



U.S. Air Force FY06 Budget Rollout

Making the Whole Joint Team Better

**Major General Stephen Lorenz
Air Force Director of Budget**

Today, We Fight The Global War on Terrorism And Prepare For Other Threats Around the World and on the Horizon



Advanced Fighters



Emerging Cruise Missiles



Rogue State Militaries



Terrorist Attack on DHL Aircraft in Iraq



Access to Space



Failed States



Low Cost, Sophisticated, Air Defense Systems



Network Attacks



Biohazard



Global War On Terror



Nuclear / Radiological



Ballistic Missiles

The Global War on Terrorism Continues on Many Fronts and the U.S. Air Force Remains Engaged Throughout the World

Where Air Force People Are Engaged Today

USNORTHCOM / CONUS
 Asgn: 470,632
 Deployed in: 1,322

USEUCOM
 Asgn: 35,545
 Deployed in: 1,813

USSOUTHCOM
 Asgn: 291
 Deployed in: 158

USCENTCOM
 Asgn: 318
 Deployed in: 19,484

USPACOM
 Asgn: 46,270
 Deployed in: 3,170

- CONUS Basing
- Overseas Basing
- Expeditionary Basing

Total Assigned Overseas: 82,000+ **Total Deployed OCONUS*: 32,000+**
 *Includes personnel enroute

The AF is globally engaged: 100,000+ members are deployed or assigned to COCOM AORs and another 100,000+ provide COCOM support from the CONUS

Global Hawk:

1st combat sortie -- 600 targets, longest air breathing recon mission in aviation history

Predators:

6000+ combat missions, 28,000+ hours flown in support of OEF/OIF

F-15Es:

Longest fighter missions in history -- from Kuwait to Kabul / Khandahar

B-2:

Longest bomber missions in aviation history

Special Ops:

USS Kitty Hawk, USAF, USA helos for large scale SOF insertions

C-17s:

Largest Combat Personnel Drop since WWII--longest humanitarian missions ever airdropped 2.4M+ daily rations to Afghan refugees

AEF Basing:

50+ airfields built



Combined Air Operations Center (CAOC): Largest and most sophisticated command and control facility in aviation history



200+ Sorties A Day

19,000+ Airmen are currently deployed to CENTCOM's AOR in support of OIF/OEF and over 260,000 Airmen have been deployed to AOR since 9/11 -- Also 265,000+ sorties flown to date and 37M+ lbs of munitions dropped

In the GWOT, Our Airmen Are Totally Engaged Beyond the Airfield As Well

Defeating IEDs:

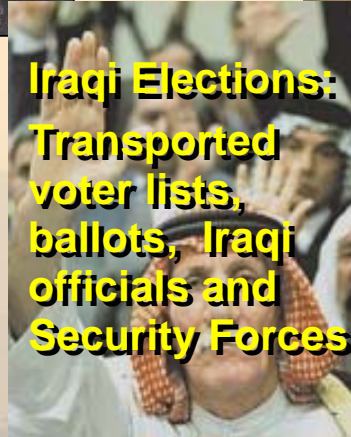
The AF fielded Specialized Explosive Detection Dogs and upgraded three flying platforms that specifically focus on detecting/defeating IEDs



**Reducing Convoy Casualties:
350 fewer trucks in convoys each day by airlifting supplies rather than overland travel**



**Iraqi Elections:
Transported voter lists, ballots, Iraqi officials and Security Forces**

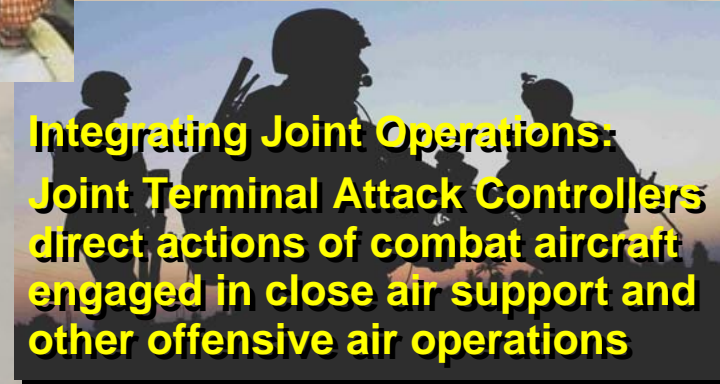


Personnel Support to Army:

AF is filling 2,668 billets to help relieve Army shortfalls such as convoy escorts, prison guards, and personnel security detachments



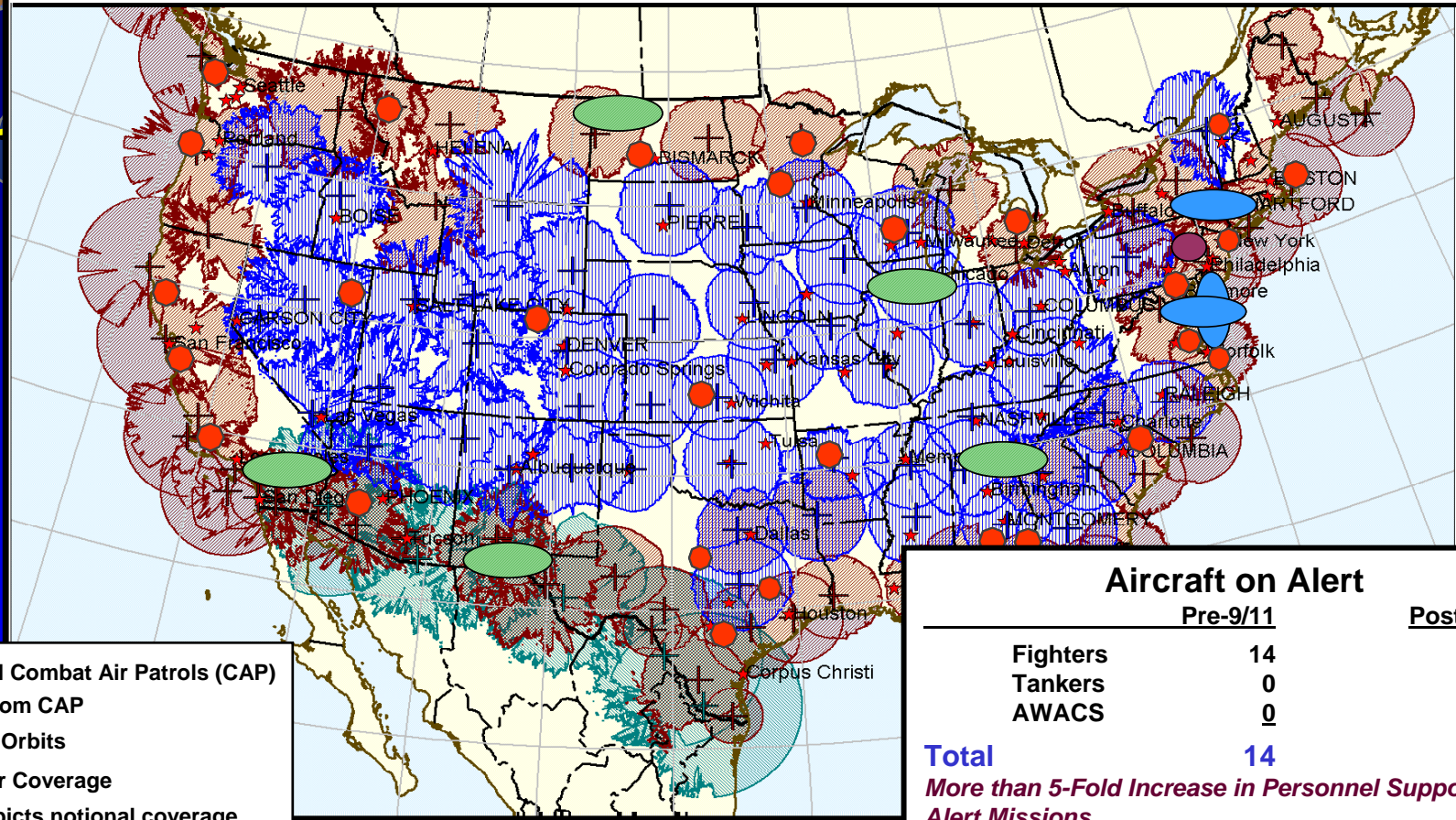
**Integrating Joint Operations:
Joint Terminal Attack Controllers direct actions of combat aircraft engaged in close air support and other offensive air operations**



Simultaneously, the Air Force Also Supports NORTHCOM and Operation NOBLE EAGLE

NORTHCOM and Operation Noble Eagle (ONE)

AF maintains a **24/7 posture** with fighter, tanker, and early warning assets in the air and on ground alert at ~20 locations -- **37,000+ sorties since 9/11**



In Addition to Supporting GWOT – Both at Home and Abroad – the Air Force Is Fully Engaged in Other Contingency Operations

Other Contingency Operations

Fighting the War on Drugs

200+ Airmen deployed to SOUTHCOM in southern U.S., the Caribbean, and Central and South America



2,500+ Sorties

24/7 detection and monitoring of air space to counter illegal drug and narcotics trafficking

Bolstering Regional Security

PACOM - 8,400 Airmen providing security for South Korea

B-52s continuously deployed to Guam



EUCOM – 475 Airmen providing stability to the Balkans

Operation UNIFIED ASSISTANCE

960 Airmen deployed to PACOM supporting tsunami relief efforts

The AF has airlifted 15M+ lbs of food and supplies to disaster victims



1,134 Sorties

To Make This All Happen, You Have to Get the People and Equipment in Place – The AF's Global Mobility Assets Deliver the Joint Force, Anywhere, Any Time

Global Mobility



Joint Refueling

GWOT: Nearly 20,000,000 lbs of fuel in the last 7 days

Non-GWOT: 3,900,000 lbs of fuel in last 7 days



AMC Airlift Story since 11 Sep 2001 (as of 13 Jan 2005)

	Missions	Sorties	Pax	Stons
Air Mobility Command	199,252	459,216	3,841,665	1,517,674
Global War On Terror	37,485	129,542	1,809,593	952,223
Operations Enduring Freedom	17,508	56,752	536,466	422,266
Operation Iraqi Freedom	19,537	71,786	1,265,627	527,200
Operation Noble Eagle	440	1,004	7,500	2,757
Operation Unified Assistance	70	76	1,270	1,948

Weekly AMC OPERATIONS TEMPO Snapshot 18 Jan 05

Worldwide Missions	
Last 7 Days	999
6-Week Average	910
CENTCOM Missions	
Last 7 Days	465
6-Week Average	418
OIF Missions	
Last 7 Days	119
6-Week Average	94

In Addition to Global Mobility, Space Is the Key Enabler for All Joint Operations From the Strategic to Tactical Levels

Space Support Theater Operations



We Didn't Achieve These Capabilities by Accident – After the Berlin Wall Came Down, We Began Over a Decade of Air Force Transformation

How We Got Here

AF Transformation

Air Force Transformation Flight Plan

Organization

Technology

CONOPs



AEF Construct

Balancing Total Force Mix

F/A-22

Expeditionary Cmbt Spt Modules

Embedded CRG Capability

CAOC as a Weapons System

AF Network Ops Center

Blue Force Tracking

Common Operational Picture

“Precision-izing” the Force

Machine-Machine Integration

Laser/JTRS Communications

DMO/DMT

JSF

UAVs / J-UCAS

E-10A, ROBE on Tankers

Ground Warrior Modernization

Bandwidth Sharing

Time Sensitive Targeting

Joint Complementary Capabilities

Cruise Missile Defense

Mobile Targeting

First, the Changes in the Strategic Environment Drove Air Force Organizational Transformation

Organizational Transformation

Air Expeditionary Force (AEF): Flexibility and Agility

10 Equally Capable AEFs (5 Pairs)

- AEF 1/2
- AEF 3/4
- AEF 5/6
- AEF 7/8
- AEF 9/10

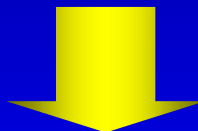


Command and Control

Iron

Expeditionary Combat Support

Equipment



12 Carrier Strike Groups



7 MEUs



10 Divisions (TBD: 43 BCTs)

The Air Force Is Also Aggressively Pursuing Technological Innovation – Which Is Critical to Maximizing Air and Space Power in a Joint Warfighting Environment

Examples of Technology Transformation

Precision engagement:
From sorties per target,
to targets per sortie

	<p>World War II 1,500 B-17s 1 target – 9000 bombs 3,300 ft accuracy</p>		
	<p>Vietnam 30 F-4s 1 target – 176 bombs 400 ft accuracy</p>		
	<p>Desert Storm 1 F-117 2 targets – 2 bombs 10 ft accuracy Clear night</p>		
	<p>Today 1 B-2 80 targets – 80 bombs 19 ft accuracy All weather</p>		

**Persistent air and space sensor capabilities
and improved integration of systems:**

Allows our Joint Warfighters to
See First, Understand First, Act First –
In Any Weather, Anywhere on the Globe, 24/7



**Technology Transformation Increases Our Ability to Produce Desired Effects and
Makes the Entire Joint Team More Effective – We Also Transformed Our CONOPS**

Concept of Operations (CONOPs) Transformation: Drives Everything We Do

National Strategies

Office of the Secretary of Defense Planning Guidance



Strategy

Joint Integrated Capability is the absolute requirement – CONOPS are how we are going to fight in the joint arena and with coalition partners

Tasks

Doctrine

Integrated Capability Review and Risk Assessment (ICRRA)

Global Strike CONOPS

Homeland Security CONOPS

Global Mobility CONOPS

Global Persistent Attack CONOPS

Nuclear Response CONOPS

Space & C4ISR CONOPS

Agile Combat Support

So, Let's Look at How It All Comes Together – and the Air Force's Core Missions in the Emerging Security Environment

Putting It All Together: AF Core Missions in the Emerging Security Environment

Persistent C4ISR

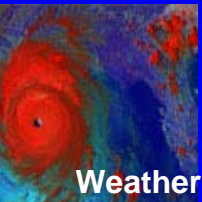
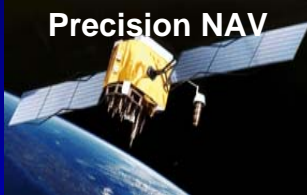
See First, Understand First,
Act First

Global Mobility

Move People & Equipment Around
The World Quickly – The Right
Force, Anywhere, Any Time

Rapid Strike

Precise, persistent, and survivable
capability—able to produce tactical,
operational, and strategic effects



Here's How Our FY06 Budget Helps Make the Whole Joint Team Better

Air Force Budget FY04 - FY06 Comparison

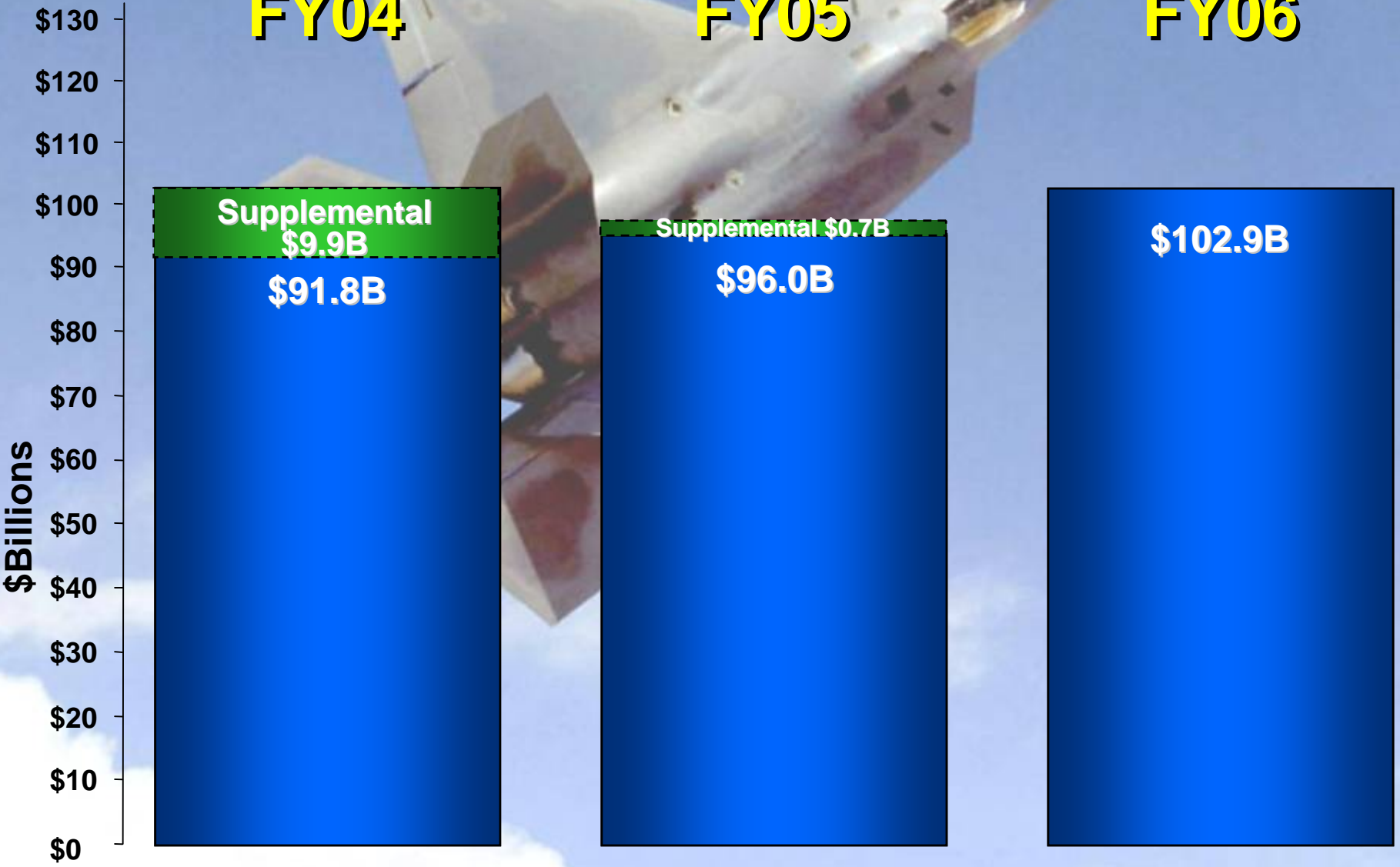


Air Force Budget FY04 - FY06 Comparison

FY04

FY05

FY06



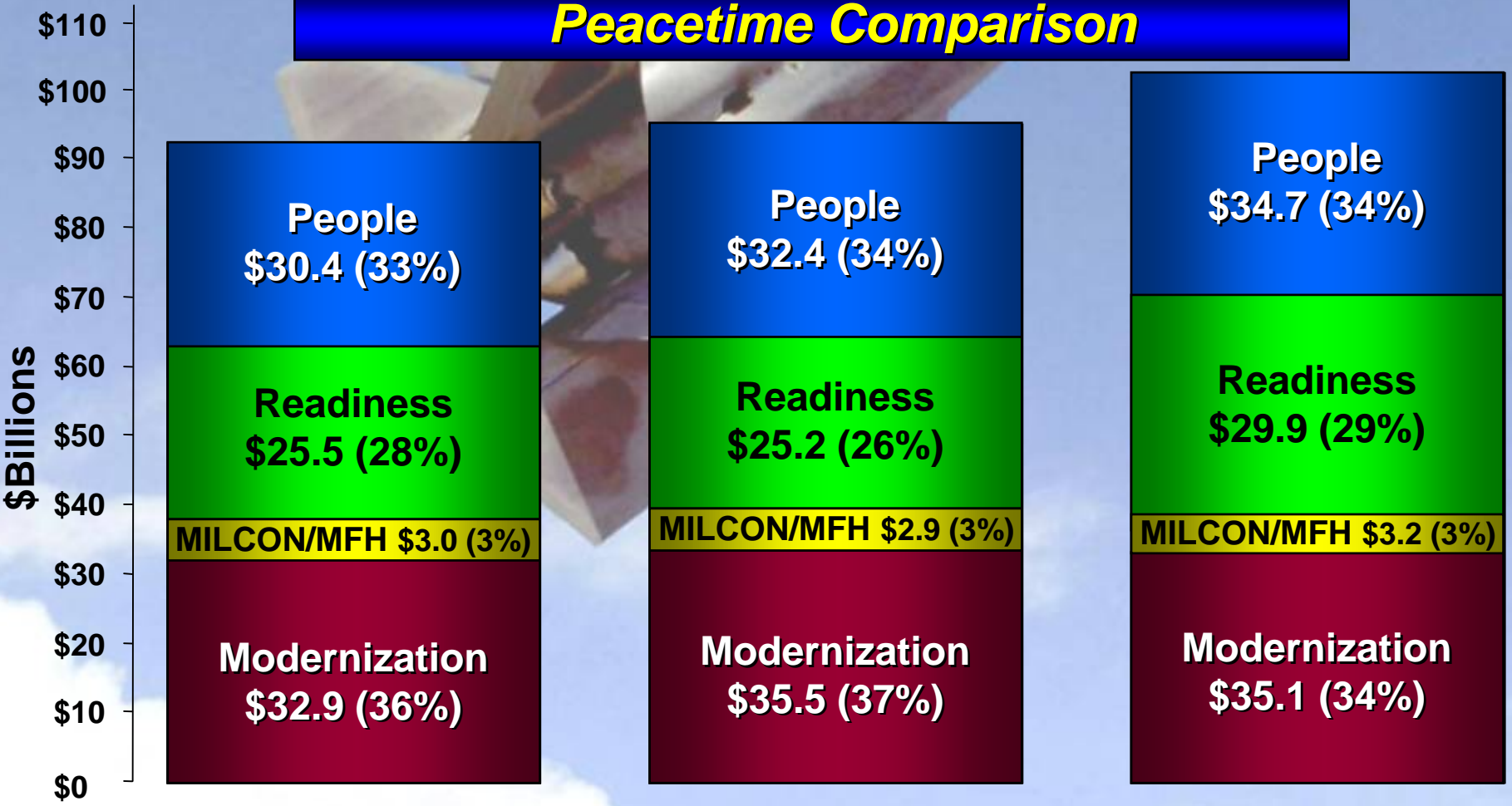
Air Force Budget FY04 - FY06 Comparison

FY04
\$91.8B

FY05
\$96.0B

FY06
\$102.9B

Peacetime Comparison

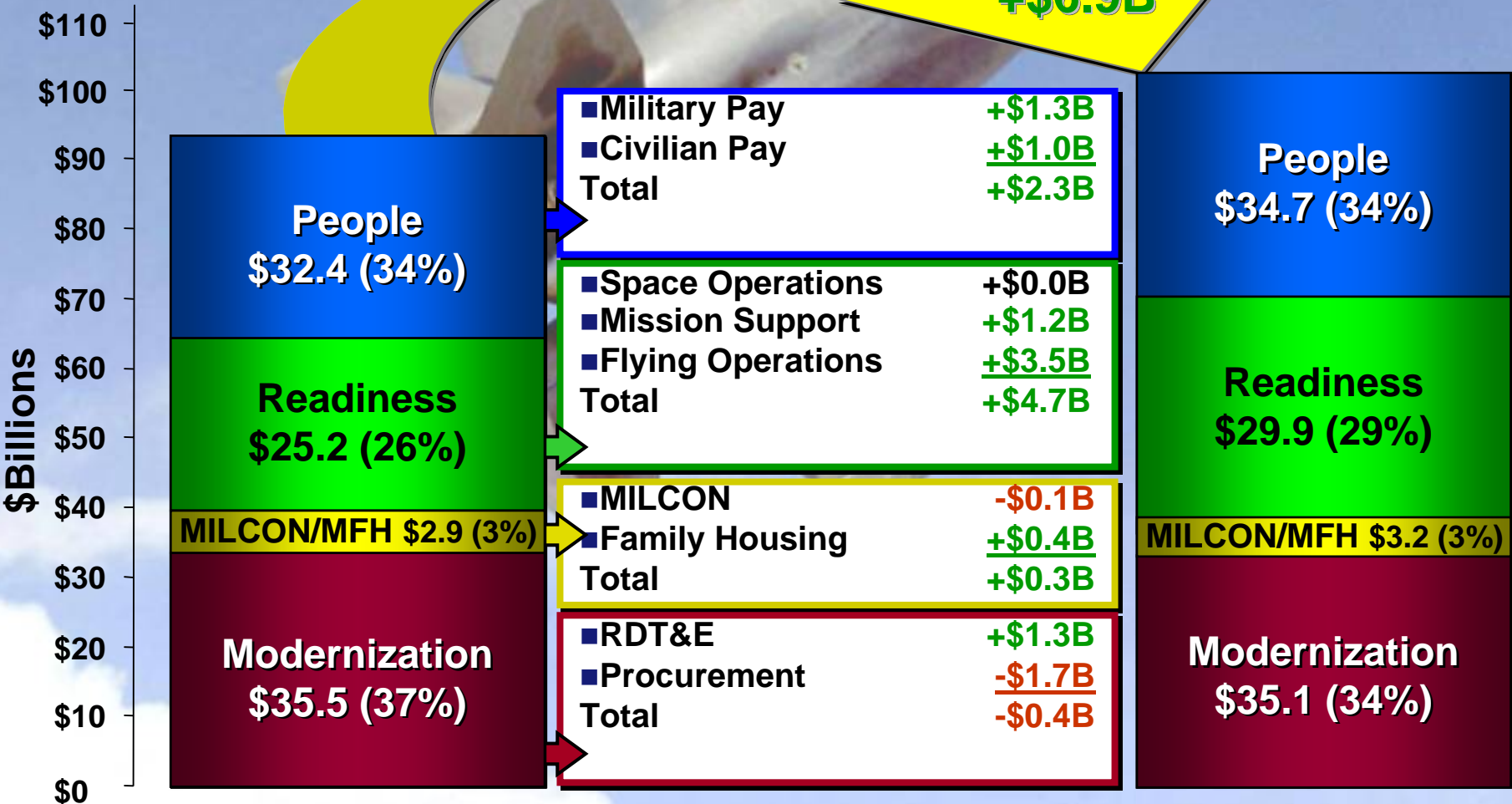


Air Force Budget FY05 - FY06 Comparison

FY05
\$96.0B

FY06
\$102.9B

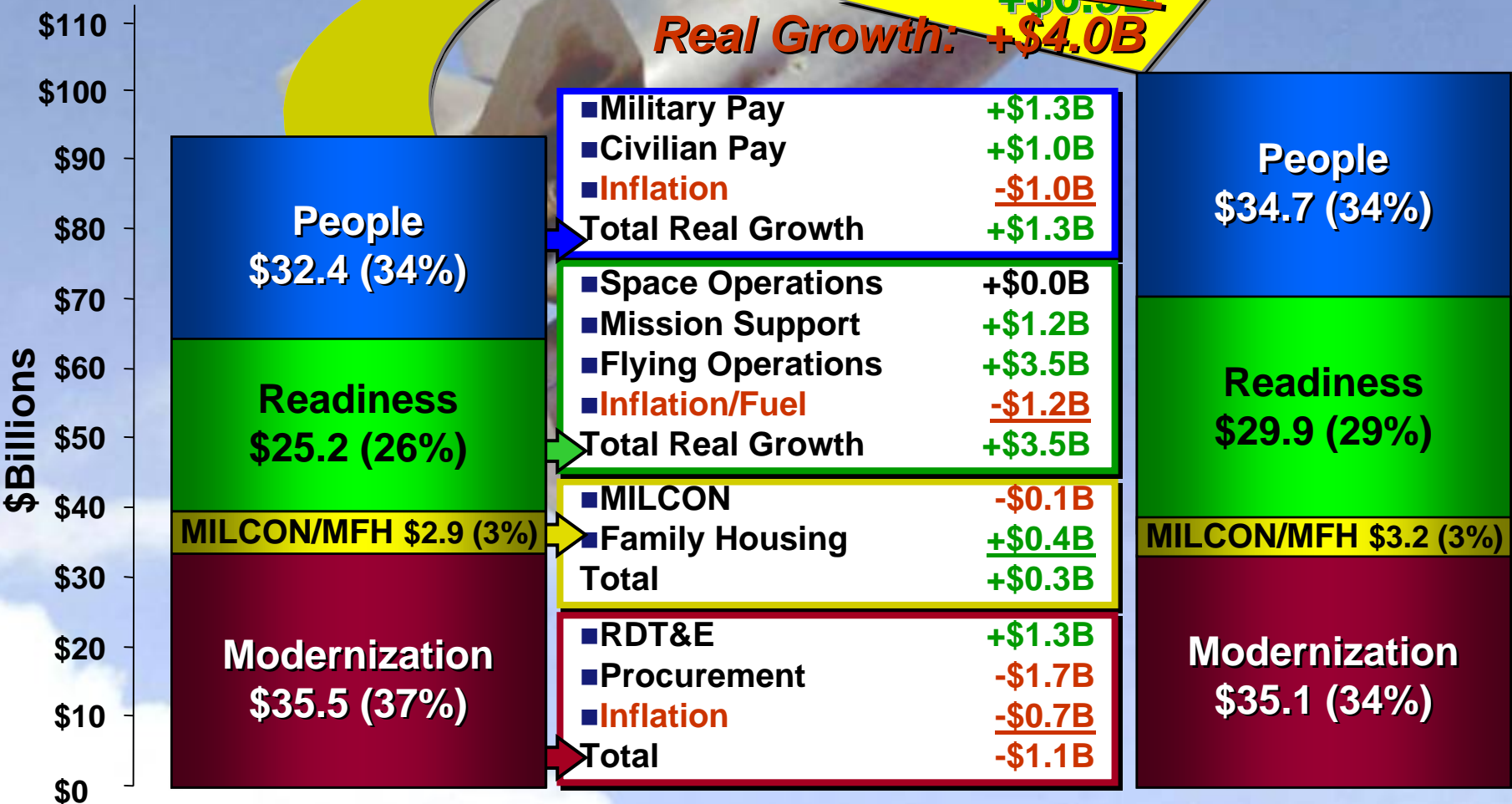
+\$6.9B



Air Force Budget FY05 - FY06 Comparison

FY05
\$96.0B

FY06
\$102.9B

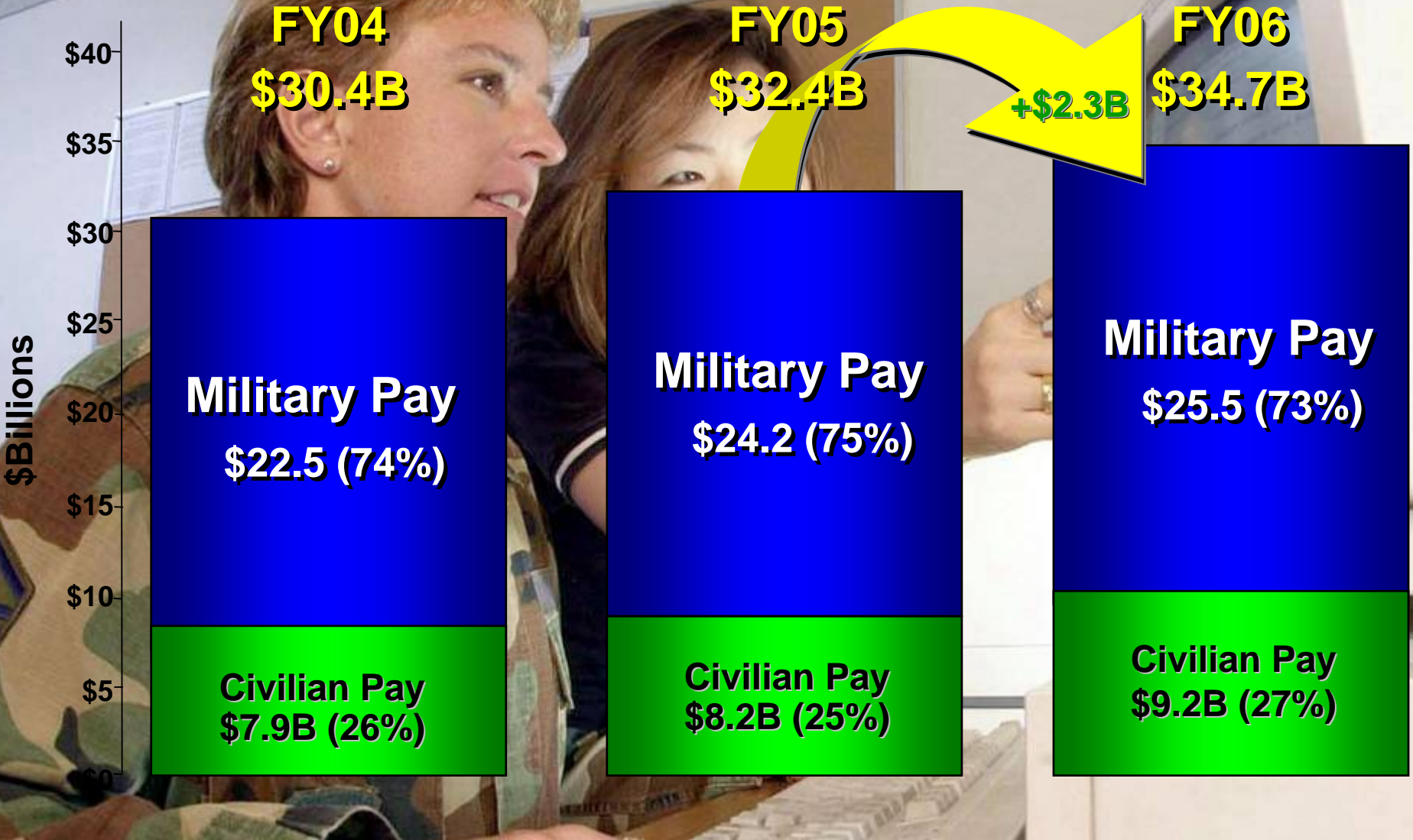


Real Growth: +\$4.0B

~~+\$6.0B~~

Taking Inflation Into Account, FY06 Has Real Growth of \$4.0B

People FY04 - FY06 Comparison



Continues to Support Our #1 Resource – People!

Total Force Endstrength & Force Management

FY06 Total Force

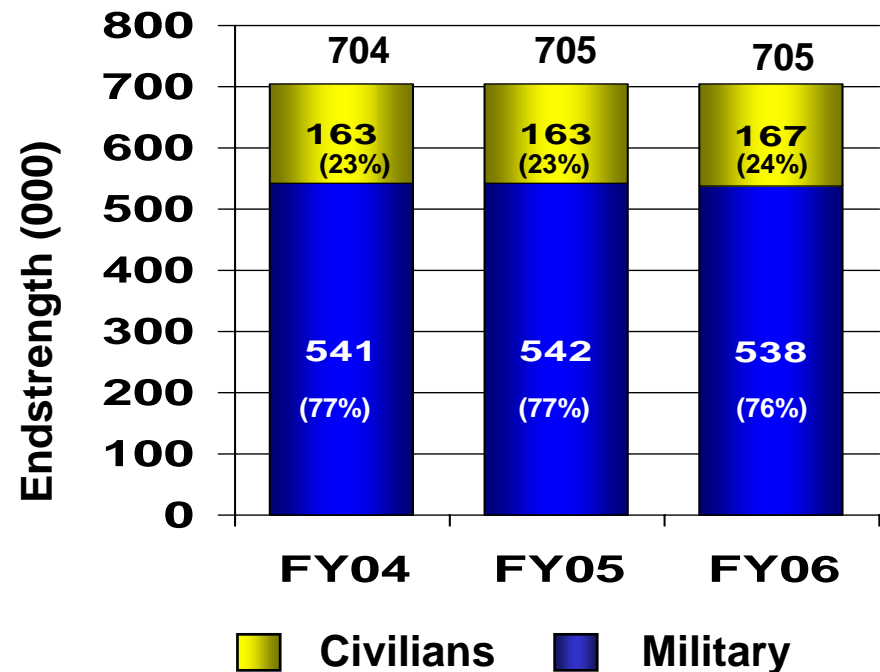
- Total force of 704,953
- Military Total of 538,200 (-4,300)*
 - Active: 357,400 (-2,300)*
 - Guard: 106,800 (+100)*
 - Reserve: 74,000 (-2,100)*
- Civilian total of 166,753 (+3,826)*

Endstrength Management

- *Mil-to-Civ conversions: increases civilian billets to continue the emphasis on removing military from non-military jobs*

* Change from FY05 to FY06

Military and Civilian Force Endstrength



**Continuing to Balance the Military to Civilian Mix to Maintain a
Combat Ready Force**

Compensation Military Pay Raise

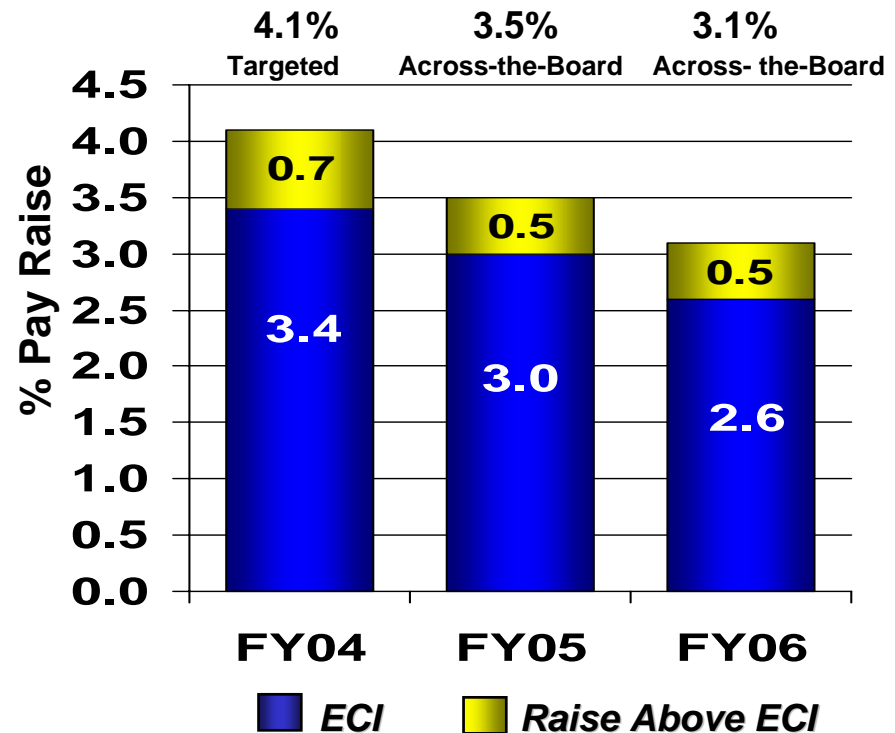
Background

- *5th year in a row military compensation raise exceeds Economic Consumer Index (ECI)*
- *Continues toward DoD's goal of bringing military compensation closer to private sector*

FY06 Funding

- *Fully funds a 3.1% pay raise*
- *BAH rate for FY06 continues zero out-of-pocket expense for military members*

Annual Pay Raises – Military



Fair Compensation Ensures We Attract and Retain a Talented Force

Compensation Civilian Pay Raise



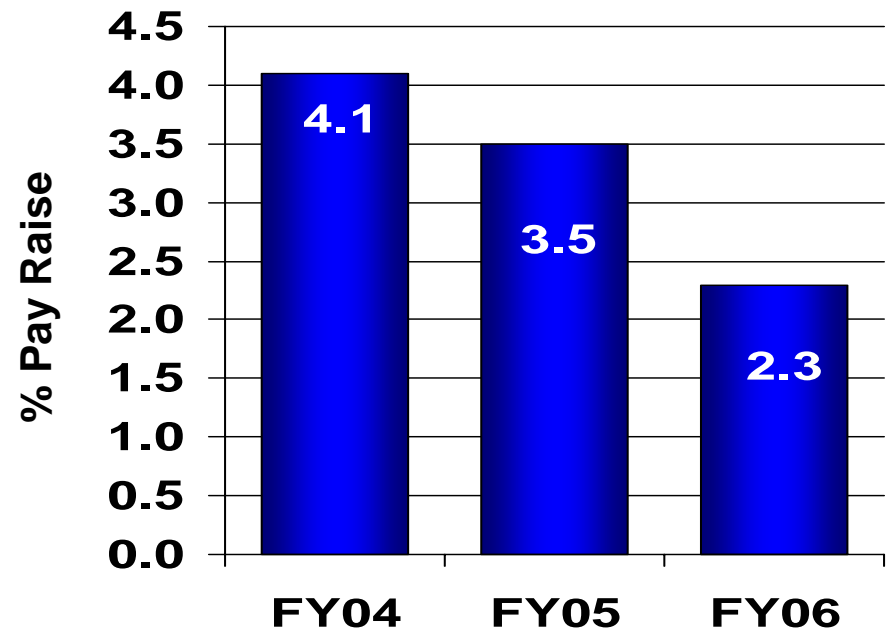
Background

- ***FY06 civilian pay raise based on the Consumer Price Index for Wages (CPIW) as a economic measure for salary comparability***

FY06 Funding

- ***Fully funds 2.3% pay raise***

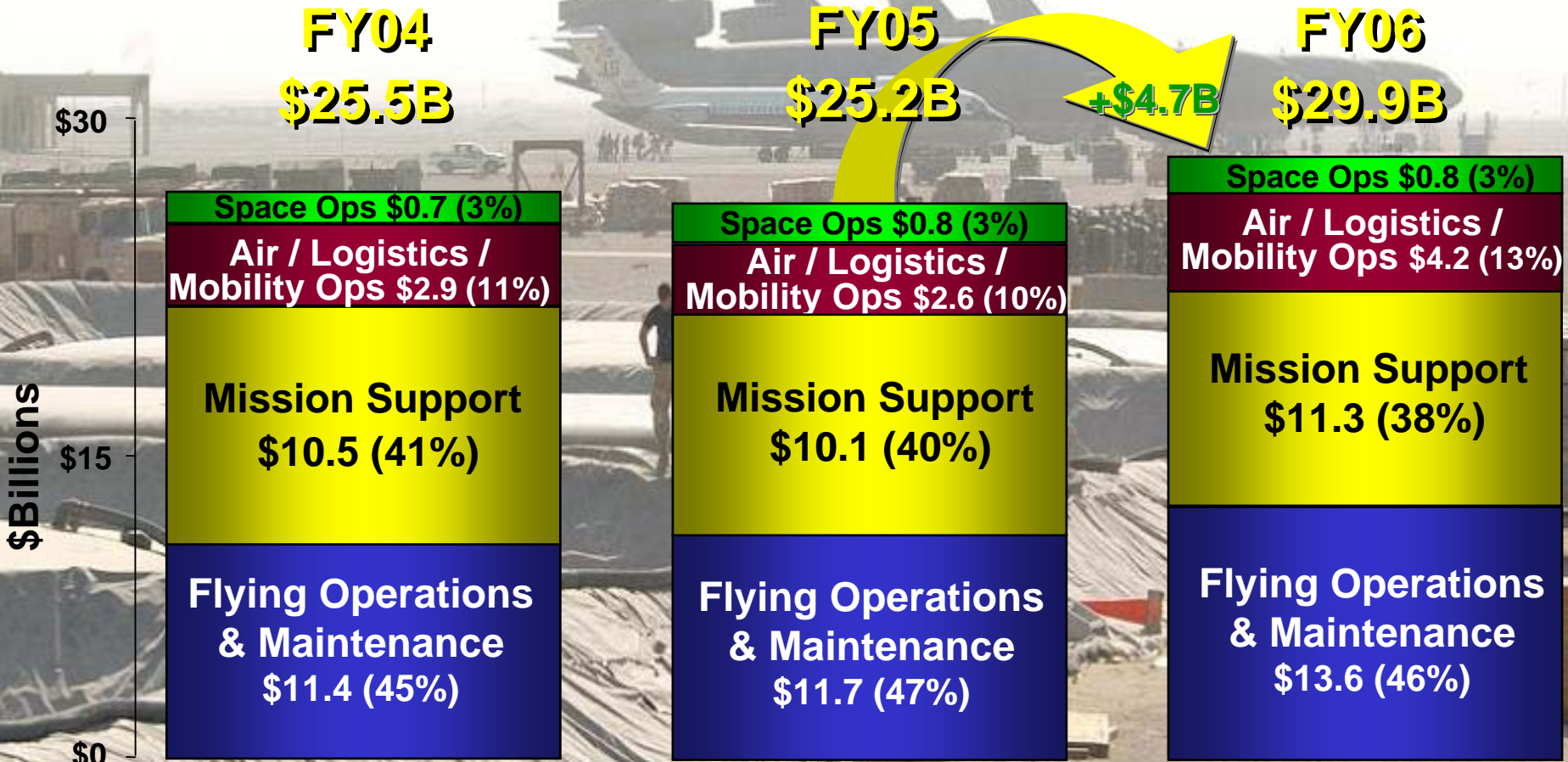
Annual Pay Raises - Civilians



Our Civilian Personnel Are an Integral Part of Our Force

Readiness

FY04 - FY06 Comparison



Transfers from Procurement and Higher Prices Drive the Increases in FY06 Readiness

Space Operations

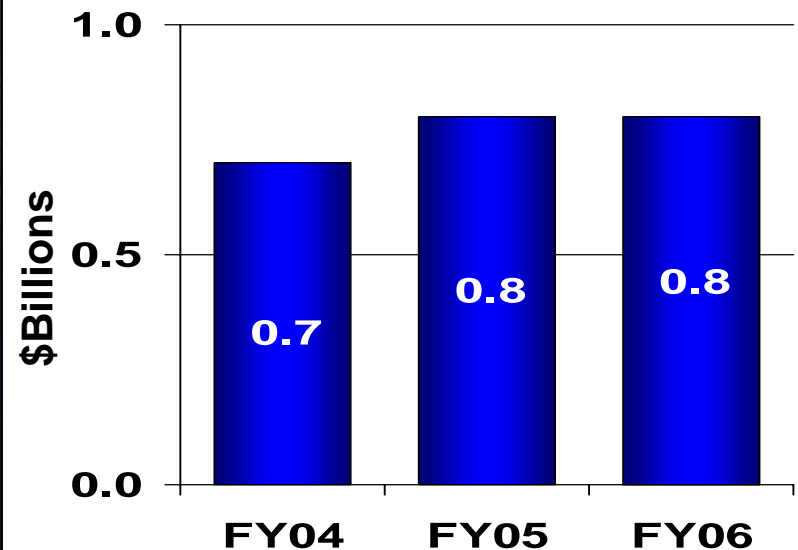
Background

- *Space systems provide communication and situational awareness for joint decision makers at all levels*

FY06 Funding

- *Satellite communications, intelligence, and navigation for the warfighter*
- *Space launch capability*
- *Ballistic missile detection and defense*

Funding Profile



These Critical Space Operations Support Both Peacetime and Wartime Missions

Air / Logistics / Mobility Operations

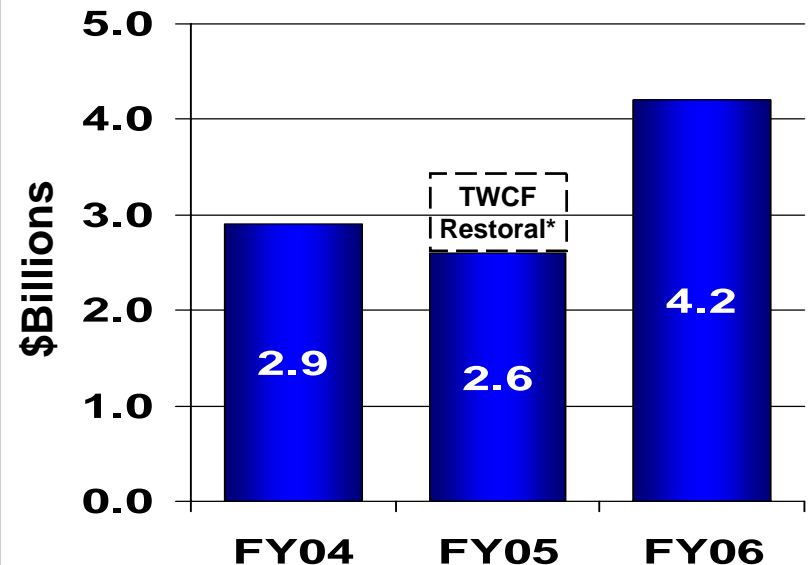
Background

- *Air Ops funds Squadron Ops, Range Ops, and Distributed Mission Operations training*
- *Logistics Ops funds worldwide transportation, logistics readiness and acquisition product centers*
- *Mobility Ops supports strategic and tactical airlift squadrons and war reserve material*

FY06 Funding

- *Transfer of authority so commanders can buy equipment they need (\$440M)*
- *Adds Predator capability above the battlefield (\$85M)*

Funding Profile



* Represents TWCF funding restoral per FY05 Defense Appropriation section 8123.

Trains, Supports, and Equips our Airmen for Combat Operations

Mission Support Base Support and Training

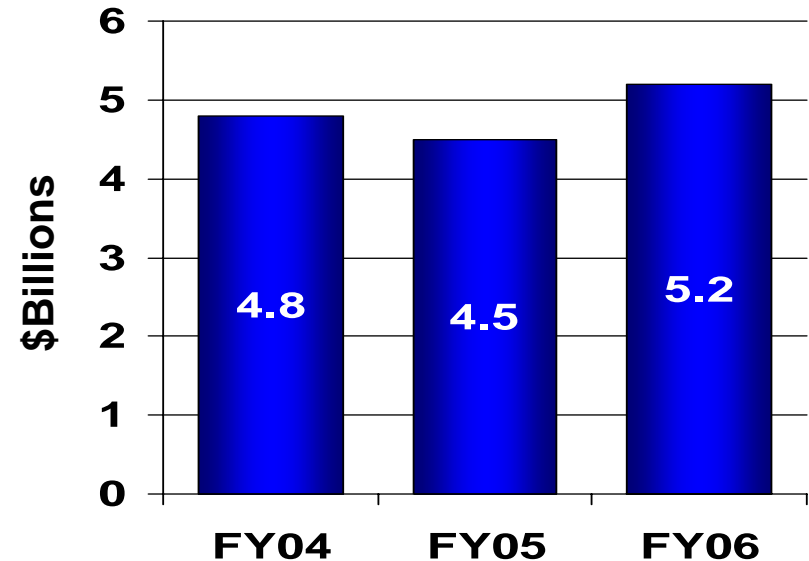
Background

- *Provides funding that takes care of our airmen meeting the mission*
- *Ensures installations can support Air Force personnel and mission accomplishment*
- *Funds Officer Acquisition, Flight Training and Professional Development*

FY06 Funding

- *Funding increase includes new mission beddowns for C-17 and F/A-22*
 - *C-17 (Alaska, Hawaii and Oklahoma)*
 - *F/A-22 (Virginia, Florida and Nevada)*
- *To modernize equipment and infrastructure and develop capabilities needed to meet 21st century threats*

Funding Profile



Funds Training and Critical Infrastructure Essential for Combat Operations

Mission Support Critical Communications

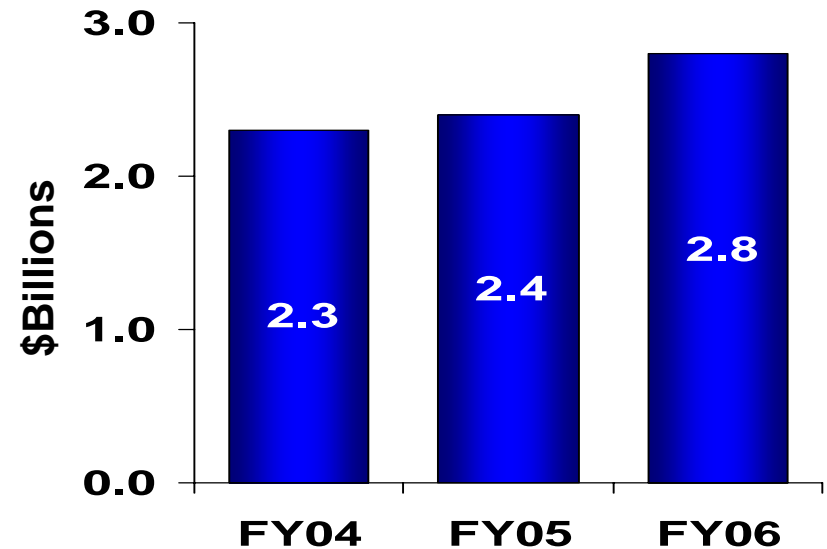
Background

- *Enhances critical Air Force and DoD-wide communications, long range reconnaissance, and early warning systems to support the warfighter overseas and for Homeland Defense*

FY06 Funding

- *Increased funding (\$402M) supports new warfighter and Intel capabilities for:*
 - *Network-centric warfare – Global Information Grid (GIG) Bandwidth Expansion and secure/non-secure network communications*
 - *Advanced air and space early warning detection for Homeland Defense*
 - *Increased emphasis on Unmanned Aerial Vehicles (UAVs) and C4ISR*
- *Standardizes Air Operations Centers*

Funding Profile



Joint Warfighters Demand World-wide Communications – and We Deliver This Capability -- Anywhere, Anytime

Flying Operations & Maintenance

Flying Hour Program

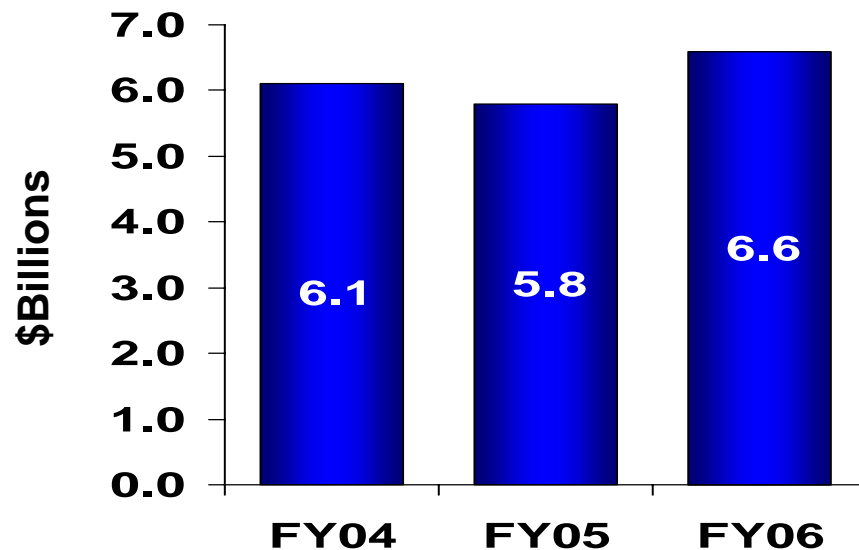
Background

- ***Trains our aircrews to support joint warfighter and humanitarian operations***
- ***Funds consumables, reparable spare parts and jet fuel***

FY06 Funding

- ***The total increase in this area is caused by rising fuel prices (\$0.8B)***
- ***Funds 1.6 million flying training hours required to maintain combat readiness***

Funding Profile



Enables the Air Force to Deliver Unmatched Capability to Joint Warfighters Around the World

Flying Operations & Maintenance Contract Logistics Support (CLS)

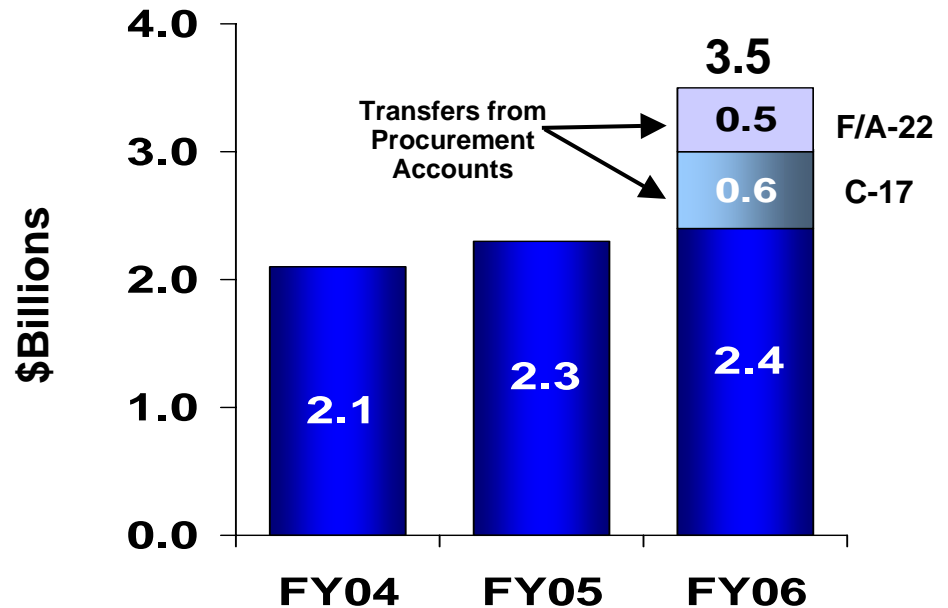
Background

- *Provides contract maintenance support to field operations*

FY06 Funding

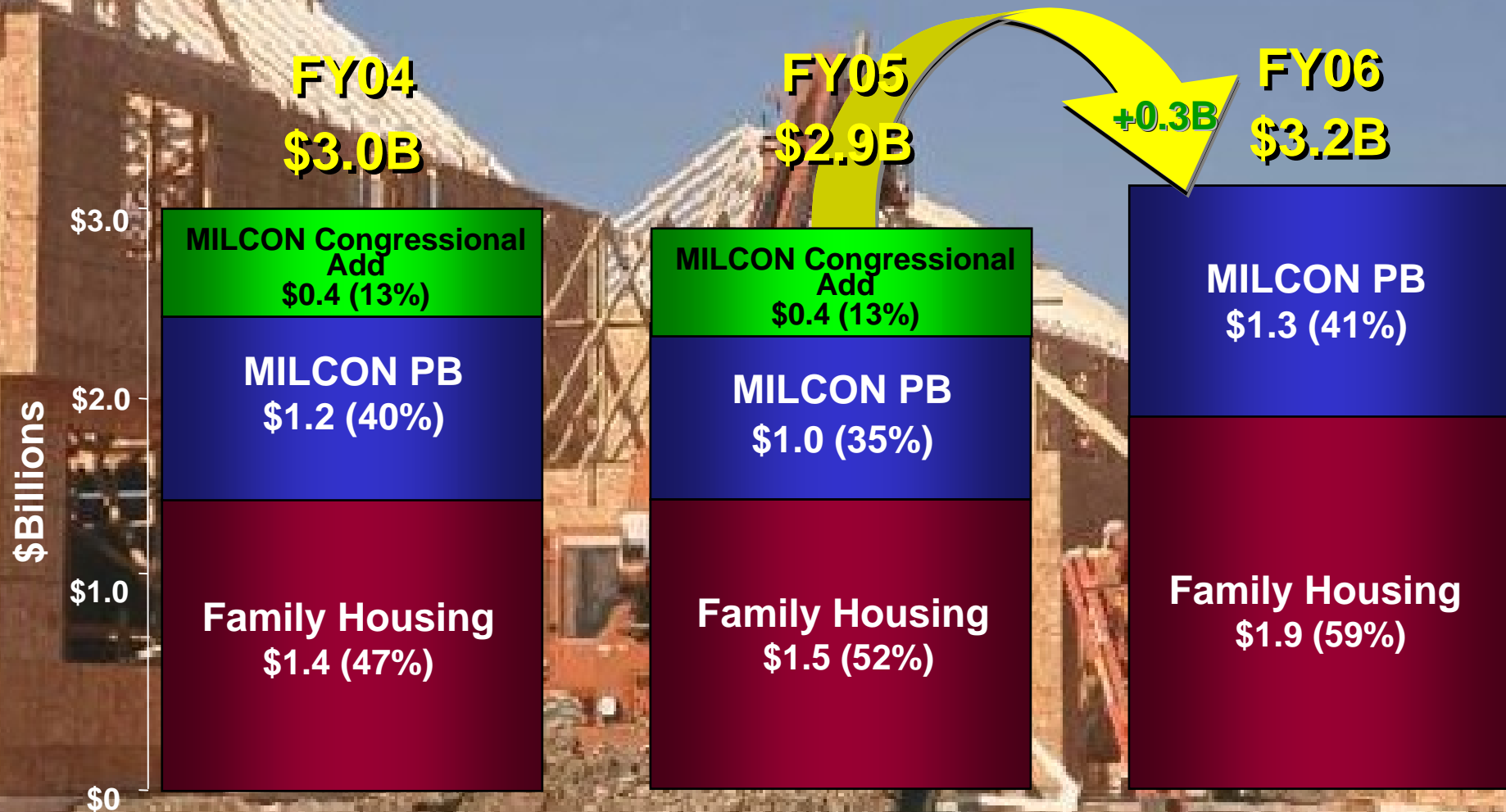
- *Funding increase of \$1.1B includes transfer from Interim Contract Support (ICS) to Contract Logistics Support (CLS) for C-17 and F/A-22*

Funding Profile



Contract Logistics Support Funds Specialized Expertise for the Warfighters

MILCON / Military Family Housing FY04 - FY06 Comparison



The FY06 Budget Is On Track to Improve Infrastructure and Eliminate Inadequate Housing

Total Force Military Construction (MILCON)

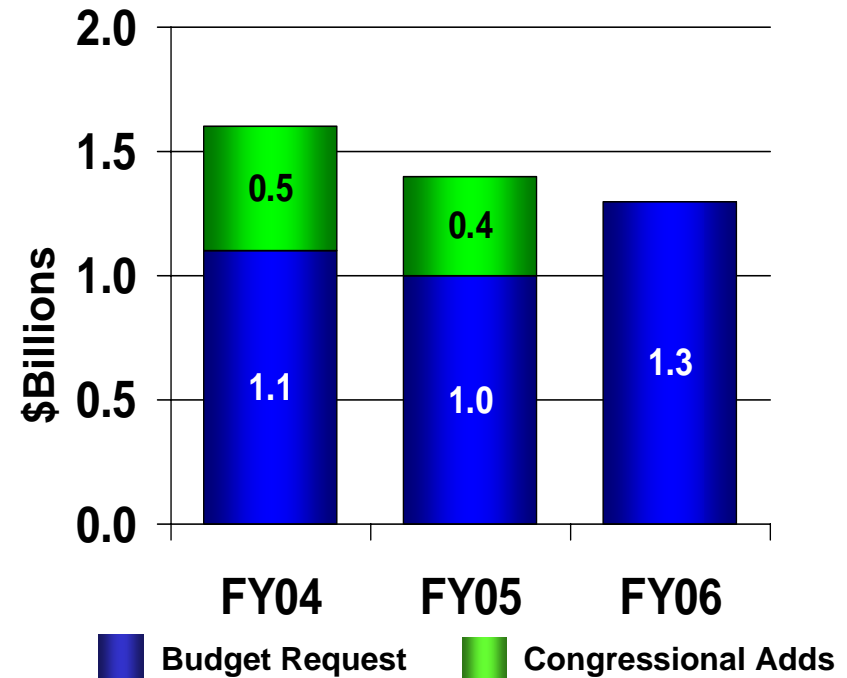
Background

- *Balances critical new mission beddowns, force structure changes, and quality of life projects*

FY06 Funding

- *New Mission – 40 projects*
- *Current Mission – 48 projects*
- *Quality of Life (9 dorms, 2 fitness centers, 1 family support center)*
- *Funds design and minor construction*

Funding Profile



The Quality of Our Facilities, Infrastructure, and Communities Sends a Direct Signal to Our Men and Women Regarding the Value We Place on Their Service

Military Family Housing (MFH)

Background

- *AF MFH supports 89,767 units*
- *Funds construction, replacement, improvement, privatization, operations, maintenance, utilities, and leasing of family housing units*

FY06 Funding

- *Funds increased MFH construction to meet DoD housing goals*

Acquires (build/lease) 300 units

Replaces 2,612 units

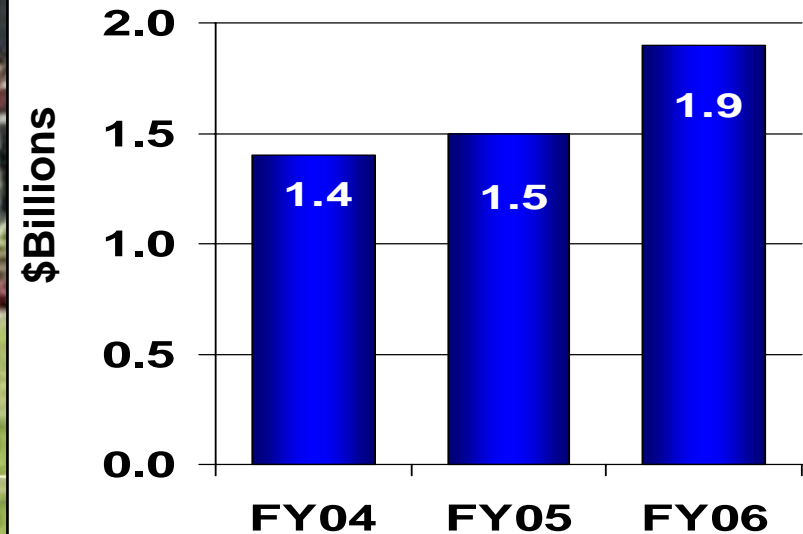
Renovates 2,076 units

3 privatization projects 2,253 units

Total MFH 7,241 units

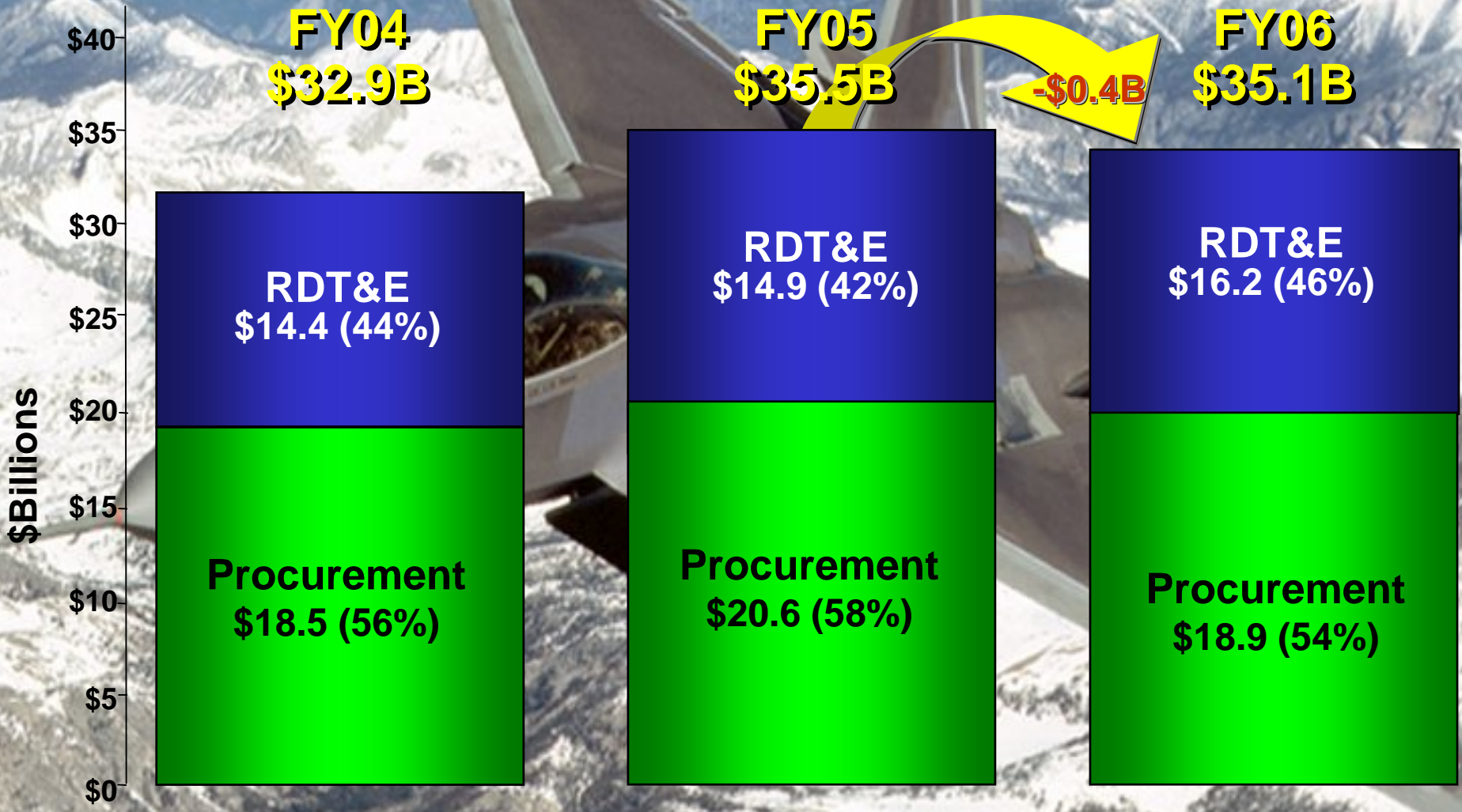
- *AF will eliminate inadequate housing units in CONUS by 2007, (4 northern tier bases by 2008) and overseas by 2009*

Funding Profile



\$1.9B Keeps Us on Track to Eliminate Inadequate Housing

Modernization/Transformation / Recapitalization FY04 - FY06 Comparison



The Apparent Decrease of \$0.4B Is a Result of a \$1.6B Transfer to O&M and Masks a Growth of \$1.2B in the Investment Accounts

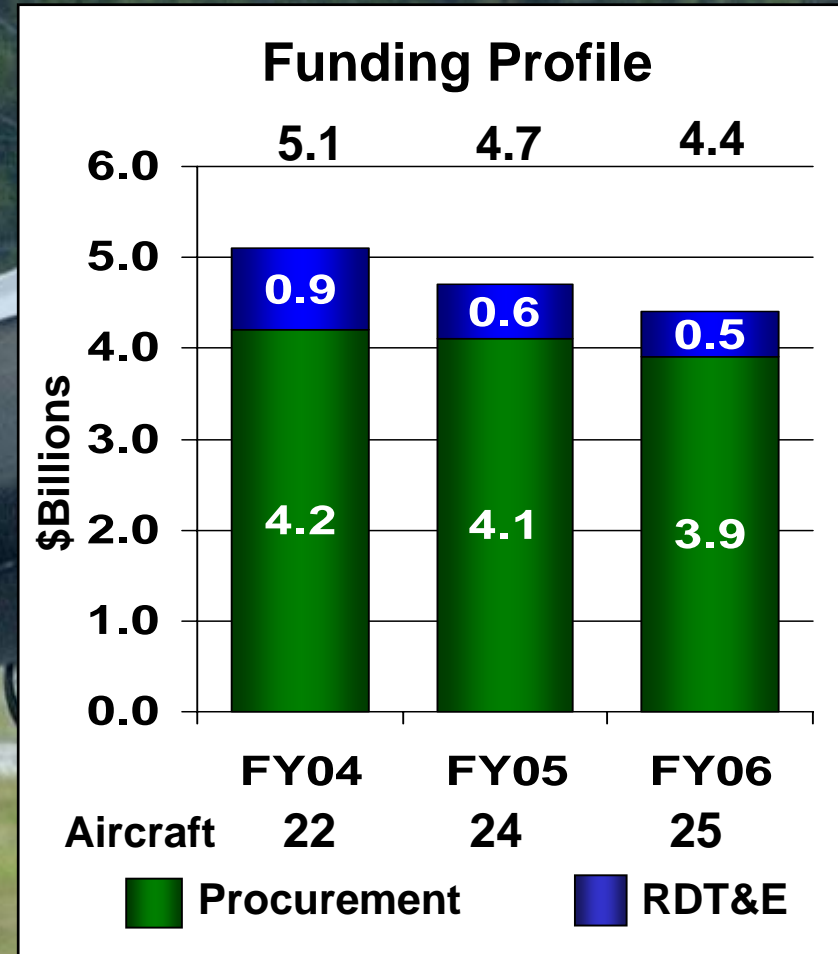
Background

- *In FY04, contractor exceeded contract delivery requirements by 2 aircraft and unit price continues to decline*
- *Provides the Joint Force with air dominance 24/7, operational access forward, homeland and cruise missile defense for the next 20+ years*
- *No substitute exists to buy back contested airspace that enable Joint Operations*
- *Testing complete —IOC Dec 2005*

FY06 Funding

- *Completes engineering and manufacturing development and enhances air-to-ground capability*
- *Funding buys 25 aircraft and funds long lead items for 29 aircraft*
- *\$500M transferred from ICS to CLS and funding reflected in O&M readiness*

F/A-22 Raptor



The F/A-22 is Here Today and Assures Air Dominance for the Future!

Buying Back the Battlespace – Our Legacy Systems Face An Increasingly Dangerous Threat Environment— Air Dominance Cannot Be Assumed!



The Proliferation of Advanced Fighters, Sophisticated Air Defense Systems, and Cruise Missiles Is Changing Our Ability to Affect the Battlespace

Buying Back the Battlespace – *This Is What The Threat Looks Like To The F/A-22*



The F/A-22's Combination of Stealth, Supercruise, and Lethality Allows It To Take Out Threats That Can Impact Our Other Joint Platforms – and Provides Transformational Air Dominance Capability for the 21st Century

Joint Strike Fighter (F-35)

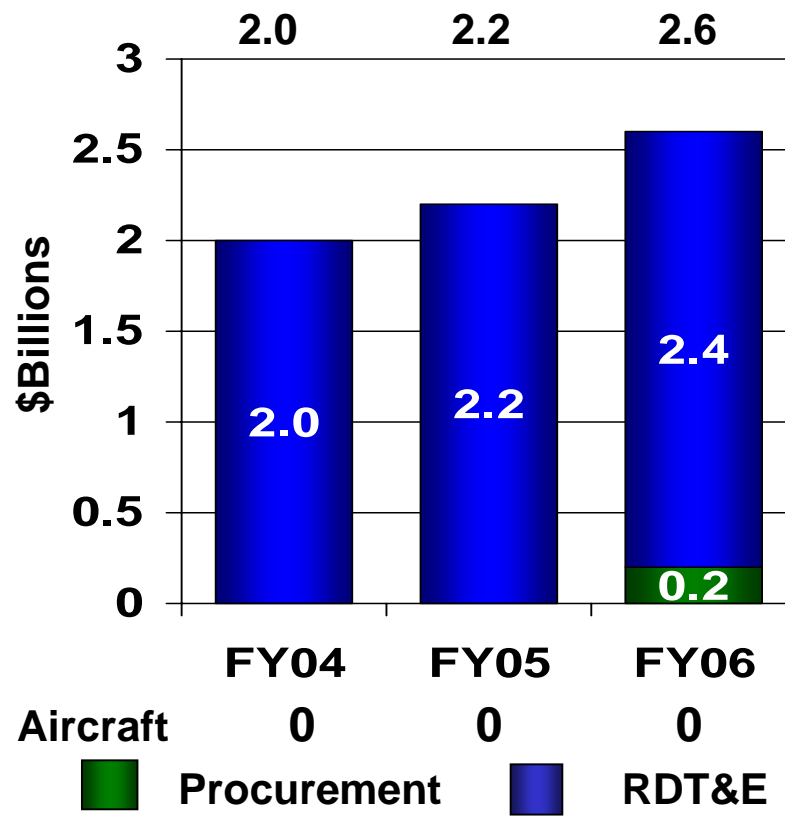
Background

- *Next generation strike aircraft*
- *Conventional, carrier, and short take-off and vertical landing*
- *Joint AF, Navy, Marine Corps, and International Program*
 - *8 international partners and over \$4.5B in support*

FY06 Funding

- *Continues development program*
- *Begins conventional take-off and landing flight tests*
- *Funds initial long lead items for 5 aircraft*

Funding Profile (AF Only)



The F-35 Is Scheduled to Reach Its Initial Operating Capability in 2013

Global Hawk

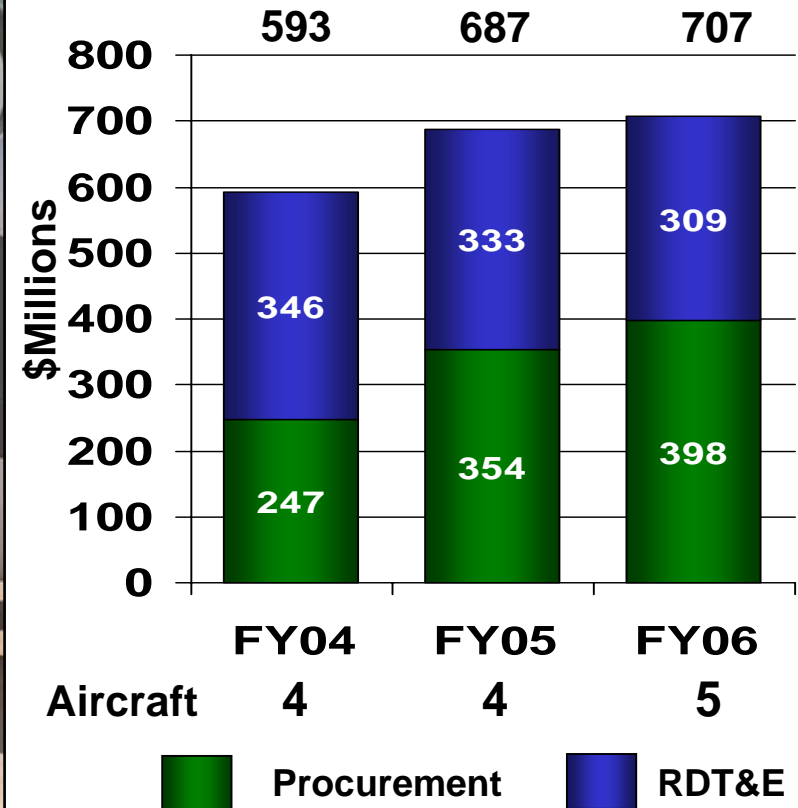
Background

- *Unmanned, high altitude, long range aircraft for reconnaissance and persistent theater surveillance*
- *Highly effective in Afghanistan and Iraq*

FY06 Funding

- *Procures 5 air vehicles/sensors and 1 ground station; funds advanced procurement for 6 air vehicles in FY07*
- *RDT&E continues spiral development capabilities*

Funding Profile



Global Hawk Provides Unique Capabilities to Respond and Persist—Denies the Enemy Sanctuary

Predator

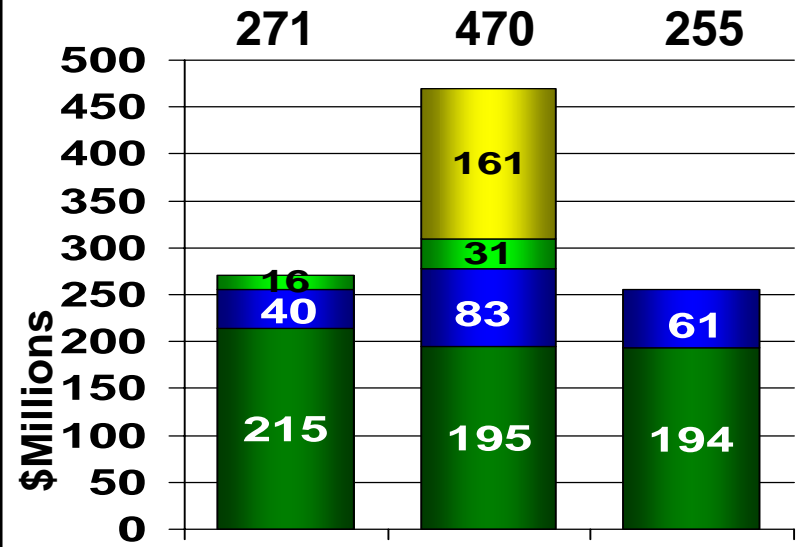
Background

- *Major contributor in GWOT*
- *Equipped with multiple sensors capable of transmitting near real-time imagery*
- *Weaponization incorporates a laser designator and Hellfire missile capability*

FY06 Funding

- *Procures 7 Predator As and 2 Predator Bs*
- *Procures ground control system, satellite comm system, and spares / support equipment*
- *Procures 378 Hellfire missiles in FY06*
- *Continues Predator B development*

Funding Profile



	FY04	FY05	FY06
Production	13	9	9
Adds	2	18	-



The Predator Is a Hunter-Killer, Reconnaissance, Surveillance, and Target Acquisition Asset

Joint - Unmanned Combat Air System (J-UCAS)

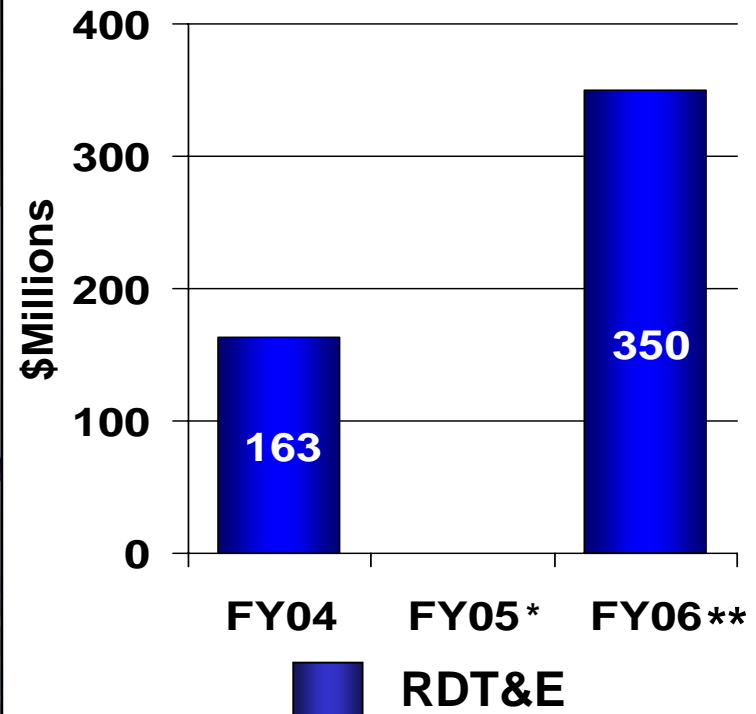
Background

- *Joint capability demonstration program to develop, demonstrate, and transition affordable, lethal, survivable and supportable Unmanned Combat Air Vehicle technologies to the USAF and USN*

FY06 Funding

- *Continues capability demonstration program to investigate the technical feasibility, military utility and operational value of UCAVs*

Funding Profile (AF)



*In FY05, RDT&E moved from USAF to DARPA

**In FY06, RDT&E moved back to USAF from DARPA

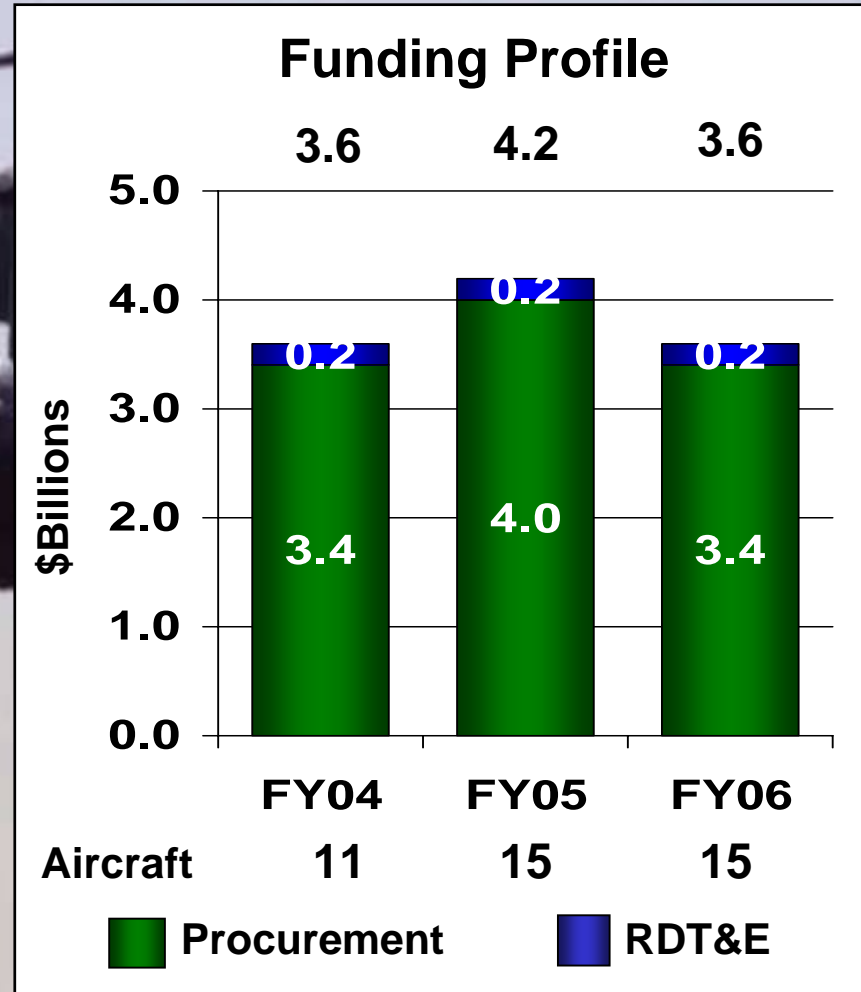
J-UCAS Will Provide Persistent Strike Anywhere on the Globe

Background

- *Wide-body aircraft capable of airlifting over/outsized cargo world-wide*
- *Capable of inflight refueling*
- *Provides rapid direct delivery of forces and cargo -- airdrop and landing on unimproved airfields*
- *Proved invaluable in OEF/OIF*

FY06 Funding

- *Fully funds 15 C-17s*
- *\$228M procures long lead items for 7 FY07 aircraft buy – pending outcome of Mobility Capability Study*
- *\$600M transferred from ICS to CLS and funding reflected in O&M readiness*



Provides Unmatched Direct Delivery Capability to Austere Airfields

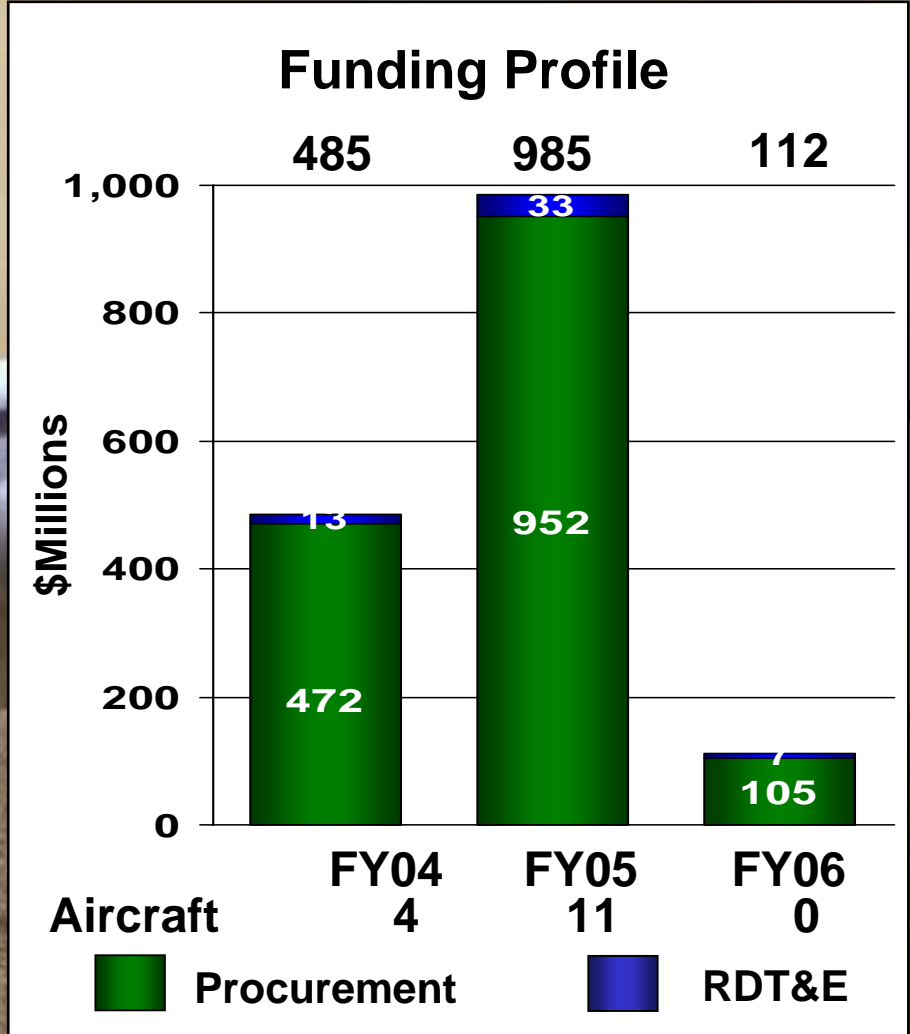
C-130J

Background

- *USAF multi-year program terminated at 15 of the planned 42 aircraft buy under this contract*
- *No USAF aircraft buys after FY05*

FY06 Funding

- *Procures spares and GATM mods for remainder of C-130J fleet*



Further Analysis of the Intratheater Airlift Requirement Will Be Addressed in the Joint Staff Intratheater Airlift Analysis, Mobility Capabilities Study, and QDR

E-10A MP-RTIP ***(Multi-Platform - Radar Technology Insertion Program)***

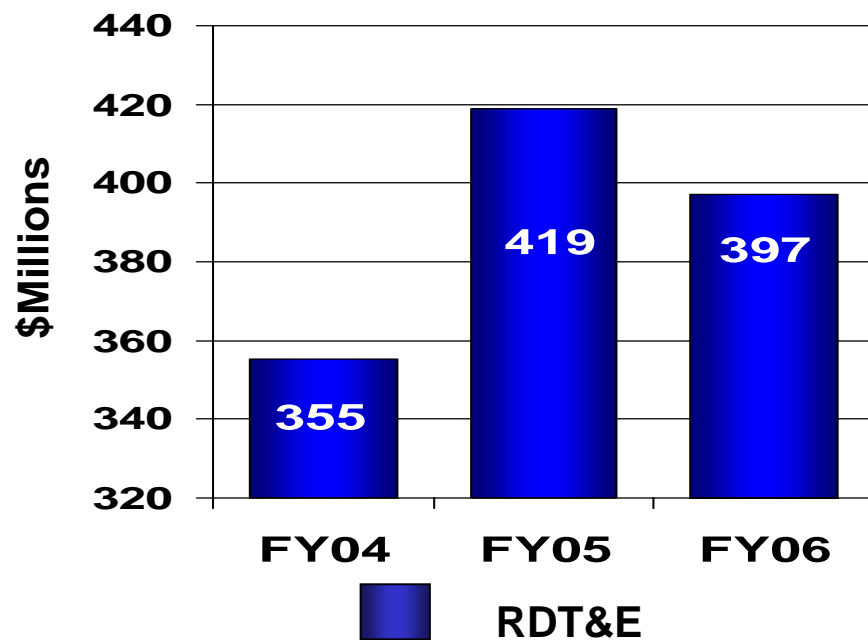
Background

- ***First generation of truly integrated C4ISR and networking of manned and unmanned platforms***
- ***Includes next generation of Ground Moving Target Indicator (GMTI) providing a near real-time horizontally integrated view of the battle space***
- ***Nation's best future capability against cruise missiles***
- ***The Air Force strongly supports machine-to-machine networking and integration with Space Radar***

FY06 Funding

- ***Focuses on technology and risk reduction with emphasis on demonstrating a cruise missile defense capability***
- ***Continues sensor development efforts and battle management command & control risk reduction***

Funding Profile



E-10A is a "Hub" of Transformational Effort to Provide Interoperable Joint C4ISR for Dynamic Battle Space Management

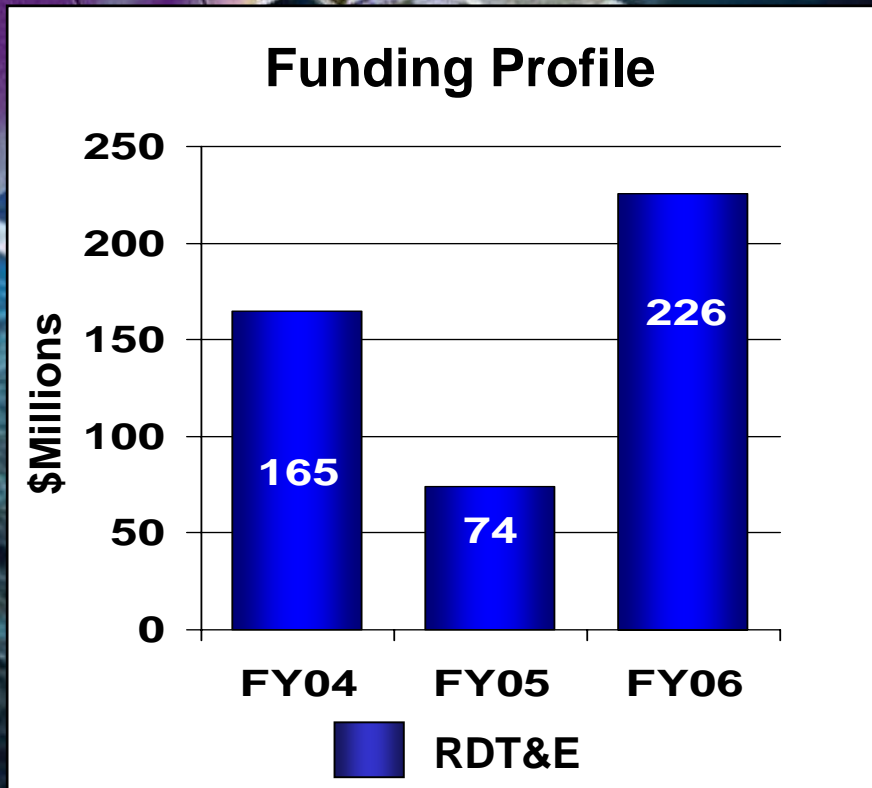
Space Radar

Background

- *Will be the single space radar system for DoD and the Intelligence Community*
- *Restructuring program to address Congressional concerns*

FY06 Funding

- *A demonstration radar satellite developed and launched by FY08*
 - *Will validate costs and technology maturity as well as concept of operations and user utility*
- *Initial Launch Capability in FY15*



Part of an Integrated Mix of Manned, Unmanned, and Space Moving Target Indicator Assets

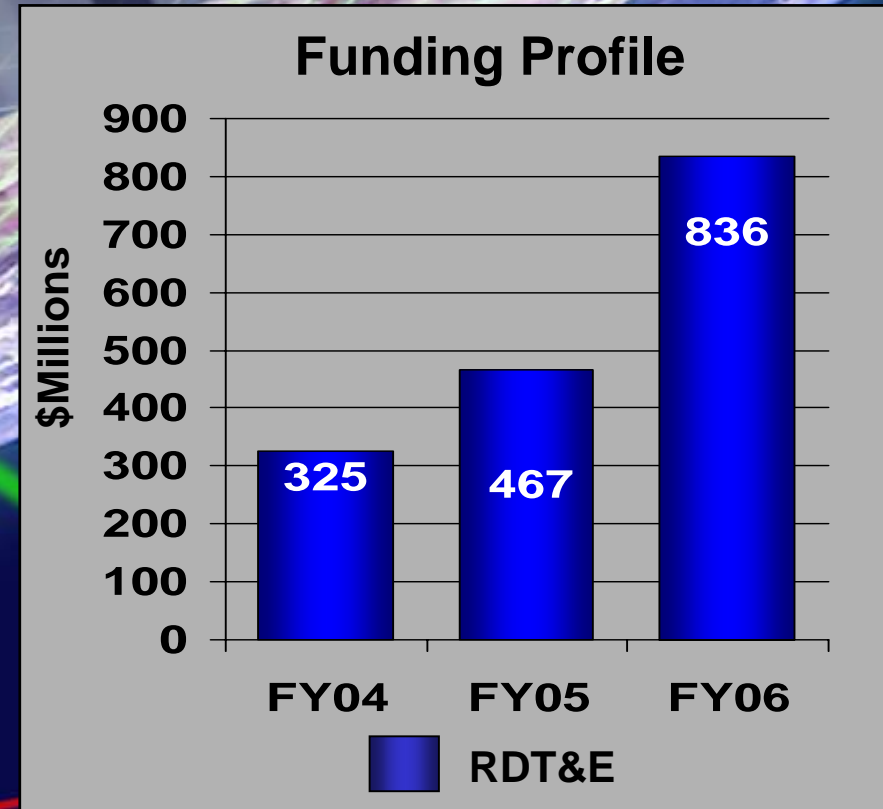
Transformational SATCOM System (TSAT)

Background

- *Consists of a 5-satellite constellation with laser cross links*
- *Will provide warfighter wideband, protected, and strategic comm*
- *Will support ground forces comm-on-the-move users & Airborne ISR requirements*

FY06 Funding

- *Funds technology development and engineering design activities*
- *Responds to Congressional concerns:*
 - *Extends preliminary design nearly 1 year; allows technology development*
 - *Moves 1st launch from 1QFY12 to 2QFY13*
- *Enables two space segment contractors to reach System Design Review -- in prep for down selecting to 1 prime contractor in late FY06*



Laser Comm in Space that Works Like the Internet—Enables DoD Network-Centric Warfare

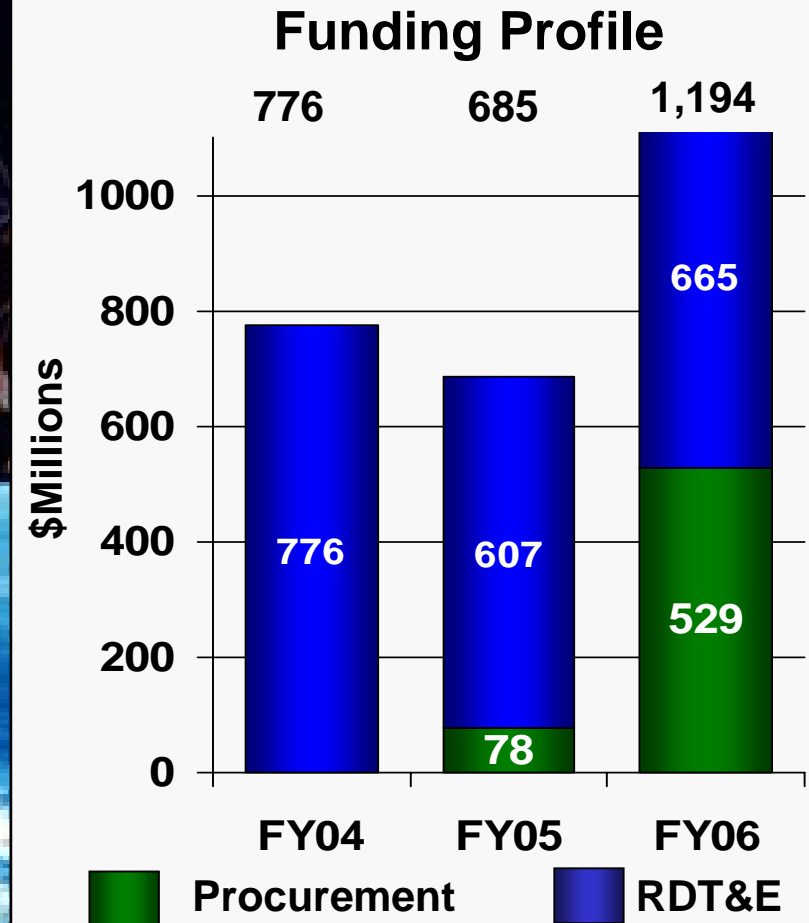
Advanced EHF

Background

- *Follow-on to MILSTAR*
- *Provides assured satellite communications for command and control and support of joint warfighters*
- *First launch planned for 3rd Qtr FY08*
- *Provides the bridge between MILSTAR and TSAT*

FY06 Funding

- *Provides funds for full procurement of Satellite 3*
- *Funds additional development to address cryptographic/information assurance issues*
- *Funds payload production & integration of satellites*



Evolved Expendable Launch Vehicle (EELV)

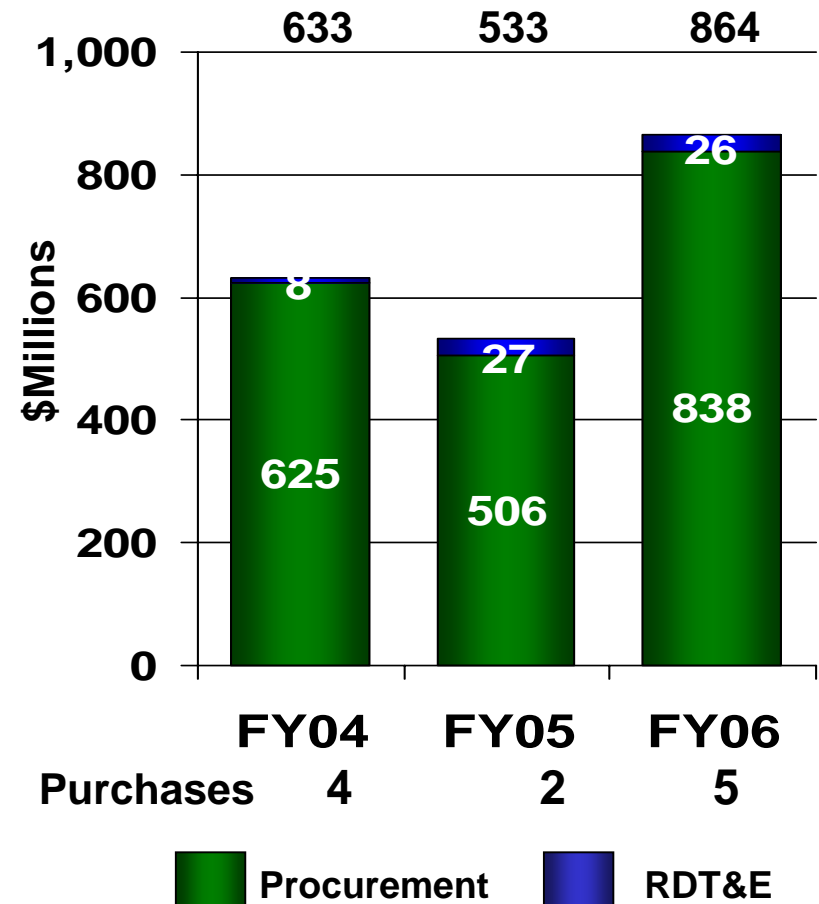
Background

- Replaces legacy launch vehicles with two launch service providers (Boeing-Delta IV and Lockheed Martin-Atlas V)
- Foundation of assured access to space

FY06 Funding

- Funds five launch services
- Two vehicle designs for assured access
- Continues GPS metric tracking development

Funding Profile



EELV is the Next Generation Space Superiority Launch System

The \$102.9B in the FY06 Budget Directly Contributes to Making the Whole Joint Team Better

Persistent C4ISR

See First, Understand First, Act First

Global Mobility

Move People & Equipment Around The World Quickly – The Right Force, Anywhere, Any Time

Rapid Strike

Precise, persistent, and survivable capability—able to produce tactical, operational, and strategic effects

Precision NAV

Missile Warning

Direct, Strategic Deployment

Air Superiority

Cruise / Ballistic Missile Defense

CAOC

OEF/OIF: 24/7 Command and Control, GPS Blue-Force Tracking

173rd Brigade

Joint Refueling

Airdrop

24/7 All Weather Interdiction

Intra-Theater Airlift

Global Strike

UAVs

Responsive Reconnaissance

Humanitarian Relief Operations

SOF Mobility

Battlefield Airmen

Force Multiplier of Distributed Ground Units

Tracking Mobile Targets

Airborne Early Warning

Weather

Aeromedical

Combat Support

High Value Targets

... Enabling Us to Execute the Air Force Core Missions



U.S. AIR FORCE