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**Exhibit R-2, RDT&E Budget Item Justification:** PB 2016 Air Force **Date:** February 2015

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| <b>Appropriation/Budget Activity</b><br>3600: <i>Research, Development, Test &amp; Evaluation, Air Force I BA 7: Operational Systems Development</i> | <b>R-1 Program Element (Number/Name)</b><br>PE 0401319F / <i>Presidential Aircraft Replacement (PAR)</i> |
|--|--|

| COST (\$ in Millions)                                 | Prior Years | FY 2014 | FY 2015 | FY 2016 Base | FY 2016 OCO | FY 2016 Total | FY 2017 | FY 2018 | FY 2019 | FY 2020 | Cost To Complete | Total Cost |
|---|-------------|---------|---------|--------------|-------------|---------------|---------|---------|---------|---------|------------------|------------|
| Total Program Element                                 | 0.000       | -       | 11.006  | -            | -           | -             | -       | -       | -       | -       | -                | 11.006     |
| 675355: <i>Presidential Aircraft Recapitalization</i> | 0.000       | -       | 11.006  | -            | -           | -             | -       | -       | -       | -       | -                | 11.006     |
| Quantity of RDT&E Articles                            | -           | -       | -       | -            | -           | -             | -       | -       | -       | -       | -                | -          |

**Program MDAP/MAIS Code:** 425

**Note**

In FY 2015, PE 0401314F, Operational Support Airlift, Project 675355, Presidential Aircraft Recapitalization efforts were transferred to PE 0401319F, Presidential Aircraft Recap (PAR), Project 655250 Presidential Aircraft Recapitalization, in order to improve transparency for ACAT I acquisition programs.

In FY 2016, PE 0401319F, Presidential Aircraft Recapitalization, Project 655250 Presidential Aircraft Recapitalization is transferred to BA 05 PE 0401319F, Presidential Aircraft Recapitalization, Project 655250 Presidential Aircraft Recapitalization to align BA with stage of development.

**A. Mission Description and Budget Item Justification**

The PAR program plans to replace the current VC-25A fleet with a new fleet of aircraft to meet the requirements for the President of the United States to execute the three roles of Head of State, Chief Executive, and Commander in Chief. The PAR aircraft will be a four engine commercial derivative wide-body aircraft, uniquely missionized to provide the President of the United States, staff, and guests with safe and reliable air transportation with the equivalent level of communications capability and security available in the White House. Specialized mission equipment will include: electrical upgrades to include dual Auxiliary Power Units (APUs); mission communications system; passenger communications; work and rest environment; executive interiors; military avionics; self-defense systems; autonomous enplaning and deplaning; and autonomous baggage loading. There will be no significant change in the Concept of Operations (CONOPS) or Concept of Employment (CONEMP) from the existing VC-25A platform.

On 28 August 2012, the Under Secretary of Defense for Acquisition, Technology and Logistics (USD (AT&L)) approved the PAR Materiel Development Decision (MDD) and tasked the Air Force to conduct a Requirements and Sustainment Trade Analysis (RASTA). RASTA analysis identified the non-tradable requirements and revalidated the need for a four-engine wide-body aircraft. The RASTA results were presented to the Defense Acquisition Board in August 2013 and were incorporated into the Capability Development Document (CDD). The CDD was validated by the Air Force Requirements Oversight Council (AFROC) in May 2014 and by the Joint Requirements Oversight Council (JROC) in November 2014.

This budget supports acquisition planning efforts and studies as well as pre-Engineering and Manufacturing Development (EMD) contract studies for PAR. Acquisition planning, program documentation and risk reduction studies include systems engineering strategy and analysis; risk analysis and management; concept definition and trade studies; test and evaluation strategy; life cycle cost estimates; sustainment and logistics analysis; information support and network analysis; technology and

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| <b>Appropriation/Budget Activity</b><br>3600: <i>Research, Development, Test &amp; Evaluation, Air Force I BA 7: Operational Systems Development</i> | <b>R-1 Program Element (Number/Name)</b><br>PE 0401319F / <i>Presidential Aircraft Replacement (PAR)</i> |
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manufacturing maturity analysis and other government costs. PAR pre-EMD studies support requirements decomposition, improve affordability and reduce program execution risk.

| <b>B. Program Change Summary (\$ in Millions)</b> | <b>FY 2014</b> | <b>FY 2015</b> | <b>FY 2016 Base</b> | <b>FY 2016 OCO</b> | <b>FY 2016 Total</b> |
|---|----------------|----------------|---------------------|--------------------|----------------------|
| Previous President's Budget                       | -              | 11.006         | 103.302             | -                  | 103.302              |
| Current President's Budget                        | -              | 11.006         | -                   | -                  | -                    |
| Total Adjustments                                 | -              | -              | -103.302            | -                  | -103.302             |
| • Congressional General Reductions                | -              | -              |                     |                    |                      |
| • Congressional Directed Reductions               | -              | -              |                     |                    |                      |
| • Congressional Rescissions                       | -              | -              |                     |                    |                      |
| • Congressional Adds                              | -              | -              |                     |                    |                      |
| • Congressional Directed Transfers                | -              | -              |                     |                    |                      |
| • Reprogrammings                                  | -              | -              |                     |                    |                      |
| • SBIR/STTR Transfer                              | -              | -              |                     |                    |                      |
| • Other Adjustments                               | -              | -              | -103.302            | -                  | -103.302             |

**Change Summary Explanation**

FY16, PE 0401319F, Project 675355 efforts were transferred to PE 0401319F, Project 655250, BA 05 in order to improve transparency for ACAT I acquisition programs.

| <b>C. Accomplishments/Planned Programs (\$ in Millions)</b>  | <b>FY 2014</b> | <b>FY 2015</b> | <b>FY 2016</b> |
|--|----------------|----------------|----------------|
| <b>Title:</b> Acquisition Planning   | -              | 11.006         | -              |
| <b>Description:</b> Acquisition Planning, Program Documentation and Studies  |                |                |                |
| <b>FY 2014 Accomplishments:</b><br>FY 2014 Presidential Aircraft Recapitalization efforts are executed in PE0401314F, Project 675355 BA 07.  |                |                |                |
| <b>FY 2015 Plans:</b><br>Activities involved with acquisition planning, program documentation and risk reduction activities including systems engineering strategy and analysis; risk reduction analysis and management; concept definition, requirements analysis and trade studies; test and evaluation strategy; life cycle cost estimates; sustainment and logistics analysis; information support and network analysis; and technology and manufacturing maturity analysis. |                |                |                |
| <b>FY 2016 Plans:</b><br>FY 2016 Presidential Aircraft Recapitalization efforts are executed in PE0401319F, Project 655250 BA 05.  |                |                |                |
| <b>Accomplishments/Planned Programs Subtotals</b>  | -              | 11.006         | -              |

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| <b>Appropriation/Budget Activity</b><br>3600: <i>Research, Development, Test &amp; Evaluation, Air Force I BA 7: Operational Systems Development</i> | <b>R-1 Program Element (Number/Name)</b><br>PE 0401319F / <i>Presidential Aircraft Replacement (PAR)</i> |
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**D. Other Program Funding Summary (\$ in Millions)**

| <u>Line Item</u>   | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2016</u><br><u>Base</u> | <u>FY 2016</u><br><u>OCO</u> | <u>FY 2016</u><br><u>Total</u> | <u>FY 2017</u> | <u>FY 2018</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>Cost To</u><br><u>Complete</u> | <u>Total Cost</u> |
|--|----------------|----------------|-------------------------------|------------------------------|--------------------------------|----------------|----------------|----------------|----------------|-----------------------------------|-------------------|
| • RDTE: BA07: PE 0401314F:<br><i>Presidential Aircraft Recap (PAR)</i> | 6.403          | -              | -                             | -                            | -                              | -              | -              | -              | -              | -                                 | -                 |
| • RDTE: BA05: PE 0401319F:<br><i>Presidential Aircraft Recap (PAR)</i> | -              | -              | 102.620                       | -                            | 102.620                        | 480.977        | 505.899        | 513.607        | 458.672        | Continuing                        | Continuing        |

**Remarks**

FY 2014 and prior Presidential Aircraft Recapitalization efforts are executed in PE0401314F, Project 675355 BA 07; FY 2016 and beyond Presidential Aircraft Recapitalization efforts are executed in PE0401319F, Project 655250 BA 05.

**E. Acquisition Strategy**

Acquisition Strategy in development; anticipating Milestone Decision Authority (MDA) approval in FY 2015.

**F. Performance Metrics**

Please refer to the Performance Base Budget Overview Book for information on how Air Force resources are applied and how those resources are contributing to Air Force performance goals and most importantly, how they contribute to our mission.

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**Exhibit R-3, RDT&E Project Cost Analysis: PB 2016 Air Force** **Date:** February 2015

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| <b>Appropriation/Budget Activity</b><br>3600 / 7 | <b>R-1 Program Element (Number/Name)</b><br>PE 0401319F / <i>Presidential Aircraft Replacement (PAR)</i> | <b>Project (Number/Name)</b><br>675355 / <i>Presidential Aircraft Recapitalization</i> |
|--|--|--|

| <b>Product Development (\$ in Millions)</b> |                        |                                |             | FY 2014 |            | FY 2015 |            | FY 2016 Base |            | FY 2016 OCO |            | FY 2016 Total | Cost To Complete | Total Cost | Target Value of Contract |
|---|------------------------|--------------------------------|-------------|---------|------------|---------|------------|--------------|------------|-------------|------------|---------------|------------------|------------|--------------------------|
| Cost Category Item                          | Contract Method & Type | Performing Activity & Location | Prior Years | Cost    | Award Date | Cost    | Award Date | Cost         | Award Date | Cost        | Award Date | Cost          |                  |            |                          |
| PAR Program Documentation and Studies       | Various                | TBD : ,                        | 0.000       | -       |            | 9.047   | Mar 2015   | -            |            | -           |            | -             | -                | 9.047      | -                        |
| <b>Subtotal</b>                             |                        |                                | 0.000       | -       |            | 9.047   |            | -            |            | -           |            | -             | -                | 9.047      | -                        |

**Remarks**  
 Costs associated with acquisition planning, program documentation and risk reduction activities including systems engineering strategy and analysis; risk reduction analysis and management; concept definition, requirements analysis and trade studies; test and evaluation strategy; life cycle cost estimates; sustainment and logistics analysis; information support and network analysis; and technology and manufacturing maturity analysis

| <b>Support (\$ in Millions)</b> |                        |                                |             | FY 2014 |            | FY 2015 |            | FY 2016 Base |            | FY 2016 OCO |            | FY 2016 Total | Cost To Complete | Total Cost | Target Value of Contract |
|---------------------------------|------------------------|--------------------------------|-------------|---------|------------|---------|------------|--------------|------------|-------------|------------|---------------|------------------|------------|--------------------------|
| Cost Category Item              | Contract Method & Type | Performing Activity & Location | Prior Years | Cost    | Award Date | Cost    | Award Date | Cost         | Award Date | Cost        | Award Date | Cost          |                  |            |                          |
| <b>Subtotal</b>                 |                        |                                | -           | -       |            | -       |            | -            |            | -           |            | -             | -                | -          | -                        |

| <b>Test and Evaluation (\$ in Millions)</b> |                        |                                |             | FY 2014 |            | FY 2015 |            | FY 2016 Base |            | FY 2016 OCO |            | FY 2016 Total | Cost To Complete | Total Cost | Target Value of Contract |
|---|------------------------|--------------------------------|-------------|---------|------------|---------|------------|--------------|------------|-------------|------------|---------------|------------------|------------|--------------------------|
| Cost Category Item                          | Contract Method & Type | Performing Activity & Location | Prior Years | Cost    | Award Date | Cost    | Award Date | Cost         | Award Date | Cost        | Award Date | Cost          |                  |            |                          |
| <b>Subtotal</b>                             |                        |                                | -           | -       |            | -       |            | -            |            | -           |            | -             | -                | -          | -                        |

| <b>Management Services (\$ in Millions)</b> |                        |                                |             | FY 2014 |            | FY 2015 |            | FY 2016 Base |            | FY 2016 OCO |            | FY 2016 Total | Cost To Complete | Total Cost | Target Value of Contract |
|---|------------------------|--------------------------------|-------------|---------|------------|---------|------------|--------------|------------|-------------|------------|---------------|------------------|------------|--------------------------|
| Cost Category Item                          | Contract Method & Type | Performing Activity & Location | Prior Years | Cost    | Award Date | Cost    | Award Date | Cost         | Award Date | Cost        | Award Date | Cost          |                  |            |                          |
| PAR Program Management Activities           | Various                | AFLCMC/WLJC : Dayton, OH       | 0.000       | -       |            | 1.959   | Oct 2014   | -            |            | -           |            | -             | -                | 1.959      | -                        |
| <b>Subtotal</b>                             |                        |                                | 0.000       | -       |            | 1.959   |            | -            |            | -           |            | -             | -                | 1.959      | -                        |

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**Exhibit R-3, RDT&E Project Cost Analysis: PB 2016 Air Force** **Date:** February 2015

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| <b>Management Services (\$ in Millions)</b> |                        |                                |             | FY 2014 |            | FY 2015 |            | FY 2016 Base |            | FY 2016 OCO |            | FY 2016 Total | Cost To Complete | Total Cost | Target Value of Contract |
|---|------------------------|--------------------------------|-------------|---------|------------|---------|------------|--------------|------------|-------------|------------|---------------|------------------|------------|--------------------------|
| Cost Category Item                          | Contract Method & Type | Performing Activity & Location | Prior Years | Cost    | Award Date | Cost    | Award Date | Cost         | Award Date | Cost        | Award Date | Cost          |                  |            |                          |

**Remarks**  
Program Management Administration enables operation of program office management and oversight to support PAR. Management activities include A&AS support and travel to support developmental planning efforts.

|                            | Prior Years | FY 2014 | FY 2015 | FY 2016 Base | FY 2016 OCO | FY 2016 Total | Cost To Complete | Total Cost | Target Value of Contract |
|----------------------------|-------------|---------|---------|--------------|-------------|---------------|------------------|------------|--------------------------|
| <b>Project Cost Totals</b> | 0.000       | -       | 11.006  | -            | -           | -             | -                | 11.006     | -                        |

**Remarks**

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**Exhibit R-4, RDT&E Schedule Profile: PB 2016 Air Force** **Date:** February 2015

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| <b>Appropriation/Budget Activity</b><br>3600 / 7 | <b>R-1 Program Element (Number/Name)</b><br>PE 0401319F / <i>Presidential Aircraft Replacement (PAR)</i> | <b>Project (Number/Name)</b><br>675355 / <i>Presidential Aircraft Recapitalization</i> |
|--|--|--|

|  | FY 2014 |   |   |   | FY 2015    |   |   |   | FY 2016 |   |   |   | FY 2017 |   |   |   | FY 2018 |   |   |   | FY 2019 |   |   |   | FY 2020 |   |   |   |
|--|---------|---|---|---|------------|---|---|---|---------|---|---|---|---------|---|---|---|---------|---|---|---|---------|---|---|---|---------|---|---|---|
|  | 1       | 2 | 3 | 4 | 1          | 2 | 3 | 4 | 1       | 2 | 3 | 4 | 1       | 2 | 3 | 4 | 1       | 2 | 3 | 4 | 1       | 2 | 3 | 4 | 1       | 2 | 3 | 4 |
| Program Documentation and Risk Reduction Studies |         |   |   |   | ██████████ |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| Acquisition Strategy Development                 |         |   |   |   | ██████████ |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| Develop Request for Proposal                     |         |   |   |   | ██████████ |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |

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| <b>Exhibit R-4A, RDT&amp;E Schedule Details:</b> PB 2016 Air Force |  | <b>Date:</b> February 2015   |
| <b>Appropriation/Budget Activity</b><br>3600 / 7                   | <b>R-1 Program Element (Number/Name)</b><br>PE 0401319F / <i>Presidential Aircraft Replacement (PAR)</i> | <b>Project (Number/Name)</b><br>675355 / <i>Presidential Aircraft Recapitalization</i> |

Schedule Details

| Events   | Start   |      | End     |      |
|--|---------|------|---------|------|
|  | Quarter | Year | Quarter | Year |
| Program Documentation and Risk Reduction Studies | 1       | 2015 | 4       | 2015 |
| Acquisition Strategy Development                 | 1       | 2015 | 4       | 2015 |
| Develop Request for Proposal                     | 1       | 2015 | 4       | 2015 |