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Exhibit R-2, RDT&E Budget Item Justification: PB 2011 Navy									DATE: February 2010		
APPROPRIATION/BUDGET ACTIVITY 1319: Research, Development, Test & Evaluation, Navy BA 7: Operational Systems Development				R-1 ITEM NOMENCLATURE PE 0307217N: EPX (EP-3E Replacement)							
COST (\$ in Millions)	FY 2009 Actual	FY 2010 Estimate	FY 2011 Base Estimate	FY 2011 OCO Estimate	FY 2011 Total Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
Total Program Element	0.000	11.926	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	11.926
3015: EPX (EP-3E Replacement )	0.000	11.926	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	11.926

**A. Mission Description and Budget Item Justification**

Provides funding for the Navy's EPX program. EPX is the Navy's recapitalization of existing manned airborne Intelligence, Surveillance, Reconnaissance (ISR) capabilities and will be a transformational multi-intelligence platform to fulfill Navy and OSD requirements. EPX RDT&E efforts will develop the system to meet the multi-intelligence ISR&Targeting (ISR&T) requirements, ensure connectivity to other service platforms and ground stations, and address an ISR capability gap presented by service life limits of the legacy P-3 derivative aircraft.

The Joint Requirements Oversight Council (JROC) validated Navy service requirements in December 2007, and the Navy has established EPX as the program to accomplish their ISR&T re-capitalization in accordance with JROC validation.

FY08 Pre-MS A risk reduction efforts with industry participation included requirements analysis, Concept of Operations (CONOPS) development, trade study analysis, specification development, system concept development, and threat analysis. USD, AT&L directed that an EPX Analysis of Alternatives (AoA) be completed focusing on a wide range of alternatives. The AoA was initiated in FY09 with planned completion in FY10. Award of study contract(s) to continue the pre-MS A risk reduction efforts planned for FY10.

FY09 funds budgeted under PE 0307207N Aerial Common Sensor (ACS).

The Program will utilize PE 0307207N FY09 funds during transition of program effort to new PE 0307217N in FY10.

FY2011 Budget Justification: No funds requested. Department of the Navy decision to terminate current program, pending further definition of requirements and options. Results of the AoA will inform future acquisition strategy and funding decisions.

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B. Program Change Summary (\$ in Millions)					
	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
Previous President's Budget	0.000	11.976	0.000	0.000	0.000
Current President's Budget	0.000	11.926	0.000	0.000	0.000
Total Adjustments	0.000	-0.050	0.000	0.000	0.000
• Congressional General Reductions		-0.050			
• Congressional Directed Reductions		0.000			
• Congressional Rescissions	0.000	0.000			
• Congressional Adds		0.000			
• Congressional Directed Transfers		0.000			
• Reprogrammings	0.000	0.000			
• SBIR/STTR Transfer	0.000	0.000			
• Program Adjustments	0.000	0.000	0.000	0.000	0.000
Change Summary Explanation					
Technical: Not applicable.					
Schedule: USD, AT&L directed that an EPX Analysis of Alternatives (AoA) be completed assessing a wide range of alternatives. AoA will inform way ahead. AoA moved from 3Q FY09 through 1Q FY10 to 3Q FY09 through 3Q FY10. The AoA Acquisition Decision Memorandum (ADM) replaced the 3Q FY09 MDD. Decision to terminate current program, pending further definition of requirements and options has been made by the Department of the Navy.					
FY11 from previous President's Budget is shown as zero because no FY11-15 data was presented in President's Budget 2010.					

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<b>Exhibit R-2A, RDT&amp;E Project Justification:</b> PB 2011 Navy								<b>DATE:</b> February 2010			
<b>APPROPRIATION/BUDGET ACTIVITY</b> 1319: <i>Research, Development, Test &amp; Evaluation, Navy</i> BA 7: <i>Operational Systems Development</i>				<b>R-1 ITEM NOMENCLATURE</b> PE 0307217N: <i>EPX (EP-3E Replacement)</i>				<b>PROJECT</b> 3015: <i>EPX (EP-3E Replacement )</i>			
<b>COST (\$ in Millions)</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Estimate</b>	<b>FY 2011 Base Estimate</b>	<b>FY 2011 OCO Estimate</b>	<b>FY 2011 Total Estimate</b>	<b>FY 2012 Estimate</b>	<b>FY 2013 Estimate</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Estimate</b>	<b>Cost To Complete</b>	<b>Total Cost</b>
3015: <i>EPX (EP-3E Replacement )</i>	0.000	11.926	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	11.926
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0		
<p><b>A. Mission Description and Budget Item Justification</b></p> <p>Provides funding for the Navy's EPX program. EPX is the Navy's recapitalization of existing manned airborne Intelligence, Surveillance, Reconnaissance (ISR) capabilities and will be a transformational multi-intelligence platform to fulfill Navy and OSD requirements. EPX RDT&amp;E efforts will develop the system to meet the multi-intelligence ISR&amp;Targeting (ISR&amp;T) requirements, ensure connectivity to other service platforms and ground stations, and address an ISR capability gap presented by service life limits of the legacy P-3 derivative aircraft.</p> <p>The Joint Requirements Oversight Council (JROC) validated Navy service requirements in December 2007, and the Navy has established EPX as the program to accomplish their ISR&amp;T re-capitalization in accordance with JROC validation.</p> <p>FY08 Pre-MS A risk reduction efforts with industry participation included requirements analysis, Concept of Operations (CONOPS) development, trade study analysis, specification development, system concept development, and threat analysis. USD, AT&amp;L directed that an EPX Analysis of Alternatives (AoA) be completed focusing on a wide range of alternatives. The AoA was initiated in FY09 with planned completion in FY10. Award of study contract(s) to continue the pre-MS A risk reduction efforts planned for FY10. MS A is planned in 1Q FY11.</p> <p>FY09 funds budgeted under PE 0307207N Aerial Common Sensor (ACS).</p> <p>The Program will utilize PE 0307207N FY09 funds during transition of program effort to new PE 0307217N in FY10.</p> <p>Department of the Navy decision to terminate current program, pending further definition of requirements and options. Results of the AoA will inform future acquisition strategy and funding decisions.</p> <p><b>B. Accomplishments/Planned Program (\$ in Millions)</b></p>											

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<b>Exhibit R-2A, RDT&amp;E Project Justification:</b> PB 2011 Navy				<b>DATE:</b> February 2010	
<b>APPROPRIATION/BUDGET ACTIVITY</b> 1319: <i>Research, Development, Test &amp; Evaluation, Navy</i> BA 7: <i>Operational Systems Development</i>		<b>R-1 ITEM NOMENCLATURE</b> PE 0307217N: <i>EPX (EP-3E Replacement)</i>		<b>PROJECT</b> 3015: <i>EPX (EP-3E Replacement )</i>	
<b>B. Accomplishments/Planned Program (\$ in Millions)</b>					
	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011 Base</b>	<b>FY 2011 OCO</b>	<b>FY 2011 Total</b>
EPX Trade Study and Tech Develop Activities <i>FY 2010 Plans:</i> Funds AoA and Study contract.	0.000	6.000	0.000	0.000	0.000
EPX govt/contr sys eng support; ISR study <i>FY 2010 Plans:</i> Fund Government EPX program management.	0.000	5.926	0.000	0.000	0.000
Accomplishments/Planned Programs Subtotals	0.000	11.926	0.000	0.000	0.000
<b>C. Other Program Funding Summary (\$ in Millions)</b> N/A					
<b>D. Acquisition Strategy</b> AoA will inform future acquisition strategy and funding decisions.					
<b>E. Performance Metrics</b> Completed AoA.					

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2011 Navy										DATE: February 2010	
APPROPRIATION/BUDGET ACTIVITY 1319: Research, Development, Test & Evaluation, Navy BA 7: Operational Systems Development				R-1 ITEM NOMENCLATURE PE 0307217N: EPX (EP-3E Replacement)				PROJECT 3015: EPX (EP-3E Replacement )			

**Product Development (\$ in Millions)**

				FY 2010		FY 2011 Base		FY 2011 OCO		FY 2011 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Primary Hdw Dev - Trade Study	C/FFP	Various Various	0.000	5.596	Jan 2010	0.000		0.000		0.000	0.000	5.596	5.596
Systems Engineering	WR	SPAWARSSYSCEN SD, CA	0.000	0.025	Nov 2009	0.000		0.000		0.000	0.000	0.025	Continuing
Systems Engineering	WR	NAWCAD PAX RIVER, MD	0.000	0.359	Nov 2009	0.000		0.000		0.000	0.000	0.359	Continuing
Training Development	WR	NAWCTSD ORLANDO, FL	0.000	0.020	Nov 2009	0.000		0.000		0.000	0.000	0.020	Continuing
<b>Subtotal</b>			0.000	6.000		0.000		0.000		0.000	0.000	6.000	5.596

**Remarks**

**Support (\$ in Millions)**

				FY 2010		FY 2011 Base		FY 2011 OCO		FY 2011 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Government Engineering Support	WR	NAWCAD PAX River, MD	0.000	1.605	Nov 2009	0.000		0.000		0.000	0.000	1.605	Continuing
Government Engineering Support	WR	Various Various	0.000	0.260	Nov 2009	0.000		0.000		0.000	0.000	0.260	Continuing
ENG & TECH SRVC (NON_FFRDC)	C/CPFF	JHU Columbia,MD	0.000	0.418	Nov 2009	0.000		0.000		0.000	0.000	0.418	0.418

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<b>Support (\$ in Millions)</b> <table border="1" style="width:100%; border-collapse: collapse; margin-top: 10px;"> <tr> <th colspan="4"></th> <th colspan="2">FY 2010</th> <th colspan="2">FY 2011 Base</th> <th colspan="2">FY 2011 OCO</th> <th>FY 2011 Total</th> <th colspan="3"></th> </tr> <tr> <th>Cost Category Item</th> <th>Contract Method &amp; Type</th> <th>Performing Activity &amp; Location</th> <th>Total Prior Years Cost</th> <th>Cost</th> <th>Award Date</th> <th>Cost</th> <th>Award Date</th> <th>Cost</th> <th>Award Date</th> <th>Cost</th> <th>Cost To Complete</th> <th>Total Cost</th> <th>Target Value of Contract</th> </tr> <tr> <td>ENG &amp; TECH SRVC (NON_FFRDC)</td> <td>C/CPFF</td> <td>AT&amp;T Govt SOL INC Virginia</td> <td align="right">0.000</td> <td align="right">0.523</td> <td>Nov 2009</td> <td align="right">0.000</td> <td></td> <td align="right">0.000</td> <td></td> <td align="right">0.000</td> <td align="right">0.000</td> <td align="right">0.523</td> <td align="right">0.523</td> </tr> <tr> <td align="right" colspan="3"><b>Subtotal</b></td> <td align="right">0.000</td> <td align="right">2.806</td> <td></td> <td align="right">0.000</td> <td></td> <td align="right">0.000</td> <td></td> <td align="right">0.000</td> <td align="right">0.000</td> <td align="right">2.806</td> <td align="right">0.941</td> </tr> </table>																		FY 2010		FY 2011 Base		FY 2011 OCO		FY 2011 Total				Cost Category Item	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract	ENG & TECH SRVC (NON_FFRDC)	C/CPFF	AT&T Govt SOL INC Virginia	0.000	0.523	Nov 2009	0.000		0.000		0.000	0.000	0.523	0.523	<b>Subtotal</b>			0.000	2.806		0.000		0.000		0.000	0.000	2.806	0.941																												
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ENG & TECH SRVC (NON_FFRDC)	C/CPFF	AT&T Govt SOL INC Virginia	0.000	0.523	Nov 2009	0.000		0.000		0.000	0.000	0.523	0.523																																																																																				
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				FY 2010		FY 2011 Base		FY 2011 OCO		FY 2011 Total																																																																																							
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Program Management Support	WR	NAWCAD PAX RIVER, MD	0.000	2.420	Nov 2009	0.000		0.000		0.000	0.000	2.420	Continuing																																																																																				
Travel	WR	NAWCAD PAX RIVER, MD	0.000	0.045	Nov 2009	0.000		0.000		0.000	0.000	0.045	Continuing																																																																																				
<b>Subtotal</b>			0.000	3.120		0.000		0.000		0.000	0.000	3.120	0.655																																																																																				
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<div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 10px;"> <div style="width: 20%;"></div> <div style="width: 10%; text-align: center;"><b>Total Prior Years Cost</b></div> <div style="width: 10%; text-align: center;"><b>FY 2010</b></div> <div style="width: 10%; text-align: center;"><b>FY 2011 Base</b></div> <div style="width: 10%; text-align: center;"><b>FY 2011 OCO</b></div> <div style="width: 10%; text-align: center;"><b>FY 2011 Total</b></div> <div style="width: 10%; text-align: center;"><b>Cost To Complete</b></div> <div style="width: 10%; text-align: center;"><b>Total Cost</b></div> <div style="width: 10%; text-align: center;"><b>Target Value of Contract</b></div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 20%;"><b>Project Cost Totals</b></div> <div style="width: 10%; text-align: center;">0.000</div> <div style="width: 10%; text-align: center;">11.926</div> <div style="width: 10%; text-align: center;">0.000</div> <div style="width: 10%; text-align: center;">0.000</div> <div style="width: 10%; text-align: center;">0.000</div> <div style="width: 10%; text-align: center;">0.000</div> <div style="width: 10%; text-align: center;">11.926</div> <div style="width: 10%; text-align: center;">7.192</div> </div>									
<b>Remarks</b> Dollars may not add due to rounding.									

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Exhibit R-4, RDT&E Schedule Profile: PB 2011 Navy																				DATE: February 2010			
APPROPRIATION/BUDGET ACTIVITY										R-1 ITEM NOMENCLATURE										PROJECT			
1319: Research, Development, Test & Evaluation, Navy										PE 0307217N: EPX (EP-3E Replacement)										3015: EPX (EP-3E Replacement )			
BA 7: Operational Systems Development																							



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Exhibit R-4A, RDT&E Schedule Details: PB 2011 Navy			DATE: February 2010	
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Schedule Details				
	Start		End	
Event	Quarter	Year	Quarter	Year
AoA	3	2009	3	2010

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