Selected Acquisition Report (SAR)

RCS: DD-A&T(Q&A)823-437

AB3B NEW BUILD

As of December 31, 2011

Defense Acquisition Management
Information Retrieval
(DAMIR)

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Program Information

Designation And Nomenclature (Popular Name)

APACHE BLOCK IIIB NEW BUILD (AB3B NEW BUILD)

DoD Component

Army

Responsible Office

Responsible Office

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Date Assigned August 14, 2008

References

SAR Baseline (Production Estimate)

Defense Acquisition Executive (DAE) Approved Acqusition Program Baseline (APB) dated December 16, 2010.

Approved APB

Defense Acquisition Executive (DAE) Approved Acquisition Program Baseline (APB) dated December 16, 2010

Mission and Description

The Apache Block III (AB3) is the heavy attack helicopter of the current and future force. It is a twin engine, four bladed, tandem seat, attack helicopter with 30mm ammunition, 2.75" rockets, laser & Radio Frequency (RF) Hellfire missiles. AB3 is the Army's network-centric, multi-role weapon system within the Future Modular Force (FMF). It will provide the capability to simultaneously conduct (or quickly transition between) close combat, mobile strike, armed reconnaissance, security and vertical maneuver missions across the full spectrum of warfare from Stability And Support Operations (SASO) to Major Combat Operations (MCO) when required in day, night, obscured battlefield and adverse weather conditions. AB3 will enable the Joint Air/Ground Maneuver Team to dominate the battle space by providing air-ground synergy through real-time Intelligence, Surveillance and Reconnaissance (ISR) information and responsive precision fires. AB3 will be linked to Joint and Combined Arms Air/Ground Maneuver Teams via Enhanced Digital Communications, Unmanned Aircraft Systems (UAS) Data Link and Joint Networking waveforms.

The AB3 is an Apache Attack Helicopter modified as required to effectively and efficiently integrate the Longbow Apache well into the 21st century, by providing improvements to make it relevant in FMF operations. It provides a significantly enhanced warfighting capability over the AH-64A and AH-64D. It is capable of being employed day or night in adverse weather and obscurants, and can effectively engage and destroy advanced threat weapon systems on the air-land battlefield. Tactically, the AB3 provides significant war fighting advantages over the original AH-64D and multiplies the combat effectiveness of the entire fleet. It will be fully capable of employing the Longbow Fire Control Radar (FCR) mission kit, the Modernized Target Acquisition Designation System/Modernized Pilot Night Vision System (M-TADS/M-PNVS), the Longbow Hellfire missiles, and future improved munitions in addition to the normal complement of AH-64D munitions.

The AB3 will be fully network-centric capable with current digitized forces and FMF equipped forces. This will enable interoperability with current and future Tactical Operations Center (TOC) and Army Battle Command System forces. In addition, it will reduce the logistics footprint and enhance its deployability, reduce operational and support costs, improve AH-64D model flight performance and provide a means to effectively utilize already funded technology insertions.

AB3 will operate within the future force system-of-systems environment, where maximum combat power is delivered to units only in coherent packages of systems with synergistic interdependence. The FMF concept drives the demand for network centric interdependence and joint integration across the force to new levels. The AB3 meets the challenge of providing and integrating Command and Control (C2); ISR; and communications connectivity for attack/reconnaissance aviation within brigade combat teams, divisions and corps.

Executive Summary

On June 28, 2006, the Defense Acquisition Executive (DAE) conducted a successful Milestone B (MS B) review of the Apache Block III (AB3) program. As a result, the DAE signed an Acquisition Decision Memorandum (ADM), dated July 10, 2006, approving MS B, authorizing the AB3 program to enter System Development and Demonstration (SDD) and designating it as an Acquisition Category (ACAT) ID program. On July 14, 2006, the Apache Project Manager awarded an SDD contract to the Boeing Company to begin the development effort for AB3. An SDD contract was awarded to the Longbow Limited (LBL) Company on September 29, 2006. This effort will specifically develop the subsystem improvements for the AB3 Fire Control Radar and enable the Level IV Unmanned Aircraft System (UAS) control. A follow-on ADM was approved on March 7, 2007 authorizing a Low Rate Initial Production (LRIP) quantity of 59 aircraft and granting Army authority to procure long-lead items beginning in Fiscal Year (FY) 2009. The Acquisition Program Baseline (APB) milestones established for the Preliminary Design Review and the Critical Design Review were successfully completed on April 19, 2007 and January 30, 2008 respectively. The Limited User Test was successfully executed in November 2009.

The AB3 program was directed to increase total quantity procurement by 56 aircraft through the FY 2011 President's Budget (PB11) at a total additional cost of $2.5 Billion (B). The baseline program was a remanufacture production. These additional aircraft procurements will be New Build aircraft at a unit cost significantly higher than the remanufacture unit cost. The cost for a remanufacture aircraft is only 30 percent of the cost of a New Build aircraft. The addition of the New Build aircraft along with minor fact of life changes to the program since the beginning of Research, Development, Test, and Evaluation caused a Nunn-McCurdy unit cost breach to the Average Procurement Unit Cost (a Base Year 2006 change of +31.2 percent), which was reflected in the December 2009 SAR. The DAE supported a rapid Nunn-McCurdy process which was completed June 1, 2010 with an ADM certifying the program to move forward to Milestone C (MS C) and separating the baseline program into two Major Defense Acquisition Programs (MDAP) for cost accounting purposes (AB3A Remanufacture and AB3B New Build). As part of the Nunn McCurdy certification and MS C process, the Office of the Secretary of Defense (OSD) Cost Assessment and Program Evaluation (CAPE) produced an Independent Cost Estimate (ICE) for both the AB3A and AB3B programs. The ICE for the AB3B was slightly less than the New Build portion of the December 2009 SAR. The major difference between the ICE for the AB3B and New Build portion of the December 2009 SAR is that the ICE assumes less manhours in the new build process. A successful MS C Defense Acquisition Board (DAB) was completed September 27, 2010. The resultant AB3B ADM directed the Army to fund the AB3B program to the ICE. The AB3 DAB allowed the move into LRIP and advance procurement actions for Full Rate Production (FRP) for the remanufactured aircraft. The first AB3A production delivery occurred October 24, 2011 with a formal roll out ceremony held November 2, 2011. Initial Operational Test & Evaluation (IOT&E) will occur with AB3A production aircraft April 2012. The new build AB3B aircraft will have advance procurement in FY 2012 and begin production in FY 2013, when the AB3 program will be in full rate production. AB3B aircraft will begin delivery in September 2014.

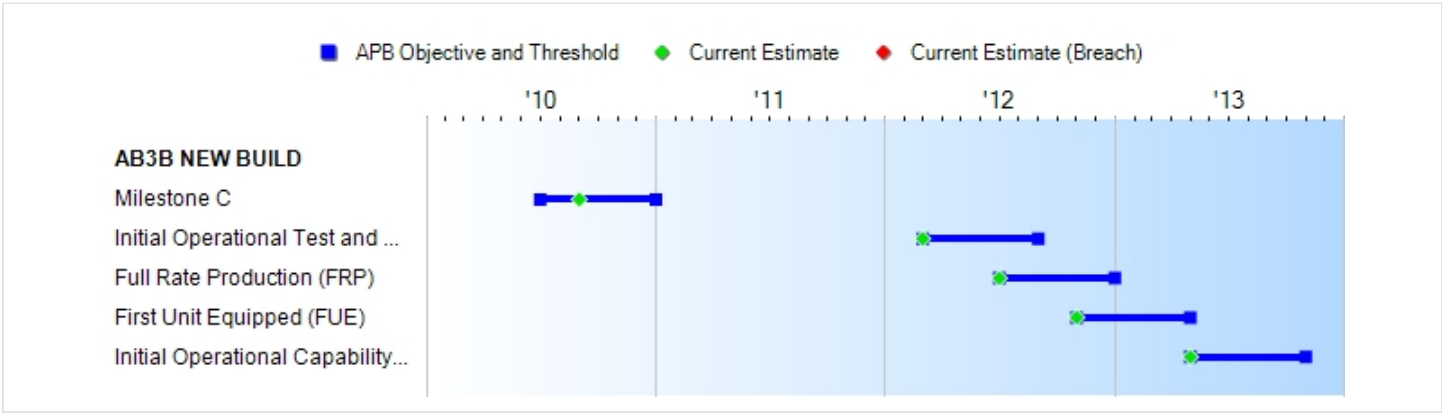
There are no significant software-related issues with this program.

Threshold Breaches

APB Breaches		
Schedule		☐
Performance		☐
Cost	RDT&E	☐
	Procurement	☐
	MILCON	☐
	Acq O&M	☐
Unit Cost	PAUC	☐
	APUC	☐

Nunn-McCurdy Breaches		
Current UCR Baseline		
	PAUC	None
	APUC	None
Original UCR Baseline		
	PAUC	None
	APUC	None

Schedule



Milestones	SAR Baseline Prod Est	Current APB Production Objective/Threshold		Current Estimate
Milestone C	JUL 2010	JUL 2010	JAN 2011	SEP 2010
Initial Operational Test and Evaluation (IOT&E)	MAR 2012	MAR 2012	SEP 2012	MAR 2012
Full Rate Production (FRP)	JUL 2012	JUL 2012	JAN 2013	JUL 2012
First Unit Equipped (FUE)	NOV 2012	NOV 2012	MAY 2013	NOV 2012
Initial Operational Capability (IOC)	MAY 2013	MAY 2013	NOV 2013	MAY 2013

Change Explanations

None

Memo

Development for this program was completed under the AB3A Remanufacture program. The Apache Block IIIB New Build entered the Acquisition Management System at Milestone (MS) C per the Nunn-McCurdy Acquisition Decision Memorandum (ADM) dated June 1, 2010.

The Objective and Threshold dates shown are for Initial Operational Test and Evaluation (IOT&E) for the AB3A Remanufacture test events. The AB3B New Build configuration will be scheduled to be tested during the Follow-On Test and Evaluation II phase, which is planned for Fiscal Year 2015.

Performance

Characteristics	SAR Baseline Prod Est	Current APB Production Objective/Threshold		Demonstrated Performance	Current Estimate	
Net Ready	Fully support execution of all operational activities.	Fully support execution of all operational activities.	Fully support execution of joint critical operational activities	TBD	Fully support execution of all operational activities.	
Performance						
6000 PA, 95F OGE Hover (lbs/payload)	4,100	4,100	3,400	TBD	3,400	(Ch-1)
Mission Reliability						
MTBF (M) hrs						
Lot 1	22	22	15.3	TBD	15.3	(Ch-1)
Lot 4	22	22	17	TBD	17	(Ch-1)
MR for 3.5 hr. Flight (%)	85	85	80	TBD	80	(Ch-1)
Survivability						
Safe operation (minutes)	30	30	30	TBD	30	
Survive Band IV MANPADS IR Missile Engagement	IAW JROCM 086-10	IAW JROCM 086-10	IAW JROCM 086-10	TBD	IAW JROCM 086-10	
Force Protection						
Crewstation armor Survivability (MM)	IAW JROCM 086-10	IAW JROCM 086-10	IAW JROCM 086-10	TBD	IAW JROCM 086-10	
Crewstation armor barrier survivability	IAW JROCM 086-10	IAW JROCM 086-10	IAW JROCM 086-10	TBD	IAW JROCM 086-10	

Requirements Source:
Capability Production Document (CPD) approved by Joint Requirements Oversight Council Memorandum (JROCM), June 1, 2010.

Acronyms And Abbreviations

% - Percent
F - Fahrenheit
hr - hour
hrs - hours
IAW - In Accordance With
IR - Infrared
JROCM - Joint Requirements Oversight Council Memorandum

lbs - pounds
MANPADS - Man Portable Air Defense Systems
MM - Millimeter
MR - Mission Reliability
MTBF(M) - Mean Time Between Failure (Mission)
OGE - Out of Ground Effect
PA - Pressure Altitude
TBD - To Be Determined

Change Explanations

(Ch-1) Current estimate revised to reflect Initial Operational Test and Evaluation (IOT&E) threshold values. the performance current estimate changed as indicated:
- Performance changed from 4,100 to 3,400
- Mission Reliability Lot 1 changed from 22 to 15.3
- Mission Reliability Lot 4 changed from 22 to 17
- Mission Reliability for 3.5 hr. flight (%) changed from 85 to 80

Memo

Net Ready Key Performance Parameter (KPP) compliance is achieved by meeting the information exchange capabilities required by the Integrated Architectures Operational View -1 (OV-1) and is demonstrated by achieving Joint Interoperability Certification, Army Interoperability Certification, and Department of Defense (DoD) Information Assurance and Accreditation Process (DIACAP) accreditation.

Track To Budget

Procurement			
APPN 2031	BA 01	PE 0210100A	(Army)
	ICN A05133	Apache Longbow Block IIIB New Build	

Cost and Funding

Cost Summary

Total Acquisition Cost and Quantity

	BY2010 $M			BY2010 $M	TY $M		
Appropriation	SAR Baseline Prod Est	Current APB Production Objective/Threshold		Current Estimate	SAR Baseline Prod Est	Current APB Production Objective	Current Estimate
RDT&E	0.0	0.0	--	0.0	0.0	0.0	0.0
Flyaway	0.0	--	--	0.0	0.0	--	0.0
Recurring	0.0	--	--	0.0	0.0	--	0.0
Non Recurring	0.0	--	--	0.0	0.0	--	0.0
Support	0.0	--	--	0.0	0.0	--	0.0
Procurement	2307.0	2134.6	2348.1	1906.1	2510.4	2326.2	2155.8
Flyaway	2054.0	--	--	1634.2	2234.1	--	1848.3
Recurring	2054.0	--	--	1594.0	2234.1	--	1804.9
Non Recurring	0.0	--	--	40.2	0.0	--	43.4
Support	253.0	--	--	271.9	276.3	--	307.5
Other Support	253.0	--	--	233.5	276.3	--	263.6
Initial Spares	0.0	--	--	38.4	0.0	--	43.9
MILCON	0.0	0.0	--	0.0	0.0	0.0	0.0
Acq O&M	0.0	0.0	--	0.0	0.0	0.0	0.0
Total	2307.0	2134.6	N/A	1906.1	2510.4	2326.2	2155.8

Confidence Level For the Current APB Cost 50% - based on the Independent Cost Estimate (ICE) prepared for the Acquisition Program Baseline (APB).

The ICE to support Apache Block III New Build (AB3B) Milestone Decision C is similar to all life-cycle cost estimates previously performed by the Cost Assessment and Program Evaluation (CAPE). This ICE is built upon a work breakdown structure that wherever possible uses actual cost information along with conservative assumptions that are consistent with contractor and government performance demonstrated in other successful Department acquisition programs. This strategy fully supports the APB objective and threshold positions.

It is difficult to precisely calculate confidence levels associated with life cycle cost estimates for Major Defense Acquisition Programs. Despite collecting and incorporating extensive historical cost information, our projections show that the estimate is equally likely to be too low or too high when executing the current program. We are confident that, as we accumulate additional cost data, we will be better able to predict the life cycle costs.

Quantity	SAR Baseline Prod Est	Current APB Production	Current Estimate
RDT&E	0	0	0
Procurement	56	56	58
Total	56	56	58

Cost and Funding

Funding Summary

Appropriation and Quantity Summary
FY2013 President's Budget / December 2011 SAR (TY$ M)

Appropriation	Prior	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	To Complete	Total
RDT&E	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Procurement	0.0	104.2	371.1	475.2	385.2	95.7	391.9	332.5	2155.8
MILCON	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acq O&M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PB 2013 Total	0.0	104.2	371.1	475.2	385.2	95.7	391.9	332.5	2155.8
PB 2012 Total	0.0	139.8	548.0	1057.7	405.7	201.5	0.0	0.0	2352.7
Delta	0.0	-35.6	-176.9	-582.5	-20.5	-105.8	391.9	332.5	-196.9

Fiscal Year (FY) 2013 includes $71M Overseas Contingency Operations (OCO) funding.

Quantity	Undistributed	Prior	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	To Complete	Total
Development	0	0	0	0	0	0	0	0	0	0
Production	0	0	0	10	10	11	4	11	12	58
PB 2013 Total	0	0	0	10	10	11	4	11	12	58
PB 2012 Total	0	0	1	8	28	13	7	0	0	57
Delta	0	0	-1	2	-18	-2	-3	11	12	1

Cost and Funding

Annual Funding By Appropriation

Annual Funding TY$
2031 | Procurement | Aircraft Procurement, Army

Fiscal Year	Quantity	End Item Recurring Flyaway TY $M	Non End Item Recurring Flyaway TY $M	Non Recurring Flyaway TY $M	Total Flyaway TY $M	Total Support TY $M	Total Program TY $M
2012	--	90.8	--	13.4	104.2	--	104.2
2013	10	317.1	--	30.0	347.1	24.0	371.1
2014	10	396.5	--	--	396.5	78.7	475.2
2015	11	277.0	--	--	277.0	108.2	385.2
2016	4	77.4	--	--	77.4	18.3	95.7
2017	11	335.4	--	--	335.4	56.5	391.9
2018	--	106.3	--	--	106.3	8.6	114.9
2019	6	101.5	--	--	101.5	6.5	108.0
2020	6	102.9	--	--	102.9	6.7	109.6
Subtotal	**58**	**1804.9**	**--**	**43.4**	**1848.3**	**307.5**	**2155.8**

Annual Funding BY$
2031 | Procurement | Aircraft Procurement, Army

Fiscal Year	Quantity	End Item Recurring Flyaway BY 2010 $M	Non End Item Recurring Flyaway BY 2010 $M	Non Recurring Flyaway BY 2010 $M	Total Flyaway BY 2010 $M	Total Support BY 2010 $M	Total Program BY 2010 $M
2012	--	85.0	--	12.5	97.5	--	97.5
2013	10	291.9	--	27.7	319.6	22.1	341.7
2014	10	358.7	--	--	358.7	71.1	429.8
2015	11	246.1	--	--	246.1	96.2	342.3
2016	4	67.6	--	--	67.6	15.9	83.5
2017	11	287.6	--	--	287.6	48.4	336.0
2018	--	89.5	--	--	89.5	7.3	96.8
2019	6	84.0	--	--	84.0	5.4	89.4
2020	6	83.6	--	--	83.6	5.5	89.1
Subtotal	**58**	**1594.0**	**--**	**40.2**	**1634.2**	**271.9**	**1906.1**

Cost Quantity Information
2031 | Procurement | Aircraft Procurement, Army

Fiscal Year	Quantity	End Item Recurring Flyaway (Aligned with Quantity) BY 2010 $M
2012	--	--
2013	10	281.0
2014	10	322.5
2015	11	168.6
2016	4	188.8
2017	11	365.9
2018	--	--
2019	6	97.4
2020	6	169.8
Subtotal	**58**	**1594.0**

Low Rate Initial Production

The Low Rate Initial Production (LRIP) contract phase will only apply to the AB3A program. The AB3B program is not scheduled to begin until after the Full Rate Production decision is made in July 2012.

Foreign Military Sales

Country	Date of Sale	Quantity	Total Cost $M	Memo
India		22	937.0	Projected Letter of Acceptance (LOA) signature date is 2012.
Qatar		24	2618.0	Projected LOA Signature Date is 2012.
Saudi Arabia		10	1157.0	(WXT) Projected LOA signature date is 2012.
Saudi Arabia		12	1402.0	(WXQ) Implemented 1st Quarter 2012 Cost includes support, peculiar ground support equipment, initial spares, contractor logistics support window, Contractor Field Service Representatives (CFSRs), United States Government (USG) technical support, two Longbow Crew Trainers (LCTs), training of pilots, maintainers, etc.
United Arab Emirates		30	925.0	Projected LOA signature date is October 2013.
Saudi Arabia	8/5/2011	24	2731.0	(WAL) Fully Implemented.
Saudi Arabia	12/22/2009	12	510.0	(WAB) Implemented 1st Quarter 2012.
Taiwan	12/22/2008	31	1915.0	Deliveries of aircraft to begin in Calendar Year (CY) 2012.

Nuclear Cost

None

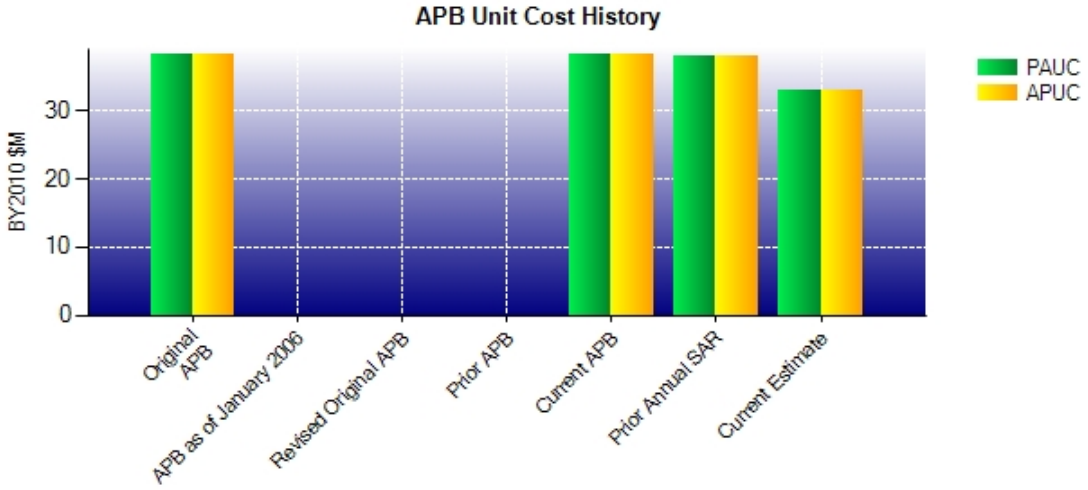
Unit Cost

Unit Cost Report

Unit Cost	BY2010 $M Current UCR Baseline (DEC 2010 APB)	BY2010 $M Current Estimate (DEC 2011 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	2134.6	1906.1	
Quantity	56	58	
Unit Cost	38.118	32.864	-13.78
Average Procurement Unit Cost (APUC)			
Cost	2134.6	1906.1	
Quantity	56	58	
Unit Cost	38.118	32.864	-13.78

Unit Cost	BY2010 $M Original UCR Baseline (DEC 2010 APB)	BY2010 $M Current Estimate (DEC 2011 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	2134.6	1906.1	
Quantity	56	58	
Unit Cost	38.118	32.864	-13.78
Average Procurement Unit Cost (APUC)			
Cost	2134.6	1906.1	
Quantity	56	58	
Unit Cost	38.118	32.864	-13.78

Unit Cost History



		BY2010 $M		TY $M	
	Date	PAUC	APUC	PAUC	APUC
Original APB	DEC 2010	38.118	38.118	41.539	41.539
APB as of January 2006	N/A	N/A	N/A	N/A	N/A
Revised Original APB	N/A	N/A	N/A	N/A	N/A
Prior APB	N/A	N/A	N/A	N/A	N/A
Current APB	DEC 2010	38.118	38.118	41.539	41.539
Prior Annual SAR	DEC 2010	37.835	37.835	41.275	41.275
Current Estimate	DEC 2011	32.864	32.864	37.169	37.169

SAR Unit Cost History

Current SAR Baseline to Current Estimate (TY $M)

Initial PAUC Prod Est	Changes								PAUC Current Est
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
44.829	0.610	0.251	0.972	0.000	-9.929	0.000	0.436	-7.660	37.169

Current SAR Baseline to Current Estimate (TY $M)

Initial APUC Prod Est	Changes								APUC Current Est
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
44.829	0.610	0.251	0.972	0.000	-9.929	0.000	0.436	-7.660	37.169

SAR Baseline History

Item/Event	SAR Planning Estimate (PE)	SAR Development Estimate (DE)	SAR Production Estimate (PdE)	Current Estimate
Milestone A	N/A	N/A	N/A	N/A
Milestone B	N/A	N/A	N/A	N/A
Milestone C	N/A	N/A	JUL 2010	SEP 2010
IOC	N/A	N/A	MAY 2013	MAY 2013
Total Cost (TY $M)	N/A	N/A	2510.4	2155.8
Total Quantity	N/A	N/A	56	58
Prog. Acq. Unit Cost (PAUC)	N/A	N/A	44.829	37.169

Cost Variance

Cost Variance Summary

Summary Then Year $M				
	RDT&E	Proc	MILCON	Total
SAR Baseline (Prod Est)	--	2510.4	--	2510.4
Previous Changes				
Economic	--	+4.1	--	+4.1
Quantity	--	+49.7	--	+49.7
Schedule	--	+2.8	--	+2.8
Engineering	--	--	--	--
Estimating	--	-344.6	--	-344.6
Other	--	--	--	--
Support	--	+130.3	--	+130.3
Subtotal	--	-157.7	--	-157.7
Current Changes				
Economic	--	+31.3	--	+31.3
Quantity	--	+54.5	--	+54.5
Schedule	--	+53.6	--	+53.6
Engineering	--	--	--	--
Estimating	--	-231.3	--	-231.3
Other	--	--	--	--
Support	--	-105.0	--	-105.0
Subtotal	--	-196.9	--	-196.9
Total Changes	--	-354.6	--	-354.6
CE - Cost Variance	--	2155.8	--	2155.8
CE - Cost & Funding	--	2155.8	--	2155.8

Summary Base Year 2010 $M				
	RDT&E	Proc	MILCON	Total
SAR Baseline (Prod Est)	--	2307.0	--	2307.0
Previous Changes				
Economic	--	--	--	--
Quantity	--	+44.0	--	+44.0
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	--	-312.2	--	-312.2
Other	--	--	--	--
Support	--	+117.8	--	+117.8
Subtotal	--	-150.4	--	-150.4
Current Changes				
Economic	--	--	--	--
Quantity	--	+44.3	--	+44.3
Schedule	--	+0.1	--	+0.1
Engineering	--	--	--	--
Estimating	--	-196.0	--	-196.0
Other	--	--	--	--
Support	--	-98.9	--	-98.9
Subtotal	--	-250.5	--	-250.5
Total Changes	--	-400.9	--	-400.9
CE - Cost Variance	--	1906.1	--	1906.1
CE - Cost & Funding	--	1906.1	--	1906.1

Previous Estimate: December 2010

Procurement	$M	
Current Change Explanations	**Base Year**	**Then Year**
Revised escalation indices. (Economic)	N/A	+31.3
Total Quantity variance resulting from an increase of 1 aircraft from 57 to 58. (Subtotal)	+30.3	+37.3
Quantity variance resulting from an increase of 1 aircraft from 57 to 58. (Quantity)	(+44.3)	(+54.5)
Allocation to Schedule resulting from Quantity change. (Schedule) (QR)	(+0.1)	(+0.1)
Allocation to Estimating resulting from Quantity change. (Estimating) (QR)	(-14.1)	(-17.3)
Extension of procurement buy profile due to overall quantity decrease in FY 2013 President's Budget. (Schedule)	0.0	+53.5
Reduction in estimate for Combat Aviation Brigades' training requirements. (Estimating)	-82.2	-102.8
Estimate refined due to more current cost information. (Estimating)	-98.0	-109.4
Decrease in Other Support based on revised Program Office Estimate. (Support)	-107.8	-116.2
Increase in Initial Spares due to addition of one aircraft. (Support) (QR)	+8.9	+11.2
Adjustment for current and prior escalation. (Estimating)	-1.7	-1.8
Procurement Subtotal	-250.5	-196.9

(QR) Quantity Related

Contracts

General Contract Memo

Apache Block III (AB3) New Build advance procurement contract projected for second quarter Fiscal Year (FY) 2012.

No contracts

Deliveries and Expenditures

Deliveries To Date	Plan To Date	Actual To Date	Total Quantity	Percent Delivered
Development	0	0	0	--
Production	0	0	58	0.00%
Total Program Quantities Delivered	0	0	58	0.00%

Expenditures and Appropriations (TY $M)			
Total Acquisition Cost	2155.8	Years Appropriated	1
Expenditures To Date	0.0	Percent Years Appropriated	11.11%
Percent Expended	0.00%	Appropriated to Date	104.2
Total Funding Years	9	Percent Appropriated	4.83%

There have been no deliveries or expenditures to this program as of December 31, 2011.

Operating and Support Cost

Assumptions And Ground Rules
Assumes the fielding of 690 aircraft, each flying 203.4 hours per year. The estimate is based on a 20-year service life. The Mean Time Between Failure (MTBF) goal for the aircraft system is 22 hours at maturity (50,000) hours. The costs are updated annually to reflect the Operating and Support Management Information System (OSMIS) database. The Operating and Support (O&S) Cost estimate is based on the Program Office Estimate dated December 2011. The Longbow Apache is the antecedent aircraft to the Apache Block III (AB3). AB3 O&S = Total Unitized Cost * Fleet Size * Fleet Life $33,638.9M = 2,437.7K * 690 * 20 Longbow O&S = Total Unitized Cost * Remaining Flying Hours $15,350.4M = 2,285.3 * 6717

Costs BY2010 $K		
Cost Element	**AB3B NEW BUILD Average Annual Cost per AB3 Aircraft**	**Longbow Apache Average Annual Cost per Longbow Apache Aircraft**
Unit-Level Manpower	1076.0	855.7
Unit Operations	795.2	912.0
Maintenance	94.8	54.4
Sustaining Support	89.7	28.3
Continuing System Improvements	182.1	234.0
Indirect Support	199.8	201.0
Other	--	--
Total Unitized Cost (Base Year 2010 $)	2437.6	2285.4

Total O&S Costs $M	AB3B NEW BUILD	Longbow Apache
Base Year	33638.9	15350.4
Then Year	45781.5	17869.0

The Operating and Support (O&S) costs in this report include AB3A as well as AB3B.

Demil costs are included in this O&S estimate. $3,885 to demil one AB3 aircraft.