

Exhibit P-40, BUDGET ITEM JUSTIFICATION	DATE: February 2004
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APPROPRIATION/BUDGET ACTIVITY Aircraft Procurement, Navy/APN-5 Aircraft Modifications	P-1 ITEM NOMENCLATURE F-14 Series Modifications
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Program Element for Code B Items:	Other Related Program Elements
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	Prior Years	ID Code	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	To Complete	Total
QTY		A									0
COST (In Millions)	361.6	A	5.3	0.0	366.9						

This line item funds modifications to the F-14 aircraft. The F-14 is a twin-engine, two seat, variable sweep, supersonic strike fighter capable of engaging multiple targets simultaneously at altitudes from sea level to 80,000 feet. The specific modifications budgeted and programmed are:

(TOA, \$ in Millions)

OSIP No.	Description	Prior Years	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	To Complete	Total
152-83	Structural Improvements	361.6	5.3								366.9
	Total	361.6	5.259								366.9

Note: Totals may not add due to rounding.

Individual Modification

Exhibit P-3a

MODIFICATION TITLE: Structural Improvements (OSIP 152-83)

MODELS OF SYSTEMS AFFECTED: F-14A/B/D TYPE MODIFICATION: Structural Life Extension/Safety/Reliability

DESCRIPTION/JUSTIFICATION: A full scale test on F-14 "Aircraft 98" mounted test rig at Grumman, Bethpage was concluded in 1995. The goal of the fatigue test was 18,000 hours, approximately equivalent to 9,000 hours flight time. A total of 17,349 test hours were completed. The point at which structural Engineering Change Proposals (ECPs) are initiated depends upon the type of failure discovered in testing and its location in the aircraft structure. When a critical load path involving safety is compromised, a determination is made as to how many flight hours can be flown before aircraft become structurally unsafe to fly. Various fatigue analysis models, plus "Aircraft 98" Test Data, determine the point at which flying must stop and repairs be performed in order to reach or extend the aircraft fatigue life. All modifications are based on the results of such tests. The primary structural improvements in the OSIP are at 5,000, 7,000, and 9,000 hour Time Compliance Requirements (TCRs). This OSIP also includes follow-on outer wing panel fatigue testing, wire fatigue testing, and several other airframe modifications: FS 353 Frame Replacement, Back-up Flight Control, TF-30 Breather Pressure, PHOENIX Fairing Latches, 2 Outer Wing Panel Leading Edge Repairs, Remanufacture F-14B(KB, KM) and F-14D(r) Door reconfiguration, as well as associated NRE for which kits will be bought in OSIP 20-96. Outer Wing Panel Testing at 8316 hours of testing has identified a new crack in the front spar web at Slat Station #2, which also dictates the added requirement for partial 9K kits procured in FY00.

DEVELOPMENT STATUS/MAJOR DEVELOPMENT MILESTONES: Northrop-Grumman Aerospace Corporation completed fatigue tests to provide failure data. The ECP's procured under OSIP 152-83 are to support those aircraft that require various TCRs. 5,000 (5K TCR) incorporates ECP-1225 (AFC-776) and ECP-1227 (AFC-790, AFC-837). 7,000 Hour TCR (7K TCR) is ECP-1243 (AFC-802). 9,000 Hour TCR (9K TCR), ECP-1287 AFC-875, is being designed, tested and procured with AFC in development. The TCR's are also expressed in percent of Fatigue Life Expended (FLE). All F-14's required to sustain inventory requirements will receive 5K TCR's. F-14B's and F-14D's will receive 7K and 9K TCR's. These corrections will be performed concurrently, whenever possible, to minimize installation costs.

FINANCIAL PLAN: (LOA, \$ 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																					
PROCUREMENT																					
Installation Kits																					
5K Kits, ECP 1225/1227	333	39.4																			
F-14D 7K Kits, ECP 1243	54	15.4																			
9K Kits, ECP 1287	42	20.3																			
TCR Fuel Cells	50	0.2																			
ECP-305 BUFCOM Part 1 Kits	200	0.1																			
ECP-276 BUFCOM Part 11 Kits	145	0.1																			
AFC-859 Bulk Material, ECP 1285	200	0.2																			
ECP 1285 PT II WING CRACK	200	0.2																			
Wing Crack III	155	0.2																			
ECP-304 F.S. 353 Frame Kits	194	0.6																			
TF-30 Breather Pressure **	305	2.8																			
Phoenix Fairing Kits, ECP Pending	50	0.0																			
Door Reconfiguration	218	0.8																			
Rudder Servo, ECP 279	288	1.0																			
FEMS Engine Diagnostic	20	0.4																			
AFC-737, ECP 147 5K Partial	50	0.2																			
Install Kits NR		42.9																			
Other Prior Year Kits		47.5																			
Installation Equipment																					
Auxiliary Hardware		1.3																			
Installation Equipment N/R		17.5																			
Engineering Change Orders																					
Data		2.1																			
Training Equipment																					
Support Equipment																					
ILS																					
Other Support		21.8		3.6																	
Interim Contractor Support																					
Installation Cost	604	146.7	119	1.7																	
Total Procurement		361.6		5.3																	

- Notes:
1. Totals may not add due to rounding
 2. Asterisk indicates amount less than \$50K
 3. Double asterisk indicates "I" or "O" level Installs which are not funded with APN-5 dollars.

Exhibit P-3a
 MODELS OF SYSTEMS AFFECTED: F-14A/B/D MODIFICATION TITLE: Structural Improvements (OSIP 152-83) ECP-1225/1227/1243/1287 (5K, 7K, 9K KITS)

INSTALLATION INFORMATION:

METHOD OF IMPLEMENTATION: NADEP & commercial depot concurrent with SDLM: NADEP and contractor field mod. teams (FMT); drive-in mods. (DIM), organizational and intermediate level installs.

ADMINISTRATIVE LEADTIME: _____ Months PRODUCTION LEADTIME: _____ Months

CONTRACT DATES: FY 2003: _____ FY 2004: _____ FY 2005: _____

DELIVERY DATE: FY 2003: _____ FY 2004: _____ FY 2005: _____

(\$ in Millions)

Cost:	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	\$	
FY 2002 & PY () kits	368	131.9																			
FY 2003 () kits																					
FY 2004 () kits																					
FY 2005 () kits																					
FY 2006 () kits																					
FY 2007 () kits																					
FY 2008 () kits																					
FY 2009 () kits																					
To Complete () kits																					
TOTAL	368	131.9																			

FY 2002 & Prior	FY 2003				FY 2004				FY 2005				FY 2006				FY 2007				
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
In	368																				
Out	360	2	3	2	1																

	FY 2008				FY 2009				To Complete	TOTAL
	1	2	3	4	1	2	3	4		
In										
Out										

NOTE: FY 03 mod for one aircraft is no longer required as aircraft was being stricken early. Funds have been realigned to cover safety requirements within the F-14 Series.

Exhibit P-3a

MODELS OF SYSTEMS AFFECTED: F-14A/B/D MODIFICATION TITLE: Structural Improvements (OSIP 152-83) WING CRACK II/III (ECP-1285 PT II)

INSTALLATION INFORMATION:

METHOD OF IMPLEMENTATION: NADEP & commercial depot concurrent with SDLM; NADEP and contractor field mod. team (FMT); drive-in mods. (DIM), organizational and intermediate level installs.

ADMINISTRATIVE LEADTIME: 4 Months PRODUCTION LEADTIME: 3 Months

CONTRACT DATES: FY 2003: _____ FY 2004: _____ FY 2005: _____

DELIVERY DATE: FY 2003: _____ FY 2004: _____ FY 2005: _____

(\$ in Millions)

Cost:	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	\$	
FY 2002 & PY () kits	236	2.3	119	1.7																	
FY 2003 () kits																					
FY 2004 () kits																					
FY 2005 () kits																					
FY 2006 () kits																					
FY 2007 () kits																					
FY 2008 () kits																					
FY 2009 () kits																					
To Complete () kits																					
TOTAL	236	2.3	119	1.7																	

Installation Schedule

	FY 2002 & Prior	FY 2003				FY 2004				FY 2005				FY 2006				FY 2007				
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
In	236	30	30	30	29																	
Out	192	44	30	30	30	29																

	FY 2008				FY 2009				To Complete	TOTAL
	1	2	3	4	1	2	3	4		
In										
Out										