Overview

- Strategic Framework
- Guiding Principles
- FY13/FY15 Recap
- Across the FYDP
- FY16 President’s Budget (PB) Request
- FY16 Appropriation Overview
- FY16 Overseas Contingency Operations (OCO)
FY16 President’s Budget:
- Supports defense strategy & most urgent Combatant Commander requirements
- Invests in capabilities we need to defeat future high end threats
- First step in executing the AF strategic framework

Strategic Framework & SecAF’s priorities are the foundation for the FY16 PB
- Taking care of people
- Striking the right balance between readiness & modernization / recapitalization
- Making Every Dollar Count

“We need stable funding profiles to focus on combat capability, on our five core missions, and on Global Vigilance, Global Reach, and Global Power for America. Our Airmen deserve it, our joint team needs it, and our Nation expects it.”

General Welsh, January 2015
Guiding Principles Support
Core Missions

Informed by the defense strategy, Air Force 30-year plan, Combatant Commanders’ expectations and requirements of their Air Force

Core Missions

- Air & Space Superiority
- Intelligence, Surveillance & Reconnaissance
- Rapid Global Mobility
- Global Strike
- Command & Control

Guiding Principles

- Align choices with defense & Air Force 30-year strategy
- Ready for full-spectrum of military operations
- Increased contribution of the Total Force
- Invest in nuclear, space, cyber and ISR
- Focus on unique capabilities Air Force provides the Joint Force

U.S. AIR FORCE
More than 25,000 Airmen support contingencies around the world – Active, Guard & Reserve

Nearly 71,000 Airmen are forward stationed overseas

205,000 Airmen directly support Combatant Commander requirements from home stations

We’re smaller but busier & older than ever…in 2014 the Air Force:

- Flew nearly 20,000 Close Air Support sorties in Afghanistan, Iraq and Syria
- 35,000 ISR missions in CENTCOM
- Employed almost 4,000 munitions for OIR alone
- 109,000 mobility/tanker sorties – 172,000,000 gallons of fuel
- Airlifted more than 6,000 wounded warriors & civilians

Smallest, oldest, busiest now more than ever…need PB level for recovery
FY13 Sequester: Large immediate cuts
- Readiness dropped to lowest level since early 1980s
- Stood down flying squadrons for 3+ months
- Deferred aircraft & engine depot maintenance
- Deferred airfield & infrastructure repairs
- Delayed critical modernization programs
- Broke faith with civilian Airmen – furloughed employees for 6 days with no pay restoral

FY13 - FY15 Recap

FY14 / 15 Bipartisan Budget Act: Temp relief
- Started readiness recovery
- Protected top modernization priorities
- Allowed some increase of munition levels
- Still had to make tough choices:
  - Divested entire fleets (i.e. A-10)
  - Reduced military endstrength by 24K
  - Reduced management headquarters by 20%
  - Continued risk in base support and FSR&M

The capability gap is closing...if we let the gap narrow, we won’t be able to recover before they pass us
Across the FYDP

At FY16 PB Levels:
- Restores capacity to meet CCDR’s most urgent needs (e.g., U-2, E-3) while enhancing capability & re-building readiness
- Must still reduce some force structure to meet budget targets (e.g., A-10, EC-130H)
- Maintains Flying Hours & Weapon Sys Sustainment funding to continue gradual path of full-spectrum readiness recovery
- Preserves top recapitalization programs (KC-46, F-35A, LRS-B)
- Invests in nuclear enterprise (ICBM, Nuclear C3, & B-2 mods)
- Advances Space, Cyber, ISR, CRH, & Preferred Munitions (e.g., SBSS, AEHF, SBIRS, FAB-T, adaptive eng., & MQ-9 CAPs)
- Addresses facility sustainment shortfalls & repair backlog
- Stops downsizing – we are as low as we can go
- Invests in Guard and Reserve

At FY16 BCA Levels:
- Loss of Global Vigilance...reduced ISR capability
- Forced to divest RQ-4 Blk 40, and cut Blk 30 modifications
- Reduces ISR capacity by 10 CAPs: equiv to Iraq/Syria today
- Loss of Global Reach...cannot react anyplace, anytime
- Retire KC-10 fleet; (13% refueling booms, 21% fuel capacity)
- AF-wide infrastructure/installation spt continues to degrade
- Defers Presidential Aircraft Recapitalization
- Loss of Global Power...adversaries close in on our advantage
- Slows readiness recovery due to cuts in Flying Hours, Weapon System Sustainment, ranges & munitions
- Cuts fighter recapitalization (F-35As); squadron of fighters
- Reduces investments in Space programs, Cyber mission areas, nuclear enterprise, Science & Tech & Adaptive Engine

Too small, less ready, less capable...unable to execute defense strategy
FY16 PB Request

$167.3 Billion

- Non-Blue: $34.5 Billion (Base & OCO)
- MILPERS: $29.0 Billion
- MILCON: $2.1 Billion
- Procurement: $25.3 Billion
- O&M: $47.8 Billion

$122.2 Billion

AF Blue Baseline

Day-to-Day Ops, 63%

- MILPERS: 24%
- RDT&E: 15%
- Procurement: 21%
- O&M: 39%

Procurement

- Top Aircraft: $10.8B
- Top Space: $2.2B
- Top Munitions: $1.2B
- Sub-Total: $14.2B
- % of Total: 56.1%

RDT&E

- Classified: $4.2B
- Aircraft: $3.5B
- T&E/S&T: $3.2B
- Space: $1.2B
- Sub-Total: $12.1B
- % of Total: 67.2%

MILPERS $29.0B 38%

FSRM $3.1B 4%

MAJCOM/ COCOM $10.6B 14%

Flying Hour $7.8B 10%

WSS $11.5B 15%

Civil Pay $11.1B 14%

Installation Support $3.6B 5%

MILPERS $29.0B 38%

Procurement $25.3B

O&M $47.8B

FY16 PB

Numbers may not add due to rounding

PB keeps us on path of readiness recovery & invests in future capabilities
Military Personnel

**PB End Strength in K**

<table>
<thead>
<tr>
<th>FY06 Enacted</th>
<th>FY15 Enacted</th>
<th>FY16 PB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active</td>
<td>357K</td>
<td>313K</td>
</tr>
<tr>
<td>Reserve</td>
<td>74K</td>
<td>67K</td>
</tr>
<tr>
<td>Guard</td>
<td>107K</td>
<td>105K</td>
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### Stabilize the Force:
- Maintains Total Force structure that aligns with National Defense strategy, maximizing the Air Force’s Air, Space, and Cyber capabilities to meet current and future operational commitments
- Restores end strength authorizations from 483K in FY15 to 492K in FY16
  - Funds 900+ billets to further strengthen our Nuclear Enterprise
  - Increases Cyber 200+ billets to counter worldwide cyber threats
  - Restores 2,900+ force structure billets (U-2, F-15C, MQ-9, E-8, & E-3)
- Synchronizes military force size with mission
  - Optimizes Total Force to address geopolitical realities, global demands – increases Guard and Reserve
  - Airmen leading full spectrum engagement - from combat missions and humanitarian operations to protecting the homeland
  - Pay raise for Active Duty and other QoL (bonuses & special pay)

**PB: Matches people to force structure to remain ready today...supports 492K Total Force Airmen**

**BCA: Too small now...won't meet DSG with BCA level force – need to stop downsizing**

### Category ($B)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY15 Enacted</th>
<th>FY16 PB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay and Allowances</td>
<td>26.1</td>
<td>26.5</td>
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<tr>
<td>Permanent Change of Station</td>
<td>1.2</td>
<td>1.2</td>
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<tr>
<td>Medicare Eligible Retiree Health Care</td>
<td>1.4</td>
<td>1.2</td>
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<tr>
<td>Other Military Pay</td>
<td>0.1</td>
<td>0.1</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>28.8</strong></td>
<td><strong>29.0</strong></td>
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</table>

**Military Personnel**

U.S. AIR FORCE

Reserve $1.7B
Guard $3.2B
MERHC $1.2B

Active $22.9B

PB: Matches people to force structure to remain ready today...supports 492K Total Force Airmen

BCA: Too small now...won't meet DSG with BCA level force – need to stop downsizing
**Operation & Maintenance**

**U.S. AIR FORCE**

**PB: Continues readiness recovery critical for full-spectrum operations, today & in the future**

### Flying Operations
- **Active** $37.7B
- **Reserve** $3.1B
- **Guard** $7.0B

### Civilian Pay

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<tr>
<th>Category</th>
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<tr>
<td>Flying Operations</td>
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<tr>
<td>Civilian Pay</td>
<td>10.6</td>
<td>11.1</td>
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<tr>
<td>Installation Support &amp; FS</td>
<td>5.9</td>
<td>6.7</td>
</tr>
<tr>
<td>Logistics Ops &amp; AF Wide</td>
<td>2.1</td>
<td>2.2</td>
</tr>
<tr>
<td>Mobility Forces</td>
<td>0.7</td>
<td>1.2</td>
</tr>
<tr>
<td>Space/Other Combat Forces</td>
<td>5.7</td>
<td>6.2</td>
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<tr>
<td>Training &amp; Recruiting</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>$43.5</td>
<td>$47.8</td>
</tr>
</tbody>
</table>

- **Readiness:**
  - Flying Hours to capacity: 1.2M hours / $7.8B
  - Weapon System Sustainment at 79% (91% w/OCO)
  - Ranges, Simulators, Flag Exercises, Advanced Pilot Training
  - Sustains ISR capacity at 60 CAPs; supports COCOM ops
  - Supports USCYBERCOM’s mission force - 39 cyber teams
  - Invests $68M in Nuclear Operations & Sustainment

- **People / Base Operations:**
  - Funds SAPR billets, childcare, fitness, food & tuition assistance
  - Funds BMT transition week; AF core values training
  - Funds Civilian Pay raise at 1.3%; stability for workforce
  - Restores Installation Support / Facility Sustainment to 80%

### BCA: Peels back readiness gains – cuts COCOM required force structure – exacerbates infrastructure degradation

**FY15 Enacted includes $850M (Base to OCO transfer)**

<table>
<thead>
<tr>
<th>Category</th>
<th>FY14</th>
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<tr>
<td>Flying Hours</td>
<td>$6.9</td>
<td>$7.5</td>
<td>$7.8</td>
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<tr>
<td>Civilian Pay</td>
<td>$10.7</td>
<td>$10.6</td>
<td>$11.1</td>
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<tr>
<td>WSS</td>
<td>$9.9</td>
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<td>$11.5</td>
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<tr>
<td>Base Support</td>
<td>$5.4</td>
<td>$6.3</td>
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</table>
Research, Development Test & Evaluation

Investment in Nuclear and Space Enterprise:
- Reduces risk to Ground Based Strategic Defense: ICBM guidance, propulsion, fuze modernization, security, and command & control applications
- Provides B-2 fleet Defensive Management System upgrades for direct attack capability
- Invests in domestic launch systems—mitigates reliance on foreign engine providers

Invests in future capabilities & technology:
- Supports Adaptive Engine Transition Program testing—revolutionary engine architecture
- Restructures JSTARS recapitalization providing critical C2 with enhanced ISR capabilities

Maintains commitment to recapitalize the Air Force:
- Sustains design/development of KC-46, F-35, LRS-B, and Combat Rescue Helicopter
- Initiates EMD funding for the Presidential Aircraft Recapitalization program

BCA: Lose funding for the Adaptive Engine Program, Global Hawk blk 30 sensor mods, B-2 Defensive Management Systems, and Minuteman III command and control modernization
Aircraft:
- $3.6B increase over prior year affords quantity increases on three primary platforms
- Procures 12 KC-46 Tankers; funds 44 F-35A aircraft and the F-15C/D radar upgrade
- Maintains C-130J Multi-Year Procurement; purchases 27 a/c supporting SOF & mobility

Space:
- Continues the Department's Efficient Space Procurement (ESP) approach for the block buys of AEHF satellite vehicles 5 and 6 and SBIRS Geosynchronous Earth Orbit (GEO) 5 and 6
- Funds five EELV launch services and GPS III space vehicle #10
- Funds modernization of SBIRS mobile ground C2

Munitions:
- Adds $1.1B ammo procurement based on forecast demand and increased OPSTEMPO
- Adds $700M missile procurement based on forecast demand and increased OPSTEMPO

BCA: Significant reductions to F-35 program and munitions…reduces fighter capacity impacting ability to meet defense strategy

PB: Invest in multi-role platforms for today’s fight and future high threat environments
## Major Procurement Quantities

<table>
<thead>
<tr>
<th>AIRCRAFT</th>
<th>FY15</th>
<th>FY16 PB</th>
<th>FY16 BCA</th>
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<tbody>
<tr>
<td>F-35A Lightning II</td>
<td>28</td>
<td>44</td>
<td>30</td>
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<tr>
<td>KC-46A Tanker</td>
<td>7</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>MC-130J Recapitalization</td>
<td>2</td>
<td>8</td>
<td>8</td>
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<tr>
<td>MQ-9A Reaper</td>
<td>24</td>
<td>29</td>
<td>20</td>
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<tr>
<td>HC-130J Recapitalization</td>
<td>4</td>
<td>5</td>
<td>5</td>
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<tr>
<td>C-130J Super Hercules</td>
<td>7</td>
<td>14</td>
<td>14</td>
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<tr>
<td>Total</td>
<td>72</td>
<td>112</td>
<td>89</td>
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<table>
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<tr>
<th>SPACE</th>
<th>FY15</th>
<th>FY16 PB</th>
<th>FY16 BCA</th>
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<tbody>
<tr>
<td>GPS III</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>EELV</td>
<td>4</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>6</td>
<td>5</td>
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<table>
<thead>
<tr>
<th>WEAPONS</th>
<th>FY15</th>
<th>FY16 PB / OCO</th>
<th>FY16 BCA</th>
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<tbody>
<tr>
<td>JDAM</td>
<td>4,333</td>
<td>6,341</td>
<td>3,744</td>
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<tr>
<td>AGM-114 Hellfire</td>
<td>381</td>
<td>3,756</td>
<td>400</td>
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<tr>
<td>AIM-9X Sidewinder</td>
<td>303</td>
<td>506</td>
<td>370</td>
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<tr>
<td>AIM-120D AMRAAM</td>
<td>200</td>
<td>262</td>
<td>262</td>
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<tr>
<td>AGM-158 JASSM</td>
<td>215</td>
<td>360</td>
<td>260</td>
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<tr>
<td>Small Diameter Bomb</td>
<td>144</td>
<td>1,942</td>
<td>1,942</td>
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<tr>
<td>Total</td>
<td>5,576</td>
<td>13,167</td>
<td>6,978</td>
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</table>
Military Construction, BRAC & Military Family Housing

MILCON: Revitalizes recapitalization, invests in nuclear enterprise facilities, funds new mission bed-downs, COCOM facilities, rebalance towards Asia-Pacific Region, & QoL

Active Air Force:
- Nuclear enterprise ($144.2M): Weapon storage and nuclear alert facilities
- Quality of Life ($168M): New basic trainee dorm & 3 dorm projects (CONUS)
- New mission bed-downs: F-35A ($198M); KC-46A ($52M); F-22 ($46M)

Air Force Reserve: Medical facilities ($13M); Firing Range ($9M); Satellite Fire Station ($5M)

Air National Guard: Remotely Piloted Aircraft (RPA) / ISR bed-down ($38M); AOG bed-down ($7M); KC-46A simulator building ($3M); C-130 Operations facilities ($18M); Fuel Cell and Corrosion Control hangar ($10M)

Combatant Commands: CYBERCOM Joint Ops Center ($86M): facilitates effort to prevent attacks against DoD networks; Joint Intelligence Analysis Complex (JIAC) ($94M): constructs AFRICOM JIAC & Intel Fusion Center; PACOM Installation Control Center ($22M)

BCA: Forced to cut COCOM facilities, Nuclear Enterprise, and Quality of Life projects
## Overseas Contingency Operations (OCO)

**Category ($B)**

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<tr>
<th>FY15 Enacted</th>
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<tbody>
<tr>
<td>Procurement / RDT&amp;E / MILCON</td>
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<tr>
<td>Military Personnel</td>
<td>0.7</td>
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<td>Operation and Maintenance</td>
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<td>Working Capital Fund</td>
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<td><strong>Total</strong></td>
<td><strong>$12.2</strong></td>
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### FY16 Qty

<table>
<thead>
<tr>
<th>Flying / Support Operations</th>
<th>Qty</th>
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<tbody>
<tr>
<td>Flying Hours</td>
<td>$2,855</td>
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<tr>
<td>WSS</td>
<td>$1,779</td>
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<tr>
<td>Ops Support</td>
<td>$4,534</td>
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### Procurement / RDT&E

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<tr>
<th>Category</th>
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<th>Qty</th>
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<tbody>
<tr>
<td>MQ-9</td>
<td>$83</td>
<td>N/A</td>
</tr>
<tr>
<td>JCREW</td>
<td>$119</td>
<td>N/A</td>
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<tr>
<td>Hellfire</td>
<td>$280</td>
<td>2,500</td>
</tr>
<tr>
<td>JDAM</td>
<td>$184</td>
<td>5,953</td>
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### Current Operations:
- Operation FREEDOM’S SENTINEL (OFS) – formerly ENDURING FREEDOM (OEF)
- Operation INHERENT RESOLVE (OIR)
- European Reassurance Initiative (ERI)
- Post-Operation NEW DAWN (OND) Activities

### Support to Current Operations:
- Funds day-to-day basics for ongoing contingencies
- Delivers critical C2, ISR and Airpower to US and Coalition forces
- Rapid Global Mobility & Global Reach; delivers personnel, supplies & airpower on time

### Major Requirements:
- Flying hours and Weapon System Sustainment (WSS) – funds WSS at 91% w/ base
- Operating Support for six enduring locations
- MQ-9 extended range kits & Joint Counter RCIED Electronic Warfare systems (JCREW)
- Replenish Hellfire missiles and Joint Direct Attack Munitions expended in current ops

### PB: Supports President’s comprehensive strategy to confront threats to U.S. security & interests

### BCA: Baseline decrease puts today’s readiness at risk
Final Thoughts

- BCA renders us unable to execute defense strategy
  - Halts readiness…continues “Band-Aid” fixes on 1960’s era ICBM infrastructure
  - Reduces S&T; defers critical capabilities needed for potential high-end fight
  - Insufficient fighter, tanker, ISR and C2 capacity—forced into perpetual surge state
  - Restarts downward spiral of declining full-spectrum readiness

- FY16 PB is the first step and down payment in our fiscal recovery to:
  - Provide the tools, training and equipment that our Airmen deserve
  - Deliver the most urgent capabilities that our Combatant Commanders need today…and in the future
  - Secure the homeland & defend our interests around the world…America expects it!

“'The return of Sequestration will drive a choice between ‘ready and capable now’ and ‘ready and capable in the future.’ It’s a false choice… we must be both for the Joint Force to be successful.”’

General Welsh
More Information

- For more information, please visit the website below or scan the QR code for the Department of the Air Force’s budget overview