Overview

- Strategic Environment
- FY19 Budget Priorities
- FY19 Budget Request
- FY19 by Appropriation
- Final Thoughts
The National Defense Strategy directs a more lethal, resilient and agile Joint Force that can compete, deter and win in the complex, global security environment.

- China...rapid military modernization...pursuing near-term regional hegemony
- Russia...seeks to restore its national prestige...willing to use force and coercion
- North Korea...intends to guarantee regime survival through its nuclear program
- Iran...asserting an arc of regional influence and instability
- Violent Extremist Organizations...expanding coercion to new fronts

The Air Force is essential to the Joint Warfighter...providing combat-credible forces needed to deter war and protect the security of our nation.
FY19 Budget Priorities

Accelerating Warfighter Readiness...first and foremost is having enough trained people

Safe, Secure and Effective Nuclear Deterrent...to modernize our two legs of the nuclear triad and the command and control systems that enable its effectiveness

Cost-Effective Modernization...to execute critical modernization over the next ten years

Moving Faster to Defendable Space...to begin a distinct pivot to ensure we have the needed space capabilities into the future

Networked Battle Management...to shift from a model of interdependence to one of integration

Strengthening Alliances...to reinforce our commitment to our Allies and International Partners
FY19 Budget Request
Continuing Programs and Strategies

Readiness
- Fund Flying Hours to executable levels/Weapon System Sustainment to 90% (Base and OCO)
- Maximize industry capacity of preferred munitions
- Fund training ranges, simulators, instructors, and key infrastructure to improve the quality of our training

People
- Grow end strength to increase readiness
- Fund key programs to support Airmen and families

Nuclear Deterrence
- Invest in modernizing our Nuclear Command, Control and Communication Systems
- Modernize our bomber fleets, including development of B-52H replacement engines
- Fund development of Ground Based Strategic Deterrent, Long Range Standoff missile

Modernization
- Purchase 48 F-35As, 15 KC-46As, continue development of B-21
- Select new advanced training aircraft, purchase combat rescue helicopter
FY19 Budget Request

Change to confront reemergence of Great Power Competition

Space Superiority
- Posture to protect space in a contested environment
- Improve capability and resiliency of our space mission systems

Multi-Domain Command and Control
- Develop and transition to an advanced battle management system
- Integrate space, air and ground based sensors

Air Superiority
- Fund investment in an integrated family of systems to preserve Air Superiority
- Continue 4th/5th Generation Aircraft modifications

Light Attack
- Continue the Light Attack experiment, as we pursue a viable, cost-effective capability to counter the violent extremist threat freeing 4th and 5th generation aircraft to face emerging threats

Science and Technology
- Increase emphasis on basic and applied research to drive long-term innovation and dominance in air and space power

We must Build a more Lethal, Ready, Resilient Air Force
Future Wars will be Won by those Who Observe, Orient, Decide and Act Faster

FY19 Budget Request

Total Budget

FY 2018 PB
$183.6B

FY 2019 PB
$194.2B

Air Force Controlled Budget Authority
$156.3B

* $4.8B of OCO included for Base WSS requirements; not included in the $15.6B OCO
Numbers may not add due to rounding

Future Wars will be Won by those Who Observe, Orient, Decide and Act Faster

7
The Air Force must be Ready for Any Fight, Any Place, Any Time

Operations & Maintenance

The Air Force Budget Highlights:

- Upgrade ISR systems supporting tactical teams operations
- Enhance C2 systems to enable surveillance, early warning and cyber connectivity
- Fund Flying hours to executable levels
- Fund Weapon System Sustainment to 90% (Base and OCO)
- Fund facility sustainment at 80%
- Expand combat training ranges
- Fund additional 1,000 ROTC scholarships for STEM programs and diversity

Numbers may not add due to rounding
Includes $4.8B Base to OCO
Military Personnel

Readiness begins with People

Category ($B) FY18 PB FY19 PB
Pay & Allowances 27.7 29.5
Medicare Eligible Retiree Health Care 1.6 1.6
Permanent Change of Station 1.3 1.2
Other Military Pay 0.1 0.1
Total 30.7 32.4

Numbers may not add due to rounding

Air Force Budget Highlights:
- Increase Total Military Force end strength by 4,700
- Address gaps in RPA, cyber and intelligence career fields
- Continue progress in increasing maintenance manpower and experience
- Address pilot shortage...add training capacity...optimize incentives
- Right-size student training pipeline with focus on critical skills production
- Support 2.6% pay raise to maintain competitive compensation profile
- Revitalize squadrons...restore lost squadron Manning, foundation of readiness
Research Development
Test & Evaluation

We must Deliver Performance at the Speed of Relevance

Program Highlights
$ Millions

<table>
<thead>
<tr>
<th>Category</th>
<th>FY18 PB</th>
<th>FY19 PB</th>
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<tbody>
<tr>
<td>Operational Systems Development</td>
<td>11.2</td>
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<td>Demonstration and Validation</td>
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<td>6.5</td>
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<td>Engineering &amp; Manufacturing Development</td>
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<td>5.3</td>
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<td>Management Support</td>
<td>2.7</td>
<td>2.8</td>
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<tr>
<td>Applied Research</td>
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<td>1.3</td>
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<tr>
<td>Advanced Technology Development</td>
<td>0.8</td>
<td>0.8</td>
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<tr>
<td>Basic Research</td>
<td>0.5</td>
<td>0.5</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>25.6</strong></td>
<td><strong>30.4</strong></td>
</tr>
</tbody>
</table>

Numbers may not add due to rounding

Air Force Budget Highlights:
- Increase funding for the backbone of our future bomber force (B-21)
- Increase the Air Superiority Family of Systems to enhance operational/threat studies
- Increase funding for space programs including Next Generation Overhead Persistent Infrared (Next-Gen OPIR)
- Begin GPS III Follow-on development
- Invest in the Adaptive Engine Transition Program to deliver revolutionary, next-generation propulsion systems
- Continue ICBM modernization with Ground-Based Strategic Deterrent (GBSD) program
The Air Force needs the Right Size & Mix of Lethal Capabilities to Outpace our Competitors
## Major Procurement Quantities

### Aircraft

<table>
<thead>
<tr>
<th>Description</th>
<th>FY17 Actual</th>
<th>FY18 PB</th>
<th>FY19 PB</th>
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<tbody>
<tr>
<td>F-35A</td>
<td>48</td>
<td>46</td>
<td>48</td>
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<tr>
<td>KC-46A</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>MC-130J Recapitalization</td>
<td>6</td>
<td>5</td>
<td>6</td>
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<tr>
<td>HC-130J Recapitalization</td>
<td>4</td>
<td>2</td>
<td>1</td>
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<tr>
<td>HC-130J OCO</td>
<td>0</td>
<td>0</td>
<td>1</td>
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<tr>
<td>C-130J</td>
<td>4</td>
<td>0</td>
<td>0</td>
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<tr>
<td>HC-130J OCO</td>
<td>1</td>
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<tr>
<td>MQ-9A</td>
<td>24</td>
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<td>8</td>
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<tr>
<td>MQ-9A OCO</td>
<td>0</td>
<td>16</td>
<td>21</td>
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<td><strong>Total Base</strong></td>
<td><strong>101</strong></td>
<td><strong>68</strong></td>
<td><strong>78</strong></td>
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<tr>
<td><strong>Total OCO</strong></td>
<td><strong>1</strong></td>
<td><strong>16</strong></td>
<td><strong>22</strong></td>
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<td><strong>Grand Total</strong></td>
<td><strong>102</strong></td>
<td><strong>84</strong></td>
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### Space

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<tr>
<td>EELV</td>
<td>3</td>
<td>3</td>
<td>5</td>
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### Weapons

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<th>Description</th>
<th>FY17 Actual</th>
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<tr>
<td>AIM-9X Sidewinder</td>
<td>287</td>
<td>310</td>
<td>256</td>
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<tr>
<td>AIM-120D AMRAAM</td>
<td>256</td>
<td>205</td>
<td>220</td>
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<tr>
<td>AIM-120D AMRAAM OCO</td>
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<tr>
<td>AGM-158 JASSM-ER</td>
<td>360</td>
<td>360</td>
<td>312</td>
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<tr>
<td>AGM-158 JASSM-ER OCO</td>
<td>0</td>
<td>0</td>
<td>48</td>
</tr>
<tr>
<td>JDAM</td>
<td>10,749</td>
<td>10,330</td>
<td>7,899</td>
</tr>
<tr>
<td>JDAM OCO</td>
<td>17,847</td>
<td>16,990</td>
<td>28,101</td>
</tr>
<tr>
<td>AGM-114 Hellfire</td>
<td>431</td>
<td>399</td>
<td>1,338</td>
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<tr>
<td>AGM-114 Hellfire OCO</td>
<td>1,788</td>
<td>3,230</td>
<td>3,000</td>
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<tr>
<td>Small Diameter Bomb - I &amp; II</td>
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<td>5,039</td>
<td>3,427</td>
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<tr>
<td>Small Diameter Bomb - I OCO</td>
<td>4,195</td>
<td>2,273</td>
<td>3,909</td>
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<tr>
<td><strong>Total Base</strong></td>
<td><strong>12,395</strong></td>
<td><strong>16,643</strong></td>
<td><strong>13,452</strong></td>
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<tr>
<td><strong>Total OCO</strong></td>
<td><strong>23,830</strong></td>
<td><strong>22,493</strong></td>
<td><strong>35,060</strong></td>
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<tr>
<td><strong>Grand Total</strong></td>
<td><strong>36,225</strong></td>
<td><strong>39,136</strong></td>
<td><strong>48,512</strong></td>
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</table>
Military Construction, BRAC & Military Family Housing

Active:
- New mission beddowns: F-35A ($315.0M); KC-46A ($178.0M)
- Nuclear Enterprise ($66.0M): Minot AFB Consolidated Helo/Tactical Response Force Ops Facility
- Research and Development ($225.0M): MIT-Lincoln Labs semiconductor/microelectronics lab
- MQ-9A Facilities ($197.0M): Shaw AFB Ops Facility for new RPA mission beddown

Guard:
- New mission beddowns: C-130J Simulator ($8.0M)
- Cyber Operations Squadron ($10.0M)
- Recapitalize aging infrastructure ($69.0M)

Reserve:
- Add/Alter Aircraft Maintenance Hangar ($12.1M), Small Arms Range ($9.0M)
- Aeromedical Staging Facility ($4.6M), Physical Fitness Center ($14.0M)
- Munitions Training/Admin Facility ($3.1M)

Infrastructure must be Optimized to Integrate Air, Space, and Cyber Capabilities
Overseas Contingency Operations (OCO)

Numbers may not add due to rounding
Does not include $4.8B of WSS Base requirements submitted in OCO

<table>
<thead>
<tr>
<th>Category ($B)</th>
<th>FY18 PB</th>
<th>FY19 PB</th>
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<tbody>
<tr>
<td>Operation and Maintenance (O&amp;M)</td>
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<tr>
<td>Procurement</td>
<td>2.1</td>
<td>3.4</td>
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<tr>
<td>Military Personnel (MILPERS)</td>
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<td>1.0</td>
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<tr>
<td>MILCON</td>
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<tr>
<td>RDT&amp;E</td>
<td>0.1</td>
<td>0.2</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>13.9</strong></td>
<td><strong>15.6</strong></td>
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Program Highlights

<table>
<thead>
<tr>
<th>($M)</th>
<th>Qty</th>
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<tbody>
<tr>
<td>Flying / Support Operations</td>
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</tr>
<tr>
<td>Flying Hours</td>
<td>2,355</td>
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<td>WSS</td>
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<td>Ops Support</td>
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<td>Procurement</td>
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<tr>
<td>MQ-9A</td>
<td>424</td>
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<td>HC-130J</td>
<td>102</td>
</tr>
<tr>
<td>JDAM</td>
<td>739</td>
</tr>
<tr>
<td>SDB I</td>
<td>141</td>
</tr>
<tr>
<td>Hellfire</td>
<td>255</td>
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</tbody>
</table>

Air Force Budget Highlights:

- Operating Support for deployed personnel and six enduring locations to include:
  - Flying Hours and Weapon System Sustainment
  - 10 Remotely Piloted Aircraft combat lines, $1.8B for ISR platforms and support
  - Deployable Command, Control and Communications (C3) systems/special tactics combat control equipment

- Continue to build partnerships through the European Deterrence Initiative:
  - MILCON to improve European airfield infrastructure
  - War reserve materials, airfields, aircraft storage and munitions storage facilities in Europe

Air and Space Superiority Underwrite the Freedom of Action required for Joint operations
Final Thoughts

“The United States now faces a more competitive and dangerous international security environment than we have seen in generations. The Air Force must build a more lethal and ready force”
- Heather A. Wilson, Secretary of the Air Force

“Our Nation expects us to defend the Homeland with an effective nuclear deterrent, to own the high ground with air and space superiority, and to project power globally with our allies and partners. This budget takes needed steps to restore our readiness and build the force needed to fight and win”
- Gen David Goldfein, Air Force Chief of Staff

Budget aligns with 2018 National Defense Strategy

Accelerates Air Force Readiness

Invests in Key Capabilities through Cost-Effective Modernization

Sets Conditions to Deliver Lethal, Globally Responsive, Air and Space Power for the Future
For more information, please visit the website below for the Department of the Air Force’s budget overview:

http://www.saffm.hq.af.mil/FM-Resources/Budget/