

***UNITED STATES  
AIR FORCE  
WORKING CAPITAL FUND  
(Appropriation: 4930)***



**U.S. AIR FORCE**

***Fiscal Year (FY) 2017  
Budget Estimates  
February 2016***

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**AIR FORCE WORKING CAPITAL FUND  
FISCAL YEAR (FY) 2017  
BUDGET ESTIMATES  
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***AIR FORCE  
WORKING CAPITAL FUND***



**U.S. AIR FORCE**

***SUMMARY***

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## **Air Force Working Capital Fund Fiscal Year (FY) 2017 Budget Estimates**

The FY 2017 Air Force Working Capital Funds (AFWCF) President's Budget reflects current execution plans and Air Force initiatives to improve the efficiency and effectiveness of our activities while continuing to meet the needs of the war fighting forces. Successful WCF operations are essential to the Air Force mission. In order to continue as a world class operation, logistics and business processes are continuously improved to ensure war fighters receive the right item at the right place, right time and lowest cost.

### **Activity Group Overview**

The AFWCF conducts business in two primary areas: the Consolidated Sustainment Activity Group (CSAG) and the Supply Management Activity Group-Retail (SMAG-R). The Transportation Working Capital Fund (TWCF), for which the Air Force assumed responsibility of cash oversight in FY 1998, is part of this submission. United States Transportation Command (USTRANSCOM), rather than the Air Force, has management responsibility for TWCF day-to-day operations.

### **Air Force Core Strategic Capabilities**

In support of Air Force core functions, the AFWCF activities provide maintenance services, weapon system parts, base and medical supplies, and transportation services. The working capital funds are integral to readiness and sustainability of our air and space assets and our ability to deploy forces around the globe and across any theater in support of Overseas Contingency Operations and National Military Strategy requirements. Maintenance depots provide the equipment, skills and repair services necessary to keep forces operating worldwide. Supply management activities procure and manage inventories of consumable and reparable spare parts required to keep all elements of the force structure mission ready. USTRANSCOM is the single DOD manager for the Defense Transportation System (DTS) in peace and war. Directly or indirectly, working capital fund activities provide warfighters the key services needed to meet mission capability requirements.

## **Consolidated Sustainment Activity Group**

The mission of the Consolidated Sustainment Activity Group (CSAG) is supply management of reparable and consumable items, as well as maintenance services. The activity operates with two divisions: Maintenance and Supply.

The CSAG Supply Division is primarily responsible for Air Force-managed, depot-level reparable spares and consumable spares unique to Air Force. 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. The CSAG Supply Division is committed to implementing improvements that meet customer demands and decrease cost by examining new ways of doing business and leveraging new technologies to support war fighter needs.

The CSAG Maintenance Division repairs systems and spare parts to ensure readiness in peacetime and to provide sustainment for current Overseas Contingency Operations (OCO). 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. The Maintenance Division's depots have unique skills and equipment required to support and overhaul both new, complex components as well as aging weapon systems. In support of Contingency Operations, the depots can surge repairs and realign capacity to support the war fighter's immediate needs.

## **Supply Management Activity Group–Retail**

The Supply Management Activity Group-Retail (SMAG-R) manages over 1.8 million inventory items including weapon system spare parts, medical-dental supplies and equipment, and other supply items used in non-weapon system applications. The Air Force SMAG-R is a critical component in the support of combat readiness by procuring materiel and selling spares to authorized retail customers. The activity operates with three divisions: General Support, Medical Dental, and Academy. The Medical Dental Division inventory includes a War Reserve Materiel (WRM) Stockpile. WRM provides initial war fighting capability until re-supply lines can sustain wartime demands for medical and dental supplies and equipment.



The SMAG-R 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. Inventories are an integral part of SMAG-R and are maintained by each of the divisions in support of customer requirements. The SMAG-R objective is to replenish inventories and provide supplies to customers in a timely manner within customer funding constraints, while maintaining fund solvency.

### **Transportation Working Capital Funds**

USTRANSCOM's mission is to provide air, land, and sea transportation for the Department of Defense (DOD) in time of peace and war, with a primary focus on wartime readiness. The \$6.2 billion TWCF budget provides synchronized transportation and sustainment, making it possible to project and maintain national power where needed, with the greatest speed and agility, the highest efficiency, and the most reliable level of trust and accuracy. The USTRANSCOM accomplishes its joint mission through three Component Commands: Air Mobility Command (AMC), Military Sealift Command (MSC), and Military Surface Deployment and Distribution Command (SDDC). This joint team of transportation components provides mobility forces and assets for a seamless transition from peace to war. USTRANSCOM is always ready to meet the strategic mobility needs of our nation. A brief description of the role of each component follows:

- Air Mobility Command (AMC) provides airlift, air refueling, special air mission, and aeromedical evacuation for U.S. forces. AMC also supplies forces to theater commands to support wartime tasking. They are the single manager for air mobility
- Military Sealift Command supports our nation by delivering supplies and conducting specialized missions across the world's oceans
- Surface Deployment and Distribution Command provides global surface deployment and distribution services to meet the nation's objectives

USTRANSCOM components provide the critical link to the Services' core competencies in organizing, training, and equipping forces. They provide lines of communication to the Services, ensuring assets are available when needed for the

transition from peace to war. The surge from peacetime sustainment to a massive deployment of people and material in support of OCO is the most recent example of USTRANSCOM's ability to execute its mission. Their successes result from the synergy of military and commercial lift (air, land, and sea), air refueling, port operations, and afloat prepositioning-all requiring the team efforts of the Commander's Staff and their components.

## **Air Force Initiatives**

The Air Force Sustainment Center (AFSC), headquartered at Tinker AFB OK, consists of three Depots, two Supply Chain Wings, and three Air Base Wings. The AFSC manages, plans, and executes sustainment-related activities, supply chain functions, and depot maintenance activities across the Air Force. The AFSC partners with the Air Force Life Cycle Management Center in weapon system support planning for weapon systems across the life cycle -- to include early in the acquisition cycle.

### ➤ *The AFSC Way*

The AFSC continues its efforts to transform operations from effective to cost-effective. The Sustainment Center has leveraged best practices from industry, while keeping focused on warfighter support to create "The AFSC Way." The AFSC Way is based on a leadership model that emphasizes speed (productivity), safety, quality, and cost effectiveness in every process and every work center across the enterprise to achieve "art of the possible" results despite declining budgets and fiscal uncertainty. The AFSC Way uses scientific methods based on the theory of constraints, critical path, and lean principles to drive continual process improvement to increase speed (productivity), eliminate waste, and remove constraints in critical processes.

### ➤ *Enterprise Logistics Strategy*

The Enterprise Logistics Strategy (ELS) represents the collective thinking and commitment of a coalition of senior logistics leaders across the Air Force. This coalition recognized the need and opportunity to establish shared ownership of the

Logistics enterprise to accelerate the pace of change and drive key initiatives to generate cost-effective readiness. The ELS outlines the mission, vision, and strategic priorities for navigating the way ahead.

- Mission: USAF logistics fields, generates, and sustains power in air, space, and cyberspace
- Vision: Leading ready, affordable logistics in a Joint world

ELS accomplishments for FY 2015 related to AFWCF include:

- Consolidation of hydraulics repair into the Repair Network Integration (RNI) concept is underway as directed by Secretary of the Air Force and Chief of Staff of the Air Force
- Developed automated Logistics Cost Model (LCM) in the Logistics, Installations, and Mission Support - Enterprise View (LIMS-EV) on the Air Force Portal. LCM facilitates cost-informed logistics decision-making by providing Air Force logistics leaders visibility to Total Force logistics costs for 90 Mission Design (MD) and 160 Mission Design Series (MDS) at over 280 locations, drivers of those costs, and how those costs contribute to AF readiness
- Created and released Enhanced Depot Level Repairable (DLR) Variance Dashboard. The Dashboard provides detailed, sortable views of DLR maintenance function costs by Command, MDs, and National Stock Numbers (NSN)s; users can conduct analysis to identify improvement opportunities
- Delivered a modeling and simulation methodology that was tested against various scenario intensity levels across two pacing systems – the KC-135 and the F-15E
  - Quantified the relationships between spares levels, manpower levels & skill mix, aircraft availability (AA), and sortie generation
  - Linked AA surge with predictive readiness and connected planning, programing, and budgeting actions with future response and readiness postures
- Developed a methodology to track Flying Hour variability and measure improvements - identified \$290 million of inefficiencies caused by Flying Hour variability resulting in unneeded inventory and unavailable spares that are expected to be eliminated in FY 2016

ELS goals for FY 2016 related to AFWCF include:

- Develop a variance dashboard for organic depot maintenance and contractor logistics support
- Achieve Full Operational Capability for the hydraulic repair network and associated Centralized Repair Facilities
- Socialize the standard definition of logistics and continue to evolve the functionality of the Cost of Logistics tool suite through collaboration with the Major Commands. Evolve understanding of how logistics costs contribute to readiness and facilitate the shift to a more cost conscious culture
- Continue to develop the Enterprise Supply Chain Analysis, Planning and Execution (ESCAPE) system that will enable full integration of supply chain planning processes across the Air Force Materiel Command. Finalize Request for Proposal package, conduct Source Selection, with a goal of Initial Operational Capability in FY 2017

➤ *Other Initiatives*

Initiatives beyond ELS continue to impact AFWCF activities. The Air Force formally builds functional and financial performance plans to assess business operations at Air Force Materiel Command and Air Logistics Complexes. Quarterly reviews with the Major Command Commanders continue -- focusing attention on cost, performance, and delivery of quality parts and maintenance on time.

Additionally, the Air Force is working to achieve Department of Defense Financial Improvement and Audit Readiness (FIAR) goals relative to the AFWCF. The Air Force continues to make improvements in financial and reporting structures through close cooperation with the Office of the Secretary of Defense and the Defense Finance and Accounting Service in efforts to achieve and sustain audit readiness. Financial reporting improvements achieved will help AFWCF attain unqualified assurance on the effectiveness of internal controls.

To effectively comply with FIAR, the Air Force must have comprehensive, accurate, reliable, timely, and auditable financial data to provide dynamic decision support that improves warfighter readiness. Legacy AFWCF financial systems are unable to provide robust financial data, which increases systemic risk through deficiencies in internal control over financial reporting,

non-standard/manual processes, and antiquated information technology. Currently in its early stages, the AFWCF Future Financial System Capabilities Initiative (AFWCFi) is defining the capabilities and requirements of the AFWCF financial processes to provide seamless financial information and successful financial management across the AF Enterprise.

Further, in the FY 2008 National Defense Authorization Act (NDAA) the Army was authorized to use its Working Capital Funds to conduct a pilot program for product improvement. In the FY 2013 NDAA, this authorization was expanded to all Services. As defined in the NDAA, “[a] product improvement covered by the pilot program is the procurement and installation of a retrofit, modernization, upgrade, or rebuild of a component or subsystem of a weapon system platform or major end item that would improve the reliability, availability, and maintainability, extend the useful life, enhance safety, lower maintenance costs, or provide performance enhancement of the weapon system platform or major end item.”

In lieu of conducting a new pilot program, the AFWCF has demonstrated an ongoing commitment to product improvement that exceeds goals of the pilot program described in the NDAA through its long-standing CSAG Supply Division and General Support Division (GSD) Sustaining Engineering program. This program funds the investigation and resolution of deficiencies in both reparable (CSAG Supply) and consumable (GSD) parts. These deficiencies include Safety of Flight issues; Obsolescence and Diminishing Manufacturing Sources and Material Shortages (DMSMS) issues; and Reliability, Availability, Maintainability (RAM) issues. In compliance with Section 323 of the FY 2016 National Defense Authorization Act, the AFWCF will obligate more than the minimum \$5.0 million for product improvements to components or subsystems in FY 2016 through this program.

### **Direct Appropriations**

In FY 2015, AFWCF received \$61.7 million in direct appropriation for Medical Dental WRM requirements. In FY 2016 Air Force received \$62.9 million in direct appropriation for Medical Dental. In FY 2017 Air Force requests a total of \$64.0 million in direct appropriations.

In FY 2015, TWCF received \$5.0 million in direct appropriation for Fallen Heroes. This amount is reduced to \$2.5 million for FY 2016 and \$0.0 for FY 2017.

## AFWCF Financial Summary

(Dollars in Millions)	FY 2015	FY 2016	FY 2017
Total Revenue	24,559.9	22,516.2	22,028.3
Cost of Goods Sold	23,671.7	22,580.1	22,747.9
Net Operating Result Adjustments <sup>1</sup>	(203.0)	(207.0)	9.8
Net Operating Result (NOR)	685.1	(270.8)	(709.9)
Accumulated Operating Result (AOR) <sup>2,3</sup>	931.9	639.0	(70.9)
Civilian End Strength	29,513	29,793	29,302
Military End Strength	11,824	12,243	12,301
Civilian Workyears	30,073	30,763	31,161
Military Workyears	10,467	10,959	11,018
Capital Budget	240.8	266.2	285.4
Direct Appropriation <sup>4</sup>	66.7	65.4	64.0

<sup>1</sup> FY2015 includes \$200 million cash transfer from AFWCF to Air Force Operations and Maintenance appropriation. FY2016 includes \$217 million cash transfer from AFWCF in compliance with P.L. 114-113.

<sup>2</sup> Includes Non-recoverable AOR Adjustment

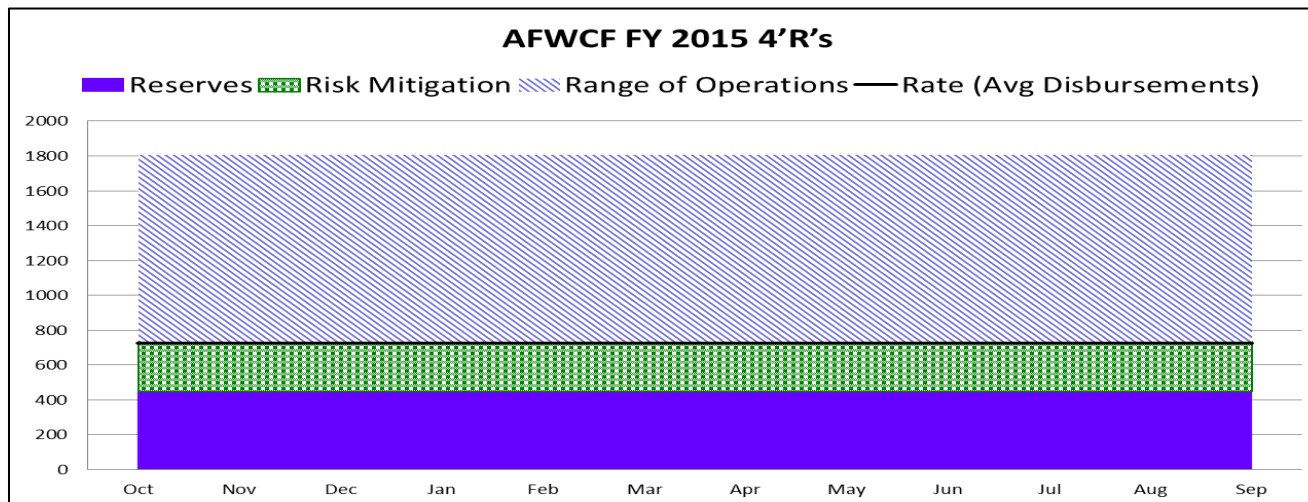
<sup>3</sup> The FY2017 \$71 million AOR loss is the result of TRANSCOM WCF \$33 million gain and Air Force 'Blue' WCF \$104 million loss. The Air Force 'Blue' loss will be recovered over two fiscal years. The TRANSCOM WCF gain will be returned over two fiscal years.

<sup>4</sup> Includes Medical-Dental War Reserve Material and Transportation of Fallen Heroes

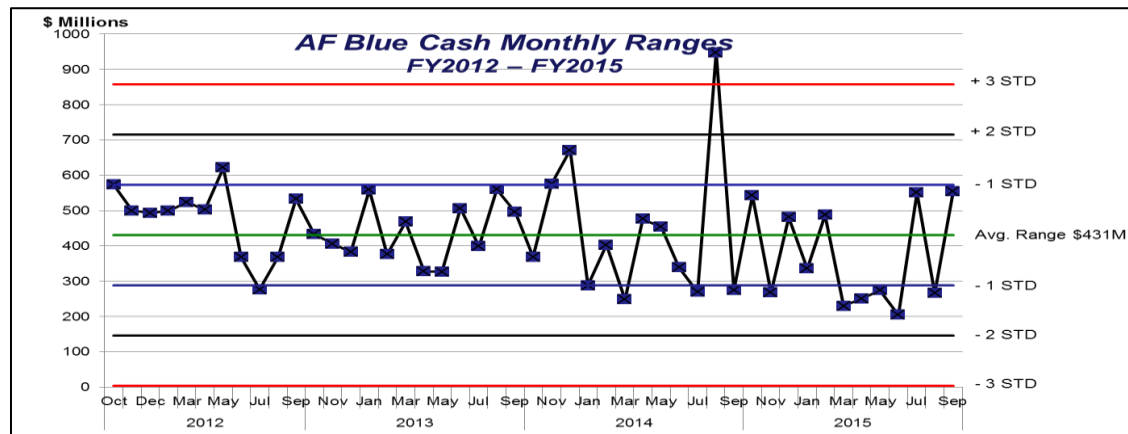
## Cash Management

As the Department of Defense modernizes its financial systems and moves toward a more transparent and auditable fiscal environment, a more rigorous approach to cash management is required. In recent years, the Department of Defense has been studying detailed cash data and evolving its cash management policy to support the future fiscal environment. This future environment includes more frequent visibility of cash balances in the U.S. Department of Treasury's system of record for financial data.

Thus, the Office of Under Secretary of Defense (Comptroller), Revolving Funds Directorate devised a new policy requiring WCF activities maintain positive cash balances throughout the year and an adequate ending balance to support continuing operations into the subsequent year. In determining required cash levels, Services/Agencies document average disbursements and the expected range of cash volatility, adjusted to accommodate seasonality, known changes in the business environment, and the inherent risk associated with estimation error and unplanned events outside management's control. The AFWCF FY 2017 budget estimates reflect these changes. The new methodology for calculating cash requirements consists of four elemental components: rate, range, risk mitigation, and reserves (colloquially, the 4R's).



The **Rate of Disbursement** for the AFWCF is based on projected annual disbursements divided by the total number of weighted annual collections, yielding the average amount disbursed between collection cycles. Thus the **Range of Operation** is the difference between the highest and lowest expected cash level based on budget assumptions and four years of historical disbursements (FY 2012 – FY 2015). For example, in FY 2015 the Rate of Disbursement is \$725.0 million. This amount reflects the volume of cash AFWCF disbursed on average between collection cycles (every 14 days on average). However, the average disbursement alone fails to address variances historically experienced day-to-day and throughout fiscal years. The table below depicts the significantly fluctuating monthly ranges of cash FY 2012 – FY 2015. Thus balances greater than the average disbursement per collection cycle must be maintained to prevent insolvency.



Cash **Reserves** are funds held for known future requirements. This element identifies cash on hand that must be kept for specific requirements that are not expected to disburse until subsequent fiscal years. For AFWCF, the first Reserve category is Accumulated Operating Results (gains) that are returned to customers by reducing annual rates in future fiscal years. The second Reserve supports unliquidated obligations of the Medical Dental Division’s Direct Appropriation for War Readiness Material that will outlay in future years. Lastly, cash is required to mitigate the inherent risk of unplanned and uncontrollable events. AFWCF **Risk Mitigation** addresses cash variability associated with unknown external variables and seasonal volatility.



FY 2012 - FY 2015 Air Force and DFAS generated daily cash reports manually, demonstrating high volatility and highlighting risk of insolvency. In May 2015 AFWCF began testing additional collection cycles with the goal of reducing day-to-day volatility to acceptable levels. Specifically, the CSAG Maintenance Division increased collections to three per month and the Supply Division increased to two cycles monthly for the largest customer account, Air Force Operation and Maintenance. A decrease in cash volatility during the test is expected; however, significant volatility is projected to remain due to frequency and timing differences in disbursement and collection cycles. Further, these additional collection cycles will not minimize cash fluctuations related to seasonal variance.

### **AFWCF & TWCF Cash Plans**

#### **AFWCF**

(Dollars in Millions)	FY 2015	FY2016	FY 2017
BOP Cash Balance	\$815.3	\$1,417.2	\$1,088.0
Disbursements	\$15,220.3	\$15,968.9	\$16,718.2
Collections	\$15,960.5	\$15,793.8	\$16,387.7
Transfers In/Out*	(\$200.0)	(\$217.0)	\$0.0
WRM	\$61.7	\$62.9	\$64.0
EOP Cash Balance	\$1,417.2	\$1,088.0	\$821.5
Lower Limit Cash Goal	\$734.8	\$734.8	\$737.6
Upper Limit Cash Goal	\$1,807.1	\$1,807.1	\$1,809.9

Numbers may not add due to rounding

In FY 2015, AFWCF cash increased from \$815.3 million to \$1,417.2 million. The lower and upper limits for this period are \$734.8 million and \$1,807.1 million, respectively. The balance reflects the impact of reprogramming \$200.0 million from AFWCF to the AF Operation and Maintenance appropriation. Cash surcharges were implemented in the FY 2015 PB for General Support and CSAG Supply Divisions in preparation of Treasury Daily Cash Reporting that was originally scheduled to initiate FY 2015, which slipped to FY 2016. Additionally, the CSAG-Supply Division's overhead costs for DLA services were less than budgeted and customer demand exceeded original plans, both contributing to cash growth.

In FY 2016, AFWCF cash decreases \$329.0 million, ending with a \$1,088.0 million balance. The cash decreases primarily due to returning to customers the gains CSAG-Supply, CSAG-Maintenance, and General Support Divisions realized in FY 2014. The decrease also reflects compliance with Public Law 114-113, resulting in a \$217.0 million transfer to the AF Operation and Maintenance appropriation. The projected operating range for this period is \$734.8 million to \$1,807.1 million.

Throughout FY 2017, AFWCF cash decreases from \$1,088.0 million to \$821.5 million. The projected operating range is \$737.6 million to \$1,809.9 million. The decline is the result of returning to customers gains realized in FY 2015. Cash balances also support the Treasury Department’s daily cash reporting initiative, while remaining within the upper limit.

**TWCF Cash**

(Dollars in Millions)	FY 2015	FY2016	FY 2017
BOP Cash Balance	713.9	1,011.8	1,015.1
Disbursements	8,133.9	7,010.2	6,373.0
Collections	8,426.8	7,045.0	6,114.0
Transfers In/Out*	0.0	-34.0	0.0
Direct Appropriations (Fallen Heroes)	5.0	2.5	0.0
EOP Cash Balance	1,011.8	1,015.1	756.1
Lower Limit Cash Goal	626.0	678.0	648.0
Upper Limit Cash Goal	1,307.0	1,271.0	1,188.0

In FY 2015, TWCF cash increased from \$713.9 million to \$1,011.8 million. The lower and upper limits for this period are \$626.0 million and \$1,307.0 million, respectively. The increase is primarily due to an increase in Special Assignment Airlift Mission/Contingency workload and higher POL workload.

In FY 2016, TWCF cash remains relatively stable. The ending projection of \$1,015.1 million reflects compliance with Public Law 114-113 resulting in a \$34 million transfer to Air Force Operation and Maintenance appropriation. The projected operating range for this period is \$678.0 million to \$1,271.0 million.

Throughout FY 2017, TWCF cash decreases from \$1,015.1 million to \$756.1 million. The projected operating range is \$648.0 million to \$1,188.0 million. The decline is the result of returning to customers gains realized in FY 2015. Cash balances also support the Treasury Department's daily cash reporting initiative, while remaining within the upper limit.

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***AIR FORCE  
WORKING CAPITAL FUND***



**U.S. AIR FORCE**

***OPERATING BUDGET***

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***AIR FORCE  
WORKING CAPITAL FUND***



**U.S. AIR FORCE**  
***CONSOLIDATED SUSTAINMENT***  
***ACTIVITY GROUP***

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## **Consolidated Sustainment Activity Group Fiscal Year (FY) 2017 Budget Estimates**

The Consolidated Sustainment Activity Group (CSAG) was formed in FY 2009 through the combination of the Depot Maintenance Activity Group (DMAG) and the Material Support Division (MSD) of the Supply Management Activity Group (SMAG). As divisions of CSAG, DMAG was renamed CSAG Maintenance Division, and MSD was renamed CSAG Supply Division. The intent of the consolidation was to improve customer support by efficiently working as one entity and eliminating internal billing between the two divisions. In support of the consolidation, billing ceased between the two divisions beginning in FY 2007. However, full financial integration of the two divisions required the development of an Enterprise Resource Planning (ERP) solution that would have the ability to seamlessly reconcile interdivisional transactions (i.e., revenue and expenses). With the suspension of the ERP solution, and in support of Financial Improvement and Audit Readiness (FIAR) goals, billing between the two CSAG divisions has resumed. The Maintenance Division began billing the Supply Division for repair services performed in FY 2014, and the Supply Division began billing the Maintenance Division for parts delivered in FY 2015. The two divisions will continue separate financial reporting under the CSAG umbrella.

The mission of CSAG is supply management of reparable and consumable items, as well as maintenance services. Reparable supply items are economically maintained through overhaul or repair. Consumable supply items are consumed in use or discarded when worn out or broken because they cannot be repaired economically. CSAG Maintenance Division and Supply Division services are executed under the Air Force Sustainment Center (AFSC) structure described in the AFWCF Overview. With supply chain management and depot maintenance functions in one organization, the AFSC analyzes and develops sustainment-wide procedures, processes, and metrics with the ultimate goal of increasing availability, capability, and affordability. This construct supports one of the Air Force's distinctive capabilities, Agile Combat Support, providing greater ability to posture for additional workload. It also preserves the viability of depot maintenance and the supply chain capabilities.

### **Maintenance Division**

The Maintenance Division repairs systems and spare parts to ensure readiness in peacetime and to provide sustainment for current Overseas Contingency Operations (OCO). In peacetime, the Air Force enhances readiness by efficiently and economically repairing, overhauling and modifying weapons systems and their components to meet customer demands. The

Maintenance Division's depots have unique skills and equipment required to support and overhaul both new, complex components as well as aging weapon systems. During Contingency Operations, the Air Force depots can surge repairs and realign capacity to support the war fighter's immediate needs.

The CSAG Maintenance Division ensures support of mission essential workloads and support of workloads that commercial sources cannot or will not perform. The division's services include repair, overhaul, and modification of aircraft, missiles, engines, engine modules and associated component items, exchangeable spare parts, and other major end-items. Other services include local manufacture, software maintenance, aircraft storage and reclamation, and support to base tenants.

Organic maintenance sites include:

- Ogden Air Logistics Complex (OO-ALC), Ogden UT
- Oklahoma City Air Logistics Complex (OC-ALC), Oklahoma City OK
- Warner Robins Air Logistics Complex (WR-ALC), Warner Robins GA
- Aerospace Maintenance and Regeneration Group (AMARG), Tucson AZ

## **Supply Division**

The Supply Division is responsible primarily for Air Force-managed, depot-level reparable spares and consumable spares unique to the Air Force. Reparable supply items are economically maintained through overhaul or repair. Consumable supply items are consumed in use or discarded when worn out or broken because they cannot be repaired economically. 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.

The Supply Division works to reduce the impact of Diminishing Manufacturing Sources and Material Shortages (DMSMS) and other obsolescence issues associated with aircraft fleets of 26.0 years average age. Due to fleet age, the number of parts with no qualified manufacturing or repair source is expected to increase over the next decade. Additionally, suppliers are increasingly unwilling or unable to produce and/or repair aging spare parts. To address these DMSMS and other obsolescence issues, the Supply Division re-engineers parts which can no longer be produced or repaired. The Supply Division also proactively identifies

parts for which availability is at risk due to DMSMS issues, taking appropriate action to minimize adverse impact to weapon system readiness.

## **CSAG Customer Base**

Maintenance and Supply customers include Air Force Major Commands (including Air National Guard & Air Force Reserves), the Army, the Navy, other WCF activities (i.e., Transportation Working Capital Fund), other government agencies, public-private partnerships, and foreign countries. The CSAG divisions also are customers of each other; Maintenance Division repairs parts for Supply Division while the Supply Division provides parts that the Maintenance Division uses in depot maintenance services.

## **CSAG Initiatives**

Both Maintenance Division and Supply Division realized significant improvement in key operational metrics since the standup of AFSC in FY 2012. AFSC utilizes a leadership model, the AFSC Way that emphasizes speed (productivity), safety, quality, and cost effectiveness in every process and every work center across the enterprise in order to achieve “art of the possible” results despite declining budgets and fiscal uncertainty. The AFSC Way uses scientific methods based on the theory of constraints, critical path, and lean principles to drive continual process improvement to increase speed (productivity), eliminate waste, and remove constraints in critical processes.

Initiatives continue within the CSAG-Supply Division to modernize processes. AFSC is transforming supply chain processes to improve weapon system and equipment availability and to deliver customer support with increased velocity. Continued emphasis is on cost control in order to provide the best value to the customer. Progress is being achieved and efforts continue identifying and resolving pricing and billing discrepancies; thus, improving asset visibility to reduce requisition redundancies and expediting asset movement via the distribution pipeline.

As an ongoing Supply Chain efficiency initiative crossing the Future Years Defense Program (FYDP), AFSC initiated Strategic Commodity Sourcing. Through this initiative, buy/repair contract vehicles and vendor sources are leveraged to optimize buying power of the Supply Management activities.

The AFSC also began an initiative to more precisely define material requirements. Termed “Accurate Supply Requirements,” it is a key component of cost effective readiness. Fundamentally, variability in spares requirements can cause both under and over-planning of resources, both of which eventually result in increased costs. Over-planning will result in unused capacity with higher than necessary fixed costs. Under-planning results in the need for expensive workarounds to ensure readiness goals are achieved. This initiative has improved the Demand Forecast Accuracy from 61% in FY 2014 to 65% in FY 2015, with a goal of 75% by the end of FY 2016. More accurate forecasts ensure that limited manpower, equipment, and consumable resources are more efficiently allocated in advance of execution; and therefore, are more efficiently utilized during execution year.

The AFSC is also pursuing cost-cutting initiatives within the Maintenance Division to reduce cost, improve performance, and increase availability of weapon systems. These improvements are critical to the Maintenance Division remaining a fundamental element of both readiness and sustainability by providing a cost effective, rapid repair capability. As a result, the Maintenance Division has achieved a composite sales rate reduction of 2.33% in FY 2016 and an additional reduction of 1.11% in FY 2017, restoring buying power to AFWCF customers. Cost savings measures include:

Material is the largest expense category for the Maintenance Division. Therefore, the AFSC’s Engineering Division led collaborative Cost Effective Engineering (CEE) initiatives to review, scrub, and update Direct Material requirements. Each Complex’s engineering office reviewed current testing processes, evaluated thresholds, analyzed repair versus replace options and examined reliability issues. At the end of FY 2015, the AFSC identified approximately \$28.0 million in Direct Material cost avoidance, contributing to the decrease in Maintenance Division’s FY 2017 composite sales rate. Labor is the second largest expense category for the Maintenance Division. The AFSC also identified an additional \$2.0 million in Labor cost avoidance by reducing the labor standards on Management of Items Subject to Repair (MISTR) items during the Iterative Pricing process.

## CSAG Financial and Performance Summary

<b>Financial Performance (\$ Millions)</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Total Revenue	12,168.2	11,865.5	12,402.8
Total Expenses (with Work In Progress)	11,778.0	11,931.8	12,603.0
Other Adjustments Affecting NOR and Other Changes	(169.1)	(191.9)	25.1
Net Operating Results	221.1	(258.2)	(175.0)
Non Recoverable Adjustments Impacting AOR	(299.8)	0.0	0.0
Accumulated Operating Results	329.0	70.8	(104.2)

With the establishment of CSAG in FY 2007, billing ceased between CSAG Maintenance and Supply. CSAG Maintenance and Supply utilized internal cash transfers to compensate each other in the interim while an Enterprise Resource Planning (ERP) solution capable of seamlessly reconciling interdivision transactions (revenue and expenses) was developed.

With the suspension of an ERP solution, and in support of Financial Improvement and Audit Readiness (FIAR) compliance goals, the billing between CSAG divisions has resumed (i.e., revenue/expense recognition). FY 2015 revenues and expenses now reflect CSAG Maintenance Division billing for repairs accomplished on behalf of CSAG Supply Division. Additionally, the figures include CSAG Supply Division billing CSAG Maintenance Division for parts demanded in support of depot maintenance and repairs. While CSAG revenue increased with this change, external customers were not impacted.

In the FY 2015 President's Budget (PB), a Non-Recoverable Adjustment Impacting AOR was incorporated to account for the operational impacts of not billing between CSAG-Maintenance and CSAG-Supply since FY 2007 and to reset the AOR for both divisions in preparation for reinstated billing. This adjustment ensured the FY 2015 PB AOR reflected "true" operational gains and losses at the division level. \$941.5 million was transferred from CSAG-Supply to CSAG-Maintenance Division and thus has no net impact at the CSAG level. Of this amount, \$379.2 million was a cash transfer and the remaining \$562.3 million was a non-cash transfer. The \$299.8 million adjustment shown in the table above was made in CSAG-Supply to sustain CSAG cash levels. No Non-Recoverable Adjustment Impacting AOR related to CSAG billing is projected for FY 2016 and FY 2017.

In FY 2015, Other Adjustments Affecting NOR and Other Changes includes \$200.0 million cash transfer from CSAG Supply to Air Force Operations and Maintenance appropriation and the net result of \$30.9 million from CSAG Maintenance's \$26.5 million non-recoverable depreciation and \$4.4 million adjustment to remove the depreciation expense taken against assets falling below the Capital Investment threshold.

As indicated in the Financial Performance table above, the FY 2016 Other Adjustments Affecting NOR and Other Changes totals negative \$191.9 million. This includes \$131.0 million cash transfer from CSAG Supply and \$85.9 million cash transfer from CSAG Maintenance in compliance with Public Law 114-113. Additionally, CSAG Maintenance has \$25.1 million non-recoverable depreciation in FY 2016 and FY 2017 respectively.

FY 2017 results in a negative \$104.2 million AOR rather than the traditional \$0.0, due to the impact of FY 2016 cash transfers out. This negative AOR will be recovered through the FY 2018 price change unless it becomes necessary to make a mid-year adjustment in FY 2016 or FY 2017 to maintain sufficient cash balance.

<b>Cash: (\$ Millions)</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
BOP Cash Balance	631.5	1,190.1	837.7
Disbursements	11,379.4	11,957.0	12,610.3
Collections	12,138.0	11,821.6	12,350.1
Net Transfers	(200.0)	(217.0)	0.0
Change in Cash	558.6	(352.4)	(260.3)
Cash Balance	1,190.1	837.7	577.4
Lower Range	563.9	606.9	586.3
Upper Range	1,365.6	1,430.8	1,426.1

The FY 2015 Net Transfer reflects reprogramming \$200.0 million from CSAG Supply to AF O&M. The FY 2016 Net Transfer is in compliance with Public Law 114-113.

<b>Stabilized Sales Rates and Prices</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Maintenance Composite Sales Rate per hour	285.56	279.05	275.95
Maintenance Rate Change <sup>(1)</sup>	(2.98%)	(2.33%)	(1.11%)
Supply Unit Cost	0.915	1.096	1.008
Supply Customer Price Change <sup>(2)</sup>	(1.15%)	(1.67%)	0.96%

<sup>(1)</sup>The CSAG Maintenance composite sales rate for FY 2016 reflects projected cost reductions in direct materials and overhead, as well as the return of the division's FY 2014 \$91.8 million gain, delivering savings to AFWCF customers. The reduction of 1.11% to the FY 2017 composite sales rate reflects continued cost control efforts associated with direct material and overhead.

<sup>(2)</sup>The formula used to compute the FY 2015 CSAG Supply Customer Price Change differed from prior years in compliance with draft Financial Management Regulation guidance. The FY 2015 Supply Customer Price Change was 5.99% using the traditional formula previously employed. In FY 2016 the Military Services were permitted to resume using the traditional method. The FY 2016 rate reflects the effects of a minimal increase in projected customer demand and a decrease in surcharge. Increased customer demand expands the base across which surcharge costs are recovered. Further, the surcharge was adjusted to return the division's FY 2014 gain, \$258.4 million, improving AFWCF customer's buying power. No gain giveback is projected for FY 2017. If not for the gain giveback in FY 2016, the FY 2017 Price Change would be -3.49%.

<b>CSAG Manpower Resources:</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Civilian End Strength	25,707	25,653	25,162
Civilian Full Time Equivalents	26,021	26,700	27,098
Military End strengths	224	224	224
Military Workyears	172	183	183

<b>Capital Investment Program Authority (\$Millions):</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Equipment – Weapon System Support/Test	141.8	138.7	138.5
ADPE & Telecom	9.5	0.0	8.1
Software Development	0.0	16.0	15.6
Minor Construction	6.3	8.0	9.1

<b>Sub-Total</b>	<b>157.6</b>	<b>162.7</b>	<b>171.4</b>
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<b>Maintenance Depot Six Percent Capital Investment Plan (\$Millions):</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Required Investment	243.8	284.4	338.1
Total Investment Budgeted	267.2	647.2	380.2
Percent Invested	6.6%	13.7%	6.7%

<b>Supply Customer Wait Time (CWT)</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Actual Performance	6.6		
Objective	7.5	7.5	7.5

Customer Wait Time (CWT) is the average number of days accrued from the time a customer orders a spare part until the part is received.

<b>Supply Stockage Effectiveness</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Actual Performance	80%		
Objective	83%	83%	83%

Stockage Effectiveness measures how often the supply system has available for immediate sale those items required at base and depot level supply locations.

<b>Supply Undelivered Orders (\$ Millions)</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Supply Division	3,866.4	3,709.3	3,780.0

Changes in undelivered orders are predominately due to adjustments in customer requirements and continuing transfers of consumable items from Supply Division to Defense Logistics Agency for management.



<b>Supply Item Quantity Requirements</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Number of Issues	1,938,565	1,718,293	1,718,293
Number of Receipts	1,705,713	1,614,555	1,614,555
Number of Requisitions <sup>(1)</sup>	478,490	501,704	501,704
Contracts Executed <sup>(2)</sup>	2,895	3,000	3,000
Purchase Inflation	3.00%	3.00%	3.00%
Items Managed	86,763	86,763	86,763

<sup>(1)</sup> Requisitions are lower than issues due to 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.

<sup>(2)</sup> Contracts containing multiple fund citations have been omitted because the current contracting system cannot distinguish Supply funding under those conditions. The Contracts Executed amounts are for buy or repair actions for items managed in CSAG-Supply Division.

<sup>(3)</sup> FY 2016 and FY 2017 issues, receipts, and requisitions are estimated based on historical averages.

<b>Maintenance Direct Production Earned Hours Produced</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
(Hours in Thousands)	22,695	22,987	23,436

Workload projections are expressed in Direct Production Earned Hours (DPEHs). This table includes DPEHs produced with overtime. DPEH is an hour earned by a direct employee against an established work order in the performance of depot work on an end item.

**Maintenance Due Date Performance and Quality Defect Rate**

	<b>Goal</b>	<b>FY 2015</b>	<b>FY2016</b>	<b>FY2017</b>
Due Date Performance <sup>(1)</sup>	95%	81%	95%	95%
Quality Defect Rate <sup>(2)</sup>	0.22	0.15	0.22	0.22

(1) The Due Date Performance (DDP) metric measures percentage of aircraft returned to customers on or before the agreed delivery date. The FY 2015 actual DDP of 81% reflects a variety of issues impacting late aircraft at the Depot Complexes: The F-15s were late at WR-ALC due to issues with daily standardized work along the critical path leading to late problematic finds and creating supportability issues. The C-130s were late at WR-ALC and OO-ALC as a result of excess Work In Progress (WIP) driving higher than planned queue time and repair-gates not meeting requirements. The C-17s were late at WR-ALC due to process discipline issues. And, the B-1s were late at OC-ALC due to production discipline issues, skills imbalance, and aging aircraft.

(2) The Quality Defect Rate measures the number of quality defects identified by the customer after the end-item is returned to the customer, expressed in defects per aircraft. The FY 2015 Quality Defect Rate of 0.15 exceeds the goal of 0.22.

Fund 2  
(Dollars in Millions)

Changes in the Cost of Operations  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

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**CSAG - Maintenance Division**

	FY2015 to FY2016	FY2016 to FY2017
<b>Cost of Operations</b>		
Organic BOP	6,270.994	6,467.394
Contract BOP	.000	.000
<b>Cost of Operations</b>	<b>6,270.994</b>	<b>6,467.394</b>
<b>ANNUALIZATION</b>		
Annualization of Civilian Pay	3.047	4.249
Annualization of Military Pay	.027	.034
<b>TOTAL ANNUALIZATION</b>	<b>3.074</b>	<b>4.283</b>
<b>PRICE CHANGES</b>		
Civilian Pay Raises	20.769	27.588
Military Pay Raises	.132	.162
Material Price Growth	(15.164)	113.353
Fuel Price Growth	(2.000)	(.426)
Other Growth	9.874	12.430
<b>TOTAL PRICE CHANGES</b>	<b>13.611</b>	<b>153.107</b>
<b>PRODUCTIVITY SAVINGS</b>		
Civilian Labor Savings	2.000	.000
Material/Supply Savings	29.000	.000
Reinvestment/Rate Reduction	(31.000)	.000
<b>TOTAL PRODUCTIVITY SAVINGS</b>	<b>.000</b>	<b>.000</b>
<b>PROGRAM CHANGES</b>		
Labor Workload	62.430	(6.016)
Material Workload	9.883	169.451
BOS	(3.316)	(.126)
Contract Changes	.000	.000
<b>TOTAL PROGRAM CHANGES</b>	<b>68.997</b>	<b>163.309</b>

Fund 2 CSAG - Maintenance Division

Fund 2  
(Dollars in Millions)

Changes in the Cost of Operations  
Air Force Working Capital Fund  
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**CSAG - Maintenance Division**

	FY2015 to FY2016	FY2016 to FY2017
<b>OTHER CHANGES</b>		
Data Systems Support	.365	.012
Data Systems Development	.361	(.033)
Equipment Depreciation	11.602	(2.702)
Minor Construction Depreciation	.236	(.041)
Data System Depreciation	2.338	(.537)
Travel & Transportation	2.225	(.062)
Communications	1.089	(.266)
Utilities	2.118	4.786
Equipment Rental	.048	.021
Printing & Equipment	(.403)	.001
Equip/Vehicle Rep & Maintenance	13.763	(5.576)
Custodial	.978	.004
Facility Maintenance	5.917	(12.206)
Training	1.808	(.084)
Environmental	.000	.000
Miscellaneous	(3.285)	(3.075)
<b>TOTAL OTHER CHANGES</b>	<b>39.162</b>	<b>(19.760)</b>
<b>TOTAL CHANGES</b>	<b>124.844</b>	<b>300.939</b>
<b>Cost of Operations</b>		
Organic EOP	6,395.838	6,768.333
<b>Total Cost of Operations</b>	<b>6,467.394</b>	<b>6,768.859</b>

Fund 6  
(Dollars in Millions)

Depot Maintenance Six Percent Capital Investment Plan  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

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CSAG - Maintenance Division

	REVENUE (Maintenance, Repair, Overhaul)			BUDGETED CAPITAL (Modernization, Efficiency)		
	3 Year Average					
	<u>2012-2014</u>	<u>2013-2015</u>	<u>2014-2016</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>
Revenue						
Working Capital Fund	4,063.832	4,739.513	5,634.473			
Appropriations	.000	.000	.000			
Total Revenue	4,063.832	4,739.513	5,634.473			
WCF Depot Maintenance Capital Investment						
Facility Restoration & Modernization <sup>1</sup>				49.760	69.990	68.410
Capital Investment Program				157.564	147.473	155.742
Other Equipment				.000	.000	.000
Processes/Productivity Enhancements <sup>2</sup>				8.533	8.800	8.800
Appropriated Funding						
MILCON (3300) <sup>3</sup>				8.600	148.000	17.000
Procurement Equipment (3010) <sup>4</sup>				42.780	272.930	130.260
Operation & Maintenance				.000	.000	.000
Investment Total				267.237	647.193	380.212
Minimum 6% Investment Amount				243.830	284.371	338.068
Investment Over/(Under) Requirement				23.407	362.822	42.143

1. Per FY 2012 National Defense Authorization Act (NDAA), sustainment of facilities is not included in the 6% calculation and has been removed from the line previously named "Facility Sustainment, Restoration & Modernization."

2. The Processes/Productivity Enhancements category addresses transitioning equipment/technology through prototyping, testing, demonstration, and production qualification to utilization in the depot production environment.

3. The figure in the FY 2016 Budgeted Capital column for MILCON in the amount of \$148 million includes two projects funded with FY 2015 MILCON, totalling \$111.0 million, which are budgeted to obligate in FY 2016. The two projects include \$48.0 million for the Depot Maintenance Complex Support Infrastructure and \$63.0 million for a two-bay Maintenance Hangar. The remaining FY 2016 project of \$37.0 million funds a Depot Maintenance Dock. All of these projects are in support of the KC-46 Depot Maintenance Complex at Tinker AFB.

4. Efforts funded with Aircraft Procurement (3010) include: support equipment development, procurement, installation and validation; tooling manufacturing and modification; software licensing and testing; engineering support; test equipment; and repair manuals.

5. The CSAG Maintenance Division information above reflects the following Air Logistics Complex (ALC) investments:  
 Oklahoma City ALC: FY 2015 \$124.2 million (6.4%); FY 2016 \$335.7 million (14.6%); FY 2017 \$161.0 million (5.8%)  
 Ogden ALC: FY 2015 \$84.1 million (9.2%); FY 2016 \$176.5 million (15.7%); FY 2017 \$116.9 million (8.5%)  
 Warner Robins ALC: FY 2015 \$58.9 million (4.9%); FY 2016 \$134.9 million (10.3%); FY 2017 \$102.3 million (7.0%)

Fund 11  
(Dollars in Millions)

Source of New Orders and Revenue  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
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**CSAG**

	FY2015	FY2016	FY2017
<b>1. New Orders</b>			
<b>a. Orders From DOD Components:</b>			
<b>(1) Air Force</b>			
(a) Aircraft Procurement	223.343	248.465	289.232
(b) Missile Procurement	9.408	1.070	1.092
(c) Other Procurement	.000	.000	.000
(d) Military Construction	.000	.000	.000
(e) Operations & Maintenance - AF (w/OCO)	4,506.118	4,158.321	4,179.098
(f) Operations & Maintenance - AFRC (w/OCO)	518.491	485.617	604.477
(g) Operations & Maintenance - ANG (w/OCO)	1,334.781	1,484.615	1,412.862
(h) Research & Development - AF	130.969	139.312	165.955
(i) Military Personnel - AF	.000	.000	.000
(j) Reserve Personnel - AF	.000	.000	.000
(k) Guard Personnel - ANG	.000	.000	.000
(l) Family Housing	.000	.000	.000
(m) Special Trust Funds	.000	.000	.000
(n) Other Air Force	.000	.000	.000
(o) Other	.000	.000	.000
<b>Total Air Force</b>	<b>6,723.109</b>	<b>6,517.399</b>	<b>6,652.717</b>
(2) Army	31.290	22.984	24.297
(3) Navy	261.026	243.757	256.342
(4) Marine Corps	1.490	1.106	1.118
(5) MAP/Grant Aid	.000	.000	.000
(6) Other DOD	281.053	192.184	268.928
<b>Total DOD excluding WCF</b>	<b>7,297.967</b>	<b>6,977.430</b>	<b>7,203.403</b>
<b>b. Orders From Other Fund Activity Groups</b>			
(1) AF Supply Mgmt Activity Group - Retail	69.333	86.539	87.664
(2) Transportation Activity Group - TRANSCOM	301.471	312.972	315.625
(3) Other WCF Activity Groups	2.426	1.685	2.750
(4) Commissary, Sur. Coll.	.000	.000	.000
(5) AF CSAG - Supply (Supply Orders to Maintenance)	2,395.618	2,401.627	2,298.427
(6) AF CSAG - Maintenance (Maintenance Orders to Supply)	1,729.987	1,691.209	1,859.438
<b>Total Other Fund Activity Groups</b>	<b>4,498.835</b>	<b>4,494.032</b>	<b>4,563.904</b>
<b>c. Other Internal to AF Consolidated Sustainment Activity Group</b>			
(1) Internal Material Transfer Orders (Maintenance Orders to Supply)	.000	.000	.000
(2) Internal Material Repair Orders (Supply Orders to Maintenance)	.000	.000	.000
<b>Total Internal AF Consolidated Sustainment Activity Group</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>

Fund 11  
(Dollars in Millions)

Source of New Orders and Revenue  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
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**CSAG**

	FY2015	FY2016	FY2017
<b>d. Grand Total DOD</b>	<b>11,796.802</b>	<b>11,471.461</b>	<b>11,767.307</b>
<b>e. Other Orders</b>			
(1) Other Federal Agencies	23.562	24.630	31.345
(2) Non Federal Agencies	326.959	408.520	455.049
(3) FMS	277.844	179.115	233.391
<b>Total Other Orders</b>	<b>628.365</b>	<b>612.265</b>	<b>719.786</b>
<b>Total New Gross Orders</b>	<b>12,425.167</b>	<b>12,083.726</b>	<b>12,487.093</b>
<b>Total New External Orders (Total New Gross Orders minus 1c. Total Internal AF CSAG)</b>	<b>12,425.167</b>	<b>12,083.726</b>	<b>12,487.093</b>
<b>2. Carry-In Orders</b>	<b>2,392.518</b>	<b>2,324.170</b>	<b>2,367.043</b>
a. Carry-over Execution Adjustment	(108.005)	1.263	.000
<b>3. Total Gross Orders</b>	<b>14,817.685</b>	<b>14,407.896</b>	<b>14,854.135</b>
a. Less Internal Material Transfer Orders (Maintenance Orders to Supply)	.000	.000	.000
b. Less Internal Material Repair Orders (Supply Orders to Maintenance)	.000	.000	.000
<b>Total External Gross Orders</b>	<b>14,817.685</b>	<b>14,407.896</b>	<b>14,854.135</b>
<b>4. Gross Revenue</b>	<b>12,385.510</b>	<b>12,042.116</b>	<b>12,593.385</b>
<b>5. End of Year W-I-P</b>	<b>1.890</b>	<b>.752</b>	<b>.752</b>
<b>6. Total Exclusion</b>			
Exclusion (FMS, BRAC, Other Federal & Agency, Non-Federal)	164.227	262.050	250.644
Exclusion (Late Inducted Orders)	.000	.000	.000
<b>Total Exclusion (sum of above exclusions)</b>	<b>164.227</b>	<b>262.050</b>	<b>250.644</b>
<b>7. Funded Carryover</b>	<b>2,158.053</b>	<b>2,104.242</b>	<b>2,009.355</b>

Fund 11A  
(Dollars in Millions)

Carryover Reconciliation  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
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**CSAG - Maintenance Division**

External Orders	FY2015	FY2016	FY2017
Gross Carry-in	2,270.001	2,188.133	2,212.205
Adjustments to Carry-In During Execution	(108.005)	1.263	0.000
WIP	0.662	0.757	0.752
1 Net Carry-in	2,161.334	2,188.640	2,211.454
2 Revenue (Billings)	6,370.579	6,521.915	6,643.611
3 New Orders	6,396.717	6,544.724	6,525.269
4 Exclusion (FMS, BRAC, Other Federal Agencies, Non-Federal Agencies)	405.492	467.617	502.037
Exclusion (Unplanned Orders, Inducted Late)	0.000	0.000	0.000
Exclusion Adjustment	0.000	0.000	0.000
Total Exclusion (FMS, BRAC, Other Federal Agencies, Non-Federal Agencies)	405.492	467.617	502.037
5 Orders for Carry-over Calculation	5,991.224	6,077.108	6,023.233
6 Weighted Composite Outlay Rate (New Orders)	66.90%	66.59%	67.99%
7 Carry-over Rate (New Orders)	33.10%	33.41%	32.01%
Carry-over Rate (Prior Year Multi-Year Funds)	63.66%	64.86%	63.29%
Carry-over Rate (Prior Year Software)	24.26%	21.34%	9.29%
8 Allowable Carry-over (New Orders)	1,983.374	2,030.617	1,928.160
Allowable Carry-over (Prior Year Multi-Year Funds)	95.491	98.808	69.581
Allowable Carry-over (Prior Year Software)	141.362	114.287	50.748
Total Allowable Carry-over	2,220.227	2,243.712	2,048.489
9 Unbilled Balance	2,188.133	2,212.205	2,093.864
Exclusion Adjustment	0.000	0.000	0.000
Total Unbilled Balance	2,188.133	2,212.205	2,093.864
10 Work-in-Process Carry-over	0.757	0.752	0.752
11 Actual Carry-over	2,187.377	2,211.454	2,093.112
Exclusion (FMS, BRAC, Other Federal & Agency, Non-Federal)	164.227	262.050	250.644
Exclusion (Late Inducted Orders)	0.000	0.000	0.000
12 Calculated Actual Carry-over	2,023.150	1,949.404	1,842.469
Excess Carryover (Negative number best)	(197.077)	(294.308)	(206.020)



Fund 14  
(Dollars in Millions)

Revenue and Expenses  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

**CSAG**

	FY2015	FY2016	FY2017
<b>Revenue:</b>			
<b>Income:</b>			
Maintenance Division	6,370.579	6,521.915	6,643.611
Supply Division (Material Gross Sales)	6,014.931	5,520.201	5,949.774
Less Credit Returns	271.196	211.163	227.595
<b>Total Income</b>	<b>12,114.313</b>	<b>11,830.953</b>	<b>12,365.790</b>
Depreciation Offset (Major Construction)	.000	.000	.000
Other Revenue	53.899	34.561	37.022
<b>Total Other Revenue</b>	<b>53.899</b>	<b>34.561</b>	<b>37.022</b>
<b>Total Revenue</b>	<b>12,168.212</b>	<b>11,865.514</b>	<b>12,402.811</b>
<b>Expenses:</b>			
<b>Maintenance Division</b>			
<b>Cost of Repair (Direct and POH Costs)</b>			
Labor	1,980.041	2,030.453	2,057.085
Material	3,315.389	3,328.478	3,611.937
Depreciation	.000	.000	.000
Depreciation of Equipment, ADPE & Telecom, Minor Construction, and Software	125.181	135.979	133.073
Depreciation of Other Fixed Assets	.000	.000	.000
Subtotal Depreciation	125.181	135.979	133.073
Subtotal Labor, Material, and Depreciation	5,420.612	5,494.910	5,802.096
Remaining Direct and POH Costs	397.140	440.385	439.405
<b>Total Cost of Repair (Direct and POH Costs)</b>	<b>5,817.752</b>	<b>5,935.294</b>	<b>6,241.500</b>
<b>Supply Division</b>			
Cost of Material Sold	240.347	217.787	236.978
Cost of Material Repair	3,638.809	3,512.195	3,710.836
Condemnation Material Expense Recovery (CMER)	721.042	653.362	710.934
Other Expenses	36.592	34.561	37.022
<b>Subtotal Material &amp; Other Expenses</b>	<b>4,636.791</b>	<b>4,417.905</b>	<b>4,695.770</b>
<b>Operating Expenses</b>			
Military Personnel	7.804	7.269	7.551
Civilian Personnel	389.272	445.393	442.285
Travel & Transportation of People	3.560	5.039	5.061

Fund 14  
(Dollars in Millions)

Revenue and Expenses  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

**CSAG**

	FY2015	FY2016	FY2017
Materials & Supplies	31.691	40.669	39.154
Equipment	42.676	50.904	46.246
Other WCF Purchases	213.938	283.164	293.060
Transportation of Things	73.642	84.381	83.727
Depreciation - Capital	12.839	15.350	16.255
Depreciation of Other Fixed Assets	26.456	25.140	25.140
Printing and Reproduction	.849	.914	.933
Advisory and Assistance Services	32.066	36.490	38.838
Rent, Comm, Utilities and Misc Charges	70.519	69.772	73.455
Other Purchased Services	414.581	512.998	593.979
Total Operating Expenses	1,319.893	1,577.484	1,665.684
Total Expenses	11,774.435	11,930.683	12,602.954
Work in Process, Beginning of Year	5.449	1.890	.752
Work in Process, End of Year	1.890	.752	.752
Work in Process, Change	(3.559)	(1.139)	.000
Total Expenses Adjusted for Work in Process	11,777.994	11,931.822	12,602.954
Operating Results (Net Operating Results on 1307 - Line 11)	390.217	(66.308)	(200.143)
Less Capital Surcharge Reservation	.000	.000	.000
Plus Passthroughs or Other Approps (NOR)	.000	.000	.000
Other Adjustments Affecting NOR and Other Changes*	(169.115)	(191.860)	25.140
Net Operating Result (Recoverable NOR on 1307 - Line 13)	221.102	(258.168)	(175.003)
Prior Year Adjustments	.000	.000	.000
Other Changes Affecting AOR	.000	.000	.000
Prior Year AOR	407.724	329.007	70.840
Accumulated Operating Result	628.826	70.840	(104.163)
Non-Recoverable Adjustment Impacting AOR**	(299.819)	.000	.000
Accumulated Operating Result for Budget Purposes	329.007	70.840	(104.163)

\*In FY 2015, Other Adjustments Affecting NOR and Other Changes includes (\$200.0 million) cash transfer from CSAG Supply to Air Force Operations and Maintenance appropriation and the net result of \$30.9 million from CSAG Maintenance's \$26.5 million non-recoverable depreciation and \$4.4 million adjustment to remove the depreciation expense taken against assets falling below the Capital Investment threshold.

\*In FY 2016, Other Adjustments Affecting NOR and Other Changes includes (\$131.0 million) cash transfer from CSAG Supply and (\$85.9 million) cash transfer from CSAG Maintenance in compliance with Public Law 114-113. Additionally, CSAG Maintenance has \$25.1 million non-recoverable depreciation. In FY 2017, CSAG Maintenance has \$25.1 million non-recoverable depreciation.

\*\*The FY 2015 Non-Recoverable Adjustments Impacting AOR is required to maintain sufficient cash levels in support of Treasury Department's Daily Cash Reporting Initiative.

Fund 16  
(Dollars in Millions)

Material Inventory Data  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

**CSAG - Maintenance Division**

	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>
<b>1. Material Inventory BOP</b>	<b>118.325</b>	<b>131.551</b>	<b>131.551</b>
<b>2. A. BOP Reclassification Changes</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>
<b>B. Adjust to Standard Prices</b>	<b>13.226</b>	<b>.000</b>	<b>.000</b>
<b>3. A. Price Changes</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>
<b>B. Inventory Reclass &amp; Repriced</b>	<b>131.551</b>	<b>131.551</b>	<b>131.551</b>
<b>4. Receipts from Material Purchases</b>	<b>3,317.104</b>	<b>3,341.156</b>	<b>3,628.847</b>
<b>5. Negotiated Purchases from Customers</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>
<b>6. Gross Sales</b>	<b>3,317.104</b>	<b>3,341.156</b>	<b>3,628.847</b>
<b>7. Inventory Adjustments</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>
<b>8. Inventory - End of Period</b>	<b>131.551</b>	<b>131.551</b>	<b>131.551</b>
<b>A. Economic Retention (Memo)</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>
<b>B. Policy Retention (Memo)</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>
<b>C. Potential Excess (Memo)</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>
<b>D. Other (Memo)</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>
<b>9. Inventory On Order (EOP)</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>

SM-1  
(Dollars in Millions)

Supply Management Summary  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

CSAG - Supply Division

	Obligation Targets								
	Net Customer Orders	Net Sales	Operating	WRM Direct Appn	Direct Reimbursables (Initial Spares)	Total Operating Obligations	Total Capital Obligations	Variability Target	Target Total
FY2015	5,757.254	5,743.734	5,257.600	.000	22.512	5,280.112	.000	800.000	6,080.112
FY2016	5,327.839	5,309.038	5,817.833	.000	53.680	5,871.513	15.259	800.000	6,686.772
FY2017	5,734.228	5,722.179	5,766.599	.000	58.188	5,824.787	15.634	500.000	6,340.421

SM-3B  
(Dollars in Millions)

Weapons System Funding  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

CSAG - Supply Division

FY2015	Reparable Buy	Consumable Buy	Total Buy	Initial Spares	Internal/Organic Repair	Cost Authority Contract Repair	Total Repair	Total	NMCRS Percent
A-10	24.175	2.731	26.906	0.000	72.463	21.692	94.155	121.061	9.3%
B-1B	48.818	22.903	71.721	15.912	173.580	44.842	218.422	306.055	20.5%
B-2	65.016	2.413	67.428	.809	20.408	31.586	51.994	120.231	17.4%
B-52	54.784	(2.475)	52.309	1.610	113.907	17.814	131.721	185.640	13.4%
C-5	14.126	.766	14.892	0.000	96.686	8.566	105.252	120.144	11.2%
C-17	0.000	0.000	0.000	0.000	.251	.119	.371	.371	4.2%
C-130	22.404	2.948	25.352	0.000	127.878	162.822	290.700	316.052	8.1%
C-135	71.445	4.024	75.468	4.181	405.003	140.411	545.414	625.063	8.0%
C-141	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
E-3	7.555	1.208	8.763	0.000	72.830	11.791	84.621	93.384	8.6%
E-4	0.000	0.000	0.000	0.000	.607	.016	.622	.622	1.2%
E-8	.270	0.000	.270	0.000	8.595	.421	9.016	9.286	8.9%
F-4	.000	.008	.008	0.000	.989	.111	1.100	1.098	0.0%
F-15	53.169	4.294	57.463	0.000	216.555	24.232	240.788	298.251	12.8%
F-16	25.907	18.804	44.711	0.000	261.506	33.081	294.587	339.298	11.4%
F100 Engines	21.127	48.689	69.816	0.000	365.122	18.869	383.991	453.807	0.0%
F110 Engines	8.342	17.055	25.397	0.000	86.873	1.597	88.470	113.867	0.0%
F-22	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	14.0%
F-35	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	17.8%
F-111	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
F-117	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
H-1	5.444	.200	5.645	0.000	.149	22.017	22.166	27.811	8.0%
H-3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
H-53	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
H-60	1.754	.923	2.678	0.000	.135	9.539	9.674	12.351	6.3%
Trainers	6.947	6.702	13.649	0.000	12.944	16.212	29.156	42.805	7.5%
Other Aircraft	5.947	.150	6.097	0.000	1.079	8.351	9.430	15.527	6.8%
SOF	.010	.109	.120	0.000	3.044	49.592	52.637	52.756	11.1%
Common	31.981	6.047	38.028	0.000	183.878	63.863	247.741	285.769	0.0%
Common EW	46.395	.295	46.690	0.000	29.098	32.148	61.246	107.935	0.0%
Missiles	5.880	3.401	9.281	0.000	19.010	11.655	30.664	39.945	0.0%
Other	4.927	.708	5.635	0.000	11.467	43.752	55.218	60.853	0.0%
NIMSC5	0.000	0.000	0.000	0.000	0.000	326.285	326.285	326.285	0.0%
New WS Fund 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
RSP	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
JEIM	0.000	0.000	0.000	0.000	96.884	0.000	96.884	96.884	0.0%
Local Manufacture Buy	0.000	0.000	0.000	0.000	14.677	0.000	14.677	14.677	0.0%
AMARG	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
Org Sustaining Engrg	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
PBL	0.000	0.000	0.000	0.000	0.000	122.630	122.630	122.630	0.0%
<b>Total</b>	<b>526.423</b>	<b>141.903</b>	<b>668.326</b>	<b>22.512</b>	<b>2,395.618</b>	<b>1,224.016</b>	<b>3,619.633</b>	<b>4,310.471</b>	<b>9.8%</b>

SM-3B  
(Dollars in Millions)

Weapons System Funding  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

CSAG - Supply Division

FY2016	Reparable Buy	Consumable Buy	Total Buy	Initial Spares	Internal/Organic Repair	Cost Authority Contract Repair	Total Repair	Total	NMCRS Percent
A-10	20.651	1.346	21.997	0.000	73.924	24.126	98.050	120.047	8.3%
B-1B	67.400	19.494	86.894	5.712	177.080	57.592	234.672	327.278	21.4%
B-2	27.391	3.032	30.423	2.000	20.819	45.958	66.777	99.200	15.7%
B-52	36.475	(4.145)	32.330	6.611	116.203	14.744	130.947	169.889	12.9%
C-5	26.873	1.534	28.407	0.000	98.635	16.038	114.673	143.080	10.2%
C-17	0.000	0.000	0.000	0.000	.256	.470	.726	.726	3.9%
C-130	45.683	3.914	49.597	0.000	130.457	152.419	282.876	332.473	7.6%
C-135	131.254	3.993	135.247	10.496	413.169	156.420	569.589	715.333	8.7%
C-141	.014	0.000	.014	0.000	0.000	0.000	0.000	.014	0.0%
E-3	13.043	2.122	15.165	2.755	74.299	10.904	85.203	103.123	7.3%
E-4	0.000	0.000	0.000	0.000	.619	.022	.641	.641	1.1%
E-8	.727	0.000	.727	0.000	8.769	.413	9.182	9.909	9.4%
F-4	.002	0.000	.002	0.000	1.009	.005	1.014	1.016	0.0%
F-15	76.856	5.731	82.587	23.602	220.922	26.965	247.887	354.076	12.4%
F-16	25.697	26.392	52.089	0.000	266.779	25.760	292.539	344.628	11.1%
F100 Engines	93.235	58.529	151.764	0.000	372.484	49.424	421.908	573.672	0.0%
F110 Engines	11.216	10.358	21.574	0.000	88.625	1.553	90.178	111.752	0.0%
F-22	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.8%
F-35	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	18.4%
F-111	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
F-117	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
H-1	1.808	.003	1.811	0.000	.152	14.860	15.012	16.823	6.5%
H-3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
H-53	.006	0.000	.006	0.000	0.000	0.000	0.000	.006	0.0%
H-60	3.522	1.598	5.120	0.000	.137	9.727	9.864	14.985	6.7%
Trainers	11.903	8.442	20.345	0.000	13.205	16.029	29.234	49.579	7.9%
Other Aircraft	2.808	.203	3.011	0.000	1.100	8.924	10.024	13.036	6.1%
SOF	1.107	.090	1.197	0.000	3.106	43.510	46.616	47.813	6.3%
Common	49.274	8.108	57.382	2.504	187.586	56.985	244.571	304.457	0.0%
Common EW	12.485	.894	13.379	0.000	29.684	15.522	45.206	58.585	0.0%
Missiles	9.991	6.167	16.158	0.000	19.393	3.446	22.839	38.997	0.0%
Other	6.249	.367	6.616	0.000	11.698	36.682	48.380	54.996	0.0%
NIMSC5	0.000	0.000	0.000	0.000	0.000	318.774	318.774	318.774	0.0%
New WS Fund 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
RSP	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
JEIM	0.000	0.000	0.000	0.000	144.800	0.000	144.800	144.800	0.0%
Local Manufacture Buy	0.000	0.000	0.000	0.000	20.333	0.000	20.333	20.333	0.0%
AMARG	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
Org Sustaining Engrg	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
PBL	0.000	0.000	0.000	0.000	0.000	103.125	103.125	103.125	0.0%
Total	675.671	158.172	833.843	53.680	2,495.243	1,210.397	3,705.640	4,593.163	9.7%

SM-3B  
(Dollars in Millions)

Weapons System Funding  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

CSAG - Supply Division

FY2017	Reparable Buy	Consumable Buy	Total Buy	Initial Spares	Internal/Organic Repair	Cost Authority Contract Repair	Total Repair	Total	NMCRS Percent
A-10	8.666	1.140	9.806	0.000	67.257	19.057	86.314	96.120	8.6%
B-1B	42.754	18.598	61.352	7.267	156.279	70.608	226.887	295.506	21.2%
B-2	217.943	3.093	221.036	2.296	20.984	53.617	74.601	297.933	15.6%
B-52	22.530	(3.640)	18.890	6.952	118.949	17.679	136.628	162.470	13.2%
C-5	21.689	1.369	23.058	0.000	94.623	14.199	108.822	131.880	10.5%
C-17	.004	0.000	.004	0.000	.248	.517	.765	.769	3.9%
C-130	29.831	3.997	33.828	0.000	128.623	161.570	290.193	324.021	7.7%
C-135	106.411	4.333	110.744	10.512	356.440	161.356	517.796	639.052	8.8%
C-141	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
E-3	7.833	1.560	9.393	18.427	68.339	10.199	78.538	106.358	7.4%
E-4	.043	0.000	.043	0.000	.600	.059	.659	.702	1.2%
E-8	.914	0.000	.914	0.000	9.579	.334	9.913	10.827	8.8%
F-4	.005	0.000	.005	0.000	1.243	.010	1.253	1.258	0.0%
F-15	23.606	6.291	29.897	10.901	214.923	30.634	245.557	286.355	12.6%
F-16	26.408	29.124	55.532	1.833	263.844	29.142	292.986	350.351	11.2%
F100 Engines	143.139	67.555	210.694	0.000	448.118	48.601	496.719	707.413	0.0%
F110 Engines	12.855	11.853	24.708	0.000	61.623	1.464	63.087	87.795	0.0%
F-22	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.0%
F-35	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	18.4%
F-111	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
F-117	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
H-1	2.238	.036	2.274	0.000	.150	15.896	16.046	18.320	6.5%
H-3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
H-53	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
H-60	1.980	.792	2.772	0.000	.133	10.340	10.473	13.245	6.2%
Trainers	6.341	15.531	21.872	0.000	14.564	19.148	33.712	55.584	7.8%
Other Aircraft	2.419	.185	2.604	0.000	1.211	10.056	11.267	13.871	6.2%
SOF	.498	.082	.580	0.000	3.182	48.904	52.086	52.666	5.9%
Common	36.220	7.507	43.727	0.000	190.620	65.552	256.172	299.899	0.0%
Common EW	3.915	.877	4.792	0.000	29.108	16.886	45.994	50.786	0.0%
Missiles	6.987	4.039	11.026	0.000	18.985	2.156	21.141	32.167	0.0%
Other	7.670	.385	8.055	0.000	11.335	39.529	50.864	58.919	0.0%
NIMSC5	0.000	0.000	0.000	0.000	0.000	331.647	331.647	331.647	0.0%
New WS Fund 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
RSP	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
JEIM	0.000	0.000	0.000	0.000	155.204	0.000	155.204	155.204	0.0%
Local Manufacture Buy	0.000	0.000	0.000	0.000	20.956	0.000	20.956	20.956	0.0%
AMARG	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
Org Sustaining Engrg	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
PBL	0.000	0.000	0.000	0.000	0.000	103.070	103.070	103.070	0.0%
Total	732.899	174.707	907.606	58.188	2,457.120	1,282.230	3,739.350	4,705.144	9.7%

SM-4  
(Dollars in Millions)

Inventory Status  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

CSAG - Supply Division

FY2015	Total	Mobil	Peacetime Operating	Peacetime Other
1. Inventory BOP	21,568.422	.000	16,823.369	4,745.053
2. BOP Inventory Adjustments				
a. Reclassification Change (Memo)	.000	.000	.000	.000
b. Price Change Amount (Memo)	(704.324)	.000	(549.373)	(154.951)
c. Inv Reclassified & Repriced	20,864.098	.000	16,273.996	4,590.102
3. Receipts at MAC	1,748.876	.000	1,364.123	384.753
4. Sales at Standard	3,475.613	.000	2,710.978	764.635
5. Inventory Adjustments				
a. Capitalization + or (-)	142.881	.000	111.447	31.434
b. Returns from Customers for Credit	312.224	.000	243.535	68.689
c. Returns from Customers w/o Credit	4,078.489	.000	3,181.221	897.268
d. Returns to Suppliers (-)	(341.694)	.000	(266.521)	(75.173)
e. Transfers to Property Disposal (-)	(4,496.233)	.000	(3,507.062)	(989.171)
f. Issues/Receipts w/o Reimbursement	741.760	.000	578.573	163.187
g. Other Adjustments				
1. Destruct, Shrink, Deteriorations, etc.	(36.481)	.000	(28.455)	(8.026)
2. Discounts on Returns	(362.823)	.000	(283.002)	(79.821)
3. Trade-ins	.000	.000	.000	.000
4. Loss from Disaster	.000	.000	.000	.000
5. Assembly/Disassembly	140.561	.000	109.637	30.923
6. Physical Inventory Adj	195.707	.000	152.652	43.056
7. Accounting Adjustments	631.448	.000	492.530	138.919
8. Shipment Discrepancies	(98.152)	.000	(76.558)	(21.593)
9. Other Gains/Losses	882.039	.000	687.990	194.049
10. Strata Transfers	.000	.000	.000	.000
11. Strata Transfers in Transit	.000	.000	.000	.000
12. Other Adjustments - Total	1,352.299	.000	1,054.793	297.506
h. Total Adjustments	1,789.727	.000	1,395.987	393.740
6. Inventory EOP	20,927.087	.000	16,323.128	4,603.959
7. Inventory EOP, Revalued (MAC, Discounted)	20,927.087	.000	16,323.128	4,603.959
a. Economic Retention (Memo)	2,720.465	.000	2,121.962	598.502
b. Contingency Retention (Memo)	2,015.942	.000	1,572.435	443.507
c. Potential DOD Reutilization (Memo)	24.870	.000	19.398	5.471
8. Inventory on Order Cost EOP (Memo)	3,866.423	.000	3,015.810	850.613

SM-4 CSAG - Supply Division



SM-4  
(Dollars in Millions)

Inventory Status  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

CSAG - Supply Division

FY2016	Total	Mobil	Peacetime Operating	Peacetime Other
1. Inventory BOP	20,927.087	.000	16,323.128	4,603.959
2. BOP Inventory Adjustments				
a. Reclassification Change (Memo)	.000	.000	.000	.000
b. Price Change Amount (Memo)	(729.174)	.000	(568.755)	(160.418)
c. Inv Reclassified & Repriced	20,197.913	.000	15,754.372	4,443.541
3. Receipts at MAC	1,650.613	.000	1,287.478	363.135
4. Sales at Standard	3,405.479	.000	2,656.274	749.205
5. Inventory Adjustments				
a. Capitalization + or (-)	167.766	.000	130.857	36.908
b. Returns from Customers for Credit	196.330	.000	153.138	43.193
c. Returns from Customers w/o Credit	3,762.504	.000	2,934.753	827.751
d. Returns to Suppliers (-)	(325.901)	.000	(254.203)	(71.698)
e. Transfers to Property Disposal (-)	(3,372.731)	.000	(2,630.730)	(742.001)
f. Issues/Receipts w/o Reimbursement	473.884	.000	369.630	104.254
g. Other Adjustments				
1. Destruct, Shrink, Deteriorations, etc.	(22.286)	.000	(17.383)	(4.903)
2. Discounts on Returns	(349.368)	.000	(272.507)	(76.861)
3. Trade-ins	.000	.000	.000	.000
4. Loss from Disaster	.000	.000	.000	.000
5. Assembly/Disassembly	159.903	.000	124.724	35.179
6. Physical Inventory Adj	152.932	.000	119.287	33.645
7. Accounting Adjustments	262.685	.000	204.894	57.791
8. Shipment Discrepancies	(133.797)	.000	(104.362)	(29.435)
9. Other Gains/Losses	478.860	.000	373.511	105.349
10. Strata Transfers	.000	.000	.000	.000
11. Strata Transfers in Transit	.000	.000	.000	.000
12. Other Adjustments - Total	548.929	.000	428.165	120.764
h. Total Adjustments	1,450.781	.000	1,131.610	319.172
6. Inventory EOP	19,893.829	.000	15,517.186	4,376.642
7. Inventory EOP, Revalued (MAC, Discounted)	19,893.829	.000	15,517.186	4,376.642
a. Economic Retention (Memo)	2,766.713	.000	2,158.036	608.677
b. Contingency Retention (Memo)	2,050.213	.000	1,599.166	451.047
c. Potential DOD Reutilization (Memo)	25.292	.000	19.728	5.564
8. Inventory on Order Cost EOP (Memo)	3,709.373	.000	2,893.311	816.062

SM-4 CSAG - Supply Division

SM-4  
(Dollars in Millions)

Inventory Status  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

CSAG - Supply Division

FY2017	Total	Mobil	Peacetime Operating	Peacetime Other
1. Inventory BOP	19,893.829	.000	15,517.186	4,376.642
2. BOP Inventory Adjustments				
a. Reclassification Change (Memo)	.000	.000	.000	.000
b. Price Change Amount (Memo)	(743.028)	.000	(579.562)	(163.466)
c. Inv Reclassified & Repriced	19,150.801	.000	14,937.624	4,213.176
3. Receipts at MAC	1,681.975	.000	1,311.940	370.034
4. Sales at Standard	3,470.184	.000	2,706.743	763.440
5. Inventory Adjustments				
a. Capitalization + or (-)	170.953	.000	133.344	37.610
b. Returns from Customers for Credit	200.061	.000	156.047	44.013
c. Returns from Customers w/o Credit	3,833.991	.000	2,990.513	843.478
d. Returns to Suppliers (-)	(332.093)	.000	(259.033)	(73.060)
e. Transfers to Property Disposal (-)	(3,436.813)	.000	(2,680.714)	(756.099)
f. Issues/Receipts w/o Reimbursement	482.888	.000	376.652	106.235
g. Other Adjustments				
1. Destruct, Shrink, Deteriorations, etc.	(22.710)	.000	(17.714)	(4.996)
2. Discounts on Returns	(356.006)	.000	(277.684)	(78.321)
3. Trade-ins	.000	.000	.000	.000
4. Loss from Disaster	.000	.000	.000	.000
5. Assembly/Disassembly	162.941	.000	127.094	35.847
6. Physical Inventory Adj	152.932	.000	119.287	33.645
7. Accounting Adjustments	262.685	.000	204.894	57.791
8. Shipment Discrepancies	(136.339)	.000	(106.344)	(29.995)
9. Other Gains/Losses	478.860	.000	373.511	105.349
10. Strata Transfers	.000	.000	.000	.000
11. Strata Transfers in Transit	.000	.000	.000	.000
12. Other Adjustments - Total	542.364	.000	423.044	119.320
h. Total Adjustments	1,461.351	.000	1,139.854	321.497
6. Inventory EOP	18,823.943	.000	14,682.676	4,141.268
7. Inventory EOP, Revalued (MAC, Discounted)	18,823.943	.000	14,682.676	4,141.268
a. Economic Retention (Memo)	2,819.280	.000	2,199.039	620.242
b. Contingency Retention (Memo)	2,089.167	.000	1,629.550	459.617
c. Potential DOD Reutilization (Memo)	25.773	.000	20.103	5.670
8. Inventory on Order Cost EOP (Memo)	3,779.851	.000	2,948.284	831.567

SM-4 CSAG - Supply Division

***AIR FORCE  
WORKING CAPITAL FUND***



**U.S. AIR FORCE**  
***SUPPLY MANAGEMENT ACTIVITY***  
***GROUP RETAIL***

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## **Supply Management Activity Group–Retail Overview Fiscal Year (FY) 2017 Budget Estimates**

### **Activity Group Overview**

The Air Force Supply Management Activity Group–Retail (SMAG-R) is comprised of three divisions: General Support, Medical-Dental and the United States Air Force Academy.

### **SMAG–Retail Mission Description**

The Air Force SMAG-R manages 1.8 million inventory items including weapon system spare parts, medical-dental supplies and equipment, and other supply items used in non-weapon system applications. SMAG-R is a critical component in the support of combat readiness. It procures materiel and makes spares available to authorized customers. Within SMAG-R, the Medical-Dental Division inventory includes a War Reserve Material (WRM) Stockpile.

SMAG-R 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. Inventories are an integral part of SMAG-R and are maintained by each of the divisions in support of customer requirements. The SMAG-R objective is to replenish inventories and provide supplies to customers in a timely manner within customer funding constraints, while maintaining fund solvency.

### **Division Overviews**

The General Support Division (GSD) finances the Air Force retail inventory and issues requirements for all non-Air Force managed economic order quantity (EOQ) items other than those pertaining to peculiar medical, commissary, and fuels requirements. GSD items support installation, maintenance, administrative functions, field and depot maintenance of aircraft, ground and airborne communication and electronic systems, and other sophisticated systems and equipment. Also included is

SMAG–Retail Budget Overview

initial outfitting of individual clothing items issued to new recruits, organizational clothing items such as firemen's protective over garments, 'clean room' coveralls, air crew helmets, and chemical biological warfare protective over garments. This retail activity is accomplished at nearly 300 Air Force installations throughout the world.

The Air Force Academy Division finances the purchase of uniforms, uniform accessories and miscellaneous commodities required by USAF Academy cadets during their four-year stay at the Academy. The customer base consists of approximately 4000 cadets. The Air Academy Division procures both distinctive uniforms and accessories from various manufacturing contractors as well as regular Air Force uniforms purchased through the Defense Logistics Agency.

The Surgeon General of the Air Force is responsible for the overall management of the Medical-Dental Division (MDD) and manages items for 74 Medical Treatment Facilities (MTF) worldwide. The Surgeon General assigned central financial and material management functions to the Medical Logistics Division of the Air Force Medical Operations Agency (AFMOA), located at Fort Detrick, Maryland. Nearly 99% of all peacetime customer orders come from MTFs funded by the Defense Health Program appropriation. Peacetime inventory stock remains at 3-4 days with an annual turn-over rate of over 200 times.

In addition to the peacetime program, MDD is responsible for purchasing and maintaining inventory/assets funded by the War Reserve Material (WRM) appropriation. The medical WRM inventory is owned by MDD until it is needed for war fighter deployment or contingency operations and it is then sold and revenue is collected for WRM replenishment. WRM inventory accounts for approximately 99% of total MDD inventory at any given time.

### **War Reserve Materiel (WRM) / Direct Appropriation**

The medical WRM provides supplies and equipment vital to support forces in the full range of military operations for the first 30 days of a contingency operation, and provides force health protection materiel to all deploying Air Force Active, Reserve, and Guard personnel. Availability of this materiel ensures Air Force personnel can deploy as scheduled and contingency operations can be conducted until re-supply lines are established and materiel is routinely received from the contiguous United States. A

SMAG--Retail Budget Overview

direct appropriation funds establishment and sustainment of 3,498 assemblages and Force Health Protection assets for 447 locations that are maintained in the MDD inventory until required for direct support of war fighters. Medical wartime assemblies/capabilities are classified into six support categories: Expeditionary Medical Support (EMEDS) assemblages, Aero-Medical Evacuation (AE) sets, Patient Staging, Specialty Care sets, AF Special Operations, Medical Support and Medical Personal Protection Prophylaxis/Antidotes.

Approximately one third of WRM pharmaceuticals must be replaced annually because of shelf life or emergence of newer, more effective treatments. Medical equipment requires constant upgrade to maintain the medical standard of care for required deployable capability. New technology allows for replacement of equipment with smaller, more proficient models which often drives a change in other supply requirements. The Air Force ensures airmen and joint war fighters have the best possible care provided when they go in harm's way by keeping pace with medical device technological advances; however, staying abreast of these rapid innovations places significant financial burden on medical WRM resources.

### **SMAG-Retail Customer Base**

The SMAG-R generates revenue from sales of various supplies to a diverse customer base. Primary SMAG-R customers are Air Force Major Commands (including Air Force Reserve and Air National Guard), Foreign Military Sales, Army, Navy, Defense Health Program, non-DoD activities, as well as other working capital activities, such as Air Force Consolidated Sustainment Activity Group – Maintenance Division.

## SMAG–Retail Financial and Performance Summary

The table below provides revenue and expense data for the total SMAG-R. Revenue and expenses in FY 2015 reflect greater customer demand and retention of \$130.3 million. The FY 2015 AOR is adjusted \$130.3 million to maintain sufficient operating cash flow on a daily basis. Revenues and expenses in FY 2016 result in a Net Operating Result loss of \$46.1 million. A negative Non-Recoverable Adjustment of \$19.5 million is taken to ensure cash remains relatively stable between FY 2015 and FY 2016. In FY 2017 revenue and expenses rise slightly consistent with material inflation and customer demand. The FY 2017 Net Operating Result reflects a loss of \$12.8 million and achieves a zero Accumulated Operating Result.

The WRM direct appropriation received is included in the Total Revenue and Expenses balances in all fiscal years. Other Adjustments (WRM) are completed so Net Operating Results (NOR) reflects only results associated with the Operating Program and War Reserve Material Program activity remains NOR neutral.

### Revenue, Expenses and Net Operating Results

(Dollars in Millions)	FY 2015	FY2016	FY 2017
Total Revenue	\$3,908.9	\$4,034.6	\$4,106.2
Total Expenses	\$3,846.4	\$4,065.6	\$4,103.6
Operating Results	\$62.4	(\$31.0)	\$2.6
Other Adjustments (WRM)	(\$33.9)	\$(15.1)	\$(15.3)
Net Operating Results	\$28.5	(\$46.1)	(\$12.8)
Non-Recoverable AOR Adjustment	(\$130.3)	(\$19.5)	\$0.0
Accumulated Operating Results	\$78.4	\$12.8	\$0.0



### Cash Management

(Dollars in Millions)	FY 2015	FY2016	FY 2017
BOP Cash Balance	\$182.8	\$224.8	\$248.2
Disbursements	\$3,842.3	\$4,011.6	\$4,107.9
Collections	\$3,822.5	\$3,972.2	\$4,037.6
Transfers In/Out	\$0.0	\$0.0	\$0.0
WRM	\$61.7	\$62.9	\$64.0
EOP Cash Balance	\$224.8	\$248.2	\$241.9
Lower Range Target	\$170.9	\$127.9	\$151.3
Upper Range Target	\$441.6	\$376.3	\$414.8

The SMAG-Retail end of year cash balances remain within targeted ranges for FY 2015 - FY 2017.

### Customer Price Change (%)

Division	FY 2015	FY2016	FY 2017
General Support	0.72%	0.70%	3.61%
Medical-Dental	5.20%	3.80%	7.11%
Academy	-15.40%	1.63%	6.93%
SMAG-Retail	1.86%	1.71%	4.71%

The FY 2017 customer price changes for SMAG-Retail divisions reflect material inflation and minimal overhead changes. The Medical-Dental FY 2017 customer price change includes recovery of prior year losses, while both GSD and Academy return prior year gains. FY 2015 and FY 2016 price change percentages were established in previous budget submissions.

**Analysis of Undelivered Orders**

Dollars in Millions	FY 2015	FY2016	FY 2017
<u>Peacetime</u>			
General Support Division	\$405.1	\$614.4	\$607.3
Medical-Dental Division	\$90.0	\$89.1	\$88.2
Academy Division	\$1.2	\$1.1	\$1.3
<u>WRM</u>			
Medical-Dental Division	\$53.6	\$46.0	\$47.8
Total SMAG-Retail	\$549.9	\$750.6	\$744.6

Undelivered Orders are orders/obligations incurred for which goods have not been delivered or services not performed. This amount includes orders for which advance payment has been made but for which delivery or performance has not yet occurred.

The Medical-Dental Division maintains only 3 - 4 days' worth of inventory on hand. It experiences an annual inventory turnover rate of more than 200 times with most items having a short delivery schedule. Year-to-year increases in Undelivered Orders are primarily due to inflation of medical materials' prices for both the operational and WRM programs.

The Air Force Academy Division undelivered orders are fairly stable from one year to the next. Every item issued to cadets for reimbursement is seasonally scheduled and does not change significantly from one year to the next. Purchases and cadet orders are seasonally driven due to order lead times and a consistent schedule for incoming classes.

### Stockage Effectiveness

Division	FY 2015	FY2016	FY 2017
General Support	87%	90%	90%
Medical-Dental	87%	87%	87%
Academy	99%	99%	99%
SMAG-Retail	89%	91%	91%

Stockage Effectiveness measures how often the supply system has available for immediate sale those items demanded at base and depot level supply locations. All three divisions met or exceeded FY 2015 target.

### Supply Mission Incapable (MICAP) Hours

GSD Mission Capable (MICAP) Hours in Thousands	FY 2015	FY2016	FY 2017
Actual Performance	932		
Objective	770	770	770

Mission Capable (MICAP) Hours are the sum of hours a customer waits for a part that grounds an aircraft, piece of equipment or vehicle. For every day during the month the requisition is not filled, 24 hours are assigned to the requisition. FY 2015 did not make the objective of 770. Five weapon systems drove the majority of the MICAP hours, the B-1, F-16, B-52, C-130 and A-10. Problems range from demand variability, part delays and first time demand of assets. MICAPs for each of those weapon systems and MICAPs as a whole are aggressively pursued by Air Force and DLA representatives and results are tracked in multiple formats in the Air Force Sustainment Center.

Customer Wait Time			
GSD Customer Wait Time (CWT)	FY 2015	FY2016	FY 2017
Actual Performance	7.5		
Objective	7.0	7.0	7.0

Customer Wait Time (CWT) is the average number of days accrued from the time a customer orders a spare part until the part is received. The transition of Federal Stock Group items from GSA to DLA caused the CWT performance to decline. This was due to contracts supporting GSA expired before the transition of assets to DLA. Consequently DLA's efforts to re-establishment those contracts resulted in delays.

### Supply Management Activity Group Retail

Item Quantity Requirements	FY 2015	FY2016	FY 2017
Number of Issues <sup>(1)</sup>	4,020,005	4,012,481	4,021,309
Number of Receipts	5,737,599	5,808,674	5,888,193
Number of Requisitions <sup>(2)</sup>	6,233,396	6,320,757	6,417,579
Contracts Executed	60,075	60,458	61,016
Purchase Inflation	2.10%	3.94%	4.00%
Items Managed	1,800,054	1,801,009	1,806,074

(1) Quantity of Issues decreased ~1 million from FY 2016 PB to FY 2017 PB through evaluation and reclassification of Medical-Dental Division's inventory that removed duplicate records from the system. These reconciliations did not impact the inventory value, only total number of issues.

(2) The total Requisitions Received on average is 320.3 million fewer than reported in the FY 2016 PB through an adjustment in methodology. Previous numbers were calculated by taking one month's worth of activity times 12 months to annualize the number. This approach was used due to limited system capabilities. For this submission, the data is based on the Logistics, Installations & Mission Support-Enterprise View (LIMS-EV) system that provides more accurate data in a more efficient and timely manner.

Fund 11  
(Dollars in Millions)

Source of New Orders and Revenue  
Air Force Working Capital Fund  
Supply Management Activity Group - Retail

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

**Supply Management Activity Group - Retail**

	FY2015	FY2016	FY2017
<b>1. New Orders</b>			
<b>a. Orders From DOD Components:</b>			
<b>(1) Air Force</b>			
(a) Aircraft Procurement	1.452	11.594	7.466
(b) Missile Procurement	.000	.012	.016
(c) Other Procurement	.738	.139	.276
(d) Military Construction	.399	(.277)	.000
(e) Operations & Maintenance - AF	972.729	1,186.672	1,192.896
(f) Operations & Maintenance - AFRC	62.342	68.464	73.220
(g) Operations & Maintenance - ANG	180.611	183.796	212.815
(h) Research & Development - AF	16.979	15.385	18.179
(i) Military Personnel - AF	.001	.001	.001
(j) Reserve Personnel - AF	2.262	1.765	2.735
(k) Guard Personnel - ANG	.468	.655	.902
(l) Family Housing	.173	.269	.342
(m) Special Trust Funds	5.605	5.138	5.421
(n) Other Air Force	.050	.024	.025
<b>Total Air Force</b>	<b>1,243.809</b>	<b>1,473.636</b>	<b>1,514.293</b>
(2) Army	6.328	1.921	2.585
(3) Navy	12.864	2.958	4.450
(4) MAP Grant Aid	.000	.415	.003
(5) Other DOD	1,084.470	1,149.003	1,202.622
<b>Total DOD excluding WCF</b>	<b>2,347.470</b>	<b>2,627.934</b>	<b>2,723.954</b>
<b>b. Orders From Other Fund Activity Groups</b>			
(1) Other AF Supply Management Activity Groups	.503	1.804	.820
(2) Transportation Activity Group - TRANSCOM	89.861	72.497	73.134
(3) Consolidated Sustainment Activity Group (Maintenance Div)	1,352.990	1,257.465	1,311.644
(4) Other WCF Activity Groups	.000	.001	.001
(5) Commissary, Sur. Coll.	.003	.010	.006
<b>Total Other Fund Activity Groups</b>	<b>1,443.356</b>	<b>1,331.777</b>	<b>1,385.605</b>
<b>c. Grand Total DOD</b>	<b>3,790.827</b>	<b>3,959.711</b>	<b>4,109.609</b>

Fund 11 Supply Management Activity Group - Retail

Fund 11  
(Dollars in Millions)

Source of New Orders and Revenue  
Air Force Working Capital Fund  
Supply Management Activity Group - Retail

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

**Supply Management Activity Group - Retail**

	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>
<b>d. Other Orders</b>			
<b>(1) Other Federal Agencies</b>	<b>4.894</b>	<b>6.640</b>	<b>4.509</b>
<b>(2) Non Federal Agencies</b>	<b>.644</b>	<b>1.011</b>	<b>.626</b>
<b>(3) FMS</b>	<b>3.047</b>	<b>10.634</b>	<b>4.528</b>
<b>Total Other Orders</b>	<b>8.585</b>	<b>18.286</b>	<b>9.663</b>
<b>Total New Gross Orders</b>	<b>3,799.411</b>	<b>3,977.997</b>	<b>4,119.272</b>
<b>2. Carry-In Orders (BOP)</b>	<b>866.937</b>	<b>790.325</b>	<b>735.307</b>
<b>3. Total Gross Orders</b>	<b>4,666.348</b>	<b>4,768.322</b>	<b>4,854.580</b>
<b>4. Carry-Out Orders (-) (EOP)</b>	<b>790.325</b>	<b>735.307</b>	<b>747.486</b>
<b>5. Gross Sales (-)</b>	<b>3,876.023</b>	<b>4,033.015</b>	<b>4,107.043</b>
<b>6. Credit Returns (-)</b>	<b>59.430</b>	<b>71.121</b>	<b>75.381</b>
<b>7. Net Sales</b>	<b>3,816.594</b>	<b>3,961.894</b>	<b>4,031.662</b>

Fund 11 Supply Management Activity Group - Retail

**Supply Management Activity Group - Retail**

	FY2015	FY2016	FY2017
<b>Revenue:</b>			
Gross Revenue from Sales	3,876.023	4,033.015	4,107.043
Less Credit Returns	59.430	71.121	75.381
Net Revenue from Sales	3,816.594	3,961.894	4,031.662
Other Revenue	23.773	9.822	10.560
Direct Appropriation	68.518	62.898	63.967
<b>Total Net Revenue</b>	<b>3,908.884</b>	<b>4,034.614</b>	<b>4,106.189</b>
<b>Expense:</b>			
Cost of Material Sold Operating Program	3,713.166	3,922.921	3,984.533
Cost of Material Sold WRM	23.977	9.901	10.277
Cost of Material Repair	.019	.025	.025
Subtotal Sales Material Expense	3,737.161	3,932.847	3,994.835
Inventory Losses / Obsolescence	56.450	49.444	50.665
Cost of Direct Reimbursable Material	.000	.000	.000
Initial Spares	.000	.000	.000
Readiness Spares Package	.000	.000	.000
Mobilization	.000	.000	.000
Other Direct Reimbursements	.000	.000	.000
Subtotal Material Expenses	3,793.612	3,982.291	4,045.500
<b>Business Operations</b>			
Military Personnel	.000	.000	.000
Civilian Personnel	.000	.000	.000
Travel & Transportation of People	.004	.124	.127
Materials & Supplies	.000	.000	.000
Equipment	.000	.000	.000
Other WCF Purchases	26.548	36.195	10.500
Transportation of Things Operating Program	13.672	40.086	40.466
Transportation of Things WRM	1.128	.955	.897
Capital Investment Depreciation	.000	.000	.000
Printing and Reproduction	.000	.000	.000
Advisory and Assistance Services	.401	.427	.435
Rent, Comm, Utilities and Misc Charges	.584	1.071	1.090
Other Purchased Services	10.500	4.487	4.571
Subtotal Business Operations	52.837	83.344	58.086
<b>Total Expenses</b>	<b>3,846.449</b>	<b>4,065.635</b>	<b>4,103.586</b>

**Supply Management Activity Group - Retail**

	FY2015	FY2016	FY2017
<b>Operating Result</b>	<b>62.435</b>	<b>(31.021)</b>	<b>2.603</b>
Less Capital Surcharge	.000	.000	.000
Less Direct Appropriations	.000	(62.898)	(63.967)
Plus Passthroughs or Other Approps (NOR)	.000	.000	.000
Adjustment for Mobilization / WRM NOR	(33.916)	47.770	48.599
Other Changes (NOR)	.000	.000	.000
<b>NET OPERATING RESULT (NOR)</b>	<b>28.520</b>	<b>(46.149)</b>	<b>(12.765)</b>
Prior Year Adjustments (AOR)	.000	.000	.000
Other Changes (AOR)	.000	.000	.000
Plus Prior Year AOR	180.161	78.382	12.765
Accumulated Operating Result (AOR)	208.680	32.234	.000
Non-Recoverable Adjustment (AOR)	(130.298)	(19.469)	.000
Accumulated Operating Result for Budget Purposes	78.382	12.765	.000

The FY 2015 and FY 2016 Non-Recoverable AOR Adjustments are required to maintain sufficient operating cash flow.



SM-1  
(Dollars in Millions)

Supply Management Summary  
Air Force Working Capital Fund  
Supply Management Activity Group - Retail

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

Supply Management Activity Group - Retail

	Obligation Targets								
	Net Customer Orders	Net Sales	Operating	WRM Direct Appn	Direct Reimbursables (Initial Spares)	Total Operating Obligations	Total Capital Obligations	Variability Target	Target Total
<b><u>FY2015</u></b>									
GSD	(686.511)	.000	43.030	.000	.000	43.030	.000	.000	43.030
Med/Dent	1,043.266	1,046.716	1,049.264	86.940	.000	1,136.205	.000	.000	1,136.205
Academy	5.760	5.760	6.772	.000	.000	6.772	.000	.000	6.772
Total SMAG-Retail	3,739.981	3,816.594	3,705.026	86.940	.000	3,791.966	.000	357.000	4,148.966
<b><u>FY2016</u></b>									
GSD	.000	.000	81.924	.000	.000	81.924	.000	.000	81.924
Med/Dent	1,108.194	1,120.682	1,141.520	80.965	.000	1,222.485	.000	.000	1,222.485
Academy	5.037	5.037	5.841	.000	.000	5.841	.000	.000	5.841
Total SMAG-Retail	3,906.877	3,961.894	4,005.335	80.965	.000	4,086.300	.000	550.000	4,636.300
<b><u>FY2017</u></b>									
GSD	.000	.000	56.162	.000	.000	56.162	.000	.000	56.162
Med/Dent	1,159.429	1,164.185	1,144.504	74.527	.000	1,219.031	.000	.000	1,219.031
Academy	5.411	5.411	5.946	.000	.000	5.946	.000	.000	5.946
Total SMAG-Retail	4,043.841	4,031.662	4,041.747	74.527	.000	4,116.274	.000	400.000	4,516.274

The FY 2015 original variability target of \$550 million was adjusted to \$357 million to reflect \$193 million released to GSD in support of customer demand.

SM-4  
(Dollars in Millions)

Inventory Status  
Air Force Working Capital Fund  
Supply Management Activity Group - Retail

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

Supply Management Activity Group - Retail

FY2015	Total	Mobil	Peacetime Operating	Peacetime Other
1. Inventory BOP	2,463.514	628.855	1,355.985	478.674
2. BOP Inventory Adjustments				
a. Reclassification Change (Memo)	.000	.000	.000	.000
b. Price Change Amount (Memo)	(13.093)	6.708	(19.832)	.031
c. Inv Reclassified & Repriced	2,450.421	635.563	1,336.152	478.705
3. Receipts at MAC	3,870.326	71.888	3,798.439	(.001)
4. Sales at Standard	3,783.223	24.206	3,759.017	.000
5. Inventory Adjustments				
a. Capitalization + or (-)	16.131	2.448	13.683	.000
b. Returns from Customers for Credit	59.260	.002	59.144	.114
c. Returns from Customers w/o Credit	406.974	.348	393.315	13.311
d. Returns to Suppliers (-)	(225.483)	(.328)	(225.146)	(.009)
e. Transfers to Property Disposal (-)	(796.531)	(19.631)	(744.818)	(32.081)
f. Issues/Receipts w/o Reimbursement	561.160	7.245	553.915	.000
g. Other Adjustments				
1. Destruct, Shrink, Deteriorations, etc.	(45.976)	(30.476)	(1.880)	(13.620)
2. Discounts on Returns	(34.911)	.000	(34.911)	.000
3. Trade-ins	.000	.000	.000	.000
4. Loss from Disaster	.000	.000	.000	.000
5. Assembly/Disassembly	(4.004)	(.583)	(3.421)	.000
6. Physical Inventory Adj	.336	(.998)	1.334	.000
7. Accounting Adjustments	(79.559)	4.027	(83.701)	.115
8. Shipment Discrepancies	61.017	1.045	59.972	.000
9. Other Gains/Losses	.022	.026	(.194)	.190
10. Strata Transfers	(.022)	.459	(.478)	(.003)
11. Strata Transfers in Transit	(1.474)	(1.443)	(.063)	.032
12. Other Adjustments - Total	(104.570)	(27.943)	(63.341)	(13.286)
h. Total Adjustments	(83.060)	(37.859)	(13.249)	(31.951)
6. Inventory EOP	2,454.464	645.386	1,362.325	446.753
7. Inventory EOP, Revalued (MAC, Discounted)	2,454.464	645.386	1,362.325	446.753
a. Economic Retention (Memo)	20.145	.000	.000	20.145
b. Contingency Retention (Memo)	364.228	.000	.000	364.228
c. Potential DOD Reutilization (Memo)	124.254	.000	.000	124.254
8. Inventory on Order Cost EOP (Memo)	549.648	53.622	496.026	.000

SM-4 Supply Management Activity Group - Retail

SM-4  
(Dollars in Millions)

Inventory Status  
Air Force Working Capital Fund  
Supply Management Activity Group - Retail

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

Supply Management Activity Group - Retail

FY2016	Total	Mobil	Peacetime Operating	Peacetime Other
1. Inventory BOP	2,454.464	645.386	1,362.325	446.753
2. BOP Inventory Adjustments				
a. Reclassification Change (Memo)	.000	.000	.000	.000
b. Price Change Amount (Memo)	(39.091)	6.238	(45.360)	.031
c. Inv Reclassified & Repriced	2,415.373	651.624	1,316.965	446.784
3. Receipts at MAC	3,576.734	66.855	3,509.880	(.001)
4. Sales at Standard	3,622.751	22.512	3,600.239	.000
5. Inventory Adjustments				
a. Capitalization + or (-)	2.276	2.276	.000	.000
b. Returns from Customers for Credit	72.628	.001	72.514	.113
c. Returns from Customers w/o Credit	410.580	.324	397.038	13.218
d. Returns to Suppliers (-)	(172.625)	(.305)	(172.311)	(.009)
e. Transfers to Property Disposal (-)	(829.363)	(18.257)	(785.318)	(25.788)
f. Issues/Receipts w/o Reimbursement	463.313	6.737	456.576	.000
g. Other Adjustments				
1. Destruct, Shrink, Deteriorations, etc.	(43.667)	(28.343)	(1.800)	(13.524)
2. Discounts on Returns	17.243	.000	17.243	.000
3. Trade-ins	.000	.000	.000	.000
4. Loss from Disaster	.000	.000	.000	.000
5. Assembly/Disassembly	16.764	(.542)	17.306	.000
6. Physical Inventory Adj	16.283	(.928)	17.211	.000
7. Accounting Adjustments	20.867	3.745	17.008	.114
8. Shipment Discrepancies	21.155	.972	20.183	.000
9. Other Gains/Losses	17.263	.024	17.051	.188
10. Strata Transfers	(.051)	.427	(.475)	(.003)
11. Strata Transfers in Transit	(1.373)	(1.342)	(.063)	.032
12. Other Adjustments - Total	64.484	(25.987)	103.664	(13.193)
h. Total Adjustments	11.293	(35.211)	72.163	(25.659)
6. Inventory EOP	2,380.649	660.756	1,298.769	421.124
7. Inventory EOP, Revalued (MAC, Discounted)	2,380.649	660.756	1,298.769	421.124
a. Economic Retention (Memo)	26.132	.000	.000	26.132
b. Contingency Retention (Memo)	318.375	.000	.000	318.375
c. Potential DOD Reutilization (Memo)	25.386	.000	.000	25.386
8. Inventory on Order Cost EOP (Memo)	749.903	46.040	703.863	.000

SM-4 Supply Management Activity Group - Retail

SM-4  
(Dollars in Millions)

Inventory Status  
Air Force Working Capital Fund  
Supply Management Activity Group - Retail

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

Supply Management Activity Group - Retail

FY2017	Total	Mobil	Peacetime Operating	Peacetime Other
1. Inventory BOP	2,380.649	660.756	1,298.769	421.124
2. BOP Inventory Adjustments				
a. Reclassification Change (Memo)	.000	.000	.000	.000
b. Price Change Amount (Memo)	(39.591)	5.739	(45.361)	.031
c. Inv Reclassified & Repriced	2,341.058	666.495	1,253.408	421.155
3. Receipts at MAC	3,560.432	61.507	3,498.926	(.001)
4. Sales at Standard	3,611.143	20.711	3,590.432	.000
5. Inventory Adjustments				
a. Capitalization + or (-)	2.094	2.094	.000	.000
b. Returns from Customers for Credit	72.605	.001	72.492	.112
c. Returns from Customers w/o Credit	410.385	.298	397.001	13.086
d. Returns to Suppliers (-)	(172.598)	(.281)	(172.308)	(.009)
e. Transfers to Property Disposal (-)	(827.896)	(16.797)	(785.315)	(25.784)
f. Issues/Receipts w/o Reimbursement	512.690	6.198	506.492	.000
g. Other Adjustments				
1. Destruct, Shrink, Deteriorations, etc.	(41.246)	(26.075)	(1.782)	(13.389)
2. Discounts on Returns	17.243	.000	17.243	.000
3. Trade-ins	.000	.000	.000	.000
4. Loss from Disaster	.000	.000	.000	.000
5. Assembly/Disassembly	16.806	(.499)	17.305	.000
6. Physical Inventory Adj	16.358	(.854)	17.212	.000
7. Accounting Adjustments	20.568	3.445	17.010	.113
8. Shipment Discrepancies	21.048	.894	20.154	.000
9. Other Gains/Losses	17.262	.022	17.053	.187
10. Strata Transfers	(.081)	.392	(.470)	(.003)
11. Strata Transfers in Transit	(1.265)	(1.234)	(.062)	.031
12. Other Adjustments - Total	66.693	(23.909)	103.663	(13.061)
h. Total Adjustments	63.973	(32.396)	122.025	(25.656)
6. Inventory EOP	2,354.320	674.895	1,283.927	395.498
7. Inventory EOP, Revalued (MAC, Discounted)	2,354.320	674.895	1,283.927	395.498
a. Economic Retention (Memo)	26.132	.000	.000	26.132
b. Contingency Retention (Memo)	318.375	.000	.000	318.375
c. Potential DOD Reutilization (Memo)	25.386	.000	.000	25.386
8. Inventory on Order Cost EOP (Memo)	743.260	47.789	695.471	.000

SM-4 Supply Management Activity Group - Retail

***AIR FORCE  
WORKING CAPITAL FUND***



**U.S. AIR FORCE**

***UNITED STATES***

***TRANSPORTATION COMMAND***

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**United States Transportation Command  
Transportation Working Capital Fund  
Fiscal Year (FY) 2017 Budget Analysis**

**Background**

This submission provides justification for the United States Transportation Command (USTRANSCOM) Transportation Working Capital Fund (TWCF) budget. The Secretary of Defense has designated the Commander, United States Transportation Command (CDR USTRANSCOM) as the single Department of Defense (DoD) manager for the Defense Transportation System (DTS) in peace and war. As such, all common-user transportation assets are under the command authority of CDR USTRANSCOM, except for Service unique or theater assigned assets. Commander, USTRANSCOM is also the DoD's Distribution Process Owner (DPO), charged with coordinating and overseeing the DoD distribution system and developing and implementing distribution process improvements that enhance defense logistics and global supply chain management systems. USTRANSCOM submits the TWCF budget as a distinct subset of the Air Force Working Capital Fund (AFWCF) budget submission. It reflects the cost authority needed to meet peacetime operations, Overseas Contingency Operations (OCO), the surge/readiness requirements to support the National Military Strategy, and to synchronize deployment distribution planning and execution across DoD as the Global Distribution Synchronizer, USTRANSCOM's newest Unified Command Plan mission. In addition, the USTRANSCOM Charter has been updated (31 Jul 15) to allow for recovering cost to provide contracted non-common user transportation. Capital funding supports the Department's In-Transit Visibility and Command and Control needs, facilitating continuous process improvement and modernization.

**Composition of Component Business Areas**

USTRANSCOM's mission is to provide air, land, and sea transportation for the DoD in time of peace and war, with a primary focus on wartime readiness. Our \$6 billion budget provides synchronized transportation and sustainment, making it possible to project and maintain national power where needed, with the greatest speed and agility, the highest efficiency, and the most reliable level of trust and accuracy. We accomplish our joint mission through our four Component Commands - Air Mobility Command (AMC), Military Sealift Command (MSC), Military Surface Deployment and Distribution Command (SDDC), and the Joint Enabling Capabilities Command (JECC). This joint team of transportation components provides mobility forces and assets for a seamless transition from peace to war. USTRANSCOM is always ready to meet the strategic mobility needs of our nation. A brief description of the role of each Component follows:

TWCF Budget Analysis Overview

Air Mobility Command provides airlift, air refueling, special air mission, and aeromedical evacuation for U.S. forces. AMC also supplies forces to theater commands to support wartime tasking. They are the single manager for air mobility.

Military Sealift Command supports our nation by delivering supplies and conducting specialized missions across the world's oceans.

Surface Deployment and Distribution Command provides global surface deployment and distribution services to meet the nation's objectives.

Joint Enabling Capabilities Command meets joint task for commanders' requirements for a rapidly deployable, tailored team of experts in plans, operations, knowledge management, intelligence support, logistics, public affairs, and communications. The Joint Enabling Capabilities Command is not part of the Working Capital Fund.

Our components provide the critical link to the Services' core competencies in organizing, training, and equipping forces. They provide lines of communication to the Services, ensuring assets are available when needed for the transition from peace to war. The surge from peacetime sustainment to a massive deployment of people and material in support of OCO is the most recent example of our ability to execute our mission. Our successes result from the synergy of military and commercial lift (air, land, and sea), air refueling, port operations, and afloat prepositioning - all requiring the team efforts of the Commander's Staff and our components. Together with its components and national partners, USTRANSCOM is building a truly seamless, end-to-end defense logistics enterprise.

DPO Cost Avoidance Initiatives: In FY 2015 (as of 30 Sep 2015), the DPO has validated over \$204 million in distribution and transportation cost avoidance initiatives. These efficiencies accrue to the DoD budget (primarily contingency supplementals) and allow the Services to purchase other high priority items. Initiatives include:

- Shifting transportation modes from air to sea and truck to rail
- Working with Combatant Commands to utilize the most efficient transportation modes
- Aggregation of cargo and passengers to use fewer aircraft
- Engaging Services early in deployment process to maximize use of sealift and multi-modal operations
- Improving container utilization on ocean liner missions
- Improving pallet and planeload utilization
- Rightsizing Theater Express
- Tankering Fuel
- Combining Unit Line Number (ULN) movements to eliminate redeployment contingency missions

TWCF Budget Analysis Overview



### Costs

COST (\$ IN MILLIONS)	FY 2015	FY 2016	FY 2017
AMC	\$5,630	\$4,768	\$4,286
SDDC	\$1,742	\$1,139	\$1,084
MSC	\$664	\$667	\$662
Defense Courier Division (DCD)	\$11	\$9	\$9
Total	\$8,047	\$6,583	\$6,041

#### **FY 2016 in the FY 2016 PB - FY 2016 Current Estimate:**

Total USTRANSCOM: Cost increased in FY 2016 by \$196 million, major changes are listed below:

- +\$113 million – Workload changes in CENTCOM Area of Operations
- +\$48 million – Pricing changes
- +\$29 million – Increased aircraft maintenance
- +\$6 million – Other

#### **FY 2016 - FY 2017:**

Total USTRANSCOM: Cost decreased in FY 2017 by \$542 million, major changes are listed below:

- (\$343) million – Pricing changes
- (\$169) million – Workload changes in CENTCOM Area of Operations
- (\$29) million – Other
- (\$24) million – Decreased aircraft maintenance
- +\$23 million – Increased ship maintenance

### Revenue

<b>REVENUE (\$ IN MILLIONS)</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
AMC	\$5,787	\$4,767	\$3,940
SDDC	\$1,980	\$1,247	\$1,018
MSC	\$711	\$594	\$553
DCD	\$5	\$8	\$8
Total	\$8,483	\$6,616	\$5,519

Revenue: Revenue estimates are derived by using approved stabilized rates multiplied by various workload measures (i.e., flying hours, ton miles, passenger miles, ship days, measurement tons, and vehicles). While workload can vary widely, prices established during the budget process generally remain fixed during the year of execution.

Because USTRANSCOM's airlift rates are set to compete with private sector rates, they do not cover the cost of the unique readiness requirements of military airlift operations. The FY 2017 revenue is based on known and anticipated orders, primarily from DoD, and where mutually advantageous, from non-DoD customers.

### Net Operating Result (NOR) / Accumulated Operating Result (AOR)

<b>NOR/AOR (\$ IN MILLIONS)</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
NOR	\$436	\$33	-\$522
Recoverable AOR	\$524	\$555	\$33

TOTAL FY 2016 USTRANSCOM OPERATING RESULT: FY 2016 President's Budget estimated operating result was a negative \$161 million. The current FY 2016 estimate is a positive \$33 million, an increase of \$194 million.

- +264 million – Workload changes
- +\$7 million – Other
- (\$48) million – Pricing changes
- (\$29) million – Increased aircraft maintenance

**FY 2017 RECOVERABLE AOR:** The Recoverable AOR of a positive \$33 million is the result of recovering SDDC Defense Personal Property Program (DP3) AOR over two years to smooth composite rate changes and prevent whipsaws in customer budgets.

**Disbursements, Collections, and Net Outlays**

(\$ IN MILLIONS)	FY 2015	FY 2016	FY 2017
Disbursements	\$8,134	\$7,045	\$6,373
Collections	\$8,427	\$7,048	\$6,114
Net Outlays	(\$293)	(\$3)	\$259
Ending Cash Balance	\$1,012	\$1,015	\$756
Cash Lower Boundary	\$626	\$678	\$648
Cash Upper Boundary	\$1,307	\$1,271	\$1,188

**FY 2015 USTRANSCOM CASH:** The FY 2015 actual cash is \$1,012 million, an increase of \$88 million primarily due to increase in SAAM/Contingency workload and higher POL workload. The Airlift Readiness Account (ARA) requirement was reduced from \$1,077 to \$600 million.

**FY 2016 USTRANSCOM CASH:** The FY 2016 cash of \$1,015 million reflects compliance with Public Law 114-113, resulting in a \$34 million transfer to the Air Force Operation and Maintenance appropriation.

**FY 2017 USTRANSCOM CASH:** FY 2017 cash is estimated to be \$756 million.

**Customer Rate Changes**

<b>AMC RATE CHANGES</b>	<b>FY 2016</b>	<b>FY 2017</b>
Channel Passenger	2.0%	1.8%
Channel Cargo	2.0%	1.8%
SAAM/JETP	-0.3%	-9.0%
Training	-2.6%	-9.4%

<b>MSC RATE CHANGES</b>	<b>FY 2016</b>	<b>FY 2017</b>
Petroleum Tankerships	-13.6%	-22.4%
Surge ROS	-1.4%	21.9%
Army Afloat Prepositioning	5.5%	-14.5%
Air Force Afloat Prepositioning	30.9%	5.8%
Chartered Cargo	-2.1%	5.4%

<b>SDDC RATE CHANGES</b>	<b>FY 2016</b>	<b>FY 2017</b>
Port Operations	38.8%	0.8%
Defense Personal Property Program (DP3)	-26.4%	-16.1%
Liner Ocean Transportation	1.9%	-1.8%

**Capital Investment Program (CIP)**

This budget enables USTRANSCOM to continue system enhancements and upgrades to ensure readiness for the 21st century. USTRANSCOM revised our internal corporate governance process and operational requirements, reprioritized and rebased our entire IT budget within our strategic goals to reduce command costs and achieve funding goals. USTRANSCOM IT reduction was a cumulative \$100 million from FY14-FY16.

TWCF Budget Analysis Overview

Our CIP includes investment in Equipment, Automated Data Processing Equipment (ADPE) and Telecommunications Equipment, Software Development, and Minor Construction. The CIP also enables the DPO to rapidly produce or modify software/ADPE applications to meet emerging distribution portfolio requirements. Defense Personal Property System (DPS), Mobility Air Forces Flight Planning Services (MAFPS), and Automated Transportation for the 21<sup>st</sup> Century (AT21) are our major CIP transformational system efforts. DPS funding provides key functionality and usability needed for customers to have a more responsive, user-friendly experience while ensuring timely and accurate delivery of personal property shipments.

Air Force Audit Agency conducted an audit on Transportation Working Capital Fund (TWCF) Acquisition Program Management at Air Mobility Command (AMC) with report released on 13 May 13. Findings warranted a deeper look into all TWCF funded IT programs executed at AMC and resulted in new initiatives of Global Air Management (GAM), Dynamic Mission Replanning (DMR), and Mobility Enterprise Information Services (MEIS) from GDSS. GDSS is the Mobility Air Force's principal C2 system which delivers robust capabilities to command and control forces using a net-centric environment, allowing access and information sharing across classified and unclassified domains.

AT21 will optimize end-to-end delivery of sustainment to maximize time-definite delivery at the lowest overall supply chain cost. Integrated Multi-modal Operations (IMMO) will provide Software Engineering Service Oriented Architecture concepts that enable a standardized framework for booking all movements (cargo and passengers) into the USTRANSCOM enterprise ensuring best value transportation solutions; linkages at nodal points; increased time reliability, customer confidence and improve auditability. It will modify legacy booking systems or develop new applications to provide an integrated view of USTRANSCOM bookings with optimal delivery process targeted in FY18. IMMO will develop a Common Movement Requirement structure to enable a single integrated view of booking, requisite information pertaining to the booked requirement to support onward movement, and upfront validation of customer funding (obligation) at the point when services are requested. It will also provide technologies to enable the transfer of movement requirement information across classification domains for continued processing, and an architecture that enables business processes, user applications, and facilitates rapid business service delivery.

DEAMS capital dollars allows for transition of TFMS into DEAMS in FY17. This capability will provide Army's Surface Deployment and Distribution Command (SDDC) to interface data with the Navy's Military Sealift Command, Financial Management System (FMS). The SDDC capability development includes re-development of specific functionality

currently in TFMS to enable DEAMS to supplant TFMS as SDDC's financial management and accounting system of record.

This submission incorporates USTRANSCOM implementation of the Distribution Process Owner (DPO) Secure Enclave (DSE) /Common Computing Environment (CCE). DSE/CCE provides the basic infrastructure consolidation environment to host USTRANSCOM and Transportation Component Commands applications. This implementation fuses the number of physical servers, facilities, and support personnel, and improves computing utilization and increased cyber security.

**CIP**

<b>CIP (\$ IN MILLIONS)</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Equipment	\$0.5	\$0.8	\$1.1
ADPE and Telecom Equip	\$11.5	\$16.9	\$18.9
Software Development	\$68.5	\$78.8	\$87.4
Minor Construction	\$2.8	\$6.9	\$6.7
<b>Total</b>	<b>\$83.3</b>	<b>\$103.4</b>	<b>\$114.1</b>

**Manpower Trends**

USTRANSCOM’s staffing is comprised of approximately 75 percent military and 25 percent civilian. Maintaining a ready airlift capability consumes approximately 86 percent of the workforce. MSC and SDDC meet the majority of their requirements through commercial and port contracts; therefore, it is not DoD manpower intensive. The efficient use of manpower for our components is integral to the success of USTRANSCOM’s mission.

**Military End Strength and Workyears\***

	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Army	253	227	218
Navy	182	174	172
Marine Corps	12	11	11
Air Force	11,153	11,607	11,676
Total Military End Strength	11,600	12,019	12,077
Total Military Workyears	10,295	10,776	10,835

\*Includes AMC and DCD military end strengths/workyears which are funded by Military Personnel appropriation and not recovered in rates per FMR Volume 11B, Chapter 14

**Civilian End Strength**

	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
U.S. Direct Hire	3,289	3,538	3,538
Foreign National Direct Hire	261	300	300
Foreign National Indirect Hire	256	302	302
Total Civilian End Strength	3,806	4,140	4,140

**Civilian Full-Time Equivalents**

	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
U.S. Direct Hire	3,489	3,465	3,465
Foreign National Direct Hire	272	298	298
Foreign National Indirect Hire	291	300	300
<b>Total Civilian FTEs</b>	<b>4,052</b>	<b>4,063</b>	<b>4,063</b>



**United States Transportation Command**

	<b>Expenses</b>
<b>FY2015 Estimated Actuals</b>	<b>\$8,047.3</b>
<b>FY2016 Estimate in President's Budget</b>	<b>\$6,386.7</b>
<b>Estimated Impact in FY2016 Actual FY2015 Experience</b>	<b>\$0.0</b>
<b>Pricing Adjustments:</b>	<b>\$48.4</b>
<b>a. FY2016 Pay Raises</b>	<b>\$2.2</b>
(1) Civilian Personnel	\$2.2
(2) Military Personnel	\$0.0
<b>b. Annualization of Prior Year Pay Raises</b>	<b>\$0.5</b>
(1) Civilian Personnel	\$0.5
(2) Military Personnel	\$0.0
<b>c. Fuel Pricing</b>	<b>(\$1.0)</b>
<b>d. General Purchase Inflation</b>	<b>(\$13.4)</b>
<b>e. Depot Level Repairables Changes</b>	<b>\$0.6</b>
<b>f. Commercial Transportation Pricing Changes</b>	<b>\$59.5</b>
<b>Productivity Initiatives &amp; Other Efficiencies:</b>	<b>\$0.0</b>
<b>a. Headquarters Reductions</b>	<b>\$0.0</b>
<b>Program Changes:</b>	<b>\$147.5</b>
<b>a. Aircraft Maintenance Changes</b>	<b>\$29.4</b>
<b>b. Other</b>	<b>\$5.3</b>
<b>c. Workload Changes</b>	<b>\$112.8</b>
<b>FY2016 Current Estimate</b>	<b>\$6,582.6</b>

Fund 2  
(Dollars in Millions)

Changes in the Cost of Operations  
Air Force Working Capital Fund  
Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

**United States Transportation Command**

	<b>Expenses</b>
<b>FY2016 Current Estimate</b>	<b>\$6,582.6</b>
<b>Pricing Adjustments:</b>	<b>(\$342.6)</b>
<b>a. FY2017 Pay Raises</b>	<b>\$4.7</b>
(1) Civilian Personnel	\$4.2
(2) Military Personnel	\$0.5
<b>b. Annualization of Prior Year Pay Raises</b>	<b>\$1.4</b>
(1) Civilian Personnel	\$1.3
(2) Military Personnel	\$0.1
<b>c. General Purchase Inflation</b>	<b>\$29.8</b>
<b>d. Aircraft Maintenance Changes</b>	<b>\$18.8</b>
<b>e. Commercial Transportation Pricing Changes</b>	<b>(\$117.7)</b>
<b>f. Depot Level Repairables Changes</b>	<b>\$22.7</b>
<b>g. Fuel Pricing</b>	<b>(\$302.3)</b>
<b>Productivity Initiatives &amp; Other Efficiencies:</b>	<b>(\$3.8)</b>
<b>a. Fuel Efficiencies due to Information Technology Initiatives</b>	<b>\$0.0</b>
<b>b. Fuel Efficiencies due to Policy</b>	<b>(\$0.5)</b>
<b>c. Cost Efficiencies</b>	<b>(\$0.5)</b>
<b>d. Headquarters Reductions</b>	<b>(\$2.8)</b>
<b>Program Changes:</b>	<b>(\$194.8)</b>
<b>a. Other</b>	<b>(\$24.6)</b>
<b>b. Aircraft Maintenance Changes</b>	<b>(\$24.1)</b>
<b>c. Base Operating Support Changes</b>	<b>\$0.0</b>
<b>d. Workload Changes</b>	<b>(\$168.7)</b>
<b>FY2017 Estimate</b>	<b>\$6,041.4</b>

Fund 11  
(Dollars in Millions)

Source of New Orders and Revenue  
Air Force Working Capital Fund  
Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

**United States Transportation Command**

	FY2015	FY2016	FY2017
<b>1. New Orders</b>			
<b>a. Orders From DOD Components:</b>	<b>7,174.7</b>	<b>6,024.7</b>	<b>5,140.9</b>
<b>Total Air Force</b>	<b>3,319.5</b>	<b>2,989.7</b>	<b>2,362.2</b>
<b>Military Personnel</b>	<b>181.0</b>	<b>145.8</b>	<b>136.2</b>
<b>Aircraft Procurement</b>	<b>.5</b>	<b>.6</b>	<b>.6</b>
<b>Missile Procurement</b>	<b>.6</b>	<b>1.0</b>	<b>.9</b>
<b>Other Procurement</b>	<b>15.5</b>	<b>12.2</b>	<b>10.7</b>
<b>Operations &amp; Maintenance</b>	<b>2,788.0</b>	<b>2,529.2</b>	<b>1,937.8</b>
<b>Operations &amp; Maintenance - ANG</b>	<b>30.2</b>	<b>11.2</b>	<b>9.8</b>
<b>Operations and Maintenance - AFRES</b>	<b>257.7</b>	<b>255.1</b>	<b>233.7</b>
<b>RDT&amp;E</b>	<b>3.3</b>	<b>3.5</b>	<b>2.9</b>
<b>Other</b>	<b>42.7</b>	<b>31.1</b>	<b>29.6</b>
<b>Army</b>	<b>2,257.8</b>	<b>1,879.5</b>	<b>1,667.3</b>
<b>Military Personnel</b>	<b>238.6</b>	<b>164.0</b>	<b>149.9</b>
<b>Aircraft Procurement</b>	<b>.0</b>	<b>.2</b>	<b>.2</b>
<b>Missile Procurement</b>	<b>.0</b>	<b>.0</b>	<b>.0</b>
<b>Other Procurement</b>	<b>8.1</b>	<b>6.0</b>	<b>7.3</b>
<b>AAFES</b>	<b>303.1</b>	<b>70.2</b>	<b>78.9</b>
<b>Operations and Maintenance</b>	<b>1,665.4</b>	<b>1,616.1</b>	<b>1,408.9</b>
<b>NG, O&amp;M</b>	<b>4.2</b>	<b>2.7</b>	<b>2.7</b>
<b>Army Reserve</b>	<b>14.6</b>	<b>4.8</b>	<b>4.6</b>
<b>RDT&amp;E</b>	<b>13.1</b>	<b>5.0</b>	<b>5.2</b>
<b>Other</b>	<b>10.7</b>	<b>10.5</b>	<b>9.6</b>
<b>Navy</b>	<b>677.2</b>	<b>595.1</b>	<b>596.4</b>
<b>Military Personnel</b>	<b>84.4</b>	<b>116.6</b>	<b>103.5</b>
<b>Aircraft Procurement</b>	<b>.0</b>	<b>.0</b>	<b>.0</b>
<b>NEXCOM</b>	<b>.0</b>	<b>.6</b>	<b>.7</b>
<b>Operations and Maintenance</b>	<b>438.9</b>	<b>350.5</b>	<b>326.8</b>
<b>NG, O&amp;M</b>	<b>1.2</b>	<b>1.2</b>	<b>1.0</b>
<b>NDSF</b>	<b>145.2</b>	<b>123.0</b>	<b>161.2</b>
<b>RDT&amp;E</b>	<b>.8</b>	<b>1.8</b>	<b>1.5</b>
<b>Other</b>	<b>6.7</b>	<b>1.4</b>	<b>1.7</b>
<b>Marine Corps</b>	<b>215.7</b>	<b>131.2</b>	<b>134.7</b>
<b>Military Personnel</b>	<b>40.1</b>	<b>31.7</b>	<b>30.5</b>

Fund 11  
(Dollars in Millions)

Source of New Orders and Revenue  
Air Force Working Capital Fund  
Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
Budget Estimates  
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**United States Transportation Command**

	FY2015	FY2016	FY2017
<b>MCEX</b>	.0	.0	.0
<b>Operations and Maintenance</b>	175.2	99.3	103.9
<b>Other</b>	.4	.2	.3
<b>OSD</b>	704.5	429.2	380.3
<b>Operations and Maintenance</b>	695.1	418.7	369.5
<b>JCS</b>	70.8	82.6	79.2
<b>SOCOM</b>	554.5	284.2	242.5
<b>Health Affairs</b>	.0	.0	.0
<b>NSA</b>	2.0	3.0	3.2
<b>DIA</b>	.0	.0	.0
<b>DMA</b>	.0	.0	.0
<b>Other</b>	67.5	47.7	43.3
<b>DLA (Non-WCF)</b>	.3	1.2	1.3
<b>DTS-PMO</b>	.0	.0	.0
<b>Procurement</b>	.0	1.1	1.2
<b>Other</b>	9.4	9.4	9.6
<b>b. Orders From Other Fund Activity Groups</b>	973.3	435.8	231.8
<b>DECA</b>	16.2	7.0	8.3
<b>DLA</b>	522.2	183.8	143.6
<b>Other Orders</b>	434.9	245.0	79.9
<b>c. Total DOD</b>	8,148.0	6,460.5	5,372.7
<b>d. Other Orders</b>	334.8	155.6	146.6
<b>Other Federal Agencies</b>	21.6	9.9	9.1
<b>Trust Fund</b>	.0	.0	.0
<b>Non Federal Agencies</b>	63.1	54.3	49.9
<b>Foreign Military Sales</b>	250.1	91.4	87.6
<b>Total New Orders</b>	8,482.8	6,616.1	5,519.3
<b>2. Carry-In Orders</b>	.0	.0	.0
<b>3. Total Gross Orders</b>	8,482.8	6,616.1	5,519.3
<b>4. Funded Carryover</b>	.0	.0	.0
<b>5. Total Gross Sales</b>	8,482.8	6,616.1	5,519.3

Fund 14  
(Dollars in Millions)

Revenue and Expenses  
Air Force Working Capital Fund  
Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
Budget Estimates  
February 2016

**United States Transportation Command**

	FY2015	FY2016	FY2017
<b>Revenue</b>			
Gross Sales	8,482.8	6,616.1	5,519.3
Operations	8,293.6	6,456.3	5,371.6
Capital Surcharge	.0	.0	.0
Cash Surcharge	.0	.0	.0
Depreciation excluding Maj Const	189.2	159.8	147.7
Major Construction Depreciation	.0	.0	.0
Other Income	.0	.0	.0
Refunds/Discounts(-)	.0	.0	.0
<b>Total Income:</b>	<b>8,482.8</b>	<b>6,616.1</b>	<b>5,519.3</b>
<b>Expenses:</b>			
<b>Salaries and Wages:</b>			
Military Personnel Compensation & Benefits	41.3	42.3	43.0
Civilian Personnel Compensation & Benefits	357.5	390.5	395.8
Travel and Transportation of Personnel	70.8	73.9	75.8
Materials and Supplies (For internal operations)	1,722.0	1,281.7	1,010.8
Equipment	5.2	3.2	3.3
Other Purchases from Revolving Funds	173.4	237.5	204.5
Transportation of Things	3,680.6	2,946.3	2,656.7
Depreciation - Capital	180.9	159.8	147.7
Printing and Reproduction	.4	.3	.3
Advisory and Assistance Services	7.5	6.4	6.6
Rent, Comm, Utilities and Misc Charges	40.8	52.3	54.2
Other Purchased Services	1,766.9	1,388.4	1,442.7
<b>Total Expenses</b>	<b>8,047.3</b>	<b>6,582.6</b>	<b>6,041.4</b>
<b>Operating Result</b>	<b>435.5</b>	<b>33.5</b>	<b>(522.1)</b>
Less Capital Surcharge Reservation	.0	.0	.0
Plus Passthroughs of Other Appropriations affecting NOR/AOR	.0	.0	.0
Other Changes (NOR)	.0	.0	.0
<b>Net Operating Result</b>	<b>435.5</b>	<b>33.5</b>	<b>(522.1)</b>
Beginning AOR	80.2	524.5	555.4
Prior Year Adjustments	.0	.0	.0
Other Changes Affecting AOR	.0	.0	.0
<b>Accumulated Operating Result</b>	<b>515.7</b>	<b>558.0</b>	<b>33.3</b>
Non-Recoverable Adjustment Impacting AOR	8.8	(2.6)	.0
<b>Accumulated Operating Result for Budget Purposes</b>	<b>524.5</b>	<b>555.4</b>	<b>33.3</b>

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***AIR FORCE  
WORKING CAPITAL FUND***



**U.S. AIR FORCE  
*CAPITAL BUDGET***

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Fund 9A  
(Dollars in Millions)

Activity Group Capital Investment Justification  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
Budget Estimates  
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**CSAG**

Line Number	Item Description	FY2015		FY2016		FY2017	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
	<b>EQUIPMENT</b>	43	141.772	55	138.773	34	138.451
	Maintenance Division	43	141.772	55	138.773	34	138.451
	Supply Division	0	0.000	0	0.000	0	0.000
	<b>ADPE &amp; TELECOM</b>	11	9.479	0	0.000	2	8.140
	Maintenance Division	11	9.479	0	0.000	2	8.140
	Supply Division	0	0.000	0	0.000	0	0.000
	<b>SOFTWARE DEVELOPMENT</b>	0	0.000	4	16.009	2	15.634
	Maintenance Division	0	0.000	1	0.750	0	0.000
	Supply Division	0	0.000	3	15.259	2	15.634
	<b>MINOR CONSTRUCTION</b>	8	6.313	12	7.950	12	9.151
	Maintenance Division	8	6.313	12	7.950	12	9.151
	Supply Division	0	0.000	0	0.000	0	0.000
	<b>TOTAL</b>	<b>62</b>	<b>157.564</b>	<b>71</b>	<b>162.732</b>	<b>50</b>	<b>171.376</b>
	Capital Outlays (above threshold)		153.843		159.339		164.039
	Capital Outlays (below threshold)		0.000		0.000		0.000
	Total Capital Outlays		153.843		159.339		164.039
	Total Depreciation Expense		138.021		151.329		149.328

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Depot Maintenance			Line No. & Item Description EQUIPMENT WSS				Activity Identification HQ AFMC		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
A. Equipment	1	72,719.3	72,719.3	1	65,130.0	65,130.0	1	92,293.5	92,293.5
Total	1	72,719.3	72,719.3	1	65,130.0	65,130.0	1	92,293.5	92,293.5
Narrative Justification:									
Description									
<p>This capability represents an array of capital equipment investment requirements that aligns with the overall Air Force strategic objectives for sustaining depot facilities and equipment. Projects are in direct support of Aircraft, Missiles, Engines, Exchangeable, or Other Depot mission. WSS investments are designed, scheduled, and installed in accordance with established Air Logistics Complex or Aerospace Maintenance and Regeneration Group processes and priorities. WSS projects support the maintenance mission requirements to sustain the existing organic industrial base, save dollars through increased productivity, and support customer requirements. The equipment, when replaced, upgraded, integrated, or combined into depot industrial operations, leads to efficiency and personnel safety; supports hazardous waste minimization and pollution prevention efforts; enhances product quality; and increases customer satisfaction in performing the Air Force mission. Time sensitivity of projects to accommodate new or emerging workload requirements and produce an acceptable end state is a critical factor in depot operations. As such, programming and execution in this capability is essential as equipment requirements may change. Documentation and project justification support are certified and maintained on file in accordance with the established guidance.</p>									
Economic Analysis									
An Economic Analysis was completed and is on file.									
Impact									
<p>Without the required equipment, AFMC would be unable to provide reliable, cost-effective and timely depot support services and products to operational forces around the world. Depots would be unable to accommodate new workload requirements and produce acceptable end state products. Depot infrastructure would deteriorate and become unproductive. The ability to execute capital budgets in support of mission objectives would be severely hampered. The aforementioned investments are critical to remaining competitive and provide combat mission support commensurate with changing combat environments.</p>									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
 Budget Estimates  
 February 2016

Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Depot Maintenance			Line No. & Item Description EQUIPMENT TEST				Activity Identification HQ AFMC		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
A. Equipment	1	69,052.4	69,052.4	1	73,643.0	73,643.0	1	46,157.4	46,157.4
Total	1	69,052.4	69,052.4	1	73,643.0	73,643.0	1	46,157.4	46,157.4
Narrative Justification:									
Description									
<p>This capability represents an array of capital equipment investment requirements that aligns with the overall Air Force strategic objectives for sustaining depot facilities and equipment. Projects are in direct support of Aircraft, Missiles, Engines, Exchangeables, or Other Depot mission areas. Investments are designed, scheduled, and installed in accordance with established Air Logistics Complexes or Aerospace Maintenance and Regeneration Group processes and priorities that coincide with weapon system upgrades and requirements. Test and Inspection projects support the depot maintenance mission requirements to sustain the existing organic industrial base, save dollars through increased productivity, and support customer requirements. The equipment, when replaced, upgraded, integrated, or combined into depot industrial operations leads to efficiency improvements and personnel safety; supports hazardous waste minimization and pollution prevention efforts; enhances product quality; increases customer satisfaction in performing the Air Force mission; and allows for the in-depth troubleshooting of line replaceable units (LRU), shop replaceable units (SRU) and higher assembly carcasses. Time sensitivity of projects to accommodate new or emerging workload requirements and produce an acceptable end state is a critical factor in depot operations. As such, program and execution in this capability is essential to depot maintenance CORE workload as equipment requirements change and weapon systems upgrade. Documentation and project justification support are certified and maintained on file in accordance with the established guidance.</p>									
Economic Analysis									
An Economic Analysis was completed and is on file for all funded projects.									
Impact									
<p>Without TEST capability investments, AFMC would be unable to provide reliable, cost-effective and timely depot support services and products to operational forces around the world. Depots would be unable to accommodate new workload requirements and produce acceptable end state products. Depot infrastructure would deteriorate and become unproductive. The ability to execute capital budgets in support mission objectives would be severely hampered. The aforementioned investments are critical to remaining competitive and providing combat mission support commensurate with changing combat environments.</p>									

Fund 9B  
(Dollars in Thousands)

Activity Group Capital Investment Justification  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
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Department of the Air Force Depot Maintenance		Line No. & Item Description ADPE & TELECOM					Activity Identification HQ AFMC		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
B. ADPE/Telecomm	1	9,478.7	9,478.7	1	0.0	0.0	1	8,140.0	8,140.0
Total	1	9,478.7	9,478.7	1	0.0	0.0	1	8,140.0	8,140.0
Narrative Justification:									
Description									
<p>This capability represents an array of capital ADPE and Telecommunications investments that aligns with the overall Air Force strategic objectives for sustaining depot facilities and equipment. Projects will upgrade the infrastructure required to maintain the depot maintenance systems and equipment. All upgrades are implemented within the Air Force's common infrastructure. Investments include upgrading fiber optics, routers, servers and other infrastructure items required to support the implementation of an efficient depot maintenance support structure. The aforementioned investments ensure commonality and replacement of equipment before failure, incompatibility or obsolescence due to age. Equipment replacements are in accordance with the Logistics Strategic Plan approved by the Deputy Under Secretary of Defense (Logistics).</p>									
Economic Analysis									
An Economic Analysis was completed and is on file for all funded projects.									
Impact									
<p>Upgrades are critical to maintaining system reliability and improving operating performance and ensuring the supportability of depot maintenance systems and equipment. New operating system will improve CSAG Maintenance Division's capability to actively monitor and make corrective actions in financial and operational performance. Support network infrastructure upgrades must be placed into service prior to upgrading operating systems. The Air Force will be unable to track financial, operational and equipment performance without planned infrastructure replacement and improvement. Lack of investments in this capability will impact the depot's ability to effectively monitor performance which results in cost increases, negative impacts to production, and reduction in aircraft availability for the warfighter.</p>									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Depot Maintenance			Line No. & Item Description SOFTWARE DEVELOPMENT				Activity Identification HQ AFMC		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	0.0	0.0	0	750.0	750.0	0	0.0	0.0
Total	0	0.0	0.0	0	750.0	750.0	0	0.0	0.0
Narrative Justification:									
Description									
This capability provides for development and acquisition of both operating and application software that support depot maintenance operations. Software requirements include systems programs, application programs, commercial-off-the-shelf (COTS) software, independent subroutines, databases, equipment upgrades, Test Program Sets (TPS) and software documentation. System application software may be acquired through (1) the purchase of a COTS system; (2) the development of new applications through either internal development (in-house) or contractual effort; or (3) the modernization of existing software that significantly expands and/or enhances its existing capabilities.									
Economic Analysis									
An Economic Analysis was completed and is on file for all funded projects.									
Impact									
The planned project of \$2,000,000 in FY 2015 was not required. Planned software upgrades in FY 2016 are critical to maintaining continuous visibility for asset management as well as real-time decisions regarding efficient and effective maintenance due to changing conditions not only from the field but from within the maintenance wings themselves. The changes made to existing systems will allow successful implementation of more efficient maintenance concepts in order to effectively utilize the Air Logistics Complexes' resources. Efficiencies critical for long-term success will not be realized if projects remain unfunded.									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
 Budget Estimates  
 February 2016

Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Depot Maintenance		Line No. & Item Description MINOR CONSTRUCTION					Activity Identification HQ AFMC		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
D. Minor Construction	1	6,313.2	6,313.2	1	7,950.0	7,950.0	1	9,151.0	9,151.0
Total	1	6,313.2	6,313.2	1	7,950.0	7,950.0	1	9,151.0	9,151.0
Narrative Justification:									
Description									
This category includes an array of minor construction projects that allows flexibility in adapting to new and changing workloads. Projects are small scale (costing between \$250,000 and \$1,000,000) and are designed, scheduled, and constructed in accordance with Air Logistic Complexes' established priorities. These projects support the depot maintenance, mission requirements, correct safety and health problems; improve productivity through quality of life improvement projects, improve depot flow days and support office and work space reorganizations. In addition, MC projects provide construction required to install needed mission essential equipment and capital investment equipment.									
Economic Analysis									
An Economic Analysis was completed and is on file for all funded projects.									
Impact									
If facilities are not properly maintained or modernized based upon required depot workload, there will be work stoppages along with safety and security issues which affects weapon system availability. The minor construction that is required for new equipment setup will not be in place, thus severely impacting the depots' ability to efficiently provide repair services and meet warfighter requirements.									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
 Budget Estimates  
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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Supply Management			Line No. & Item Description GCSS-AF DS				Activity Identification HQ AFMC		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	0.0	0.0	1	3,000.0	3,000.0	1	3,000.0	3,000.0
Total	0	0.0	0.0	1	3,000.0	3,000.0	1	3,000.0	3,000.0
<b>Description</b>									
<p>Global Combat Support System – Air Force Data Services (GCSS-AF DS) integrates the full spectrum of AF combat support data, including maintenance, supply, transportation, finance, contracting, and planning. It will support warfighters by providing data sharing capabilities and functional data integration through modern query and data mining tools. These tools gather and store enterprise-wide data in a secure, reliable, and consistent manner through web accessible portals. GCSS-AF DS decision support tools will provide users with quick, clear, and accurate information. Cross-functional data maintained in GCSS-AF DS include maintenance data for aircraft, communications-electronics equipment, engines, and a wide spectrum of supply chain management data. The CSAG-Supply Division has the largest volume of data to reside in GCSS-AF DS. To date, supply data has been populated from selected supply systems including Stock Control System, Master Item Identification Control System, Mission Capable data, Weapon System Management Information System, Requirements Management System, and Contractor Supported Weapon Systems. GCSS-AF DS (ADPE/Telecommunication) hardware is on a five-year refresh cycle. To minimize risk to system platform and to ensure infrastructure is residing on the most current hardware, 20% of hardware is refreshed each year. This is a continuous requirement as long as GCSS-AF Data Services is operational. The requested funding will sustain current data warehousing hardware environment including AF business intelligence hardware servers. As GCSS-AF DS development progresses, storage capacity must be increased to accommodate current and new data feeds and to improve system performance. GCSS-AF DS (Software Development)-The requested funding is required to purchase active commercial software programs for infrastructure and mission capability as well as developing new capability within the GCSS-AF DS warehouse. Continuous software upgrades (purchasing updated versions or replacing obsolete versions) and development of new capability will be required for the entire life of GCSS-AF Data Services. Both GCSS-AF DS (ADPE/Telecom) and (Software Development) are exempt from NDAA Certification because they are National Security Systems (NSS) per Public Law 107-347 (USC Title 44, Section 3542) and Executive Order (EO) 13292. There are currently no hardware requirements.</p>									
<b>Economic Analysis</b>									
An economic Analysis is on file for GCSS-AF DS.									
<b>Impact</b>									
<p>GCSS-AF DS (ADPE/Telecom): If storage capacity/hardware updates are not increased, GCSS-AF DS development will detrimentally impact AF users' ability to query and mine data. Lacking additional capacity/upgrades, GCSS-AF DS will not be able to support the storage of the data feeds, mine data, and present accurate information to AF decision makers. Timeliness of data will continue to lag commanders' needs, accuracy will remain suspect and relationships between activities such as supply, maintenance, and operations will remain disconnected. GCSS-AF DS (ADPE/Telecom) is vital to successful enterprise-wide integration, cross-functional visibility, and agile combat support. GCSS-AF DS (Software Development) - Impact if not provided: Failure to fund GCSS-AF DS eliminates the ability to centralize data storage to provide a single source of data for decision making; will hamper the AF's ability to respond to commanders' needs; accuracy will be unreliable; and relationships between activities such as supply, maintenance, and operations will remain disconnected. GCSS-AF DS (Software Development) is vital to successful enterprise-wide integration, cross-functional visibility, and agile combat support. There were no FY 2015 CIP requirements for GCSS.</p>									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Supply Management			Line No. & Item Description Requirements Management System (RMS)				Activity Identification HQ AFMC		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	0.0	0.0	1	445.0	445.0	0	0.0	0.0
Total	0	0.0	0.0	1	445.0	445.0	0	0.0	0.0
Narrative Justification:									
Description									
<p>The Requirements Management System (RMS) establishes reporting for the subcategories of contingency retention required in DOD 4140.01 DoD Supply Chain Materiel Management Policy. The subcategories were designed to better communicate the reasons that the military services retain inventory beyond current requirements. The Air Force was made aware of the impending DoD code changes in 2011 and received approval to implement the system changes in 2012. There are over 7,000 National Stock Numbers (NSNs) which represent assets that are currently being retained, on-hand, for possible future use by the Air Force but cannot be disposed of because of this anticipated usage. Reporting of these assets will appear as excess inventory or ready for disposal if they are not coded in accordance with DoD policy cited above. Air Force must provide accurate asset visibility, as well as asset accountability, of these 7,000 NSNs being retained in the Air Force inventory. The type of workload that will be required, include but are not limited to, the following: software development, changes and coding; creating and/or updating multiple IT system interfaces between Stock Control (D035) and RMS (D200); and updating RMS data tables to track assets and provide better asset visibility of Air Force-owned inventory.</p>									
Economic Analysis									
<p>The savings would be in the "Other Cost Savings" category (recoverable cost savings benefits not related to status quo cost reductions). Savings will be realized through labor efficiencies versus the program. Estimated Cost Avoidance for stock numbers currently in contingency retention is estimated at \$74K in FY 2016. Savings will continue to increase each year.</p>									
Impact									
<p>AF will continue to be out of compliance with DOD 4140.01 and lack the ability to report to Congress the inventory that we are currently retaining at required level of detail. NDAA Certification Status: Organizational Execution Plan (OEP) submitted 10 April 2014. Without CIP funding, Air Force will remain non-compliant with DoD policy.</p>									



Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Consolidated Sustainment Activity Group (CSAG)

Fiscal Year (FY) 2017  
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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Supply Management			Line No. & Item Description ESCAPE				Activity Identification HQ AFMC		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	0.0	0.0	1	11,814.0	11,814.0	1	12,634.0	12,634.0
Total	0	0.0	0.0	1	11,814.0	11,814.0	1	12,634.0	12,634.0
Narrative Justification:									
Description									
<p>The Enterprise Supply Chain Analysis, Planning and Execution (ESCAPE) initiative furthers the definition, design, acquisition, implementation and delivery of warfighter enterprise supply chain planning capabilities. The initiative supports DoD transformational goals by seeking to modernize legacy supply chain planning processes and systems under a single enterprise materiel solution. The primary (and near-exclusive) users of USAF planning capabilities are the Item Managers, Equipment Specialists and Production Specialists. Current Air Force supply chain planning systems lack the ability to efficiently support depot maintenance operations, effectively position assets across the enterprise, collaborate with suppliers, and optimize inventory efficiently due to the use of substandard legacy processes and do not integrate the core supply chain capabilities: Demand Planning, Inventory Planning (or optimization), Supply Planning, Exception Management and Analytics. The requested funds will support Development/Modernization expenditures related to: Solution Support (COTS Vendor Support), System Integrator, Hosting/Data Services/Analytics (Dev), Infrastructure Services, Infrastructure Services Non-Recurring Equipment (NRE), Development License (via Service Contract). Estimated completion date is FY 2020. Total CIP cost is approximately \$40 million.</p>									
Economic Analysis									
<p>The ESCAPE investment provides an ROI ratio of 5.0 over its payback period of 2019 - 2028. This is accomplished through reduced sustainment costs and various inventory efficiencies such as improved forecasting; tighter collaboration between the AF supply community with depot maintenance and suppliers; improved bill of materials accuracy, more responsive planning; and near real time performance management. This ROI was conservatively estimated and is expected to improve as the solution is fully definitized.</p>									
Impact									
<p>If not funded, the AF will accept the current antiquated supply chain planning environment and fail to realize a robust ROI, lose a competitive advantage to onboard new workloads such as the F-35 Joint Strike Fighter, as well as prevent enabling future manpower efficiencies. ESCAPE provides a critical capability to enable other workstreams such as the Maintenance, Repair and Overhaul (MRO) capability initiative by providing a near real time source of prioritized repair requirements, and is a crucial step towards simplifying the AF supply chain's information system portfolio.</p>									

Fund 9C  
(Dollars in Millions)

Activity Group Capital Investment Justification  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

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**CSAG - Maintenance Division**

<b>Major Category</b>	<b>Initial Request</b>	<b>Current Proj Cost</b>	<b>Approved Change</b>	<b>Explanation</b>
<b>Non-ADPE</b>	154.019	141.772	-12.247	\$2.4 M carryover Eqpt Test; \$9.8M realigned/reprogrammed
<b>ADPE and Telcom</b>	3.501	9.479	5.978	\$2.9M carryover ADPE; \$3.1M realigned/reprogrammed
<b>Software Development</b>	2.000	0.000	-2.000	\$2.0M realigned/reprogrammed
<b>Minor Construction</b>	6.378	6.313	-0.065	\$.065M realigned/reprogrammed
<b>Total FY2015</b>	165.899	157.564	-8.335	
<b>Non-ADPE</b>	138.773	138.773	0.000	
<b>ADPE and Telcom</b>	0.000	0.000	0.000	
<b>Software Development</b>	0.750	0.750	0.000	
<b>Minor Construction</b>	7.950	7.950	0.000	
<b>Total FY2016</b>	147.473	147.473	0.000	
<b>Non-ADPE</b>	138.451	138.451	0.000	
<b>ADPE and Telcom</b>	8.140	8.140	0.000	
<b>Software Development</b>	0.000	0.000	0.000	
<b>Minor Construction</b>	9.151	9.151	0.000	
<b>Total FY2017</b>	155.742	155.742	0.000	

Fund 9C  
(Dollars in Millions)

Activity Group Capital Investment Justification  
Air Force Working Capital Fund  
Consolidated Sustainment Activity Group (CSAG)

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**CSAG - Supply Division**

<b>Major Category</b>	<b>Initial Request</b>	<b>Current Proj Cost</b>	<b>Approved Change</b>	<b>Explanation</b>
<b>Non-ADPE</b>	0.000	0.000	0.000	
<b>ADPE and Telcom</b>	1.635	0.000	-1.635	GCSS: Fully funded LIMS-EV in FY 2014 reducing FY 2015 requirement to zero
<b>Software Development</b>	5.381	0.000	-5.381	GCSS: Fully funded LIMS-EV in FY 2014 reducing FY 2015 requirement to zero. KDSS: Initial DLA storage billing analysis ongoing. No other data analysis capabilities met the 250K CIP threshold.
<b>Minor Construction</b>	0.000	0.000	0.000	
<b>Total FY2015</b>	7.016	0.000	-7.016	
<b>Non-ADPE</b>	0.000	0.000	0.000	
<b>ADPE and Telcom</b>	1.666	0.000	-1.666	GCSS: Fully funded LIMS-EV in FY 2014 reducing FY 2016 requirement to zero
<b>Software Development</b>	18.991	15.259	-3.732	GCSS: \$2,152K reduction due to work completed in FY 2014. ATOS: \$1,580K requirement removed due to the lack of project approval.
<b>Minor Construction</b>	0.000	0.000	0.000	
<b>Total FY2016</b>	20.657	15.259	-5.398	
<b>Non-ADPE</b>	0.000	0.000	0.000	
<b>ADPE and Telcom</b>	0.000	0.000	0.000	
<b>Software Development</b>	0.000	15.634	15.634	
<b>Minor Construction</b>	0.000	0.000	0.000	
<b>Total FY2017</b>	0.000	15.634	15.634	

Fund 9A  
(Dollars in Millions)

Activity Group Capital Investment Justification  
Air Force Working Capital Fund  
Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
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United States Transportation Command

Line Number	Item Description	FY2015		FY2016		FY2017	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
A.	Equipment						
	Equipment-AMC		0.0		0.5		0.5
	Equipment-SDDC		0.5		0.3		0.6
	Subtotal		0.5		0.8		1.1
B.	ADPE/Telecomm						
	Distribution Process Owner (DPO) Secure Enclave (DSE)/Common Computing Environment (CCE)		0.7		0.0		0.0
	Infostructure		5.9		10.1		11.7
	Local Area Network (USTRANSCOM LAN)		2.7		4.4		4.4
	Integrated Multi-Modal Operations (IMMO)		0.0		0.0		0.5
	Global Air Transportation Execution System (GATES)		0.7		0.0		0.0
	Mobility Air Forces Flight Planning Service		0.9		1.6		0.0
	Mobility Enterprise Information Services (MEIS)		0.6		0.9		2.2
	Automated Transportation Data (AUTOSTRAD)		0.0		0.0		0.1
	Subtotal		11.5		16.9		18.9
C.	Software Development						
	Agile Trans for the 21st Century (AT21)		5.6		8.0		5.0
	Analysis of Mobility Platform (AMP)		2.7		2.5		2.6
	Distribution Process Owner (DPO) Secure Enclave (DSE)/Common Computing Environment (CCE)		2.2		3.6		3.6
	Corporate Data Solution (CDS)		1.1		0.9		0.9
Defense Enterprise Acct & Mgmt System (DEAMS)		0.0		0.0		12.4	

Fund 9A United States Transportation Command

Fund 9A  
(Dollars in Millions)

Activity Group Capital Investment Justification  
Air Force Working Capital Fund  
Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
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United States Transportation Command

Line Number	Item Description	FY2015		FY2016		FY2017	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
	Defense Personal Property System (DPS)		10.8		11.7		11.8
	Infostructure		0.3		4.0		1.6
	Int Data Environ/Global Trans Net Converg (IGC)		0.0		0.5		0.0
	Joint Flow & Analysis Sys for Trans (JFAST)		4.3		3.7		2.2
	Single Mobility System (SMS)		1.6		1.5		1.2
	Security Engineering		1.1		1.1		1.2
	Global Command and Control System (GCCS)		0.0		0.2		0.0
	Integrated Multi-Modal Operations (IMMO)		0.0		6.2		8.7
	Global Air Transportation Execution System (GATES)		2.8		0.0		4.5
	Mobility Air Forces Flight Planning Service		7.4		16.5		9.8
	Defense Enterprise Accounting and Management (DEAMS) System Component Billing System (DCBS)		0.5		0.0		0.0
	Mobility Enterprise Information Services (MEIS)		8.5		6.2		6.9
	Global Aircrew Management (GAM)		3.9		3.0		3.2
	Dynamic Mission Replanning (DMR)		5.3		3.9		4.4
	Global Freight Management (GFM)		0.2		1.6		2.3
	Integrated Booking System (IBS)		1.2		3.4		5.1
	Intelligent Road/Rail Information Server (IRRIS)		6.1		0.2		0.0

Fund 9A United States Transportation Command

Fund 9A  
(Dollars in Millions)

Activity Group Capital Investment Justification  
Air Force Working Capital Fund  
Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
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United States Transportation Command

Line Number	Item Description	FY2015		FY2016		FY2017	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
	Integrated Computerized Deploy Sys (ICODES)		0.8		0.0		0.0
	Transportation Financial Management System-MTMC		2.3		0.0		0.0
	Subtotal		68.5		78.8		87.4
D.	Minor Construction						
	Minor Construction-AMC		0.7		4.5		4.5
	Minor Construction-DCD		0.0		0.3		0.3
	Minor Construction-SDDC		2.1		2.1		1.9
	Subtotal		2.8		6.9		6.7
	GRAND TOTAL		83.3		103.4		114.1
	Capital Outlays (above threshold)		117.7		101.4		96.1
	Capital Outlays (below threshold)		0.0		0.0		0.0
	Total Capital Outlays		117.7		101.4		96.1
	Total Depreciation Expense		180.9		159.8		147.7

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Air Mobility Command			Line No. & Item Description Equipment-AMC				Activity Identification HQ AMC, Scott AFB IL		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
A. Equipment	0	0.0	0.0	0	500.0	500.0	0	500.0	500.0
Total	0	0.0	0.0	0	500.0	500.0	0	500.0	500.0
<b>Narrative Justification:</b>									
<b>Description</b>									
Funds are used to support Base Procured Investment Equipment for flight line maintenance.									
<b>Mission Benefits</b>									
Funds allow for the procurement of one time purchases to replace/procure new equipment.									
<b>Deliverables</b>									
Will be based on requirements approved for replacement or procurement of new equipment.									
<b>Economic Analysis</b>									
Economic Analysis (EA) are completed for individual projects that qualify.									
<b>Impact</b>									
Without these funds, Wings would not be able to procure needed replacement items. These funds are required to support one-time requirements for equipment that is becoming obsolete and logistically unsupportable. With a certified EA, it is verified that these capital items meet requirements as a replacement item and result in improved efficiency and capability.									
<b>Software</b>									
Not Applicable.									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
 Budget Estimates  
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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Surface Deployment and Distribution Command			Line No. & Item Description Equipment-SDDC				Activity Identification SDDC		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
A. Equipment	0	538.3	538.3	0	330.0	330.0	0	630.0	630.0
Total	0	538.3	538.3	0	330.0	330.0	0	630.0	630.0
Narrative Justification:									
Description									
The Military Ocean Terminal Sunny Point (MOTSU) is the premier Department of Defense (DOD) ammunition terminal and is considered a vital part of the strategic Continental United States (CONUS) power projection platform supporting warfighting Commanders (CDRs) around the world. It is relied upon to maintain a high optempo consisting of ammunition resupply missions and Preposition Operations (prepo).									
Mission Benefits									
Various types and categories of equipment are needed for operations and safety. Equipment is scheduled for periodic replacement as service lives are reached and equipment becomes uneconomical to repair.									
Deliverables									
FY15: 596th - purchase truck/tractor yard types (\$1.4M); FY16: 596th - NORDCO Tie Extractor (\$330K); FY17: 596th - Excavator Trk Mtd "CAT" (\$300K), Kalamar 66K Stacker (\$330K)									
Economic Analysis									
Economic Analysis (EA) are completed for individual projects that qualify.									
Impact									
Failure to fund will adversely impact Surface Deployment and Distribution Commands (SDDCs) ability to meet safety standards and support the warfighters.									
Software									
Not applicable.									



Activity Group Capital Investment Justification

Fiscal Year (FY) 2017

Fund 9B

Air Force Working Capital Fund

Budget Estimates

(Dollars in Thousands)

Transportation Working Capital Fund (TWCF)

February 2016

Department of the Air Force USTRANSCOM Command Staff			Line No. & Item Description Agile Trans for the 21st Century (AT21)				Activity Identification Command Staff		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	5,564.5	5,564.5	0	8,020.0	8,020.0	0	4,980.0	4,980.0
Total	0	5,564.5	5,564.5	0	8,020.0	8,020.0	0	4,980.0	4,980.0
Narrative Justification:									
Description									
<p>The DoD distribution pipeline has bottlenecks, ineffectiveness, and inefficiencies that can be traced to stove-piped, inefficient business processes, and a lack of communication between process owners, coupled with systems communication and interoperability failures. The system lacks common operational views and shared knowledge, decision-support and modeling tools, and asset visibility. AT21 is a program that inserts and adapts commercially available tools to provide integrated process control, optimization, and collaboration capabilities into the Distribution Process Owner (DPO) framework, significantly improving peacetime and wartime distribution and deployment operations for the combatant commands, Services, and other governmental entities in support of DoD Directive 5158.4 which gives Commander, USTRANSCOM the authority to meet the needs of combatant commands efficiently, effectively, and with fiscal restraint. At a high level, AT21: (1) Enhances business process control in the USTRANSCOM Deployment and Distribution Operations Center (DDOC) / Fusion Center; and (2) Obtains and transitions commercially available transportation management system (TMS) technologies to support Defense distribution operations worldwide. By enhancing collaborative access to distribution and deployment-related information at all operational levels, AT21 optimizes deployment and logistics planning with improved efficiency of the distribution/deployment infrastructure.</p>									
Mission Benefits									
<p>AT21 provides improved time-definite delivery and best-value transportation solutions to fully support combatant commanders' movement requirements. Among the advantages to the warfighter of the capital investment include: (1) Effective communication of operational lift requirements data (2) Active, flexible lift schedules that accommodate dynamic re-tasking (3) Data-driven distribution plans that provide visibility of flow statistics, potential bottlenecks, contingency re-planning options, etc. (4) Automated planning processes that accelerate the definition of movement requirements (5) Improved planning outcomes through early collaborative decision-making (6) Avoidance of non-supportable courses of action (7) Personnel and cargo visibility across the strategic deployment bridge; and (8) Effective assimilation of Reception, Staging, Onward Movement and Integration operations within the Strategic Deployment and Distribution Bridge.</p>									
Deliverables									
<p>FY15-FY16 Complete Business Process Management Capability Development and Optimization required for Full Operational Capability; FY17 Develop business processes and IT solutions to address emerging requirements; continuous process improvement of Optimized Delivery (OD), Global Sustainment Management, Transportation Integrated Planning Suite, and OD-Air, and new data services.</p>									
Economic Analysis									
<p>The AT21 EA, certified 14 Dec 10, recommended the continuation of Alternative 2 AT21 System Development (NPV \$439.3M) over Alternative 1 Status Quo. This solution offers both significant operational benefits, as well as a strong Return on Investment (ROI) of 3.74 and Benefit Cost Ratio (BCR) of 2.70, presented in FY10 constant dollars (FY10\$). In addition, AT21 System Development is expected to breakeven in FY17 with \$773.8M in life-cycle benefits, presented in Present Value dollars (PV\$). The Status Quo alternative provided no benefits or ROI.</p>									
Impact									
<p>Mission benefits stated above result in optimized operation of the Joint Deployment Distribution Enterprise (JDDE). Failure to fund this requirement will: (1) Result in the inability of USTRANSCOM, Transportation Component Command (TCC) and Geographic Combatant Command (GCC) decision-makers to access strategic movement information, resulting in inefficient use of available lift, uncoordinated use of ports and materiel, and duplication of effort; (2) Result in the inability of AT21 to fulfill the twelve operational outcomes in the Operational Concept Description; limit access to movement information in a timely and automated way resulting in world-wide logistics inefficiencies; (3) Will adversely affect the sustainment flow to the warfighter; and (4) Puts the nation's ability to conduct theater movement operations at risk.</p>									
Software									
<p>No license fees funded with AT21 investment dollars.</p>									

Fund 9B United States Transportation Command

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force USTRANSCOM Command Staff			Line No. & Item Description Analysis of Mobility Platform (AMP)				Activity Identification Command Staff		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	2,707.1	2,707.1	0	2,476.0	2,476.0	0	2,550.0	2,550.0
<b>Total</b>	<b>0</b>	<b>2,707.1</b>	<b>2,707.1</b>	<b>0</b>	<b>2,476.0</b>	<b>2,476.0</b>	<b>0</b>	<b>2,550.0</b>	<b>2,550.0</b>
<b>Narrative Justification:</b>									
<b>Description</b>									
AMP is an end-to-end modeling and simulation environment which supports joint collaborative programmatic analysis, planning execution analysis, experimental planning, execution analysis and peacetime operations. AMP allows mobility analysts to provide multi-level detailed analyses to support DOD mobility analytical studies. AMP serves as a platform to support futuristic programmatic studies and analyses such as mobility requirements studies and quadrennial defense reviews; it also has implications for component and Combatant Command (CCMD) planners and area of responsibility Directors of Mobility Forces (DIRMOBFOR). The current shortcomings in the AMP modeling and simulation capabilities include a lack of efficient communication between models and heuristic based optimization. Capabilities include (1) integration of a more fault-tolerant (robust) optimization network design and scheduling, (2) greater fidelity in the representation of the Joint Deployment Distribution Enterprise (JDDE) in support of DoD's analytic agenda and other programmatic analysis responsibilities, and (3) development of the capacity and ability to rapidly assess transportation courses of action in support of USTRANSCOM's operational applications.									
<b>Mission Benefits</b>									
This modeling and simulation federation provides integrated, authoritative modeling, simulation, stochastic optimization, and analysis tools for effective and efficient warfighter power projection and sustained long range planning. Modeling enhancements of Intermodal Operations, Ammunition Distribution, Inland Waterways Routing, Petroleum, Oil, and Lubricant (POL) terminals, and improved routing schedule will support DoD's analytic agenda for current and future programmatic studies. These modeling enhancements will provide greater insight and modeling detail in evaluating deployment and distribution resource requirements to support National Command Authority (NCA) planning initiatives. These benefits directly support the CCMDs, DIRMOBFOR, and mobility planners.									
<b>Deliverables</b>									
FY15 & 16 - AMP begins development of Increment IV, which consists of the Prototyping and Engineering Development to enhance the existing models within AMP. Specific enhancements include the modeling of Intermodal Operations; Ammunition Distribution; Inland Waterway Routing; Petroleum, Oil and Lubricant (POL) Terminals improved routing schedule. Increment IV enhancements will be supported by Transportation Working Capital Funds (TWCF). FY17 - AMP will build on the End to End Deployment and Distribution Modeling (ETEM) capability and the Inland Water Routing									
<b>Economic Analysis</b>									
The AMP EA, dated 7 Jun 13, recommended the implementation of AMP Increment IV (NPV \$59,129K) over the Status Quo alternative (NPV \$26,604K). The decision to pursue Increment IV was based on the operational benefits that result from investment in new capabilities designed to provide USTRANSCOM and its component commands - Air Mobility Command (AMC), Military Sealift Command (MSC), and Surface Deployment and Distribution Command (SDDC) - a more accurate, realistic end-to-end transportation modeling and simulation system. Increment IV development will provide a system capable of analyzing intermodal operations, munitions distribution, inland waterway activity, and Petroleum, Oil, and Lubricants (POL) terminals. The investment in these enhancements ensures greater fidelity for programmatic analysis, planning, war-games, and exercise support to make certain decision makers have more realistic, relevant information when comparing alternatives.									
<b>Impact</b>									
Without this investment, United States Transportation Command (USTRANSCOM) will be unable to provide a Modeling and Simulation environment of interoperable, collaborative models and execution systems capable of providing accurate and consistent answers at the required breadth and depth of the Defense Transportation System (DTS) problem space. Without this investment, the integration of essential elements of analysis into a homogeneous, seamless, all-inclusive environment that ultimately represents the JDDE to the most effective and efficient level of fidelity possible is negatively impacted.									
<b>Software</b>									
No license fees are associated with this investment.									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

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 (Dollars in Thousands)

Department of the Air Force Surface Deployment and Distribution Command			Line No. & Item Description Automated Transportation Data (AUTOSTRAD)			Activity Identification SDDC			
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
B. ADPE/Telecomm	0	0.0	0.0	0	0.0	0.0	0	78.0	78.0
Total	0	0.0	0.0	0	0.0	0.0	0	78.0	78.0
Narrative Justification:									
Description									
AUTOSTRAD is not a system but rather a program that supports SDDC global connectivity by providing and maintaining SDDC network infrastructure, communications support, SDDC Out Port support; and Enterprise License Agreement support such as Cisco equipment maintenance. In turn, global connectivity enables SDDC to accomplish its mission in support of the Defense Transportation System and USTRANSCOM.									
Mission Benefits									
The AUTOSTRAD program supports approximately 2,400 individuals at 52 worldwide locations, 5 major subordinate commands, and ports. The program provides for operations, maintenance and life cycle hardware (HW) replacement of Local Area Network (LAN)/Wide Area network (WAN) architecture components (including wireless), Information Assurance, Video Teleconference components, voice, and new communications technologies to keep SDDC globally connected across its operational user base. In addition, the program supports Out Port infrastructure capabilities for all LAN/WAN architecture components, network storage, disaster recovery, web service components, and any equipment and software supporting network operations.									
Deliverables									
FY15/16: N/A. FY17: Lifecycle Refresh- (under \$250 but it is the Handheld Terminal Testing Piece of FY18 totaling \$1,260)									
Economic Analysis									
Certified 15 Jun 10.									
Impact									
If testing not accomplished first, the government will be at risk of investing FY18 funds for equipment replacement is not functional or meet required technical needs.									
Software									
N/A									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force USTRANSCOM Command Staff			Line No. & Item Description Distribution Process Owner (DPO) Secure Enclave (DSE)/Common Computing Environment (CCE)				Activity Identification Command Staff		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
B. ADPE/Telecomm	0	685.7	685.7	0	0.0	0.0	0	0.0	0.0
C. Software Development	0	2,193.7	2,193.7	0	3,563.0	3,563.0	0	3,629.0	3,629.0
<b>Total</b>	<b>0</b>	<b>2,879.4</b>	<b>2,879.4</b>	<b>0</b>	<b>3,563.0</b>	<b>3,563.0</b>	<b>0</b>	<b>3,629.0</b>	<b>3,629.0</b>
<b>Narrative Justification:</b>									
<b>Description</b>									
Common Computing Environment (CCE) provides the basic infrastructure consolidation environment to host USTRANSCOM and Transportation Command Components (TCC) Command & Control (C2) Applications. This environment includes the hardware requirements for USTRANSCOM systems and programs of record.									
<b>Mission Benefits</b>									
Provides hardware and software licensing, operational resources, integration and sustainment activities for USTRANSCOM CCE. Provides common platform services, which improves security, provides access control and disaster recovery. Additionally, CCE provides opportunities to leverage a certified and accredited enterprise development and deployment environment responsive to dynamic customer/mission demands in an agile fashion. CCE implementation fuses the number of physical servers, facilities, and support personnel, while improving computing utilization and facilitating on-demand provisioning for increased scalability.									
<b>Deliverables</b>									
FY15-17: (1) Enterprise Application Services (EAS) includes front end development and customization of Commercial Off-The Shelf (COTS) and non-COTS products and hardware required for client side productions environment, (2) Cyber Systems Testing and Control Laboratory development and maintenance of the visualization layer and other front end work in a non-COTS environment to include web page and portlet development. (3) Support for the TCJ6-owned production and development environments including operating licenses, Enterprise backup service, Enterprise C&A, tier 3 engineering, & enterprise design engineering. (4) Portal framework development and sustainment. (5) Software to support profile management, virtualized applications, and the migration of existing user data and settings to a Virtual Desktop Infrastructure (VDI). Load balancers, storage area network, and zero clients for VDI.									
<b>Economic Analysis</b>									
Not applicable.									
<b>Impact</b>									
Failure to consolidate computing requirements within USTRANSCOM and component C2 applications will result in higher equipment costs and all costs associated with managing, housing, storing, repairing each stovepipe system hardware. Failure to consolidate our security boundary across the enterprise increases the complexity and efforts required to secure our information.									
<b>Software</b>									
All software required to operate and/or migrate programs of record into the CCE will be procured using funds from within this program. Possible software includes, but is not limited to, operating systems, database, and migration tools.									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

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 (Dollars in Thousands)

Department of the Air Force USTRANSCOM Command Staff			Line No. & Item Description Corporate Data Solution (CDS)				Activity Identification Command Staff		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	1,080.0	1,080.0	0	915.0	915.0	0	932.0	932.0
Total	0	1,080.0	1,080.0	0	915.0	915.0	0	932.0	932.0
Narrative Justification:									
Description									
Corporate Data Solution (CDS) Program is responsible for providing data, information, knowledge, and engineering services in support of United States Transportation Command (USTRANSCOM) business processes. All systems consume standardized reference data improving data quality by ensuring the seamless exchange of the data between systems. Additionally, provides centralized management of reference data; supports exercises; sustains Transportation Reference Data Management (TRDM) hardware/software databases; DOD Information Assurance Certification and Accreditation Process (DIACAP) artifacts are created and maintained.									
Mission Benefits									
CDS will increase the effectiveness of Information Technology (IT) mission capability of USTRANSCOM, while decreasing overall cost.									
Deliverables									
FY15-17: Manage USTRANSCOM standard reference data through Transportation Reference Data Management (TRDM). Will continue to develop and integrate the Corporate Services Vision (CSV) supporting the infrastructure and Services Oriented Architecture (SOA).									
Economic Analysis									
Not applicable.									
Impact									
If not funded, status quo information management and information availability will continue but will be cumbersome to manage, expensive to execute, and will hinder the commands ability to meet Department of Defense required data sharing capabilities (CSV, SOA, and JDDA-E).									
Software									
License fees are at Enterprise level, paid for by Infostructure and CDS.									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

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Department of the Air Force USTRANSCOM Command Staff			Line No. & Item Description Defense Enterprise Acct & Mgmt System (DEAMS)				Activity Identification Command Staff		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	0.0	0.0	0	0.0	0.0	0	12,444.0	12,444.0
Total	0	0.0	0.0	0	0.0	0.0	0	12,444.0	12,444.0
Narrative Justification:									
Description									
Funding provides for Defense Enterprise Accounting and Management System (DEAMS) a joint USTRANSCOM, DFAS, and AF project to replace legacy systems using an enterprise architecture with Commercial-off-the-Shelf (COTS)-based financial accounting software (general ledger, accounts payable, accounts receivable, financial reporting, billing, etc.). Accurate, reliable, and timely financial information is a top priority of Congress, the Secretary of Defense (SECDEF), the Secretary of the Air Force. This can only be achieved through a modernization and integrated software solution accompanied by sound accounting processes proven through successful audits.									
Mission Benefits									
The three principle benefits are functionality, technology, and flexibility. Functionality provides accurate, timely, and compliant annual financial statements; allows common applications and an integrated database which comply with OMB approved "Core Financial System Requirements" (CFSR), improves time to process AF financial event transactions; facilitates access to the business events underlying the financial events to support auditability and analysis; utilizes standard processes and practices. Technology assures responsive and efficient processing, data analysis, and reporting; delivers timely, accurate and relevant information to decision maker; decreases point-to-point interfaces and system lifecycle costs; capitalizes on the Global Combat Support System - Air Force (GCSS-AF) Infrastructure Framework (IF); improves data accuracy, decreases operations and maintenance costs and increases information availability via a centralized Financial Management (FM) processing site. Flexibility enables agile response to legislative, OMB and DoD mandated FM policy and procedure changes; facilitates AF Smart Operations 21 (AFSO21) business process improvement initiatives; allows timely system enhancement and introduction of improved processes and performance improving technology; provides seamless interaction with FM feeder systems; transitions FM professionals from processing transactions to performing decision support analysis. The functionality, technology and flexibility provided by a successful material solution will be measured by improving cost accounting and reporting capabilities, resolving material weaknesses, reducing sustainment costs, and achieving the SECDEF directed clean audit opinion.									
Deliverables									
FY17 - Release 8 deployment - transition of TFMS into DEAMS. Will provide capability for Army's Surface Deployment and Distribution Command (SDDC), and will provide data interface with the Navy's Military Sealift Command. The SDDC capability development includes re-development of specific functionality currently in TMS to enable DEAMS to supplant TFMS as SDDC's financial management and accounting system of record.									
Economic Analysis									
The Economic Analysis (EA) dated 15 September 2008 identified a discount rate of 4.79%, with a net present value of \$50.19 and a benefit to cost ratio (BCR) of 1.10.									
Impact									
USTRANSCOM would not be able to leverage CFO/BEA/CFOC compliant COTS technologies currently available for financial accounting software, enhance audit capabilities, and automate processes - reducing accuracy, reliability, and timeliness of financial information to the Warfighter.									
Software									
Oracle									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force			Line No. & Item Description			Activity Identification			
Air Mobility Command			Defense Enterprise Accounting and Management (DEAMS) System Component Billing System (DCBS)			HQ AMC, Scott AFB IL			
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	514.8	514.8	0	0.0	0.0	0	0.0	0.0
Total	0	514.8	514.8	0	0.0	0.0	0	0.0	0.0
Narrative Justification:									
Description									
Distribution Component Billing System (DCBS) is a subsidiary ledger of DEAMS supporting the following objectives: Processes transportation records into billable details, enabling AMC to support the financial requirements associated with cargo and passenger transportation services during war, contingencies and peacetime operations. It also increases the efficiency of HQ AMC financial processes in all modes of operation by providing the tools to rapidly assimilate and assess revenue data, update financial data files and expedite billing of service-based revenue. DCBS provides information via web-based Management Dashboard to enable quick Leadership review, command decision support and oversight of financial resources in operations. It also provides accurate AMC financial information through defined pre-validation and dispute processes.									
Mission Benefits									
Migrating Cargo and Billing System (CAB) into DCBS will streamline the TWCF billing data feed, Financial Improvement and Audit Readiness (FIAR) compliance and ability to better manage TWCF cash balance.									
Deliverables									
FY15 Deliverables: Continue integration effort of SDDC's CAB into DCBS as required by USTC.									
Economic Analysis									
Completed by DEAMS.									
Impact									
Without the capital dollars to fund migration of SDDC into DCBS. USTC-J8 vision of one transportation billing system will not be realized and will require continued funding of SDDC's CAB/Transportation Financial Management System-Military (TFMS-M).									
Software									
DCBS uses ColdFusion Server 9.0, HBSS 4.5, Oracle Database- enterprise Edition 11g and Real Secure Server Senor 7.									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force USTRANSCOM Command Staff			Line No. & Item Description Defense Personal Property System (DPS)				Activity Identification Command Staff		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	10,768.7	10,768.7	0	11,723.0	11,723.0	0	11,818.0	11,818.0
Total	0	10,768.7	10,768.7	0	11,723.0	11,723.0	0	11,818.0	11,818.0
Narrative Justification:									
Description									
<p>Defense Personal Property System (DPS) is the fully integrated, centralized, and web-based system for the management of personal property shipments for the Department of Defense (DOD). DPS is the materiel solution to achieve the Defense Personal Property Program (DP3) objectives. The DPS customer-centric approach provides a more responsive, user-friendly experience while ensuring timely and accurate delivery of personal property shipments. It also provides direct customer feedback to identify and reward Transportation Service Providers (TSPs) that deliver quality service at reasonable rates. The DPS is responsible for all aspects of personal property shipment management, to include: qualification of TSPs to provide services, invoice management, shipment delivery, DOD/USCG customer counseling, shipment pick-up, Best Value, submission of TSP rates, quality assurance, and claims. DPS replaces the legacy Transportation Operational Personal Property Standard System (TOPS) which did not satisfy stakeholders' key needs. DPS Increment III Full Deployment is scheduled for FY18 and the TOPS sunset for data migration and archiving is scheduled for FY19.</p>									
Mission Benefits									
<p>The DPS provides 24-hour access to TSPs, Personal Property Shipping Offices (PPSOs), Service members, and the Services to input and retrieve data supporting the entire movement process from pick-up to delivery of household goods. Annually, the DPS is used to process approximately 500,000 - 600,000 personal property shipments for DOD and USCG customers. DPS implements the objectives/benefits of the Defense Personal Property Program (DP3) to include: full replacement value for damaged/lost household goods, an integrated information management system for household goods processes, and improved communications between the Service members, the TSPs, and the PPSOs. The DPS Increment III includes Non-Temporary Storage (NTS), Intra-Country Moves (iCM), and Direct Procurement Method (DPM) which will provide 100% of shipment type capabilities being processed in DPS. The DPS Increment III completion will enable sunset of the legacy TOPS.</p>									
Deliverables									
<p>FY15: Conduct requirements analysis and design for NTS. Implement Self-Counseling and Claims website usability improvements. Implement commercial off-the-shelf product upgrades and architecture improvements. FY16: Implement NTS capability. Implement user management and access control architecture improvements. Implement new functionality for document imaging and user role matrix capabilities. Implement commercial off-the-shelf product upgrades and architecture improvements. FY17: Implement Claims re-design and Air Force and Army Exchange Service/Non-Appropriated Funds functionality. Implement Intra-Country Moves (iCM) capability. Implement digital signature capability. Implement commercial off-the-shelf product upgrades and architecture improvements.</p>									
Economic Analysis									
<p>The DPS Economic Analysis, certified 10 Oct 2012, recommended the continuation of Alternative 2 Develop DPS (NPV with Benefits \$2,936.386M) over Alternative 1 Status Quo Maintain TOPS. This solution offers significant non-monetary benefits, as well as a strong Return on Investment (ROI) of 8.90 and Benefit Cost Ratio (BCR) of 5.22, presented in Present Value dollars (PV\$).</p>									
Impact									
<p>DPS Increment III provides the remaining 10% of shipment type capabilities that stakeholders have identified as key needs. Upon completion of the DPS Increment III capabilities in FY18 and completion of the TOPS data migration and archiving in FY19, legacy TOPS can sunset and save \$1.6M in sustainment costs per year.</p>									
Software									
<p>No software licenses are purchased with investment dollars.</p>									



Activity Group Capital Investment Justification

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Air Force Working Capital Fund

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Department of the Air Force Air Mobility Command			Line No. & Item Description Dynamic Mission Replanning (DMR)				Activity Identification HQ AMC, Scott AFB IL		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	5,341.3	5,341.3	0	3,921.0	3,921.0	0	4,416.0	4,416.0
Total	0	5,341.3	5,341.3	0	3,921.0	3,921.0	0	4,416.0	4,416.0
Total	0	5,341.3	5,341.3	0	3,921.0	3,921.0	0	4,416.0	4,416.0
Narrative Justification:									
Description									
Dynamic Mission Re-planning (DMR) is a transportation initiative designed to enhance the 618th Air Operations Center, Tanker Airlift Control Center's (618 AOC TACC) ability to re-plan strategic airlift missions. DMR enhances the effectiveness and efficiency of missions in the execution phase (24 hours prior to the mission's initial departure from home station through mission completion) by providing a capability to recognize and react to a potential problem or event, to automatically assess the significance of the event, recognize down line or associated mission impacts, and present the decision maker with weighted options based on a variety of relevant operational factors. DMR is envisioned to consist of a family of work-centered focused applications that provide 618 AOC TACC users an effective way of visualizing the myriad of factors that could result in a delay or deviation of a planned mission. A net-centric information sharing environment will be used to support both DMR operational and what-if data sharing requirements.									
Mission Benefits									
DMR enhances re-planning process during execution, automatically identify and visualize multi-mission conflicts, identify Courses of Actions (COAs) and communicate updates to the field. Recognize and react to potential problems or events and improve on-time performance of airlift missions. The main benefit provided by DMR implementation is an increase in operational flexibility. This project is estimated to produce an initial 0.32 cost avoidance to investment ratio for the 10 year analysis presented. Based on the savings estimated upon full implementation, the payback is estimated to be approximately 18 years. A larger return on investment is projected to be gained over the long term.									
Deliverables									
FY16: Deliverables for FY16 are Multi-Aircraft Timeline, Aircraft Information, Passenger and Cargo Information, Logistics Information, Exceptions and Violations (Part 1) , Mission Communication Airspace Analysis. FY17: DMR FY17 Deliverables are Airfield Information, AMC Maximum on Ground (MOG) Subset, Prior Permission Required (PPR) Information, COA Generation.									
Economic Analysis									
Economic Analysis completed in January 2009. DMR BCA completed 2011.									
Impact									
If DMR funds are not received, degrades AMC ability to effectively replan aircraft missions. Current Re-Planning COA Development takes up to 2 hours and has no effective way of visualizing all mission execution factors with concern for potential waste of fuel, aircrew, and aircraft resources.									
Software									
Not Applicable.									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Air Mobility Command			Line No. & Item Description Global Air Transportation Execution System (GATES)				Activity Identification HQ AMC, Scott AFB IL		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
B. ADPE/Telecomm	0	676.8	676.8	0	0.0	0.0	0	0.0	0.0
C. Software Development	0	2,776.0	2,776.0	0	0.0	0.0	0	4,497.0	4,497.0
Total	0	3,452.8	3,452.8	0	0.0	0.0	0	4,497.0	4,497.0
Narrative Justification:									
Description									
Global Air Transportation System (GATES) is DoD's port processing and manifesting system for the global air and surface movement of personnel and materiel. Serving peacetime and contingency operations, GATES support includes processing and tracking cargo and passenger information to speed their timely arrival and know their locations at all times (i.e. In -Transit Visibility (ITV)). GATES also aids DoD's capability to bill for cargo and passenger movement. It is a financial feeder system providing manifest information to the Distribution Component Billing System (DCBS), a billing system belonging to the Air Force. GATES also feeds the Cargo and Billing System (CAB), a billing system belonging to the Military Surface Deployment and Distribution Command (SDDC). GATES surface port functions will include capability formerly provided by the SDDC Worldwide Port System (WPS). WPS was designed to support the water port operations of DoD by providing cargo management, documentation, and accountability to water port and regional commanders while providing ITV to higher echelons. An effective Command and Control (C2) tool, GATES promotes more effective resource management. The system interfaces with multiple data engines both internal and external to the DoD. It generates standard and ad hoc reports, supports scheduling and forecasting, and provide message routing capabilities to all ports.									
Mission Benefits									
GATES is a Headquarters Air Mobility Command (HQ AMC) program developed to provide visibility of cargo and passenger assets moved by HQ AMC. It operates in an open system platform/environment utilizing a combination of Unix Servers and Windows based workstations. Applications software is currently being updated to meet the Defense Transportation System (DTS) architecture requirements for GATES to remain in concert with the HQ AMC and United States Transportation Command (USTRANSCOM), Command, Control, Communications and Computer (C4) Systems Master Plan as a command and control enhancer.									
Deliverables									
FY15 Capital Hardware Deliverables are for remaining equipment items to support 64-Bit upgrade/tech refresh; FY15 is for GATES SW development; FY16 Deliverables: N/A; FY17 Deliverables are redesign of GATES architecture and infrastructure for operations within a Common Computing Environment (CCE).									
Economic Analysis									
Economic Analysis completed in January 2009.									
Impact									
If not funded, there would be a direct impact on warfighter readiness. The mobility mission is supported by the Air Force aerial ports which utilize new software development each year. Hand-held terminal upgrades and fixes could not be done. In addition, migration to the USTRANSCOM Logical Data Model and other portal requirements supporting the Tanker Airlift Control Center (TACC) would not be accomplished. Also if not funded, GATES will remain on the Sybase platform for an additional year, eliminating the estimated \$5M+ in cost savings in FY16. Additionally, USTRANSCOM could lose its opportunity to reduce costs utilizing the Oracle Universal License Agreement, resulting in a cost of \$275K per additional GATES Oracle license.									
Software									
SAP (Sybase) and Oracle									

Activity Group Capital Investment Justification

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Fund 9B

Air Force Working Capital Fund

Budget Estimates

(Dollars in Thousands)

Transportation Working Capital Fund (TWCF)

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Department of the Air Force Air Mobility Command			Line No. & Item Description Global Aircrew Management (GAM)				Activity Identification HQ AMC, Scott AFB IL		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	3,903.9	3,903.9	0	3,005.0	3,005.0	0	3,201.0	3,201.0
Total	0	3,903.9	3,903.9	0	3,005.0	3,005.0	0	3,201.0	3,201.0
Narrative Justification:									
Description									
Global Aircrew Management (GAM) provides a suite of applications to accomplish management of aircrew members in execution using a robust business engine, multi-platform delivery (tablet/mobile/PV) and modern software components. Enhances accuracy of MAF aircrew allocation and management. It also includes the ability for crew management/ de-assignment to missions, stage operations, and COA development between C2 and aircrews. Considers all mission variables: Aircrew schedule and availability, Aircraft schedule and availability, and Mission requirements.									
Mission Benefits									
GAM enhances the accuracy of MAF aircrew allocation and management, added TWCF revenue due to 5 additional crew / missions generated per day, reduced Flying Operations administration costs, reduced Fuel Costs from improved mission efficiency.									
Deliverables									
FY16: GAM FY16 deliverables are Manage Crew activities, Graphical Situation Awareness Tool. FY17: GAM FY17 deliverables are Crew Tracking and Notification, Global Aircrew Tracking.									
Economic Analysis									
Economic analysis completed in January 2009. GAM BCA completed 2011.									
Impact									
If not funded, GAM would cause loss of aircrew productivity, limited aircrew and airfield situational awareness, dependent on paper products, mission disruption due to loss of crew visibility, no visibility of crew authorization changes, loss of total asset visibility for aircrew during mission execution.									
Software									
Not Applicable.									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force USTRANSCOM Command Staff			Line No. & Item Description Global Command and Control System (GCCS)				Activity Identification Command Staff		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	0.0	0.0	0	204.0	204.0	0	0.0	0.0
Total	0	0.0	0.0	0	204.0	204.0	0	0.0	0.0
Narrative Justification:									
Description									
Modernization of GCCS-J Joint Operational Planning and Execution System (JOPES) is managed by JS/J3, JS/J6 and DISA and planned for FY14-17. USTRANSCOM has six automated interfaces with JOPES through the JOPES Data Network Service (JDNETS) which must be transitioned to exchange data with Joint Planning and Execution Services (JPES) Framework (JFW). JFW will implement DoD CIO mandates for the Joint Information Environment (JIE) using service oriented architecture principles and Identity and Access Management (IdAM), using Attributes Based Access Controls (ABAC). Transition of USTRANSCOM system interfaces must be achieved no later than FY16 to enable DISA's modernization of back-end JOPES and front-end applications while the DoD continues to perform its force projection mission.									
Mission Benefits									
Ensures ability of USTRANSCOM to continue performing force projection mission tasks while DISA is modernizing JOPES.									
Deliverables									
FY15-16: Transition six USTRANSCOM system interfaces (AT21, IGC, SMS, CAMPS, JFAST, TransViz) from JDNETS to JFW and replace the IGC-JOPES Scheduling and Movement Interface (SMINT) interface with a unit move data service and Ozone widget.									
Economic Analysis									
Impact									
Failure of USTRANSCOM to migrate its system interfaces with JOPES to JFW will impede DISA's ability to modernize JOPES following Joint Staff direction.									
Software									
All software developed is required for employment of services supporting changes of systems interfaces and new security protocols.									

Activity Group Capital Investment Justification  
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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Surface Deployment and Distribution Command			Line No. & Item Description Global Freight Management (GFM)				Activity Identification SDDC		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	178.0	178.0	0	1,615.0	1,615.0	0	2,265.0	2,265.0
Total	0	178.0	178.0	0	1,615.0	1,615.0	0	2,265.0	2,265.0
Narrative Justification:									
Description									
<p>Global Freight Management (GFM) provides DOD Installation Transportation Officers (ITOs) with an electronic commerce capability for the procurement of commercial freight transportation services and provides a real time data feed to war fighters. GFM provides a centralized automated freight rating, costing, and routing system (Rating and Ranking). GFM also provides a Spot Bid system for procurement of freight transportation services for overweight or over-dimensional shipments as well as other unique or one-time-only shipments. GFM also supports an automated interface for existing DOD contracts with Small Package (shipments 150 pounds or less) domestic and international (shipments 300 pounds or less) express carriers. The GFM system supplies more timely and accurate routing information to shippers and substantially improves the ability of the Military Surface Deployment and Distribution Command (SDDC) to support DOD shipping. The GFM interface with Syncada, via Financial and Air Clearance Transportation System (FACTS), streamlines the DOD transportation financial payment process. GFM also provides DOD shippers with: Tender Entry On the Web (tender storage and management); DOD Bill of Lading repository and Bill of Lading View; Rate Quote (costing of voluntary tender moves without creating an actual shipment transaction); Site Configuration (for TOs/ITOs to set up their location information); Discrepancy Information System/Transportation Discrepancy Report (DIS/TDR); Transportation Facilities Guide (TFG); Approved Carrier List; In-transit Visibility (ITV), Carrier Reports; GFM Training Simulator and Tutorials; Customer Added Value Suite (CAVS); and CAVS Downloads (carrier/industry tools). GFM interface with Customs and generate Shippers Export Declaration for International shipments requiring border clearance. GFM also serves as the primary carrier tools for Freight Carrier Registration (FCRP) starting point for carriers seeking DOD approval and provides carrier tools and management reports. GFM provides monthly training for DOD users and commercial carriers and on-line/HelpDesk assistance.</p>									
Mission Benefits									
<p>GFM provides DOD-approved shipping activities and contractors with a cost effective and efficient suite of web-based transportation business tools to support multi-modal DOD shipment planning and execution utilizing commercial transportation services. GFM complements DOD tactical transportation systems by providing military ITOs with the ability to support unit deployment, sustainment and redeployment activities. GFM is used at each of the Army's power projection and power support platforms.</p>									
Deliverables									
<p>FY15: Support the transition from tender based carrier solicitation to Federal Acquisition Regulation (FAR) based contract carrier rates providing a more stable and predictable transportation availability and predictability; secure the GFM system through elimination of direct database access through WYSE terminal emulators and provide an updated database maintenance capability; develop/enhance system capabilities to improve operational processes, deliver information fidelity across the Distribution Environment, and deliver IT system capability to facilitate better Coordination and Synchronization of Operations</p> <p>FY16: Completion of GFM code and database migration towards modernization architectural goals of USTRANSCOM and SDDC; provide mobile application capability to access GFM Enterprise applications for consumers without having to be at a office computer; ensure software vulnerabilities are corrected</p>									
Economic Analysis									
Certified 15 Jun 10.									
Impact									
<p>If not funded, GFM will be unable to support United States Transportation Command's strategic objective to optimize Joint Deployment and Distribution Enterprise processes to provide improved end-to-end joint deployment and distribution that enables warfighters to successfully project and sustain combat power. It will prevent GFM from continuing to adopt relevant best practices derived from the business community, minimize waste and redundancy, and synchronize global distribution. GFM will be unable to improve automation tools used by transportation managers to monitor shipment planning, manage transportation risk, and influence freight mobility requirements that support Defense Transportation System initiatives.</p>									
Software									
Not Applicable.									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
 Budget Estimates  
 February 2016

Fund 9B  
 (Dollars in Thousands)

Department of the Air Force USTRANSCOM Command Staff			Line No. & Item Description Infostructure				Activity Identification Command Staff		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
B. ADPE/Telecomm	0	5,889.2	5,889.2	0	10,111.0	10,111.0	0	11,684.0	11,684.0
C. Software Development	0	300.5	300.5	0	4,008.1	4,008.1	0	1,638.0	1,638.0
<b>Total</b>	<b>0</b>	<b>6,189.7</b>	<b>6,189.7</b>	<b>0</b>	<b>14,119.1</b>	<b>14,119.1</b>	<b>0</b>	<b>13,322.0</b>	<b>13,322.0</b>
<b>Narrative Justification:</b>									
<b>Description</b>									
Information Technology (IT) hardware for selected Command and Control programs. This consolidation of buys provides savings and allows United States Transportation Command purview for system refresh. Associated efforts for testing/certification, Continuity of Operations Plan (COOP) fail-over for mission critical defense transportation systems, and infrastructure upgrades are also included.									
<b>Mission Benefits</b>									
Footprint reduced from co-location of hardware in Central Computing Facilities and consolidation on fewer hardware components. Central procurement activity ensures funds are properly expensed supplying adequate/correct hardware for C2 systems within the program.									
<b>Deliverables</b>									
FY15-FY16 Deliverables: Single Mobility System (SMS), Commercial Operations Integrated System (COINS), Analysis of Mobility Platform (AMP), Consolidated Air Mobility Planning System (CAMPS), Global Air Transportation Execution System (GATES), Global Decision Support System (GDSS), Intelligent Road/Rail Information Server (IRRIS), SDDC Enterprise Support Services (ESS). FY17 Deliverables: SMS, AMP, GDSS, IRRIS, SDDC ESS.									
<b>Economic Analysis</b>									
Not applicable.									
<b>Impact</b>									
Without the Infostructure Program, costs for technology refresh of IT systems would be higher, COOP capability would not exist, and the ability to quickly decrease gaps in distribution process IT solutions would be diminished.									
<b>Software</b>									
No license fees apply.									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Surface Deployment and Distribution Command			Line No. & Item Description Integrated Computerized Deploy Sys (ICODES)				Activity Identification SDDC		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	754.0	754.0	0	0.0	0.0	0	0.0	0.0
Total	0	754.0	754.0	0	0.0	0.0	0	0.0	0.0
Narrative Justification:									
Description									
ICODES is a fully integrated information system that provides multi-modal load planning capabilities to Department of Defense (DOD) Agencies and Services. The combined functionality of ship, air, truck, rail, and yard planning services provides commanders, planners, and operators with a single platform capable of producing and evaluating load plans and alternative actions for various sized units, employing various modes of transportation, in support of peacetime or wartime operations. ICODES consumes cargo and passenger information from a variety of DOD manifesting systems and, in return, provides load planning, report generation, and forecasting services to USTRANSCOM and its component commands, DOD customers, and other authorized users.									
Mission Benefits									
ICODES enables users to track cargo stowage for air, ocean, rail, and truck in a single system that affords the capability of one time entry of the data. It enables the joint community to easily create, exchange and interpret cargo movement plans through a single software application. Other features assist users by providing high quality alternative solutions to complex load planning problems.									
Deliverables									
Complete ICODES capabilities software with proprietary code removed; provide required reports to track progress development. FY16/17: N/A.									
Economic Analysis									
Economic Analysis: Certified 15 Jun 10.									
Impact									
If not funded, developer will retain ownership of the proprietary code. Operating costs will continue to rise unchallenged in a competitive market and the ICODES contract will be restricted to sole provider for services									
Software									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
 Budget Estimates  
 February 2016

Fund 9B  
 (Dollars in Thousands)

Department of the Air Force USTRANSCOM Command Staff			Line No. & Item Description Integrated Multi-Modal Operations (IMMO)				Activity Identification Command Staff		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
B. ADPE/Telecomm	0	0.0	0.0	0	0.0	0.0	0	500.0	500.0
C. Software Development	0	0.0	0.0	0	6,223.0	6,223.0	0	8,741.0	8,741.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>6,223.0</b>	<b>6,223.0</b>	<b>0</b>	<b>9,241.0</b>	<b>9,241.0</b>
<b>Narrative Justification:</b>									
<b>Description</b>									
Integrated Multi-modal Operations will provide Software Engineering Service Oriented Architecture concepts that enable a standardized framework for booking all movements (cargo and passengers) into the USTRANSCOM enterprise ensuring best value transportation solutions; linkages at nodal points; increased time reliability and customer confidence. It will modify legacy booking systems or develop new applications to provide an integrated view of USTRANSCOM bookings with optimal delivery process targeted in FY18Q4. IMMO will develop a Common Movement Requirement structure to enable a single integrated view of booking, requisite information pertaining to the booked requirement to support onward movement, and upfront validation of customer funding (obligation) at the point when services are requested. It will also provide technologies to enable the transfer of movement requirement information across classification domains for continued processing, and an architecture that enables business processes, user applications, and facilitates rapid business service delivery.									
<b>Mission Benefits</b>									
Multi-Modal operations have shown to meet Combatant Commander's cargo delivery needs using less expensive transportation solutions. The USTRANSCOM enterprise currently lacks an integrated enterprise business process and supporting IT to conduct multi modal operations. USTRANSCOM OPORD 13-027 requires an integrated multi modal operational process to maintain shipment data integrity through operational processes, synchronize integrated booking and scheduling of movements, centralize mode determination and type of transportation and provide end to end shipment data integrity. IMMO will: Integrate processes and activities associated with all cargo and personnel movements, improve single or multi modal operations overall, ensure financial auditability, and provide efficient and effective support to combatant commands and agencies. IMMO moves the Command toward capability management and away from system centric IT investments.									
<b>Deliverables</b>									
FY16: iBPM Tool and Risk Reduction Development Platform / software FY17: Beta test version and first production release of IMMO environment / software									
<b>Economic Analysis</b>									
Scheduled to be completed May 16									
<b>Impact</b>									
Without IMMO, USTRANSCOM multi-modal operations will continue to be segregated, limiting unity of command/effort. There will not be seamless information sharing of planned, estimated and actual lift nor will there be transparent view of cost and billing information.									
<b>Software</b>									
iBPM Tool and Risk Reduction Development Platform/software licenses (\$6.2M)									



Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force USTRANSCOM Command Staff			Line No. & Item Description Int Data Environ/Global Trans Net Converg (IGC)				Activity Identification Command Staff		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	0.0	0.0	0	500.0	500.0	0	0.0	0.0
Total	0	0.0	0.0	0	500.0	500.0	0	0.0	0.0
Narrative Justification:									
Description									
FY16 Capital Investment will be used to create an interface between Wide Area Work flow (WAWF) and IGC. WAWF is the Enterprise solution for electronic submission, acceptance and processing of invoices and receiving reports, and matching of invoices with contracts to authorize payment. WAWF provides real-time Web-based processing of invoices and receiving reports, captures IUID and GFP information, provides direct electronic feeds to payment, logistics and ERP systems. All commercial contract vendor deliveries are reported via WAWF. This capability will bring the 856s transactions from WAWF (via DLA TS) into the IGC EDW to be integrated with the rest of the in-transit data to provide a more complete movement picture. IGC is an Enterprise Data Warehouse and is USTRANSCOM's System of Record for in-Transit Visibility.									
Mission Benefits									
Foreign military Sales (FMS) shipping processes are dependent on WAWF visibility. With the recent addition of TCN data, WAWF can now make available to IGC and the transportation community, via GEX, data on everything shipped to DoD by commercial contract vendors. WAWF also generates an advance shipping notice in the form of an 856s transaction. The objective of this advance is to ensure that the 856s transactions include all data necessary for tracking shipments from the contractor to the DoD user.									
Deliverables									
FY16 WAWF Interface to IGC will make available Transportation community in-transit visibility data on FMS shipped by commercial contract vendors.									
Economic Analysis									
This is a newly identified requirement. Cost Analysis is pending.									
Impact									
Thousands of shipments, including FMS, that could be tracked electronically are not. This could amount to a failure to track millions of shipments. It will allow visibility into when a shipment may be expected to arrive and where shipments are located any given point in time.									
Software									
No software will be purchased with FY16 Capital funds.									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Surface Deployment and Distribution Command			Line No. & Item Description Integrated Booking System (IBS)				Activity Identification SDDC		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	1,152.0	1,152.0	0	3,362.0	3,362.0	0	5,084.0	5,084.0
Total	0	1,152.0	1,152.0	0	3,362.0	3,362.0	0	5,084.0	5,084.0
Narrative Justification:									
Description									
<p>The Integrated Booking System (IBS) is the lead execution system of the Defense Transportation System (DTS) for the global shipment of ocean cargo in support of all wars, major contingencies, and humanitarian relief operations where our military forces are deployed as well as sustainment of forces worldwide. The IBS consists of the following modules: Carrier Analysis and Rate Evaluation II (CARE II), Requirements Forecasting and Rate Analysis Module (RF-RAM), Unit, Sustainment, Commercial Sealift Solutions (CSS), Ocean Carrier Interface (OCI), Web Vessel Schedule, electronic Shipper System (eSS) and Advanced Transportation Control and Movement Documentation (ATCMD). These modules provide automated tools to: support carrier contract requirement definition, rate and service solicitations and evaluation, capture vessel schedules, book unit and sustainment cargo, produce shipment documentation, provide cargo offering and status information, and produce payment and billing information.</p>									
Mission Benefits									
<p>IBS supports Military Surface Deployment and Distribution Command's (SDDC) global surface deployment command &amp; control and distribution mission by providing automated tools to support rapid, effective and efficient projections of power both at home and abroad. IBS provides end-to-end distribution and visibility of Department of Defense (DOD) cargo from time of request for payment to the ocean carrier for services provided. IBS ensures the most cost effective routing of cargo is utilized while ensuring the war fighter receives his cargo on time and cargo preference laws are met. In addition, IBS provides tools for carrier contract requirement definition, rate and service solicitations and evaluation, capture vessel schedules, book unit and sustainment cargo, produce shipment documentation, provide cargo offering and event status information, and produce payment and billing information. IBS provides high-level data quality edits with instantaneous in-the-clear error messages, and utilizes Electronic Commerce and Electronic Data Interchange (EDI) standards. SDDC's Electronic Transportation Acquisition web portal provides DOD transportation officials with a single sign-on capability to access IBS for their transportation needs.</p>									
Deliverables									
<p>FY15: Capability to allow for automated booking and pricing of cargo movement under the Universal Services Contract 8, Regional Domestic Contract 6 -Option 1, GTMO Option 1, and Ascension/Antigua contract; expose ocean contract rates through web service .</p> <p>FY 16: Capability to allow for automated booking and pricing of cargo movement under the Universal Services Contract 8 Option 1, Regional Domestic Contract 6-Option 2, GTMO Option 2, and Ascension/Antigua Contract Option1, IBS/Identify and Access Management (IdAM) redesign with capability to decouple IBS management of user access/accounts and use ETA's token to authenticate users/role based access.</p> <p>FY17: Development of web-services/contract changes.</p>									
Economic Analysis									
Certified 15 Jun 10.									
Impact									
<p>If not funded, IBS will be unable to support United States Transportation Command's and SDDC's mission to provide efficient and cost effective projection of forces and provide improved end-to-end joint deployment and distribution. Specifically, maintenance, new software development, and independent verification and validation contracts supporting ocean contract management and sealift requirement processing will terminate. Without commercial contract support, IBS will not be able to function and, DOD ocean cargo movement would not be supported by an automated system.</p>									
Software									
N/A									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
 Budget Estimates  
 February 2016

Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Surface Deployment and Distribution Command			Line No. & Item Description Intelligent Road/Rail Information Server (IRRIS)			Activity Identification SDDC			
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	6,106.0	6,106.0	0	203.0	203.0	0	0.0	0.0
Total	0	6,106.0	6,106.0	0	203.0	203.0	0	0.0	0.0
Narrative Justification:									
Description									
The Intelligent Road/Rail Information Server (IRRIS) is a Geospatial Information System (GIS) mapping and situational awareness system which provides geospatial infrastructure data, services, analysis capabilities, integrated mission management functionality and detailed transportation infrastructure information.									
Mission Benefits									
IRRIS provides worldwide geospatial visualization and analysis capabilities along with the detailed infrastructure information visually displayed supporting planning, analysis, and mission management activities. IRRIS mapping engine is an industry standard GIS tool set that supports all Defense and Intelligence content description, cartographic, data format standards and provides spatial analysis, data analysis and capability interoperability with other DOD systems. IRRIS is providing geospatial visualization services, geospatial data services and geospatial data discovery and collaboration services for USTRANSCOM, creating an environment to allow key government staff the real time and static information necessary for planning and executing to fulfill their mission.									
Deliverables									
FY15: Technical refresh of the system providing the system source code with full government purpose rights to the software. There will be no operational changes or enhancements to the business processes this Defense Business System (DBS) supports. FY16: Enhance and further refine a map viewer service for greatest accessibility across the enterprise. The Java map viewer will be hosted in IRRIS (TGIS) and feed to requiring programs. Create and host a solution for exchanging GIS data and map services and provide the services from a central point which is accessible to both internal and external customers. Create and provide a solution for a registry of GIS services and other useful GIS information available to the enterprise. Complete the technical refresh of the IRRIS (TGIS) program.									
Economic Analysis									
Certified 15 Jun 10.									
Impact									
If not funded, the capability to support current worldwide deployments and natural disasters with the tracking of surface shipments will be significantly degraded. Additionally, Surface Deployment and Distribution Command (SDDC) will be unable to realize improvements in efficiencies and elimination of voids to the DOD emergency response process in accordance with DOD Distribution and Strategic Plan . The IRRIS program will continue to fail to meet the requirements of the Competition In Contracting Act (CICA).									
Software									
Not Applicable.									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
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 February 2016

Fund 9B  
 (Dollars in Thousands)

Department of the Air Force USTRANSCOM Command Staff			Line No. & Item Description Joint Flow & Analysis Sys for Trans (JFAST)				Activity Identification Command Staff		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	4,258.4	4,258.4	0	3,692.0	3,692.0	0	2,153.0	2,153.0
Total	0	4,258.4	4,258.4	0	3,692.0	3,692.0	0	2,153.0	2,153.0
<b>Narrative Justification:</b>									
<b>Description</b>									
Increment III is funded by capital investments. The JFAST Modernization effort is being accomplished as two increments. Increment II was completed mid-FY14; Increment III is being accomplished mid-FY14 thru FY17. Using the framework established, Increment III includes a system redesign to support Corporate Services Vision (CSV) requirements, completion of remaining code conversion, produce a fully web-enabled application, and address additional new requirements/enhancements. The standalone version of JFAST was written in a computer language which is no longer supported for security thus making it no longer viable to sustain.									
<b>Mission Benefits</b>									
The Joint Operational Planners at the Combatant Commands and Joint Headquarters are the primary users of JFAST and the benefactors of the modernized interface. JFAST is the system used to assess transportation feasibility of the war plans, deployment plans, and retrograde plans. JFAST assesses and reassesses in real-time, the transportation feasibility of unmoved deployment assets during execution, based on available resources. The modernized version (Increment III) will be web-accessible. Anticipated benefits include, but are not limited to: enhance planning support for Agile Transportation for the 21st Century (AT21) requirements; modernized, Multi-Mode Scheduler; better collaboration as everyone will be using the same version of the program; continued vendor support of the underlying software (.NET) Framework; and improved scenario run times and user experience with the program.									
<b>Deliverables</b>									
FY15 - FY17 - Complete code migration from Visual FoxPro, to .NET Framework. New Development in Sealift and Airlift Estimators, Modern Scheduler Enhancements for special categories, and Checklists and C-Day handling. Dynamic loading capability for aircraft and ship configuration loading and process cargo handling through the intermediate location (ILOC).									
<b>Economic Analysis</b>									
The JFAST EA, dated 26 Nov 13, covered FY14-17 capital investments. It recommended the implementation of JFAST Modernization with Enhancements (NPV \$42,268.1K) over alternatives JFAST Modernization without Enhancements (NPV \$36,294.2K) and Status Quo (which was deemed a nonviable solution). The decision to pursue JFAST Modernization with Enhancements was based on the operational benefits that result from investment in enhancements designed to provide JFAST users with increased capability to rapidly assess transportation plans with greater levels of fidelity. This investment affords USTRANSCOM and those COCOMs that use the JFAST system with improved realism when analyzing Crisis Action Plans (CAPs), Operations Plans (OPLANs), Concept Plans (CONPLANS) with Time Phased Force Deployment Data (TPFDD), Courses of Action (COAs), what-if scenarios, and exercise plans.									
<b>Impact</b>									
Without JFAST Modernization, continuation of JFAST as a viable system is in jeopardy, due to anticipated cessation of support in FY15 for the current language (Visual FoxPro) by the vendor, Microsoft. Without modernization the system would have to be shut down because the software vulnerabilities would not be assessed. The war planning process would revert to an iterative, manpower intensive and time consuming process affecting DoD force agility. Increment III completes the code re-write into a language that can be used, maintained and built upon for the foreseeable future and is approximately 20% complete. Without JFAST modernization there would be no way to quickly model and certify war plans, deployment plans and retrograde plans for transportation feasibility.									
<b>Software</b>									
No software licenses will be purchased with capital dollars.									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
 Budget Estimates  
 February 2016

Fund 9B  
 (Dollars in Thousands)

Department of the Air Force USTRANSCOM Command Staff			Line No. & Item Description Local Area Network (USTRANSCOM LAN)				Activity Identification Command Staff		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
B. ADPE/Telecomm	0	2,717.5	2,717.5	0	4,354.0	4,354.0	0	4,434.0	4,434.0
Total	0	2,717.5	2,717.5	0	4,354.0	4,354.0	0	4,434.0	4,434.0
Narrative Justification:									
Description									
<p>USTRANSCOM Local Area Network (LAN) a critical system supporting the Command and Control (C2) communications of the USTRANSCOM Commander and his staff. It is comprised of ~ 5000 distinct personal computers, numerous servers and routers, a multitude of switches, and the hardware and software infrastructure comprising the classified and unclassified LANs at the USTRANSCOM command site on Scott AFB, IL. This program supports the following activities: Upgrade of network infrastructure to support increasing bandwidth, service, systems and reliability requirements. Server upgrades, network router and switch upgrades, cable installation, network component upgrades, and wide area network connectivity with component commands. Upgrade of standard server Commercial-off-the-Shelf (COTS) products. Provides worldwide Joint Deployment and Distribution Environment (JDDE) theater-centric Command, Control, Communications and Computers (C4) infrastructure baseline assessments, engineering and documentation. Provides hardware and system installation support. Provides studio and portable Video Teleconferencing (VTC) technical upgrade support. Provides Audio Visual (AV) presentation system technical upgrade support. Based on the outcome of the review, funding may require future adjustments.</p>									
Mission Benefits									
<p>The USTRANSCOM networks are comprised of classified and unclassified Local Area Network (LAN) segments and Wide Area Network (WAN) connectivity with transportation component commands (TCCs). LAN improvements are designed to support increasing performance and bandwidth.</p>									
Deliverables									
<p>FY15: Historical estimates and technical planning for expected hardware refreshes and upgrades to support Virtual Desktop Infrastructure. FY16: Historical estimates and technical planning for expected hardware refreshes and upgrades of switches and routers that will support components, secure, operate, maintain, troubleshoot and diagnose network problems on USTRANSCOM's classified and unclassified networks, the out-of-band connectivity, CPE, CDE, the VTC network, J2 connectivity and JECC networks for FY16. Also, LAN will provide desktop support for OIS clients and Information Assurance (IA) Vulnerability Management (IAVM) and patch management of all Unclassified Operational Information Systems (UOIS) clients and servers that will include print servers, file servers, root domain controllers and child domain controllers in FY16. FY17 Deliverables: Blades and fabric interconnects to provide the management and communication backbone for the blades to support Virtual Desktop Infrastructure.</p>									
Economic Analysis									
Not applicable.									
Impact									
<p>The interruption of capabilities would lead to rapid degradation of Command and Control for all aspects of the JDDE. Gaps in reporting data would immediately affect the Commanders decision cycle, crippling the ability of USTRANSCOM to accomplish its mission of managing Department of Defense transportation assets.</p>									
Software									
N/A									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
 Budget Estimates  
 February 2016

Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Air Mobility Command		Line No. & Item Description Mobility Air Forces Flight Planning Service					Activity Identification HQ AMC, Scott AFB IL		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
B. ADPE/Telecomm	0	901.7	901.7	0	1,592.0	1,592.0	0	0.0	0.0
C. Software Development	0	7,398.9	7,398.9	0	16,476.0	16,476.0	0	9,782.0	9,782.0
<b>Total</b>	<b>0</b>	<b>8,300.6</b>	<b>8,300.6</b>	<b>0</b>	<b>18,068.0</b>	<b>18,068.0</b>	<b>0</b>	<b>9,782.0</b>	<b>9,782.0</b>
<b>Narrative Justification:</b>									
<b>Description</b>									
Mobility Air Force Flight Planning Service (MAFPS) replaces the existing Mobility Air Force (MAF) flight planning system Advanced Computer Flight Plan (ACFP) which has lost pace with the technical and operational environments. ACFP was directed to stop development in 2003 pending Joint Mission Planning System (JMPS) fielding of a mission planning system to include Tanker/ Airlift/ Special Mission (TASM) flight planning functionality. Cancellation of TASM module from the greater JMPS program has driven an immediate need to find the best solution for a maintainable MAF flight planning system to include applicable Doctrine, Organization, Training, Material, Leadership, Personnel, Facilities (DOTMLPF) attributes. Current MAF flight planning activities are inefficient, ineffective, and labor intensive. This impairs or prohibits the MAF use of modernized international civilian airspace and air traffic control systems which provide fuel efficiencies and mission velocity.									
<b>Mission Benefits</b>									
Incorporates new airspace designs and preferred/required routing referential data automatically. Provides future capability to allow MAF missions to continue flying above Flight Level (FL)250 in US, North Atlantic and European airspace beginning as early as FY15. Performs flight planning calculations for all AMC aircraft and missions as well as provide reporting and interface/displays and import referential and temporal data required to create flight plans. Benefits the Joint Deployment and Distribution Enterprise (JDDE) Joint Capability Area (JCA) attributes of Reliability, Velocity, Precision, Economy and Capacity.									
<b>Deliverables</b>									
Efforts will focus on software development. Activities include Critical Design Review for Engineering Releases (ER) 3,4, and 4.1 and incorporating Engineering Change Proposal 3 content for software delivery. FY16 Deliverables: Efforts will focus on completion of Formal Qualification Test of final software delivery, conduct government testing and operational fielding of MAPFS Release 1 (i.e. v1.0); MAFPS Release 2 design and development will begin; FY17 Deliverables: Effort will focus on completing software development for MAFPS Release 2. Activities will include Sprints, ERs, and delivery of MAFPS Release 2 software, conduct government testing and operational fielding of MAFPS Release.									
<b>Economic Analysis</b>									
Initial Business Case Analysis (BCA) completed August 2011. BCA updated March 2013. Annual review for 2014 completed									
<b>Impact</b>									
If not funded, the costs to operate MAF missions will increase as airspace routes become unavailable or less advantageous due to declining competitiveness of AMC flight planning system vice current and emerging commercial flight planning systems. AMC will be unable to access preferred air space routes.									
<b>Software</b>									
C#, Java, JBoss EAP v6.1, Apache Tomcat v7.0.21, Oracle 11gR2, Java EE 6									

Activity Group Capital Investment Justification

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Fund 9B

Air Force Working Capital Fund

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Transportation Working Capital Fund (TWCF)

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Department of the Air Force Air Mobility Command			Line No. & Item Description Mobility Enterprise Information Services (MEIS)				Activity Identification HQ AMC, Scott AFB IL		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
B. ADPE/Telecomm	0	630.9	630.9	0	866.0	866.0	0	2,202.0	2,202.0
C. Software Development	0	8,485.4	8,485.4	0	6,212.0	6,212.0	0	6,923.0	6,923.0
Total	0	9,116.3	9,116.3	0	7,078.0	7,078.0	0	9,125.0	9,125.0
Narrative Justification:									
Description									
Mobility Enterprise Information Service (MEIS) is the collection of information/application services that supports information sharing under USTRANSCOM as outlined in JP 3-17.									
Mission Benefits									
MEIS is AMC's Service Oriented Architecture solution which enhances data sharing and orchestrates event-driven activities supporting MAF missions being managed under USTRANSCOM. This solution provides the ability to manage obsolescence and reducing back-end IT costs. By providing a Platform as a Service capability within the USTRANSCOM Distributed Enclave, it provides flexibility without requiring cost intensive coding changes from each program since it provides infrastructure services to programs through an Application Programming Interface (API).									
Deliverables									
Build out PaaS capability within the USTRANSCOM Distributed Enclave to support current and future systems across multiple platforms. MEIS will develop foundational services using open source software to the greatest extent possible to reduce costs under USTRANSCOM and AMC SOA efforts. This also ensures USTRANSCOM and AMC alignment with Joint Information Environment transformation. The contractor will deliver strategic roadmaps for data, infrastructure and capability assurance for AMC operations									
Economic Analysis									
Part of the DMR, GAS, GAM BCA									
Impact									
If not funded, there would be significant delays in fielding new functional services planned for AMC's C2 Enterprise Systems as well as providing the foundation for services supporting command priorities such as MAFPS, DMR, GAM, JOPES.									
Software									
Funding includes procurement of Commercial-Off-The-Shelf (COTS) software which will be integrated into the MEIS as a PaaS. Funding includes procurement of Commercial-Off-The-Shelf (COTS) software which will be integrated into the MEIS as a Platform as a Service (PaaS)									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
 Budget Estimates  
 February 2016

Fund 9B  
 (Dollars in Thousands)

Department of the Air Force USTRANSCOM Command Staff		Line No. & Item Description Single Mobility System (SMS)					Activity Identification Command Staff		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	1,622.3	1,622.3	0	1,530.0	1,530.0	0	1,152.0	1,152.0
Total	0	1,622.3	1,622.3	0	1,530.0	1,530.0	0	1,152.0	1,152.0
Total	0	1,622.3	1,622.3	0	1,530.0	1,530.0	0	1,152.0	1,152.0
Total	0	1,622.3	1,622.3	0	1,530.0	1,530.0	0	1,152.0	1,152.0
Narrative Justification:									
Description									
<p>There are two key projects funded by capital investments. (1) Exposure of Web Services. Users require the capability to use common SMS applications inside of an enterprise portal (Global Command and Control System-Joint (GCCS-J) and/or Distribute.mil). The exposure of web services and the development of an ozone widget framework will enable users to access the existing SMS applications from their portal account; thus improving the efficiency of business operations by eliminating the requirement to sign into a single system for each application. Current enterprise portals do not have the ability to share applications. Using web services, this project will share SMS capabilities/applications with multiple enterprise portals and provide data that is accessible, discoverable, and usable. (2) Situational Awareness and Collaboration (SA&amp;C). The SA&amp;C project implements next generation web based collaboration technologies (Web 2.0) to improve organizational ability to harness the staff's thinking and reasoning and expose this as shareable knowledge to a wider audience. This is a crucial process to develop situational awareness and understanding for all levels of the organization and ultimately will support the command's strategic decision making processes. The SA&amp;C suite of tools is user configurable and accessed within the enterprise portal. SA&amp;C provides tabular and geospatial displays of critical information, auto-alerting to individuals and groups based on user defined filters, dashboards for enterprise metrics, and business social-networking functions to connect people to enhance collaboration and knowledge generation.</p>									
Mission Benefits									
<p>The SMS provides USTRANSCOM's Command and Control (C2) capability and augments the multi-system environment currently used for assigning mobility missions. Utilizing its automated C2 system interfaces, SMS significantly reduces the amount of offline interface required between C2 agencies and broadens the range of information available to users as decision makers. SMS improves the flow of mobility mission information from the TCCs to USTRANSCOM, aiding in the decision making process. Both the exposure of web services and SA&amp;C projects reduce the analytic burden on users created by having to manually synthesize critical data. The exposure of web services affords the operator/user more readily available access to critical SMS applications; thereby, facilitating improved operations for mission accomplishment. The SA&amp;C project improves the command's strategic decision making ability by synthesizing pre-determined relevant data and synchronizing this with a geospatial capability. Consequently, the quality of data, timeliness, and depth of data used for decision making is greatly improved with the SA&amp;C project.</p>									
Deliverables									
<p>FY15-FY17 CAP for SMS is for the exposure of web services and SA&amp;C projects. The exposure of web services will provide application services from SMS to an enterprise portal. SMS will create these application services which will feed enterprise portals (Distribute.mil, GCCS-J, etc). SMS applications are being exposed to enterprise portals to reduce the duplication of applications which mimic the SMS functionality. The SA&amp;C project will provide event and task management, social networking, a geospatial information system, metrics, and an alert system. Within the SA&amp;C project, the semantic enterprise services (SES) project will deliver production ready automated information discovery (AID) capabilities beginning in 3d Quarter FY15 and transition into SMS. The AID effort has 4 phase with a completion in Sep 2017. Capabilities will be scheduled and delivered with each of the 3 system releases per fiscal year.</p>									



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<b>Economic Analysis</b>
No EA has been accomplished. SMS Exposure of Web Services for FY15-FY17 was included in the IGCE for the SMS contract recompetete in dated 12 Apr 13. The IGCE for SA&C transition capital investment will be prepared as part of acquisition planning for FY16 contract option execution. The decision to make these funding investments was based on improving the availability of SMS information to other DOD systems via web services and improved data visualization. This action provides several expected operational benefits, including reducing redundancy, improving user experience and providing more efficient presentation of SMS data to improve timeliness, accuracy and relevancy of data available for the transportation operations decision makers.
<b>Impact</b>
Without this investment, United States Transportation Command (USTRANSCOM) will not be able to provide application services to the enterprise causing the enterprise to create duplicative capabilities. The development of situational awareness and collaboration capabilities eliminates the onerous analytical burden of users individually and manually synthesizing data critical to strategic decision making.
<b>Software</b>
No softare licenses will be purchased with capital dollars.

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force USTRANSCOM Command Staff			Line No. & Item Description Security Engineering				Activity Identification Command Staff		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	1,076.0	1,076.0	0	1,146.0	1,146.0	0	1,168.0	1,168.0
Total	0	1,076.0	1,076.0	0	1,146.0	1,146.0	0	1,168.0	1,168.0
Narrative Justification:									
Description									
CLASSIFIED									
Mission Benefits									
Deliverables									
Economic Analysis									
Impact									
Software									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Surface Deployment and Distribution Command			Line No. & Item Description Transportation Financial Management System-MTMC				Activity Identification SDDC		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Software Development	0	2,270.0	2,270.0	0	0.0	0.0	0	0.0	0.0
Total	0	2,270.0	2,270.0	0	0.0	0.0	0	0.0	0.0
Total	0	2,270.0	2,270.0	0	0.0	0.0	0	0.0	0.0
Narrative Justification:									
Description									
<p>The Transportation Financial Management System-MTMC (TFMS-M) is the financial management system solution in use by SDDC. TFMS-M is built on a Commercial Off The Shelf (COTS) product, Oracle Enterprise Business Suite. All major lines of business utilize TFMS-M to conduct their business including the Ocean Liner, Port Operations, Traffic Management and Global POV Storage/DP3 contract. TFMS-M modernization will remediate current TFMS-M inaccuracies and audit weaknesses as identified by the on-going Financial Improvement and Audit Readiness (FIAR) requirements to make TFMS-M compliant with the Business Enterprise Architecture (BEA), and improve business operations through invoice automation. At a high level, this effort will involve acquiring and implementing a series of enhancements to TFMS-M in the form of new or revised Oracle Enterprise Business Suite (EBS) reports, interfaces, configurations, extensions, or workflows (RICE-W).</p>									
Mission Benefits									
<p>The information is used for accounting, purchasing, ordering, receipting, invoice payment and financial management/reporting functions. The TFMS-M system interfaces with other systems, such as payroll, travel, disbursing, and SDDC non-core accounting support systems. Interfaces also exist with information management and decision support systems at USTRANSCOM. TFMS-M improves cash management and controls over assets, reduced time lag in obtaining financial information. TFMS-M allows SDDC and DFAS to track on a daily basis cash management and answer vendor payment issues, and customer billing questions. TFMS-M modernization will fix an accurate financial management data caused by non-compliant/labor intensive processes which do not facilitate timely and accurate processing of carrier entitlements and customer billings. A major impact of these inaccuracies is that it puts TFMS-M and SDDC at risk for existing and emerging FIAR compliance requirements.</p>									
Deliverables									
<p>TFMS Modernization will involve several builds during this period to include: Integrated Booking System (IBS), Distribution Component Billing System (DCBS), Power Track/Syncada, Standard Line of Accounting (SLOA) Compliance / Oracle R12.2.4 Upgrade, Automated Disbursing System (ADS), Department of Treasury Invoice Processing Portal (IPP) Inbound/Outbound Invoice Transactions, Defense Departmental Reporting System (DDRS) Trial Balance, Transportation Global Edit Table System (TGET) Inbound Lines Of Accounting (LOA), Global Air Transportation Execution System (GATES) Inbound Revenue, Revenue Calculations, Cargo and Billing System (CAB) Reports, Customer Order Updates, and Billing Event Batch Corrections.</p> <p>FY17: Sustainment of the modernized TFMS-M system will be critical to ensure accurate and timely financial data management for SDDC financial reporting.</p>									
Economic Analysis									
Impact									
<p>Modernization: If not funded, SDDC will not be able to ensure accurate financial management data and provide an audit-compliant financial management solution. TFMS-M must also be upgraded from Oracle Version 11i to Release 12.2.4 to ensure continued sustainment support beyond the 11i end of life projected for December 2015.</p> <p>Sustainment: If not funded, the capability to perform command budget, accounting, and billing functions will be non-existent.</p>									
Software									
Not Applicable									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

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Fund 9B  
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Department of the Air Force Air Mobility Command			Line No. & Item Description Minor Construction-AMC				Activity Identification HQ AMC, Scott AFB IL		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
D. Minor Construction	0	705.7	705.7	0	4,500.0	4,500.0	0	4,500.0	4,500.0
Total	0	705.7	705.7	0	4,500.0	4,500.0	0	4,500.0	4,500.0
Narrative Justification:									
Description									
Minor Construction (MC) funds all minor construction work to rebuild new facilities or construct additions to existing facilities that qualify for Transportation Working Capital Funds (TWCF).									
Mission Benefits									
The Headquarters Air Mobility Command (HQ AMC) TWCF investment strategy is in line with the Department of Defense (DoD) Transportation Vision for the Twenty-First Century. It's intent is to ensure sustainability and quality of life. One of the guiding principles requires us to invest in transportation programs, systems, and enhancements that support mobility requirements, assets visibility, and efficient transportation operations.									
Deliverables									
MC Attachment provides projects listed by year.									
Economic Analysis									
EA to be accomplished by project.									
Impact									
Funding cuts will impact our ability to support critical HQ AMC, 515 Air Mobility Operations Wing (AMOW), and 521 AMOW requirements to enhance or improve mobility operations and provide adequate force protection through the construction of new facilities and additions in the Continental United States (CONUS) and en-route infrastructure. Reductions to this program will have a negative impact on our ability to provide seamless airlift from point of origin to destination, to provide quality customer service, and to bring our existing facilities up to HQ AMC and Air Force standards. Many TWCF facilities are old, inadequate facilities, far from meeting acceptable standards, especially at our en-route locations. Pavement requirements continue to grow for both new parking/loading/refueling areas and required improvements on deteriorating pavement resulting from heavy airlift use. Unfunded pavement requirements will result in limitations on AMC's ability to deliver passengers and cargo anywhere in the world. Passengers, troops, and valuable cargo and equipment will remain inadequately protected from terrorist threats.									
Software									
Not Applicable.									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Defense Courier Division			Line No. & Item Description Minor Construction-DCD				Activity Identification DCD		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
D. Minor Construction	0	0.0	0.0	0	300.0	300.0	0	300.0	300.0
Total	0	0.0	0.0	0	300.0	300.0	0	300.0	300.0
<b>Narrative Justification:</b>									
<b>Description</b>									
Defense Courier Station(s) (DCS) - Sensitive Compartmented Information Facility (SCIF) and security system upgrade as deemed necessary by DIA and during building renovations.									
<b>Mission Benefits</b>									
Every courier station must maintain a Sensitive Compartmented Information Facility (SCIF) accredited by Defense Intelligence Agency (DIA). Construction must be in compliance with Director of Central Intelligence Directive (DCID) 6/9. If facilities are found in non-compliance during DIA inspections, immediate repairs are required.									
<b>Deliverables</b>									
Deliverables: FY15 - No emergency upgrades required at any of the 18 DCS separate operating locations. FY16 - \$300K budgeted for emergency security upgrades required at any of the 18 DCS separate operating locations. FY17 - \$300K budgeted for emergency security upgrades required at any of the 18 DCS separate operating locations									
<b>Economic Analysis</b>									
N/A									
<b>Impact</b>									
Stations will lose their accreditation and be required to relocate to a different SCIF that is accredited									
<b>Software</b>									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

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Fund 9B  
 (Dollars in Thousands)

Department of the Air Force Surface Deployment and Distribution Command				Line No. & Item Description Minor Construction-SDDC			Activity Identification SDDC		
Element of Cost	FY2015			FY2016			FY2017		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
D. Minor Construction	0	2,074.3	2,074.3	0	2,100.0	2,100.0	0	1,850.0	1,850.0
Total	0	2,074.3	2,074.3	0	2,100.0	2,100.0	0	1,850.0	1,850.0
Narrative Justification:									
Description									
Most Surface Deployment and Distribution Command (SDDC) Minor Construction projects are currently scheduled for Military Ocean Terminal Sunny Point (MOTSU). MOTSU is the premier Department of Defense ammunition terminal and is considered a vital part of the strategic Continental United States (CONUS) power projection platform supporting warfighting Commanders around the world. It is relied upon to maintain a high OPTEMPO consisting of ammunition resupply missions pre-position operations, and Foreign Military Sales operations.									
Mission Benefits									
Deliverables									
FY15: Construct Connector Rd (Fire Break 45) (\$750); Construct Equipment Shelter (vicinity Reclaim Yard) (\$750); Construct Canopy at MIJACK Wash Rack (\$300); Upgrade Lighting System 400 Series Pads (\$300); FY16: Upgrade Solar Array (\$750); Upgrade 400 Pads (\$750); Construct Equipment Shelter (Vicinity Center Wharf) (\$600); FY17: Construct 480' Comm Tower (\$750); Relocate Contractors Row (\$750); Addition to Post 2 (Restroom & Pit Area) (\$350); Construct PMO Equipment Storage (\$250)									
Economic Analysis									
Impact									
Projects ensure continuous operations and support for the terminals important warfighting mission.									
Software									
Not Applicable									

Activity Group Capital Investment Justification  
 Air Force Working Capital Fund  
 Transportation Working Capital Fund (TWCF)

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Fund 9C  
 (Dollars in Millions)

United States Transportation Command

FY	Item Description	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost (Est)	Asset/ Deficiency	Explanation
15	A. Equipment	1.4	(0.5)	0.9	0.5	0.4	
15	Equipment-AMC	0.5	(0.5)	0.0	0.0	0.0	Wings did not have investment requirements
15	Equipment-SDDC	0.9	0.0	0.9	0.5	0.4	
15	B. ADPE/Telecomm	20.6	(0.2)	20.4	11.5	8.9	
15	Distribution Process Owner (DPO) Secure Enclave (DSE)/Common Computing Environment (CCE)	1.0	0.0	1.0	0.7	0.3	
15	Infostructure	6.9	2.8	9.7	5.9	3.8	
15	Local Area Network (USTRANSCOM LAN)	7.5	0.0	7.5	2.7	4.8	
15	Global Air Transportation Execution System (GATES)	2.1	(1.4)	0.7	0.7	0.0	Funds reprogrammed to GATES Software
15	Mobility Air Forces Flight Planning Service	0.0	0.9	0.9	0.9	(0.0)	Sub-MAM/MAM approved new HW requirement
15	Objective Wing Command Post (OWCP)	0.3	(0.3)	0.0	0.0	0.0	Command post requirements were sustainment related
15	Wing Local Area Network (LAN)	2.1	(2.1)	0.0	0.0	0.0	A6 did not have investment requirements
15	Mobility Enterprise Information Services (MEIS)	0.7	(0.1)	0.6	0.6	(0.0)	Slight rounding adjustment
15	C. Software Development	90.3	3.6	93.9	68.5	25.5	
15	Agile Trans for the 21st Century (AT21)	11.4	(2.0)	9.4	5.6	3.9	
15	Analysis of Mobility Platform (AMP)	2.5	0.0	2.5	2.7	(0.3)	
15	Distribution Process Owner (DPO) Secure Enclave (DSE)/Common Computing Environment (CCE)	5.7	(1.3)	4.5	2.2	2.3	

Fund 9C  
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Activity Group Capital Investment Justification  
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Transportation Working Capital Fund (TWCF)

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United States Transportation Command

FY	Item Description	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost (Est)	Asset/ Deficiency	Explanation
15	Corporate Data Solution (CDS)	1.6	0.0	1.6	1.1	0.6	
15	Defense Enterprise Acct & Mgmt System (DEAMS)	0.0	0.8	0.8	0.0	0.8	
15	Defense Personal Property System (DPS)	0.0	12.1	12.1	10.8	1.3	
15	Infostructure	0.0	0.5	0.5	0.3	0.2	
15	Joint Flow & Analysis Sys for Trans (JFAST)	3.1	1.2	4.3	4.3	0.0	
15	Single Mobility System (SMS)	0.7	1.0	1.7	1.6	0.1	
15	Security Engineering	1.1	0.0	1.1	1.1	0.0	
15	Global Command and Control System (GCCS)	0.0	1.6	1.6	0.0	1.6	
15	Global Air Transportation Execution System (GATES)	0.0	2.8	2.8	2.8	0.0	Joint Planning & Execution (JP&E) MAM approved SW rqmts
15	Global Decision Support System (GDSS)	21.8	(4.1)	17.7	0.0	17.7	Capital to operating changes on Core GDSS, and funding freeze with DMR (\$5.3)/GAM \$3.9)/MEIS (\$8.5)
15	Mobility Air Forces Flight Planning Service	11.6	(4.2)	7.4	7.4	0.0	Program requested Capital Carryover which reduced FY15 execution
15	System Integration	9.3	(9.3)	0.0	0.0	0.0	Funds were programmed from SW to Operating
15	Defense Enterprise Accounting and Management (DEAMS) System Component Billing System (DCBS)	0.8	(0.3)	0.5	0.5	(0.0)	Requirements decreased
15	Mobility Enterprise Information Services (MEIS)	0.0	0.0	0.0	8.5	(8.5)	
15	Global Aircrew Management (GAM)	0.0	0.0	0.0	3.9	(3.9)	

Fund 9C United States Transportation Command



Fund 9C  
(Dollars in Millions)

Activity Group Capital Investment Justification  
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United States Transportation Command

FY	Item Description	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost (Est)	Asset/ Deficiency	Explanation
15	Dynamic Mission Replanning (DMR)	0.0	0.0	0.0	5.3	(5.3)	
15	Global Freight Management (GFM)	3.3	0.0	3.3	0.2	3.2	
15	Integrated Booking System (IBS)	5.5	0.0	5.5	1.2	4.4	
15	Intelligent Road/Rail Information Server (IRRIS)	9.3	0.0	9.3	6.1	3.2	
15	Integrated Computerized Deploy Sys (ICODES)	2.0	0.0	2.0	0.8	1.3	
15	Enterprise Support Services Command (ESS C4S)	0.6	0.0	0.6	0.0	0.6	
15	Transportation Financial Management System-MTMC	0.0	4.8	4.8	2.3	2.5	
15	D. Minor Construction	51.9	(3.8)	48.1	2.8	45.3	
15	Minor Construction-AMC	4.5	(3.8)	0.7	0.7	(0.0)	A7 final low bid came in more than anticipated in Sep
15	Minor Construction-DCD	0.3	0.0	0.3	0.0	0.3	Emergency MC funds not needed in FY15
15	Minor Construction-SDDC	2.1	0.0	2.1	2.1	0.0	
15	TOTAL FY	164.2	(0.8)	163.4	83.3	80.1	

Fund 9C  
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Activity Group Capital Investment Justification  
Air Force Working Capital Fund  
Transportation Working Capital Fund (TWCF)

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United States Transportation Command

FY	Item Description	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost (Est)	Asset/ Deficiency	Explanation
16	A. Equipment	1.2	(0.4)	0.8	0.8	0.0	
16	Equipment-AMC	0.5	0.0	0.5	0.5	0.0	
16	Equipment-SDDC	0.7	(0.4)	0.3	0.3	0.0	
16	B. ADPE/Telecomm	8.8	8.2	17.0	16.9	0.0	
16	Infostructure	2.6	7.5	10.1	10.1	0.0	
16	Local Area Network (USTRANSCOM LAN)	4.4	0.0	4.4	4.4	0.0	
16	Mobility Air Forces Flight Planning Service	0.0	1.6	1.6	1.6	0.0	
16	Objective Wing Command Post (OWCP)	0.3	(0.3)	0.0	0.0	0.0	Command Post did not have investment requirements
16	Wing Local Area Network (LAN)	0.6	(0.6)	0.0	0.0	0.0	A6 did not have investment requirements
16	Mobility Enterprise Information Services (MEIS)	0.9	0.0	0.9	0.9	0.0	
16	C. Software Development	62.2	16.5	78.8	78.8	(0.0)	
16	Agile Trans for the 21st Century (AT21)	8.2	(0.2)	8.0	8.0	0.0	
16	Analysis of Mobility Platform (AMP)	2.5	(0.1)	2.5	2.5	0.0	
16	Distribution Process Owner (DPO) Secure Enclave (DSE)/Common Computing Environment (CCE)	3.6	0.0	3.6	3.6	0.0	
16	Corporate Data Solution (CDS)	0.9	0.0	0.9	0.9	0.0	
16	Defense Personal Property System (DPS)	0.0	11.7	11.7	11.7	0.0	

Fund 9C  
(Dollars in Millions)

Activity Group Capital Investment Justification  
Air Force Working Capital Fund  
Transportation Working Capital Fund (TWCF)

Fiscal Year (FY) 2017  
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United States Transportation Command

FY	Item Description	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost (Est)	Asset/ Deficiency	Explanation
16	Infostructure	0.0	4.0	4.0	4.0	0.0	
16	Int Data Environ/Global Trans Net Converg (IGC)	0.0	0.5	0.5	0.5	0.0	
16	Joint Flow & Analysis Sys for Trans (JFAST)	3.7	0.0	3.7	3.7	0.0	
16	Single Mobility System (SMS)	1.5	0.0	1.5	1.5	0.0	
16	Security Engineering	1.1	0.0	1.1	1.1	0.0	
16	Global Command and Control System (GCCS)	0.0	0.2	0.2	0.2	0.0	
16	Integrated Multi-Modal Operations (IMMO)	0.0	6.2	6.2	6.2	0.0	
16	Global Decision Support System (GDSS)	18.0	(18.0)	0.0	0.0	0.0	DMR, GAM, & MEIS POR's pulled out of GDSS. Remaining GDSS requirements are sustainment.
16	Mobility Air Forces Flight Planning Service	8.6	7.9	16.5	16.5	0.0	Sub-MAM/MAM approved SW requirement
16	System Integration	8.8	(8.8)	0.0	0.0	0.0	Funds were programmed from SW to Operating
16	Mobility Enterprise Information Services (MEIS)	0.0	6.2	6.2	6.2	(0.0)	POR was embedded in GDSS and separated out as individual POR
16	Global Aircrew Management (GAM)	0.0	3.0	3.0	3.0	(0.0)	POR was embedded in GDSS and separated out as individual POR
16	Dynamic Mission Replanning (DMR)	0.0	3.9	3.9	3.9	(0.0)	POR was embedded in GDSS and separated out as individual POR
16	Global Freight Management (GFM)	1.6	(0.0)	1.6	1.6	0.0	
16	Integrated Booking System (IBS)	3.4	(0.1)	3.4	3.4	0.0	

Fund 9C United States Transportation Command

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United States Transportation Command

FY	Item Description	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost (Est)	Asset/ Deficiency	Explanation
16	Intelligent Road/Rail Information Server (IRRIS)	0.2	(0.0)	0.2	0.2	0.0	
16	D. Minor Construction	6.9	0.0	6.9	6.9	(0.0)	
16	Minor Construction-AMC	4.5	0.0	4.5	4.5	0.0	A7 had less requirements
16	Minor Construction-DCD	0.3	0.0	0.3	0.3	0.0	
16	Minor Construction-SDDC	2.1	0.0	2.1	2.1	(0.0)	
16	TOTAL FY	79.0	24.4	103.4	103.4	(0.0)	