

**UNCLASSIFIED**

PE NUMBER: 0401130F  
 PE TITLE: C-17 Aircraft

<b>Exhibit R-2, RDT&amp;E Budget Item Justification</b>	DATE <b>February 2008</b>
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<b>BUDGET ACTIVITY</b> <b>07 Operational System Development</b>	<b>PE NUMBER AND TITLE</b> <b>0401130F C-17 Aircraft</b>
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Cost (\$ in Millions)	FY 2007 Actual	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	Cost to Complete	Total
Total Program Element (PE) Cost	170.527	180.581	236.047	216.032	206.530	222.591	223.200	Continuing	TBD
2569 C-17 Aircraft	170.527	180.581	236.047	216.032	206.530	222.591	223.200	Continuing	TBD

FY02 and later funds for LAIRCM were ZBTed to PE 41134F.

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

The C-17 can perform the entire spectrum of airlift missions and is specifically designed to operate effectively and efficiently in both strategic and theater environments. Airlift provides essential flexibility when responding to contingencies on short notice anywhere in the world. It is a major element of America's National Military Strategy and constitutes the most responsive means of meeting U.S. mobility requirements. Specific tasks associated with the airlift mission include deployment, employment (airland and airdrop), sustaining support, retrograde, and combat redeployment. The C-17 provides a vast increase in overall airlift capability necessary to replace and exceed the capabilities lost from retiring the aging C-141 fleet from the Air Force inventory. Not only can the C-17 deliver outsize cargo to austere tactical environments, but it also reduces ground time during airland operations. The C-17 will perform the airlift mission well into this century. RDT&E efforts support aircraft performance improvements.

This program is BA 7, Operational System Development, since the program has completed Milestone III but is continuing to increase the operational capability of the C-17 through programmed modifications.

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

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
(U) Previous President's Budget	173.125	181.734	
(U) Current PBR/President's Budget	170.527	180.581	236.047
(U) Total Adjustments	-2.598	-1.153	
(U) Congressional Program Reductions			
Congressional Rescissions		-1.153	
Congressional Increases			
Reprogrammings	1.780		
SBIR/STTR Transfer	-4.378		

**(U) Significant Program Changes:**

FY09 increase is to sustain 4 FY08 new starts which are completing initial design and progressing into full development activities as well as to support the FY09 new start: Advanced Situational Awareness and Countermeasures (ASACM).

**Exhibit R-2a, RDT&E Project Justification**

DATE  
**February 2008**

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Cost (\$ in Millions)	FY 2007 Actual	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	Cost to Complete	Total	
2569 C-17 Aircraft	170.527	180.581	236.047	216.032	206.530	222.591	223.200	Continuing	TBD	
Quantity of RDT&E Articles	0	0	0	0	0	0	0			

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

The C-17 can perform the entire spectrum of airlift missions and is specifically designed to operate effectively and efficiently in both strategic and theater environments. Airlift provides essential flexibility when responding to contingencies on short notice anywhere in the world. It is a major element of America's National Military Strategy and constitutes the most responsive means of meeting U.S. mobility requirements. Specific tasks associated with the airlift mission include deployment, employment (airland and airdrop), sustaining support, retrograde, and combat redeployment. The C-17 provides a vast increase in overall airlift capability necessary to replace and exceed the capabilities lost from retiring the aging C-141 fleet from the Air Force inventory. Not only can the C-17 deliver outsize cargo to austere tactical environments, but it also reduces ground time during airland operations. The C-17 will perform the airlift mission well into this century. RDT&E efforts support aircraft performance improvements.

This program is BA 7, Operational System Development, since the program has completed Milestone III but is continuing to increase the operational capability of the C-17 through programmed modifications.

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

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
(U) Performance Improvement Development & Testing	87.916	102.504	150.814
(U) Systems Engineering/Program Management	41.488	42.677	46.169
(U) Producibility Enhancement/Performance Improvement (PE/PI) Contractor Flight Test	23.233	26.900	26.150
(U) Producibility Enhancement/Performance Improvement (PE/PI) Government Flight Test	17.890	8.500	12.914
(U) Total Cost	170.527	180.581	236.047

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

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</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) APAF, MYP, BA02, PE0401130F	4332.520	258.839	358.788	220.408	209.842	212.675	194.649	0.000	5,787.721
(U) APAF, A/C Mods, BA05, PE0401130F/PE0401134F	389.194	179.982	340.301	507.498	473.695	419.270	629.714	0.000	2,939.654
(U) MilCon, Facilities, PE0401130F	170.813	44.071	12.000	0.000	0.000			0.000	226.884

The A/C mods funding includes the LAIRCM PE since those funds are included in the C-17 11C17A BPAC (P-1 line)

**(U) D. Acquisition Strategy**

The C-17 Acquisition Strategy is based on several separate contracts to support the entire scope of the C-17 weapon system. These contracts are: 1) a multi-year procurement (MYP) aircraft contract (to economically purchase the remaining complement of 180 production aircraft) - (APAF), additionally new IDIQ contracts were

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

DATE

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BUDGET ACTIVITY

**07 Operational System Development**

PE NUMBER AND TITLE

**0401130F C-17 Aircraft**

PROJECT NUMBER AND TITLE

**2569 C-17 Aircraft**

issued for the procurement of C-17s and engines beyond 180, including the additional 10 aircraft authorized in the FY07 Defense Appropriations Act and foreign orders that may materialize; 2) a Producibility Enhancement and Performance Improvement (PE/PI) contract (to develop cost reduction changes, capability enhancements, and design fixes to service-revealed problems) - (RDT&E, APAF); a new five-year ordering period IDIQ contract was awarded December 2007 which is the third contract for the Producibility Enhancement/Performance Improvement program; 3) a Globemaster III Sustainment Partnership (field support) contract (to support the current and future fielded aircraft) - (O&M, TWCF); 4) a MYP engine contract (for Government Furnished Equipment [GFE] engines) - (APAF); 5) a set of aircrew simulator and training contracts: one for aircrew simulators and one for training & concurrency upgrades; and 6) a maintenance training device contract (for devices & concurrency upgrades) - (APAF).

Two C-17 Defense Acquisition Board (DAB) decisions, contained in the 3 Nov 95 and 1 Feb 96 USD(A&T) Acquisition Decision Memoranda (ADM), directed the Air Force to proceed with a 120-aircraft production program. The Air Force proceeded with procuring 40 aircraft followed by an 80-aircraft MYP program (along with engines to support them). Sixty additional C-17s were programmed at the end of the 80-aircraft MYP to meet requirements not included in the 120 aircraft program. Most recently, the FY07 Defense Appropriations Act authorized funding for 10 additional aircraft bringing the total fleet number to 190 aircraft.

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**Exhibit R-3, RDT&E Project Cost Analysis**

DATE

**February 2008**

BUDGET ACTIVITY				PE NUMBER AND TITLE					PROJECT NUMBER AND TITLE				
<b>07 Operational System Development</b>				<b>0401130F C-17 Aircraft</b>					<b>2569 C-17 Aircraft</b>				
(U) Cost Categories (Tailor to WBS, or System/Item Requirements) (\$ in Millions)	<u>Contract Method &amp; Type</u>	<u>Performing Activity &amp; Location</u>	<u>Total Prior to FY 2007 Cost</u>	<u>FY 2007 Cost</u>	<u>FY 2007 Award Date</u>	<u>FY 2008 Cost</u>	<u>FY 2008 Award Date</u>	<u>FY 2009 Cost</u>	<u>FY 2009 Award Date</u>	<u>Cost to Complete</u>	<u>Total Cost</u>	<u>Target Value of Contract</u>	
(U) <u>Product Development</u>													
Boeing	C,FPI/FP										0.000		
Boeing	C,CPAF		6,686.436	152.477	Oct-06	162.532	Oct-07	213.255	Nov-08	773.192	7,987.892		
Subtotal Product Development			6,686.436	152.477		162.532		213.255		773.192	7,987.892	0.000	
Remarks:													
(U) <u>Support</u>													
Mission Support OGC	PO		101.278	0.160	Dec-06	9.549	Oct-07	9.878	Oct-08	41.610	162.475		
Subtotal Support			101.278	0.160		9.549		9.878		41.610	162.475	0.000	
Remarks:													
(U) <u>Test &amp; Evaluation</u>													
Combined Test Force	PO		336.861	15.000	Oct-06	8.000	Nov-07	12.914	Nov-08	53.551	426.326		
JPADS	PO			0.200	Dec-06						0.200		
SPRO (Army funds for testing)	PO			2.650	Mar-07	0.500	Apr-08			0.000	3.150		
AFRL				0.040							0.040		
Subtotal Test & Evaluation			336.861	17.890		8.500		12.914		53.551	429.716	0.000	
Remarks:													
(U) <u>Management</u>													
Subtotal Management			0.000	0.000		0.000		0.000		0.000	0.000	0.000	
Remarks:													
(U) Total Cost			7,124.575	170.527		180.581		236.047		868.353	8,580.083	0.000	



**Exhibit R-4a, RDT&E Schedule Detail**

DATE

**February 2008**

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(U) <u>Schedule Profile</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
(U) Incremental Funding of Ongoing Performance Improvement Projects (Boeing)	1-3Q	1-3Q	1-3Q
(U) ASACM			2Q
(U) Replacement HUD		3Q	1Q
(U) Airdrop Improvements		1Q	1Q
(U) IFF CNS/ATM Mode 5		3Q	1Q
(U) ELT Frequency Change		3Q	1Q
(U) Rnav/Vnav & Baro Vnav Capability		3Q	1Q
(U) Air Force Flight Test Center	1Q	2Q	1Q