



DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

DEC 19 2025

MEMORANDUM FOR SAF/AQ

SUBJECT: Establishment of Initial Portfolio Acquisition Executives, Tranche 1

References: (a) *Transforming the Defense Acquisition System into the Warfighting Acquisition System to Accelerate Fielding of Urgently Needed Capabilities to our Warriors* – SECWAR Memo, 7 November 2025

SECWAR directed the transformation of the Department's acquisition system from the Defense Acquisition System to the Warfighting Acquisition System on 7 November 2025. The establishment of Portfolio Acquisition Executives (PAE) is a major component of this transformation. The Air Force is moving out to align the authority and integration, closest to the point of execution, to enable the outcomes outlined by the SECWAR.

SECAF agreed that the existing Air Force Program Executive Officer (PEO) portfolios are well aligned, and the integrating PEO function is critical. SECAF also approved SAF/AQ's initial nominations for Air Force PAEs and the phased transition for all remaining program portfolios.

Effective immediately five PEOs are redesignated as PAEs. This initial group, known as Tranche 1, includes DAF PEO Command, Control, Communications and Battle Management (C3BM), PEO Fighters and Advanced Aircraft (F&AA), PEO Nuclear Command, Control and Communications (NC3), PEO Propulsion and PEO Weapons. In the coming months, we will transition all Air Force PEOs to PAEs, implementing lessons learned from Tranche 1. The Tranche 1 PAEs will maximize our learning by providing a cross-section of our AQ portfolios, including the integrating function.

Our PAE transformation plan will be delivered to OSW on 6 January 2026, and over the next year we will continue to assess, test, and move authorities to best enable PAE execution. PAE authorities will be defined by Tiger Teams, each of which will be led by a PAE/PEO and include representatives from AQ, Air Staff, MAJCOMs, System Centers, and our functional communities.

A handwritten signature in black ink, appearing to read "W.D. Bailey", is positioned above the typed name.

WILLIAM D. BAILEY

Director & Program Executive Officer, Air Force Rapid Capabilities Office
Performing the duties of the Assistant Secretary of the Air Force
(Acquisition, Technology & Logistics)