RDT&E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)	DATE FEBRUARY 2007
APPROPRIATION / BUDGET ACTIVITY RDT&E, DEFENSE-WIDE / 7	R-1 ITEM NOMENCLATURE / PROJECT NO. PE 1160421BB Special Operations CV-22 Development/SF200

COST (Dollars in Millions)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	Cost to Complete	Total Cost
PE1160421BB	28.860		23.473	26.375	25.335	64.508	24.757	19.485	Cont.	Cont.
SF200 CV-22	28.860		23.473	26.375	25.335	64.508	24.757	19.485	Cont.	Cont.

A. Mission Description and Budget Item Justification: The CV-22 is a Special Operations Forces (SOF) variant of the V-22 vertical lift, multi-mission aircraft. The CV-22 will provide long range, high speed, infiltration, exfiltration, and resupply to Special Forces teams in hostile, denied, and politically sensitive areas. This is a capability not currently provided by existing aircraft. The CV-22 acquisition program delayed incorporation of some operational capabilities until the completion of a Block 10 CV-22 program. This strategy was agreed to by the Department of the Navy and USSOCOM.

Block 10: Integrate and test Directional Infrared Countermeasures, a system that protects against infrared guided missiles; design, integrate and validate the Troop Commander Situational Awareness station to provide the embarked troop commander access to the CV-22's communication, navigation and mission management system; relocate the ALE-47 chaff and flare dispenser control head to allow any cockpit crew member to activate defensive countermeasures; add a second forward firing chaff and flare dispenser to provide an adequate quantity of consumable countermeasures for the extended duration of SOF infiltration, exfiltration, and resupply missions; and incorporate a dual access feature to the Digital Map System to allow both the pilot and co-pilot to independently access and control the digital map display from the mission computer.

Block 20: Design, integrate, test, and validate enhancements required to meet SOF unique mission requirements and correct deficiencies identified in previous testing. This block will provide more robust performance of the CV platform in navigation, maneuverability and mission deployment. Initial risk reduction and trade studies will be pursued prior to starting System Development and Demonstration (SDD).

Block 30: Design, integrate, test, and validate enhancements required to meet SOF unique mission requirements to maintain performance against the evolving threat environment. This block will enhance survivability and performance against potential threats through reduction of electronic signature emissions and improved countermeasures. Initial risk reduction and trade studies will be pursued prior to starting SDD.

B. Program Change Summary:

	FY2006	FY2007	FY2008	FY2009
Previous President's Budget	29.526		31.660	28.551
Current President's Budget	28.860		23.473	26.375
Total Adjustments	-0.666		-8.187	-2.176
Congressional Program Reductions				
Congressional Rescissions				
Congressional Increases				
Congressional Transfer				
Reprogrammings				
Other Program Adjustments			-8.187	-2.176
SBIR Transfer	-0.666			

Funding:

FY06: Decrease is due to transfer to the Small Business Innovative Research (SBIR) account (-$.0.666 million).

FY08: Decrease is due to realignments to fund higher Command priorities (-$8.187 million).

FY09: Decrease is due to realignments to fund higher Command priorities (-$2.176 million).

Schedule: None.

Technical: None.

Exhibit R-2a, RDT&E Project Justification	Date: FEBRUARY 2007
Appropriation/Budget Activity RDT&E BA # 7	CV-22/Project SF200

Cost ($ in millions)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
CV-22	28.860		23.473	26.375	25.335	64.508	24.757	19.485
RDT&E Articles Quantity								

A. Mission Description and Budget Item Justification: The CV-22 is a Special Operations Forces (SOF) variant of the V-22 vertical lift, multi-mission aircraft. The CV-22 will provide long range, high speed infiltration, exfiltration, and resupply to Special Forces teams in hostile, denied, and politically sensitive areas. This is a capability not currently provided by existing aircraft. The CV-22 acquisition program delayed incorporation of some operational capabilities until the completion of a Block 10 CV-22 program. This strategy was agreed to by the Department of the Navy and the USSOCOM.

Block 10: Integrate and test Directional Infrared Countermeasures (DIRCM), a system that protects against infrared guided missiles; design, integrate and validate the Troop Commander Situational Awareness station to provide the embarked troop commander access to the CV-22's communication, navigation and mission management system; relocate the ALE-47 chaff and flare dispenser control head to allow any cockpit crew member to activate defensive countermeasures; add a second forward firing chaff and flare dispenser to provide an adequate quantity of consumable countermeasures for the extended duration of SOF infiltration/exfiltration/resupply missions; and incorporate a dual access feature to the Digital Map System to allow both the pilot and co-pilot to independently access and control the digital map display from the mission computer.

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Block 30: Design, integrate, test, and validate enhancements required to meet SOF unique mission requirements to maintain performance against the evolving threat environment. This block will enhance survivability and performance against potential threats through reduction of electronic signature emissions and improved countermeasures. Initial risk reduction and trade studies will be pursued prior to starting System Development and Demonstration.

Exhibit R-2a, RDT&E Project Justification	Date: FEBRUARY 2007
Appropriation/Budget Activity RDT&E BA # 7	CV-22/Project SF200

B. Accomplishments/Planned Program

	FY06	FY07	FY08	FY09
Block 10	27.036			
RDT&E Articles Quantity				

FY06 Continued development/integration/testing of Block 10 capabilities and engineering and logistics support.

	FY06	FY07	FY08	FY09
Block 20	1.824		23.743	26.375
RDT&E Articles Quantity				

FY06 Conduct trade studies and begin system requirements definition for Block 20 capabilities, and provide engineering and logistics support.
FY08 Start design and development of Block 20.
FY09 Continue design and development of Block 20.

C. Other Program Funding Summary:

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	To Complete	Total Cost
PROC, CV-22 SOF Osprey	99.195	168.102	238.636	173.816	176.447	164.290	176.725	192.849	Cont.	Cont.

D. Acquisition Strategy.

The CV-22 program is managed by the Navy V-22 Joint Program Office (NAVAIR PMA-275). This ensures that the CV-22 changes are incorporated into the ongoing V-22 production line with minimum impact. Funding for the baseline CV-22 Engineering Manufacturing and Development, known as Block 0, is embedded in the Navy budget. Block 10 RDT&E funding is sent from USSOCOM to PMA-275 to be placed on contract with the V-22 prime contractor. Block 10 capability is required for full compliance with the Joint Operational Requirements Document and associated Milestone III Capabilities Production Document (CPD). Future Block upgrades are planned to follow the same acquisition strategy, with PMA-275 ensuring the integration of SOF unique systems with the ongoing basic vehicle improvements supporting both the CV-22 and the Marine Corps MV-22.

Exhibit R-3 RDT&E Project Cost Analysis			DATE: FEBRUARY 2007								
APPROPRIATION / BUDGET ACTIVITY RDT&E DEFENSE-WIDE / 7			Special Operations CV-22 Development/PE1160421BB CV-22/SF200								
Actual or Budget Value ($ in millions)											
Cost Categories (Tailor to WBS, or System/ Item Requirements)	Contract Method & Type	Performing Activity & Location	Total PYs Cost	Budget Cost FY07	Award Date FY07	Budget Cost FY08	Award Date FY08	Budget Cost FY09	Award Date FY09	To Complete	Total Program
Primary Hardware (H/W) Dev	SS/CPAF	NAVAIR/PMA-275 & Bell-Boeing, Patuxent River, MD	174.553							Cont.	Cont.
Additional Test Aircraft (ATA) Modification	SS/CPAF/IF	NAVAIR/PMA-275 & Bell-Boeing, Patuxent River, MD	62.187								62.187
Block 20 Trade Studies, Risk Reduction and Development	TBD	TBD	1.469			17.574	Mar-08	20.336	Mar-09	Cont.	Cont.
Award/Incentive Fees											
Primary H/W Dev			13.132							Cont.	Cont.
ATA			6.350								6.350
Prior Year Completed Efforts	Various	Various	100.521								
Subtotal Product Dev			358.212	0.000		17.574		20.336		Cont.	Cont.
Remarks:											
Engineering, and Logistics Support	Various	Various	39.692			5.899	Dec-07	6.039	Dec-08	Cont.	Cont.
Subtotal Management			39.692	0.000		5.899		6.039		Cont.	Cont
Remarks:											
Total Cost			397.904	0.000		23.473		26.375		Cont.	Cont.
Remarks:											

Exhibit R-4, RDT&E Program Schedule Profile	Date: FEBRUARY 2007
Appropriation/Budget Activity RDT&E/7	Program Element Number and Name PE1160421BB/Special Operations CV-22 Development
	Project Number and Name Project SF200/CV-22

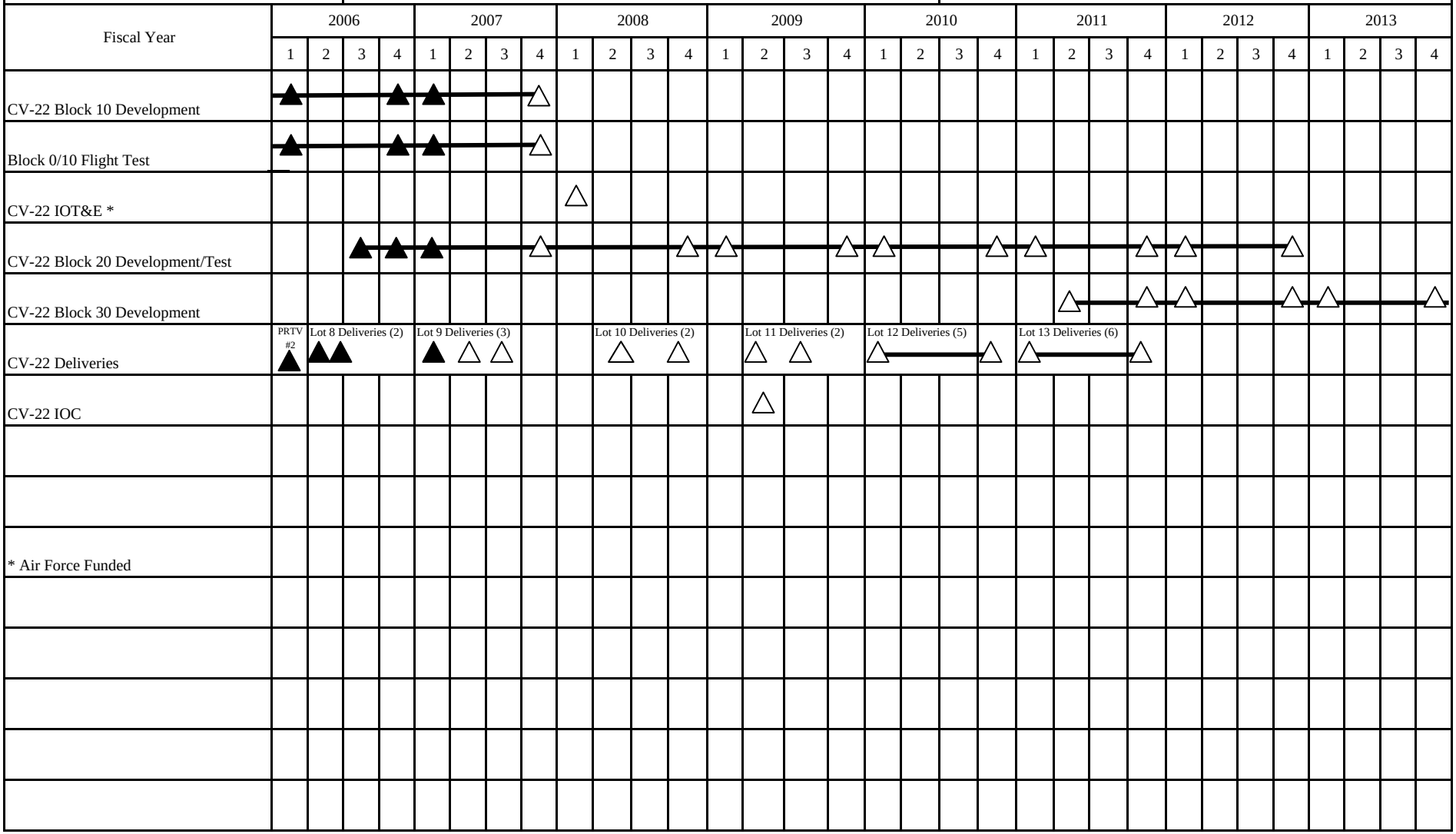

Exhibit R-4a, Schedule Profile				Date: FEBRUARY 2007					
Appropriation/Budget Activity RDT&E/7	Program Element Number and Name PE1160421BB/Special Operations CV-22 Development			Project Number and Name Project SF200/CV-22					
Schedule Profile		FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
CV-22 Block 10 Development		1-4Q	1-4Q						
Block 0/10 Flight Test		1-4Q	1-4Q						
CV-22 IOT&E *				1Q					
CV-22 Block 20 Development/Test		3-4Q	1-4Q	1-4Q	1-4Q	1-4Q	1-4Q	1-4Q	
CV-22 Block 30 Development/Test							2-4Q	1-4Q	1-4Q
CV-22 Deliveries		1-3Q	1-2Q, 4Q	2Q, 4Q	1Q, 3Q	1-4Q	1-4Q	1-4Q	1-4Q
CV-22 IOC					2Q				
* Air Force Funded									