

<b>Exhibit R-2, RDT&amp;E Budget Item Justification</b>	<b>DATE</b> <b>February 2007</b>
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<b>BUDGET ACTIVITY</b> <b>06 RDT&amp;E Management Support</b>	<b>PE NUMBER AND TITLE</b> <b>0605101F RAND Project Air Force</b>
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Cost (\$ in Millions)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	Cost to Complete	Total
Total Program Element (PE) Cost	33.098	26.510	30.999	31.294	32.437	33.005	33.448	33.934	Continuing	TBD
1110 Project Air Force	33.098	26.510	30.999	31.294	32.437	33.005	33.448	33.934	Continuing	TBD

**(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. Within these areas, PAF addresses difficult and complex, far-reaching and inter-related questions linked to future strategies, approaches and policies, in order to enhance Air Force senior leadership's deliberations and decisionmaking 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 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; terrorism and homeland defense; joint and coalition operations; integrated roadmap for ISR capabilities; enhancing, tailoring and reducing infrastructure to meet new force requirements; potential changes to the Active/Reserve/National Guard/Civilian/Contractor manpower mix; and improved weapon system costing.

(U) The FY06 research program will continue to build upon research foundations, examining the evolving security environment, emerging threats, national and military strategy, transformation approaches including investment strategies to provide capabilities within changing Defense budgets, operational concepts to meet evolving and increasingly joint missions, exploiting advanced technologies, increasing the effectiveness and efficiency of combat support, and developing the total force (Active/Reserve/National Guard/Civilian/Contractor). These efforts will continue to inform and support the senior Air Force 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) Looking into the future, the FY07 research program will build upon FY06 and earlier work to continue to help the Air Force to rapidly and appropriately adapt to the changing world environment and emerging threats; continue to modernize and employ its force structure to provide capabilities within changing DoD budgets; assess lessons learned from recent and ongoing conflicts; develop and utilize its total force; and enhance the support of our aerospace forces, ranging from sustainment of the force structure to agile combat support.

(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 influences not necessarily in the best interest of the Air Force at large.

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**February 2007**

**BUDGET ACTIVITY**  
**06 RDT&E Management Support**

**PE NUMBER AND TITLE**  
**0605101F RAND Project Air Force**

(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-sector individuals and activities.

(U) 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.

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

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
(U) Previous President's Budget	27.139	25.211	30.667	30.877
(U) Current PBR/President's Budget	33.098	26.510	30.999	31.294
(U) Total Adjustments	5.959			
(U) Congressional Program Reductions				
Congressional Rescissions	-0.405			
Congressional Increases				
Reprogrammings	7.127			
SBIR/STTR Transfer	-0.763			
(U) <u>Significant Program Changes:</u>				
N/A				

## Exhibit R-2a, RDT&amp;E Project Justification

DATE

February 2007

BUDGET ACTIVITY				PE NUMBER AND TITLE				PROJECT NUMBER AND TITLE		
<b>06 RDT&amp;E Management Support</b>				<b>0605101F RAND Project Air Force</b>				<b>1110 Project Air Force</b>		
Cost (\$ in Millions)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	Cost to Complete	Total
1110 Project Air Force	33.098	26.510	30.999	31.294	32.437	33.005	33.448	33.934	Continuing	TBD
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0		

**(U) A. Mission Description and Budget Item Justification**

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BUDGET ACTIVITY <b>06 RDT&amp;E Management Support</b>	PE NUMBER AND TITLE <b>0605101F RAND Project Air Force</b>	PROJECT NUMBER AND TITLE <b>1110 Project Air Force</b>
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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-sector individuals and activities.

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(U) <b><u>B. Accomplishments/Planned Program (\$ in Millions)</u></b>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
(U)				
(U) Strategy and Doctrine	7.216	7.281	7.100	7.100
(U) Aerospace Force Development	7.200	5.927	6.532	6.617
(U) Manpower, Personnel, and Training	6.800	5.877	6.500	6.500
(U) Resource Management	7.611	5.129	7.000	7.200
(U) Integrative Research/Direct Support	4.271	2.296	3.867	3.877
(U) Total Cost	33.098	26.510	30.999	31.294

(U) <b><u>C. Other Program Funding Summary (\$ in Millions)</u></b>										
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Cost to</u>	<u>Total Cost</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Complete</u>							

(U) N/A

(U) **D. Acquisition Strategy**

A comprehensive review of RAND/Project AIR FORCE was completed in Sep 00 and led to a 5-year (FY01-FY05) Cost Plus / Fixed Fee contract, awarded on 01 Oct 00. A subsequent comprehensive review was conducted in FY05. A follow-on (FY06-FY10) Cost Plus / Fixed Fee contract was awarded in Oct 05.