

**UNCLASSIFIED**

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

<b>Exhibit R-2, RDT&amp;E Budget Item Justification</b>	DATE <b>May 2009</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 2008 Actual	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost to Complete	Total
Total Program Element (PE) Cost	166.217	235.407	161.855	0.000	0.000	0.000	0.000	0.000	Continuing	TBD
2569 C-17 Aircraft	166.217	235.407	161.855	0.000	0.000	0.000	0.000	0.000	Continuing	TBD

In FY10, 672569, C-17 Aircraft development includes new start efforts.  
 FY02 and later funds for LAIRCM were transferred 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. 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. In addition, funding may be used to develop solutions to emergency obsolescence issues that impact the mission capability or continued support of the C-17 weapon system.

This program is under Budget Activity 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 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
(U) Previous President's Budget	180.581	236.047	216.032
(U) Current PBR/President's Budget	166.217	235.407	161.855
(U) Total Adjustments	-14.364	-0.640	
(U) Congressional Program Reductions			
Congressional Rescissions		-0.640	
Congressional Increases			
Reprogrammings	-10.000		
SBIR/STTR Transfer	-4.364		

**(U) Significant Program Changes:**

FY08 \$10M reprogrammed to the TDL program in support of TDL integration efforts on the A-10 and F-15 aircraft. Funds were available because of late-arriving authority to start replacement heads-up display (RHUD) development, T-1 engine overhaul was deferred, and minor schedule slips to several smaller efforts.  
 FY10 reduction due to higher Air Force priorities.

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

DATE  
**May 2009**

BUDGET ACTIVITY <b>07 Operational System Development</b>				PE NUMBER AND TITLE <b>0401130F C-17 Aircraft</b>				PROJECT NUMBER AND TITLE <b>2569 C-17 Aircraft</b>		
Cost (\$ in Millions)	FY 2008 Actual	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost to Complete	Total
2569 C-17 Aircraft	166.217	235.407	161.855	0.000	0.000	0.000	0.000	0.000	Continuing	TBD
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0		

In FY10, 672569, C-17 Aircraft development includes new start efforts.

**(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. 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. In addition, funding may be used to develop solutions to emergency obsolescence issues that impact the mission capability or continued support of the C-17 weapon system.

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

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
(U) Performance Improvement Development & Testing	89.263	143.733	86.925
(U) Systems Engineering/Program Management	45.273	51.569	39.430
(U) Producibility Enhancement/Performance Improvement (PE/PI) Contractor Flight Test	22.648	26.955	23.500
(U) Producibility Enhancement/Performance Improvement (PE/PI) Government Flight Test	9.033	13.150	12.000
(U) Total Cost	166.217	235.407	161.855

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

	<u>FY 2008</u> <u>Actual</u>	<u>FY 2009</u> <u>Estimate</u>	<u>FY 2010</u> <u>Estimate</u>	<u>FY 2011</u> <u>Estimate</u>	<u>FY 2012</u> <u>Estimate</u>	<u>FY 2013</u> <u>Estimate</u>	<u>FY 2014</u> <u>Estimate</u>	<u>FY 2015</u> <u>Estimate</u>	<u>Cost to</u> <u>Complete</u>	<u>Total Cost</u>
(U) APAF, MYP, BA02, PE0401130F	3565.639	297.966	88.510						0.000	3,952.115
(U) APAF, A/C Mods, BA05, PE0401130F/PE0401134F/PE 0411897F	261.151	332.417	469.731						0.000	1,063.299
(U) MilCon, Facilities, PE0401130F	44.071	12.000	0.000						0.000	56.071

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

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

DATE

May 2009

BUDGET ACTIVITY

07 Operational System Development

PE NUMBER AND TITLE

0401130F C-17 Aircraft

PROJECT NUMBER AND TITLE

2569 C-17 Aircraft

(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) IDIQ contracts for the procurement of C-17s and engines beyond 180, including 10 aircraft included in the FY07 Defense Appropriations Act, 15 aircraft included in the FY08 GWOT supplemental appropriation, 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); 3) a Globemaster III Sustainment Partnership (field support) contract to support the current and future fielded aircraft - (O&M, TWCF); 4) an 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. The FY07 Defense Appropriations Act provided funding for 10 aircraft to bring the total fleet number to 190 aircraft. Most recently, the FY08 GWOT supplement included funding for 15 additional aircraft.

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

DATE

**May 2009**

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 2008 Cost</u>	<u>FY 2008 Cost</u>	<u>FY 2008 Award Date</u>	<u>FY 2009 Cost</u>	<u>FY 2009 Award Date</u>	<u>FY 2010 Cost</u>	<u>FY 2010 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,C PIF/AF		6,823.032	147.238	Oct-07	212.379	Oct-08	140.264	Oct-09		7,322.913	
Subtotal Product Development			6,823.032	147.238		212.379		140.264		0.000	7,322.913	0.000
Remarks:												
(U) <u>Support</u>												
Mission Support OGC	PO		98.551	9.946	Oct-07	9.878	Oct-08	9.591	Oct-09		127.966	
Subtotal Support			98.551	9.946		9.878		9.591		0.000	127.966	0.000
Remarks:												
(U) <u>Test &amp; Evaluation</u>												
Combined Test Force	PO		354.751	8.000	Jan-08	13.000	Dec-08	12.000	Oct-09		387.751	
JPADS	PO		4.350								4.350	
SPRO (Army funds for testing)	PO		10.146	0.808	Feb-08	0.150	Jan-09			0.000	11.104	
AFRL	PO		0.040	0.225							0.265	
Subtotal Test & Evaluation			369.287	9.033		13.150		12.000		0.000	403.470	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			7,290.870	166.217		235.407		161.855		0.000	7,854.349	0.000

Exhibit R-4, RDT&E Schedule Profile

DATE

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# C-17 Program Schedule

As you can see from this chart, the C-17 is a fairly mature program. We've delivered 185 USAF jets, 6 UK, 4 AUS and 4 Canada aircraft. There are also 2 SAC aircraft planned (+1 USAF A/C).

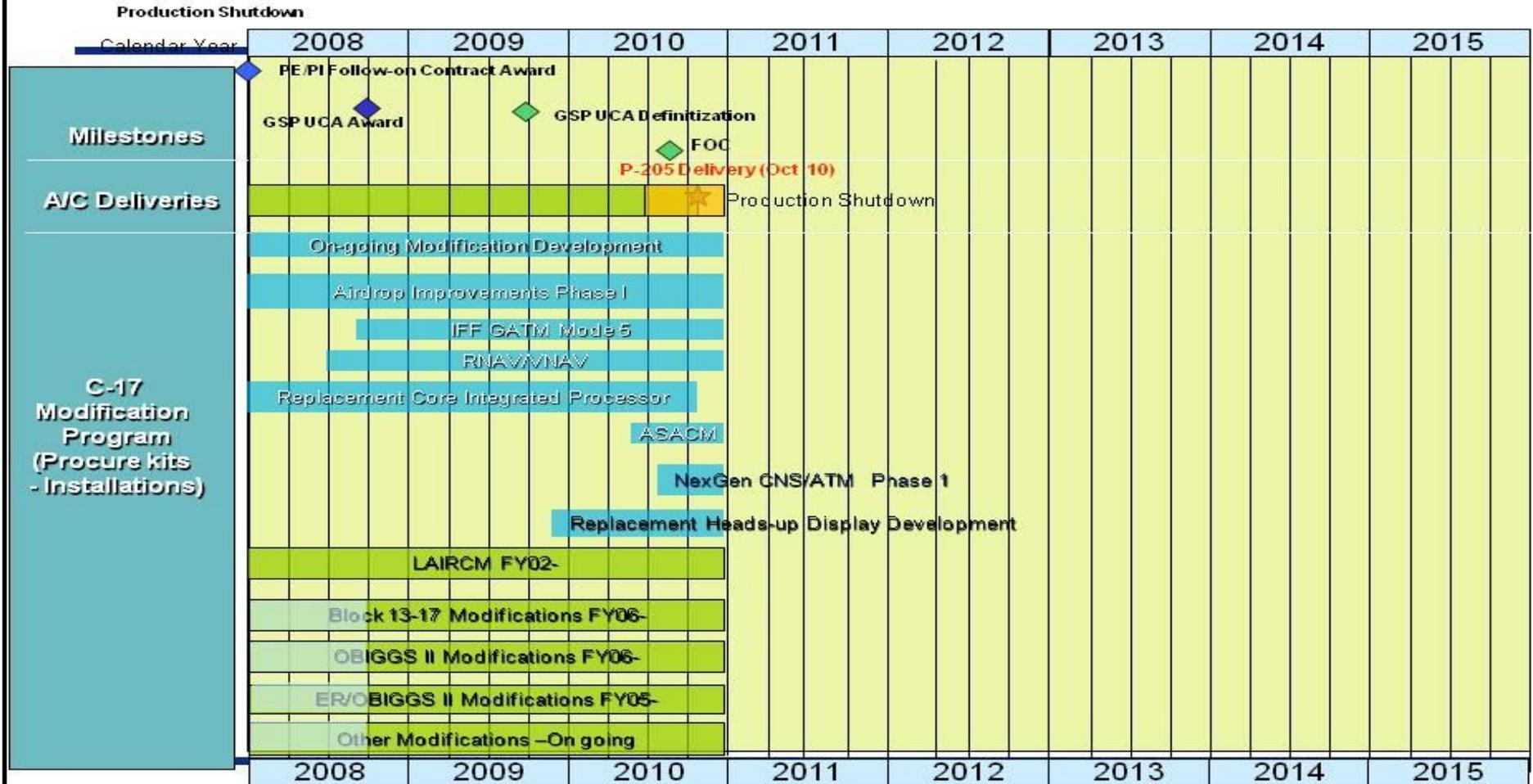


Exhibit R-4a, RDT&E Schedule Detail

DATE

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(U) <u>Schedule Profile</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
(U) Incremental Funding of Ongoing Performance Improvement Projects (Boeing)	1-3Q	1-3Q	1-3Q
(U) Adv Situational Awareness & Countermeasures (ASACM)		4Q	1Q
(U) Replacement HUD		4Q	1Q
(U) Next Gen CNS/ATM			3Q
(U) IFF CNS/ATM Mode 5	4Q	1Q	1Q
(U) ELT Frequency Change	4Q	1Q	1Q
(U) Rnav/Vnav & Baro Vnav Capability	3Q	1Q	1Q
(U) Air Force Flight Test Center	2Q	1Q	1Q