

ARMY RDT&E BUDGET ITEM JUSTIFICATION (R2 Exhibit)

February 2007

BUDGET ACTIVITY		PE NUMBER AND TITLE							PROJECT	
5 - System Development and Demonstration		0604220A - Armed, Deployable OH-58D							53H	
COST (In Thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	Cost to Complete	Total Cost
53H ARMED RECONNAISSANCE HELICOPTER (ARH)	88509	131315	82310	13027						315161

A. Mission Description and Budget Item Justification: The mission of the Armed Reconnaissance Helicopter (ARH) is to provide a robust reconnaissance and security capability for the Joint Combined arms air-ground maneuver team. The ARH is a combination of a modified off-the-shelf (OTS) airframe integrated with a non-development item (NDI) mission equipment package (MEP). The ARH will be fielded to support current forces in the Global War on Terror (GWOT) and will possess the growth potential to bridge the capability gaps to Future Combat Force. The ARH will be a direct replacement for the aging OH58D Kiowa Warrior fleet.

The rapidly reconfigurable ARH provides the space, weight, and power to incorporate the MEP, as Mission, Enemy, Terrain, Troops available, Time and Civilian considerations (METT_TC) dictates, for use in High/hot (4K/95°F with growth potential to 6K/95°F) conditions, complex terrain, and urban environments. The MEP provides a robust communications and navigation suite, advanced state-of-the-art sensor assembly, and self-defense armament capability to fight for, collect, and distribute critical information to all members of the Joint air-ground maneuver team. Specifically, the ARH's robust communication suite when combined with the sensors assembly provides real time delivery of actionable combat information to the joint force while enabling precision employment of Joint sensors and fires.

The ARH will provide a highly deployable, reconnaissance and security capability that will employ immediately upon arrival into theater. The platform will address the capability gaps of interoperability, survivability, versatility, agility, lethality, and sustainability to ensure interoperability over extended ranges, enhance mission effectiveness throughout the operational environment, and focus on system survivability against threats operating in the contemporary operational environment, while reducing the logistical burden on the tactical unit. The fundamental purpose of ARH is to perform reconnaissance and to provide security in combat operations. In doing so, it improves the commander's ability to maneuver and concentrate superior combat power against the enemy at the decisive time and place.

<u>Accomplishments/Planned Program:</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Program Support	14761	9965	7102	4412
Aircraft System Development and Demonstration	66028	110102	65711	
Test and Evaluation	7720	11248	9497	8615
Total	88509	131315	82310	13027

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<u>B. Program Change Summary</u>	FY 2006	FY 2007	FY 2008	FY 2009	
Previous President's Budget (FY 2007)	91860	132781	83100	13200	
Current BES/President's Budget (FY 2008/2009)	88509	131315	82310	13027	
Total Adjustments	-3351	-1466	-790	-173	
Congressional Program Reductions		-502			
Congressional Rescissions					
Congressional Increases					
Reprogrammings	-3351	-964			
SBIR/STTR Transfer					
Adjustments to Budget Years			-790	-173	

<u>C. Other Program Funding Summary</u>	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	To Compl	Total Cost
A04203 HELICOPTER, OBSERVATION, Kiowa Warrior Replacement		101409	468259	565776	642551	598521	540967	537033	784148	4238664

Comment:

D. Acquisition Strategy The Milestone B Acquisition Decision Memorandum (ADM) was signed on 27 July 2005. The Armed Reconnaissance Helicopter (ARH) program is currently in the Systems Development and Demonstration (SDD) phase. Critical Design review is set for 2nd Quarter 2007 and the Limited User Test (LUT) is scheduled for 2nd Quarter 2007. SDD contract includes 2 Low Rate Initial Production (LRIP) options. Milestone C review for an LRIP decision is scheduled for 3rd Quarter FY 2007. Initial Operational Test and Evaluation (IOTE) is scheduled for 4th Quarter 2008. Full Rate Decision Review is scheduled for 2nd Quarter 2009 and First Unit Equipped (FUE) is scheduled for Jun 2009.

ARMY RDT&E COST ANALYSIS (R3)

February 2007

BUDGET ACTIVITY			PE NUMBER AND TITLE									PROJECT		
5 - System Development and Demonstration			0604220A - Armed, Deployable OH-58D									53H		
I. Product Development	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	FY 2008 Cost	FY 2008 Award Date	FY 2009 Cost	FY 2009 Award Date	Cost To Complete	Total Cost	Target Value of Contract
Aircraft Subsystem Integration	CPIF	TBD	71932	66028		110102		65711					313773	
Subtotal:			71932	66028		110102		65711					313773	
II. Support Costs	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	FY 2008 Cost	FY 2008 Award Date	FY 2009 Cost	FY 2009 Award Date	Cost To Complete	Total Cost	Target Value of Contract
Subtotal:														
III. Test And Evaluation	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	FY 2008 Cost	FY 2008 Award Date	FY 2009 Cost	FY 2009 Award Date	Cost To Complete	Total Cost	Target Value of Contract
Test and Evaluation	MIPR	Various Activities	309	7720		11248		9497		8615			37389	
Subtotal:			309	7720		11248		9497		8615			37389	
IV. Management Services	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	FY 2008 Cost	FY 2008 Award Date	FY 2009 Cost	FY 2009 Award Date	Cost To Complete	Total Cost	Target Value of Contract
Program Support	Various	ARH Internal Operating Budget, Matrix Support and Support Contracts	6675	14761		9965		7102		4412			42915	
Subtotal:			6675	14761		9965		7102		4412			42915	

ARMY RDT&E COST ANALYSIS (R3)

February 2007

BUDGET ACTIVITY 5 - System Development and Demonstration	PE NUMBER AND TITLE 0604220A - Armed, Deployable OH-58D						PROJECT 53H			
Project Total Cost:	78916	88509		131315		82310		13027		394077

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Schedule Profile (R4 Exhibit)

February 2007

BUDGET ACTIVITY
5 - System Development and Demonstration

PE NUMBER AND TITLE
0604220A - Armed, Deployable OH-58D

PROJECT
53H

Event Name	FY 06				FY 07				FY 08				FY 09				FY 10				FY 11				FY 12				FY 13			
	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	1	2	3	4
Limited User Test					LUT																											
(1) Milestone C									▲ MS C																							
Initial Operational Test & Evaluation													■ IOTE																			
(2) Full Rate Production Decision Review																	▲ FRP DR															
(3) First Unit Equipped																	▲ FUE															

Schedule Detail (R4a Exhibit)

February 2007

BUDGET ACTIVITY 5 - System Development and Demonstration	PE NUMBER AND TITLE 0604220A - Armed, Deployable OH-58D	PROJECT 53H
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<u>Schedule Detail</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Milestone B								
Contract Award								
Limited User Test		2Q						
Milestone C		3Q						
Initial Operational Test & Evaluation			4Q	1Q				
Full Rate Production Decision Review				2Q				
First Unit Equipped				3Q				

Milestone B occurred 4th Quarter FY 2005 (07 Jul 2005) as well as Contract Award for System Development and Demonstration (SDD) (29 Jul 2005).

Termination Liability Funding For Major Defense Acquisition Programs, RDT&E Funding (R5)	February 2007
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BUDGET ACTIVITY 5 - System Development and Demonstration	PE NUMBER AND TITLE 0604220A - Armed, Deployable OH-58D	PROJECT 53H
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Funding in \$000								
Program	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Armed Reconnaissance Helicopter (ARH)	66028	110102	65711					
Total Termination Liability Funding:	66028	110102	65711					

