

SAF/FMB | FEBRUARY 2018



MAJ GEN PLETCHER
12 February 2018



UNITED STATES AIR FORCE
FISCAL YEAR 2019 BUDGET OVERVIEW



U.S. AIR FORCE

Overview

- Strategic Environment
- FY19 Budget Priorities
- FY19 Budget Request
- FY19 by Appropriation
- Final Thoughts



Integrity - Service - Excellence



U.S. AIR FORCE

Strategic Environment

The National Defense Strategy directs a more lethal, resilient and agile Joint Force that can compete, deter and win in the complex, global security environment



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

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

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FY19 Budget Priorities

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

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

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

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

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

Strengthening Alliances...*to reinforce our commitment to our Allies and International Partners*

Reinforce Budget Discipline to Gain Full Value from Every Taxpayer Dollar We Spend



U.S. AIR FORCE

FY19 Budget Request

Continuing Programs and Strategies

Readiness

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

People

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

Nuclear Deterrence

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

Modernization

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

The Air Force Must Continue to Build on Progress Made in Established Programs



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FY19 Budget Request

Change to confront reemergence of Great Power Competition

Space Superiority

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

Multi-Domain Command and Control

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

Air Superiority

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

Light Attack

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

Science and Technology

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

We must Build a more Lethal, Ready, Resilient Air Force



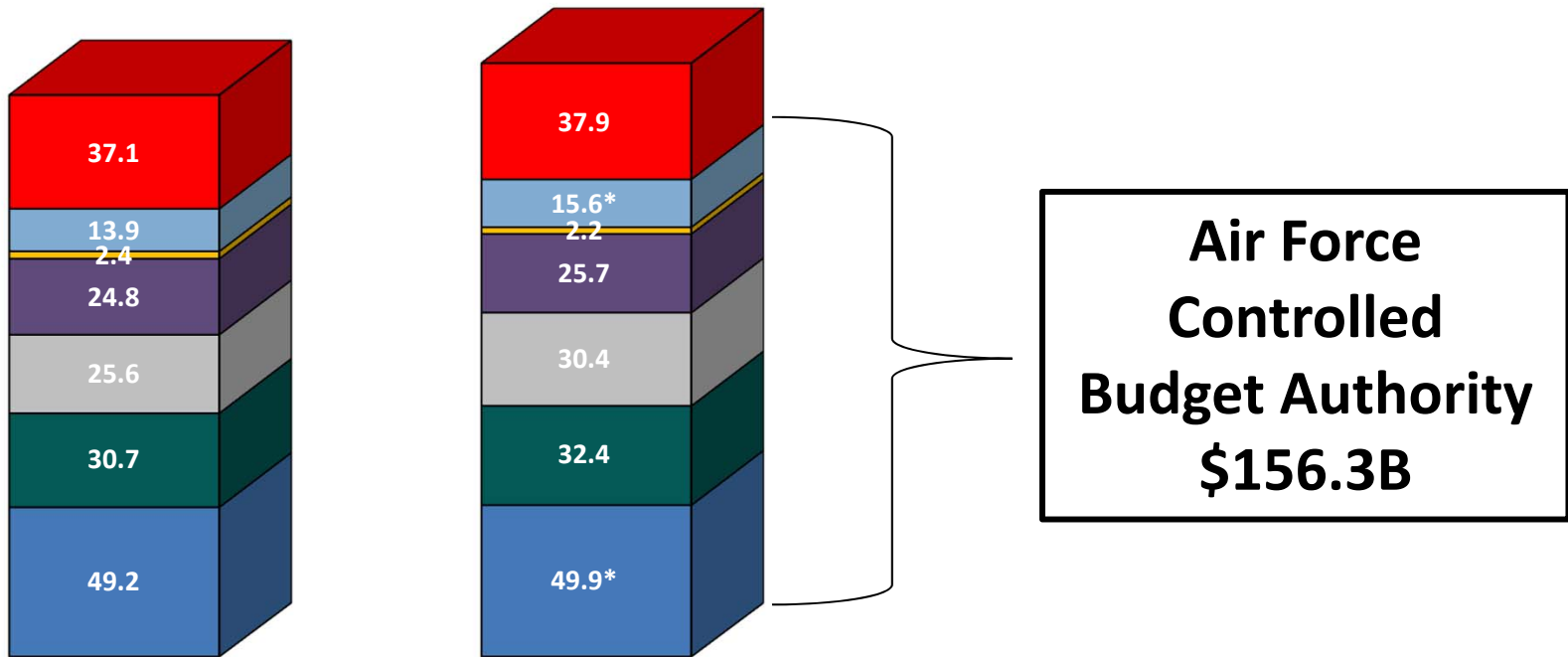
FY19 Budget Request

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Total Budget

FY18 PB
\$183.6B

FY19 PB
\$194.2B



■ O&M ■ MILPERS ■ RDT&E ■ Procurement ■ MILCON ■ OCO ■ Pass Through

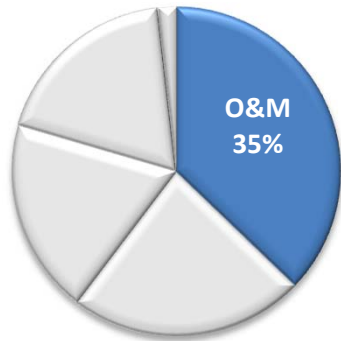
* \$4.8B of OCO included for Base WSS requirements; not included in the \$15.6B OCO
Numbers may not add due to rounding

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



U.S. AIR FORCE

Operations & Maintenance

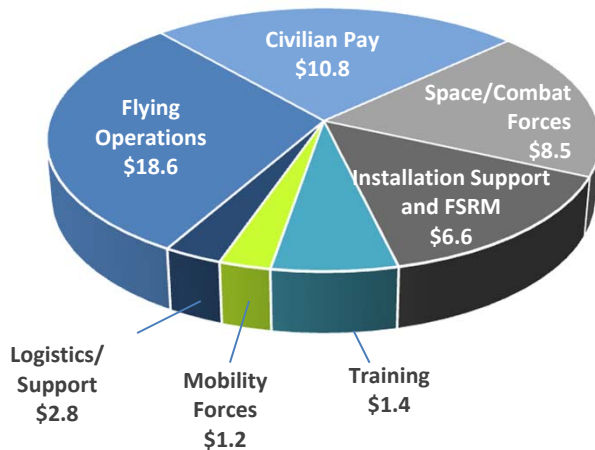


Category (\$B)	FY18 PB	FY19 PB
Operating Forces	40.8	42.0
Mobilization	1.7	1.5
Training & Recruiting	2.1	2.2
Administration and Service Wide	4.6	4.3
Total	49.2	49.9

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



Program Highlights (\$B)



Air Force Budget Highlights:

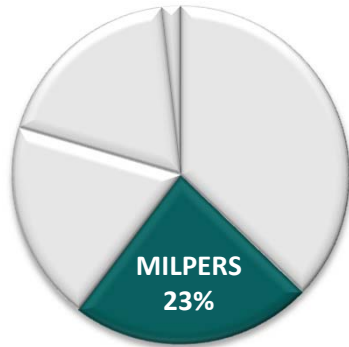
- Upgrade ISR systems supporting tactical teams operations
- Enhance C2 systems to enable surveillance, early warning and cyber connectivity
- Fund Flying hours to executable levels
- Fund Weapon System Sustainment to 90% (Base and OCO)
- Fund facility sustainment at 80%
- Expand combat training ranges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

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



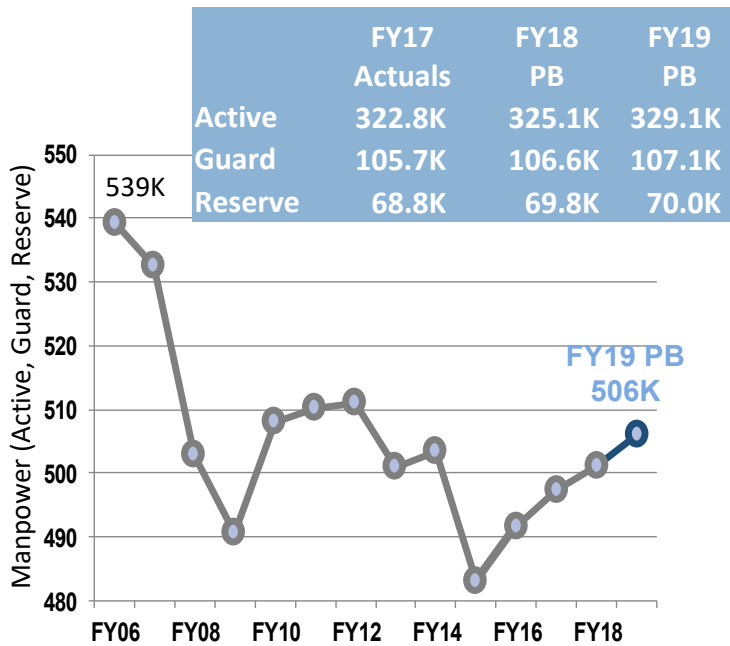
U.S. AIR FORCE

Military Personnel



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

Numbers may not add due to rounding



Air Force Budget Highlights:

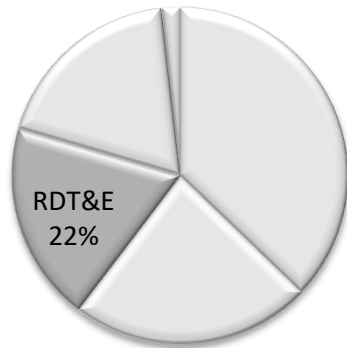
- Increase Total Military Force end strength by 4,700
- Address gaps in RPA, cyber and intelligence career fields
- Continue progress in increasing maintenance manpower and experience
- Address pilot shortage...add training capacity...optimize incentives
- Right-size student training pipeline with focus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

Readiness begins with People



U.S. AIR FORCE

Research Development Test & Evaluation



Category (\$B)	FY18 PB	FY19 PB
Operational Systems Development	11.2	13.1
Demonstration and Validation	4.7	6.5
Engineering & Manufacturing Development	4.5	5.3
Management Support	2.7	2.8
Applied Research	1.3	1.3
Advanced Technology Development	0.8	0.8
Basic Research	0.5	0.5
Total	25.6	30.4

Numbers may not add due to rounding



Program Highlights		
\$ Millions		
	FY18 PB	FY19 PB
Aircraft		
B-21	2,004	2,314
PAR	434	673
F-35A Capability Develop & Deliv	335	550
Air Superiority Family of Systems	295	504
Combat Rescue Helicopter	354	458
B-52H Upgrades	112	280
Advanced Pilot Trainer (T-X)	106	265
Space		
Next-Gen OPIR	71	643
GPS III Follow-on	0	452
Nuclear		
Long Range Stand Off Missile	451	615
GBSD	216	345

Air Force Budget Highlights:

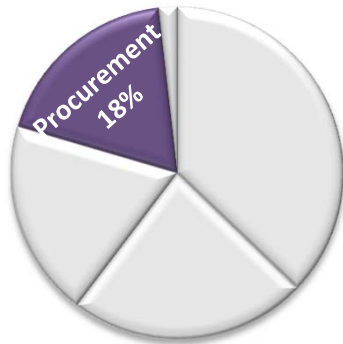
- Increase funding for the backbone of our future bomber force (B-21)
- Increase the Air Superiority Family of Systems to enhance operational/threat studies
- Increase funding for space programs including Next Generation Overhead Persistent Infrared (Next-Gen OPIR)
- Begin GPS III Follow-on development
- Invest in the Adaptive Engine Transition Program to deliver revolutionary, next-generation propulsion systems
- Continue ICBM modernization with Ground-Based Strategic Deterrent (GBSD) program

We must Deliver Performance at the Speed of Relevance



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Procurement



Category (\$B)	FY18 PB	FY19 PB
Aircraft	15.4	16.2
Space	3.4	2.5
Missile	1.6	1.8
Ammunition	1.4	1.6
Other Procurement	3.0	3.6
Total	24.8	25.7

Numbers may not add due to rounding



Program Highlights		
\$ Millions		
	FY18 PB	FY19 PB
Aircraft		
F-35A & Mods	5,714	5,230
KC-46A & Mods	2,965	2,933
C/HC/MC-130J	1,087	1,358
CRH	-	680
F-16 C/D/E Mods	218	336
Space		
EELV	606	995
SBIRS	1,113	138
Preferred Munitions		
JDAM	320	234
APKWS	180	183
Hellfire	35	114
SDB I	290	113
Other		
DCGS	178	448
Vehicles	271	338

Does not include OCO

Air Force Budget Highlights:

- Increase the production quantity to 48 F-35As
- Continue tanker recapitalization of 15 KC-46As
- Initiate Multi-Year Procurement for one HC-130J and six MC-130J aircraft to achieve cost savings
- Buy low rate initial production of 10 Combat Rescue Helicopters (CRH)
- Support modifications of 4th/5th generation aircraft
- Funding services for five Evolved Expendable Launch Vehicles
- Maximize production capacity for preferred munitions: JDAM, Hellfire, APKWS, and SDB-1
- Accelerate Distributed Common Ground System (DCGS) open architecture
- Invest in counter small unmanned aerial system to protect national assets

The Air Force needs the Right Size & Mix of Lethal Capabilities to Outpace our Competitors₁



Major Procurement Quantities

U.S. AIR FORCE

	FY17 Actual	FY18 PB	FY19 PB
Aircraft			
F-35A	48	46	48
KC-46A	15	15	15
MC-130J Recapitalization	6	5	6
HC-130J Recapitalization	4	2	1
<i>HC-130J OCO</i>	<i>0</i>	<i>0</i>	<i>1</i>
C-130J	4	0	0
<i>C-130J OCO</i>	<i>1</i>	<i>0</i>	<i>0</i>
MQ-9A	24	0	8
<i>MQ-9A OCO</i>	<i>0</i>	<i>16</i>	<i>21</i>
Total Base	101	68	78
<i>Total OCO</i>	<i>1</i>	<i>16</i>	<i>22</i>
Grand Total	102	84	100
Space			
EELV	3	3	5
Weapons			
AIM-9X Sidewinder	287	310	256
AIM-120D AMRAAM	256	205	220
<i>AIM-120D AMRAAM OCO</i>	<i>0</i>	<i>0</i>	<i>2</i>
AGM-158 JASSM-ER	360	360	312
<i>AGM-158 JASSM-ER OCO</i>	<i>0</i>	<i>0</i>	<i>48</i>
JDAM	10,749	10,330	7,899
<i>JDAM OCO</i>	<i>17,847</i>	<i>16,990</i>	<i>28,101</i>
AGM-114 Hellfire	431	399	1,338
<i>AGM-114 Hellfire OCO</i>	<i>1,788</i>	<i>3,230</i>	<i>3,000</i>
Small Diameter Bomb - I & II	312	5,039	3,427
<i>Small Diameter Bomb - I OCO</i>	<i>4,195</i>	<i>2,273</i>	<i>3,909</i>
Total Base	12,395	16,643	13,452
<i>Total OCO</i>	<i>23,830</i>	<i>22,493</i>	<i>35,060</i>
Grand Total	36,225	39,136	48,512

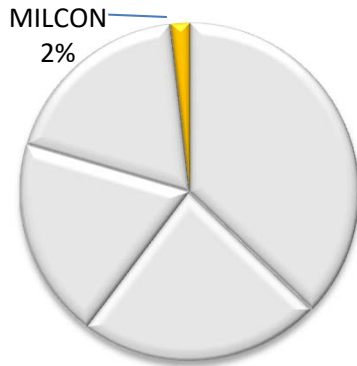


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Military Construction, BRAC & Military Family Housing

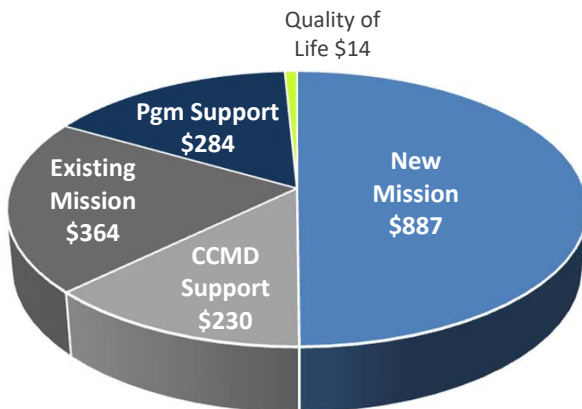


Category (\$B)	FY18 PB	FY19 PB
Major Construction	1.8	1.5
Minor Construction	0.1	0.1
Planning and Design	0.1	0.2
BRAC	0.1	0.1
Military Family Housing	0.4	0.4
Total	2.4	2.2

Numbers may not add due to rounding



MILCON (\$M)



Active:

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

Guard:

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

Reserve:

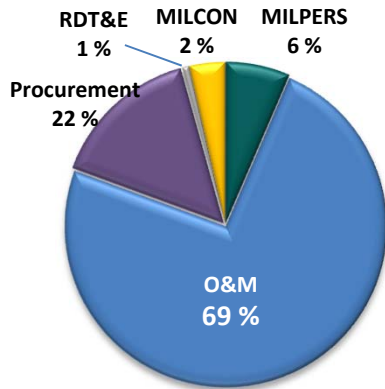
- Add/Alter Aircraft Maintenance Hangar (\$12.1M), Small Arms Range (\$9.0M)
- Aeromedical Staging Facility (\$4.6M), Physical Fitness Center (\$14.0M)
- Munitions Training/Admin Facility (\$3.1M)

Infrastructure must be Optimized to Integrate Air, Space, and Cyber Capabilities



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Overseas Contingency Operations (OCO)



Category (\$B)	FY18 PB	FY19 PB
Operation and Maintenance (O&M)	10.3	10.7
Procurement	2.1	3.4
Military Personnel (MILPERS)	0.9	1.0
MILCON	0.5	0.3
RDT&E	0.1	0.2
Total	13.9	15.6

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



Program Highlights		
	(\$M)	Qty
Flying / Support Operations		
Flying Hours	2,355	272K
WSS	2,861	N/A
Ops Support	5,448	N/A
Procurement		
MQ-9A	424	21
HC-130J	102	1
JDAM	739	28,101
SDB I	141	3,909
Hellfire	255	3,000

Air Force Budget Highlights:

- Operating Support for deployed personnel and six enduring locations to include:
 - Flying Hours and Weapon System Sustainment
 - 10 Remotely Piloted Aircraft combat lines, \$1.8B for ISR platforms and support
 - Deployable Command, Control and Communications (C3) systems/special tactics combat control equipment
- Continue to build partnerships through the European Deterrence Initiative:
 - MILCON to improve European airfield infrastructure
 - War reserve materials, airfields, aircraft storage and munitions storage facilities in Europe

Air and Space Superiority Underwrite the Freedom of Action required for Joint operations 14



U.S. AIR FORCE

Final Thoughts



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



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

Budget aligns with 2018 National Defense Strategy

Accelerates Air Force Readiness

Invests in Key Capabilities through Cost-Effective Modernization

Sets Conditions to Deliver Lethal, Globally Responsive, Air and Space Power for the Future

The Air Force Requires Predictable and Consistent Budgets to meet Future Threats



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More Information

For more information, please visit the website below for the Department of the Air Force's budget overview

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

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