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Department of War
DEFENSE OFFICE OF PREPUBLICATION AND SECURITY REVIEW

Modernized Selected Acquisition Report (MSAR)

VC-25B (VC-25B)

FY 2027 President's Budget

Effective: April 21, 2026

Defense Acquisition Visibility Environment

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Common DoW Abbreviations

\$B	Billions of Dollars
\$K	Thousands of Dollars
\$M	Millions of Dollars
ACAT	Acquisition Category
Acq O&M	Acquisition-Related Operations and Maintenance
ADM	Acquisition Decision Memorandum
APA	Additional Performance Attribute
APB	Acquisition Program Baseline
APPN	Appropriation
APUC	Average Procurement Unit Cost
BA	Budget Authority or Budget Activity
Blk	Block
BY	Base Year
CAE	Component Acquisition Executive
CAGE	Commercial and Government Entity
CAPE	Cost Assessment and Program Evaluation
CARD	Cost Analysis Requirements Description
CCE	Component Cost Estimate
CCP	Component Cost Position
CDD	Capability Development Document
CDRL	Contract Data Requirements List
CLIN	Contract Line Item Number
CPD	Capability Production Document
CSDR	Cost and Software Data Reporting
CY	Constant Year
DAB	Defense Acquisition Board
DAE	Defense Acquisition Executive
DAES	Defense Acquisition Executive Summary
DAVE	Defense Acquisition Visibility Environment
DCARC	Defense Cost and Resource Center
DSN	Defense Switched Network
EMD	Engineering and Manufacturing Development
EVM	Earned Value Management
FD	Full Deployment
FDD	Full-Deployment Decision
FMS	Foreign Military Sales
FOC	Full Operational Capability
FRP	Full-Rate Production
FY	Fiscal Year
FYDP	Future Years Defense Program
ICD	Initial Capabilities Document
ICE	Independent Cost Estimate
Inc	Increment
IOC	Initial Operational Capability
IPMDAR	Integrated Program Management Data and Analysis Report

IT	Information Technology
JROC	Joint Requirements Oversight Council
KPP	Key Performance Parameter
KSA	Key System Attribute
LRIP	Low-Rate Initial Production
MDA	Milestone Decision Authority
MDAP	Major Defense Acquisition Program
MILCON	Military Construction
MSAR	Modernized Selected Acquisition Report
MTA	Middle Tier of Acquisition
O	Objective
O&M	Operations and Maintenance
O&S	Operating and Support
ORD	Operational Requirements Document
OSD	Office of the Secretary of Defense
OSW	Office of the Secretary of War
PAUC	Program Acquisition Unit Cost
PB	President's Budget
PE	Program Element
PEO	Program Executive Officer
PM	Program Manager
POE	Program Office Estimate
R&MF	Revolving and Management Funds
RDT&E	Research, Development, Test, and Evaluation
SCP	Service Cost Position
T	Threshold
TY	Then Year
U.S.C	United States Code
UCR	Unit Cost Reporting
USD(A&S)	Under Secretary of Defense (Acquisition and Sustainment)

Program Description

Full Name

VC-25B

Short Name

VC-25B

PNO

425

Decision Authority

Defense Acquisition Executive

Lead Component

Department of the Air Force

Program Executive OfficePresidential & Executive Airlift Directorate
(AFPEO/P&EA)**Joint Program**

No

Acquisition Type

Major Defense Acquisition Program

Adaptive Acquisition Pathway

Major Capability Acquisition

Acquired Systems

VC-25B

Acquisition Category

ID

Acquisition Status

Active Acquisition

Mission

The VC-25B Program will acquire and modify two Boeing 747-8 aircraft to enable the President to execute the duties of Head of State, Chief Executive, and Commander in Chief. 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.

Program Use of the Adaptive Acquisition Framework

This acquisition is accomplished by a single program in the Major Capability Acquisition Pathway.

Related Programs

No Data

Responsible Office

Program Executive Officer

Presidential & Executive Airlift Directorate
(AFPEO/P&EA)
Brig Gen William L. Ottati
william.ottati@us.af.mil (primary)
(937) 255-9300 (commercial)

Program Manager

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Executive Summary

Program Highlights Since Last Report

In February 2024, Boeing delivered an Integrated Master Schedule (IMS) drove a 14-month schedule delay. Therefore, the Program Office submitted a Program Deviation Report (PDR), which was signed by SAF/AQ on April 2024; and then staffed to USW (A&S). The delays were the result of design instabilities stemming from the transition to a new interiors' supplier; design challenges with wiring and structures; and engineering inefficiencies and excessive rework. USAF and Boeing partnered together in May 2025 to establish an acceleration plan. Boeing submitted a revised IMS on September 22, 2025. Boeing's new projected delivery date of the first aircraft is mid-2028; second aircraft is mid-2029. The USAF and Boeing negotiated several requirements trades to support an accelerated delivery. A Memorandum of Agreement with Boeing was signed on October 17, 2025, to re-establish a contract delivery schedule and facilitate alignment on requirements, which will be captured in a future contract modification. On September 3, 2025, a Special Licensing Agreement (SLA) was signed by USAF and Boeing to guarantee access to data to support the programs transition from Federal Aviation Administration (FAA) to military certification. Airworthiness certification basis was approved by the USAF Technical Airworthiness Authority (TAA) on March 30, 2026. Additionally, 80 airworthiness plans were authored and approved by April 10, 2026.

In February 2024, Hangar-21 (H-21) was transferred to 816th SFS; the PAG took occupancy in April 2024; and the site was operating as a PL-1 by June 2024.

The program accomplished qualification testing on key components. The Dual Auxiliary Power Unit (APU) was integrated with the Conformance Test Rig (CTR) at Honeywell Mesa, AZ (Boeing sub-contractor) in June 2024, followed by icing testing at the McKinley Climatic Laboratory (MCL) at Eglin Air Force Base that started in July 2024. The MCL completed testing on February 14, 2025. Qualification test with APU Vibration and Shock test at Honeywell facility in Phoenix, AZ concluded in April 2025; and inlet plenum fire test commenced in May 2025.

Boeing completed the VC-25B final configuration design on October 30, 2025. Boeing incorporated all the design changes stemming from program alignment discussions with the Air Force in June 2025. The design complete milestone represents all design details, modelling and supporting analysis were accomplished and ready for release. Boeing released all engineering drawings in January 2026. The baseline wiring design associated with cabinets, racks, panels, and shelves was 100% complete in November 2025 and fabrication is 70% complete as of April 5, 2026. The baseline aircraft wiring design was 100% complete as of November 2025 and fabrication is 72% complete as of April 13, 2026. As of April 13, 2026, 95 stringer repairs/installs remain for Aircraft 1; and 142 remain for Aircraft 2. Boeing vendor drawings for interior components on the main deck and upper deck are 100% complete as of March 4, 2026.

The current Mission Communication System (MCS) baseline is not viable past CY 2028 due to cybersecurity and obsolescence issues. Unmitigated risk will drive an inability for Authority to Connect and Operate on vital National Security Systems required for Presidential communications. The VC-25B Block Upgrade Program received new start authority with funds included in the FY 2026 Defense Appropriations Act to initiate the MCS Tech Refresh. The funds

approved in the FY 2026 budget were \$36.65M of the \$73.3M requested (50% cut). The program released a Request For Proposals with contract award expected summer of FY 2026.

Complications continue with the Program budget due to substantial contractor reported losses in prior fiscal years. A lower cost-ratio directly limits what the contractor can bill for a certain period. Payment instructions were updated in May 2024 to expend oldest funds first. This saved Air Force total obligation authority by utilizing roughly \$245M that would have been cancelled before being expended. As a result, the 10% withhold against obligated funding (\$275M) is now being covered by funding most recently obligated.

Modular Open System Approach (MOSA): This Program's Milestone B event was prior to Jan 2019, so there is no MOSA requirement.

Foreign Military Sales: Does not apply to this Program.

Defense Cost and Resource Center (DCARC) Cost and Software Data Reporting (CSDR) Compliance Rating: This program does not have a requirement for a CSDR Compliance Rating.

The Air Force remains postured to keep the VC-25A aircraft available and mission-ready until the VC-25B can support full mission requirements.

There are no significant software-related issues with this program at this time.

History of Significant Developments Since Program Inception

Date	Description
September 2016	DAE approved Milestone B decision.
March 2017	JROC approved Capability Development Document (CDD).
August 2017	Purchased two (2) 747-8 commercial aircraft from Boeing.
September 2017	Awarded Preliminary Design Contract.
February 2018	POTUS and Boeing CEO informally agree to \$3.9B FFP deal.
July 2018	Awarded EMD Undefined Contract Action (UCA).
December 2018	Closed out Preliminary Design Review (PDR).
December 2018	Defense Acquisition Executive approved Acquisition Program Baseline.
March 2019	Ferried Aircraft #1 to the San Antonio modification facility.
April 2019	Ferried Aircraft #2 to the San Antonio modification facility.
December 2019	Conducted Modification Readiness Review (MRR).
December 2019	Definitized Engineering & Manufacturing Development (EMD) Undefined Contract Action (UCA).
January 2020	Conducted System Critical Design Review (CDR).
February 2020	Commenced modification on Aircraft #1.
March 2020	Closed out Critical Design Review.
April 2020	Awarded Technical Publications Contract.
June 2020	Commenced modification on Aircraft #2.

Date	Description
September 2020	Awarded Initial Training Contract.
December 2020	Awarded Peculiar Support Equipment contract.
March 2021	Achieved Decrib for Aircraft #1.
May 2021	Submitted Program Deviation Report for schedule to the Defense Acquisition Executive (DAE).
September 2021	Awarded Initial Spares Phase 1a (Long-Lead) Contract.
October 2021	Achieved Weight on Wheels Aircraft #1.
January 2022	Achieved Decrib for Aircraft #2.
June 2022	APB Rebaseline, Schedule, and Acq O&M funding approved by Dr. LaPlante, USD(A&S).
August 2022	Updated USAF Airworthiness Plan, Version 4.
October 2022	Received Stringer Crack Independent Review Team Report.
October 2022	Received updated Boeing IMS.
April 2023	Aircraft #2 achieved Weight on Wheels Ready.
October 2025	Boeing completed the VC-25B final configuration design.
January 2026	Engineering Drawings finalized.
March 2026	Airworthiness certification basis was approved by the USAF Technical Airworthiness Authority.

Schedule

Schedule Events - REDACTED

Notes

This Program's Schedule is Controlled Unclassified Information (CUI) and has been removed per the Implementation Plan for the DoD's Modernized Selected Acquisition Report Process, dated June 2023, which required the MSAR be submitted without any designation relation to dissemination control.

Schedule Baseline Deviation Explanation

The primary driver for this Program's multiple schedule breaches continues to be design instabilities stemming from the transition to a new interiors supplier. Boeing finalized the transition to a new subcontractor in December 2023, but the design maturity for the aircraft interior continues to lag due to numerous technical and certification issues. Boeing's slow design progress on the interiors design continues to impact other areas of the program such as wiring design/fabrication and aircraft structural modification, which has led to engineering inefficiencies and excessive rework. Continued staffing shortfalls for Boeing is a secondary contributor to aircraft modification delays.

Boeing is evaluating design and trade space required to accelerate schedule. Once they provide a revised Integrated Master Schedule (IMS), the Program Office will conduct its own schedule analysis and provide recommendations for an updated VC-25B Acquisition Program Baseline for schedule. Once this analysis is complete; a revised APB will be submitted to MDA.

Current Significant Schedule Risks and Risks Identified at Milestones/Decisions

Event	Date	Description
Current	12/31/2025	Title: GKN Window Risk Risk: If GKN cannot meet strict defect requirements for passenger windows, then delivery delays will have impact on the aircraft schedule and will impact pressurization testing (Hi-Blo), Interior installations, and ground and flight testing. Mitigation: Challenging defect criteria has been established which require defect-free sub-components clean room facilities, and detailed processes to reduce and eliminate particles in the assembly of the windows.
Current	12/31/2025	Title: Aircraft Test Schedule Execution Rates Risk: Given the test team has planned for a challenging test schedule, if enablers are not put in place or the aircraft is not test ready without sufficient program capacity/efficiency to absorb non-standard work then there is risk that the program will not meet commitments. Mitigation: Ability to achieve baseline test execution rates is dependent on having a full-kit aircraft for first flight. Efficient ground and flight testing requires that aircraft to be in expected test configuration with all factory functional testing completed, no blocking test problems or limitations, and an adequately trained and YW cleared team in place to support the test program.
Current	12/31/2025	Title: PPG Windshields Risk: Commercial 747-8 has zero spares. Boeing Commercial Airplanes has contracted PPG to manufacture spares when the previous supplier shut down their factory. Poor performance by PPG has only now started to produce a commercial spare drawing that still needs to be certified. Boeing Defense, Space & Security (BDS) has contracted PPG to produce the VC-25B window. PPG is pursuing a modification the commercial window being developed with a plan to get certification by similarity. BDS contract does not have that as a requirement. Mitigation: Develop the commercial window in parallel in order to not put the schedule at risk.

Performance

Performance Attributes - REDACTED

(U) Requirement Source:

Sponsor(s): United States Air Force

1. Capability Development Document, *CDD for Presidential Aircraft Recapitalization Version B.12 Validated By: Joint Requirements Oversight Council, March 1, 2017*

2. Capability Development Document, *CDD for Presidential Aircraft Recapitalization Validated By: Joint Requirements Oversight Council, November 5, 2014*

Notes

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Performance Deviation Explanation

None

Acquisition Budget Estimate

Total Acquisition Estimates and Quantities

Category (\$M) Base Year: 2018	Development APB (Milestone) 12/3/2018 CY\$ obs Objective	Development Chg 1 (Current) 6/28/2022 CY\$ obs Objective / Threshold		Current Estimate PB 2027 CY\$ obs / TY\$ obs	
RDT&E	4,557.5	4,557.5	5,013.3	4,865.8	5,495.5
Procurement	51.0	50.7	55.8	20.2	21.5
MILCON	403.6	403.6	444.0	391.9	428.6
O&M	1.9	8.8	9.7	2.3	2.6
Total Acquisition	5,014.0	5,020.6	-	5,280.1	5,948.2
Program Acquisition Unit Cost	2,507.000	2,510.300	2,761.330	2,640.070	2,974.081
Average Procurement Unit Cost	-	-	-	-	-
Program End-Item Quantity					
Development	2	2		2	
Procurement	0	0		0	
O&M-Acquired	-	-		0	

Budget Notes

None

Quantity Unit Description

Unit is defined as an aircraft.

Quantity Notes

None

Cost Baseline Deviation Explanation

None

Risk and Sensitivity Analysis

Current Procurement Estimate Risks (4/21/2026)	
1	Title: GKN Window Risk Risk: If GKN cannot meet strict defect requirements for passenger windows, then delivery delays will have impact on the aircraft schedule and will impact pressurization testing (Hi-Blo), Interior installations, and ground and flight testing. Mitigation: Challenging defect criteria has been established which require defect-free sub-components clean room facilities, and detailed processes to reduce and eliminate particles in the assembly of the windows.
Current Baseline Risks (6/28/2022)	
1- Contractor has pulled certification plan approvals with Federal Aviation Administration (FAA) early in process to reduce risk of certification delays later. Program Office, contractor, and suppliers are working proactive plans to reduce certification risk. 2- Addressed via Limitation of Government Obligations Clause updated on contract at Definitization, FY 2019 Above Threshold Reprogramming funding, and realignment in FY 2021 PB. 3- Program Office, Air Force, and Contractor are proactively engaging with Defense Counterintelligence Security Agency (DCSA) to track and prioritize Yankee White approval packages for VC-25B workforce.	
Original Baseline Risks (12/3/2018)	
(1) Contractor has pulled certification plan approvals with Federal Aviation Administration (FAA) early in process to reduce risk of certification delays later. Program Office, contractor, and suppliers are working proactive plans to reduce certification risk. (2) Addressed via Limitation of Government Obligations Clause updated on contract at Definitization, FY 2019 Above Threshold Reprogramming funding, and realignment in FY 2021 PB. (3) Program Office, Air Force, and Contractor are proactively engaging with Defense Counterintelligence Security Agency (DCSA) to track and prioritize Yankee White approval packages for VC-25B workforce.	

Unit Costs

Current Estimate Compared with Current Baseline

Category (CY\$M) Base Year: 2018	Current Baseline 06/28/2022	Current Estimate PB 2027	% Change
Program Acquisition Unit Cost			
Acquisition Cost	5,020.6	5,280.1	
Program Quantity	2	2	
PAUC	2,510.300	2,640.070	5.17%
Average Procurement Unit Cost			
Procurement Cost	50.7	20.2	
Procurement Quantity	0	0	
APUC	-	-	-

Current Estimate Compared with Original Baseline

Category (CY\$M) Base Year: 2018	Original Baseline 12/03/2018	Current Estimate PB 2027	% Change
Program Acquisition Unit Cost			
Acquisition Cost	5,014.0	5,280.1	
Program Quantity	2	2	
PAUC	2,507.000	2,640.070	5.31%
Average Procurement Unit Cost			
Procurement Cost	51.0	20.2	
Procurement Quantity	0	0	
APUC	-	-	-

Cost Growth Details

Impacts of Schedule Changes on Unit Cost

Not Applicable.

Impacts of Performance Changes on Unit Cost

Not Applicable.

Actions taken or Proposed to Control Future Cost Growth

Not Applicable.

Status of Each Major Contract and Significant Factors Contributing to Cost and Schedule Variance; Projected Effects on Future Program Costs

See Contracts section.

Notes

None

Funding Sources

Acquisition Funding Notes

None

Acquisition Budget Lines

"Shared" indicates line item (or RDT&E project) includes funding for activities outside the program within the Budget Year or remainder of the FYDP.

"Sunk" indicates line item (or RDT&E project) includes no funding for the program within the Budget Year or remainder of the FYDP.

Account	BA	Line Item	Program Element	RDT&E Project	Shared	Sunk
Research, Development, Test & Evaluation						
3600F	05	0401319F - VC-25B	0401319F - VC-25B	655250 - Presidential Aircraft Recap (PAR)		
3600F	07	0401314F - Operational Support Airlift	0401314F - Operational Support Airlift	675355 - President Aircraft Recapitalization		(Sunk)
Procurement						
3080F	03	837240 - CCTV/Audiovisual Equipment	0401319F - VC-25B	-		(Sunk)
3080F	03	837300 - Base Comm Infrastructure	0401319F - VC-25B	-		(Sunk)
3080F	04	843050 - Mechanized Material Handling Equip	0401319F - VC-25B	-		(Sunk)

Operating and Support Funding Notes

None

Operating and Support Budget Lines

No Data

Nuclear Costs: Program Use of Department of Energy Resources

None

Life-Cycle Costs

Operating and Support and Disposal Cost Estimates Compared with Baseline

Category (\$M) Base Year: 2018	Development APB (Milestone) 12/3/2018 CY\$ obs Objective	Development Chg 1 (Current) 6/28/2022 CY\$ obs Objective / Threshold		Current Estimate CY\$ obs / TY\$ obs	
Total O&S	7,640.6	7,640.6	8,404.7	7,616.6	14,270.9
Total Disposal	-	-	-	-	-

Current Cost Estimate Sources

Operating and Support Cost

Type: Budget

Approved by: AFCAA, April 15, 2026

Disposal/Demilitarization Cost

Type: Budget

Approved by: AFCAA, April 15, 2026

Operating and Support Baseline Deviation Explanation

None

Cost Notes

None

Operating and Support Variance with Prior Estimate

(CY\$M) Base Year: 2018	Estimate	
Prior Estimate (date not provided)	8,074.4	
Current Estimate	7,616.6	
Category	Variance	Explanation
Unit-Level Manpower	-530.9	The variance between the December 2023 SAR O&S POE and the FY 2026 O&S POE is primarily driven by the 5% year-over-year Military Pay escalation rate change being reduced to a 2% year-over-year rate change.
Unit Operations	-3.6	Estimate incorporates fact of life changes, rate adjustments, and incorporation of new indices.
Maintenance	259.8	Estimate incorporates fact of life changes, rate adjustments, and incorporation of new indices.

(CY\$M) Base Year: 2018	Estimate	
Sustaining Support	148.3	Estimate incorporates fact of life changes, rate adjustments, and incorporation of new indices.
Continuing System Improvements	-287.3	Estimate incorporates fact of life changes, rate adjustments, and incorporation of new indices.
Other	-44.1	Estimate incorporates fact of life changes, rate adjustments, and incorporation of new indices.
Not Categorized	-0.0	

Operating and Support Cost Element Structure Estimates by Acquired System

(CY\$M) Base Year: 2018							
System	Unit-Level Manpower	Unit Operations	Maintenance	Sustaining Support	Continuing System Improvements	Other	Total
VC-25B	1,733.2	403.6	1,881.5	2,174.2	743.8	680.3	7,616.6
Program	1,733.2	403.6	1,881.5	2,174.2	743.8	680.3	7,616.6

Annual Operating and Support Costs per Unit Compared with Antecedent System

(CY\$M) Base Year: 2018							
System	Unit-Level Manpower	Unit Operations	Maintenance	Sustaining Support	Continuing System Improvements	Other	Total
VC-25B	865.7	242.8	940.7	1,085.7	371.9	340.1	3,846.9

Operating and Support Cost Estimate Assumptions

System	Quantity to Sustain	Unit Expected Service Life (Years)	Unit of Measure	Fiscal Years Operational
VC-25B	2	30.0	Aircraft	2028 - 2058

Additional O&S Estimate Assumptions

None

Antecedent Estimate Assumptions

None

O&S Annual Cost Calculation Memo

None

Performing Activities Contracts

External Government Activities

None

Contracts and Efforts

Contract Title	Contract Number / Effort	Contractor	Phase
CLIN 0048: Flight Management Computer (FMC) Software Updates	FA862516C6599 / 2	THE BOEING COMPANY	Development
VC-25B EMD	FA8625-16-C-6599	Boeing: Defense, Space and Security	Development

Defense Cost and Resource Center (DCARC) Cost and Software Data Reporting (CSDR) Compliance

DCARC CSDR Compliance Rating: Green

Contract and Effort Identification, Price, Quantity and Performance

Contract Number:	FA862516C6599	Order Number:	-
Contract Title:	CLIN 0048: Flight Management Computer (FMC) Software Updates	Strategy:	FAR 15: Negotiated Contracts
CAGE:	81205 - THE BOEING COMPANY	Contracting Office:	AFLCMC/WVB - VC-25B Division
City, State/Province:	TUKWILA, WA		
Effort Number:	2	Supported Phase:	Development
Effort Description:	Flight Management Computer (FMC) Software Updates		
Type:	Cost Plus Fixed Fee	Award Date:	May 24, 2023
Latest Modification Date:	-	Definitization Date:	-
Latest Modification No.:	P00114	Work Start Date:	May 24, 2023
Technical Data Rights:	-		
Does CDRL include CSDRs?	No		
Notes:	"The Contractor shall conduct all required efforts for the successful completion of the work included in the Statement of Work (SOW) entitled "SOW for Flight Management Computer Software Upgrade for the VC-25B Program," Attachment 56, dated April 11, 2023."		

Initial Price (TY\$M) Target / Ceiling	Current Price (TY\$M) Target / Ceiling	Est. Price at Completion (TY\$M) Contractor / PM	Initial Quantity	Current Quantity	Delivered Quantity
27.5 -	18.7 -	17.5 18.7	2	2	0

IPMDAR Effective Date: 3/26/2026

Work Completed (%): 60.41%
 Cost Variance (TY\$M): +0.7
 Schedule Variance (TY\$M): -3.6

Factors Contributing to Cost Variance and Projected Effects on Program Costs

None

Factors Contributing to Schedule Variance and Projected Effects on Program Schedule

None

Contract and Effort Identification, Price, Quantity and Performance

Contract Number:	FA8625-16-C-6599	Order Number:	-
Contract Title:	VC-25B EMD	Strategy:	-
CAGE:	- - Boeing: Defense, Space and Security	Contracting Office:	AFLCMC/WVB - VC-25B Division
City, State/Province:	Seattle, WA		

Effort Number:	-	Supported Phase:	Development
Effort Description:	None		
Type:	Multiple Types	Award Date:	January 29, 2016
Latest Modification Date:	-	Definitization Date:	June 30, 2019
Latest Modification No.:	PX0119	Work Start Date:	January 4, 2016
Technical Data Rights:	-		
Does CDRL include CSDRs?	No		

Notes: This is a combination contract: FFP - 93% and CPFF - 7%. The EVM Reporting for this contract is handled within the FA8625-16-C-6599 CLIN 48 which does not meet the CSDR reporting requirement for the MSAR.

Target Price Change Explanation

The difference between the Initial Target Price and Current Target Price is the award of the CPFF type contract with the Boeing Company for Phase 1 Pre-Milestone B activities. Awarded a CPAF type contract with the Boeing Company for Preliminary Design but then was converted to an FFP type contract.

The Contractor EPAC is \$8,091.159 for the Contract EPAC, this number includes all \$3.7B of losses that Boeing has taken on this FFP contract.

Initial Price (TY\$M) Target / Ceiling	Current Price (TY\$M) Target / Ceiling	Est. Price at Completion (TY\$M) Contractor / PM	Initial Quantity	Current Quantity	Delivered Quantity
25.8 -	4,230.7 -	- 4,877.9	2	2	0

Deliveries, Expenditures and Fielding

Acquisition Funding

	Total Estimate	Actual to Date	Actual, Percent Complete
Years Appropriated	22	17	77.3%
Appropriations (TY, \$M)	5,948.2	5,948.2	100.0%
Expenditures (TY, \$M)	5,948.2	3,922.2	65.9%

End Items Delivered

	Total Required	Planned to Date	Actual to Date	Actual, Percent Complete
Development	2			
Total	2	-	-	-

Notes

None

VC-25B Operational Fielding Plan and Inventory

First Operational Delivery: FY 2023

Fiscal Year	Store	Field	Expend/Loss	Decommission	Total Active Inventory
2024	0	0	0	0	0
2025	0	0	0	0	0
2026	0	0	0	0	0
2027	0	0	0	0	0
2028	0	1	0	0	1
2029	0	1	0	0	2
2030	0	0	0	0	2
2031	0	0	0	0	2

VC-25B Fielding Plan Notes

None

International Program Aspects

General Memo

None

Exportability and Business Issues

None

Is design for international exportability planned?	Yes	Industry/Partner Exportability Cost-Sharing?	No
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Program Protection: Technology Security and Foreign Disclosure Issues

None

Agreements

No International Agreements have been defined for VC-25B



Modernized Selected Acquisition Report Supplement

**VC-25B
(VC-25B)**

FY 2027 President's Budget

Effective: April 21, 2026

UNCLASSIFIED

MSAR Supplement Sections

Acquisition Estimate and Quantity Summary

Annual Acquisition Estimates by Appropriation Account

Acquired System Annual End-Item Quantities by Appropriation Account

Annual Operating and Support Estimates by Cost Element

Acquisition Estimate and Quantity Summary

VC-25B

Acquisition Estimates

Category	PB 2027	Current Base Year		Original Base Year		Report Fiscal Year
		TY (\$M)	CY2018 (\$M)	CY2018 (\$M)	CY2018 (\$M)	CY2026 (\$M)
RDT&E		5,495.5	4,865.8	4,865.8		6,205.3
Procurement		21.5	20.2	20.2		25.8
MILCON		428.6	391.9	391.9		499.8
O&M		2.6	2.3	2.3		2.9
Total Acquisition		5,948.2	5,280.1	5,280.1		6,733.7
PAUC		2,974.081	2,640.070	2,640.070		3,366.864
APUC		n/a	n/a	n/a		n/a

Acquisition End-Item Quantities

System	PB 2027	Development	Procurement
VC-25B		2	-
Total		2	-

Current and Future Years Defense Program Summary, TY(\$M)

Appropriation	Prior	2026	2027	2028	2029	2030	2031	To Complete	Total
RDT&E	4,076.9	581.7	555.2	179.4	33.5	34.1	34.8	-	5,495.5
Procurement	21.5	-	-	-	-	-	-	-	21.5
MILCON	428.6	-	-	-	-	-	-	-	428.6
O&M	2.6	-	-	-	-	-	-	-	2.6
PB 2027 Total	4,529.5	581.7	555.2	179.4	33.5	34.1	34.8	-	5,948.2

Annual Acquisition Estimates by Appropriation Account

(Aligned to Budget Position: PB 2027)

VC-25B

Source for TY\$-CY\$ Conversion: SAF/FMCE Raw and Weighted Inflation Indices for DAF Accounts: 30 Mar 2026

3600F - Research, Development, Test & Eval, AF					
fiscal year		Other/ Unallocated	Total TY(\$M)	Weighted Rate	Total CY2018 (\$M)
Total		5,495.5	5,495.5	-	4,865.8
Undistri- buted			-		
2009			-	0.877859	-
2010		4.730	4.7	0.888892	5.3
2011		4.530	4.5	0.905693	5.0
2012		3.990	4.0	0.921474	4.3
2013		7.640	7.6	0.937047	8.2
2014		6.400	6.4	0.950111	6.7
2015		11.010	11.0	0.959655	11.5
2016		277.420	277.4	0.974330	284.7
2017		310.694	310.7	0.994718	312.3
2018		427.200	427.2	1.015603	420.6
2019		753.390	753.4	1.034500	728.3
2020		730.200	730.2	1.061175	688.1
2021		718.200	718.2	1.111098	646.4
2022		397.796	397.8	1.170587	339.8
2023		52.043	52.0	1.211363	43.0
2024		94.750	94.8	1.243318	76.2
2025		276.873	276.9	1.273294	217.4
2026		581.652	581.7	1.304083	446.0
2027		555.195	555.2	1.330903	417.2
2028		179.441	179.4	1.357521	132.2
2029		33.476	33.5	1.384671	24.2
2030		34.104	34.1	1.412365	24.1
2031		34.794	34.8	1.440612	24.2
2032			-	1.469424	-

Annual Acquisition Estimates by Appropriation Account

(Aligned to Budget Position: PB 2027)

VC-25B

Source for TY\$-CY\$ Conversion: SAF/FMCE Raw and Weighted Inflation Indices for DAF Accounts: 30 Mar 2026

3080F - Other Procurement, Air Force									
fiscal year	End Item Recurring Flyaway	Non-End Item Recurring Flyaway	Non-Recurring Flyaway	Initial Spares	Depot Activation	Other/ Unallocated	Total TY(\$M)	Weighted Rate	Total CY2018 (\$M)
Total	-	-	-	-	-	21.5	21.5	-	20.2
Undistri-buted							-		
2009							-	0.877001	-
2010						-	-	0.888778	-
2011						-	-	0.905396	-
2012						-	-	0.921818	-
2013						-	-	0.935403	-
2014						-	-	0.947932	-
2015						-	-	0.959515	-
2016						-	-	0.973583	-
2017						-	-	0.992303	-
2018						-	-	1.014231	-
2019						12.710	12.7	1.034469	12.3
2020						4.010	4.0	1.054175	3.8
2021						0.482	0.5	1.094119	0.4
2022						2.617	2.6	1.159829	2.3
2023						1.698	1.7	1.205893	1.4
2024						-	-	1.234325	-

Annual Acquisition Estimates by Appropriation Account

(Aligned to Budget Position: PB 2027)

VC-25B

Source for TY\$-CY\$ Conversion: SAF/FMCE Raw and Weighted Inflation Indices for DAF Accounts: 30 Mar 2026

3300F - Military Construction, Air Force					
fiscal year		Other/ Unallocated	Total TY(\$M)	Weighted Rate	Total CY2018 (\$M)
Total		428.6	428.6	-	391.9
Undistri- buted			-		
2009			-	0.889966	-
2010		-	-	0.904278	-
2011		-	-	0.922904	-
2012		-	-	0.939501	-
2013		-	-	0.961626	-
2014		-	-	0.976425	-
2015		-	-	0.994481	-
2016		0.186	0.2	1.016282	0.2
2017		29.103	29.1	1.039963	28.0
2018		143.104	143.1	1.065076	134.4
2019		166.416	166.4	1.098131	151.5
2020		85.745	85.7	1.146318	74.8
2021		-	-	1.197043	-
2022		-	-	1.235322	-
2023		-	-	1.266339	-
2024		-	-	1.297059	-
2025		4.000	4.0	1.327970	3.0
2026		-	-	1.355305	-

Annual Acquisition Estimates by Appropriation Account

(Aligned to Budget Position: PB 2027)

VC-25B

Source for TY\$-CY\$ Conversion: SAF/FMCE Raw and Weighted Inflation Indices for DAF Accounts: 30 Mar 2026

3400F - Operation & Maintenance, Air Force					
fiscal year		Other/ Unallocated	Total TY(\$M)	Weighted Rate	Total CY2018 (\$M)
Total		2.6	2.6	-	2.3
Undistri- buted			-		
2009			-	0.878760	-
2010			-	0.892363	-
2011			-	0.908211	-
2012			-	0.922083	-
2013			-	0.941372	-
2014			-	0.947514	-
2015			-	0.960952	-
2016			-	0.975211	-
2017			-	0.995573	-
2018			-	1.018116	-
2019			-	1.036364	-
2020			-	1.067220	-
2021		2.562	2.6	1.115577	2.3
2022			-	1.173821	-

Acquired System Annual End-Item Quantities by Appropriation Account

(Aligned to Budget Position: PB 2027)

VC-25B

3600F - Research, Development, Test & Eval, AF				
fiscal year	VC-25B			Total
Total	2			2
Undistributed	-			-
2026				-
2027				-
2028	1			1
2029	1			1
2030				-

Annual Operating and Support Estimates by Cost Element

VC-25B

System: VC-25B

Source for TY-CY Conversion:

USAF Raw Inflation Indices, FY2018, 2025 Release

Operating and Support Cost Elements							
fiscal year	1.0 Unit-Level Manpower	2.0 Unit Operations	3.0 Maintenance	4.0 Sustaining Support	5.0 Continuing System Improvements	Other	Total CY2018 (\$M)
Total	1,733.2	403.6	1,881.5	2,174.2	743.8	680.3	7,616.6
Undistributed							-
2027							-
2028	16.383	3.803	42.572	21.065	-	-	83.8
2029	42.912	10.213	134.095	55.557	6.234	-	249.0
2030	53.523	12.717	18.273	69.707	4.841	-	159.1
2031	53.808	12.766	19.135	69.889	4.855	-	160.5
2032	54.095	12.815	41.788	70.072	26.350	-	205.1
2033	54.383	12.865	42.926	70.256	12.907	-	193.3
2034	54.673	12.914	21.974	70.440	1.255	-	161.3
2035	54.964	12.964	103.296	70.625	66.802	-	308.7
2036	55.257	13.015	105.820	70.810	28.039	-	272.9
2037	55.552	13.065	25.233	70.995	16.328	-	181.2
2038	55.848	13.116	34.907	71.182	1.270	-	176.3
2039	56.146	13.167	36.179	71.369	63.571	-	240.4
2040	56.446	13.218	43.764	71.556	84.296	-	269.3
2041	56.747	13.269	45.307	71.744	75.878	-	262.9
2042	57.050	13.321	31.776	71.932	14.735	-	188.8
2043	57.355	13.373	48.593	72.121	81.880	-	273.3
2044	57.661	13.425	58.976	72.311	28.706	-	231.1
2045	57.969	13.478	45.150	72.501	16.717	-	205.8
2046	58.279	13.530	134.751	72.691	22.203	-	301.5
2047	58.590	13.583	138.080	72.883	13.448	-	296.6
2048	58.903	13.636	41.905	73.074	1.308	-	188.8
2049	59.218	13.690	43.883	73.267	1.311	-	191.4
2050	59.534	13.744	54.742	73.460	1.315	-	202.8
2051	59.853	13.798	73.706	73.653	70.016	-	291.0
2052	60.173	13.852	67.350	73.847	29.388	-	244.6
2053	60.494	13.906	52.774	74.041	17.114	-	218.3
2054	60.818	13.961	72.594	74.237	22.731	-	244.3
2055	61.143	14.016	75.392	74.432	13.768	-	238.8
2056	61.471	14.071	69.549	74.628	1.339	-	221.1
2057	61.800	14.127	72.436	74.825	1.343	-	224.5
2058	62.130	14.183	84.552	75.023	13.890	680.271	930.0
2059							-