

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: PB 2025 Air Force **Date:** March 2024

| | |
|--|---|
| Appropriation/Budget Activity 3600: <i>Research, Development, Test & Evaluation, Air Force I BA 4: Advanced Component Development & Prototypes (ACD&P)</i> | R-1 Program Element (Number/Name) PE 0605164F / <i>Air Refueling Capability Modernization</i> |
|--|---|

| COST (\$ in Millions) | Prior Years | FY 2023 | FY 2024 | FY 2025 Base | FY 2025 OCO | FY 2025 Total | FY 2026 | FY 2027 | FY 2028 | FY 2029 | Cost To Complete | Total Cost |
|--|-------------|---------|---------|--------------|-------------|---------------|---------|---------|---------|---------|------------------|------------|
| Total Program Element | - | 11.281 | 19.400 | 13.661 | 0.000 | 13.661 | 188.577 | 243.700 | 97.000 | 79.758 | Continuing | Continuing |
| 645164: <i>Continued Tanker Recapitalization RDT&E</i> | - | 11.281 | 19.400 | 13.661 | 0.000 | 13.661 | 188.577 | 243.700 | 97.000 | 79.758 | Continuing | Continuing |
| Quantity of RDT&E Articles | - | - | - | - | - | - | - | - | - | - | | |

Note

In FY 2023, PE 0401221F, KC-46A Tanker Squadrons, Project 655KCY, KC-Y efforts were transferred to PE 0605164F, Air Refueling Capabilities Modernization, Project 645164, Continued Tanker Recapitalization RDT&E.

A. Mission Description and Budget Item Justification

Accelerating future tanker capability and recapitalizing the Air Force's aging tanker fleet is a top priority for the Department of the Air Force. In FY 2024, the Department of the Air Force broke from its previous recapitalization approaches (KC-X, KC-Y, KC-Z) in favor of more agile methods, prioritizing and accelerating the right capabilities to deliver fuel to the fight. This new approach continues Tanker Recapitalization (PE 0605164F) efforts between KC-46A (PE 040221F) and the Next Generation Air-refueling System (NGAS) (PE 0605057F). The Department of the Air Force (DAF) will use the Tanker Recapitalization program to replace up to 15 KC-135s legacy tankers per year as they retire. The total number of Tanker Recap aircraft procured will be influenced by the FY 2024 NGAS Analysis of Alternatives and dependent on NGAS's first delivery.

The Tanker Recapitalization program will deliver an air refuelable, commercial derivative, limited development tanker that provides fuel to U.S. and coalition aircraft receivers via a boom or drogue system that can operate in day/night and adverse weather conditions to enable deployment, employment, sustainment, and redeployment of U.S. and coalition forces. The Tanker Recapitalization program will have communication, navigation, and surveillance equipment to support worldwide operations and refueling competences in chemical, biological and hostile threat environments through self-defense/protection (both active and passive) capabilities to include the necessary battlespace awareness to mitigate threats.

The dynamics and mission urgency of the post-production (post DD-250) environment require the program to maintain a flexible and responsive posture to support a broad range of mission support needs. Tanker Recapitalization program will identify, design, develop, integrate, verify, certify, produce, install, field, and sustain a comprehensive range of non-recurring and recurring post-production, air vehicle enhancements and field support needs to include but not limited to programmed Mobility Air Force (MAF) requirements, Combatant Commander Joint or Urgent Operational Needs (JUON/UON), non-programmed Federal Aviation Administration (FAA) directives, requirements identified and supported by HHQ Enterprise Capability Collaboration Teams (i.e., High Value Airborne Asset [HVAA], Air Superiority 2030, and Multi-Domain Command and Control [MDC2]), or correction of field deficiencies.

Tanker Recapitalization program will develop, field, and sustain warfighter capabilities to meet evolving threats and mission support requirements through Block or discrete modification or modernization programs depending on mission urgency, available funding, and programmatic and technical risks. Post-production requirements

UNCLASSIFIED

| | |
|--|-------------------------|
| Exhibit R-2, RDT&E Budget Item Justification: PB 2025 Air Force | Date: March 2024 |
|--|-------------------------|

| | |
|--|---|
| Appropriation/Budget Activity 3600: <i>Research, Development, Test & Evaluation, Air Force I BA 4: Advanced Component Development & Prototypes (ACD&P)</i> | R-1 Program Element (Number/Name) PE 0605164F / <i>Air Refueling Capability Modernization</i> |
|--|---|

may include but not limited to avionics and structural systems/architecture and subsystem updates, general mission equipment updates and procurement, general sustainment support, studies and analyses, future tanker requirements simulation and training, and correction of field deficiencies.

Project 645164, Continued Tanker Recapitalization RDT&E will also support Program Support Costs (PSC) activities to include but not limited to market research, acquisition planning, pre-milestone activities, RFP development, test planning, mission planning capability development, future tanker development, and various studies and analyses.

This program element may include necessary civilian pay expenses required to manage, execute, and deliver future tanker weapon system capability. The use of such program funds would be in addition to the civilian pay expenses budgeted in program element 0605827F, 0605828F, 0605829F, 0605831F, 0605832F, 0605833F, 0605898F, and 0606398F. In FY 2023 \$0.000 million was expended for civilian pay expenses in this program element, and in FY 2024 \$13.400 million is forecast for civilian pay expenses in this program element.

This effort is in Budget Activity 4, Advanced Component Development and Prototypes (ACD&P), because efforts are necessary to evaluate integrated technologies, representative modes or prototype systems in a high fidelity and realistic operating environment.

| B. Program Change Summary (\$ in Millions) | FY 2023 | FY 2024 | FY 2025 Base | FY 2025 OCO | FY 2025 Total |
|---|----------------|----------------|---------------------|--------------------|----------------------|
| Previous President's Budget | 11.281 | 19.400 | 93.999 | 0.000 | 93.999 |
| Current President's Budget | 11.281 | 19.400 | 13.661 | 0.000 | 13.661 |
| Total Adjustments | 0.000 | 0.000 | -80.338 | 0.000 | -80.338 |
| • Congressional General Reductions | 0.000 | 0.000 | | | |
| • Congressional Directed Reductions | 0.000 | 0.000 | | | |
| • 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 | -80.338 | 0.000 | -80.338 |

Change Summary Explanation

FY 2025 funding request was reduced by a total of \$80.338 million which includes a reduction of \$74.172 million due to rephasing of limited EMD development work to FY 2026 and \$6.166 million reduction to account for the availability of prior year execution balances.

| C. Accomplishments/Planned Programs (\$ in Millions) | FY 2023 | FY 2024 | FY 2025 Base | FY 2025 OCO | FY 2025 Total |
|---|----------------|----------------|---------------------|--------------------|----------------------|
| Title: Support | 11.281 | 19.400 | 13.661 | 0.000 | 13.661 |

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: PB 2025 Air Force **Date:** March 2024

| | |
|---|--|
| Appropriation/Budget Activity 3600: Research, Development, Test & Evaluation, Air Force I BA 4: Advanced Component Development & Prototypes (ACD&P) | R-1 Program Element (Number/Name) PE 0605164F I Air Refueling Capability Modernization |
|---|--|

| C. Accomplishments/Planned Programs (\$ in Millions) | FY 2023 | FY 2024 | FY 2025 Base | FY 2025 OCO | FY 2025 Total |
|---|---------|---------|--------------|-------------|---------------|
| <p>Description: Studies and analyses to support Tanker Recapitalization planning activities for future initiatives, future tanker replacement planning, and other Program Office support to include but not limited to market research, acquisition planning, pre-milestone activities, Request for Proposal (RFP) development, test planning, and various studies and analyses.</p> <p>FY 2024 Plans: Continue market research, acquisition planning, pre-milestone activities, RFP development and release, test planning, and various studies and analyses for tanker recapitalization and other future tanker development efforts.</p> <p>FY 2025 Base Plans: Develop and release RFP, continue proposal development, evaluations and fact finding, test planning, and various studies and analyses for Tanker Recapitalization and other future tanker development efforts.</p> <p>FY 2025 OCO Plans: N/A</p> <p>FY 2024 to FY 2025 Increase/Decrease Statement: Funding decreased due restructure of contract and award delay for Engineering & Manufacturing Development.</p> | | | | | |
| Accomplishments/Planned Programs Subtotals | 11.281 | 19.400 | 13.661 | 0.000 | 13.661 |

| D. Other Program Funding Summary (\$ in Millions) | | | | | | | | | | |
|--|----------------|----------------|---------------------|--------------------|----------------------|----------------|----------------|----------------|----------------|------------------------------------|
| <u>Line Item</u> | <u>FY 2023</u> | <u>FY 2024</u> | <u>FY 2025 Base</u> | <u>FY 2025 OCO</u> | <u>FY 2025 Total</u> | <u>FY 2026</u> | <u>FY 2027</u> | <u>FY 2028</u> | <u>FY 2029</u> | <u>Cost To Complete Total Cost</u> |
| • APAF 02 KC000Y: <i>Tanker Recapitalization</i> | - | - | - | - | - | - | 31.406 | 3,247.486 | 2,502.626 | Continuing Continuing |
| • APAF 06 000999: <i>Initial Spares/Repair Parts</i> | - | - | - | - | - | - | - | 136.451 | 139.186 | Continuing Continuing |

Remarks

E. Acquisition Strategy
 The Joint Requirements Oversight Council (JROC) validated the KC-135 Tanker Replacement Aircraft System Capability Development Document in Sept 2023. The Air Force will determine the acquisition strategy based on the Business Case Analysis (BCA) re-look results and JROC validated requirements in 3QFY24.

UNCLASSIFIED

| | | |
|---|--|--|
| Exhibit R-4, RDT&E Schedule Profile: PB 2025 Air Force | | Date: March 2024 |
| Appropriation/Budget Activity 3600 / 4 | R-1 Program Element (Number/Name) PE 0605164F / Air Refueling Capability Modernization | Project (Number/Name) 645164 / Continued Tanker Recapitalization RDT&E |

| FY 2023 | | | | FY 2024 | | | | FY 2025 | | | | FY 2026 | | | | FY 2027 | | | | FY 2028 | | | | FY 2029 | | | |
|---------|---|---|---|---------|---|---|---|---------|---|---|---|---------|---|---|---|---------|---|---|---|---------|---|---|---|---------|---|---|---|
| 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 |

| | |
|--|--|
| <i>Tanker Recap Development</i> | |
| JROC Validated KC-135 Replacement Aircraft CDD Coordination and Approval | |
| Industry Engagement | |
| Develop/Present Pre-Acquisition Strategy Panel | |
| ASP Development, Coordination and Approval | |
| RFP Development and Release | |
| Milestone B | |
| Proposal Review, Contract Negotiations, Contract Award | |
| EMD | |

UNCLASSIFIED

| | | |
|--|---|---|
| Exhibit R-4A, RDT&E Schedule Details: PB 2025 Air Force | | Date: March 2024 |
| Appropriation/Budget Activity 3600 / 4 | R-1 Program Element (Number/Name) PE 0605164F / <i>Air Refueling Capability Modernization</i> | Project (Number/Name) 645164 / <i>Continued Tanker Recapitalization RDT&E</i> |

Schedule Details

| Events by Sub Project | Start | | End | |
|--|---------|------|---------|------|
| | Quarter | Year | Quarter | Year |
| <i>Tanker Recap Development</i> | | | | |
| JROC Validated KC-135 Replacement Aircraft CDD Coordination and Approval | 1 | 2023 | 1 | 2024 |
| Industry Engagement | 2 | 2023 | 4 | 2024 |
| Develop/Present Pre-Acquisition Strategy Panel | 2 | 2023 | 2 | 2024 |
| ASP Development, Coordination and Approval | 2 | 2024 | 3 | 2024 |
| RFP Development and Release | 2 | 2023 | 2 | 2025 |
| Milestone B | 3 | 2026 | 3 | 2026 |
| Proposal Review, Contract Negotiations, Contract Award | 3 | 2025 | 2 | 2026 |
| EMD | 3 | 2026 | 4 | 2029 |