

Exhibit P-40, BUDGET ITEM JUSTIFICATION						DATE: February 2004						
APPROPRIATION/BUDGET ACTIVITY						P-1 ITEM NOMENCLATURE						
Aircraft Procurement, Navy/APN-5 Aircraft Modifications						Common ECM Modifications						
Program Element for Code B Items:						Other Related Program Elements						
	Prior Years	ID Code		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	To Complete	Total
QTY		A										
COST (In Millions)	445.2	A		28.4	25.6	43.2	57.7	40.9	41.0	41.7	564.0	1,287.8
<p>This line item funds common equipment (B kits) for multiple aircraft. The overall goal of the modification budget is to provide a reprogrammable radar and missile warning system, provide attacking missile declaration and sector direction finding, laser detection, and self production capability devices to applicable user aircraft.</p>												
(TOA, \$ in Millions)												
<u>OSIP No.</u>	<u>Description</u>	<u>Prior Years</u>		<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>To Complete</u>	<u>Total</u>
72-88	AN/AAR-47 MAWS Hardware	178.1		10.0	8.7	6.9	8.4	0.7			33.6	246.4
14-90	AN/APR-39 (V)2 RWR & AN/AVR 2 Hardware	158.6		2.9	5.1						29.3	195.9
30-92	LAU 138A/A BOL System	38.9		0.7								39.6
26-99	AN/ALR 67(V)3 & 4	48.6		3.4							247.7	299.7
06-00	ALE-39 to 47 Retrofit	21.0		7.1								28.1
007-03	IDECM			4.3	11.9	36.3	49.3	40.2	41.0	41.7	253.4	478.1
Total		445.2		28.4	25.6	43.2	57.7	40.9	41.0	41.7	564.0	1,287.8
Note: Totals may not add due to rounding.												

Exhibit P-3a Individual Modification

MODIFICATION TITLE: AN/ALR-67(V)3&4 Radar Receiving Set (OSIP 026-99)

MODELS OF SYSTEMS AFFECTED: F/A-18 TYPE MODIFICATION: Mission Capability

DESCRIPTION/JUSTIFICATION: DESCRIPTION/JUSTIFICATION: This Operational, Safety and Improvement Program (OSIP) provides for the procurement of common equipment for the F/A-18. Provisions, i.e., airframe changes needed for the installation of this equipment, are budgeted separately.

The AN/ALR-67(V)3 is a radar warning receiver designed to enhance pilot situational awareness by providing accurate identification, lethality and azimuth displays of hostile and friendly emitters. It also controls the electronic warfare (EW) data bus and interfaces with other EW systems, the onboard radar, airborne mission computer, and other weapons systems. The Radar Warning Receiver's (RWR) Operational Requirements Document (ORD) number is 360-88-94 dated 27 May 94. The total number of systems is 698 (150 F/A-18 C/Ds and 548 F/A-18 E/Fs).

DEVELOPMENT STATUS/MAJOR DEVELOPMENT MILESTONES: The AN/ALR-67(V)3 system is in the Production Fielding/Deployment and Operational Support Phase. The system received Milestone III approval in July 99 and awarded a full rate production contract option in August 99. OPEVAL was successfully completed in Feb 99. Production delivery commenced July 2000. The FY03 funding will be used to fund efforts on the obsolete processor replacement and to address other obsolete parts issues.

FINANCIAL PLAN: (TOA, \$ in Millions)

	Prior Years		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		To Complete		Total		
	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	
RDT&E		190.4																			
PROCUREMENT																					
Installation Kits																					
Installation Kits N/R																					
Installation Equipment																					
AN/ALR-67(V)3 Equip	17	23.8																			
Install Equip Processor Replacem																					
Install Equip N/R (Engineering)		0.7																			
Engineering Change Orders		0.4		0.9																	
Equip ECO																					
Data																					
Training Equipment																					
Support Equipment																					
ILS																					
Other Support		23.8		2.5																	
Interim Contractor Support																					
Installation Cost																					
Total Procurement		48.6		3.4																	

Notes:
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MODIFICATION TITLE:	<u>AN/ALE-47 Dispenser System Retrofit (OSIP 06-00)</u>																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
MODELS OF SYSTEMS AFFECTED:	<u>F-14B/D(114), CH-53E(157),EA-6B(3), AH-1W (82)</u>																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
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<p>DESCRIPTION/JUSTIFICATION: The replacement of the AN/ALE-39 Dispenser System with the AN/ALE-47 Dispenser System will correct some serious safety problems while at the same time greatly improve aircraft survivability. The AN/ALE-39 system has serious problems with Things Falling Off Aircraft (TFOA) as well as numerous occurrences of uncommanded firing of chaff and flare stores. The reliability of the ALE-39 is another major factor with continuous reports of hung or unfired stores, a serious ground safety concern as well as a serious aircraft survivability concern. The AN/ALE-47 System has been developed to correct the safety issues of the ALE-39. USD(Acq) memo of Nov 86 directed U.S. Navy and U.S. Army to participate in EMD phase. Air Force Statement of Operational Requirements Document (SOR) number 341.88-11-D of 8 July 92. OSIP 06-00 has been cancelled beginning FY04. This submittal represents a reduction of installs from 1103 aircraft down to 356 aircraft. And includes procurement of 1000 ALE-39 replacement Sequencer Switches for installation on ALE-39 equipped aircraft which will not be receiving ALE-47 under the previous OSIP 06-00 plan.</p> <p>DEVELOPMENT STATUS/MAJOR DEVELOPMENT MILESTONES: The AN/ALE-47 System is in production and being installed in multiple U.S. Navy and Marine aircraft. MS III decision awarded Mar 93. FY 00 systems to be procured under Air Force contract F33657-96-D-0001. FY 01-03 systems procured under follow on ID/IQ contract F09603-01-D-0367.</p> <p>FINANCIAL PLAN: (TOA, \$ in Millions)</p>																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Prior Years</th> <th colspan="2">FY 2003</th> <th colspan="2">FY 2004</th> <th colspan="2">FY 2005</th> <th colspan="2">FY 2006</th> <th colspan="2">FY 2007</th> <th colspan="2">FY 2008</th> <th colspan="2">FY 2009</th> <th colspan="2">To Complete</th> <th colspan="2">Total</th> </tr> <tr> <th>Qty</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>RDT&E</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>PROCUREMENT</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>Installation Kits</td> 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Exhibit P-3a		Individual Modification																			
MODIFICATION TITLE:		Integrated Defensive Electronic Countermeasures (IDECM), Radio Frequency Countermeasures (RFCM)										OSIP 007-03									
MODELS OF SYSTEMS AFFECTED:		F/A-18						TYPE MODIFICATION:				Mission Capability									
<p>DESCRIPTION/JUSTIFICATION: The RFCM subsystem consists of a technique generator and fiber optic towed decoy, which integrates with a Radar Warning Receiver (RWR), countermeasures dispensing set (CMDS), and associated cockpit controls and displays to provide the lead aircraft (F/A-18E/F) with increased survivability against Radio Frequency (RF) threats. The Operational Requirements Document number is 494-88-98. The number of systems is 424 plus spares for the F/A-18E/F. This Operational Safety Improvement Program (OSIP) procures RFCM for retrofit into F/A-18E/F aircraft. FY03 includes funding for ALR-67V3 integration, ORD 360-88-94.</p> <p>DEVELOPMENT STATUS/MAJOR DEVELOPMENT MILESTONES: The IDECM RFCM program is currently in E&MD. MS 0,I, II approval was granted 26 October 1995. The IDECM RFCM subsystem completed an OA in the second quarter of FY00 leading to an NPR, LRIPI 1Q FY01, LRIPII 1Q FY02, and LRIPIII 3Q FY03. FRPI is scheduled for 2Q FY04.</p>																					
FINANCIAL PLAN: (TOA, \$ in Millions)																					
	Prior Years		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		To Complete		Total		
	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	
RDT&E		361.6		13.1		13.6															
PROCUREMENT																					
Installation Kits																					
Installation Kits N/R																					
Installation Equipment					3	7.5	12	30.9													
Installation Equipment N/R						2.0		3.9													
Engineering Change Orders																					
Kit ECO																					
Equip ECO				0.8																	
Data						0.4		0.2													
Training Equipment																					
Support Equipment																					
ILS						*		*													
Other Support				3.6		2.0		1.3													
Interim Contractor Support																					
Installation Cost																					
Total Procurement				4.3		11.9		36.3													
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