

Subject: H-1 Upgrades Appropriation Title: Aircraft Procurement, Navy, 05/07; Research, Development, Test, and Evaluation, Navy, 05/06	DoD Serial Number: FY 05-16 PA
	Includes Transfer? Yes

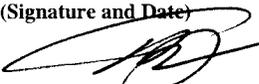
Component Serial Number: FY 05-2 PA	(Amounts in Thousands of Dollars)							
	Program Base Reflecting Congressional Action		Program Previously Approved by Sec Def		Reprogramming Action		Revised Program	
Line Item	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
a	b	c	d	e	f	g	h	i

This reprogramming action is submitted for prior approval because it uses general transfer authority pursuant to section 8005 of Public Law 108-287, the DoD Appropriations Act, 2005; and section 1001 of Public Law 108-375, the Ronald W. Reagan National Defense Authorization Act for Fiscal Year (FY) 2005, and is determined to be necessary in the national interest. This action transfers \$42.0 million from Aircraft Procurement, Navy, 05/07, appropriation to Research, Development, Test, and Evaluation, Navy, 05/06, appropriation. This action reprograms funding in support of higher priority items, based on unforeseen requirements, than those for which the funds were originally appropriated. It meets all administrative and legal requirements, and the items have not previously been denied by the Congress.

<u>FY 2005 REPROGRAMMING INCREASE:</u>	<u>+42,000</u>
<u>Research, Development, Test, and Evaluation, Navy, 05/06</u>	<u>+42,000</u>
<u>Budget Activity 5: System Development and Demonstration</u>	
PE 0604245N H-1 Upgrades	132,389 132,389 +42,000 174,389

Explanation: The Engineering and Manufacturing Development (EMD) phase of the H-1 Upgrades Program includes the developmental testing and operational testing of two UH-1Y aircraft and three AH-1Z aircraft. Developmental testing consists of ground, laboratory, modeling and simulation, and flight test. Operational testing consists of an independent assessment of operational suitability and operational effectiveness. The five EMD aircraft are currently undergoing extensive system-level testing to assess the maturity of the weapons system, helmet and cockpit integration, and the Integrated Avionics Suite, and have flown in excess of 2,400 mishap-free hours during testing.

Several technical issues have emerged during development testing that must be addressed prior to commencement of operational testing. These technical issues include the need for: maturing the Integrated Avionics Suite; improving Target Sighting System performance; reducing cockpit environment issues; and assessing and resolving the impact to the engines and drive train from rocket motor gas ingestion. An additional \$42.0 million of Research, Development, Test, and Evaluation, Navy, 05/06, funding is required for the additional engineering/flight testing needed to resolve these technical issues and to fund operational testing, which has slipped from the second quarter to the fourth quarter of FY 2005.

Approved (Signature and Date)  **Tina W. Jonas**
MAR 14 2005

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<u>FY 2005 REPROGRAMMING DECREASE:</u>	<u>-42,000</u>
<u>Aircraft Procurement, Navy, 05/07</u>	<u>-42,000</u>
<u>Budget Activity 1: Combat Aircraft</u>	
UH-1Y/AH-1Z	9 241,792 9 241,792 -2 -42,000 7 199,792

Explanation: The UH-1Y/AH-1Z program will remanufacture the fleet of UH-1N and AH-1W airframes into 100 UH-1Y and 180 AH-1Z airframes. Funds were appropriated in FY 2005 to procure 9 aircraft. To provide the additional \$42.0 million required for the H-1 Upgrades EMD effort, two fewer aircraft will be procured, resulting in a total procurement quantity of 7 aircraft. This FY 2005 quantity decrease will not unacceptably increase the total procurement cost of the program and will not significantly impact fleet introduction. The total planned procurement quantity of 280 is unchanged; the 2 aircraft will be procured in a future fiscal year.