Appendix C

“Preliminary Information on Air Force Tanker Leasing Issues,”
General Accounting Office,
Briefing for Senate Armed Service Committee

May 2002
Preliminary Information on AF Tanker Leasing Issues

Briefing for Senate Armed Services Committee
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Requirements

**KC-135 Fleet Data**

- 134 E Models in inventory as of April 2002
- All E Models are in reserve component; active AF has more capable R Models
- First acquired – 1957
- Average age – 43 years
- AF projects lifetime flying hours limit of 36,000 hours for E Models (39,000 for R Models)
  - AF says no E Models would reach this limit before 2040
- As of 1995, majority of the fleet had between 12,000 and 14,000 flight hours
- Fleet averaging about 300 hours per year since then
Requirements

KC-135 Fleet Data

- Mission Capable rates (FY 02 through March)
  - Active - 85%
  - Reserve R Models – 77.9%
  - National Guard R Models – 77.8%
  - Reserve E Models – 70.4%
  - National Guard E Models – 75.5%
- AF has been upgrading approximately 2 E Models per year to R Model at cost of about $29 million per aircraft
  - AF estimates it will have 127 E Models to replace when leased 767s become available
- AF estimates that by 2005, average number of non-available aircraft will reach 206 of 545 KC-135s
Requirements

Prior AF Plans for Replacing KC-135s

- Urgency of replacement is not clear; AF says Sept 11 increased their concern about age of fleet
- At the time of 1996 GAO report, AF planned to begin replacing KC-135s with new tankers in 2013
- In 2001, AF officials said start of replacement was moved up to 2009
- Replacement of KC-135s was never in the Air Force budget or unfunded requirements list until March 2002
- If requirement to replace KC-135Es is urgent, quickest solution may be to re-engine and upgrade to R Models (approx. 2 year lead-time)
Impact on AF Tanker Fleet When 767s Are Returned at End of Lease Period

- Models are retired as 767s are delivered
- Shortfall as leases expire starting in 2015

Based on notional KC-135E retirement plan; no AF plan available