

<b>RDT&amp;E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)</b>	DATE <b>February 1999</b>
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<b>BUDGET ACTIVITY</b> <b>6 - Management and Support</b>	<b>PE NUMBER AND TITLE</b> <b>0605101F RAND Project Air Force</b>	<b>PROJECT</b> <b>1110</b>
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COST (\$ In Thousands)	FY 1998 Actual	FY 1999 Estimate	FY 2000 Estimate	FY 2001 Estimate	FY 2002 Estimate	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate	Cost to Complete	Total Cost
1110 Project Air Force	20,607	19,991	20,560	20,294	20,526	20,953	21,403	21,768	Continuing	Continuing
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0	0

**(U) A. Mission Description**

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 directly 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 three primary research program areas: strategy and doctrine, force modernization and employment, and resource management and system acquisition. Integrative research projects are also conducted at the division level with direct support assistance provided through the most applicable program. Research programs address organizational cross-cutting 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, integration of air and space operations, implementation of the Air Expeditionary Force, tailoring and reducing infrastructure and improved weapon system costing.

(U) In FY 98, principal research efforts included studies on Chinese defense modernization and the USAF, change and adaptation in NATO: implications for the USAF, integrating USAF space operations, implications of unmanned air vehicles for the future shape of the Air Force, enhancing the effectiveness of air expeditionary forces, exploiting commercial communication systems, implementation of lean logistics and agile combat support, improved Air Force contracting for support services, improved weapon system cost analysis, and improved ways of measuring and forecasting air force readiness. Two major force modernization efforts included: fielding and employing an effective halt force as a follow-on to earlier analysis conducted during the Quadrennial Defense Review (QDR), and an examination of fighter and bomber force structure options for future military operations.

(U) During FY99 and FY00, research undertaken by Project AIR FORCE (PAF) will be driven by specific focus areas developed through the USAF long-range planning process, QDR / NDP (national defense panel) initiatives, and enduring areas of concern to USAF leadership. The research agenda for FY99 extends work defined as part of a specific 2-year, FY98/99, strategy. This 2-year strategy established major research activities in support of themes which focus on major external challenges and opportunities affecting USAF operations; institutionalization of the USAF vision and strategic plan, implementation of the Air Expeditionary Force concept; integration of air and space operations; power projection forces; and, force mix and infrastructure. These themes are expected to endure in FY00; specific research topics will be tailored to major questions being examined for the QDR in FY01.

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<p>(U) For FY00 and FY01, the current research themes which guide the PAF research agenda will be adjusted as necessary, primarily to reflect the major questions that will be addressed during QDR 2001. Questions of interest will likely be maturation of the AEF concept of operations, continued use of commercial sources and methods and long term modernization of the aerospace force.</p> <p>(U) PAF research spans functional and organizational 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.</p> <p>(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 deposited with the Defense Technical Information Center available to a broad range of qualified government and commercial individuals and activities.</p> <p>(U) <u>FY 1998 (\$ in Thousands):</u></p> <ul style="list-style-type: none"> <li>- (U) \$4,300 Strategy and Doctrine</li> <li>- (U) \$7,037 Force Employment and Modernization</li> <li>- (U) \$6,770 Resource Management and Systems Acquisition</li> <li>- (U) \$2,500 Integrative Research / Direct Support</li> <li>- (U) \$20,607 Total</li> </ul> <p>(U) <u>FY 1999 (\$ in Thousands):</u></p> <ul style="list-style-type: none"> <li>- (U) \$3,966 Strategy and Doctrine</li> <li>- (U) \$6,500 Force Modernization and Employment</li> <li>- (U) \$6,583 Resource Management and Systems Acquisition</li> <li>- (U) \$2,267 Integrative Research/Direct Support</li> <li>- (U) \$ 675 Identified as a source for SBIR</li> <li>- (U) \$19,991 Total</li> </ul> <p>(U) <u>FY 2000 (\$ in Thousands):</u></p> <ul style="list-style-type: none"> <li>- (U) \$4,027 Strategy and Doctrine</li> <li>- (U) \$6,973 Force Employment and Modernization</li> <li>- (U) \$7,203 Resource Management and Systems Acquisition</li> <li>- (U) \$2,357 Integrative Research / Direct Support</li> </ul>		
Project 1110	<i>Page 2 of 4 Pages</i>	Exhibit R-2 (PE 0605101F)

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<p>– (U) \$20,560 Total</p> <p>(U) <u>FY 2001 (\$ in Thousands):</u></p> <p>– (U) \$3,925 Strategy and Doctrine</p> <p>– (U) \$6,870 Force Employment and Modernization</p> <p>– (U) \$7,242 Resource Management and Systems Acquisition</p> <p>– (U) \$2,257 Integrative Research / Direct Support</p> <p>– (U) \$20,294 Total</p> <p><b>(U) B. Budget Activity Justification:</b> 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.</p> <p><b>(U) C. Program Change Summary (\$ in Thousands)</b></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center;"><u>FY 1998</u></th> <th style="text-align: center;"><u>FY 1999</u></th> <th style="text-align: center;"><u>FY 2000</u></th> <th style="text-align: center;"><u>FY 2001</u></th> <th style="text-align: center;"><u>Total Cost</u></th> </tr> </thead> <tbody> <tr> <td>(U) Previous President's Budget FY1999 PB</td> <td style="text-align: right;">18,370</td> <td style="text-align: right;">21,168</td> <td style="text-align: right;">20,934</td> <td style="text-align: right;">20,680</td> <td style="text-align: center;">Continuing</td> </tr> <tr> <td>(U) Appropriated Value</td> <td style="text-align: right;">21,768</td> <td style="text-align: right;">21,168</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(U) Adjustments to Appropriated Value</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>    a. Cong Reductions</td> <td style="text-align: right;">-3,398</td> <td style="text-align: right;">-1,177</td> <td></td> <td></td> <td></td> </tr> <tr> <td>    b. SBIR</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>    c. Omnibus or Other Above Threshold Reprogram</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>    d. Below Threshold Reprogramming</td> <td style="text-align: right;">2,237</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>(U) Adjustments to Budget Years Since FY 1999 PB</td> <td></td> <td></td> <td style="text-align: right;">-374</td> <td style="text-align: right;">-386</td> <td></td> </tr> <tr> <td>(U) Current Budget Submit/FY 2000 President's Budget</td> <td style="text-align: right;">20,607</td> <td style="text-align: right;">19,991</td> <td style="text-align: right;">20,560</td> <td style="text-align: right;">20,294</td> <td style="text-align: center;">Continuing</td> </tr> </tbody> </table> <p>(U) Significant Program Changes: Project 1110</p>				<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>Total Cost</u>	(U) Previous President's Budget FY1999 PB	18,370	21,168	20,934	20,680	Continuing	(U) Appropriated Value	21,768	21,168				(U) Adjustments to Appropriated Value						a. Cong Reductions	-3,398	-1,177				b. SBIR						c. Omnibus or Other Above Threshold Reprogram						d. Below Threshold Reprogramming	2,237					(U) Adjustments to Budget Years Since FY 1999 PB			-374	-386		(U) Current Budget Submit/FY 2000 President's Budget	20,607	19,991	20,560	20,294	Continuing
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FY99: \$675 was identified as a source for SBIR

(U) **D. Other Program Funding Summary (\$ in Thousands)** Not Applicable

(U) **E. Acquisition Strategy:** The RAND Project Air Force contract is a 5 year (base + 4 option yrs) Cost Plus / Award Fee contract

(U) **F. Schedule Profile**

	<u>FY 1998</u>				<u>FY 1999</u>				<u>FY 2000</u>				<u>FY 2001</u>			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
(U) Execute FY98 Research Plan	*	*	*													
(U) Draft FY99 Research Plan			*													
(U) Approve FY99 Research Plan				*												
(U) Adjust FY99 Research Plan						X										
(U) Program-Wide Evaluation – FY99							X	X								
(U) Draft FY00/01 Research Plan							X									
(U) Approve FY00/01 Research Plan								X								
(U) Annual Evaluation FY00											X					
(U) Draft FY01 Research Plan											X	X				
(U) Approve FY01 Research Plan												X				
(U) Adjust FY01 Research Plan															X	