



U.S. AIR FORCE

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**USAF Liaison
Report**

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AGENDA

- Near-Term AF ATE opportunities/Contract Vehicles
- USAF ATS/PGM updates
- Logistics Transformation updates
- AF News
 - 2011 CR Impact to AF
 - 2012 Budget Outlook and beyond
 - AF Specifics
 - Top AF programs - New priorities
 - 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 FY11 dollars
- DRFP imminent, Industry Day possible, RFP Summer, Award expected 2Qtr FY12
- Library and data still in work

■ 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

- **A-10 Combined Armament Tester (CATS).**
 - Cross-Platform armament tester requirements being collected
 - Three phase procurement
 - Proof of Concept - Study analysis only - in work via A-10 TLPS Contract
 - Competitive production contract to follow
 - RFP possible Nov 2011 - Full and Open Competition
 - Follow-on TPS demo
 - Production FY12 - FY14
- **VDATS PBA**
 - **Competitors notified, selection made, awaiting Congressional notification**
 - Small Business Competitive Set-aside, (Size factor **500**)
 - PBA (BTP, new builds, Parts Availability)
 - IDIQ 5 year contract (3+2)
 - ~15 Systems to be built yearly for new opportunities
 - Second source overflow to TYAD, Hill AFB
- **BRAT PBL**
 - ICS Bridge contract to ATTI
 - Competitive PBL RFP 4th QTR FY11
 - 5 yr. PBL Contract
 - Issue of data and color of money impacting timelines
- **CASS/eCASS/VDATS Hybrid Interface**
 - Analysis phase. Strictly focused on Interface between CASS/eCASS/VDATS
 - Potential to bring Army NGATS into this effort.
 - 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
 - Study to determine if a 2-way interface or TPS portability avenue is best
 - Building PWS for upcoming Study
 - Kick-off Study this year via Organic or contract effort.

ATS PGM update

■ VDATS Progress

- (50) VDATS currently fielded
- (135+) TPSs developed and used at Depot.
- (275+) more TPSs planned.
 - 8 Projects with 20+ TPSs each

- Plan to go to Industry for future Rehost efforts
- VDATS on 9 new weapon Systems starting in FY11

**NOTE: If AF has TPS data, Industry can expect a FFP effort.
If AF does not have data, AF will retain in house**

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
 - Part of the DoD savings initiative to improve depot and supply chain management

- **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)
 - **Back Burner at this time**

- **USAF considering one major Network to better control Cyber Security.**

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.)

FY 2011 USAF Defense Budget (Highlights)

- FY-11 Defense Budget \$708B Core budget \$548B, \$159B for War efforts
 - **Continuing Resolution**, funding at FY10 levels thru March 2011 and beyond?
 - DoD Budget Projections for 2012-16 submitted 31 July 2010
 - 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.
- NOTE: FY12 DoD Budget in the \$553 range, but heading south each year.

CR and AF Impact

■ CR extended thru 18 March

■ Options

■ **Worse Case**

- Maintaining current spending under CR, impacts upwards of \$23B in new/modernization efforts
- Will impact manning both DoD/Civilain

■ **Modified year long CR with DoD special conditions**

- Allows for new programs and quantity increases
- Pays for selected personnel cost

■ **CR tied to a deficit reduction plan**

- Hardest to manage with biggest impact to over-all Nat'l Defense

■ **Best Case**

- Appropriations Bill that reflects FY11 Requests

■ **AF impact to date**

- O&M facing \$4.6B shortfall. Impacts Depot maintenance
- Inability to award new production contracts, increase production rates
- Robbing programs to pay for more pressing needs
- Lot 5 F-35 negotiations impacted on ~30 AC.
- AF bracing for the worst case situation.

DoD Saving Initiatives

- **DoD savings initiatives total \$154B over 5 years**
 - \$34B AF, \$35B Navy, Army \$29B
- **WH directed \$78B in DoD Savings for next 5 years (Wants \$12B in FY12)**
- **DoD Hoping to be able to reinvest balance ~\$70B in needed modernization**
- **AF no near term impact on Active force at this time (Force reductions in FY 09-11)**
 - Army and Marines to see force cuts in 2015 and beyond to meet WH mandate. 27K-20K
 - Eliminate over 80 General officer positions/ reduce rank

- **Programs/Manning impacts next 5 years AF and DoD**
 - F-35 STOVL on 2 year probation “Fix or die”
 - Cut size of support contractors by 10% for 3years, upwards of 10000 positions
 - Cut size of Civilian workforce and redistribute workloads upwards of 110K
 - Government wage freezes
 - Eliminate (209) SES and General Officers billets
 - Realign and consolidate commands, Number AFs and redundancy
 - \$28B deferred from savings to cover high operating and entitlement and base/flying needs.
 - 25% of DoD Budget goes to Personnel costs
- **Programs to receive reinvested dollars**
 - More Reapers MQ-9, missile defense, ISR
 - Increase EELVs Launch vehicles for access to space
 - Modernization of F-15 Radar and sustainment efforts on Legacy fleet until F-35 is fielded.
 - Long Range Bomber with Nuclear capability built on proven technology.
- **DoD expects top line decreases 2013-2014 and flatline 2015-2016**
- **DoD - Any deeper cuts will impact national security**
- **Beyond 5 years, overhead efficiencies/manning savings exhausted. Cuts after 2016 could impact force structure and possibly impact national security.**

AF Budget News Specifics

- Gates \$100B savings over next 5 years is a floor not a ceiling meaning it could be higher. (\$154B)
 - **20 year Average AF budget is \$103.1B**
 - **FY 10 was \$130.3B**
 - **Expect FY11 at \$119.6B**
- Gates Challenge to the AF (plan before WH direction)
 - **\$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?? TBD**
- Contractor service contracts and people to be cut by 10% a year for 3 years.
 - More organic capability better eval of performance
- Civil Servant positions also under pressure
- 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
 - Need to improve depot/Supply chain processes to reduce readiness cost.
- 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
- 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.
- Expect Fiscal constraints for next 10 years

AF FY 12 Budget

- **AF \$166.2 (Includes AF portion of war budget)**
 - **R&D \$19B**
- **New Acquisitions**
 - New Long Range Strike Family
 - New Tanker
 - Replacement for T-38
 - New Light Attack Aerial Recon AC
- **On going Procurements**
 - MQ-9 Reaper (48)
 - Global Hawks (3) Total (11)
 - F-35 (19) in FY12 (23) in FY11
 - C-27 (9)
 - C-130 Variants (11) - CV-22 (6) - H-60G (4)
 - Modernization F-22, F-15, C-17, C-130 and C-5
 - New stabilizing effort for Space Launch to reduce costs

AF Initiatives

- DoD and services to find an additional \$220B for 5 years over and above
- Reduce redundant flight Test and other testing on new Wpn systems
- 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” versus having Industry tell Gov. what it “will cost”

AF Key Programs

■ Top 5 USAF Requirements:

- **KC-46A Tanker Replacement TOP AF Priority**
 - **Boeing selected - \$3.5M initial funding**
 - FY12 \$900M
 - Award based on **Price (+1%)** and Performance
 - Unit price LCC over 40 years
 - 4 Development AC 18 AC by 2018
 - EADS/Airbus will not protest award
 - KC-Y and KC-X to follow
- **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 to proven lower cost options**
- **F-35**
 - DoD focusing on cost and schedule growth impact delays in F-35 program.
 - AF and Navy version ahead of test schedule, Testing complete by 2016
 - LRIP numbers have been reduced and Full rate production delayed until Nov 2015
 - Recent sales confirmed with UK and Israel delivery 2013-2017
 - Other FMS opportunities India, Turkey
 - **AF IOC now 2016 (2-3 year extension) Possible additional extension of IOC**
 - All services now looking at extending service life of legacy AC. **A-10, F-16 and F-15**
 - 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.
- **NGLRS (ABSD) Airborne Strategic Deterrence –LRS Family**
 - FY11 R&D Budget for of new Bomber
 - Expect LRS AC by 2020s with RFPs to start effort as early as FY14-15 time frame.
 - \$197M in FY 12 Budget
 - Proven technologies
 - LRS Family of Systems.
 - It's a platform
 - Standoff missile
 - Prompt Global strike with ICBMs? Or new Hypersonic technology.
 - Currently defining the LRS requirements.

New AF Priorities

■ Nuclear Enterprise

- Sustain and Strengthen
- Invest in and replace legacy systems and associated Test

■ Joint Partnerships - New Nat's Military Strategy **

■ Cyber Protection

- Moving to one AF network to help deter Cyber attacks

■ Recapitalization of AF fleet

- Minimum investment in keeping legacy fleet operational
- Does not want to invest in 4th Gen AC

■ ISR Enhancements

■ New Bomber and LRS Family **

■ Space Systems

- Need lower cost launch capability
- Block buys of satellites
- Stabilize and grow Launch industry

■ Improve and grow Acquisition capability and process

Long Range Strike Family of Systems

■ Nuclear capable Bomber

- Re-Configurable Payloads to ISR and EA, conventional
- Stealthy, Penetrating capable, nuclear hardened
- Manned or unmanned
- Easy to maintain and support, cost effective, i.e. proven technology
- Performance parameters still in work
- \$36-56B for 80-100 Aircraft
- Operational by mid 2020s

■ AF leadership wants new Bomber

- Both Conventional and Nuclear Capable

■ Center for Strategic studies

- Define requirements for New Bomber
- 2011 Budget \$197M to begin planning
- Nat'l will and economy to support

■ Nuclear Enterprise needs attention

- Expertise disappearing
- Funding for Upgrades critical

National Military Strategy

Air-Sea Battle Plan

- Ability of US to operate and penetrate Anti-Access and denial areas
- Partnership between AF, Navy and USMC
- Will include (joint) current and future Weapon Systems efforts
 - Integrating acquisition strategies
 - Interoperability of Services
 - Shared Infrastructure
 - Shared IR&D to reduce cost and redundancy
- Joint no longer a 5 letter word
- Plan to roll out over next 5 years
- Examples of above
 - First historical example Doolittle raid 1942
 - An ATE example: eCASS/VDATS Hybrid Interface effort

Aircraft-News

- **AF “Technology Horizon” 2030 Study**
 - **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+ “Waverider already tested Mach 5+”
 - Automated Logistics (to reduce manned involvement)

- **New USAF X-37B**
 - Landed safely 6 Dec after 244 days in orbit.
 - Second AC launched March 2011
- **F-15 Silent Eagle first flight in July**
 - First weapons release Sept 2010
 - Saudi Arabia to purchase upwards of 80+ SE
 - Saudi F-15SA to be conduct flight training at Mountain Home AFB

- **A-10 Service Life Extended to 2040**
- **Last (28) F-22 in final production**, exit factory Aug 2011 AF - Feb 2012
 - Tooling to be retained
 - More F-22s?? J-20-PAK
- **First production F-35A flew 28 Feb**
 - AF Flight training to begin Eglin end of 2011
- **C-17 first AF AC certified to fly on 100% Synthetic Fuel**
 - AFMC indicated significant break thurs in Syn fuel development
- **FY13 AoA for Replacement of Minuteman 2030 time frame**
- **Testing new super computers**
 - Capable of over 500Trillion calculations in micro-seconds



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