

<b>Subject: KC-10 Thrust Reversers</b>		<b>DoD Serial Number:</b> FY 04-08 PA
<b>Appropriation Title: Aircraft Procurement, Air Force, 03/05</b> <b>Aircraft Procurement, Air Force, 04/06</b>		<b>Includes Transfer?</b> No

<b>Component Serial Number:</b> FY 04-05 PA	<i>(Amounts in Thousands of Dollars)</i>							
	<b>Program Base Reflecting Congressional Action</b>		<b>Program Previously Approved by Sec Def</b>		<b>Reprogramming Action</b>		<b>Revised Program</b>	
<b>Line Item</b>	<b>Quantity</b>	<b>Amount</b>	<b>Quantity</b>	<b>Amount</b>	<b>Quantity</b>	<b>Amount</b>	<b>Quantity</b>	<b>Amount</b>
a	b	c	d	e	f	g	h	i

This action is submitted for prior approval because it initiates a new start and exceeds threshold of \$20.0 million over three years. This action realigns funds from within the KC-10 modification program of the Aircraft Procurement, Air Force appropriation, for the KC-10 Thrust Reverser (TR) Airworthiness Directive requirement. This action reprograms funding in support of a higher priority item, based on unforeseen military requirements, than that for which the funds were originally appropriated. It meets all administrative and legal requirements of the Congress, and the Congress has not denied any of the items.

NOTE: The Air Force previously provided a letter of notification to the congressional defense committees that initiated the KC-10A Thrust Reversers safety modification. That notification failed to identify the total cost of the modification program, which is \$64.2 million (FY 2003, \$3.4 million; FY 2004, \$5.4 million; FY 2005, \$33.3 million; FY2006, \$18.9 million; and FY 2007, \$3.2 million) and exceeds the funding limits of the letter notification. A prior approval reprogramming action is therefore required. The Air Force plans to fully fund the required modifications in FY 2005 – FY 2007.

**FY 2003 PROGRAM YEAR**

**Aircraft Procurement, Air Force, 03/05**

**Budget Activity 5: Modification of In-Service Aircraft**


KC-10A Thrust Reversers	14,176	14,176	+3,400	17,576
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Explanation: This modification is required to prevent unwanted Thrust Reverser deployment in accordance with FAA’s Airworthiness Directive (AD) with a compliance date of October 1, 2006. This AD is required to maintain the KC-10 Supplemental Type Certification (STC). These funds initiate the modification schedule and ensure 75 percent of KC-10 tankers are completed prior to the FAA-compliance date. The remaining aircraft will complete modification by FY 2007. Starting the AD modification now prevents significant impacts to KC-10 aircraft availability.

**Budget Activity 5: Modification of In-Service Aircraft**

KC-10A GATM	14,176	14,176	-3,400	10,776
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Explanation: Funds are available due to a change in the Global Air Traffic Management (GATM) production schedule.

Approved (Signature and Date)  

JAN 5 2004

<b>Subject: KC-10 Thrust Reversers</b> <b>Appropriation Title: Aircraft Procurement, Air Force, 03/05</b> <b>Aircraft Procurement, Air Force, 04/06</b>	<b>DoD Serial Number:</b> FY 04-08 PA
	<b>Includes Transfer?</b> No

Component Serial Number: FY 04-05 PA  Line Item  a	(Amounts in Thousands of Dollars)							
	Program Base Reflecting Congressional Action		Program Previously Approved by Sec Def		Reprogramming Action		Revised Program	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
	b	c	d	e	f	g	h	i

**FY 2004 PROGRAM YEAR**

**Aircraft Procurement, Air Force, 04/06**

**Budget Activity 5: Modification of In-Service Aircraft**

KC-10A (Thrust Reversers)	20,622	20,622	+5,400	26,022
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Explanation: This modification is required to prevent unwanted Thrust Reverser deployment in accordance with FAA’s Airworthiness Directive (AD) with a compliance date of October 1, 2006. This AD is required to maintain the KC-10 Supplemental Type Certification (STC). These funds initiate the modification schedule and ensure 75 percent of KC-10 tankers are completed prior to the FAA-compliance date. The remaining aircraft will complete modification by FY 2007. Starting the AD modification now prevents significant impacts to KC-10 aircraft availability.

**Budget Activity 5: Modification of In-Service Aircraft**

KC-10A (GATM)	20,622	20,622	-5,400	15,222
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Explanation: Funds are available due to a change in the Global Air Traffic Management (GATM) production schedule.