

**UNCLASSIFIED**

PE NUMBER: 0605221F

PE TITLE: KC-X, Next Generation Aerial Refueling 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>05 System Development and Demonstration (SDD)</b>	<b>PE NUMBER AND TITLE</b> <b>0605221F KC-X, Next Generation Aerial Refueling 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	0.000	0.000	831.759	450.152	63.823	0.000	0.000	Continuing	TBD
5271 KC-X RDT&E	0.000	0.000	831.759	450.152	63.823	0.000	0.000	Continuing	TBD

FY05 Approps bill establishes \$100M Transfer Replacement Transfer Fund (\$10.2M used by AF in FY05) -- \$89.8M funding remaining as of submission of FY08PB. FY08 Approps bill cuts \$50M in RDT&E; moves \$150M of \$264.5M FY08 RDT&E to Transfer Fund -- \$239.8M in Transfer Fund as of FY09PB. These transfer funds will be used to fund KC-X acquisition after contract award. FY08 and prior RDT&E funding is in PE 401221F.

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

FY09 and beyond RDT&E funds have been transferred from PE 401221F / BPAC 674927 KC-135 Replacement Tanker to PE 605221F / BPAC 655271 KC-X, Next Generation Aerial Refueling Aircraft.

The Air Force considered data in the Analysis of Alternatives (AoA) for KC-135 Recapitalization, industry responses to a Request for Information and two draft Request for Proposals, and is pursuing a strategy of full and open competition to select a commercial derivative replacement tanker aircraft. The KC-X is in source selection.

The Air Force needs to replace its aging KC-135 tankers (average age 47 years). This initial increment, known as KC-X, will replace roughly one-third of the current capability. The KC-X will be able to provide fuel to joint and coalition receivers via a boom or drogue system on every mission and will also augment the airlift fleet with cargo, passenger and medical evacuation capabilities.

The KC-X will be able to operate in day/night and adverse weather conditions to enable deployment, employment, sustainment and reemployment of U.S. joint, allied and coalition forces. The KC-X will have navigation and communication equipment for world-wide operations; will have the capability for performing missions in chemical and biological environments; and will have the capability to operate in low to medium threat areas and near-high threat areas with self-defense/protection (both active and passive) capabilities and necessary battle space awareness to mitigate threats.

The KC-X development effort will also procure the necessary ground and flight test assets to support developmental/operational test. The program plans to procure four RDT&E aircraft that will be retrofitted back to production configuration.

Exhibit R-2, RDT&E Budget Item Justification

DATE

February 2008

BUDGET ACTIVITY

05 System Development and Demonstration (SDD)

PE NUMBER AND TITLE

0605221F KC-X, Next Generation Aerial Refueling Aircraft

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

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
(U) Previous President's Budget	0.000	0.000	1,046.700
(U) Current PBR/President's Budget	0.000	0.000	831.759
(U) Total Adjustments	0.000		

(U) Congressional Program Reductions

Congressional Rescissions

Congressional Increases

Reprogrammings

SBIR/STTR Transfer

(U) **Significant Program Changes:**

FY09 and beyond RDT&E funds have been transferred from PE 401221F / BPAC 674927 KC-135 Replacement Tanker to PE 605221F / BPAC 655271 KC-X, Next Generation Aerial Refueling Aircraft. FY09 funds reduced for other AF bills.

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

DATE  
**February 2008**

<b>BUDGET ACTIVITY</b> <b>05 System Development and Demonstration (SDD)</b>				<b>PE NUMBER AND TITLE</b> <b>0605221F KC-X, Next Generation Aerial Refueling Aircraft</b>			<b>PROJECT NUMBER AND TITLE</b> <b>5271 KC-X RDT&amp;E</b>		
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
5271 KC-X RDT&E	0.000	0.000	831.759	450.152	63.823	0.000	0.000	Continuing	TBD
Quantity of RDT&E Articles	0	0	0	0	0	0	0		

FY05 Approps bill establishes \$100M Transfer Replacement Transfer Fund (\$10.2M used by AF in FY05) -- \$89.8M funding remaining as of submission of FY08PB. FY08 Approps bill cuts \$50M in RDT&E; moves \$150M of \$264.5M FY08 RDT&E to Transfer Fund -- \$239.8M in Transfer Fund as of FY09PB. These transfer funds will be used to fund KC-X acquisition after contract award. FY08 and prior RDT&E funding is in PE 401221F.

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The Air Force considered data in the Analysis of Alternatives (AoA) for KC-135 Recapitalization, industry responses to a Request for Information and two draft Request for Proposals, and is pursuing a strategy of full and open competition to select a commercial derivative replacement tanker aircraft. The KC-X is in source selection.

The Air Force needs to replace its aging KC-135 tankers (average age 47 years). This initial increment, known as KC-X, will replace roughly one-third of the current capability. The KC-X will be able to provide fuel to joint and coalition receivers via a boom or drogue system on every mission and will also augment the airlift fleet with cargo, passenger and medical evacuation capabilities.

The KC-X will be able to operate in day/night and adverse weather conditions to enable deployment, employment, sustainment and reemployment of U.S. joint, allied and coalition forces. The KC-X will have navigation and communication equipment for world-wide operations; will have the capability for performing missions in chemical and biological environments; and will have the capability to operate in low to medium threat areas and near-high threat areas with self-defense/protection (both active and passive) capabilities and necessary battle space awareness to mitigate threats.

The KC-X development effort will also procure the necessary ground and flight test assets to support developmental/operational test. The program plans to procure four RDT&E aircraft that will be retrofitted back to production configuration.

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

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
(U) Non-recurring engineering, RDT&E tanker aircraft and support			806.469
(U) Test			10.590
(U) Studies			5.500
(U) Mission Support			9.200
(U) Omnibus, Other Sources			
(U) Total Cost	0.000	0.000	831.759

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

DATE

**February 2008**

BUDGET ACTIVITY

**05 System Development and Demonstration (SDD)**

PE NUMBER AND TITLE

**0605221F KC-X, Next Generation  
Aerial Refueling Aircraft**

PROJECT NUMBER AND TITLE

**5271 KC-X RDT&E**

**(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) Aircraft Procurement, BP10			61.660	1962.086	2780.974	3066.917	2970.468		
(U) Aircraft Procurement, BP11					20.504	50.161	40.211		
(U) MILCON				92.898	92.782	43.715			
(U) O&M			1.057	2.493	67.567	99.335	190.533		

FY09 and beyond RDT&E funds have been transferred from PE 401221F / BPAC 674927 KC-135 Replacement Tanker to PE 605221F / BPAC 655271 KC-X, Next Generation Aerial Refueling Aircraft.

**(U) D. Acquisition Strategy**

The KC-X program is pursuing an acquisition strategy of a full and open competition to select a commercial derivative replacement tanker aircraft. The program is currently in source selection.

As the initial phase of a comprehensive aerial refueling re-capitalization strategy, the KC-X program will replace approximately one third of the war-fighting capability provided by the current aerial refueling fleet. The KC-X program will procure approximately 179 aircraft. SDD contract award is anticipated in 2nd Qtr FY08.

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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>05 System Development and Demonstration (SDD)</b>				<b>0605221F KC-X, Next Generation Aerial Refueling Aircraft</b>				<b>5271 KC-X RDT&amp;E</b>				
(U) Cost Categories (Tailor to WBS, or System/Item Requirements) (\$ in Millions)	Contract Method & Type	Performing Activity & Location	Total Prior to FY 2007 Cost	FY 2007 Cost	FY 2007 Award Date	FY 2008 Cost	FY 2008 Award Date	FY 2009 Cost	FY 2009 Award Date	Cost to Complete	Total Cost	Target Value of Contract
(U) <u>Product Development</u> Non-recurring, RDT&E tanker aircraft and support	TBD	Aerospace manufacturer TBD						806.469		Continuing	TBD	
Subtotal Product Development			0.000	0.000		0.000		806.469		Continuing	TBD	0.000
Remarks:												
(U) <u>Support</u> Studies and Analysis		Proposed ASC/EN/XR, AFVB, Edwards, AFMSS, RAND, Eglin, trainers, support contractors						10.590		Continuing	TBD	
Subtotal Support			0.000	0.000		0.000		10.590		Continuing	TBD	0.000
Remarks:												
(U) <u>Test &amp; Evaluation</u> Test and Planning	TBD	AFFTC, AFOTEC, Edwards AFB, Survivac, Live Fire						5.500		Continuing	TBD	
Subtotal Test & Evaluation			0.000	0.000		0.000		5.500		Continuing	TBD	0.000
Remarks:												
(U) <u>Management</u> 653d Aeronautical Systems Squadron	n/a	653 AESS, Wright Patterson AFB						9.200		Continuing	TBD	
Subtotal Management			0.000	0.000		0.000		9.200		Continuing	TBD	0.000
Remarks:												
(U) <u>AF WH, Omnibus, Other Sources</u> Air Force withhold, Omnibus, Other Sources	n/a									Continuing	TBD	
Subtotal AF WH, Omnibus, Other Sources			0.000	0.000		0.000		0.000		Continuing	TBD	0.000
Remarks:												
(U) Total Cost			0.000	0.000		0.000		831.759		Continuing	TBD	0.000

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Exhibit R-3 (PE 0605221F)

Exhibit R-4, RDT&E Schedule Profile

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BUDGET ACTIVITY  
05 System Development and Demonstration (SDD)

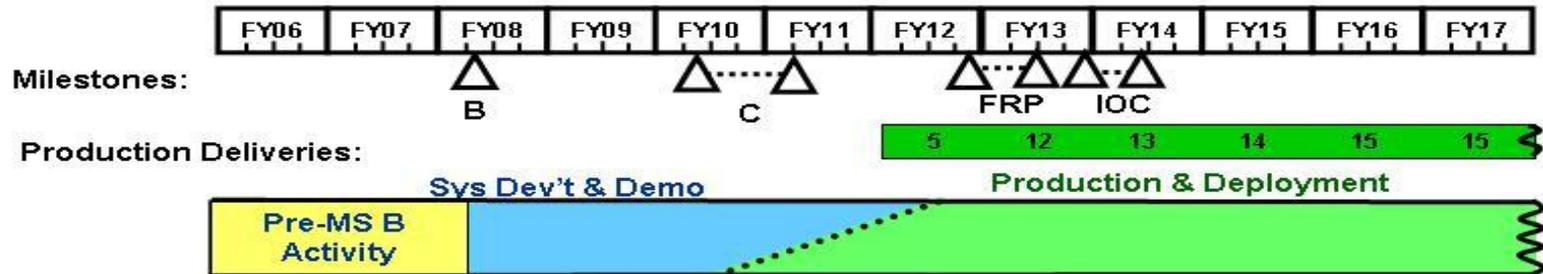
PE NUMBER AND TITLE  
0605221F KC-X, Next Generation  
Aerial Refueling Aircraft

PROJECT NUMBER AND TITLE  
5271 KC-X RDT&E



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# Notional Schedule KC-135 Replacement Program



As of:

*Integrity - Service - Excellence*

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<b>Exhibit R-4a, RDT&amp;E Schedule Detail</b>	DATE <b>February 2008</b>
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<b>BUDGET ACTIVITY</b> <b>05 System Development and Demonstration (SDD)</b>	<b>PE NUMBER AND TITLE</b> <b>0605221F KC-X, Next Generation Aerial Refueling Aircraft</b>	<b>PROJECT NUMBER AND TITLE</b> <b>5271 KC-X RDT&amp;E</b>
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	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
(U) <b><u>Schedule Profile</u></b>			
(U) Non-recurring engineering, RDT&E tanker aircraft and support		2-4Q	1-4Q
(U) Test	1-4Q	1-4Q	1-4Q
(U) Studies	1-4Q	1-4Q	1-4Q
(U) Mission Support	1-4Q	1-4Q	1-4Q