

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Air Force										Date: February 2016		
Appropriation/Budget Activity 3600: Research, Development, Test & Evaluation, Air Force I BA 5: System Development & Demonstration (SDD)					R-1 Program Element (Number/Name) PE 0401319F I Presidential Aircraft Replacement (PAR)							
COST (\$ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
Total Program Element	-	11.006	82.420	351.220	0.000	351.220	625.631	740.999	573.711	487.270	Continuing	Continuing
655250: Presidential Aircraft Recap (PAR)	-	11.006	82.420	351.220	0.000	351.220	625.631	740.999	573.711	487.270	Continuing	Continuing
Quantity of RDT&E Articles		-	-	2	-	2	-	-	-	-		
Program MDAP/MAIS Code: 425												
A. Mission Description and Budget Item Justification												
The Presidential Aircraft Recapitalization (PAR) Program will replace the Presidential VC-25A fleet which faces capability gaps, rising maintenance costs, and parts obsolescence as it reaches the end of its planned 30-year life-cycle. The PAR Program Office will deliver a new fleet of aircraft to meet the requirements for the President to execute the duties of Head of State, Chief Executive, and Commander-in-Chief. The Boeing 747-8 commercial aircraft will be uniquely modified to provide the President, staff, and guests with safe and reliable air transportation with the equivalent level of communications capability and security available in the White House. The modifications to the 747-8 aircraft will include an electrical power upgrade with dual Auxiliary Power Units that are usable in flight, a mission communication system, work and rest environment, executive interior, military avionics, self-defense system, autonomous enplaning and deplaning, and autonomous baggage loading. No significant changes to the existing VC-25A Concept of Operations or Concept of Employment are expected. In August 2012, the Under Secretary of Defense for Acquisition, Technology and Logistics (USD (AT&L)) approved the PAR Materiel Development Decision. The Capability Development Document, was validated by the Joint Requirements Oversight Council in November 2014. In January 2015, the Secretary of the Air Force's Determination and Findings designated the Boeing 747-8 aircraft as the PAR platform, and the USD (AT&L)'s Acquisition Decision Memorandum authorized Pre-Milestone B (Pre-MS B) contracts aimed at improving affordability and reducing program execution risk. In February 2015, the Assistant Secretary of the Air Force for Acquisition approved a Justification and Approval designating Boeing as the sole source for PAR Pre-MS B and design, integration and modification activities. The acquisition strategy was approved by USD (AT&L) in September 2015. This budget supports Pre-MS B risk reduction activities and studies as well as design, modification, install and test of two aircraft to make them Presidential mission ready. Pre-MS B efforts are the first step in a deliberate process to control program risks and life-cycle costs. These activities will include the definition of detailed requirements and design trade-offs required to support informed decisions, that will lead to a lower risk Engineering and Manufacturing Development program and lower life cycle costs. Following a successful MS B in 4th quarter FY16, the program will purchase two Boeing 747-8 commercial aircraft and begin Preliminary Design. Given the commercial aircraft delivery timeline, the Program Office must award a contract to Boeing for the commercial aircraft before design work begins. In FY18 the EMD activities will include the management, detailed design, integration, modification, test/verification, certification and pre-operational support to deliver two PAR Aircraft to be Presidential mission ready.												

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Air Force				Date: February 2016		
Appropriation/Budget Activity 3600: Research, Development, Test & Evaluation, Air Force I BA 5: System Development & Demonstration (SDD)		R-1 Program Element (Number/Name) PE 0401319F I Presidential Aircraft Replacement (PAR)				
B. Program Change Summary (\$ in Millions)		FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Previous President's Budget		11.006	102.620	480.977	0.000	480.977
Current President's Budget		11.006	82.420	351.220	0.000	351.220
Total Adjustments		0.000	-20.200	-129.757	0.000	-129.757
• Congressional General Reductions		0.000	0.000			
• Congressional Directed Reductions		0.000	-20.200			
• 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		0.000	0.000			
• Other Adjustments		0.000	0.000	-129.757	0.000	-129.757
Change Summary Explanation						
The FY2016 funding was reduced by \$20.2 million due to a Congressionally directed reduction to defer commercial aircraft buy to FY2017.						
The FY 2017 funding request was reduced by \$126.257 million to account for the USD (AT&L) approved acquisition strategy. The remaining \$3.5M was reduced due to deflation.						
C. Accomplishments/Planned Programs (\$ in Millions)				FY 2015	FY 2016	FY 2017
Title: Pre-MS B Risk Reduction, Commercial A/C, Prelim Design & PMA				10.781	81.960	350.290
Description: Pre-MS B risk reduction activities to refine requirements and reduce risk; begin Preliminary Design activities and utilize modeling and simulation, system integration labs and mockups to assist in the design and Program Management Administration to support the program office. In FY17 the program office will begin incrementally funding 2 commercial 747-8 aircraft which will enable PAR test activities.						
FY 2015 Accomplishments: Funds in FY 2015 initiated the Pre-MS B risk reduction activities and supported Program Management Administration for the program office.						
FY 2016 Plans: Funds in FY 2016 will continue Pre-MS B risk reduction activities and support Program Management Administration.						
FY 2017 Plans:						

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Air Force		Date: February 2016	
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 0401319F <i>I Presidential Aircraft Replacement (PAR)</i>	
C. Accomplishments/Planned Programs (\$ in Millions)		FY 2015	FY 2016
Funds in FY 2017 will complete Pre-MS B risk reduction activities, begin Preliminary Design activities and support Program Management Administration. The program office will also begin incrementally funding 2 aircraft which will support PAR developmental activities.			
Title: Government Test		0.225	0.460
Description: Government test activities to prepare for, oversee, and conduct test events.			
FY 2015 Accomplishments: Funds in FY 2015 were used for government test activities to prepare for test events.			
FY 2016 Plans: Funds in FY 2016 will be used to prepare for government test activities.			
FY 2017 Plans: Funds in FY 2017 will be used to prepare for, oversee and conduct initial test events.			
Accomplishments/Planned Programs Subtotals		11.006	82.420
D. Other Program Funding Summary (\$ in Millions)			
Line Item	FY 2015	FY 2016	FY 2017
			Base
			OCO
			Total
			FY 2018
			FY 2019
			FY 2020
			FY 2021
			Cost To Complete
			Total Cost
• MILCON: PE	0.000	0.000	22.220
0401319F: <i>PAR Facilities</i>			0.000
			277.500
			31.000
			0.000
			0.000
			-
			-
Remarks			
E. Acquisition Strategy			
The USD(AT&L) PAR Acquisition Strategy was approved in September 2015. The PAR Program will integrate technologically mature subsystems into commercial Boeing 747-8 aircraft. The PAR program will design, modify, install and test two aircraft to make them Presidential mission ready. Boeing will be the sole source for PAR development activities. However, the Air Force intends to incorporate competition for subsystems for the modified aircraft as much as practicable and will participate substantively in selected Boeing-led subsystem competitions. The PAR Program will have a single contract with multiple planned major contract modifications which include 747-8 commercial aircraft, Preliminary Design and EMD. The initial effort for risk reduction activities was awarded on 29 January 2016.			
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.			

UNCLASSIFIED

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Air Force												Date: February 2016			
Appropriation/Budget Activity 3600 / 5						R-1 Program Element (Number/Name) PE 0401319F / <i>Presidential Aircraft Replacement (PAR)</i>						Project (Number/Name) 655250 / <i>Presidential Aircraft Recap (PAR)</i>			
Product Development (\$ in Millions)				FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 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
PAR Contract Activities	Various	Not specified. : TBD	-	7.689	Sep 2015	75.850	Feb 2016	344.020	Oct 2016	0.000		344.020	Continuing	Continuing	-
Subtotal			-	7.689		75.850		344.020		0.000		344.020	-	-	-
Support (\$ in Millions)				FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 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 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 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
PAR Developmental Test and Evaluation	MIPR	412 TW : Edwards AFB, CA	-	0.225	Sep 2015	0.460	Aug 2016	0.930	Aug 2017	0.000		0.930	Continuing	Continuing	-
Subtotal			-	0.225		0.460		0.930		0.000		0.930	-	-	-
Management Services (\$ in Millions)				FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 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
PAR Other Government Costs	Various	AFLCMC/WLJ : Dayton, OH	-	1.176	Dec 2014	2.671	Nov 2015	2.090	Nov 2016	0.000		2.090	Continuing	Continuing	-
A&AS	C/T&M	AFLCMC/WL : Dayton, OH	-	1.916	Feb 2015	3.439	Feb 2016	4.180	Feb 2017	0.000		4.180	Continuing	Continuing	-
Subtotal			-	3.092		6.110		6.270		0.000		6.270	-	-	-
Project Cost Totals			-	11.006		82.420		351.220		0.000		351.220	-	-	-

UNCLASSIFIED

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Air Force							Date: February 2016			
Appropriation/Budget Activity 3600 / 5			R-1 Program Element (Number/Name) PE 0401319F / <i>Presidential Aircraft Replacement (PAR)</i>			Project (Number/Name) 655250 / <i>Presidential Aircraft Recap (PAR)</i>				
	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract	
Remarks Prior Years RDT&E Funding \$27.3M was executed in PE 0401314F, Project 675355, BA07										

UNCLASSIFIED

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Air Force			Date: February 2016		
Appropriation/Budget Activity 3600 / 5		R-1 Program Element (Number/Name) PE 0401319F / <i>Presidential Aircraft Replacement (PAR)</i>			Project (Number/Name) 655250 / <i>Presidential Aircraft Recap (PAR)</i>

	FY 2015				FY 2016				FY 2017				FY 2018				FY 2019				FY 2020				FY 2021			
	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
Pre-MS B Risk Reduction Activities																												
Commercial A/C RFP Release																												
Milestone B and EMD RFP Release Decision																												
Commercial A/C Award																												
Preliminary Design Award & Activities																												
PDR																												
EMD Award & Activities																												
CDR																												

UNCLASSIFIED

Exhibit R-4A, RDT&E Schedule Details: PB 2017 Air Force			Date: February 2016
Appropriation/Budget Activity 3600 / 5	R-1 Program Element (Number/Name) PE 0401319F / <i>Presidential Aircraft Replacement (PAR)</i>	Project (Number/Name) 655250 / <i>Presidential Aircraft Recap (PAR)</i>	

Schedule Details

Events	Start		End	
	Quarter	Year	Quarter	Year
Pre-MS B Risk Reduction Activities	2	2016	2	2018
Commercial A/C RFP Release	2	2016	2	2016
Milestone B and EMD RFP Release Decision	4	2016	4	2016
Commercial A/C Award	1	2017	1	2017
Preliminary Design Award & Activities	4	2016	4	2018
PDR	3	2018	3	2018
EMD Award & Activities	3	2018	4	2021
CDR	4	2019	4	2019

UNCLASSIFIED

THIS PAGE INTENTIONALLY LEFT BLANK

UNCLASSIFIED