

CLASSIFICATION:

**UNCLASSIFIED**

BUDGET ITEM JUSTIFICATION SHEET <b>P-40</b>							DATE: <b>FEBRUARY 2004</b>				
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APPROPRIATION/BUDGET ACTIVITY <b>Aircraft Procurement, Navy/ Combat Aircraft, (BA-1)</b>						P-1 ITEM NOMENCLATURE <b>EA-18G ADVANCE PROCUREMENT (MYP)</b>					
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Program Element for Code B items: <b>0604269N</b>						Other Related Program Elements <b>0204136N, 0305207N, 0604270N</b>					
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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
COST (In Millions)	<b>\$0.000</b>	<b>B</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$8.243</b>	<b>\$26.486</b>	<b>\$39.628</b>	<b>\$48.613</b>	<b>\$45.805</b>	<b>\$24.179</b>	<b>\$192.954</b>

DESCRIPTION:

The EA-18G is designed to replace the EA-6B aircraft. The EA-18G's electronic attack upgrades will meet EA-6B (with LR-700, ALQ-99, USQ-113) Airborne Electronic Attack (AEA) capability to detect, identify, locate and suppress hostile emitters; provide enhanced connectivity to National, Theater and strike assets; and provide organic precision emitter targeting for employment of onboard suppression weapons (HARM) to fulfill operational requirements. The EA-18G will have the capability to operate autonomously or as a major node in a network centric operation. The performance of the aircraft is compatible with the primary strike/fighter aircraft projected to be in the inventory in the 2010 time period, allowing it to be fully integrated into specific strike packages. It will also have the capacity to provide broad area coverage for extended periods of time to support numerous strikes or other air operations in a federated context. The EA-18G is a scaleable, flexible solution that facilitates "Task Organized" force structures. The task organized force structures employ adequate forces to accomplish a specific task while maintaining the operation and personnel tempo at acceptable levels. The EA-18G is being designed to perform a range of Electronic Warfare/Electronic Attack functions either simultaneously or independently. The man in the loop operation and advanced information display system will allow real time assessment of the tactical situation and the appropriate response executed in accordance with the rules of engagement.

In the FY 2004 President's Budget, the F/A-18E/F budget line item included both F/A-18E/F and EA-18G aircraft procurement, to include a combined Multiyear Procurement (MYP) request for FY 2005-2009 aircraft. With this budget, procurement of F/A-18E/F and EA-18G have been split and a separate line item titled "EA-18G" has been established. Since the Department is only requesting Advance Procurement funding in FY 2005, the full funding budget exhibits for EA-18G are not being submitted.

BASIS FOR FY 2005 BUDGET REQUEST:

Advance Procurement funding in FY 2005 (to support a FY 2005-2009 MYP) is requested to cover termination liability associated with long-lead items included in the subsequent year's procurement and does not include Economic Order Quantity (EOQ) funding. This is the first year of a planned five year (FY 2005-2009) MYP and is based on an aircraft quantity of 210, which includes 154 F/A-18E/Fs (not reflected in this budget line) in FY 2005-2009 and 56 EA-18Gs in FY 2006-2009. This MYP contract is structured at 42 aircraft per year with a variation in quantity of up to an additional 6 and is projected to yield savings/cost avoidance of \$1.052B (10.95%) over a single year procurement strategy.

FY 2005 is also the fourth year of a planned five year (FY02-06) engine MYP, which does not include EOQ funding.

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Exhibit P-10 Advance Procurement Requirements Analysis (Page 1 - Funding)	Date: <b>FEBRUARY 2004</b>
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Appropriation (Treas) Code/CC/BA/BSA/Item Control Number <b>Aircraft Procurement, Navy/APN-1, Fighter/Attack Aircraft</b>	P-1 Line Item Nomenclature <b>EA-18G ADVANCE PROCUREMENT (MYP)</b>
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Weapon System <b>EA-18G</b>		Interval between Systems <b>1 1/2 Weeks</b>
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(\$ in Millions)												
	PLT	When Rqd	Prior Years	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	To Complete	Total
End Item Qty			0	0	0	0	4	12	18	22	34	90
CFE- Airframe T.L.	35		0.0		0.0	6.45	20.77	31.08	38.09	36.01	19.08	151.48
EOQ			0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00
GFE - F414 Eng.- T.L.	0		0.0	0.0	0.0	1.68	5.39	8.06	9.89	9.06	4.79	38.87
GFE - Other	Var.	Var.	0.0	0.0	0.0	0.11	0.33	0.49	0.63	0.73	0.31	2.60
<b>Total AP</b>			0.0	0.0	0.0	8.24	26.49	39.63	48.61	45.80	24.18	192.95

Description:

**NARRATIVE DESCRIPTION:**

This line item funds long-lead requirements for the EA-18G production program. Airframe /CFE and engine requirements are calculated on a termination liability basis through 31 October of the following fiscal year, reflecting the contractor's funding requirements for the procurement of long-lead parts and material necessary to protect the delivery schedule. Other Government Furnished Equipment (GFE) requirements are determined on a fully loaded basis, procuring the long-lead quantity needed to protect the production schedule.

Exhibit P-10 Advance Procurement Requirements Analysis (Page 2 - Budget Justification)	Date: <b>FEBRUARY 2004</b>
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Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number <b>Aircraft Procurement, Navy/APN-1, Fighter/Attack Aircraft</b>	Weapon System <b>EA-18G</b>	P-1 Line Item Nomenclature <b>EA-18G ADVANCE PROCUREMENT (MYP)</b>
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(TOA, \$ in Millions)

	PLT	QPA	Unit Cost	FY 2004 for FY 2005 Qty	FY 2004 Contract Forecast Date	FY 2004 Total Cost Request	FY 2005 for FY 2006 Qty	FY 2005 Contract Forecast Date	FY 2005 Total Cost Request
End Item		N/A							
Long Lead-Airframe	35		N.A.				T.L.	Nov-04	6.5
GFE - Engine - T.L.	24		N.A.				T.L.	Jun-05	1.7
GFE - Other	Var.	Var.	N.A.				Var.	Var.	0.1
<b>Total AP</b>									8.2

Description: