

## UNCLASSIFIED

PE NUMBER: 0401221F

PE TITLE: KC-135 Replacement Tanker

## Exhibit R-2, RDT&amp;E Budget Item Justification

DATE

February 2005

## BUDGET ACTIVITY

## 07 Operational System Development

## PE NUMBER AND TITLE

0401221F KC-135 Replacement Tanker

Cost (\$ in Millions)	FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	Cost to Complete	Total
Total Program Element (PE) Cost	0.000	0.000	99.210	301.614	163.900	57.816	28.889	0.000	Continuing	TBD
4927 KC-135 Replacement Tanker	0.000	0.000	99.210	301.614	163.900	57.816	28.889	0.000	Continuing	TBD

FY05 Congressional add of \$100M in Tanker Replacement Transfer Fund. Some of the funds will be requested in FY05; remainder will be used in FY06 and beyond.

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

The KC-135 fleet averages over 44 years. There are 530 KC-135s that are operated by the active duty Air Force, Air National Guard, and Air Force Reserves. The risk of operating a fleet of this age has become unacceptable. This program will begin the replacement of the fleet with the first aircraft being delivered in FY10. This effort will result in a replacement tanker for the KC-135 -- the replacement platform has not been selected, but the program presented is modeled on a commercial derivative tanker. This effort is assigned to Budget Activity 7 because we are pursuing operational systems development.

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

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
(U) Previous President's Budget	0.000	0.000	101.508	216.027
(U) Current PBR/President's Budget	0.000	0.000	99.210	301.614
(U) Total Adjustments	0.000	0.000		
(U) Congressional Program Reductions				
Congressional Rescissions				
Congressional Increases				
Reprogrammings				
SBIR/STTR Transfer				
(U) <u>Significant Program Changes:</u>				
Program has been restructured to represent a commercial derivative tanker.				

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

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07 Operational System Development

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0401221F KC-135 Replacement  
Tanker

## PROJECT NUMBER AND TITLE

4927 KC-135 Replacement Tanker

Cost (\$ in Millions)	FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	Cost to Complete	Total
4927 KC-135 Replacement Tanker	0.000	0.000	99.210	301.614	163.900	57.816	28.889	0.000	Continuing	TBD
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0		

FY05 Congressional add of \$100M in Tanker Replacement Transfer Fund. Some of the funds will be requested in FY05; remainder will be used in FY06 and beyond.

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

The KC-135 fleet averages over 44 years. There are 530 KC-135s that are operated by the active duty Air Force, Air National Guard, and Air Force Reserves. The risk of operating a fleet of this age has become unacceptable. This program will begin the replacement of the fleet with the first aircraft being delivered in FY10. This effort will result in a replacement tanker for the KC-135 -- the replacement platform has not been selected, but the program presented is modeled on a commercial derivative tanker. This effort is assigned to Budget Activity 7 because we are pursuing operational systems development.

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

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
(U) Non-recurring engineering--USAF unique NRE tanker systems (e.g., military avionics, refueling systems, structures, electrical)	0.000	0.000	96.554	298.249
(U) Test			0.410	1.352
(U) Program office			2.246	2.013
(U) Total Cost	0.000	0.000	99.210	301.614

(U) **C. Other Program Funding Summary (\$ in Millions)**

	<u>FY 2004</u> <u>Actual</u>	<u>FY 2005</u> <u>Estimate</u>	<u>FY 2006</u> <u>Estimate</u>	<u>FY 2007</u> <u>Estimate</u>	<u>FY 2008</u> <u>Estimate</u>	<u>FY 2009</u> <u>Estimate</u>	<u>FY 2010</u> <u>Estimate</u>	<u>FY 2011</u> <u>Estimate</u>	<u>Cost to</u> <u>Complete</u>	<u>Total Cost</u>
(U) Aircraft Procurement				48.130	1172.062	2061.150	2188.655	3119.100		
(U) MILCON					7.783	125.300	43.800	43.800		
(U) O&M					1.143	5.657	70.935	118.219		
APPN=PE#0401221F/KC-135 Replacement Aircraft										

(U) **D. Acquisition Strategy**

The acquisition strategy is to be determined pending selection of replacement tanker. Notional profile based on a commercial derivative aircraft acquisition.

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## Exhibit R-3, RDT&amp;E Project Cost Analysis

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BUDGET ACTIVITY					PE NUMBER AND TITLE						PROJECT NUMBER AND TITLE				
07 Operational System Development					0401221F KC-135 Replacement Tanker						4927 KC-135 Replacement Tanker				
(U) Cost Categories (Tailor to WBS, or System/Item Requirements) (\$ in Millions)	Contract Method & Type	Performing Activity & Location	Total Prior to FY 2004 Cost	FY 2004 Cost	FY 2004 Award Date	FY 2005 Cost	FY 2005 Award Date	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	Cost to Complete	Total Cost	Target Value of Contract	
(U) Product Development NRE	TBD	Aerospace manufacturer TBD		0.000		0.000		96.554	Jun-06	298.249			394.803		
Subtotal Product Development			0.000	0.000		0.000		96.554		298.249		0.000	394.803	0.000	
Remarks:	Contract award dates are NOTIONAL until recapitalization program is defined.														
(U) Support Currently n/a													0.000		
Subtotal Support			0.000	0.000		0.000		0.000		0.000		0.000	0.000	0.000	
Remarks:															
(U) Test & Evaluation Test and Planning	TBD	Proposed AFFTC, AFOTEC, Edwards AFB		0.000		0.000		0.410		1.352			1.762		
Subtotal Test & Evaluation			0.000	0.000		0.000		0.410		1.352		0.000	1.762	0.000	
Remarks:															
(U) Management Tanker system modernization squadron (System Program Office)	n/a	ASC/GRR, Wright Patterson AFB		0.000		0.000		2.246		2.013			4.259		
Subtotal Management			0.000	0.000		0.000		2.246		2.013		0.000	4.259	0.000	
Remarks:															
(U) Total Cost			0.000	0.000		0.000		99.210		301.614		0.000	400.824	0.000	

## Exhibit R-4, RDT&amp;E Schedule Profile

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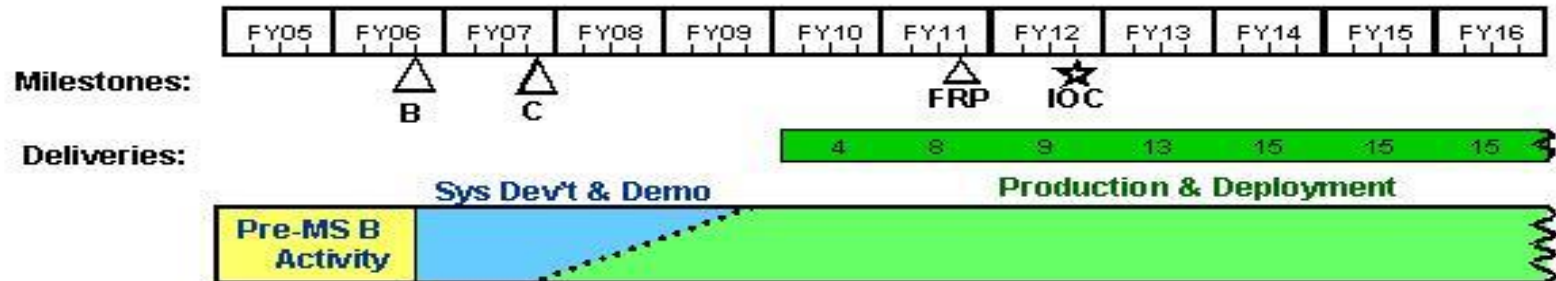
4927 KC-135 Replacement Tanker



U.S. AIR FORCE

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# Notional Schedule KC-135 Replacement Program



As of:

*Integrity - Service - Excellence*

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Project 4927

R-1 Shopping List - Item No. 219-5 of 219-6

Exhibit R-4 (PE 0401221F)

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## Exhibit R-4a, RDT&amp;E Schedule Detail

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(U) Schedule ProfileFY 2004FY 2005FY 2006FY 2007

(U) Non-recurring engineering

3-4Q

1-4Q

(U) Test

3-4Q

1-4Q

(U) Program office

1-4Q

1-4Q

(U) Milestone B estimate

3Q

(U) Milestone C estimate

3Q