

UNCLASSIFIED

PE NUMBER: 0401221F
 PE TITLE: KC-135 Replacement Tanker

Exhibit R-2, RDT&E Budget Item Justification	DATE February 2006
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BUDGET ACTIVITY 07 Operational System Development	PE NUMBER AND TITLE 0401221F KC-135 Replacement Tanker
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Cost (\$ in Millions)	FY 2005 Actual	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	10.200	97.797	203.932	238.125	113.361	44.967	14.725	Continuing	TBD
4927 KC-135 Replacement Tanker	10.200	97.797	203.932	238.125	113.361	44.967	14.725	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. 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 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
(U) Previous President's Budget	0.000	99.210	301.614
(U) Current PBR/President's Budget	10.200	97.797	203.932
(U) Total Adjustments	10.200	-1.413	
(U) Congressional Program Reductions			
Congressional Rescissions		-1.413	
Congressional Increases	10.200		
Reprogrammings			
SBIR/STTR Transfer			

(U) Significant Program Changes:

Program has been restructured to represent a commercial derivative tanker.

UNCLASSIFIED

Exhibit R-2a, RDT&E Project Justification

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February 2006

BUDGET ACTIVITY 07 Operational System Development				PE NUMBER AND TITLE 0401221F KC-135 Replacement Tanker			PROJECT NUMBER AND TITLE 4927 KC-135 Replacement Tanker		
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Cost (\$ in Millions)	FY 2005 Actual	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	10.200	97.797	203.932	238.125	113.361	44.967	14.725	Continuing	TBD
Quantity of RDT&E Articles	0	0	0	0	0	0	0		

FY05 Congressional add of \$100M in Tanker Replacement Transfer Fund. \$10.2M requested in FY05; received in May 05. 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. 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 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	93.551	199.919
(U) Test		2.000	2.000
(U) Program office	10.200	2.246	2.013
(U) Total Cost	10.200	97.797	203.932

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

	<u>FY 2005</u>	<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>Cost to</u>	<u>Total Cost</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Complete</u>	
(U) Aircraft Procurement			36.130	965.052	1868.631	1981.594	2914.781		
(U) MILCON				7.783	125.500	43.900	43.900		
(U) O&M			0.073	2.712	7.629	77.705	120.129		
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&E Project Cost Analysis

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(U) <u>Cost Categories</u> (Tailor to WBS, or System/Item Requirements) (\$ in Millions)	<u>Contract Method & Type</u>	<u>Performing Activity & Location</u>	<u>Total Prior to FY 2005 Cost</u>	<u>FY 2005 Cost</u>	<u>FY 2005 Award Date</u>	<u>FY 2006 Cost</u>	<u>FY 2006 Award Date</u>	<u>FY 2007 Cost</u>	<u>FY 2007 Award Date</u>	<u>Cost to Complete</u>	<u>Total Cost</u>	<u>Target Value of Contract</u>
(U) <u>Product Development</u> NRE	TBD	Aerospace manufacturer TBD		0.000		93.551		199.919	Aug-07		293.470	
Subtotal Product Development			0.000	0.000		93.551		199.919		0.000	293.470	0.000
Remarks:	Contract award dates are NOTIONAL until recapitalization program is defined.											
(U) <u>Support</u> Currently n/a												0.000
Subtotal Support			0.000	0.000		0.000		0.000		0.000	0.000	0.000
Remarks:												
(U) <u>Test & Evaluation</u> Test and Planning	TBD	Proposed AFFTC, AFOTEC, Edwards AFB		0.000		2.000		2.000			4.000	
Subtotal Test & Evaluation			0.000	0.000		2.000		2.000		0.000	4.000	0.000
Remarks:												
(U) <u>Management</u> Tanker system modernization squadron (System Program Office)	n/a	MWS/TSMSS, Wright Patterson AFB		10.200	May-05	2.246		2.013			14.459	
Subtotal Management			0.000	10.200		2.246		2.013		0.000	14.459	0.000
Remarks:												
(U) Total Cost			0.000	10.200		97.797		203.932		0.000	311.929	0.000

Exhibit R-4, RDT&E Schedule Profile

DATE

February 2006

BUDGET ACTIVITY
07 Operational System Development

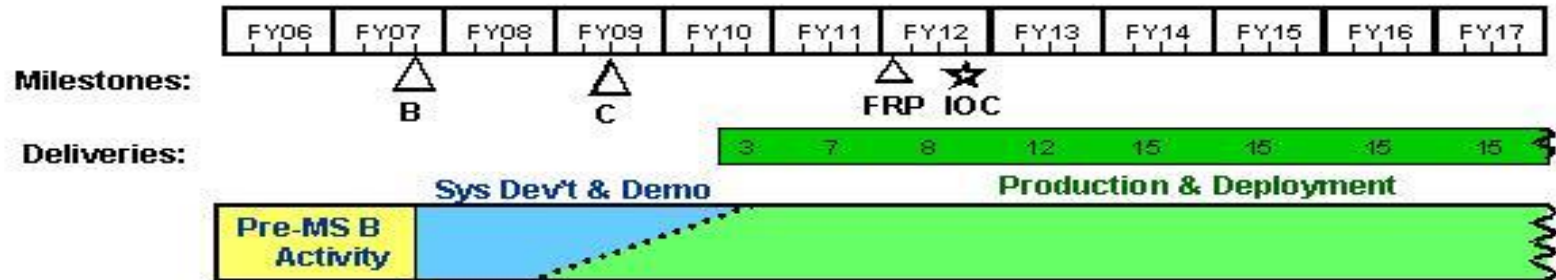
PE NUMBER AND TITLE
0401221F KC-135 Replacement
Tanker

PROJECT NUMBER AND TITLE
4927 KC-135 Replacement Tanker



FOR OFFICIAL USE ONLY

Notional Schedule KC-135 Replacement Program



As of:

Integrity - Service - Excellence

1

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Exhibit R-4a, RDT&E Schedule Detail

DATE

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(U) **Schedule Profile**

(U) Non-recurring engineering

(U) Test

(U) Program office

(U) Milestone B estimate

FY 2005

FY 2006

FY 2007

3-4Q

3-4Q

2-4Q

1-4Q

1-4Q

3-4Q