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Exhibit R-2, RDT&E Budget Item Justification: PB 2014 Army										DATE: April 2013		
APPROPRIATION/BUDGET ACTIVITY 2040: Research, Development, Test & Evaluation, Army BA 7: Operational Systems Development					R-1 ITEM NOMENCLATURE PE 0305235A: UAS Modifications/Product Improvement Program							
COST (\$ in Millions)	All Prior Years	FY 2012	FY 2013 [#]	FY 2014 Base	FY 2014 OCO ^{##}	FY 2014 Total	FY 2015	FY 2016	FY 2017	FY 2018	Cost To Complete	Total Cost
Total Program Element	-	4.000	2.387	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
P20: MQ-18	-	4.000	2.387	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
# FY 2013 Program is from the FY 2013 President's Budget, submitted February 2012												
## The FY 2014 OCO Request will be submitted at a later date												
Note												
Funds transferred from 0603820/D20. FY2012, \$3,500 taken by ABO as OMNIBUS bill payer.												
A. Mission Description and Budget Item Justification												
The Army has a requirement to provide Intelligence, Surveillance, and Reconnaissance (ISR) platforms capable of operating in and near unfriendly territories/areas of conflict. The system shall be a rotary wing unmanned vertical takeoff and landing(VTOL) aircraft system not conducive to standard airfields but forward deployable to support extended operations in austere environment. The aircraft system will be made up of multiple aircraft (minimum of 4) that incorporates high value technologies in the airframe, propulsion, datalink systems, communications systems, and avionics systems. The system will be common with the Army selection of the Line of Sight and Beyond Line of Sight Tactical Common Data Link and the Universal Ground Control Station. The aircraft will simultaneously carry multi-functional payloads such as SIGINT, EO/IR/LD, and Wide Area Surveillance without degrading time on station. This system will provide dramatic improvements in operational flexibility and mission performance.												
FY 2014: No Funding												
B. Program Change Summary (\$ in Millions)				FY 2012	FY 2013	FY 2014 Base	FY 2014 OCO	FY 2014 Total				
Previous President's Budget				7.500	2.387	51.019	-	51.019				
Current President's Budget				4.000	2.387	0.000	-	0.000				
Total Adjustments				-3.500	0.000	-51.019	-	-51.019				
• Congressional General Reductions				-	-							
• Congressional Directed Reductions				-	-							
• Congressional Rescissions				-	-							
• Congressional Adds				-	-							
• Congressional Directed Transfers				-	-							
• Reprogrammings				-	-							
• SBIR/STTR Transfer				-	-							
• Adjustments to Budget Years				-3.500	-	-51.019	-	-51.019				

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COST (\$ in Millions)	All Prior Years	FY 2012	FY 2013[#]	FY 2014 Base	FY 2014 OCO^{##}	FY 2014 Total	FY 2015	FY 2016	FY 2017	FY 2018	Cost To Complete	Total Cost
P20: MQ-18	-	4.000	2.387	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles												
[#] FY 2013 Program is from the FY 2013 President's Budget, submitted February 2012 ^{##} The FY 2014 OCO Request will be submitted at a later date												
A. Mission Description and Budget Item Justification <p>The Army has a requirement to provide Intelligence, Surveillance, and Reconnaissance (ISR) platforms capable of operating in and near unfriendly territories/areas of conflict. The system shall be a rotary wing unmanned vertical takeoff and landing (VTOL) aircraft system not conducive to standard airfields but forward deployable to support extended operations in austere environment. The aircraft system will be made up of multiple aircraft (minimum of 4) that incorporates high value technologies in the airframe, propulsion, datalink systems, communications systems, and avionics systems. The system will be common with the Army selection of the Line of Sight and Beyond Line of Sight Tactical Common Data Link and the Universal Ground Control Station. The aircraft will simultaneously carry multi-functional payloads such as SIGINT, EO/IR/LD, and Wide Area Surveillance without degrading time on station. This system will provide dramatic improvements in operational flexibility and mission performance.</p> <p>FY 2014: No Funding</p>												
B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)									FY 2012	FY 2013	FY 2014	
Title: Program Management Support <div style="text-align: right;">Articles:</div>									1.500 0	2.387 0	0.000	
Description: Funds Program Management to support Capabilities Development Document support, Milestone A Documentation Preparation, Industry Day, Request for Proposals, Statement of Work, Acquisition Documentation and Cost Analysis FY 2012 Accomplishments: Provide funding for program management support FY 2013 Plans: Provide funding for program management support												
Title: Analysis of Alternatives <div style="text-align: right;">Articles:</div>									2.500 0	0.000	0.000	
Description: Analysis of Alternatives FY 2012 Accomplishments:												

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B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)		FY 2012	FY 2013
Analysis of Alternatives			
Accomplishments/Planned Programs Subtotals		4.000	2.387
			0.000
C. Other Program Funding Summary (\$ in Millions) N/A			
Remarks VTOL UAS / APA (A00035)			
D. Acquisition Strategy The Army will conduct a full and open competition for the MRMP VTOL Program of Record. In accordance with the "Better Buying Power" initiatives, the Army intends to maximize competition for the Technology and Engineering and manufacturing Development (EMD) phases of the program. Final down-selection to a single vendor.			
E. Performance Metrics Performance metrics used in the preparation of this justification material may be found in the FY 2010 Army Performance Budget Justification Book, dated May 2010.			

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2014 Army												DATE: April 2013			
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Management Services (\$ in Millions)				FY 2012		FY 2013		FY 2014 Base		FY 2014 OCO		FY 2014 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	All Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Program Management	Various	Various:Various	0.000	2.500		2.387		-		-		-	Continuing	Continuing	0.000
Analysis of Alternatives	MIPR	Various:Various	0.000	1.500	Feb 2012	-		-		-		-	0.000	1.500	0.000
Subtotal			0.000	4.000		2.387		0.000		0.000		0.000			0.000

	All Prior Years	FY 2012		FY 2013		FY 2014 Base		FY 2014 OCO		FY 2014 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals		0.000	4.000		2.387		0.000		0.000				0.000

Remarks

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Exhibit R-4, RDT&E Schedule Profile: PB 2014 Army																DATE: April 2013			
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	FY 2012				FY 2013				FY 2014				FY 2015				FY 2016				FY 2017				FY 2018			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Technology Development																												
Technology System Readiness Review																												
Technology Preliminary Design Review																												
Milestone A																												
Milestone B																												
Technology Development PDR																												

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Exhibit R-4A, RDT&E Schedule Details: PB 2014 Army			DATE: April 2013
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Schedule Details

Events	Start		End	
	Quarter	Year	Quarter	Year
Technology Development	1	2014	1	2016
Technology System Readiness Review	2	2014	2	2014
Tschnology Preliminary Design Review	2	2014	2	2014
Milestone A	1	2013	1	2013
Milestone B	4	2015	4	2015
Technology Development PDR	3	2014	3	2014