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Exhibit R-2, RDT&E Budget Item Justification: PB 2016 Air Force										Date: February 2015		
Appropriation/Budget Activity 3600: Research, Development, Test & Evaluation, Air Force I BA 7: Operational Systems Development					R-1 Program Element (Number/Name) PE 0401314F I Operational Support Airlift							
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	19.000	38.538	27.784	48.453	-	48.453	16.155	-	-	-	Continuing	Continuing
675355: Presidential Aircraft Recapitalization	19.000	6.403	-	-	-	-	-	-	-	-	-	25.403
676024: VC-25 Avionics Modernization Program	0.000	32.135	27.784	48.453	-	48.453	16.155	-	-	-	Continuing	Continuing
Program MDAP/MAIS Code: 425												
Note FY15 and beyond, Project 675355 Presidential Aircraft Recapitalization efforts will be executed in PE0401319F, Project 655250, Presidential Aircraft Recap in order to improve transparency for ACAT I acquisition programs. A. Mission Description and Budget Item Justification This line item previously supported two Presidential support airlift modernization efforts: Presidential Aircraft Recapitalization (PAR) and VC-25A Avionics Modernization Program (AMP). FY15 and beyond, Project 675355 Presidential Aircraft Recapitalization efforts will be executed in PE0401319F, Project 655250, Presidential Aircraft Recap in order to improve transparency for ACAT I acquisition programs; this line item is dedicated solely to VC-25A AMP. VC-25A AMP assures unrestricted global access to civilian and military airspace to support the President of the United States as Head of State, Chief Executive, and Commander in Chief. AMP upgrades use a systems approach to aid pilot awareness and alleviate task saturation enhancing safety in a high technology concentrated airspace environment. VC-25A AMP is a required modification to address safety of flight and to ensure the viability of the Presidential support airlift fleet until PAR is fielded.												

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Exhibit R-2, RDT&E Budget Item Justification: PB 2016 Air Force				Date: February 2015	
Appropriation/Budget Activity 3600: Research, Development, Test & Evaluation, Air Force I BA 7: Operational Systems Development		R-1 Program Element (Number/Name) PE 0401314F I Operational Support Airlift			
B. Program Change Summary (\$ in Millions)	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total
Previous President's Budget	38.538	27.784	38.376	-	38.376
Current President's Budget	38.538	27.784	48.453	-	48.453
Total Adjustments	-	-	10.077	-	10.077
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Other Adjustments	-	-	10.077	-	10.077
Change Summary Explanation					
FY14 adjustment is a Congressional Directed Reduction due to program decrease (\$6.153M).					
Note: FY15 and beyond, Project 675355 Presidential Aircraft Recapitalization efforts will be executed in PE0401319F, Project 655250, Presidential Aircraft Recap in order to improve transparency for ACAT I acquisition programs.					

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Exhibit R-2A, RDT&E Project Justification: PB 2016 Air Force										Date: February 2015		
Appropriation/Budget Activity 3600 / 7					R-1 Program Element (Number/Name) PE 0401314F / Operational Support Airlift				Project (Number/Name) 675355 / Presidential Aircraft Recapitalization			
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
675355: Presidential Aircraft Recapitalization	19.000	6.403	-	-	-	-	-	-	-	-	-	25.403
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

Note

In FY 2015, PE 0401314 Presidential Aircraft Replacement, Project 675355 Presidential Aircraft Recapitalization, was transferred to PE 0401319 Presidential Aircraft Replacement, Project 655250 Presidential Aircraft Recap (PAR), BA07 to improve transparency for ACAT I program.

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. Modifications 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 manufacturing maturity analysis and other government costs.

B. Accomplishments/Planned Programs (\$ in Millions)

	FY 2014	FY 2015	FY 2016
Title: Acquisition Program Planning	6.403	-	-
Description: Acquisition Planning/Program Documentation			
FY 2014 Accomplishments:			

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Exhibit R-2A, RDT&E Project Justification: PB 2016 Air Force								Date: February 2015			
Appropriation/Budget Activity 3600 / 7				R-1 Program Element (Number/Name) PE 0401314F / <i>Operational Support Airlift</i>				Project (Number/Name) 675355 / <i>Presidential Aircraft Recapitalization</i>			
B. Accomplishments/Planned Programs (\$ in Millions)								FY 2014	FY 2015	FY 2016	
Updated acquisition planning products: 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.											
FY 2015 Plans: FY 2015 Presidential Aircraft Recapitalization efforts are executed in PE 0401319F, Project 675355 BA 07.											
FY 2016 Plans: FY 2016 Presidential Aircraft Recapitalization efforts are executed in PE 0401319F, Project 655250 BA 05.											
Accomplishments/Planned Programs Subtotals								6.403	-	-	
C. Other Program Funding Summary (\$ in Millions)											
<u>Line Item</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016 Base</u>	<u>FY 2016 OCO</u>	<u>FY 2016 Total</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>Cost To Complete</u>	<u>Total Cost</u>
• RDTE: BA07: PE0401319F: <i>Presidential Aircraft Recap (PAR)</i>	-	11.006	-	-	-	-	-	-	-	-	11.006
• RDTE: BA05: PE0401319F: <i>Presidential Aircraft Recap (PAR)</i>	-	-	102.620	-	102.620	480.977	505.899	513.607	458.672	Continuing	Continuing
Remarks FY 2015 Presidential Aircraft Recapitalization efforts are executed in PE 0401319F, Project 675355 BA 07; FY 2016 Presidential Aircraft Recapitalization efforts are executed in PE 0401319F, Project 655250 BA 05											
D. Acquisition Strategy The acquisition is strategy dependent on Milestone Decision Authority approval.											
E. 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			
Appropriation/Budget Activity 3600 / 7						R-1 Program Element (Number/Name) PE 0401314F / Operational Support Airlift				Project (Number/Name) 675355 / Presidential Aircraft Recapitalization					
Product Development (\$ in Millions)				FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 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
Government Studies	Various	AFLCMC/WLJC : Dayton, OH	18.678	5.809	Feb 2014	-		-		-		-	-	24.487	-
Subtotal			18.678	5.809		-		-		-		-	-	24.487	-
Remarks															
Costs associated with development planning, risk reduction and preliminary planning 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; technology and manufacturing maturity analysis; and acquisition planning.															
Support (\$ in Millions)				FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 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
Subtotal			-	-		-		-		-		-	-	-	-
Test and Evaluation (\$ in Millions)				FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 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
Subtotal			-	-		-		-		-		-	-	-	-
Management Services (\$ in Millions)				FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 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
Program Management Activities	Various	AFLCMC/WLJC : Dayton, OH	0.322	0.594	Oct 2013	-		-		-		-	-	0.916	-
Subtotal			0.322	0.594		-		-		-		-	-	0.916	-
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.															

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2016 Air Force											Date: February 2015				
Appropriation/Budget Activity 3600 / 7					R-1 Program Element (Number/Name) PE 0401314F / Operational Support Airlift					Project (Number/Name) 675355 / Presidential Aircraft Recapitalization					
			Prior Years	FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals			19.000	6.403		-		-		-		-	-	25.403	-

Remarks

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Exhibit R-4, RDT&E Schedule Profile: PB 2016 Air Force										Date: February 2015									
Appropriation/Budget Activity 3600 / 7										R-1 Program Element (Number/Name) PE 0401314F / Operational Support Airlift									
										Project (Number/Name) 675355 / Presidential Aircraft Recapitalization									

	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
Acquisition Strategy Development																												
Develop RFP																												
CDD																												

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Exhibit R-4A, RDT&E Schedule Details: PB 2016 Air Force			Date: February 2015
Appropriation/Budget Activity 3600 / 7	R-1 Program Element (Number/Name) PE 0401314F / <i>Operational Support Airlift</i>	Project (Number/Name) 675355 / <i>Presidential Aircraft Recapitalization</i>	

Schedule Details

Events	Start		End	
	Quarter	Year	Quarter	Year
Acquisition Strategy Development	1	2014	4	2014
Develop RFP	1	2014	4	2014
CDD	1	2014	4	2014

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Exhibit R-2A, RDT&E Project Justification: PB 2016 Air Force										Date: February 2015		
Appropriation/Budget Activity 3600 / 7					R-1 Program Element (Number/Name) PE 0401314F / Operational Support Airlift				Project (Number/Name) 676024 / VC-25 Avionics Modernization Program			
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
676024: VC-25 Avionics Modernization Program	-	32.135	27.784	48.453	-	48.453	16.155	-	-	-	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

VC-25A Avionics Modernization Program (AMP) assures unrestricted global access to civilian and military airspace to support the President of the United States as Head of State, Chief Executive, and Commander in Chief. AMP upgrades use a systems approach to aid pilot awareness and alleviate task saturation enhancing safety in a high technology concentrated airspace environment. VC-25A AMP is a required modification to ensure the viability of the Presidential support airlift fleet until the Presidential Aircraft Recapitalization (PAR) program is fielded.

AMP complies with mandates for civil Automatic Dependent Surveillance-Broadcast (ADS-B) Out and Identification Friend or Foe (IFF) Mode 5 and provides an improved Advisory Vertical Navigation (VNAV) capability. It will incorporate multiple subsystems, to include, but not limited to, maneuver camera system, large cockpit displays, and navigation radios to increase the utility and safety of the VC-25A. Provisions for the military ADS-B Out will also be provided. Installations are aligned with the aircraft heavy maintenance schedule.

This program is in Budget Activity 7, Operational System Development, because this budget activity includes development efforts to upgrade systems that have been fielded or have received approval for full rate production and anticipate production funding in the current or subsequent fiscal year.

B. Accomplishments/Planned Programs (\$ in Millions)

	FY 2014	FY 2015	FY 2016
Title: Design and Test	32.135	27.784	48.453
Description: Design and Test efforts include stand-up of a Systems Integration Laboratory (SIL), non-recurring engineering, material buys for the SIL, as well as design, test and evaluation, and installation of the avionics systems. All modifications to be performed on the aircraft must be proven on the ground prior to installation.			
FY 2014 Accomplishments: Funding will be used for continuing non-recurring engineering, material buys and testing of the SIL; as well as funding Preliminary Design Review (PDR).			
FY 2015 Plans: Funding will be used for continuing non-recurring engineering, material buys and Critical Design Review (CDR). SIL engineering and test continues for Flight Management System (FMS) software.			
FY 2016 Plans:			

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Exhibit R-2A, RDT&E Project Justification: PB 2016 Air Force										Date: February 2015		
Appropriation/Budget Activity 3600 / 7				R-1 Program Element (Number/Name) PE 0401314F / <i>Operational Support Airlift</i>				Project (Number/Name) 676024 / <i>VC-25 Avionics Modernization Program</i>				
B. Accomplishments/Planned Programs (\$ in Millions)										FY 2014	FY 2015	FY 2016
Funding will be used for material buys, Install kit, Ground Test and Flight Test.												
Accomplishments/Planned Programs Subtotals										32.135	27.784	48.453
C. Other Program Funding Summary (\$ in Millions)												
Line Item	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	
• APAF: BA05: PE0401314F: VC-25A	0.263	1.072	18.873	-	18.873	30.340	53.306	40.515	-	Continuing	Continuing	
Remarks												
D. Acquisition Strategy												
VC-25A AMP is accomplished by developmental integration of commercial off-the-shelf systems, hardware procurement and installation is accomplished to align with heavy maintenance depot schedules. An Undefinitized Contract Action (UCA) was issued in Jun 12. The UCA will be definitized with a Cost Plus Incentive Fee (CPIF) type contract. The CPIF contract covers the engineering RDT&E effort through CDR in FY15. The remaining RDT&E effort including the first kit, install and flight test will be awarded in FY15 and conclude in FY18 with delivery of the first aircraft.												
E. 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			
Appropriation/Budget Activity 3600 / 7						R-1 Program Element (Number/Name) PE 0401314F / Operational Support Airlift				Project (Number/Name) 676024 / VC-25 Avionics Modernization Program					
Product Development (\$ in Millions)				FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 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
VC-25 AMP Engineering	SS/CPIF	Oklahoma City : Tinker, AFB, OK	0.000	32.105	Apr 2014	26.784	Feb 2015	47.453	Feb 2015	-		47.453	Continuing	Continuing	-
Subtotal			0.000	32.105		26.784		47.453		-		47.453	-	-	-
Remarks															
Product Development costs include modification engineering design, first modification kit, Systems Integration Laboratory design and development, ground and flight testing and certification.															
Support (\$ in Millions)				FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 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
Subtotal			-	-		-		-		-		-	-	-	-
Test and Evaluation (\$ in Millions)				FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 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
Subtotal			-	-		-		-		-		-	-	-	-
Management Services (\$ in Millions)				FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 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
VC-25 AMP Program Management Activities	SS/CPIF	OC-ALC : Oklahoma City, OK	0.000	0.030	Dec 2013	1.000	Sep 2015	1.000	Jan 2015	-		1.000	Continuing	Continuing	-
Subtotal			0.000	0.030		1.000		1.000		-		1.000	-	-	-
Remarks															
Program Management Administration enables operation of program office management and oversight to support VC-25A AMP efforts. Management Services include travel to support Critical Design Review, engineering oversight, and depot visit support.															

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2016 Air Force										Date: February 2015				
Appropriation/Budget Activity 3600 / 7					R-1 Program Element (Number/Name) PE 0401314F / Operational Support Airlift					Project (Number/Name) 676024 / VC-25 Avionics Modernization Program				
		Prior Years	FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals		0.000	32.135		27.784		48.453		-		48.453	-	-	-
Remarks														

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Exhibit R-4, RDT&E Schedule Profile: PB 2016 Air Force			Date: February 2015		
Appropriation/Budget Activity 3600 / 7		R-1 Program Element (Number/Name) PE 0401314F / <i>Operational Support Airlift</i>		Project (Number/Name) 676024 / <i>VC-25 Avionics Modernization Program</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
Systems Integration Labratory engineering																												
Definitize UCA																												
Preliminary Design Review																												
Kit #1 Procurement																												
Critical Design Review																												
Kit #1 Installation																												
Test and Evaluation																												
Kit #2 Procurement																												
Kit #2 Installation																												

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Exhibit R-4A, RDT&E Schedule Details: PB 2016 Air Force			Date: February 2015
Appropriation/Budget Activity 3600 / 7	R-1 Program Element (Number/Name) PE 0401314F / <i>Operational Support Airlift</i>	Project (Number/Name) 676024 / <i>VC-25 Avionics Modernization Program</i>	

Schedule Details

Events	Start		End	
	Quarter	Year	Quarter	Year
Systems Integration Laboratory engineering	1	2014	2	2016
Definitize UCA	1	2014	1	2014
Preliminary Design Review	4	2014	4	2014
Kit #1 Procurement	2	2015	3	2016
Critical Design Review	2	2015	2	2015
Kit #1 Installation	3	2016	2	2018
Test and Evaluation	1	2017	1	2018
Kit #2 Procurement	4	2017	4	2017
Kit #2 Installation	4	2018	4	2018