

EXHIBIT R-2, RDT&E Budget Item Justification							DATE: May 2009	
APPROPRIATION/BUDGET ACTIVITY RESEARCH DEVELOPMENT TEST & EVALUATION, NAVY / BA-7						R-1 ITEM NOMENCLATURE 0207163N AMRAAM		
COST (\$ in Millions)		FY 2008	FY 2009	FY 2010				
Total PE Cost		2.496	8.509	3.604				
0981 AMRAAM		2.496	8.509	3.604				
(U) A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:								
<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 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.</p>								
B. PROGRAM CHANGE SUMMARY								
Funding:		<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>				
Previous President's Budget:		2.497	8.556	3.635				
Current BES:		2.496	8.509	3.604				
Total Adjustments		-0.001	-0.047	-0.031				
Summary of Adjustments								
Congressional Rescissions								
Congressional Adjustments			-0.024					
SBIR/STTR/FTT Assessments		-0.001						
Program Adjustments				-0.030				
Rate/Misc Adjustments			-0.023	-0.001				
Subtotal		-0.001	-0.047	-0.031				
Schedule:								
<p>Delays in integrating developmental hardware into flight testing and lower than planned flight test efficiencies have extended the forecast completion date for System Development and Demonstration (SDD) to June 2009. This results in a corresponding change to the forecasted OT start/complete dates and the F/A-18 IOC dates.</p>								
<p>The Lot 22 production award was changed to 3rd quarter FY2008 due to protracted negotiations.</p>								
<p>FY2010 missile production contract award has been moved from January to February per executive service (USAF) schedule decision.</p>								
<p>Phase 4 SIP/SWUP start delayed to 3rd quarter FY2009 due to schedule adjustments.</p>								
<p>MRM Concept Development start delayed to 3rd quarter FY2009 due to task definition revisions.</p>								
Technical:								
Not Applicable.								

EXHIBIT R-2a, RDT&E Project Justification							DATE: May 2009		
APPROPRIATION/BUDGET ACTIVITY RDT&E,N / BA-7				PROJECT NUMBER AND NAME 0981 AMRAAM					
COST (\$ in Millions)				FY 2008	FY 2009	FY 2010			
0981 AMRAAM				2.496	8.509	3.604			
RDT&E Articles Qty									
(U) A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:									
<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 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.</p>									
B. ACCOMPLISHMENTS / PLANNED PROGRAM:									
Continued aircraft integration				FY 2008	FY 2009	FY 2010			
Accomplishments / Effort / Sub-total Cost				0.887	1.304	1.307			
RDT&E Articles Qty									
Continue aircraft integration activities and test and evaluation for Navy unique requirements.									
Continued to identify potential improvements				FY 2008	FY 2009	FY 2010			
Accomplishments / Effort / Sub-total Cost				0.350	2.580	0.850			
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 2008	FY 2009	FY 2010			
Accomplishments / Effort / Sub-total Cost				1.259	4.625	1.447			
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 to fund the initial exploratory efforts for future technological advancements to combat evolving threats.									

EXHIBIT R-2a, RDT&E Project Justification			DATE: May 2009								
APPROPRIATION/BUDGET ACTIVITY RDT&E,N / BA-7	PROGRAM ELEMENT NUMBER AND NAME 0207163N AMRAAM	PROJECT NUMBER AND NAME 0981 AMRAAM									
<p>C. OTHER PROGRAM FUNDING SUMMARY:</p> <table> <thead> <tr> <th></th> <th><u>FY2008</u></th> <th><u>FY2009</u></th> <th><u>FY2010</u></th> </tr> </thead> <tbody> <tr> <td>220600 AMRAAM WPN/P1# 4 \$</td> <td>86.000</td> <td>92.955</td> <td>145.506</td> </tr> </tbody> </table> <p>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</p> <p>D. ACQUISITION STRATEGY:</p> <p>Annualized AMRAAM production procurements will continue across the FYDP with periodic pre-planned product improvements and Value Engineering Change Proposals (VECP). The 328th Armament Systems Group (328 ARSG) will revisit instituting a Long Term Pricing Agreement (LTPA) upon Raytheon's ability to consistently achieve monthly deliveries of 30 - 35 AIM120Ds.</p>					<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	220600 AMRAAM WPN/P1# 4 \$	86.000	92.955	145.506
	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>								
220600 AMRAAM WPN/P1# 4 \$	86.000	92.955	145.506								

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Exhibit R-3 Cost Analysis							DATE: May 2009						
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT		PROJECT NUMBER AND NAME								
RDT&E, N / BA-7			0207163N AMRAAM		0981 AMRAAM								
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 2009 Cost	FY 2009 Award Date	FY 2010 Cost	FY 2010 Award Date						
PRODUCT DEVELOPMENT													
Primary Hdw Development (EGLIN)	SS/CPAF	RAYTHEON COMPANY, TUCSON AZ	41.804	0.941	5/09	0.789	1/10						
Award Fees (EGLIN)	SS/CPAF	VARIOUS	5.876	0.166	5/09	0.139	1/10						
Primary Hdw Development (DAHLGREN)	WX	NSWC DAHLGREN D C XDM1 DAHLGREN VA	0.043	0.024	11/08	0.025	11/09						
Primary Hdw Development	TBD	TBD		3.000	5/09								
Primary Hdw Development (NAWCAD)	WX	NAWCAD, PATUXENT RIVER MD	0.365	0.208	11/08	0.207	11/09						
Primary Hdw Development (NAWCWD)	WX	NAWCWD, PT MUGU CA	0.454	0.086	11/08	0.087	11/09						
Prior Years Hardware Dev	Various	VARIOUS	20.520										
SUBTOTAL PRODUCT DEVELOPMENT			69.062	4.425		1.247							
Remarks: Percentage of award fees actually awarded in past award fee periods is 15%.													
SUPPORT													
Development Support (BOEING)	SS/CPAF	MCDONNELL DOUGLAS CORP, ST LOUIS MO	3.607	2.100	01/09	0.400	01/10						
Development Support (NSMA)	RX	NAVY SYST MGT ACT, ARLINGTON VA	2.287	0.250	12/08	0.250	12/09						
Studies & Analyses - JHU/APL	SS/FFP	NAVSEASYS COM, WASHINGTON DC	0.710	0.230	01/09	0.200	01/10						
Prior Years Dev/Acft Integ	Various	VARIOUS	11.366										
SUBTOTAL SUPPORT			17.970	2.580		0.850							
Remarks:													
TEST & EVALUATION													
Dev Test & Eval (NAWCWD)	WX	NAWCWD, PT MUGU CA	5.102	1.304	11/08	1.307	11/09						
SUBTOTAL TEST & EVALUATION			5.102	1.304		1.307							
Remarks:													
MANAGEMENT													
Travel (PMA-2592)	MIPR	PMA-259 EGLIN AFB FL	2.124	0.200	10/08	0.200	10/09						
Prior Years Management	Various	VARIOUS	4.002										
SUBTOTAL MANAGEMENT			6.126	0.200		0.200							
Remarks:													
Total Cost			98.260	8.509		3.604							
Remarks:													

Exhibit R-3, Project Cost Analysis

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EXHIBIT R4, Schedule Profile														DATE: May 2009														
APPROPRIATION/BUDGET ACTIVITY PROGRAM ELEMENT NUMBER AND NAME														PROJECT NUMBER AND NAME														
RDT&E, N / BA-7 0207163N AMRAAM														0981 AMRAAM														
Fiscal Year	2008				2009				2010																			
	1	2	3	4	1	2	3	4	1	2	3	4																
Pre-Planned Product Improvement (P3I) Phase 3																												
IOC C7																												
Phase 3 SWUP																												
Pre-Planned Product Improvement (P3I) Phase 4																												
SDD																												
SYSTEM DT/OT Start																												
IOC																												
Phase 4 SIP/SWUP																												
Pre-Planned Product Improvement (P3I) MRM Concept Development																												
Production Milestones																												
Contract awards																												
Deliveries	0	8	12	3	0	0	0	4	6	18	23	27																

Exhibit R-4a, Schedule Detail			DATE: May 2009					
APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT		PROJECT NUMBER AND NAME					
RDT&E, N / BA-7	0207163N AMRAAM		0981 AMRAAM					
Schedule Profile	FY 2008	FY 2009	FY 2010					
F/A-18 IOC of AIM120C7	2Q							
F-22 IOC of AIM120C7	2Q							
Phase 3 SWUP IOC	2Q							
SDD Completion Phase 4		3Q						
Phase 4 SIP/SWUP Start (P3I Follow-On)		3Q	1Q-4Q					
System DT (Free flight) Start	1Q							
System OT (F/A-18 E/F) Start		4Q						
IOC F/A18 E/F (Objective)			1Q					
Medium Range Missile Concept Development Start		3Q						
Medium Range Missile Concept Development Complete		4Q						
Production Lot 22 Contract Award	3Q							
Production Lot 23 Contract Award		3Q						
Production Lot 24 Contract Award			2Q					