EXHIBIT R-2, RDT&E Budget Item Justification						DATE: February 2006		
APPROPRIATION/BUDGET ACTIVITY REASEARCH DEVELOPMENT TEST & EVALUATION, NAVY / BA 5						R-1 ITEM NOMENCLATURE 0605500N, MULTI-MISSION MARITIME AIRCRAFT		
COST ($ in Millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	
Total PE Cost	470.893	949.561	1,131.655	836.699	1,085.407	1,082.761	723.846	
2696 MULTI-MISSION MARITIME AIRCRAFT	470.893	949.561	1,131.655	836.699	1,085.407	1,082.761	723.846	

(U) A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: The Multi-mission Maritime Aircraft (MMA) program provides the replacement system (s) for the aging P-3 aircraft. The MMA program was initiated in response to the JROC validated MNS, "Broad Area Maritime and Littoral Armed Intelligence, Surveillance and Reconnaissance" and the requirements for the program are defined in the MMA Operational Requirements Document (ORD)/ Capability Development Document (CDD), validated and approved by JROC on 08 December 2003. The MMA program received Milestone 0 approval to proceed into Concept Exploration (CE) on 22 March 2000. Concept exploration activities began in June 2000 under Program Element 0702207N / Project Unit W2737. Approval to enter Component Advanced Development (CAD) was attained from the Overarching Integrated Product Team on 18 January 2002 and the Milestone Decision Authority (USD(AT&L)) approved the program Acquisition Strategy on 8 February 2002. Approval to enter System Demonstration and Development (SDD) was attained at the Defense Acquisition Board (DAB) on 28 May 2004. At the DAB approval was granted to award the SDD contract. The contract was awarded to Boeing on 14 June 2004.

The primary objectives of SDD are to: perform the system detailed design, develop and produce Systems Integration Labs, develop and build ground and flight test articles and prepare for Milestone C. Seven flight test aircraft will be built during SDD. These test aircraft will be grouped into two stages based on which phase of the test program the aircraft will support. SDD Stage I flight test aircraft (FY06/Qty-3) will support initial combined Developmental/Operational Testing (DT/OT). SDD Stage II flight test aircraft (FY08/Qty-4) will support the completion of combined DT/OT and Initial Operational Test and Evaluation (IOT&E) after being updated to the production configuration. The SDD contract includes the development and initial builds of training devices to support IOT&E. MMA plans to enter Production and Deployment (PD) in the 3rd quarter of FY10 after completing the Milestone C DAB.

EXHIBIT R-2a, RDT&E Project Justification			DATE: February 2006
APPROPRIATION/BUDGET ACTIVITY **RDT&E, N / BA 5**	PROGRAM ELEMENT NUMBER AND NAME **0605500N, MULTI-MISSION MARITIME AIRCRAFT**	PROJECT NUMBER AND NAME 2696, MULTI-MISSION MARITIME AIRCRAFT	

COST ($ in Millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	
2696 MULTI-MISSION MARITIME AIRCRAFT	470.893	949.561	1,131.655	836.699	1,085.407	1,082.761	723.846	
RDT&E Articles Qty		3		4				

A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: The Multi-mission Maritime Aircraft (MMA) program provides the replacement system(s) for the aging P-3 aircraft. The MMA program was initiated in response to the JROC validated MNS, "Broad Area Maritime and Littoral Armed Intelligence, Surveillance and Reconnaissance" and the requirements for the program are defined in the MMA Operational Requirements Document (ORD)/ Capability Development Document (CDD), validated and approved by JROC on 08 December 2003. The MMA program received Milestone 0 approval to proceed into Concept Exploration (CE) on 22 March 2000. Concept exploration activities began in June 2000 under Program Element 0702207N / Project Unit W2737. Approval to enter Component Advanced Development (CAD) was attained from the Overarching Integrated Product Team on 18 January 2002 and the Milestone Decision Authority (USD(AT&L)) approved the program Acquisition Strategy on 8 February 2002. Approval to enter System Demonstration and Development (SDD) was attained at the Defense Acquisition Board (DAB) on 28 May 2004. At the DAB approval was granted to award the SDD contract. The contract was awarded to Boeing on 14 June 2004.

The primary objectives of SDD are to: perform the system detailed design, develop and produce Systems Integration Labs, develop and build ground and flight test articles and prepare for Milestone C. Seven flight test aircraft will be built during SDD. These test aircraft will be grouped into two stages based on which phase of the test program the aircraft will support. SDD Stage I flight test aircraft (FY06/Qty-3) will support initial combined Developmental/Operational Testing (DT/OT). SDD Stage II flight test aircraft (FY08/Qty-4) will support the completion of combined DT/OT and Initial Operational Test and Evaluation (IOT&E) after being updated to the production configuration. The SDD contract includes the development and initial builds of training devices to support IOT&E. MMA plans to enter Production and Deployment (PD) in the 3rd quarter of FY10 after completing the Milestone C DAB.

EXHIBIT R-2a, RDT&E Project Justification			DATE: February 2006
APPROPRIATION/BUDGET ACTIVITY **RDT&E, N /** **BA 5**	PROGRAM ELEMENT NUMBER AND NAME **0605500N, MULTI-MISSION MARITIME AIRCRAFT**	PROJECT NUMBER AND NAME 2696, MULTI-MISSION MARITIME AIRCRAFT	

B. ACCOMPLISHMENTS / PLANNED PROGRAM:

	FY 2005	FY 2006	FY 2007	
Accomplishments / Effort / Sub-total Cost	16.745	24.315	32.997	
RDT&E Articles Qty				

Test, GFE, Engineering and Technical Development for the CAD and SDD contracts. Effort includes: analysis of contracted deliverables; evaluation of an unmanned aerial vehicle (UAV) in the maritime role (technical and cost analysis), refine UAV system integration requirements, and evaluate UAV concept of operations; direct technical and logistic support of system development and delivery; assessment of contractors readiness to proceed in design/development; evaluate contract cost, schedule, and performance; test preparations, provide necessary government furnished equipment and test articles, and conduct testing; risk assessment/mitigation; program control; performance status; and plan and prepare for future Milestone/Decision Reviews and develop associated documentation. Modeling & Simulation tools will be developed to assess proposed risk mitigations and to support Developmental Test and Evaluation. Work effort initiated will continue until the end of the SDD contract planned in FY13.

	FY 2005	FY 2006	FY 2007	
Accomplishments / Effort / Sub-total Cost	454.148	925.246	1,098.658	
RDT&E Articles Qty		3		

Initiate System Development and Demonstration (SDD) phase. Work effort started in FY04 at the completion of the CAD contracts. Scope of effort includes: Design, develop, build, and test MMA aircraft, avionics, mission systems, Systems Integration Lab(s), wind tunnel test models, ground and flight test articles (SDD Stage I, FY06, Qty3; SDD Stage II, FY08, Qty4), other test articles, integration of UAV Tactical Control System (TCS), modifications to the Tactical Support Center (TSC), and development and initial builds of training devices to support IOT&E. Conduct the Integrated Baseline Review (IBR) and prepare for and conduct technical reviews such as the System Functional Review (SFR), Preliminary Design Review (PDR), and Critical Design Review (CDR). Work effort initiated in FY04 and will continue until the end of the SDD contract planned in FY13.

EXHIBIT R-2a, RDT&E Project Justification			DATE: February 2006
APPROPRIATION/BUDGET ACTIVITY **RDT&E, N /** **BA 5**	PROGRAM ELEMENT NUMBER AND NAME **0605500N, MULTI-MISSION MARITIME AIRCRAFT**	PROJECT NUMBER AND NAME 2696, MULTI-MISSION MARITIME AIRCRAFT	

C. PROGRAM CHANGE SUMMARY

Funding:	FY 2005	FY 2006	FY 2007
Previous President's Budget:	490.249	964.067	1,138.465
Current President's Budget:	470.893	949.561	1,131.655
Total Adjustments	-19.356	-14.506	-6.810
Summary of Adjustments			
Congressional Reductions			
Congressional Rescissions			
Congressional Undistributed Reductions	-12.684	-10.116	
Congressional Increases			
Economic Assumptions		-4.390	5.916
Miscellaneous Adjustments	-6.672		-12.726
Subtotal	-19.356	-14.506	-6.810

Schedule: Not applicable.

Technical: Not applicable.

EXHIBIT R-2a, RDT&E Project Justification			DATE: February 2006
APPROPRIATION/BUDGET ACTIVITY **RDT&E, N /** **BA 5**	PROGRAM ELEMENT NUMBER AND NAME **0605500N, MULTI-MISSION MARITIME AIRCRAFT**	PROJECT NUMBER AND NAME 2696, MULTI-MISSION MARITIME AIRCRAFT	

D. OTHER PROGRAM FUNDING SUMMARY:	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	To Complete	Total Cost
APN PE 0204251N BLI 019300 MMA					111.007	1,792.609	2,062.681	19,877.824	23,844.121
APN BLI 060510 Initial Spares - MMA						41.720	47.424	971.056	1,060.200
MILCON PE 0805376 - Project P-146 & P-147		5.800	14.090					120.010	139.900

E. ACQUISITION STRATEGY: The Multi-Mission Maritime Aircraft (MMA) Milestone 0 was approved 22 March 2000 and the resulting Acquisition Decision Memorandum directed MMA to begin the CE phase consisting of an AoA and industry concept studies. These activities began 3Q/01 and were funded under Program Element 0702207N / Project Unit W2737. Approval to enter Component Advanced Development (CAD) was attained from the Overarching Integrated Product Team on 18 Jan 2002 and the Milestone Decision Authority (USD(AT&L)) approved the program Acquisition Strategy on 8 Feb 2002. The CAD was a competitive award to multiple contractors to define alternative MMA concept system architectures and evaluate associated risks and proposed mitigations. Selection of MMA concept and approval to enter System Development and Demonstration (SDD) phase occurred at MS B decision review on 28 May 2004. The contract was awarded to Boeing on 14 June 2004. The SDD phase is being used to design, develop and test the MMA system. The MMA program was initiated in response to the JROC validated MNS, "Broad Area Maritime and Littoral Armed Intelligence, Surveillance and Reconnaissance" and the requirements for the program are defined in the MMA Operational Requirements Document (ORD)/ Capability Development Document (CDD), validated and approved by JROC on 08 December 2003. MMA IOC objective is FY 2013.

Exhibit R-3 Cost Analysis (page 1)									DATE: February 2006			
APPROPRIATION/BUDGET ACTIVITY RDT&E, N / BA 5		PROGRAM ELEMENT 0605500N, MULTI-MISSION MARITIME AIRCRAFT				PROJECT NUMBER AND NAME 2696, MULTI-MISSION MARITIME AIRCRAFT						
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s 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
PRODUCT DEVELOPMENT												
Award Fee for Primary HW	C-CPAF	THE BOEING COMPANY, SEATTLE, WA		5.238	1/30/2005	44.519	1/1/2006	58.214	10/1/2006	294.576	402.547	402.547
Info. Assurance	WX	NAWCAD, PATUXENT RIVER MD				.200	1/1/2006	.350	11/1/2006	1.411	1.961	
Primary HW Dev - Boeing	C-CPAF	THE BOEING COMPANY, SEATTLE, WA	43.727	446.510	1/30/2005	864.759	1/1/2006	1,021.900	10/1/2006	3,580.095	5,956.991	5,956.991
Primary HW Dev - SPAWAR	WX/RX	SPAWARSYSCOM, SAN DIEGO CA		2.400	2/1/2005	2.900	2/1/2006	5.616	2/1/2007	22.156	33.072	
Systems Eng - TBD	WX	NAWCAD, PATUXENT RIVER MD				12.868	1/30/2006	12.578	11/1/2006	71.032	96.478	
All other PY Product Development Cost	VARIOUS	VARIOUS	70.538								70.538	70.538
SUBTOTAL PRODUCT DEVELOPMENT			114.265	454.148		925.246		1,098.658		3,969.270	6,561.587	

Remarks:

SUPPORT												
Int. Log Gov	WX	NAWCAD, PATUXENT RIVER MD	1.800	.600	11/1/2004	.692	1/30/2006	5.600	11/1/2006	31.379	40.071	
SAE (NON-FFRDC)	C-FFP	SPAWARSYSCOM, SAN DIEGO CA		2.224	1/30/2005	1.787	1/30/2006	.572	1/30/2007	3.204	7.787	
Tech Dev Gov	WX	NAWCAD & WD / SPAWAR	26.973	10.450	12/30/2004			8.565	11/1/2006	47.995	93.983	
All other PY Support Cost	VARIOUS	VARIOUS	4.868								4.868	
SUBTOTAL SUPPORT			33.641	13.274		2.479		14.737		82.578	146.709	

Remarks:

TEST & EVALUATION												
Dev Test & Eval - TBD	WX	VARIOUS				5.487	1/1/2006	4.567	11/1/2006	84.716	94.770	
GFE & GFI	VARIOUS	VARIOUS				2.000	3/3/2006			134.298	136.298	136.298
LFT&E - Gov	WX	VARIOUS				5.681	11/30/2005	2.767	11/1/2006	11.710	20.158	
Oper Test & Eval - TBD	WX	VARIOUS				.200	2/3/2006			15.960	16.160	
Test Assets - TBD	VARIOUS	VARIOUS				4.902	3/3/2006				4.902	
SUBTOTAL TEST & EVALUATION						18.270		7.334		246.684	272.288	

Remarks:

MANAGEMENT												
Eng & Tech Serv (NON-FFRDC)	C-T&M	R B C INCORPORATED, ALEXANDRIA, VA	5.881	1.380	1/30/2005	1.352	1/30/2006	1.390	1/30/2007	11.328	21.331	21.331
Mgnt Suppt Serv (NON-FFRDC)	C-T&M	R B C INCORPORATED, ALEXANDRIA, VA		.920	12/30/2004	.902	12/30/2005	.926	12/30/2006	4.862	7.610	7.610
Program Mgmt Support	WX	NAWCAD, PATUXENT RIVER MD	6.122	.991	1/30/2005	1.051	1/30/2006	8.315	11/1/2006	50.125	66.604	
Travel - EOB	TO	NAWCAD, PATUXENT RIVER MD	.480	.180	11/30/2004	.261	11/30/2005	.295	11/30/2006	2.065	3.281	
All other PY Management Cost	VARIOUS	VARIOUS	8.330								8.330	
SUBTOTAL MANAGEMENT			20.813	3.471		3.566		10.926		68.380	107.156	

Remarks:

Total Cost			168.719	470.893		949.561		1,131.655		4,366.912	7,087.740	

Remarks:

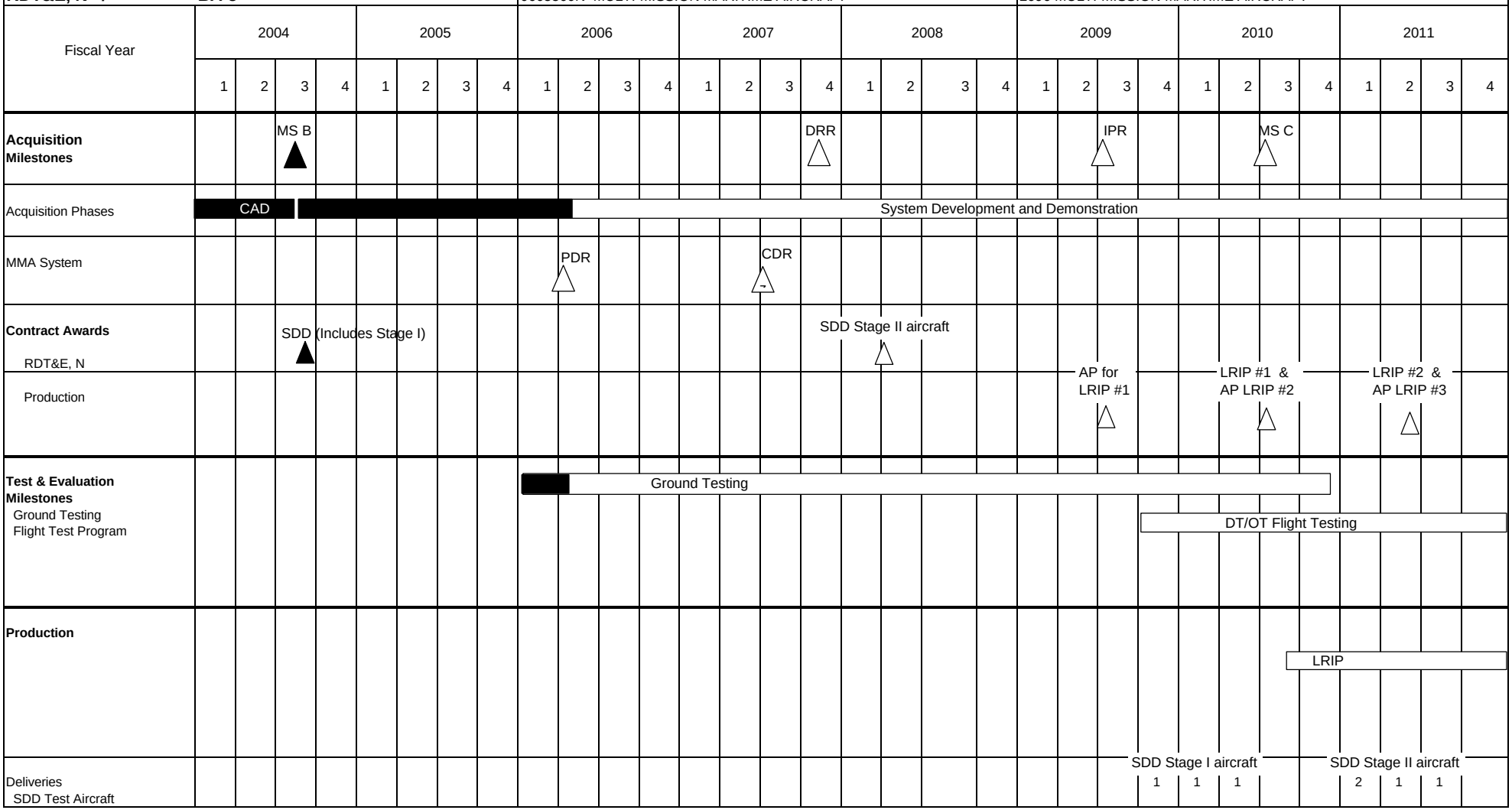
CLASSIFICATION:

EXHIBIT R4, Schedule Profile | DATE: February 2006

APPROPRIATION/BUDGET ACTIVITY: **RDT&E, N / BA-5**

PROGRAM ELEMENT NUMBER AND NAME: 0605500N MULTI-MISSION MARITIME AIRCRAFT

PROJECT NUMBER AND NAME: 2696 MULTI-MISSION MARITIME AIRCRAFT



CLASSIFICATION:

Exhibit R-4a, Schedule Detail						DATE: February 2006		
APPROPRIATION/BUDGET ACTIVITY **RDT&E, N / BA-5**	PROGRAM ELEMENT 0605500N MULTI-MISSION MARITIME AIRCRAFT				PROJECT NUMBER AND NAME 2696 MULTI-MISSION MARITIME AIRCRAFT			
Schedule Profile	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Component Advanced Development	1Q-3Q							
Milestone B DAB (MS B)	3Q							
System Development and Demonstration Contract Award	3Q							
System Development and Demonstration Phase	3Q-4Q	1Q-4Q	1Q-4Q	1Q-4Q	1Q-4Q	1Q-4Q	1Q-4Q	1Q-4Q
Ground Testing			1Q-4Q	1Q-4Q	1Q-4Q	1Q-4Q	1Q-4Q	
Preliminary Design Review (PDR)			2Q					
Critical Design Review (CDR)				3Q				
Design Readiness Review (DRR)				4Q				
SDD Stage II Test Aircraft Contract award					2Q			
Interim Program Review (IPR)						3Q		
Advance Procurement (AP) for LRIP#1 Contract award						3Q		
Developmental Testing/Operational Testing (Flight Test)						4~~Q~~	1Q-4Q	1Q-4Q
Milestone C							3Q	
LRIP Lot #1 and AP LRIP#2 Contract award							3Q	
Low Rate Initial Production							3Q-4Q	1Q-4Q
LRIP Lot #2 and AP LRIP#3 Contract award								2Q