

CLASSIFICATION:

UNCLASSIFIED

EXHIBIT R-2, RDT&E Budget Item Justification						DATE: February 2006	
APPROPRIATION/BUDGET ACTIVITY RESEARCH DEVELOPMENT TEST & EVALUATION, NAVY / BA-7				R-1 ITEM NOMENCLATURE 0207163N AMRAAM			
COST (\$ in Millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Total PE Cost	8.546	3.531	6.705	2.620	3.508	3.144	3.148
0981 AMRAAM	8.546	3.531	6.705	2.620	3.508	3.144	3.148

(U) A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:
 This joint Navy/Air Force program is structured in response to the Joint Service Operational Requirement and Mission Element Need Statement to develop an air superiority air-to-air missile with significant improvements in operational utility and combat effectiveness. This program supports the integration of the AMRAAM into Navy aircraft with analysis of Navy unique applications, aircraft missile integration tasks, pre-planned product improvement (P3I) efforts including missile software upgrade development and procurement of hardware to support Navy test and evaluation tasks.

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EXHIBIT R-2a, RDT&E Project Justification						DATE: February 2006	
APPROPRIATION/BUDGET ACTIVITY RDT&E, N / BA-7		PROGRAM ELEMENT NUMBER AND NAME 0207163N AMRAAM		PROJECT NUMBER AND NAME 0981 AMRAAM			
COST (\$ in Millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Project Cost	8.546	3.531	6.705	2.620	3.508	3.144	3.148
RDT&E Articles Qty							
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(U) B. Accomplishments/Planned Program			
	FY05	FY06	FY07
Accomplishments/Effort/Subtotal Cost	5.034	1.449	1.467
RDT&E Articles Quantity			
<p>Continue system engineering and test activities in AMRAAM Phase 4 program which include conducting Proof of Manufacturing (POM) testing, final testing of Phase 4 software, aircraft integration/aircraft Operational Flight Program (OFP) efforts and Phase 4 test/equipment tasks. Continue system engineering/aircraft integration activities for System Improvements Program (SIP) planning with emphasis on Navy unique compatibility requirements and Navy aircraft integration/compatibility requirements.</p>			
	FY05	FY06	FY07
Accomplishments/Effort/Subtotal Cost	3.512	0.919	0.815
RDT&E Articles Quantity			
<p>Continued engineering support of AMRAAM, including investigation and analysis of technologies that offer potential improvements in AMRAAM lethality/performance and compatibility with related weapons systems.</p>			
	FY05	FY06	FY07
Accomplishments/Effort/Subtotal Cost		1.163	4.423
RDT&E Articles Quantity			
<p>Continue aircraft integration activities and test and evaluation for Navy unique requirements.</p>			

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<p>C. PROGRAM CHANGE SUMMARY:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 40%;"></th> <th style="text-align: right; width: 15%;">FY 05</th> <th style="text-align: right; width: 15%;">FY 06</th> <th style="text-align: right; width: 15%;">FY 07</th> </tr> </thead> <tbody> <tr> <td>Funding:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Previous President's Budget:</td> <td style="text-align: right;">9.001</td> <td style="text-align: right;">3.584</td> <td style="text-align: right;">6.726</td> </tr> <tr> <td>Current President's Budget:</td> <td style="text-align: right;">8.546</td> <td style="text-align: right;">3.531</td> <td style="text-align: right;">6.705</td> </tr> <tr> <td>Total Adjustments</td> <td style="text-align: right; border-top: 1px solid black;">-0.455</td> <td style="text-align: right; border-top: 1px solid black;">-0.053</td> <td style="text-align: right; border-top: 1px solid black;">-0.021</td> </tr> <tr> <td colspan="4" style="padding-top: 10px;">Summary of Adjustments</td> </tr> <tr> <td> Congressional reductions</td> <td></td> <td style="text-align: right;">-0.037</td> <td></td> </tr> <tr> <td> Congressional undistributed reductions</td> <td style="text-align: right;">-0.171</td> <td></td> <td></td> </tr> <tr> <td> Congressional rescissions</td> <td></td> <td></td> <td></td> </tr> <tr> <td> Economic Assumptions</td> <td></td> <td style="text-align: right;">-0.016</td> <td style="text-align: right;">0.034</td> </tr> <tr> <td> Congressional increases</td> <td></td> <td></td> <td></td> </tr> <tr> <td> Miscellaneous</td> <td style="text-align: right;">-0.284</td> <td></td> <td style="text-align: right;">-0.055</td> </tr> <tr> <td> Subtotal</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 1px solid black;">-0.455</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 1px solid black;">-0.053</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 1px solid black;">-0.021</td> </tr> </tbody> </table> <p style="margin-top: 20px;">Schedule:</p> <p>The (Phase 3) AIM120C-7 F/A-18 E/F IOC date moved to account for move of start/completion of independent operational testing by COMOPTEVFOR/AFOTEC due to problems in securing OSD/DOT&E approval of Test & Evaluation Master Plan OT sections and test hardware. Additional adjustments in the OT schedule are due to testing of software improvements as part of the AIM120C-7 SWUP. OT&E completion is a requirement for IOC recommendation by COMOPTEVFOR/N780.</p> <p>The Phase 3 SWUP Completion date is now planned for May 2006 consistent with the above current OT schedule. Phase 3 SWUP IOC added for completeness.</p> <p>Phase 4 SDD program issues identified in late December 2005 will result in a re-baseline to the existing Phase 4 SDD/DT/OT schedule/completion. Re-baselined schedules will be available/approved in April 2006.</p> <p style="margin-top: 20px;">Technical:</p> <p>Not applicable.</p>						FY 05	FY 06	FY 07	Funding:				Previous President's Budget:	9.001	3.584	6.726	Current President's Budget:	8.546	3.531	6.705	Total Adjustments	-0.455	-0.053	-0.021	Summary of Adjustments				Congressional reductions		-0.037		Congressional undistributed reductions	-0.171			Congressional rescissions				Economic Assumptions		-0.016	0.034	Congressional increases				Miscellaneous	-0.284		-0.055	Subtotal	-0.455	-0.053	-0.021
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<p>(U) D. OTHER PROGRAM FUNDING SUMMARY:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 35%;"><u>Line Item No. & Name</u></th> <th style="text-align: right; width: 8%;"><u>FY 2005</u></th> <th style="text-align: right; width: 8%;"><u>FY 2006</u></th> <th style="text-align: right; width: 8%;"><u>FY 2007</u></th> <th style="text-align: right; width: 8%;"><u>FY 2008</u></th> <th style="text-align: right; width: 8%;"><u>FY 2009</u></th> <th style="text-align: right; width: 8%;"><u>FY 2010</u></th> <th style="text-align: right; width: 8%;"><u>FY 2011</u></th> <th style="text-align: right; width: 10%;"><u>To Complete</u></th> <th style="text-align: right; width: 10%;"><u>Total Cost</u></th> </tr> </thead> <tbody> <tr> <td>WPN/P1#5</td> <td style="text-align: right;">28.781</td> <td style="text-align: right;">73.724</td> <td style="text-align: right;">98.651</td> <td style="text-align: right;">85.875</td> <td style="text-align: right;">84.630</td> <td style="text-align: right;">86.465</td> <td style="text-align: right;">88.617</td> <td style="text-align: right;">1,406.775</td> <td style="text-align: right;">3,171.723</td> </tr> <tr> <td>Quantity</td> <td style="text-align: right;">37</td> <td style="text-align: right;">85</td> <td style="text-align: right;">150</td> <td style="text-align: right;">140</td> <td style="text-align: right;">150</td> <td style="text-align: right;">150</td> <td style="text-align: right;">150</td> <td style="text-align: right;">1,889</td> <td style="text-align: right;">4,461</td> </tr> <tr> <td colspan="10"><u>Related RDT&E</u></td> </tr> <tr> <td colspan="10">PE 0207130F F-15</td> </tr> <tr> <td colspan="10">PE 0204126N F/A-18 Squadrons</td> </tr> <tr> <td colspan="10">PE 0207163F AMRAAM P3I</td> </tr> <tr> <td colspan="10">PE 0207133F F-16</td> </tr> <tr> <td colspan="10">PE 0604239F F-22</td> </tr> <tr> <td colspan="10">PE 0207134F F-15E</td> </tr> </tbody> </table> <p>(U) E. ACQUISITION STRATEGY:</p> <p>With the December 1997 merger of Raytheon and Hughes into the Raytheon Systems Company, the government implemented a new acquisition strategy labeled AMRAAM Vision 2000. The Vision 2000 strategy capitalizes on a Long Term Pricing Agreement (LTPA) agreement between Raytheon and the government under the auspices of the Department of Justice which supported the Raytheon/Hughes merger and a shift in government business practices toward a more "commercial" business arrangement. The lot 16 procurement contract award again includes an overarching price control strategy with Total System Performance Responsibility (TSPR) with the prime contractor, Raytheon Defense Systems Segment in Tucson, Arizona. The purchase includes missiles, warranties, spares, missile performance tracking, and reliability tests. Raytheon assumes responsibility for all specifications below missile performance.</p>										<u>Line Item No. & Name</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>	<u>To Complete</u>	<u>Total Cost</u>	WPN/P1#5	28.781	73.724	98.651	85.875	84.630	86.465	88.617	1,406.775	3,171.723	Quantity	37	85	150	140	150	150	150	1,889	4,461	<u>Related RDT&E</u>										PE 0207130F F-15										PE 0204126N F/A-18 Squadrons										PE 0207163F AMRAAM P3I										PE 0207133F F-16										PE 0604239F F-22										PE 0207134F F-15E									
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Exhibit R-3 Cost Analysis (page 1)								DATE:				
APPROPRIATION/BUDGET ACTIVITY								February 2006				
RDT&E, N / BA-7			PROGRAM ELEMENT			PROJECT NUMBER AND NAME						
			0207163N AMRAAM			0981 AMRAAM						
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Primary Hardware Development	SS/CPAF	Raytheon, Tucson AZ	35.373	3.902	01/05	1.103	01/06	0.496	01/07	2.586	43.459	43.459
Primary Hardware Development	WX	NAWC-AD Patuxent River MD		0.271	11/04	0.151	11/05	0.183	11/06	0.744	1.349	
Primary Hardware Development	WX	NAWC-WD Pt Mugu CA		0.151	11/04			0.700	11/06		0.851	
Primary Hardware Development	WX	NSWC Dahlgren VA		0.021	11/04						0.021	
Award Fees	SS/CPAF	Raytheon, Tucson AZ	4.740	0.689	01/05	0.195	01/06	0.088	01/07	0.456	6.169	6.169
Prior Years Development/Acft Integ	Various	Various	19.874								19.874	
Subtotal Product Development			59.987	5.034		1.449		1.467		3.786	71.723	
Remarks: Percentage of award fees actually awarded in past award fee periods is 15%.												
Development Support	SS/FFP	JHU/APL Laurel MD		0.210	01/05	0.200	01/06	0.150	01/07	0.780	1.340	1.340
Development Support	RX	NSMA VA		0.536	12/04	0.350	12/05	0.250	12/06	0.950	2.086	
Development Support	WX	NAWC-WD Pt Mugu CA	11.366								11.366	
Development Support	WX	NAWC-WD China Lake CA		2.158	10/04						2.158	
Subtotal Support			11.366	2.904		0.550		0.400		1.730	16.950	
Remarks:												

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Exhibit R-3 Cost Analysis (page 2)								DATE: February 2006				
APPROPRIATION/BUDGET ACTIVITY RDT&E, N / BA-7			PROGRAM ELEMENT 0207163N AMRAAM			PROJECT NUMBER AND NAME 0981 AMRAAM						
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Developmental Test & Evaluation	WX	NAWC WD Pt Mugu CA	1.306			1.163	11/05	4.423	11/06	5.405	12.297	
Subtotal T&E			1.306			1.163		4.423		5.405	12.297	
Remarks:												
Program Management Support	WX	NAWC AD Pax River MD	3.544	0.013	10/04	0.010	10/05	0.010	10/06	0.025	3.602	
Travel	MIPR	PMA-259 Eglin AFB FL	1.409	0.150	10/04	0.159	10/05	0.200	10/06	0.800	2.718	
Program Management Support	C/CPFF	TITAN Corp Marlton, NJ		0.445	10/04	0.200	10/05	0.205	10/06	0.674	1.524	
Subtotal Management			4.953	0.608		0.369		0.415		1.499	7.844	
Remarks:												
Total Cost			77.612	8.546		3.531		6.705		12.420	108.814	
Remarks:												

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EXHIBIT R4, Schedule Profile																			DATE:									
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APPROPRIATION/BUDGET ACTIVITY					PROGRAM ELEMENT NUMBER AND NAME										PROJECT NUMBER AND NAME													
RDT&E, N / BA-7					0207163N AMRAAM										0981 AMRAAM													
Fiscal Year	2005				2006				2007				2008				2009				2010				2011			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Pre-Planned Product Improvement (P3I) Phase 3																												
IOC C7																												
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Pre-Planned Product Improvement (P3I) Phase 4																												
SDD																												
SYSTEM DT/OT Start																												
IOC																												
Phase 4 SIP/SWUP																												
Production Milestones																												
Contract awards																												
Deliveries																												

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