



U.S. AIR FORCE

11 Sept 2011

**USAF Liaison
Report**

Michael Frey

AGENDA

- Near-Term AF ATE opportunities/Contract Vehicles
- USAF ATS/PGM updates
- Logistics Transformation updates
- AF News
 - 2011 Budget Final
 - 2012 Budget Outlook and beyond
 - AF Specifics
 - Top AF programs - New priorities
 - AF AC news
- Frost and Sullivan assessment

Near-Term ATE opportunities/Contract vehicles

- **B-1B ARTS REW Replacement**
 - Performance Based Spec
 - Total package Hardware and software
 - (23) Stations, (25) TPS
 - Funded program FY11 dollars, Initial Stations and TPSs
 - Q&A 25 July
 - RFP expected 3-4thQtr FY11
 - Award 3-4th Qtr FY12
- **Hill AFB DESPIII RFI**
 - IDIQ Eng, Tech, Support Services
 - Can be utilized by ALL DoD agencies
 - Award moving to right Feb 12
- **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
 - OC-ALC lead on Engineering analysis
 - Potential FY 2012 opportunity

Armament Testers

- **F-22 Armament Back Shop**
 - Replacing COLT with an existing Backshop tester to minimize Proliferation
 - AF ATS/PGM directing Sole source
 - Point decision to fix immediate need
 - FY14 unfunded requirement
- **B-2 Armament Back Shop**
 - Replacing COLT/ Legacy Mustang
 - full and open competition,
 - Spec based on core elements of the Mustang tester
 - FY13 opportunity

Near-Term ATE opportunities/Contract vehicles

■ A-10 Combined Armament Tester (CAT)

- Proof of Concept- Study/analysis only -independent of production
- PoC to ID additional requirements for Spec- NOT a final solution
- Competitive production contract to follow –
- Opportunity FY12-FY14
 - Based on Performance based spec
 - Notional common armament tester

■ VDATS PBA

- PBA (BTP, new builds, Parts Availability)
- Small Business Competitive Set-aside, (Size factor **500**)
- IDIQ 5 year contract (3+2)
- ~15 Systems to be built yearly for new opportunities
- Challenged – Protested - Potential Oct resolution.

■ BRAT PBL

- 5 year contract
- Procurement plan
 - RFP 7 Jan for ICS pending PBL solicitation
 - RFP for PBL expected 1st QTR FY12
 - SB competitive **500**

■ CASS/eCASS/VDATS Hybrid Interface

- Analysis phase. Strictly focused on Interface between CASS/eCASS/VDATS
 - 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
- Engineering analysis to be conducted by NADEP-JAX
- Output will be a performance based Spec
- Next Phase Prototyping and Testing
- Likely in-house Gov effort. No Competition.

ATS PGM update

■ VDATS Progress

- (50) VDATS currently fielded
- (156) Legacy TPSs rehosted and used at depot
- (~250+) more TPSs planned.
 - 8 Projects with 20+ TPSs each
 - 35 New workload TPS in development

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

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

■ Col. Mike Senseney new USAF ATS/PGM

WR-ALC/GRN

Automatic Test Systems Division

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Logistics Transformation - News

- **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
- **Defense Logistics Organization (DLO)**
 - DLA, USTRANSCOM, Material/Mx Shops (AFMC)
 - To increase supply chain efficiency

NOTE: Transparent to ATS customers

- **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 going to one major Network “AFNet” to better control Cyber Security.**
 - USAF wide by end of this FY

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 12 Budget

- **FY-11 Defense Budget approved 14 April \$708B, \$548B Core, \$159B War effort**
- **DoD FY12 \$649B Core \$530B House Appropriations**
 - \$115 Procurements
 - \$73B R&D (more focused)
 - \$190B O&M
 - \$119B War effort
 - Bal. Personnel cost/Construction
- **HASC and Senate asking for \$9.0B- \$26.0B+ cuts in FY12**
- **CRA going forward**
- **Next step must be resolved with Senate and President**

- **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(FY12 32 total Aircraft) FFP
 - 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
- **2013 Budget to reflect the impact of the \$350B DoD reduction, Per Admin**
 - Cuts in the 5-10% range possible (\$477B-\$504B)

DOD Budget Impacts

- 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
 - DoD Budget expected to decline from 4.8% of GDP to 3.9% by 2015
- **Bi-Partisan Debt Panel recommendations**
 - Cut force by 275K
 - Freeze DoD Budget at FY11 levels for 5 years
 - All \$154B of DoD savings to date to be plowed back into Debt reduction no reinvestment.
 - Reinstate the Draft
 - Significant force structure reduction
 - Shift troops to ANG/AFR
- **20 year look ahead**
 - Manned Fighters to decline by 10% 2010-2020
 - UAVS to be quadrupled during same period
- **US cannot assume USAF Air Dominance going forward without modernization efforts.**
- **A. Carter feels Aerospace companies in excellent shape**
 - 11% growth over 5 years- Lots of Cash
- **US Debt deal plus any additional DoD cuts could result in Primes credit downgrade (Moody)**

DoD Saving Initiatives/Impacts

- **Admin tasks DoD to find an additional \$350B-\$800B in savings over next 12 yrs**
 - Can meet \$350B debt reduction plan
 - Review of Roles and mission and Industrial Base in work
 - Will dictate # of programs and amount of equipment purchased
 - 4 Areas for review
 - Cost saving, policy/process review, entitlements, eliminate marginal missions, Modify QDR
 - Over an above current challenges to assist in Deficit reduction plan
 - Gates/Panetta indicates will require scaled back Force structure Missions and capability
 - “Not a math exercise”
 - DoD was not part of the initial \$400B deliberations.
 - All aspects of DoD Budget are now on the table Pay, benefits etc
 - \$800B+ high risk for nation, civil servants furlough, programs terminated
 - House Panel formed to oversee DoD Financial Management

 - **A. Carter wants less Single Source Awards in effort to get best bang for the buck. Promoting real Competition under his “Better Buying Power Initiative”**

- **Programs//Manning impacts next 5 years AF and DoD**
 - F-35 STOVL on 2 year probation “Fix or die”, Fewer F-35s
 - 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

DoD Savings Initiatives/Impacts Cont.

- **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**

DoD Challenge

- **DoD \$400B Reduction Panel suggestions**
 - Remove permanent bases OS and go to “Off Share Balancing”
 - Sub-Contract to regional powers
 - Get out of all conflicts
 - Army and Marines to merge and share assets
 - Eliminate a leg of the Nuclear Triad
 - Force structure impacted if target met. Gates
 - Reinstate the Draft
 - Significant force structure reduction
 - Shift troops to ANG/AFR
 - Benefit impact
- **Industrial base impact**
 - For first time, No new ongoing manned fixed wing developments
- **Reduction in troop strength in Afghanistan already showing potential savings for DoD**
- **GAO report**
 - DoD not reviewing alternate sources in order to save money

- **DoD to scrutinize non-Wpn programs for savings – A. Carter**
 - For every .30 spent on Wpn systems, DoD spends .70 to maintain ~\$100B a year.

AF Budget News Specifics

- **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 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**
- **2012-2041 AF aircraft procurement plan**
 - F-35s and KC-46As Limited lot procurements (80) (15)
 - Retain selected F-16s thru 2030s
 - New Bomber development?

AF Initiatives to Save Dollars

- 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
 - More focus on Price under plan called “Better Buying Power”

- Pushing 80% solutions now with growth over time to insure timely and affordable fielding of new weapon systems
 - Proven technologies versa development efforts
 - Key factor mission assurance
- 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”
 - DCMA adding 300 Pricing analyst to assist in negotiations
 - Professionalize the Acquisition Force (A. Carter)
- **DoD making Energy savings and Price a key factor on all new acquisitions**

AF Key Programs

■ Top 5 USAF Requirements:

■ F-35

- DoD focusing on more affordability. Operational Cost rising
 - Reduce cost and schedule growth on F-35 program.
- Flight testing back on track, AF IOC now 2017-2018
- Lot#5 from 43 to 32 AC now a FFP contract, lower number possible
- Lot#6 Long lead items Awarded August for (38) AC, includes first FMS
- Next focus sustainment strategy

■ KC-46A Tanker

- Keep this program on Track
- First flight by 2015, Production thru 2027 (15 AC a yr)
- 18 Combat ready AC by 2017
- KC-Y-Z likely not until after 2025

■ CSAR-X – HH60 Recapitalization

- RFI, Award possible 2013 IOC 2018
- AF to retain a CSAR mission

■ Satellites for Early Warning/Com –

- Refocused to proven lower cost options

■ NGLRS (ABSD) Airborne Strategic Deterrence –LRS Family

- Expect LRS AC by 2020s with RFPs to start effort as early as FY14-15 time frame.
- \$297M in FY 12 Budget
- Proven technologies
- LRS Family of Systems. Single Platform many missions
 - It's a platform
 - Standoff missile
 - Prompt Global strike with ICBMs? Or new Hypersonic technology.
- Currently defining the LRS requirements.
- Conventional Prompt Global Strike debate could become alternative to ASD.

Other 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 **AFNet** 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**
 - Professionalize the acquisition force (A. Carter)

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
- Integration across all domains
- New USAF Bomber and Navy Long range UCAV key elements of the plan
- Plan to roll out over next 5 years

Aircraft-News

- **Boeing Waverider X-51 (Mach 5+ Capability)**
 - Testing continues
- **Phantom Ray first flight May 2011**
- **X-47B (F-18 Instrumented) made first successful UCAS Carrier Landing**
 - Flight testing at Edwards AFB
- **MC-12 Basing to Beale AFB, CA**
- **F-22**
 - Funding cut for Air to Air Sharing capability
 - Limits AC ability to talk to other AC via Link 16
 - Grounded for O2 issues indefinitely, since 3 May
 - OBOGS investigation on other legacy AC, (F-18 had similar issue years ago)
 - AC deliveries Stopped – Acceptance on hold
 - Upgrade \$ under pressure
- **First production F-35A flew 28 Feb**
 - AF Flight training to begin Eglin end of 2011
 - First operational KC-135 refueling April 2011
 - AC grounded for IPP problems most of August.
- **AF consolidating Avionics AFSC into 3 AFSC to cover all MDS**
- **Syn fuel \$40-\$50 a gallon**
 - DoD 2% of fuel demand in US USAF uses 2.5B gals of fuel per year
 - AF has lead on Bio Fuels for DoD, all Servicing working the problem
 - Refineries “build it they will come”
 - AF/Navy Goal to be 50% Syn by 2020
- **Luthansa A-320 first commercial operations with Syn fuel**
- **C-5 AMP program nearing completion 2yrs early**

Aircraft News

- DARPA Hypersonic Project to test Mach 20 capability
- Last of 268 Predators delivered to USAF in March
- Fatigue testing for B-1B in effort to extend life to 2040
- New Bomber Program Standing up Program Office
- New MC-130 first flight April 2011 - (37)
- Boeing moving entire B-1B and C-130 AMP programs to OKC
 - In effort to drive down cost of doing business
- Competition for New AF Helos - UH-1N and HH-60
- T-38 Replacement AoA, Program moving forward
 - Replace
 - Upgrade
 - Do nothing
 - Options T-50, Hawk, Alenia T-100
 - Path forward TBD late summer 11
- Replace Minuteman 2030 timeframe
 - AFGSC Defining requirement
 - Over \$28B invested in modernizing Nuclear deterrence
 - AoA FY12
- Russia unveils Their 5th Gen Fighter T-50 in Late Aug Air Show
- Father of B-58, F-111, RB-57 and F-16 passed in June
- Paris Air Show
 - 2100 Vendors 138K attendees
 - Most military AC and commercial AC flew with Syn fuel/Blends
 - Over 15 Active programs worldwide
 - Airbus and Boeing with 720 to 142 orders
 - 320 Neo
 - 449 737MAX Series (after show)
 - Bombardier 140 C- Series
- First 787 delivery to ANA Airlines 26 Sept



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