

UNITED STATES AIR FORCE

FY 2013 Budget Overview



SAF/FMB
February 2012
LEGISLATIVE 2013



Today's Environment

- **AF Engaged Globally**
 - Ended US military operations in Iraq; 17 Dec was the first day in 20 years with no air tasking order
 - Continued presence in Afghanistan; continuing counter-terror operations and enabling the transition of security responsibilities
 - Concluded NATO-led stability operations in Libya
 - Conducted humanitarian assistance and disaster relief in Japan
 - Providing deterrent umbrella and stability for global security environment
- **Fiscal Environment**
 - National deficit and debt problem are risks to national security
 - DoD mandated to do its part in debt reduction
 - Budget Control Act: \$487B reduction over 10 years
- **Not a choice between national security and fiscal responsibility**

Leon E. Panetta, Secretary of Defense "The department would need to make a strategic shift regardless of the nation's fiscal situation."



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Strategy and Approach

- DoD Strategy requires one large scale, combined arms campaign and the ability to respond quickly to deny the objectives of an opportunistic aggressor or impose unacceptable costs
- Considered AF role in global security-emphasis on Asia-Pacific region, continued presence in Middle East, evolving posture in Europe
- Air Force Approach
 - Balancing risk by *making difficult choices* was the guiding principle
 - Avoided a hollow force by *protecting readiness*, accepting a *smaller, high quality force*
 - Focused investments on key modernization programs while continuing to make *more disciplined use of defense dollars*
 - Continue to emphasize *taking care of our people*

Leon E. Panetta, Secretary of Defense "...savings we have been mandated to achieve must be driven by strategy and rigorous analysis, not by the numbers alone."



Enduring Air Force Contributions

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“We are making deliberate strategic choices about the key programs and capabilities that need to go forward so that we have still the finest military in the world 10 years from now.”

Michael B. Donley, Secretary of the Air Force
October 20, 2011



Air and Space Control

Global Intelligence, Surveillance, and Reconnaissance (ISR)

Rapid Global Mobility

Global Strike

***Smaller but agile, deployable, and modernized force
to meet warfighter needs***



FY13 Air Force Budget Themes

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- Force Structure...*preservation of a highly responsive and scalable force*
 - Rebalances force structure through retirements/reductions to maximize capability in support of new strategy
- Preserve Readiness...*avoid hollowing out the force*
 - Sustains flying hours and maintains weapon system sustainment
- Modernization...*next generation, technologically superior systems*
 - Continues core modernization efforts to operate in highly contested environments and prevail in all domains
 - Enhances/upgrades nuclear and global integrated ISR capabilities
- More disciplined use of defense dollars...*maximize our constrained resources*
 - Continues emphasis on efficiencies to reduce cost of business operations
- Take Care of our People...*protect core support programs*
 - Increases compensation and improves military family housing/dormitories
 - Preserves quality of all-volunteer force and strengthen military families

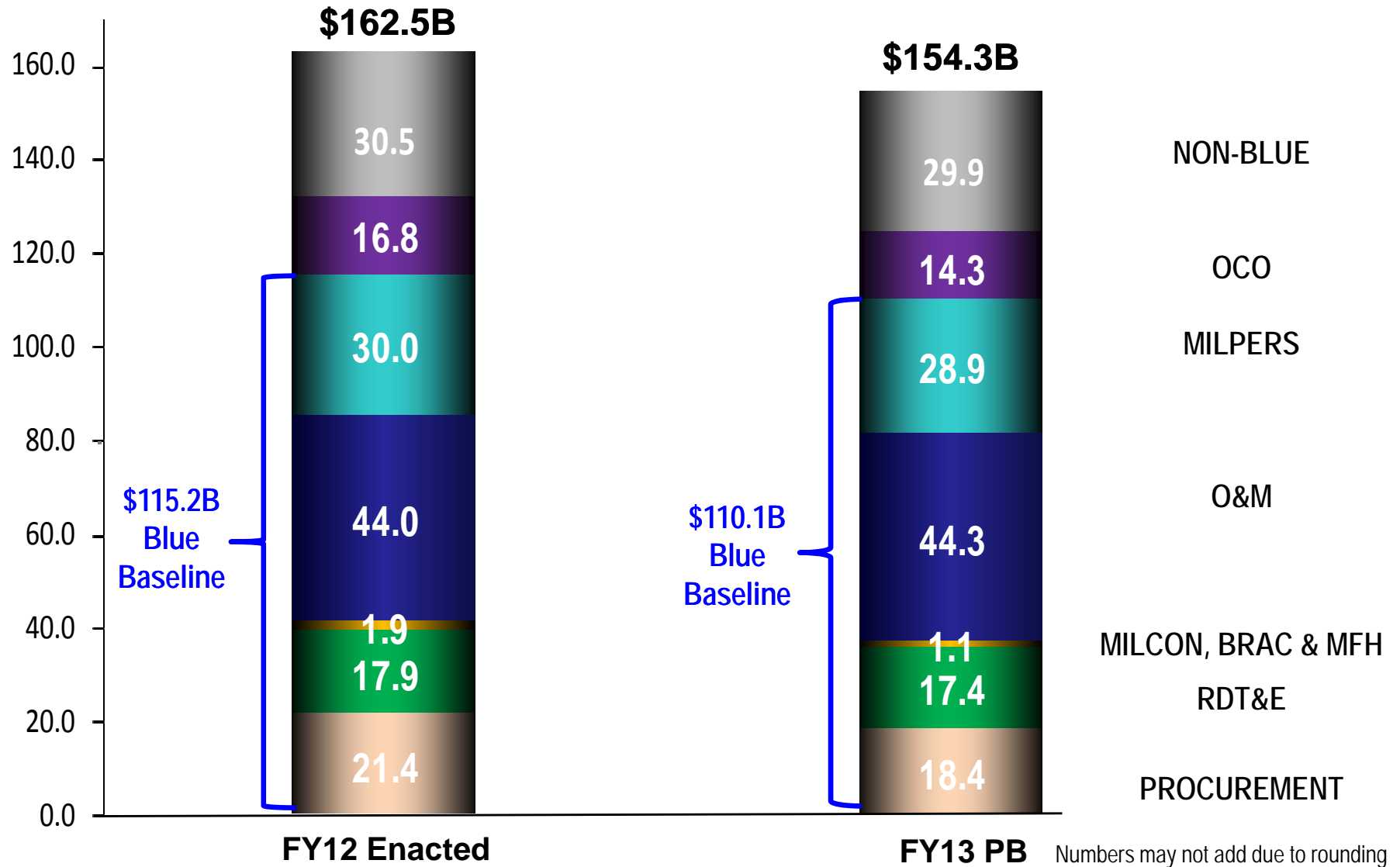
Air Force Budget retains critical core capabilities and maintains ability to rapidly respond to global mission demands



The Air Force Budget

FY12 Enacted - FY13 PB Request

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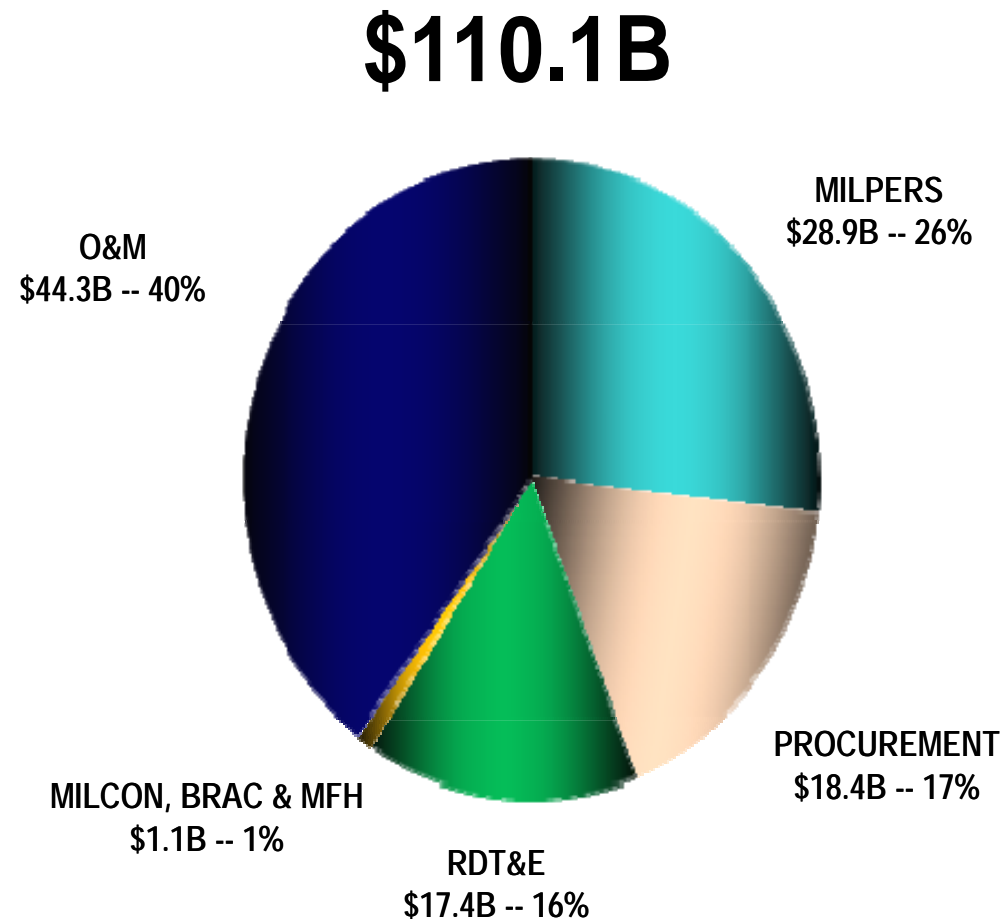
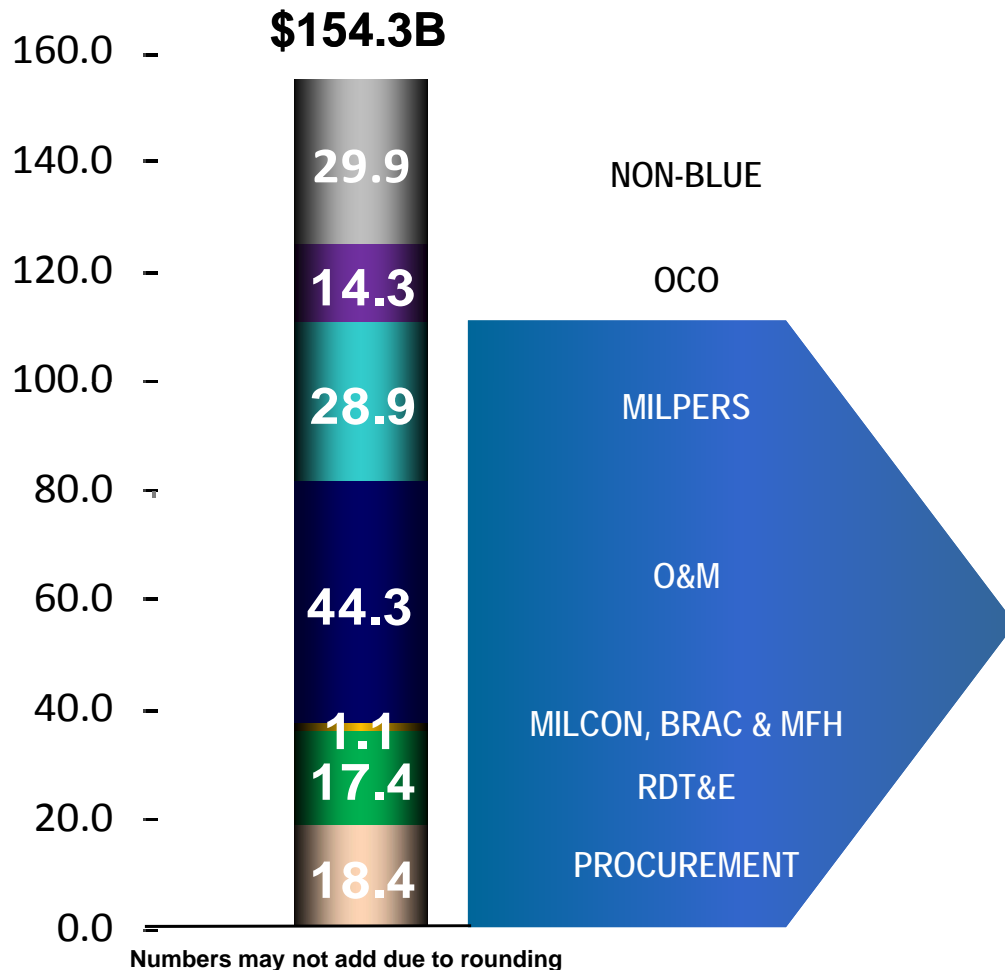


Air Force blue baseline declined 12% in real terms from FY09 enacted to FY13 PB request



FY13 PB Request – Blue \$

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Excludes Non-Blue and OCO



Overseas Contingency Operations

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(\$B)	FY12 Appn	FY13 PB	Delta
Military Personnel	1.5	1.3	(0.2)
Operation & Maintenance	10.6	9.4	(1.2)
Procurement & RDT&E	1.7	0.6	(1.1)
Military Construction	0.0	0.0	0.0
AF Working Capital Fund	0.0	0.2	0.2
Blue OCO Total	13.8	11.5	(2.3)
NIP (Classified)	3.0	2.8	(0.2)
Total	16.8	14.3	(2.5)

Numbers may not add due to rounding



- MILPERS - \$1.3B
 - Funds special pay/allowances for ~26K Airmen
- O&M - \$9.4B
 - Funds Operation ENDURING FREEDOM and Office of Security Cooperation - Iraq
 - Funds 281K flying hours and associated aircraft sustainment
 - Delivers critical command/control, persistent ISR and firepower to US and coalition forces
 - Provides Intra/Inter-Theater airlift and Aeromedical transportation
- No RDT&E requested for AF Blue
- No MILCON requested

- Procurement - \$602M
 - Continues LAIRCM for C-5/C-130/EC/HC-130s (\$154M); Advanced Targeting Pods (\$55M); SYERS 2-A (\$37M); Multi-Point Refueling for KC-135s (\$22M)
 - Replenishes munitions – JDAMs (\$54M); General Purpose Bombs (\$23M)
 - Replenishes Hellfire Missiles (\$34M)
- AF Working Capital Fund - \$240M
 - Funds Transportation of Fallen Heroes and TRANSCOM C-17 engine repairs

Continues providing Joint & Coalition team air power to win today's fight



Military Personnel

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(\$B)	FY12	FY13	Delta
	Appn	PB	
Air Force Active Duty	23.2	23.0	(0.2)
Air National Guard	3.1	3.1	0.0
Air Force Reserve	1.7	1.7	0.0
Medicare Eligible Retiree Health Care	2.0	1.1	(0.9)
Total	\$30.0	\$28.9	(\$1.1)

Numbers may not add due to rounding



- Takes care of Airmen with increased Basic Pay and allowances for Housing and Subsistence...maintains a standard of living that will attract and retain outstanding Airmen
 - Basic Pay – 1.7%
 - Housing Allowance – 4.2%
 - Subsistence Allowance – 3.4%
 - Medicare Eligible Retiree Health Fund contributions decline due to updated economic assumptions
- Maintains Balanced Active – Reserve Component force structure mix that aligns with the new defense strategy and preserves the Air Force’s core capabilities
 - Total Force End-Strength (E/S) – 501.0K
 - Active Duty E/S decreases by 3,900 to 328.9K
 - Air Force Reserve E/S decreases by 900 to 70.5K
 - Air National Guard E/S decreases by 5,100 to 101.6K

Balanced force structure tailored to new strategy

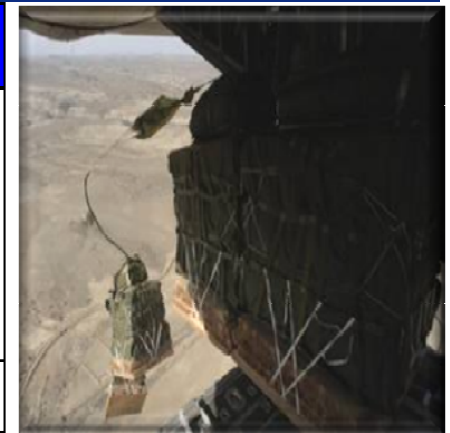


Operation & Maintenance

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	FY12	FY13	
(\$B)	Appn	PB	Delta
Flying Operations	15.8	16.7	0.9
Civilian Pay	11.1	11.4	0.3
Mobility Forces	1.1	0.9	(0.2)
Space/Other Combat Forces	5.7	5.7	0.0
Training & Recruiting	1.1	1.1	0.0
Logistics Ops & AF Wide Support	2.3	2.3	0.0
Installation Support & FSRM	6.9	6.2	(0.7)
Total	\$44.0	\$44.3	\$0.3



Numbers may not add due to rounding

- Divests portions of combat/combat enabler forces; retires 227 a/c in FY13 PB (CAF/123, MAF/85, ISR/19)
- Focuses resources on preserving readiness...lean, trained, lethal now and in the future
 - 1.17M flying hours for pilot proficiency, new pilot production; provides trained crews to COCOMs
 - Supports current fleet of ~5.2K aircraft – weapons system sustainment funded at 79%
 - Increases ISR capability for today’s fight – on track to reach 65 CAPs by FY14
 - Preserves operational training...upholds quality of our all-volunteer force
 - Supports New Strategic Arms Reduction Treaty implementation...strengthens nuclear enterprise
- Maintains quality of life for our Airmen and their families
 - Pay and benefits for 184K civilian personnel – 0.5% pay raise in FY13 after two years of freezes
 - Funds family services, child/youth programs and Morale, Welfare and Recreation
- Focuses on cost reduction through more efficient operations
 - Continues implementation of FY12 efficiency plan (\$900M in FY13)
- Continues acceleration of the Financial Improvement Audit Readiness plan to reach FY14 goal

Meets demands of NSS within current fiscal environment



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Military Construction, BRAC & Military Family Housing



(\$B)	FY12	FY13	Delta
	Appn	PB	
Military Construction	1.3	0.4	(0.9)
BRAC	0.1	0.1	0.0
Military Family Housing	0.5	0.6	0.1
Total	\$1.9	\$1.1	(0.8)

Numbers may not add due to rounding



- **MILCON: \$900M decrease from FY12 PB reflects an AF deliberate pause**
 - Program ensures proper investment of limited resources in light of the current on-going budget pressures and potential force structure changes
 - Support COCOMs by funding second increment of USSTRATCOM HQ project
 - New Mission – funded highest priority projects such as F-35 Sim Facility & Hangar at Hill AFB, Beddown Combat Apron addition for F-22s at Joint Base Pearl Harbor-Hickam, etc.
 - Dormitory Focus – funded two Tier 1 dorms
- BRAC focus now environmental clean-up for 28 Legacy BRAC closures and 6 2005 BRAC closures
- MFH: Improves 400 units in Japan; maintains/oversees owned, leased, & privatized units

Supporting critical weapon system beddown, meeting COCOM needs & taking care of Airmen



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Research, Development Test & Evaluation



	FY12	FY13	
(\$B)	Appn	PB	Delta
Basic Research	0.5	0.5	0.0
Applied Research	1.2	1.1	(0.1)
Adv Technology Dev	0.6	0.6	0.0
Demonstration/Validation	1.4	1.2	(0.2)
Engineering Manufacturing Dev	3.9	5.0	1.1
RDT&E Management Support	1.4	1.2	(0.2)
Operational System Dev	8.9	7.8	(1.1)
Total	\$17.9	\$17.4	(0.5)



Numbers may not add due to rounding

- Focuses investments on the highest strategic priorities and most technologically promising areas
- Maintains Science & Technology funding to continue discovering, developing, and demonstrating high payoff innovations for the changing strategic environment
- Provides core aircraft modernization efforts to meet current & future threats in contested environments
 - Provides funding for F-35 flight testing; F-22 3.2A s/w design/coding (ECCM & Link-16 improvement)
 - Funds F-16 Combat Avionics Programmed Extension Suite modernization program
 - Sustains focus on Long Range Strike portfolio including development of long-range, nuclear capable, optionally manned, penetrating bomber and B-2 Defensive Management System
 - Continues the development of four KC-46 aircraft for integration and capability demonstration
- Leverages the multiplying effects space provides by continuing development of Spaced Based Infrared System Geosynchronous Earth Orbit vehicles for final integration, test, and launch support
- Supports Nuclear Deterrence with modernization of Minuteman III Intercontinental Ballistic Missile

Balanced RDT&E investment assures warfighter capabilities combat future threats today and tomorrow



Procurement

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(\$B)	FY12	FY13	Delta
	Appn	PB	
Aircraft Procurement	12.9	11.0	(1.9)
Ammunition Procurement	0.5	0.6	0.1
Missile Procurement	5.3	4.4	(0.9)
Other Procurement	2.7	2.4	(0.3)
Total	\$21.4	\$18.4	(\$3.0)

Numbers may not add due to rounding



- Divests/terminates multiple investment programs (RQ-4 Block 30, C-130 AMP, C-27J, and LIMA/LAAR)
- Supports Joint Warfighter through continued ISR investment
 - Procures 24 additional MQ-9 Reapers to meet goal of 65 combat air patrols by 2014
- Invests in the future of air superiority and global precision while maintaining current legacy systems
 - Procures 19 F-35As, maintaining commitment to program while reducing risk due to concurrency
 - Upgrades F-22 software, enhances F-15C/D radar & BLOS, and extends service life of F-16s
 - Provides new communication system in B-2 and increases precision weapon capabilities for B-52
- Continues to support rapid global mobility of the DoD force structure and national strategic objectives
 - Funds critical avionics modification programs for the KC-10 and KC-135
 - Continues modernization/common configuration of inter/intra-theater airlift fleets (C-17, C-5, C-130)
- Enhances Special Operations capabilities for counterterrorism and irregular warfare missions
 - Procures 4 CV-22s and continues recapitalization of MC-130s and AC-130s
- Invests in preferred munitions for highly contested environments
- Continues the Efficient Space Procurement (ESP) of complex space systems using fixed-price block buys to lower costs and stabilize contractor base – AEHF 5/6; SBIRS 5/6

Developing for tomorrow and maintaining today



Major Procurement Quantities

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AIRCRAFT	FY12	FY12 OCO	FY13	FY13 OCO
MQ-9A Reaper	0	48	24	0
F-35A Lightning II	18	0	19	0
Light Attack Armed Reconnaissance	6	0	0	0
C-27J Spartan	9	0	0	0
MC-130 Recapitalization	6	0	4	0
CV-22B Osprey	5	0	4	0
HH-60G Ops Loss Replacement	3	1	0	0
RQ-4B Global Hawk	3	0	0	0
C-37A (Lease to Purchase)	3	0	0	0
HC-130 Recapitalization	3	0	1	0
Common Vertical Lift Support Platform	2	0	0	0
C-130J Super Hercules	1	0	0	0
AC-130 Recapitalization	1	0	2	0
Small Unmanned Aircraft Systems	0	22	0	0
C-17	1	0	0	0
Total	61	71	54	0



SPACE	FY12	FY13
GPS III	2	2
Advanced EHF	2	0
WGS	2	0
SBIRS GEO	0	2
EELV	4	4
Total	10	8

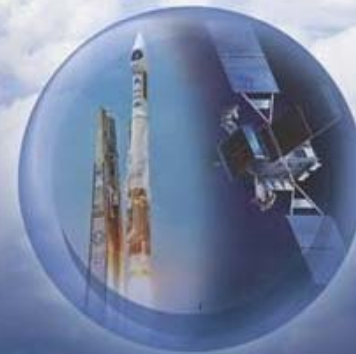
WEAPONS	FY12	FY12 OCO	FY13	FY13 OCO
JDAM	2,313	1,946	3,259	1,419
AGM-114 Hellfire	407	271	413	304
AIM-9X Sidewinder	125	0	164	0
AIM-120D AMRAAM	138	0	113	0
AGM-158 JASSM	142	0	157	0
Small Diameter Bomb	0	100	144	0
Total	3,125	2,317	4,250	1,723



Summary

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- Air Force globally engaged and facing challenging national security and fiscal environment
- Air Force made difficult choices to closely align with the new strategy, balancing risk as a guiding principle across key areas:
 - Force Structure
 - Readiness
 - Modernization
 - More Disciplined Use of Defense Dollars
 - Taking Care of our People
- Air Force Budget is appropriately targeted to promote agile, flexible, and cost effective forces while mitigating strategic risks



FY 2013 Budget Overview
<http://www.saffm.hq.af.mil/budget/>