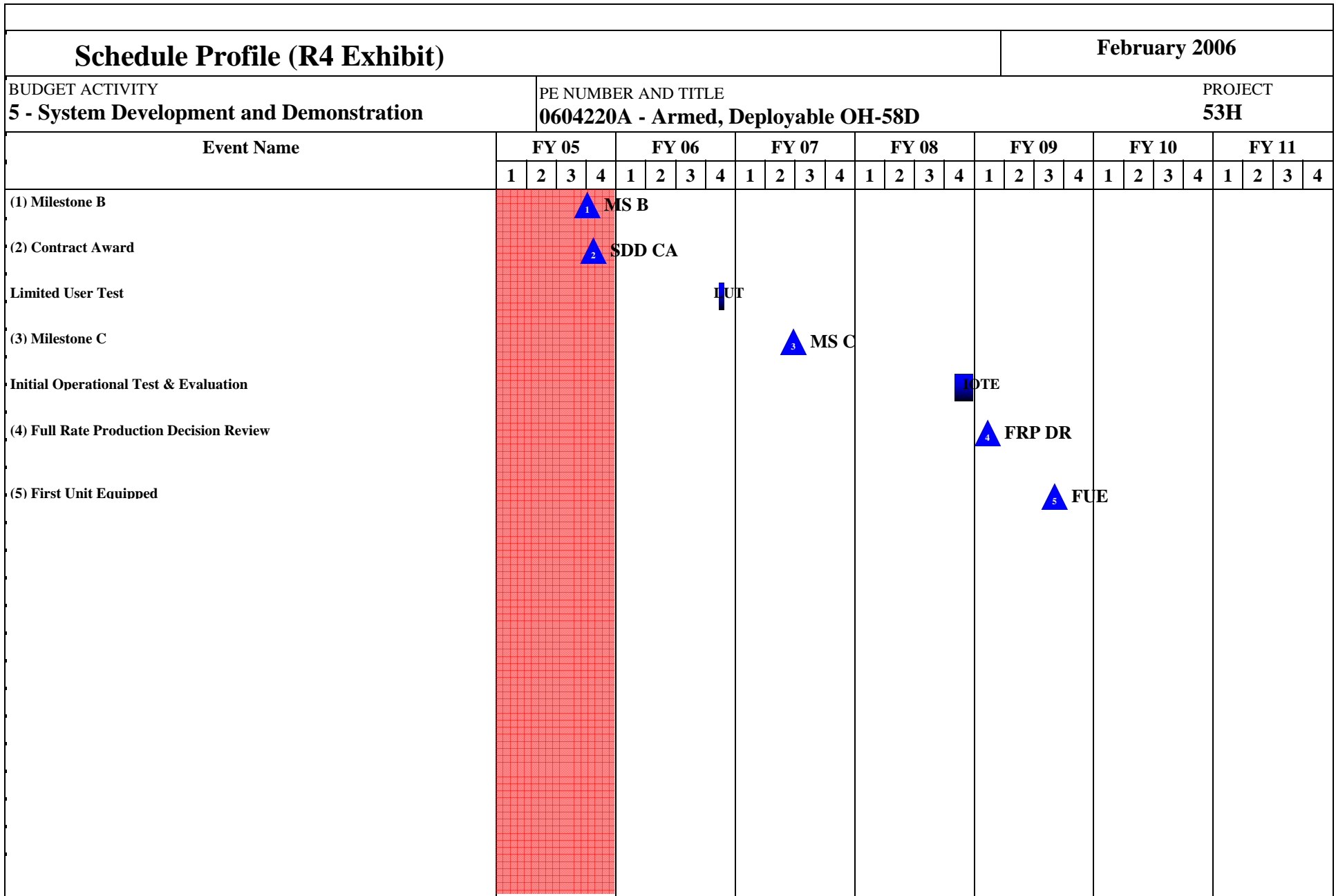


ARMY RDT&E BUDGET ITEM JUSTIFICATION (R2 Exhibit)								February 2006		
BUDGET ACTIVITY 5 - System Development and Demonstration			PE NUMBER AND TITLE 0604220A - Armed, Deployable OH-58D					PROJECT 53H		
COST (In Thousands)		FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	Cost to Complete	Total Cost
53H	ARMED RECONNAISSANCE HELICOPTER (ARH)	43315	91860	132781	83100	13200	0	0	0	364256
<p><u>A. Mission Description and Budget Item Justification:</u> The mission of the Armed Reconnaissance Helicopter (ARH) is to provide a robust reconnaissance and security capability for the Joint Combined arms air-ground maneuver team. The ARH is a combination of a modified off-the-shelf (OTS) airframe integrated with a non-development item (NDI) mission equipment package (MEP). The ARH will be fielded to support current forces in the Global War on Terror (GWOT) and will possess the growth potential to bridge the capability gaps to Future Combat Force. The ARH will be a direct replacement for the aging OH58D Kiowa Warrior fleet.</p> <p>The rapidly reconfigurable ARH provides the space, weight, and power to incorporate the MEP, as Mission, Enemy, Terrain, Troops available, Time and Civilian considerations (METT_TC) dictates, for use in High/hot (4K/95°F with growth potential to 6K/95°F) conditions, complex terrain, and urban environments. The MEP provides a robust communications and navigation suite, advanced state-of-the-art sensor assembly, and self-defense armament capability to fight for, collect, and distribute critical information to all members of the Joint air-ground maneuver team. Specifically, the ARH's robust communication suite when combined with the sensors assembly provides real time delivery of actionable combat information to the joint force while enabling precision employment of Joint sensors and fires.</p> <p>The ARH will provide a highly deployable, reconnaissance and security capability that will employ immediately upon arrival into theater. The platform will address the capability gaps of interoperability, survivability, versatility, agility, lethality, and sustainability to ensure interoperability over extended ranges, enhance mission effectiveness throughout the operational environment, and focus on system survivability against threats operating in the contemporary operational environment, while reducing the logistical burden on the tactical unit. The fundamental purpose of ARH is to perform reconnaissance and to provide security in combat operations. In doing so, it improves the commander's ability to maneuver and concentrate superior combat power against the enemy at the decisive time and place.</p>										
<u>Accomplishments/Planned Program</u>							<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	
Program Support for Milestone Review Preparation & Source Selection							11342	7313	2895	
Aircraft Subsystem Integration and Testing Efforts							29982	71730	112022	
Operational Testing and Support							1991	12817	17864	
Total							43315	91860	132781	

ARMY RDT&E BUDGET ITEM JUSTIFICATION (R2 Exhibit)							February 2006		
BUDGET ACTIVITY 5 - System Development and Demonstration				PE NUMBER AND TITLE 0604220A - Armed, Deployable OH-58D				PROJECT 53H	
<u>B. Program Change Summary</u>				FY 2005	FY 2006	FY 2007			
Previous President's Budget (FY 2006)				43366	13964	0			
Current BES/President's Budget (FY 2007)				43315	91860	132781			
Total Adjustments				-51	77896	132781			
Congressional Program Reductions					-927				
Congressional Rescissions					-419				
Congressional Increases					79242				
Reprogrammings				-51					
SBIR/STTR Transfer									
Adjustments to Budget Years						132781			
Change Summary Explanation: FY06 & FY07 contain funding realignment from APA to RDTE to support the Armed Reconnaissance Helicopter program (+70000/+57427). FY06 & FY07 funding increases support the Milestone B decision (+7896/+75354).									
<u>C. Other Program Funding Summary</u>									
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	To Compl	Total Cost
A04203 HELICOPTER, OBSERVATION, Kiowa Warrior Replacement	0	0	141418	354144	648813	634912	580329	0	2359616
Comment: <u>D. Acquisition Strategy</u> The Milestone B Acquisition Decision Memorandum (ADM) was signed on 27 July 2005. The Armed Reconnaissance Helicopter (ARH) program is in the Systems Development and Demonstration (SDD) phase. SDD contract includes 2 LRIP options. Milestone C review for an LRIP decision is scheduled for 2QTR in FY07.									

ARMY RDT&E COST ANALYSIS (R3)										February 2006		
BUDGET ACTIVITY				PE NUMBER AND TITLE						PROJECT		
5 - System Development and Demonstration				0604220A - Armed, Deployable OH-58D						53H		
I. Product Development	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2005 Cost	FY 2005 Award Date	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	Cost To Complete	Total Cost	Target Value of Contract
Aircraft Subsystem Integration and Testing Efforts	Cost Plus Incentive Fee	Bell Helicopter Textron, Inc - Fort Worth TX	0	29982	4Q	71730	1-3Q	112022	1-3Q	0	0	0
Subtotal:			0	29982		71730		112022		0	0	0
II. Support Costs	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2005 Cost	FY 2005 Award Date	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	Cost To Complete	Total Cost	Target Value of Contract
Subtotal:			0									
III. Test And Evaluation	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2005 Cost	FY 2005 Award Date	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	Cost To Complete	Total Cost	Target Value of Contract
Operational Testing and Support	MIPR	Various Activities	0	1991	4Q	12817	1-3Q	17864	1-3Q	0	0	0
Subtotal:			0	1991		12817		17864		0	0	0
IV. Management Services	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2005 Cost	FY 2005 Award Date	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	Cost To Complete	Total Cost	Target Value of Contract
Program Support for Milestone Review Preparation & Source Selection	Various	PMO ARH, Matrix, Other Government Agencies	0	11342	1-4Q	7313	1-4Q	2895	1-4Q	0	0	0
Subtotal:			0	11342		7313		2895		0	0	0

ARMY RDT&E COST ANALYSIS (R3)							February 2006				
BUDGET ACTIVITY		PE NUMBER AND TITLE							PROJECT		
5 - System Development and Demonstration		0604220A - Armed, Deployable OH-58D							53H		
Project Total Cost:		0	43315		91860		132781		0	0	0



Schedule Detail (R4a Exhibit)					February 2006		
BUDGET ACTIVITY 5 - System Development and Demonstration		PE NUMBER AND TITLE 0604220A - Armed, Deployable OH-58D				PROJECT 53H	
<u>Schedule Detail</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Milestone B	4Q						
SDD Contract Award	4Q						
System Development and Demonstration (SDD)/Testing	4Q	1-4Q	1-4Q	1-4Q			
Milestone C			2Q				
Full Rate Production (FRP)					1Q		
First Unit Equipped (FUE)					3Q		

Termination Liability Funding For Major Defense Acquisition Programs, RDT&E Funding (R5)									February 2006	
BUDGET ACTIVITY			PE NUMBER AND TITLE						PROJECT	
5 - System Development and Demonstration			0604220A - Armed, Deployable OH-58D						53H	
Funding in \$000										
Program			FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	
Armed Reconnaissance Helicopter (ARH)			37612	71730	32694	3481				
Total Termination Liability Funding:			37612	71730	32694	3481				