

UNCLASSIFIED

PE NUMBER: 0605101F
 PE TITLE: RAND Project Air Force

Exhibit R-2, RDT&E Budget Item Justification								DATE February 2004	
BUDGET ACTIVITY 06 RDT&E Management Support				PE NUMBER AND TITLE 0605101F RAND Project Air Force					
Cost (\$ in Millions)	FY 2003 Actual	FY 2004 Estimate	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	Cost to Complete	Total
Total Program Element (PE) Cost	29.460	24.377	24.970	26.101	26.650	27.077	27.496	0.000	0.000
1110 Project Air Force	29.460	24.377	24.970	26.101	26.650	27.077	27.496	0.000	0.000

(U) A. Mission Description and Budget Item Justification

(U) This program provides for continuing analytical research across a broad spectrum of aerospace issues and concerns. The Project AIR FORCE (PAF) research agenda is focused primarily on mid- to long-term problems; in addition, PAF provides quick response assistance for senior Air Force officials on high priority, near-term issues. Results and analytical findings impact senior management deliberations on major issues. The Air Force Steering Group, chaired by the Vice Chief of Staff, reviews, monitors, and approves PAF annual research efforts. Each project is initiated, processed, and approved IAW PAF Sponsoring Agreement which requires General Officer (or SES equivalent) sponsorship and involvement on a continuing basis.

(U) PAF is organized in four primary research program areas: strategy and doctrine; aerospace force development; manpower, personnel and training; and resource management. Integrative research projects are also conducted at the division level with direct support assistance provided through the most applicable program. Research programs address organizational crosscutting issues as defined by specific research themes approved by the Air Force Steering Group. These research themes encompass a wide spectrum of topics including external challenges to national security, integrating the ISR mix, terrorism and homeland defense, tailoring and reducing infrastructure to meet new force requirements, and improved weapon system costing.

(U) FY02 research themes were developed to achieve greater focus on transformation efforts, and several research efforts (related to counter-terrorism and homeland defense) were initiated. The research effort concentrated on an integrated mix of: manned and unmanned ISR and strike forces; establishment and sustainment of space capabilities; recapitalizing the USAF wide-body fleet; cost-effective timing and platform strategies; how best to develop Air Force leaders; officer and enlisted retention issues; command and control architecture for agile combat support (to include lessons learned from Operation Enduring Freedom); improved supply chain management; innovative adaptation of business practices; and managing a global consolidated aerospace industry.

(U) FY03 research themes were structured to increase focus on new threats and environments that impact air and space operations to include continued research on China and Asian security and counter-terrorism strategy initiated in the wake of 9/11. Force employment research emphasized integration of capabilities (e.g., ISR, strike, manned and unmanned), concepts of operation for expeditionary air forces, the expanding role of information in warfare, and real time command and control. Lessons from OEF and ONA were factored into this research. Work was extended on developing Air Force leaders; integrating manpower and personnel functions; and dealing with chronically undermanned skill types. Resources analysis continued to focus on cost analysis, acquisition strategies, managing an aging aircraft fleet, agile combat support sustainment initiatives, and adaptation of modern business practices.

(U) The FY04 research program was developed to increase emphasis on strategic and transformational options for the future force structure and capabilities, including examining linkages between strategy and force structures. Research is investigating regional stability and threats, joint expeditionary operations, and counter-terrorism.

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Force development analysis is emphasizing innovative and transformational operational concepts, and the force structures and capabilities to realize these. Manpower studies include defining the personnel mix (Active/Reserve/National Guard/Civilian/Contractor) and their appropriate training, development, and utilization in order to effectively meet future requirements and operations tempo. Senior leader planning, development and management research will continue. Resources research is focused on maturing agile combat support and force sustainment concepts to efficiently support global joint operations, and assessing the cost and viability of current and possible future force elements. Integrative research continues to examine the survivability of aerospace capabilities while operating in severe threat environments and examines the congressionally requested analytical support for aerial refueling aircraft fleet management. These studies will continue to take into consideration the Global War on Terrorism, including engagements in Afghanistan, Iraq and elsewhere.

(U) The FY05 research program will continue to build upon research foundations, examining the evolving security environment; emerging threats; national and military strategy; transformation to include capability trades and investment strategies to respond to changing DoD budgets; operational concepts to meet evolving missions and exploit advanced technologies and capabilities; agile combat support; developing AF military and civilian leaders and managing personnel. Future efforts will focus on support to senior leadership regarding personnel management and training; improving logistical efficiencies and force sustainment; ongoing conflicts and joint operations; force structure capabilities, limitations, and operational concepts; and making force structure tradeoffs within resource constraints to meet future national security and Air Force needs.

(U) PAF research spans functional and organization boundaries and is managed in a manner to facilitate independence and freedom from organizational bias thereby providing perspectives and insights to senior Air Force leaders free from parochial spins not necessarily in the best interest of the Air Force at large.

(U) Benefits of independent non-Department of Defense analysis of complex present day and emerging issues are shared beyond the immediacy of the Air Force. PAF study results are given wide dissemination within the DOD on a routine basis and are deposited with the Defense Technical Information Center available to a broad range of qualified government and commercial individuals and activities.

This program is in budget activity 6 - Management and Support, because it funds RAND Project AIR FORCE (PAF), the only Air Force Federally Funded Research and Development Center for studies and analyses.

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(U) **B. Program Change Summary (\$ in Millions)**

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
(U) Previous President's Budget	25.192	24.586	25.035
(U) Current PBR/President's Budget	29.460	24.377	24.970
(U) Total Adjustments	4.268	-0.209	
(U) Congressional Program Reductions		-0.209	
Congressional Rescissions			
Congressional Increases			
Reprogrammings	4.268		
SBIR/STTR Transfer			
(U) <u>Significant Program Changes:</u>			
N/A			

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Cost (\$ in Millions)	FY 2003 Actual	FY 2004 Estimate	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	Cost to Complete	Total
1110 Project Air Force	29.460	24.377	24.970	26.101	26.650	27.077	27.496	0.000	0.000
Quantity of RDT&E Articles	0	0	0	0	0	0	0		

(U) A. Mission Description and Budget Item Justification

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(U) FY02 research themes were developed to achieve greater focus on transformation efforts, and several research efforts (related to counter-terrorism and homeland defense) were initiated. The research effort concentrated on an integrated mix of: manned and unmanned ISR and strike forces; establishment and sustainment of space capabilities; recapitalizing the USAF wide-body fleet; cost-effective timing and platform strategies; how best to develop Air Force leaders; officer and enlisted retention issues; command and control architecture for agile combat support (to include lessons learned from Operation Enduring Freedom); improved supply chain management; innovative adaptation of business practices; and managing a global consolidated aerospace industry.

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(U) The FY04 research program was developed to increase emphasis on strategic and transformational options for the future force structure and capabilities, including examining linkages between strategy and force structures. Research is investigating regional stability and threats, joint expeditionary operations, and counter-terrorism. Force development analysis is emphasizing innovative and transformational operational concepts, and the force structures and capabilities to realize these. Manpower studies include defining the personnel mix (Active/Reserve/National Guard/Civilian/Contractor) and their appropriate training, development, and utilization in order to

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effectively meet future requirements and operations tempo. Senior leader planning, development and management research will continue. Resources research is focused on maturing agile combat support and force sustainment concepts to efficiently support global joint operations, and assessing the cost and viability of current and possible future force elements. Integrative research continues to examine the survivability of aerospace capabilities while operating in severe threat environments and examines the congressionally requested analytical support for aerial refueling aircraft fleet management. These studies will continue to take into consideration the Global War on Terrorism, including engagements in Afghanistan, Iraq and elsewhere.

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(U) **B. Accomplishments/Planned Program (\$ in Millions)**

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
(U) Accomplishments/Planned Program			
(U) Strategy and Doctrine	4.800	5.105	3.600
(U) Aerospace Force Development	6.940	5.105	5.200
(U) Manpower, Personnel, and Training	6.230	4.978	5.000
(U) Resource Management	8.390	7.147	8.900
(U) Integrative Research/Direct Support	3.100	2.042	2.270
(U) Total Cost	29.460	24.377	24.970

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(U) C. Other Program Funding Summary (\$ in Millions)(U) D. Acquisition Strategy

A comprehensive review of RAND/Project AIR FORCE has been completed and a new, 5-year (FY01-FY05) Cost Plus / Fixed Fee contract was awarded on 30 Sep 00.