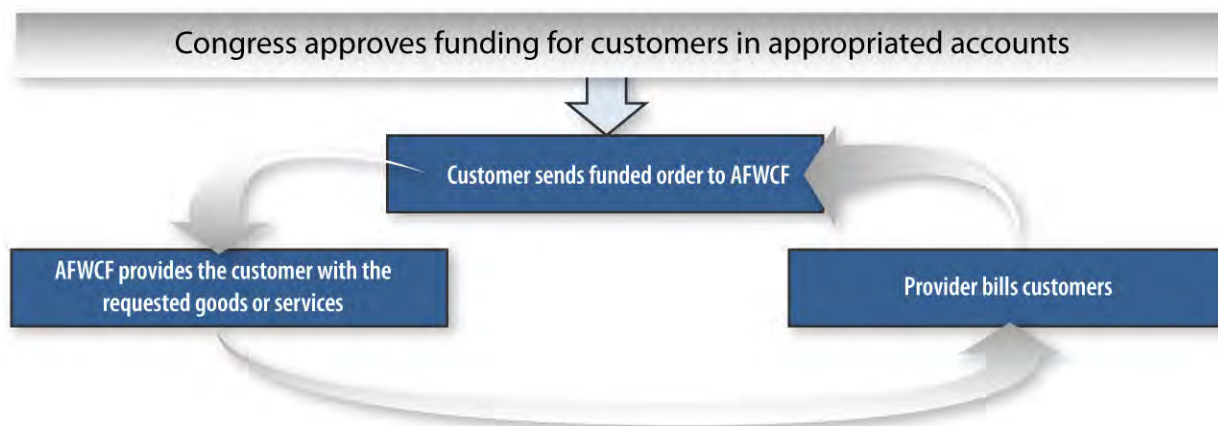


Figure 35. Working Capital Fund Business Process

The FY 2013 AFWCF Budget Request reflects current execution plans. Air Force logistics and business processes are continuously improved to meet customer needs within the time and location requirements specified. Main points of the FY 2013 AFWCF Budget Request are reflected in Table 32.

Table 32. Air Force Working Capital Fund

Air Force Working Capital Fund (\$M)	FY11	FY12	FY13
Total Revenue	26,098.9	26,924.1	24,983.5
Cost of Goods Sold	26,121.3	27,062.6	25,925.9
Net Operating Result (NOR)	(22.4)	(138.5)	(942.4)
Accumulated Operating Result ¹	398.0	131.5	0.0
Capital Budget	291.0	329.1	378.0
Direct Appropriation	83.9	77.4	285.9

*Includes Transportation Working Capital Funds data

Working Capital Fund Organization

The AFWCF conducts business under two primary groups: The Consolidated Sustainment Activity Group (CSAG) and the Supply Management Activity Group – Retail (SMAG-R). The Transportation Working Capital Fund (TWCF) is a part of the AFWCF budget submission; however, the Air Force is only charged with cash oversight while USTRANSCOM has the operational responsibility. Figure 36 shows how the activity groups align in the Working Capital Fund, and will be discussed further below.

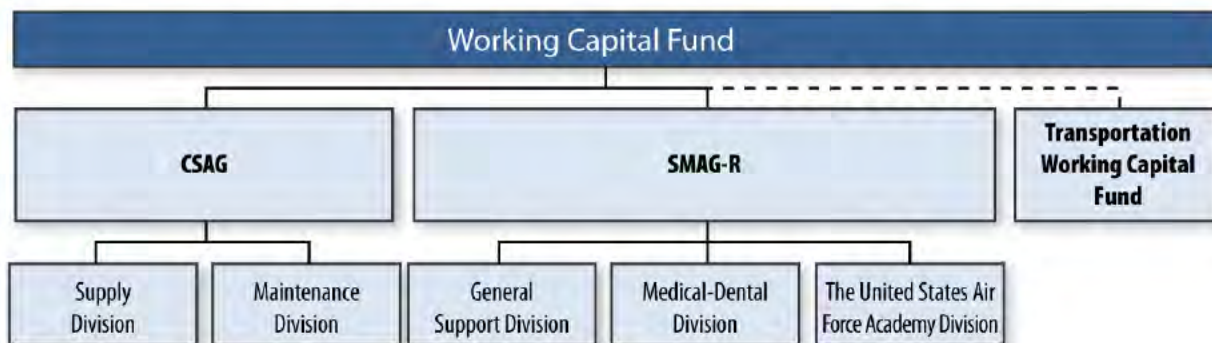


Figure 36. Air Force Working Capital Fund Activity Groups

Consolidated Sustainment Activity Group

The CSAG provides maintenance services and supply management of repairable and consumable items. Maintenance and supply customers include Air Force Major Commands (including Air National Guard & Air Force Reserve), the Army, the Navy, other WCF activities such as the TWCF, other government agencies and foreign countries.

- The **Supply Division** is primarily responsible for Air Force-managed, depot-level repairable spares and consumable spares unique to the Air Force. In addition to management of these inventories, the Supply Division provides a wide range of logistics support services including requirements forecasting, item introduction, cataloging, provisioning, procurement, repair, technical support, data management, item disposal, distribution management, and transportation.

¹ Includes Non-Recoverable Accumulated Operating Result Adjustments

- The **Maintenance Division** repairs systems and spare parts to ensure readiness in peacetime and to provide sustainment for combat forces in wartime. In peacetime, the Air Force enhances readiness by efficiently and economically repairing, overhauling and modifying aircraft, engines, missiles, components and software to meet customer demands.

Table 33. Air Force Working Capital Fund CSAG Financial and Performance Summary

Financial Performance (\$M)	FY 11	FY 12	FY 13
Total Revenue ²	9,021	9,116	8,587
Total Expenses	8,591	9,011	8,901
Net Operating Results	430	105	(314)
Accumulated Operating Results	362	467	0.0

Numbers may not add due to rounding.

Table 34. Air Force Working Capital Fund CSAG Cash Management

Cash Management (\$M)	FY 11	FY 12	FY 13
Beginning of Period (BOP) Cash Balance	239	466	471
Disbursements	9,934	9,234	9,126
Collections	10,160	9,239	8,692
Changes in Cash	226	5	(435)
Cash Balance	466	471	36

Numbers may not add due to rounding.

Table 35. Air Force Working Capital Fund CSAG-Supply Stockage Effectiveness³

	FY 11	FY 12	FY 13
Actual Performance	82.6%		
Objective	82.0%	83.0%	83.0%

Table 36. Air Force Working Capital Fund CSAG Item Quantity Requirements

Supply Item Quantity Requirements	FY 11	FY 12	FY 13
Number of Issues	1,569,471	1,409,997	1,453,723
Number of Receipts	2,413,976	2,036,777	1,958,858
Number of Requisitions ⁴	861,581	818,502	798,039
Contracts Executed ⁵	3,757	2,828	3,221
Purchase Inflation	4.00%	4.00%	3.00%
Items Managed	91,108	91,105	91,108

² FY11 includes revenue adjustment to account for depreciation recognized on buildings/equipment capitalized into the Maintenance Division.

³ Stockage Effectiveness measures how often the supply system has available for immediate sale those items it intends to maintain at base and depot level supply locations.

⁴ Requisitions are lower than issues due to CSAG-Supply requisitions containing quantities greater than one, while issues are counted per unit. For example, one requisition for a National Stock Number (NSN) may order a quantity greater than one. When the requisitioned NSNs are issued, each unit is counted as an individual issue.

⁵ Contracts containing multiple fund citations have been omitted because the current contracting system cannot distinguish supply funding under those conditions.

Supply Management Activity Group – Retail

The Air Force SMAG-R is the Air Force's primary purchaser of consumable inventory. It is comprised of three divisions: General Support, Medical-Dental and the United States Air Force Academy. Together they provide goods, logistics support services and medical supplies and equipment to support forces.

Table 37. Air Force Working Capital Fund SMAG-R Revenue, Expenses and Net Operating Results

Revenue, Expenses and Net Operating Result (\$M)	FY 11	FY 12	FY 13
Total Revenue	4,201	4,715	3,932
Total Expenses	3,950	4,599	4,001
Operating Results	251	116	(69)
Less Direct Appropriation Expensed	(54)	(78)	(46)
War Reserve Materiel (WRM) Operating Result	0.3	0.0	0.0
Net Operating Result (NOR)	197	38	(114)
Accumulated Operating Results⁶	161	211	0

Numbers may not add due to rounding.

Table 38. Air Force Working Capital Fund SMAG-R Cash Management

Cash Management (\$M)	FY 11	FY12	FY 13
BOP Cash Balance	70	203	242
Disbursements	4,078	4,670	4,066
Collections	3,897	4,843	3,931
War Reserve Materiel	67	65	46
Change in Cash	133	39	(154)
End of Period Cash Balance	203	242	88

Numbers may not add due to rounding.

- The **General Support Division (GSD)** provides consumable goods to support field and depot maintenance of aircraft, electronics systems and communications equipment. The GSD manages stock levels and procurement for critical OCO requirements, as well as many items related to installation, maintenance and administrative functions.
- The **Medical Dental Division** provides all supplies and equipment for the Air Force medical treatment facilities. They are also responsible for the maintenance of the War Reserve Materiel (WRM) stockpile. War Reserve Materiel provides initial medical and dental supplies and equipment to the warfighter until permanent supply chains can be established.
- The **Air Force Academy Division** procures uniforms and accessories for approximately 4,500 cadets.

⁶ Includes Non-Recoverable AOR Adjustments

Table 39. Air Force Working Capital Fund SMAG-R Stockage Effectiveness⁷

Division	FY11 Objective	FY 11 Actual	FY 12 Objective	FY 13 Objective
General Support	90%	88.0%	90.0%	90.0%
Medical-Dental	86%	90.0%	90.0%	90.0%
Academy	95%	99.0%	95.0%	95.0%

Table 40. Air Force Working Capital Fund SMAG-R Quantity Requirements

Item Quantity Requirements	FY 11	FY 12	FY 13
Number of Issues	7,724,976	7,940,366	8,187,567
Number of Receipts	6,560,625	6,744,408	6,985,646
Number of Requisitions	6,718,696	6,978,319	7,241,993
Contracts Executed	11,001	11,290	11,609
Purchase Inflation	4.44%	3.81%	4.16%
Items Managed	1,095,569	1,095,569	1,095,569

Transportation Working Capital Fund

The TWCF is a part of the AFWCF budget submission; however, the Air Force is responsible only for cash oversight and does not have day to day operational management responsibilities. United States Transportation Command (USTRANSCOM) manages all common aspects of the global mobility system. They synchronize the deployment, distribution and sustainment of forces to achieve maximum efficiency and interoperability by eliminating duplication and nonstandard practices. USTRANSCOM’s ability to move and sustain sufficient numbers of United States forces, equipment and supplies enables us to defend vital national interests anywhere in the world at a moment’s notice.



A C-17 Globemaster III aircrew loads a Marine Corps M1A1 Abrams tank for aerial transport to Afghanistan

Cash Management

In FY 2011, the AFWCF cash balance increased minimally, \$82M, to \$1,026M.

In FY 2012, AFWCF cash is projected to remain stable for an ending balance of \$1,070M.

In FY 2013, AFWCF cash decreases \$820M to \$251M, 2 days of cash. The balance decreases due to Air Force setting rates to achieve zero Accumulated Operating Balance (decreasing cash \$589M) and TWCF projecting operating losses (\$231M). The Air Force will take appropriate action to ensure cash levels remain adequate for operational and capital program disbursements.

⁷ Stockage Effectiveness measures how often the supply system has available for immediate sale those items it intends to maintain at base and depot level supply locations.

Table 41. Air Force Working Capital Fund Cash

Air Force Working Capital Fund Cash Including TWCF (\$M)	FY11	FY12	FY13
BOP Cash Balance	945	1,026	1,070
Disbursements	26,320	25,809	24,760
Collections	26,317	25,776	23,654
Transfers	0	0	0
Direct Appropriations			
Fallen Heroes	15	10	10
C-17 Engine Maintenance	0.0	0.0	230
War Reserve Maintenance	67	65	46
Container Consolidation	2	2	0
EOP Cash Balance	1,026	1,070	251
7-Days of Cash	950	944	911
10-Days of Cash	1,265	1,248	1,207

Numbers may not add due to rounding.

FY 2013 Budget Estimates

The United States confronts a dynamic international environment marked by challenges of unprecedented diversity. The FY 2013 AFWCF budget's primary purpose is to contribute to meeting these challenges by supporting the Air Force's Core Functions through maintenance; weapon systems spare parts, base supplies and transportation services. Estimates included in this submission are based on the current execution plans of customers. Successful AFWCF operations are essential to ensure warfighters receive the right item at the right place, right time and lowest cost.

Conclusion

The priorities articulated and funded in the FY 2013 Budget Request help us achieve balance among our core functions, force structure, readiness, and modernization. This request carefully balances near-term operational readiness with longer term needs in a constrained fiscal environment. It allocates resources to the Core Functions which support the objectives, the enduring contributions, and ultimately the mission of the United States Air Force that enable us to fly, fight, and win in air, space, and cyberspace.

Acronyms

A2/AD	Anti-Access/Area Denial
AD	Active Duty
ADVENT	Adaptive Versatile Turbine Engine
AEHF	Advanced Extremely High Frequency
AESA	Active Electronically Scanned Array
AEW	Air Expeditionary Wing
AFB	Air Force Base
AFCYBER	Air Force Cyber Command
AFGSC	Air Force Global Strike Command
AFNet	Air Force Network
AFNWC	Air Force Nuclear Weapons Center
AFR	Air Force Reserve
AFRC	Air Force Reserve Command
AFRICOM	Africa Command
AFRS	Air Force Recruiting Service
AFSOC	Air Force Special Operations Command
AFSOF	Air Force Special Operations Forces
AFWCF	Air Force Working Capital Fund
AIM	Air Intercept Missile
AIM2	Automatic Information Module
AIP	Acquisition Improvement Plan
AMRAAM	Advanced Medium-Range Air-to-Air Missile
ANG	Air National Guard
AOC	Air Operations Center
AOR	Area of Responsibility
APPN	Appropriation
ASOC	Air Support Operations Center
AWACS	Airborne Warning and Control System
B	Billion
BBP	Better Buying Power
BCS-F	Battle Control System-Fixed
BEAR	Basic Expeditionary Airfield Resources
BMT	Basic Military Training
BOP	Beginning of Period
BPC	Building Partnership Capacity
BRAC	Base Realignment and Closure
C2	Command and Control
C3I	Command, Control, Communication, Intelligence
CAC	Common Access Card
CAF	Comprehensive Airman Fitness
CAIB	Community Action Information Board
CAP	Combat Air Patrol
CAPEX	Combat Avionics Programmed Extension Suite
CASEVAC	Casualty Evacuation
CASS	Close Air Support System
CFP	Caring For People
CITS	Central Integrated Test System
CMDL	Compact Multi-Band Datalink
COCOM	Combatant Command
CONUS	Continental United States
CPI	Continuous Process Improvement

CSAF	Chief of Staff, United States Air Force
CSAG	Consolidated Sustainment Activity Group
CSAR	Combat Search and Rescue
CY	Calendar Year
DAU	Defense Acquisition University
DCGS	Distributed Common Ground System
DCMA	Defense Contract Management Agency
DEAMS	Defense Enterprise Accounting and Management System
DLIELC	Defense Language Institute English Language Center
DMSP	Defense Meteorological Satellite Program
DoD	Department of Defense
DoDEA	Department of Defense Education Activity
D-RAPCON	Deployable Radar Approach Control
DTC	Deployment Transition Center
EASE	Evolutionary Acquisition for Space Efficiency
ECSS	Expeditionary Combat Support System
EELV	Evolved Expendable Launch Vehicle
EFMP	Exceptional Family Member Program
EPAWSS	Eagle Passive/Active Warning Survivability System
EPRP	Electronic Parts Replacement Program
ESP	Efficient Space Procurement
ESPC	Energy Savings Performance Contract
FAB-T	Family of Advanced Beyond Line of Sight Terminals
FAP	Financial Assistance Program
FGO	Field Grade Officer
FIDL	Fully Integrated Data Link
FORCE	Fuels Operational Readiness Capability Equipment
FSRM	Facilities, Sustainment, Restoration and Modernization
FTI	Food Transformation Initiative
FY	Fiscal Year
FYDP	Future Years Defense Program
GAO	Government Accountability Office
GBSD	Ground Based Strategic Deterrence
GEO	Geosynchronous Earth Orbit
GIG	Global Information Grid
GPS	Global Positioning System
GSD	General Support Division
HAW	Heavy Airlift Wing
IAS	International Affairs Specialist
ICBM	Intercontinental Ballistic Missile
ICRD&A	International Cooperative Research, Development and Acquisition
IED	Improvised Explosive Device
IOC	Interim Operational Capability
IOS	Information Operations Squadron
ISR	Intelligence, Surveillance and Reconnaissance
JASSM	Joint Air-to-Surface Standoff Missile
JCREW	Joint Counter Radio-Controlled IED Electronic Warfare
JDAM	Joint Direct Attack Munitions
JFACC	Joint Force Air Component Commander

JMS	Joint Space Operation Center Mission System
Joint STARS	Joint Surveillance Target Attack Radar System
JON	Justification of Numbers
JPALS	Joint Precision Approach Landing System
JTAC	Joint Terminal Attack Controller
JTRS	Joint Tactical Radio System
LEAP	Language Enabled Airmen Program
LRS	Long Range Strike
LRSO	Long Range Stand-Off
LS/HD	Low Supply/High Demand
M	Million
MAF	Mobility Air Forces
MAJCOM	Major Command
MILCON	Military Construction
MILPERS	Military Personnel
MISO	Military Information Support Operations
MOP	Massive Ordnance Penetrator
MOU	Memorandum of Understanding
MPEP	Military Personnel Exchange Program
MSAS	Mobility Support Advisory Squadron
MSEP	Military Spouse Employment Partnership
MSI	Multi-Source Integration
MWR	Morale, Welfare, Recreation
NAOC	National Airborne Operations Center
NATO	North Atlantic Treaty Organization
NC3	Nuclear, Command, Control, and Communication
NOB	Nuclear Oversight Board
NOR	Net Operating Result
NORAD	North American Aerospace Defense Command
NSA	National Security Agency
NSN	National Stock Number
NSS	National Security Space
NWS	Network Warfare Squadrons
O&M	Operation and Maintenance
OSC-I	Office of Security Cooperation-Iraq
OCO	Overseas Contingency Operations
OEF	Operation Enduring Freedom
OIF	Operation Iraqi Freedom
OND	Operation New Dawn
OOD	Operation ODYSSEY DAWN
OPS	Operation Shelter
OSD	Office of the Secretary of Defense
OSS	Operation Silent Sentry
OUP	Operation UNIFIED PROTECTOR
PACAF	Pacific Air Forces
PACOM	Pacific Command
PAS	Political-Military Affairs Strategist
PB	Presidents Budget
PBB	Performance Based Budget
PEO	Program Executive Office
PNT	Positioning, Navigation and Timing

PR	Personnel Recovery
QDR	Quadrennial Defense Review
RAIDRS	Rapid Attack Identification Detection and Reporting System
RAMMP	Reliability and Maintainability Maturation Program
RAMS	Removable Airborne MISO Systems
RAS	Regional Affairs Strategists
RDT&E	Research, Development, Test and Evaluation
RE	Recurring Event
RERP	Reliability Enhancement and Re-engining Program
RJ	RIVET JOINT
ROVER	Remotely Operated Video Enhanced Receiver
RPA	Remotely Piloted Aircraft
SAC	Strategic Airlift Capability
SAPR	Sexual Assault Response Prevention
SATCOM	Satellite Communications
SBIRS	Space Based Infrared System
SBSS	Space Based Surveillance Satellite
SCO	Security Cooperation Officer
SecAF	Secretary of the Air Force
SDB	Small Diameter Bomb
SECDEF	Secretary of Defense
SFA	Security Force Assistance
SFD	Sustainment and Follow-on Development
SIGINT	Signals Intelligence
SLEP	Service Life Extension Program
SMAG-R	Supply Management Activity Group-Retail
SNCO	Senior Non-Commissioned Officer
SOG	Special Operations Group
SOF	Special Operations Forces
SRB	Selective Reenlistment Bonus
SSA	Space Situational Awareness
SSN	Space Surveillance Network
TAP	Transition Assistance Program
TEWS	Tactical Electronic Warfare System
TFI	Total Force Integration
TOA	Total Obligation Authority
TWCF	Transportation Working Capital Fund
UK	United Kingdom
USAFE	United States Air Forces Europe
USCENTCOM	United States Central Command
USCYBERCOM	United States Cyber Command
USSOCOM	United States Special Operations Command
USSTRATCOM	United States Strategic Command
USTRANSCOM	United States Transportation Command
VSDU	Vertical Situation Display Upgrade
WCF	Working Capital Fund
WGS	Wideband Global SATCOM
WRM	War Reserve Materiel
WSS	Weapon System Sustainment



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