

Subject: KC-46 Prior Approval Request		DoD Serial Number: FY 15-01 PA
Appropriation Title: Various Appropriations		
		Includes Transfer Yes

Component Serial Number:	<i>(Amounts in Thousands of Dollars)</i>							
	Program Base Reflecting Congressional Action		Program Previously Approved by Sec Def		Reprogramming Action		Revised Program	
Line Item	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
a	b	c	d	e	f	g	h	i

This reprogramming action is submitted for prior approval because this action uses general transfer authority and initiates a new start. This reprogramming action provides funding in support of higher priority items, based on unforeseen military requirements, than those for which originally appropriated; and are determined to be necessary in the national interest. The adjustments meet all administrative and legal requirements, and none of the items have previously been denied by the Congress.

This reprogramming action transfers \$9.5 million between Fiscal Year (FY) 2014 Air Force appropriations. This reprogramming action uses \$9.5 million of general transfer authority pursuant to section 8005 of division C of Public Law 113-76, the Department of Defense (DoD) Appropriations Act, 2014, and section 1001 of Public Law 113-66, the National Defense Authorization Act for Fiscal Year (FY) 2014.

<u>FY 2014 REPROGRAMMING INCREASE:</u>	<u>+9,500</u>	
<u>Aircraft Procurement, Air Force, 14/16</u>	<u>+9,500</u>	
<u>Budget Activity 02: Airlift Aircraft</u>		
KC-46A Tanker	-	9,500

Explanation: Funds are required to procure KC-46A Tanker Support Equipment (SE) for the site activations of the Formal Training Unit (Altus Air Force Base) (AFB) and the Main Operating Base #1 (McConnell AFB). The contract for this equipment must be awarded in November 2014, in advance of the Milestone C decision, to support the on-time delivery of the first seven Low Rate Initial Production (LRIP) aircraft beginning in April 2016. The equipment to be procured includes items such as servicing carts, auxiliary power units, deactivation kits, and the hoist equipment needed to operate and maintain the production aircraft upon delivery.

Without this reprogramming, the Air Force will not be able to deliver the SE in time to meet the KC-46A contractual Required Assets Available date. There is no acceptable work-around within the existing SE inventory, and the delivered LRIP aircraft may be in a Non-Mission Capable Maintenance status until the SE has been delivered and installed. The total cost of the KC-46A procurement is \$39.6 billion. The FY 2015 President’s Budget request includes: FY 2015, \$1.6 billion; FY 2016, \$2.4 billion; FY 2017, \$3.8 billion; FY 2018, \$3.7 billion; and FY 2019, \$3.3 billion). This is a **new start**. This is a base budget requirement.

Approved (Signature and Date)

Michael Mc Cord

October 14, 2014

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<u>FY 2014 REPROGRAMMING DECREASE:</u>								
						<u>-9,500</u>		
<u>Research, Development, Test, and Evaluation, Air Force, 14/15</u>						<u>-9,500</u>		
<u>Budget Activity 05: System Development and Demonstration</u>								
PE 0605221F KC-46		1,505,476		1,505,476		<u>-9,500</u>		1,495,976

Explanation: Funds are available due to the reprioritization of developmental requirements for the KC-46 aerial refueling aircraft. Mitigation strategies will be employed to minimize the program impacts of the requirements that have been deferred to FY 2015. This is base budget funding.