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Exhibit R-2, RDT&E Budget Item Justification: PB 2020 Air Force										Date: February 2019		
Appropriation/Budget Activity 3600: Research, Development, Test & Evaluation, Air Force I BA 5: System Development & Demonstration (SDD)					R-1 Program Element (Number/Name) PE 0401310F / C-32 Executive Transport Recapitalization							
COST (\$ in Millions)	Prior Years	FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total	FY 2021	FY 2022	FY 2023	FY 2024	Cost To Complete	Total Cost
Total Program Element	-	2.918	7.943	9.930	0.000	9.930	9.926	9.953	10.134	10.316	Continuing	Continuing
654019: C-32 Executive Transport Recap	-	2.918	7.943	9.930	0.000	9.930	9.926	9.953	10.134	10.316	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The C-32A mission is to provide Executive Airlift transportation for the First Lady, Vice President, Cabinet, Congress, and foreign Heads of State. The C-32A also serves as the backup to the VC-25 Presidential support aircraft.

The C-32 Executive Transport Recapitalization program will replace the aging C-32A aircraft fleet. The Air Force and Navy are engaged in an effort to recapitalize the National Military Command System fixed-wing aircraft and large capacity Executive Airlift fleets. The aircraft consist of the Air Force E-4B National Airborne Operations Center (NAOC), Air Force C-32A Executive Airlift (EA), and the Navy E-6B Airborne Command Post (ABNCP) and Take Charge and Move Out (TACAMO) aircraft. These platforms are aging and increasingly difficult to support. The combined effort will explore the realignment of missions among platforms and examine the potential benefits of acquiring common airframes without sacrificing operational effectiveness or increasing overall costs. This is being conducted through the NEAT (N=NAOC, E=EA, A= ABNCP, T=TACAMO) Analysis of Alternatives (AoA).

This budget supports funding to complete a joint service AoA in collaboration with the E-4B and E-6B Recapitalization programs to explore commonality of the airframe and interoperability of the mission equipment. Funding continues establishment of the Program Office and begins acquisition strategy development. Funding also supports cost/performance trade studies.

This program element may include necessary civilian pay expenses required to manage, execute, and deliver C-32A capabilities. The use of such program funds would be in addition to the civilian pay expenses budgeted in program elements 0605826F, 0605827F, 0605828F, 0605829F, 0605830F, 0605831F, 0605832F, 0605898F, and 0605833F.

This program is currently programmed in Budget Activity (BA) 5. However, the program is in the Materiel Solution Analysis Phase conducting an AoA. Post AoA Materiel Development Decisions (MDD), to determine acquisition milestone entry point for one or more follow-on Acquisitions, is projected in 1Q FY20. The program is Pre-Milestone B and is not conducting Engineering and Manufacturing Development (EMD). [Note:The following statement is system generated due to being in BA5 and cannot be omitted at this time.]

As directed in the FY 2018 NDAA, Sec 825, amendment to PL 114-92 FY 2016 NDAA, Sec 828 Penalty for Cost Overruns, the FY 2018 Air Force penalty total is \$14.373M. The calculated percentage reduction to each research, development, test and evaluation and procurement account will be allocated proportionally from all programs, projects, or activities under such account.

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This program is in Budget Activity 5, System Development and Demonstration (SDD) because it has passed Milestone B approval and is conducting engineering and manufacturing development tasks aimed at meeting validated requirements prior to full rate production.								
B. Program Change Summary (\$ in Millions)		FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total		
Previous President's Budget		6.017	7.943	9.930	0.000	9.930		
Current President's Budget		2.918	7.943	9.930	0.000	9.930		
Total Adjustments		-3.099	0.000	0.000	0.000	0.000		
• Congressional General Reductions		0.000	0.000					
• Congressional Directed Reductions		-3.000	0.000					
• Congressional Rescissions		0.000	0.000					
• Congressional Adds		0.000	0.000					
• Congressional Directed Transfers		0.000	0.000					
• Reprogrammings		0.000	0.000					
• SBIR/STTR Transfer		-0.099	0.000					
• Other Adjustments		0.000	0.000	0.000	0.000	0.000		
Change Summary Explanation FY18- funding reduced by Congressional mark -\$3M "Program office excess to need", -\$0.099M SBIR transfer.								
C. Accomplishments/Planned Programs (\$ in Millions)				FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total
Title: C-32 Executive Transport Recapitalization Analysis of Alternatives				2.500	4.000	7.000	0.000	7.000
Description: Continue AoA activities to assess potential materiel solutions to mitigate current capability gaps.								
FY 2019 Plans: Funds in FY2019 will conduct requests for information (RFI) and continue AoA activities.								
FY 2020 Base Plans: Funds in FY2020 will complete the AoA, support the Materiel Development Decision (MDD), begin materiel solution analysis activities and start technology maturation risk reduction activities.								
FY 2020 OCO Plans: N/A								
FY 2019 to FY 2020 Increase/Decrease Statement:								

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Appropriation/Budget Activity 3600: <i>Research, Development, Test & Evaluation, Air Force I BA 5: System Development & Demonstration (SDD)</i>		R-1 Program Element (Number/Name) PE 0401310F / <i>C-32 Executive Transport Recapitalization</i>				
C. Accomplishments/Planned Programs (\$ in Millions)		FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total
The increase in funding is due to statutory/regulatory documentation, final AoA out-brief, and program initiation.						
Title: C-32 Executive Transport Recapitalization Program Office Standup		0.418	3.943	2.930	0.000	2.930
Description: Continue standup of Program Office to support AoA closeout and early acquisition activities.						
FY 2019 Plans: Funds in FY2019 continue the establishment of a Program Office to support AoA closeout and early acquisition activities.						
FY 2020 Base Plans: Funds in FY2020 support the Materiel Development Decision (MDD), Program Office support tasks, A&AS costs, travel, and PMA						
FY 2020 OCO Plans: N/A						
FY 2019 to FY 2020 Increase/Decrease Statement: The decrease in funding is because the initial outlay for standing up the program office was in FY19 and FY20 reflects normalizing program office operational costs.						
Accomplishments/Planned Programs Subtotals		2.918	7.943	9.930	0.000	9.930
D. Other Program Funding Summary (\$ in Millions) N/A						
Remarks						
E. Acquisition Strategy The C-32A Executive Transport Recapitalization effort acquisition strategy will be fully developed after the completion of the AoA.						
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 2020 Air Force												Date: February 2019			
Appropriation/Budget Activity 3600 / 5						R-1 Program Element (Number/Name) PE 0401310F / C-32 Executive Transport Recapitalization				Project (Number/Name) 654019 / C-32 Executive Transport Recap					
Product Development (\$ in Millions)				FY 2018		FY 2019		FY 2020 Base		FY 2020 OCO		FY 2020 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
C-32 Executive Transport Recapitalization Analysis of Alternatives	MIPR	ASC/XRX : WPAFB, OH	-	0.750	Mar 2018	4.000	Mar 2019	7.000		-		7.000	Continuing	Continuing	-
Subtotal			-	0.750		4.000		7.000		-		7.000	Continuing	Continuing	N/A
Management Services (\$ in Millions)				FY 2018		FY 2019		FY 2020 Base		FY 2020 OCO		FY 2020 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
C-32 Executive Transport Recapitalization Other Government Costs	Various	AFLCMC/WV : Dayton, OH	-	2.168	Apr 2018	3.943	Jan 2019	2.930		-		2.930	Continuing	Continuing	-
Subtotal			-	2.168		3.943		2.930		-		2.930	Continuing	Continuing	N/A
			Prior Years	FY 2018		FY 2019		FY 2020 Base		FY 2020 OCO		FY 2020 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals			-	2.918		7.943		9.930		-		9.930	Continuing	Continuing	N/A
Remarks Other Government Costs include A&AS, travel, and PMA															

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Exhibit R-4, RDT&E Schedule Profile: PB 2020 Air Force																Date: February 2019			
Appropriation/Budget Activity 3600 / 5								R-1 Program Element (Number/Name) PE 0401310F / C-32 Executive Transport Recapitalization								Project (Number/Name) 654019 / C-32 Executive Transport Recap			

	FY 2018				FY 2019				FY 2020				FY 2021				FY 2022				FY 2023				FY 2024			
	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
C-32 Recap																												
Program Office Standup																												
AoA Study Planning																												
RFI Event #1																												
RFI Event #2																												
AoA																												
Mission Realignment Review																												
Post AoA MDD																												
Technology Maturation Risk Reduction																												
EMD																												

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Exhibit R-4A, RDT&E Schedule Details: PB 2020 Air Force			Date: February 2019
Appropriation/Budget Activity 3600 / 5	R-1 Program Element (Number/Name) PE 0401310F / C-32 Executive Transport Recapitalization	Project (Number/Name) 654019 / C-32 Executive Transport Recap	

Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
C-32 Recap				
Program Office Standup	3	2018	1	2020
AoA Study Planning	3	2018	1	2019
RFI Event #1	3	2018	3	2019
RFI Event #2	3	2018	3	2019
AoA	4	2018	1	2020
Mission Realignment Review	2	2019	1	2020
Post AoA MDD	2	2020	2	2020
Technology Maturation Risk Reduction	2	2020	2	2022
EMD	3	2022	4	2024