

EXHIBIT R-2, RDT&E Budget Item Justification						DATE: February 2007		
APPROPRIATION/BUDGET ACTIVITY						R-1 ITEM NOMENCLATURE		
RESEARCH DEVELOPMENT TEST & EVALUATION, NAVY / BA-7						0207163N AMRAAM		
COST (\$ in Millions)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Total PE Cost	3.475	6.680	4.579	6.513	3.300	3.378	3.806	3.814
0981 AMRAAM	3.475	6.680	4.579	6.513	3.300	3.378	3.806	3.814

  

This joint Navy/Air Force program is structured in response to the Joint Service Operational Requirement and Mission Element Need Statement to develop an air superiority air-to-air missile with significant improvements in operational utility and combat effectiveness. This program supports the integration of the AMRAAM into Navy aircraft with analysis of Navy unique applications, aircraft missile integration tasks, product improvement efforts including missile software upgrade development and procurement of hardware to support Navy test and evaluation tasks.

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RESEARCH DEVELOPMENT TEST & EVALUATION, NAVY / BA-7					0207163N AMRAAM
<b>B. PROGRAM CHANGE SUMMARY</b>					
Funding:	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	
Previous President's Budget:	3.531	6.705	2.620	3.508	
Current President's Budget:	<u>3.475</u>	<u>6.680</u>	<u>4.579</u>	<u>6.513</u>	
Total Adjustments	-0.056	-0.025	1.959	3.005	
Summary of Adjustments					
Congressional Reductions	-0.057	-0.025			
Congressional Rescissions					
Congressional Increases	0.001				
Economic Assumptions			0.013	0.077	
Miscellaneous Adjustments			<u>1.946</u>	<u>2.928</u>	
Subtotal	-0.056	-0.025	1.959	3.005	
Schedule:					
AIM-120C-7 operational testing (OT) revealed a fuze anomaly, with a correction to be incorporated via the C-7 SWUP program. The re-testing of this correction, plus a reassessment of the time needed to complete the remaining OT missions, analyses, and reporting, have extended the projected end-date of the C-7 OT schedule until July 07.					
AIM-120C-7 SWUP development completion has slipped from Jun 06 to Sep 06 to permit developmental flight testing of a correction to a fuze issue identified during C-7 OT					
The US Marine Corps CLAWS program has been cancelled.					
Phase 4 program issues led to a restructured schedule, approved by the AF and Navy PEOs in Mar 06. The revised SDD completion reflects a delay of 15 months from the original plan. There is a corresponding slip in the DT flight test schedule. The OT flight test schedule reflects both the SDD delay, plus an updated estimate in the overall time (16 months vs 12 months) to complete the OT flight test program. Delay in the IOC dates is due to the revised OT schedule and a revised production plan, also approved by the PEOs, which delays delivery of inventory tactical missiles until late FY09. Phase 4 SIP/SWUP has been rephrased based on the delay in IOC dates.					
Technical:					
Not applicable.					

EXHIBIT R-2a, RDT&E Project Justification							DATE: February 2007		
APPROPRIATION/BUDGET ACTIVITY		PROGRAM ELEMENT NUMBER AND NAME			PROJECT NUMBER AND NAME				
RDT&E,N / BA-7		0207163N AMRAAM			0981 AMRAAM				
COST (\$ in Millions)		FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
0981 AMRAAM		3.475	6.680	4.579	6.513	3.300	3.378	3.806	3.814
RDT&E Articles Qty									
<p>This joint Navy/Air Force program is structured in response to the Joint Service Operational Requirement and Mission Element Need Statement to develop an superiority air-to-air missile with significant improvements in operational utility and combat effectiveness. This program supports the integration of the AMRAAM into Navy aircraft with analysis of Navy unique applications, aircraft missile integration tasks, product improvement efforts including missile software upgrade development and procurement of hardware to support Navy test and evaluation tasks.</p>									
B. ACCOMPLISHMENTS / PLANNED PROGRAM:									
Continued aircraft integration		FY 2006	FY 2007	FY 2008	FY 2009				
Accomplishments / Effort / Sub-total Cost		1.069	4.423	1.370	1.301				
RDT&E Articles Qty									
Continue aircraft integration activities and test and evaluation for Navy unique requirements.									
Continued to identify potential improvements		FY 2006	FY 2007	FY 2008	FY 2009				
Accomplishments / Effort / Sub-total Cost		1.791	1.300	0.600	0.680				
RDT&E Articles Qty									
Continue engineering support of AMRAAM, including investigation and analysis of technologies that offer potential improvements in AMRAAM lethality/performance and compatibility with related weapons systems.									
Continued Phase 4 SDD efforts		FY 2006	FY 2007	FY 2008	FY 2009				
Accomplishments / Effort / Sub-total Cost		0.615	0.957	2.609	4.532				
RDT&E Articles Qty									
Continue system engineering and test activities in AMRAAM Phase 4 program which include conducting Proof of Manufacturing (POM) testing, final testing of Phase 4 software, aircraft integration/aircraft Operational Flight Program (OFP) efforts and Phase 4 test/equipment tasks. Continue system engineering/aircraft integration activities for System Improvements Program (SIP) planning with emphasis on Navy unique compatibility requirements and Navy aircraft integration/compatibility requirements. Commence Medium Range Missile (MRM) Concept Development.									

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APPROPRIATION/BUDGET ACTIVITY							PROGRAM ELEMENT NUMBER AND NAME				PROJECT NUMBER AND NAME			
RDT&E,N / BA-7							0207163N AMRAAM				0981 AMRAAM			
C. OTHER PROGRAM FUNDING SUMMARY:														
	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>To Complete</u>	<u>Total Cost</u>				
WPN/P1# 4 AMRAAM	73.797	88.295	87.460	96.893	97.461	94.409	92.215	92.402	2,153.766	4,122.659				
Related RDT&E														
PE 0207130F F-15														
PE 0204126N F/A-18 Squadrons														
PE 0207163F AMRAAM														
PE 0207133F F-16														
PE 0604239F F-22														
PE 0207134F F-15E														
D. ACQUISITION STRATEGY:														
<p>An updated Long Term Pricing Agreement (LTPA) strategy was approved at the March 2006 Executive Program Management Review (EPMR). During the EPMR both the Air Force and Navy PEOs approved a stand alone buy of 71 AIM-120C7, AIM-120D Captive Air Training Missiles (CATM), and 12 AIM-120D Operational Test (OT) missiles in FY06; a stand alone buy in FY07; and a 3 year LTPA for the years 2008-2010. The Air-to-Air Wing Program Office will need to revisit the EPMR for missile mix in FY07, and again in FY08 for the production cut-in decision (estimated for Spring 2008).</p>														

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Exhibit R-3 Cost Analysis (page 1)							DATE: February 2007					
APPROPRIATION/BUDGET ACTIVITY RDT&E, N / BA-7			PROGRAM ELEMENT 0207163N AMRAAM		PROJECT NUMBER AND NAME 0981 AMRAAM							
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY's Cost	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
<b>PRODUCT DEVELOPMENT</b>												
Award Fees (EGLIN)	SS/CPAF	VARIOUS	5.491	0.045	01/07	0.030	01/08				5.566	5.566
Primary Hdw Development (DAHLGREN)	WX	NSWC DAHLGREN D C XDM1 DAHLGREN VA		0.020	11/06	0.023	11/07	0.024	11/08	0.102	0.169	
Primary Hdw Development (EGLIN))	SS/CPAF	RAYTHEON COMPANY, TUCSON, AZ	39.625	0.604	01/07	0.263	1/08	1.214	1/09	4.909	46.615	46.615
Primary Hdw Development	TBD	TBD				2.000	1/08	3.000	1/09		5.000	5.000
Primary Hdw Development (NAWCAD)	WX	NAWCAD, PATUXENT RIVER MD		0.205	11/06	0.208	11/07	0.208	11/08	0.840	1.461	
Primary Hdw Development (NAWCWD)	WX	NAWCWD, PT MUGU CA		0.083	11/06	0.085	11/07	0.086	11/08	0.352	0.606	
Prior Years Hardware Dev	Various	VARIOUS	20.520								20.520	
<b>SUBTOTAL PRODUCT DEVELOPMENT</b>			<b>65.636</b>	<b>0.957</b>		<b>2.609</b>		<b>4.532</b>		<b>6.203</b>	<b>79.937</b>	
Remarks: Percentage of award fees actually awarded in past award fee periods is 15%.												
<b>SUPPORT</b>												
Development Support (BOEING)	SS/CPAF	McDonnell Douglas Corp., St. Louis MO	2.907	0.700	01/07						3.607	3.607
Development Support (NSMA)	RX	NAVY SYST MGT ACT, ARLINGTON VA	1.229	0.250	12/06	0.250	12/07	0.250	12/08	0.863	2.842	
Studies & Analyses - JHU/APL	SS/FFP	NAVSEASYSKOM, WASH DC	0.410	0.150	01/07	0.150	01/08	0.230	01/09	0.813	1.753	1.753
Prior Years Dev/Acft Integ	Various	VARIOUS	11.366								11.366	
<b>SUBTOTAL SUPPORT</b>			<b>15.912</b>	<b>1.100</b>		<b>0.400</b>		<b>0.480</b>		<b>1.676</b>	<b>19.568</b>	
Remarks:												
<b>TEST &amp; EVALUATION</b>												
Dev Test & Eval; (NAWCPM)	WX	NAWC WD PT MUGU CA	2.375	4.423	11/06	1.370	11/07	1.301	11/08	5.605	15.074	
<b>SUBTOTAL TEST &amp; EVALUATION</b>			<b>2.375</b>	<b>4.423</b>		<b>1.370</b>		<b>1.301</b>		<b>5.605</b>	<b>15.074</b>	
Remarks:												
<b>MANAGEMENT</b>												
Travel (PMA-259M)	MIPR	PMA-259 Eglin AFB FL	1.708	0.200	10/06	0.200	10/07	0.200	10/08	0.814	3.122	
Prior Years Management	Various	VARIOUS	4.002								4.002	
<b>SUBTOTAL MANAGEMENT</b>			<b>5.710</b>	<b>0.200</b>		<b>0.200</b>		<b>0.200</b>		<b>0.814</b>	<b>7.124</b>	
Remarks:												
<b>Total Cost</b>			<b>89.633</b>	<b>6.680</b>		<b>4.579</b>		<b>6.513</b>		<b>14.298</b>	<b>121.703</b>	
Remarks:												

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EXHIBIT R4, Schedule Profile																								DATE: <b>February 2007</b>								
APPROPRIATION/BUDGET ACTIVITY <b>RDT&amp;E, N / BA-7</b>					PROGRAM ELEMENT NUMBER AND NAME 0207163N AMRAAM												PROJECT NUMBER AND NAME 0981 AMRAAM															
Fiscal Year	2006				2007				2008				2009				2010				2011				2012				2013			
	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
<b>Pre-Planned Product Improvement (P3) Phase 3</b> IOC C7 Phase 3 SWUP Development Complete (▲) in Q4 2006 F/A18 & F/A22 IOC (△) in Q4 2007																																
<b>Pre-Planned Product Improvement (P3) Phase 4</b> SDD SYSTEM DT/OT Start Free Flight DT (△) in Q4 2007 Complete (△) in Q1 2008 OT Start (E/F) (△) in Q2 2008 Start (△) in Q1 2009 F/A18 E/F (Obj) (△) in Q2 2009 F/A18 C/D (△) in Q3 2009 OT Complete (E/F) (△) in Q3 2009 SIP (P3I Follow-on) (△) in Q3 2009 F/A18 E/F (Threshold) (△) in Q4 2009																																
<b>Pre-Planned Product Improvement (P3) MRM Concept Development</b> Start (△) in Q1 2008 Complete (△) in Q3 2009																																
<b>Production Milestones</b> Contract awards: Lot 20A (▲) in Q1 2006, Lot 20B (▲) in Q2 2006, Lot 21 (△) in Q3 2006, Lot 22 (△) in Q1 2008, Lot 23 (△) in Q1 2009, Lot 24 (△) in Q2 2009, Lot 25 (△) in Q3 2009, Lot 26 (△) in Q4 2009, Lot 27 (△) in Q1 2011																																
Deliveries: 0, 0, 0, 24, 52, 24, 18, 24, 13, 8, 15, 11, 14, 22, 33, 33, 30, 22, 18, 21, 21, 23, 24, 24, 24, 24, 25, 24, 24, 26, 23, 21, 23																																

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Exhibit R-4a, Schedule Detail					DATE: <b>February 2007</b>			
APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT			PROJECT NUMBER AND NAME				
<b>RDT&amp;E, N / BA-7</b>	0207163N AMRAAM			0981 AMRAAM				
Schedule Profile	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
F/A-18 IOC of AIM120C7		4th Qtr						
F-22 IOC of AIM120C7		4th Qtr						
Phase 3 SWUP COMPLETE	4th Qtr							
Phase 3 SWUP IOC		4th Qtr						
SDD Completion Phase 4			3rd Qtr					
Phase 4 SIP/SWUP Start (P3I Follow-On)				2nd Qtr				
P3I Follow-on Efforts				2nd-4th Qtr	1st-4th Qtr	1st-4th Qtr	1st-4th Qtr	1st-4th Qtr
System DT (Free flight) Start		3rd Qtr						
System OT (F/A-18 E/F) Start			4th Qtr					
System OT (F/A-18 E/F) Complete					1st Qtr			
IOC F/A18 E/F (Objective)					1st Qtr			
IOC F/A18 E/F (Threshold)					3rd Qtr			
IOC F/A18 C/D					2nd Qtr			
Medium Range Missile Concept Development Start			1st Qtr					
Medium Range Missile Concept Development Complete				4th Qtr				
Production Lot 20 Contract Award	2nd & 4th Qtr							
Production Lot 21 Contract Award		2nd Qtr						
Production Lot 22 Contract Award			2nd Qtr					
Production Lot 23 Contract Award				2nd Qtr				
Production Lot 24 Contract Award					2nd Qtr			
Production Lot 25 Contract Award						2nd Qtr		
Production Lot 26 Contract Award							2nd Qtr	
Production Lot 27 Contract Award								2nd Qtr