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EXHIBIT R-2, RDT&E Budget Item Justification							DATE: FEBRUARY 2008	
APPROPRIATION/BUDGET ACTIVITY: RDT&E,N/BA-4 Advanced Component Dev. and Prototype					R-1 ITEM NOMENCLATURE 0603611M Marine Corps Assault Vehicles			
COST (\$in Millions)		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
TOTAL Program Element (PE)		314.935	247.207	316.052	236.874	199.284	139.130	88.000
B0020 EXPEDITIONARY FIGHTING VEHICLE (EFV)		309.205	247.207	316.052	236.874	199.284	139.130	88.000
C9999 Congressional Adds		5.730	0.000	0.000	0.000	0.000	0.000	0.000
Quantity of RDT&E Articles			7					
(U) A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:								
This PE supports the demonstration and validation of Marine Corps Assault Vehicles for utilization in Marine Air Group Task Force (MAGTF) amphibious operations.								
This program is funded under DEMONSTRATION & VALIDATION because it develops and integrates essential Command, Control, Communications, Computers and Intelligence (C4I) functions for the MAGTF during both ship-to-objective maneuvers and sustained combat operations ashore as part of the Navy and Marine Corps concepts within the Expeditionary Maneuver Warfare (EMW) capstone.								
B. PROGRAM CHANGE SUMMARY								
		FY2007	FY2008	FY2009				
(U) FY 2008 President's Budget:		347.820	288.220	316.052				
(U) Adjustments from the President's Budget:								
(U) Congressional Program Reductions			-35.000					
(U) Congressional Rescissions		-24.000						
(U) Congressional Undistributed Reductions/Rescissions			-1.690					
(U) Congressional Increases								
(U) FY09 Program Review								
(U) Reprogrammings								
(U) SBIR/STTR Transfer		-8.885	-4.323					
(U) FY 2009 President's Budget:		314.935	247.207	316.052				
CHANGE SUMMARY EXPLANATION:								
(U) Funding: See Above.								
(U) Schedule: N/A								
(U) Technical: N/A								

UNCLASSIFIED

EXHIBIT R-2a, RDT&E Project Justification								DATE:			
								FEBRUARY 2008			
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT NUMBER AND NAME				PROJECT NUMBER AND NAME:				
RDT&E, N /BA-4 Advanced Component Dev. and Prototypes			0603611M Marine Corps Assault Vehicles				B0020 Advanced Amphibious Assault Vehicle (AAAV)				
COST (\$ in Millions)			FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Cost to Complete	Total Program
TOTAL Program Element (PE)			314.935	247.207	316.052	236.874	199.284	139.130	88.000	Cont	Cont
B0020 EXPEDITIONARY FIGHTING VEHICLE (EFV)			309.205	247.207	316.052	236.874	199.284	139.130	88.000	Cont	Cont
9A05N AN/UXC-10 Digital Facsimile Upgrade for EFV			2.816								
9A06N Intelligent Machining of Advanced Defense Material			2.914								
RDT&E Article Quantities				7							
(U) A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:											
<p>The Expeditionary Fighting Vehicle (EFV) Program will field a successor to the Marine Corps' current amphibious vehicle, the Assault Amphibious Vehicle Model 7A1 (AAV7A1). The EFV will provide the principal means of tactical surface mobility for the Marine Air Group Task Force (MAGTF) during both ship-to-objective maneuvers and sustained combat operations ashore. The EFV will provide the Marine Corps with the capability to execute the full spectrum of military missions from humanitarian operations to conventional combat operations. The EFV replaces the AAV7A1 Vehicle, which was originally fielded in the early 1970s. The EFV is a self-deploying, high-water speed, amphibious, armored, tracked vehicle capable of operating in all weather as well as Nuclear, Biological, and Chemical (NBC) environments.</p> <p>The EFV program is a ACAT-1D program managed by the Marine Corps. The EFV is the next generation of Marine Corps Assault Vehicles being developed to satisfy the requirements of the 21st Century Marine War Fighters. Along with the Landing Craft Air Cushion (LCAC) and the MV-22 Osprey, the EFV will provide the Marine Corps with the tactical mobility assets required within the Expeditionary Maneuver Warfare capstone. Acquisition of the EFV is critical to the Marine Corps. The total EFV requirement is for 573 weapon systems.</p> <p>The program received approval to enter the System Development and Demonstration (SDD) Phase of the acquisition process during the Milestone II Defense Acquisition Board Readiness Meeting held on 26 November 2000. All program exit criteria were successfully met or exceeded. The initial SDD Phase (2001 through 2008) will include validation of manufacturing and production processes, fabrication and testing of SDD vehicles, and finalizing and implementing the Life Cycle Management for EFV. A follow-on SDD Phase beginning in FY 2008 will include continued design, development, and reliability upgrades; increased RAM testing; modification of existing SDD prototypes; and manufacture and testing of up to seven additional SDD prototype vehicles.</p>											
(U) B. ACCOMPLISHMENTS/PLANNED PROGRAM:											
COST (\$ in Millions)						FY2007	FY2008	FY2009			
Accomplishment/Effort Subtotal Cost						257.869	181.535	253.867			
RDT&E Articles Qty							7				
(U) Design development, developmental testing, operational testing, and survivability program.											
<p>FY07: Continue engineering and logistics efforts to support design, development, testing, manufacturing planning, and design enhancements of the EFV(P) and EFV(C) designs. Continue the EFV survivability program. Continue Developmental Testing (DT) and Reliability/Availability/Maintainability (RAM) testing and support. Review and analyze results from initial operational assessment period; design, integration and testing of MS-C OA identified modifications. Continue development of Integrated Electronic Technical Manuals (IETMs). Commenced Design For Reliability following the systems engineering process. Design and development of reliability enhancements, subsystem design modifications, and perform modification of existing vehicles integrating reliability design changes. Procure test spares. Perform Highly Accelerated Life Testing (HALT) on vehicle components.</p> <p>AN/UXC -10 Digital Facsimile Upgrade for EFV and Intelligent Machining of Advance Defense Material efforts.</p> <p>FY08: Continue engineering and logistics efforts to support design development, manufacturing planning, and design enhancements of the EFV(P) and EFV(C) designs. Continue the EFV survivability program. Continue developmental and reliability test support, and design, integration and testing of MS-C OA identified modifications. Continue development of Integrated Electronic Technical Manuals (IETMs). Continue Developmental Testing (DT) and Reliability/Availability/Maintainability (RAM) testing. Complete Design For Reliability following the systems engineering process. Continue design and development of follow-on reliability enhancements, subsystem design modifications, and modification of existing vehicles integrating reliability design changes. Procure test spares. Begin manufacture of new SDD prototypes. Continue modification of existing SDD vehicles.</p>											

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EXHIBIT R-2a, RDT&E Project Justification			DATE:
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APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT NUMBER AND NAME	PROJECT NUMBER AND NAME:	
RDT&E, N /BA-4 Advanced Component Dev. and Prototypes	0603611M Marine Corps Assault Vehicles	B0020 Advanced Amphibious Assault Vehicle (AAAV)	
FY09: Continue engineering and logistics efforts to support design development, manufacturing planning, and design enhancements of the EFV(P) and EFV(C) designs. Continue the EFV survivability program. Continue developmental and reliability test support, and design, integration and testing of MS-C OA identified modifications. Continue development of Integrated Electronic Technical Manuals (IETMs). Continue Developmental Testing (DT) and Reliability/Availability/Maintainability (RAM) testing. Continue design and development of follow-on reliability enhancements, subsystem design modifications, and modification of existing vehicles integrating reliability design changes. Procure test spares. Continue design, development and manufacture of new SDD prototypes. Continue modification of existing SDD vehicles.			
COST (\$ in Millions)	FY2007	FY2008	FY2009
Accomplishment/Effort Subtotal Cost	13.787	15.462	16.907
RDT&E Articles Qty			
(U) Perform developmental testing, operational testing, and RAM-D testing.			
FY07: Continue to perform developmental/operational testing and RAM-D testing, conduct Cold Weather OA.			
FY08: Continue to perform developmental/operational testing and RAM-D testing.			
FY09: Continue to perform developmental/operational testing and RAM-D testing.			
COST (\$ in Millions)	FY2007	FY2008	FY2009
Accomplishment/Effort Subtotal Cost	3.634	7.106	7.490
RDT&E Articles Qty			
(U) Provide program support for Training Development, Technical Publications and IETMS.			
FY07: EFV training courseware, technical publications and IETMS.			
FY08: Continue to provide program support for training systems development and technical publications and IETMS; development of training systems courseware.			
FY09: Continue to provide program support for training systems development and technical publications and IETMS; development of training systems courseware.			
COST (\$ in Millions)	FY2007	FY2008	FY2009
Accomplishment/Effort Subtotal Cost	15.696	21.046	16.234
RDT&E Articles Qty			
FY07 - FY09: Continue to provide contractor technical, engineering and management support for program planning, analysis and execution.			
COST (\$ in Millions)	FY2007	FY2008	FY2009
Accomplishment/Effort Subtotal Cost	23.949	22.058	21.554
RDT&E Articles Qty			
FY07: Continue to provide In-House technical engineering and integrated logistics support for program planning, analysis and execution. Procure ammunition in support of the EFV test program. Perform in-house software design, development, and analysis efforts.			
FY08/09: Continue to provide In-House technical engineering and integrated logistics support for program planning, analysis and execution. Procure ammunition in support of the EFV test program. Perform in-house software design, development, and analysis efforts.			
	FY2007	FY2008	FY2009
(U) Total \$	314.935	247.207	316.052

UNCLASSIFIED

EXHIBIT R-2a, RDT&E Project Justification			DATE:
			FEBRUARY 2008
APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT NUMBER AND NAME	PROJECT NUMBER AND NAME:	
RDT&E, N /BA-4 Advanced Component Dev. and Prototypes	0603611M Marine Corps Assault Vehicles	B0020 Advanced Amphibious Assault Vehicle (AAAV)	
(U) PROJECT CHANGE SUMMARY:	FY 2007	FY 2008	FY 2009
(U) FY 2008 President's Budget:	347.820	288.220	316.052
(U) Sec. 8104 Revised Economic Assumptions	0.000	-1.203	0.000
(U) Congressional Adjustment	0.000	-35.000	0.000
(U) Congressional Recission	-24.000	0.000	0.000
(U) SBIR Tax	-8.885	-4.323	0.000
(U) Sec. 8097 Contractor Efficiencies	0.000	-0.406	0.000
(U) Sec. 8025 FFRDC Reduction	0.000	-0.081	0.000
(U) Service Repricing Adjustment	0.000	0.000	-3.000
(U) Change Proposal Rejection	0.000	0.000	3.000
(U) FY 2009 President's Budget:	314.935	247.207	316.052
CHANGE SUMMARY EXPLANATION:			
(U) Funding: FY07 reflects a reduction for Small Business Innovative Research (SBIR), and a Congressional Recission.			
FY08 reflects reductions for revised economic assumptions, FFRDC, contractor efficiencies, SBIR, and a \$35M congressional adjustment due to a program delay.			
(U) Schedule: A one-year schedule slip as a result of program restructuring to increase vehicle reliability resulted in the delay of program milestones as indicated below. The detailed program schedule is provided in Exhibit R-4.			
	FY08 President's Budget	FY09 President's Budget	
SDD-2 Contract Award	2Q, FY07	2Q, FY08	
CDR	3Q, FY06	4Q, FY08	
Milestone C Decision	2Q FY10	4Q, FY11	
LRIP Lot 1 Contract Award	2Q FY10	1Q, FY12	
IOT&E	4Q FY12-2Q FY13	3Q, FY14 - 2Q, FY15	
Operational Assesment	3-4Q, FY09	2-3Q, FY11	
DT II and RAM-D	thru 3Q, FY10	thru 4Q, FY09	
DT/Regression Growth Testing (RGT)	-	3Q, FY10 - 1Q, FY14	
FUSL	-	4Q, FY13 - 1Q, FY15	
LRIP Lot 1 Deliveries	4Q, FY11 - 3Q, FY12	3Q, FY13 - 2Q, FY14	
Ready for Training	2Q, FY13	1Q, FY15	
Full Rate Production Decision	1Q FY14	4Q, FY15	
IOC	1Q FY14	4Q, FY15	
(U) Technical: Not Applicable			

UNCLASSIFIED

EXHIBIT R-2a, RDT&E Project Justification							DATE:			
							FEBRUARY 2008			
APPROPRIATION/BUDGET ACTIVITY		PROGRAM ELEMENT NUMBER AND NAME			PROJECT NUMBER AND NAME:					
RDT&E, N /BA-4 Advanced Component Dev. and Prototypes		0603611M Marine Corps Assault Vehicles			B0020 Advanced Amphibious Assault Vehicle (AAAV)					
(U) C. OTHER PROGRAM FUNDING SUMMARY:		FY2007	FY2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	To Compl	FY07-To Comp
Line Item No. & Name										
(U) PANMC, BLI #147500, EFV		0.000	0.000	0.000	0.000	0.000	7.334	17.857	Con't	Con't
(U) PMC BA2, BLI #202200, EFV		0.000	0.000	0.000	0.000	35.036	466.523	575.568	10,623.794	11,700.92
(U) PMC BA7 (Spares), BLI 700000, EFV		0.000	0.000	0.000	0.000	0.000	17.943	22.129	484.612	524.684
(U) PMC, EFV Totals		0.000	0.000	0.000	0.000	35.036	484.466	597.697	11,108.406	12,225.605
(U) MILCON P-041		2.320	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.320
(U) MILCON P-042		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(U) MILCON P-101		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(U) MILCON P-373		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(U) MILCON, EFV Totals		2.320	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.320
(U) Related RDT&E:										
(U) PE 0206623M (Marine Corps Ground Combat/Supporting Arms Systems), Project C0021, AAV7A1.										
(U) PE 0206623M (Marine Corps Ground Combat/Supporting Arms Systems), Project B2237, AVTB.										
(U) D. ACQUISITION STRATEGY:										
The EFV Program acquisition strategy includes the extensive use of test assets, models, simulation, and advanced technology research to optimize vehicle design, reduce Total Ownership Cost (TOC), and control vehicle unit cost. Three fully functional PDRR prototypes were developed and have undergone extensive developmental testing to further vehicle maturity. During the initial SDD phase of the program, nine prototype vehicles were manufactured and tested extensively in developmental and operational tests. A tenth vehicle was manufactured for use during Full Up System Level Lethality testing. A follow-on SDD phase commencing in FY08 will include the incorporation of major reliability modifications into existing prototypes and the manufacture and testing of seven new SDD prototypes. Low Rate Initial Production is scheduled to begin in FY12. Initial Operational Capability (IOC) and Full Operational Capability (FOC) will occur in FY15 and FY25, respectively.										
The EFV management strategy is event driven, designed to ensure a logical progression through the EFV acquisition to reduce risk, ensure affordability, and provide adequate information to decision makers regarding acquisition progress. The EFV Program team is a partnership of government and industry experts, committed to developing the most versatile combat vehicle, providing the optimum balance of combat effectiveness, affordability, innovation, and technology. The program Integrated Product Teams (IPTs), composed of contractors, sub-contractors, Marines, and government civilians, are the foundation of the EFV acquisition management process. The government, prime contractor, and major subcontractors are co-located in a highly integrated communication environment that facilitates proactive decision-making processes and flexible execution of plans to support these teams and product development.										
Cost as an independent variable (CAIV) has been institutionalized throughout the program and as such is an integral consideration in all trade studies and decisions. The program has had a highly integrated and extensive test approach since its inception which has included a very strong engineering-model and prototype testing program supported by extensive modeling and simulation techniques which is intended to continue throughout SDD. As a Program Management Oversight for Life Cycle Support pilot program, the program office management strategy includes planning for life cycle support once the system is fielded to more efficiently manage and optimize operating and support requirements and reduce overall program cost.										
The program's contracting approach for the EFV is to award the vast majority of the work to one prime contractor, competitively selected in 1996. GDLS operating through its division General Dynamics Amphibious System will be responsible for designing and producing the vehicle and providing support for testing from PDRR through LRIP. Contracts for Government Furnished Property will be kept to a minimum and will include only property which could not otherwise be available to the contractor. Local Area Network support contract is currently provided by an 8(a) firm. Contract support for programmatic and technical support was competitively awarded in September 2003 as a cost plus fixed-fee contract and will continue through FY08. A new competitive contract is anticipated to begin in FY09.										
(U) E. MAJOR PERFORMERS:										
General Dynamics, Woodbridge, VA. Validation of manufacturing and production processes, fabrication and testing of SDD vehicles, and finalizing and implementing Life Cycle Management. Initial SDD contract awarded Feb 01.										

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Exhibit R-3 Cost Analysis						DATE: FEBRUARY 2008						
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT NUMBER AND NAME			PROJECT NUMBER AND NAME						
RDT&E, N /BA-4 Advanced Component Development and Prototypes			0603611M Marine Corps Assault Vehicles			B0020 Advanced Amphibious Assault Vehicle (AAAV)						
Cost Categories	Contract Method & Type	Performing Activity & Location	Total		FY 07		FY 08		FY 09	Cost to	Total	Target
			PY s	FY 07	Award	FY 08	Award	FY 09	Award	Complete	Cost	Value of
Product Development			Cost	Cost	Date	Cost	Date	Cost	Date			Contract
PDRR Contract	CPAF	GDLS - Woodbridge, VA	399.703	0.000		0.000		0.000				
System Design and Development	CPAF	GDLS - Woodbridge, VA	1,047.218	247.799	1-3Q	150.685	1Q-2Q	0.000				
System Design and Development	TBD	GDLS - Woodbridge, VA	0.000	0.000		27.100	2Q	253.146	1Q-2Q	Continuing	Continuing	
Regenerative Filtration	CPAF	Army, Edgewood Chem/Bio Ctr	3.327	0.000		0.000		0.000				
Survivability Contract	Classified	NSMA, Arlington, VA	22.602	4.340	1Q	3.750	2Q	0.721	2Q	Continuing	Continuing	
Display Technology	CPFF	ISR Corp	1.640	0.000		0.000		0.000				
Intelligent Machining of Advanced Defense Materials	TBD	TBD	0.000	2.914	4Q	0.000		0.000				
Digital Facsimile Upgrade	TBD	TBD	0.000	2.816	4Q	0.000		0.000				
Sub Total Product Development			1,474.490	257.869		181.535		253.867				
Remarks:												
Cost Categories	Contract Method & Type	Performing Activity & Location	Total		FY 07		FY 08		FY 09	Cost to	Total	Target
			PY s	FY 07	Award	FY 08	Award	FY 09	Award	Complete	Cost	Value of
Program Support			Cost	Cost	Date	Cost	Date	Cost	Date			Contract
Integrated Logistics Support	Various	Various	1.348	9.269	2Q	8.015	2Q	6.986	2Q	Continuing	Continuing	
Training Devices/Simulators	CPAF	GDLS	46.098	3.299	1Q	4.900	2Q	5.360	2Q	Continuing	Continuing	
Tech Data & Pubs Development	Various	Various	0.355	0.335	2Q	0.320	2Q	0.360	2Q	Continuing	Continuing	
Support Equipment Development	Various	Various	0.000	0.000		1.886	2Q	1.770	2Q			
Subtotal Program Support			47.801	12.903		15.121		14.476				
Remarks:												
Cost Categories	Contract Method & Type	Performing Activity & Location	Total		FY 07		FY 08		FY 09	Cost to	Total	Target
			PY s	FY 07	Award	FY 08	Award	FY 09	Award	Complete	Cost	Value of
Test & Evaluation			Cost	Cost	Date	Cost	Date	Cost	Date			Contract
Developmental, Operational and Live Fire Test & Evaluation	Various	Various Locations	71.984	13.787	2Q	15.462	1Q-2Q	16.907	1Q-2Q	Continuing	Continuing	
Sub Total Test & Evaluation			71.984	13.787		15.462		16.907				
Remarks:												
Cost Categories	Contract Method & Type	Performing Activity & Location	Total		FY 07		FY 08		FY 09	Cost to	Total	Target
			PY s	FY 07	Award	FY 08	Award	FY 09	Award	Complete	Cost	Value of
Contract Advisory & Asst Svc (A&AS)			Cost	Cost	Date	Cost	Date	Cost	Date			Contract
Engineering and Technical Services	RCP / MIPR	Various	16.701	8.756	2Q	8.816	2Q	5.774	2Q	Continuing	Continuing	
Management Support Services	RCP / MIPR	Various	37.492	6.940	2Q	9.487	1Q	8.992	1Q	Continuing	Continuing	
Studies and Analyses	N/A	N/A	0.000	0.000		2.743		1.468				
Sub Total A&AS			54.193	15.696		21.046		16.234				
Remarks:												
Management Support												
In-House Technical Support	Various	Various	91.285	12.170	1Q-3Q	12.607	1Q-3Q	12.704	1Q-3Q	Continuing	Continuing	
Program Management Support	Various	Various	21.466	1.403	2Q	0.261	2Q	0.644	2Q	Continuing	Continuing	
Travel		Various	2.010	1.107	1-4Q	1.175	1-4Q	1.220	1-4Q	Continuing	Continuing	
Sub Total Management Support			114.761	14.680		14.043		14.568				
Remarks:												
Total Cost			1,763.229	314.935		247.207		316.052		0.000		0.000

R-1 SHOPPING LIST - ITEM NO. 52

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EXHIBIT R-3, Project Cost Analysis
(Exhibit R-3, Page 6 of 8)

EFV (AAAV) PROGRAM SCHEDULE

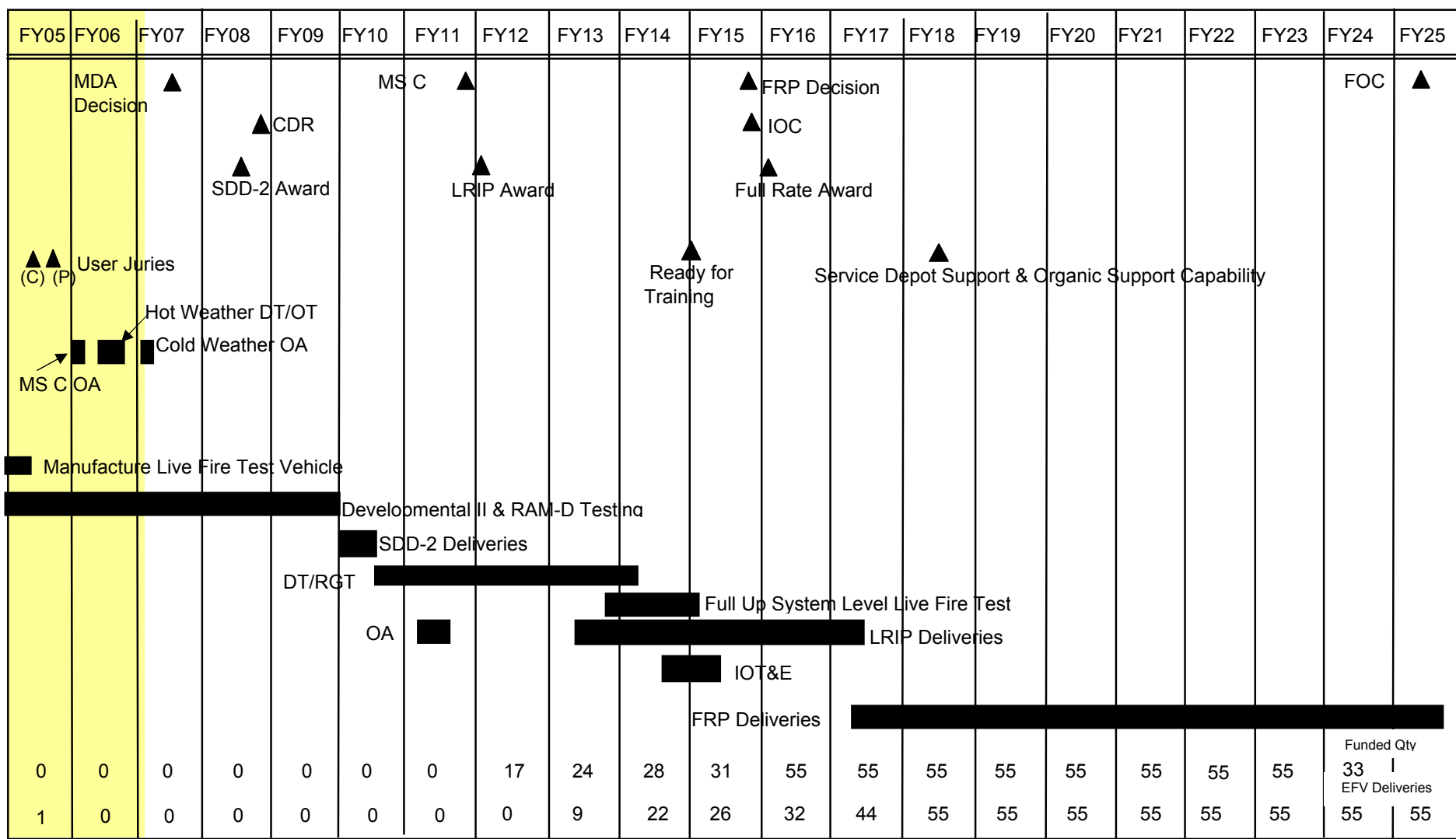


Exhibit R-4/4a Schedule Profile/Detail								DATE: FEBRUARY 2008			
APPROPRIATION/BUDGET ACTIVITY				PROGRAM ELEMENT NUMBER AND NAME				PROJECT NUMBER AND NAME			
RDT&E, N /BA-4 Advanced Component Development and Prototypes				0603611M Marine Corps Assault Vehicles				B0020 Advanced Amphibious Assault Vehicle (AAAV)			
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
SCHEDULE DETAIL											
MS C					4Q						
FRP Decision									4Q		
IOC									4Q		
Operational Assessments		1Q			2-3Q						
Developmental II & RAM-D Testing		1-4Q	1-4Q	1-4Q							
CDR			4Q								
SDD-2 Contract Award			2Q								
LRIP Contract Award						1Q					
Full Up System Level Live Fire Test							4Q	1-4Q	1Q		
LRIP Deliveries Lot 1							3-4Q	1-2Q			
IOT&E								3-4Q	1-2Q		
Ready for Training									1Q		
LRIP Deliveries Lot II								3-4Q	1-2Q		
Full Rate Contract Award										1Q	