



**U.S. AIR FORCE**

**8 Dec 2010**

**USAF Liaison  
Report**

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# AGENDA

- Near-Term ATE opportunities/Contract Vehicles
- Logistics Transformation updates
- USAF ATS/PGM updates
- News
  - 2011 Budget AF Spending Plan
  - 2012 Budget Outlook and beyond
    - AF Specifics
  - Top 5 AF programs
  - AF AC news

# Near-Term ATE opportunities/Contract vehicles

- **B-1B ARTS REW Replacement**
  - Performance Based Spec
  - Total package Hardware and software
  - (23) Stations, (32) TPS
  - Funded program
  
  - RFP expected as early as Jan 2011 Award NLT 4th Qtr 2011.
- **WR Small Business Acquisition & Sustainment Tool (SbAST) (WR Only)**
  - SB contract NAICS 336411 (**1500 size factor**)
  - 5 yr IDIQ 3 basic +2 year options
  - \$402M IDIQ
  - 6 Contract awards
    - Advanced Aerospace Engineering Concepts
    - Alabama Aircraft Industries Inc
    - Advanced Modification Solutions
    - Engineering and Software System Solutions, Inc
    - Scientific Research Corporation
    - Support Systems Associates, Inc.
- **Hill AFB DESPIII RFI**
  - IDIQ Eng, Tech, Support Services
  - Can be utilized by ALL DoD agencies
  - OSD review
  - Award Oct 2011
- **Cruise Missile Tester Modifications**
  - Modify existing ATE and associated equipment, Tech Data
  - (33) stations and (22) Air Data Test Sets.
  - Want minimal impact to preserve Nuke certification
  - Potential FY 2012 opportunity

# Near-Term ATE opportunities/Contract vehicles

- **F-15 ESTS Modernization**
  - Awarded mid Sept - **SESI** Team
  - Protest - Resolved
  - Competitive Small Business (**1000 size factor**)
- **A-10 Common Armament Tester (CAT)**
  - A-10 Spec defined.
  - Cross-Platform armament tester requirements being collected
  - LM selected from 3 A10 TLPS Primes to do evaluation
  - Three phase procurement
    - Independent review of sources/proof of concept
    - Decision Possible by Feb 2011
    - Follow-on TPS demo
    - Production FY12 - FY14
- **VDATS PBA**
  - PBA/PBL (BTP, new builds, Parts Availability)
  - IDIQ 5 year contract (3+2)
  - ~15 Systems to be built yearly for new opportunities
    - In source selection review
    - Award Imminent
    - Small Business Competitive Set-aside, (Size factor **500**)
- **BRAT PBL**
  - 5 yr. Contract
  - Procurement Pan
    - RFP potential July 2011
    - Award Mar 2012
    - Issue of data and color of money impacting timelines
- **CASS/eCASS/VDATS Hybrid Interface**
  - Analysis phase. Strictly focused on Interface between CASS/eCASS/VDATS nothing more.
    - Identify differences between CASS/eCASS and VDATS
    - ID UUTs to provide tester capability focus
    - Consolidate a list of incompatibilities
    - Consolidate all of the above into a design solution
    - Want a 2-way interface
  - Still looking for white papers
  - Industry day and RFI possible
  - No procurement schedule

# Logistics Transformation - News

- **GLSC and ECSS** the new enterprise system for improving over-all Supply Chain Management.
  - New AFMC/ALC realignment under GLSC completed 1 July
  - New organization charts for each ALC
  
- **ECSS** will enable a single data entry for Logistics info. (Will replace over 240 existing Mx and Logistics databases)
  - Pilot roll out in 2010 Hanscom AFB, 12-18 Month pilot with FOC planned 2014
  
- **RE 21 Repair Enterprise (Regional Repair Centers and ALC - field to depot repair support)**.
  - Ultimately USAF to stand up (10) CONUS CIRFs (5) Active, (1) ANG and (4) Integrated
  - Repair Network Integration (RNI) delayed but still planned
    - Phased Implementation for Commodities and Weapons Systems
    - Multi-year journey- Working Enterprise Management activities and Standardization processes first
    - Shape and size Network next (CRFs)

## ECSS Update

- ECSS replaces 240 Legacy information systems.
- Total investment of \$3.0B over life of system, with expected cost savings avoidance of \$12.0B over life of system.
- Designed to improve Supply Chain Management and enable total asset Visibility
- Will enable AF to Centrally Plan and locally execute support of daily flying mission.
- Will impact every technician and every AF system.
- Program Managed by CSC. Utilizing Oracle commercial software tools.
- 4 Major releases for implementation via live Pilots. Fielding incrementally from 2012 -2017
  - **Tools/Equipment, vehicle management**
    - Pilot being done at Hanscom.
    - IOT&E Ellsworth and MacDill
    - Expect first Release to 186 MOBs in 2012-2013
  - **Enterprise Planning and Material Management** (ALCs, AFMC, GLSC)
  - **Heavy Depot Maintenance and planning** (ALCs, etc)
  - **Flight line Maintenance and Munitions Management** (MOBs etc.)

# ATS PGM update

## ■ **VDATS Progress**

- (45) VDATS currently fielded
- (135) TPSs developed and used at Depot.
- (275) more TPSs planned.
- VDATS on 9 new weapon Systems.

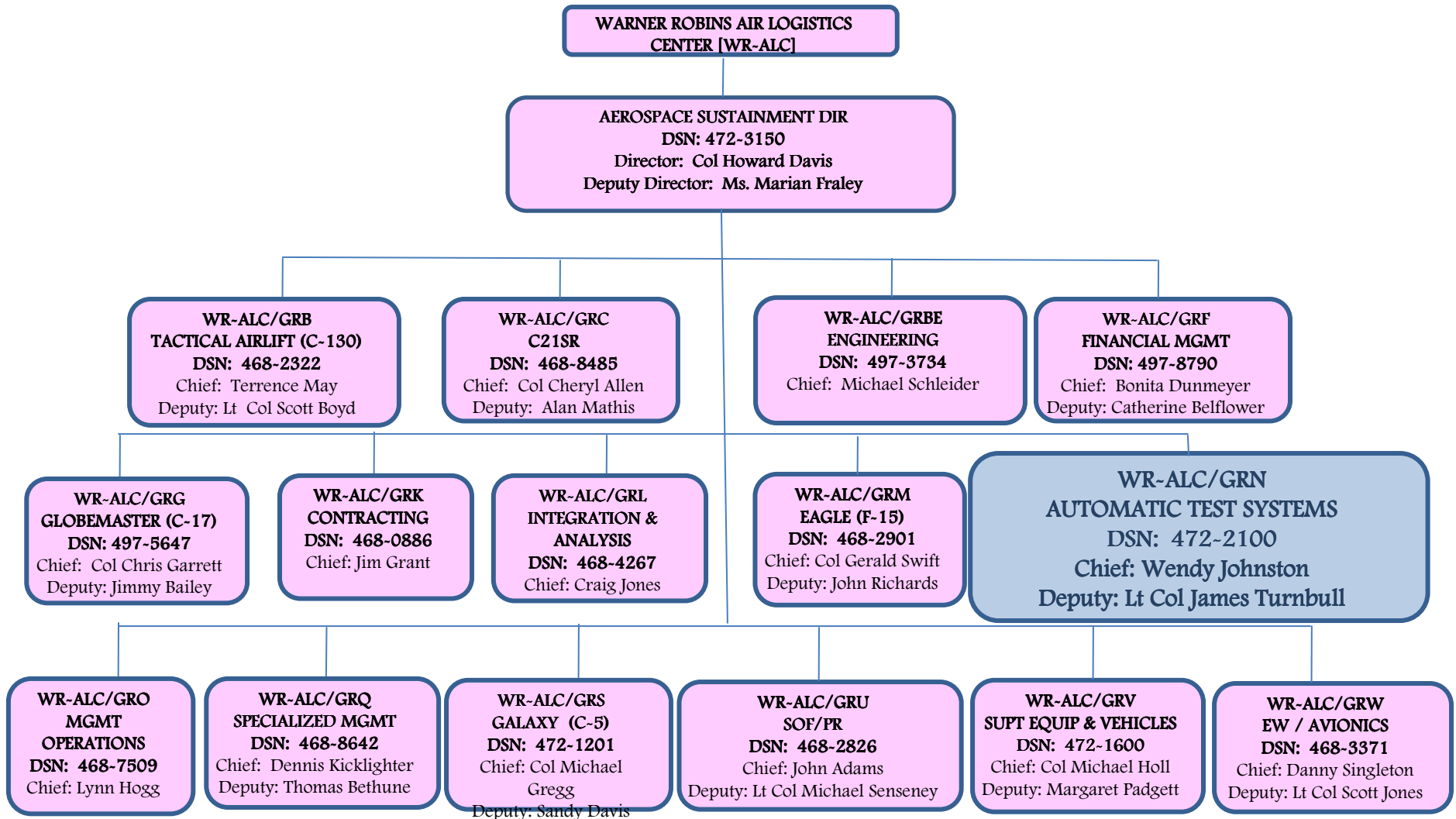
# Recent Reorganization

- Name change
  - From: 742d Combat Sustainment Group (CSBG)
  - To: ATS Division
- Organization Change
  - From: 542d Combat Sustainment Wing
  - To: Aerospace Sustainment Directorate
- Transitioning programs/functions:
  - Transitioned some of our supply chain management
  - Transitioned TMDE supply support to AFGLSC
  - No significant differences to customer or contractors



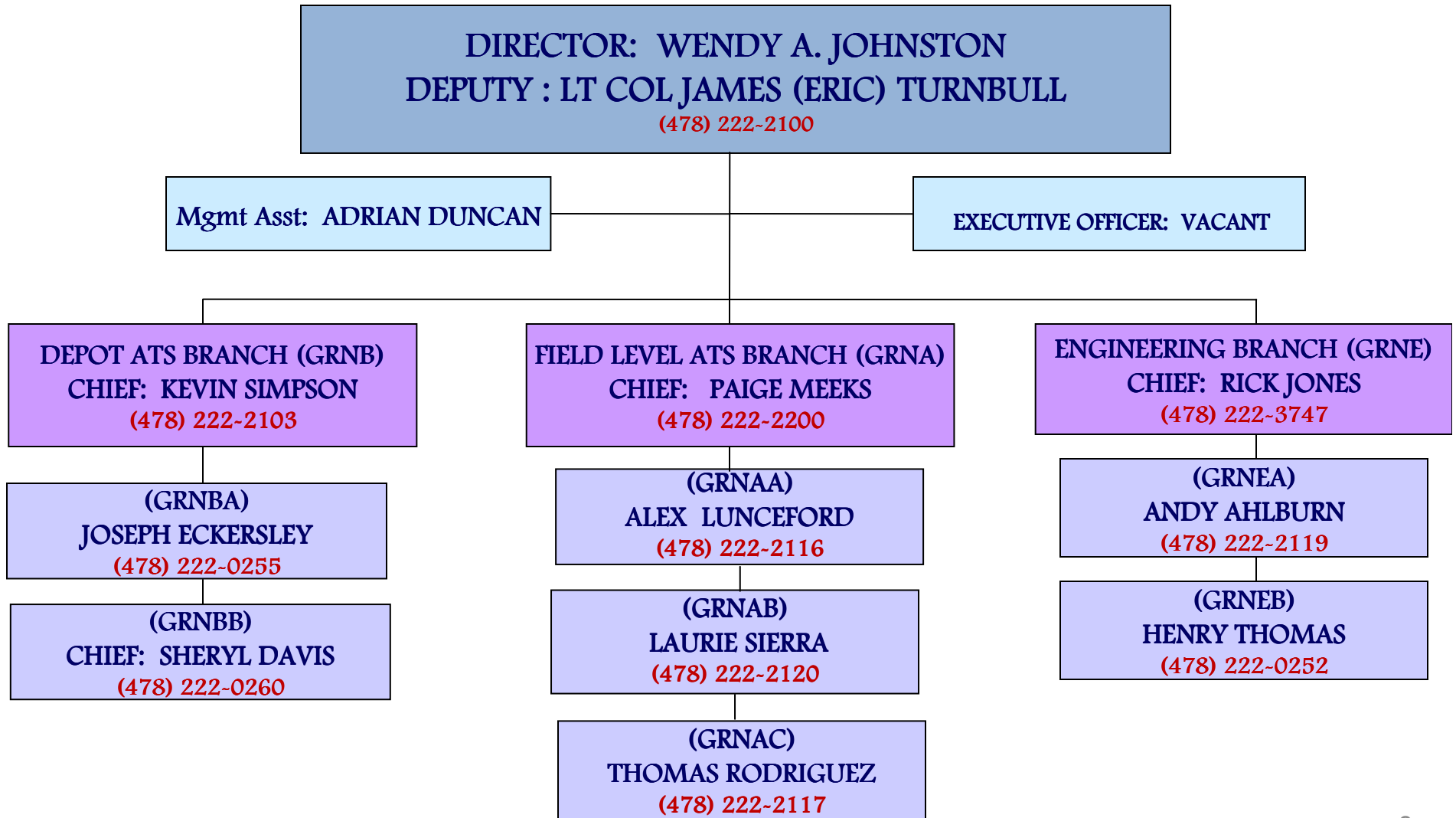
# WR~ALC/ASD

## Aerospace Sustainment Directorate



# WR~ALC/GRN

## Automatic Test Systems Division



# ATS Product Group Management (PGM) Role

- Single Manager for Air Force ATS
- Program responsibility for Air Force standard family of automatic test systems
- Program Element Code (PEC) Establishment
  - ATS PEC 71212F has been established
    - Consolidates requirements for central POM submission
  - Funds/requirements are being realigned from other PECs
  - All ATS procurements and modifications are to flow through AF ATS PGM



Cruise Missile  
Tester

# ATS Product Group Management (PGM) Role

- Personnel ~ 130 assigned
  - Including contingent at Hill AFB
- Over 8,000 (End Items) managed
- Over \$190M budget
- Responsibilities include
  - Depot ATS
  - Armament ATS
  - Electronic Warfare ATS
  - Aircraft Support ATS
  - Test, Measurement, and Diagnosis
  - Versatile Depot ATS



USM-643



Automatic Wire Test Set (AWTS)

# Draft FY 2011 USAF Defense Budget (Highlights)

- FY-11 Defense Budget \$708B Core budget \$548B, \$159B for War efforts
- SAC removed \$8.1B from FY11, issues between House and Senate
  - Cut O&M funding
  - Over-all procurements cut by \$8.0B
  - \$\$ for more Reapers and \$\$\$ for ANG accounts
- **Continuing resolution** thru end of CY year, funding at FY10 levels
- \$11.0B for (32) F-35 LM/DoD resolution on LRIP4
  - 32 F-35 in LRIP 4 (16) AF, (10) Marine, (6) Navy
  - AF rejects 2<sup>nd</sup> Engine Second Engine effort and C-17 additive. Gates recommends Veto of second Engine and more C-17s(Congress Providing Money)
- DoD Budget Projections for 2012-16 submitted 31 July
  - Possible changes to POM process are in work
- 20 year look ahead
  - Manned Fighters to decline by 10% 2010-2020
  - UAVS to be quadrupled during same period
  - 3% average growth of DoD Budget unlikely
  - Aviation Programs 2011-2020 \$268B at risk
- Current spending plans and projected cuts not filling future threat environment
- Expect a smaller less robust Defense Industry base by end of this decade.
  - Core Budgets to drop to the \$480B range
- US cannot assume USAF Air Dominance going forward without modernization efforts.

# Budget News

## ■ Acquisition Chief met with Industry 28 June:

- Defense Budget growth at 1% rate over next 5 years
- Looking for 3% reduction from current budgets to pay for direct combat efforts
- Asking Industry to come up with cost cutting initiatives to drive down cost of new weapon systems. Ex. LM, Boeing \*\*
- Be prepared for smaller Annual budgets \*\*
- Two-thirds of dollars from \$100B Gates directive to come from Support Programs i.e. force structure and modernization programs \*\*
- Fiscal Reality “Flat or declining Budgeting environment”\*\*
- Economic conditions driving Future defense spending \*\*

## ■ Europe already seeing significant cuts in Defense Budgets \*\*

\*\*Activities already in progress

# Budget News Panels/Commissions

- **Pentagon Advisory Panel recommendations**
  - **Final report submitted in Sept**
  - **Recommendations**
    - Cut DoD Civilian personnel by 110,000 from 743K Force\*\*
    - Immediate Hiring freeze \*\*
    - Reduce redundancy in Military Combat Structure and reduce contractor support by 11,000 \*\*
    - SECDEF Closing US Joint Command, reducing Flag officers/SES by ~150 slots \*\*
- **DoD Industrial Affairs**
  - Desires savings to come from improved Procurement process
  - Cuts noted are for New/existing programs/Requirements
    - Everything is on the table
    - F-35 LRIPs impacted LRIP4 (42 to 32 AC) \*\*
- **Congressional Sustainment Defense Task Force**
  - Targeting \$1.1T in DoD Spending cuts over next decade
  - Calling for significant Pentagon cuts and smaller Global footprint
  - Personnel cuts/hardware/program cancellations
    - V-22 tilt-rotor aircraft, the Joint Strike Fighter, delay purchases of new refueling tankers,, eliminating two Air Force fighter wings
  - Report due to President in Dec.
- **Presidential deficit reduction Commission**
  - Reduce military weapon buying by 15 percent.
  - Cut spending on weapon research by 10 percent.
  - Close a third of U.S. military bases overseas.
  - Freeze federal salaries and bonuses for three years, freeze noncombat pay for three years \*\*
  - Double Defense Secretary Robert Gates plan to cut Pentagon contractors by 30 percent over three years.
- **Debt Reduction Panel**
  - Freeze Fed Spending
  - Cancel F-35 and V-22 Cancel STOVL, and reduce buy
  - Reduce Total force by 275,000
- **Gates has already challenged Services to find \$101B in savings next 5 Years**
  - 50K (AF10K) Force cuts and reduce 1-2 FW and close upward of 16 OS bases (\$80B) projected annual savings
- **Concerns US Debt and economic issue will be resolved on the back of DoD**

# AF Budget News Specifics

- Gates \$100B savings over next 5 years is a floor not a ceiling meaning it could be higher. (\$123B)
  - **20 year Average AF budget is \$103.1B**
  - **FY 10 was \$130.3B**
  - **Expect FY11 at \$119.6B**
- Gates Challenge to the AF
  - **\$28.3B savings over next 5 years. Real Dollars out of real programs.**
  - **\$2.0B out of FY12 Budget, \$3.0B FY13, \$5.3B FY14, \$8.0B FY15, \$10B FY16**
  - **Savings Reinvested in modernization??**
  - **Personnel costs rising**
- Expect Fiscal constraints for next 10 years
- Contractor service contracts and people to be cut by 10% a year for 3 years.
  - 11,000 slots in next 5 years
- Civil Servant positions also under pressure
  - 110,000 positions potentially reduced over next 5 years
- Major concerns that AF/Army and Navy have too much duplication in infrastructure i.e depot capability.
  - Need to consolidate/eliminate and do more joint depots.
  - More Joint basing being evaluated
- Financially – “AF Budgets going to get worse before they get better”
- AF Does not see Gate’s efforts as a Cuts drill
  - AF will not grow, but will realign to meet mission.
  - There will be less procurement.
  - Infrastructure is on the table
- AF may reduce it’s footprint in Europe and agrees with some AF base closures.
- Need to shed overhead, shrink manpower where possible/wise.
- Centralization of some acquisition functions
- Leveraging upgrades to existing systems, platforms to help drive down costs until new systems fielded.
- **Nation is at an inflection point.** I.e. Threats from adversaries are outpacing our ability to deter. Only thru modernization of Force can we stay ahead of the bad guys.
  - National will is the big question.

## AF Initiatives

- Expect more FFP incentive fee contracts going forward
  - Fewer Cost Plus on development programs.
- DoD pushing Industry for more affordability
- Pushing 80% solutions now with growth over time to insure timely and affordable fielding of new weapon systems
- Want more real competition.
- Looking for COTS, open systems
- New rules for AF acquiring Data rights from Industry products.
- AF to eliminate duplication of efforts internally, lower overhead, and more fiscal responsibility.
- Government to tell Industry what something “should cost” versa having Industry tell Gov.what it “will cost”

# AF Key Programs

## ■ Top 5 USAF Requirements:

### ■ KC-X Tanker Replacement TOP AF Priority

- Award delayed until early 2011
- Competitive evals clerical error (Impact unknown)
- KC-Y and KC-Z to follow – To replace remaining KC-135s and KC-10 ( Likely decades away)
- US Aerospace and Ukrainian Antonov bid program AN122/124 (Protest not upheld)

### ■ CSAR-X – Back on the table for analysis

- Gates directed Study to determine if Joint potential
- Looking at Options - CV-22, Others
- AF to retain a CSAR mission

### ■ Satellites for Early Warning/Com - Refocused

### ■ F-35

- DoD focusing on cost and schedule growth impact delays in F-35 program.
- Gates Extends Development/Testing phase to 2015
- AF version ahead of test schedule
- LRIP numbers have been reduced and Full rate production delayed until Nov 2015
  - Recent sales confirmed with UK and Israel delivery 2013-2017
- **AF IOC now 2016 (2-3 year extension)**
- All services now looking at extending service life of legacy AC.
  - Some in Congress now pushing for Block 60 F-16s and F-15 Silent Eagles as back-up plan
- DC Think Tank indicates F-35 quantities could be impacted by increased adversary defense capabilities
- 60% of CAF budget going for modernization and of that over 40% is F-35.
- Pentagon decertified LM System for Tracking Progress on F-35/F-16 EVMS, measures scope, schedule, cost and performance

### ■ NGLRS (ABSD) Airborne Strategic Deterrence (Driven by QDR)

- FY11 R&D Budget for of new Bomber
- Need to have ability to strike any target anywhere in the world despite harden sites.
- Expect LRS AC by 2028 with RFPs to start effort as early as FY14-15 time frame.
- AF and Nation need LRS Family of Systems.
  - It's a platform
  - Standoff missile
  - Prompt Global strike with ICBMs
- Currently defining the LRS requirements.

## **Nuclear Enterprise**

### **■ USAF Top Priority**

- Modernizing our nuclear Enterprise and Nuke deterrence

### **■ GSC stood up fully operational 1 Oct.**

- First new Command in 27 years

### **■ Major upgrades and modernization for B-61.**

- Integration of those upgrades etc onto F-16, F-35, and F-15.

**NOTE: B-61 used by our nuclear bombers and in support of Countries, including NATO, under US nuclear umbrella.**

### **■ B-2 to undergo a major digital upgrade.**

### **■ B-52 life extension upgrades thru 2040**

### **■ ALCM to undergo SLEP and be around thru FY30, but in reduced quantity**

### **■ Nuclear Enterprise to Focus on:**

- Industrial Base
- Component replacement
- Delivery vehicles
- Manpower and Support Equipment ( Nuke certified equipment)

# AF News General info

- **AF leadership wants new Bomber**
  - Both Conventional and Nuclear Capable
- **Center for Strategic studies**
  - Define requirements for New Bomber
  - 2011 Budget \$200M to begin planning
  - \$36-56B for 100 Aircraft
  - Nat'l will and economy to support
- **Nuclear Enterprise needs attention**
  - Expertise disappearing
  - Funding for Upgrades critical
- **AF Released CAF Strategic Plan 15 Sept**
  - Signed by all key AF leadership/Commands
  - Focuses on how to defend homeland
  - Strengthen Nuclear deterrence
  - Meeting requirements with fiscal constraints
  - Looks at all threats
- **OSD has asked services to weed out no-performing contracts**

# AF Aircraft News

## AF Realignment Plans

- **Legacy AC retired sooner**
  - 250 F-16 to be retired within year
  - F-16 Training Wing move to Holloman
  - MQ-1/9 at Holloman
- **F-22 Consolidate and redistribute F-22 Wings into 4 Bases**
  - Tyndall, Langley, Elmendorf, Nellis
  - AF retaining F-22 Tooling for future sustainment options
- **F-35**
  - Eglin Initial Pilot/Maintenance Training
  - Luke F-35 follow-on training 2013-2017
  - Hill 2015-2019
  - Burlington 2018
- **C-27J Basing**
  - **7 ANG bases,**
    - Martin State AGS MD, Kellogg Battlecreek MI, Bradley CN
    - Hector Fargo ND, Key Field Meridan MS, Great Falls MT
- **B-52 Modernization plan**
  - \$11.9B 8 yr IDIQ
- **AF may buy UH-60 to replace aging UH-1 Hueys**
- **MC-12W Beale AFB**

# Aircraft-News

- **AF “Technology Horizon” 2030 Study**
  - **Initial Briefing to AF leadership Feb 2010**
  - **Themes for 2030 AF**
    - Manned versa Unmanned (MAVs)
    - Larger to smaller systems
    - Composable Systems (Adaptable 75-80% solutions systems in weeks versa years) “Modularity”
    - Hypersonic Engines Mach 6+
    - Automated Logistics (to reduce manned involvement)
  
- **Full funding in Budgets for UAVs based on QDR recommendations.**
- **New USAF X-37B**
  - **Landed safely 6 Dec after 244 days in orbit.**
- **F-15 Silent Eagle first flight in July**
- **MQ-X Expected RFP by 2014**
  - Replacement for Reaper
  - Defining Requirements
- **MQ-1/MQ-9 Basing**
  - Whiteman IOC Feb 2011
  - Ellsworth IOC May2012
- **KQ-X UAV Mid Air Refueling Demo**
  - UAV-to UAV Test (Global Hawks)
- **AF getting serious about a T-38 Replacement effort**
  - AoA by end of the year
- **Last 28 F-22 in final production, exit factory Aug 2011 AF Feb 2012**
  - Tooling to be retained
- **F-111 officially retired 3 Dec 2010**



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