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Exhibit P-40, Budget Line Item Justification: PB 2016 United States Special Operations Command **Date:** February 2015

Appropriation / Budget Activity / Budget Sub Activity: 0300D: Procurement, Defense-Wide / BA 02: Special Operations Command / BSA 1: Aviation Programs	P-1 Line Item Number / Title: 1000CV2200 / CV-22 MODIFICATION
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ID Code (A=Service Ready, B=Not Service Ready) :	Program Elements for Code B Items:	Other Related Program Elements: 1160403BB, 1160421BB
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Resource Summary	Prior Years	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total	FY 2017	FY 2018	FY 2019	FY 2020	To Complete	Total
Procurement Quantity <i>(Units in Each)</i>	52	4	-	-	-	-	-	-	-	-	Continuing	Continuing
Gross/Weapon System Cost <i>(\$ in Millions)</i>	1,521.159	107.299	21.578	18.832	-	18.832	20.158	18.522	23.307	21.505	Continuing	Continuing
Less PY Advance Procurement <i>(\$ in Millions)</i>	-	-	-	-	-	-	-	-	-	-	-	-
Net Procurement (P1) <i>(\$ in Millions)</i>	1,521.159	107.299	21.578	18.832	-	18.832	20.158	18.522	23.307	21.505	Continuing	Continuing
Plus CY Advance Procurement <i>(\$ in Millions)</i>	-	-	-	-	-	-	-	-	-	-	-	-
Total Obligation Authority <i>(\$ in Millions)</i>	1,521.159	107.299	21.578	18.832	-	18.832	20.158	18.522	23.307	21.505	Continuing	Continuing

(The following Resource Summary rows are for informational purposes only. The corresponding budget requests are documented elsewhere.)

Initial Spares <i>(\$ in Millions)</i>	230.364	1.981	-	-	-	-	-	-	-	-	-	232.345
Flyaway Unit Cost <i>(\$ in Millions)</i>	-	-	-	-	-	-	-	-	-	-	-	-
Gross/Weapon System Unit Cost <i>(\$ in Millions)</i>	-	-	-	-	-	-	-	-	-	-	-	-

Description:

The CV-22 Special Operations Forces (SOF) Modification line item funds the SOF variant of the V-22 vertical medium lift, multi-mission aircraft and associated training systems. The CV-22 provides long-range, high-speed infiltration, exfiltration, and resupply to Special Forces teams in hostile, denied, and politically sensitive areas. The Navy is the lead service for the joint V-22 program and is responsible for managing and funding the development of the MV-22, as well as the Block 0 portion of the CV-22. USSOCOM is responsible for funding the development of the SOF-peculiar portions of the Block 10, 20, and subsequent increments of the CV-22. The Air Force will procure and field 50 CV-22 aircraft, support equipment, and most training systems for USSOCOM. USSOCOM funds the procurement of SOF peculiar systems (e.g., terrain following radar, electronic and infrared warfare suite) modifications to fielded aircraft, and updates to training systems. Major modifications will upgrade the aircraft to full Block 20 capability. Minor and low cost modifications to improve capabilities, upgrade equipment, and address obsolescence issues include but are not limited to defensive/survivability systems, situational awareness systems, terrain following/terrain avoidance radar, SOF Communications, the flight director, weapons integration, and Intelligence, Surveillance and Reconnaissance systems. The CV-22 Simulator Block Update (SBUD) program sustains legacy CV-22 aircrew training device capabilities by addressing concurrency, obsolescence, and fidelity training issues. This program received Overseas Contingency Operations funding in FY 2014.

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Exhibit P-40, Budget Line Item Justification: PB 2016 United States Special Operations Command **Date:** February 2015

Appropriation / Budget Activity / Budget Sub Activity: 0300D: Procurement, Defense-Wide / BA 02: Special Operations Command / BSA 1: Aviation Programs	P-1 Line Item Number / Title: 1000CV2200 / CV-22 MODIFICATION
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ID Code (A=Service Ready, B=Not Service Ready) : **Program Elements for Code B Items:** **Other Related Program Elements:** 1160403BB, 1160421BB

Exhibits Schedule			Prior Years	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total
Title*	Exhibits	ID CD	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)
AVIATION	P-40a		- / 116.353	- / 12.197	- / 21.578	- / 18.832	- / -	- / 18.832
AVIATION	P-5, P-5a, P-21		52 / 1,404.806	4 / 95.102	- / -	- / -	- / -	- / -
Total Gross/Weapon System Cost			52 / 1,521.159	4 / 107.299	- / 21.578	- / 18.832	- / -	- / 18.832

Exhibits Schedule			FY 2017	FY 2018	FY 2019	FY 2020	To Complete	Total
Title*	Exhibits	ID CD	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)
AVIATION	P-40a		- / 20.158	- / 18.522	- / 23.307	- / 21.505	Continuing	Continuing
AVIATION	P-5, P-5a, P-21		- / -	- / -	- / -	- / -	- / -	- / 1,499.908
Total Gross/Weapon System Cost			- / 20.158	- / 18.522	- / 23.307	- / 21.505	Continuing	Continuing

*Title represents 1) the Number / Title for Items; 2) the Number / Title [DODIC] for Ammunition; and/or 3) the Number / Title (Modification Type) for Modifications. Title represents the P-40a Title when only the P-40a Summary/Total is shown.
 Note: Totals in this Exhibit P-40 set may not be exact or add due to rounding.

Justification:
 FY 2016 PROGRAM JUSTIFICATION: Funds SOF-peculiar mission kits, training equipment, support equipment, and initial spares, as well as program office, engineering and logistics support associated with the production program. Funds modifications to address fielded deficiencies, obsolescence, and reliability and maintainability issues. Continues funding of required retrofits to bring delivered CV-22 aircraft up to the full Block 20 production configuration (Cabin Lighting, Helmet Mounted Displays, IR Search Light, Electronic Warfare upgrades, situational awareness improvements, etc.). Continues funding upgrades to address concurrency, obsolescence and fidelity issues for SOF-unique CV-22 training devices.

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Exhibit P-40a, Budget Item Justification For Aggregated Items: PB 2016 United States Special Operations Command															Date: February 2015				
Appropriation / Budget Activity / Budget Sub Activity: 0300D / 02 / 1					P-1 Line Item Number / Title: 1000CV2200 / CV-22 MODIFICATION										Aggregated Items Title: AVIATION				

Note: Subtotals or Totals in this Exhibit P-40a may not be exact or add, due to rounding.

Item Number / Title [DODIC]	ID CD	MDAP/MAIS Code	Prior Years			FY 2014			FY 2015			FY 2016 Base			FY 2016 OCO			FY 2016 Total		
			Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)
Modifications																				
1 / Block Upgrade Modifications			-	-	89.217	-	-	4.448	-	-	4.523	-	-	11.521	-	-	-	-	-	11.521
2 / CV-22 Low Cost Modifications			-	-	1.767	-	-	0.220	-	-	3.589	-	-	1.857	-	-	-	-	-	1.857
3 / Enhanced Situational Awareness Mission Kits			-	-	25.369	-	-	2.729	-	-	7.716	-	-	-	-	-	-	-	-	-
<i>Subtotal: Modifications</i>			-	-	116.353	-	-	7.397	-	-	15.828	-	-	13.378	-	-	-	-	-	13.378
Mission Training and Preparation Systems																				
1 / CV-22 Simulator Block Upgrades			-	-	-	-	-	4.800	-	-	5.750	-	-	5.454	-	-	-	-	-	5.454
<i>Subtotal: Mission Training and Preparation Systems</i>			-	-	-	-	-	4.800	-	-	5.750	-	-	5.454	-	-	-	-	-	5.454
Total			-	-	116.353	-	-	12.197	-	-	21.578	-	-	18.832	-	-	-	-	-	18.832

Item Number / Title [DODIC]	ID CD	MDAP/MAIS Code	FY 2017			FY 2018			FY 2019			FY 2020			To Complete			Total Cost		
			Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)
Modifications																				
1 / Block Upgrade Modifications			-	-	10.021	-	-	10.185	-	-	14.799	-	-	12.826	Continuing			Continuing		
2 / CV-22 Low Cost Modifications			-	-	1.892	-	-	1.926	-	-	1.967	-	-	2.007	Continuing			Continuing		
3 / Enhanced Situational Awareness Mission Kits			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35.814
<i>Subtotal: Modifications</i>			-	-	11.913	-	-	12.111	-	-	16.766	-	-	14.833	Continuing			Continuing		
Mission Training and Preparation Systems																				
1 / CV-22 Simulator Block Upgrades			-	-	8.245	-	-	6.411	-	-	6.541	-	-	6.672	Continuing			Continuing		
<i>Subtotal: Mission Training and Preparation Systems</i>			-	-	8.245	-	-	6.411	-	-	6.541	-	-	6.672	Continuing			Continuing		
Total			-	-	20.158	-	-	18.522	-	-	23.307	-	-	21.505	Continuing			Continuing		

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Exhibit P-5, Cost Analysis: PB 2016 United States Special Operations Command **Date:** February 2015

Appropriation / Budget Activity / Budget Sub Activity: 0300D / 02 / 1 **P-1 Line Item Number / Title:** 1000CV2200 / CV-22 MODIFICATION **Item Number / Title [DODIC]:** - / AVIATION

ID Code (A=Service Ready, B=Not Service Ready) : **MDAP/MAIS Code:**

Resource Summary	Prior Years	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total	FY 2017	FY 2018	FY 2019	FY 2020	To Complete	Total
Procurement Quantity (Units in Each)	52	4	-	-	-	-	-	-	-	-	-	-
Gross/Weapon System Cost (\$ in Millions)	1,404.806	95.102	-	-	-	-	-	-	-	-	-	1,499.908
Less PY Advance Procurement (\$ in Millions)	-	-	-	-	-	-	-	-	-	-	-	-
Net Procurement (P1) (\$ in Millions)	1,404.806	95.102	-	-	-	-	-	-	-	-	-	1,499.908
Plus CY Advance Procurement (\$ in Millions)	-	-	-	-	-	-	-	-	-	-	-	-
Total Obligation Authority (\$ in Millions)	1,404.806	95.102	-	-	-	-	-	-	-	-	-	1,499.908

(The following Resource Summary rows are for informational purposes only. The corresponding budget requests are documented elsewhere.)

Initial Spares (\$ in Millions)	230.364	1.981	-	-	-	-	-	-	-	-	-	232.345
Gross/Weapon System Unit Cost (\$ in Millions)	27.016	23.776	-	-	-	-	-	-	-	-	-	-

Note: Subtotals or Totals in this Exhibit P-5 may not be exact or add, due to rounding.

Cost Elements	Prior Years			FY 2014			FY 2015			FY 2016 Base			FY 2016 OCO			FY 2016 Total		
	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)
Flyaway Cost																		
Recurring Cost																		
Airframe / CFE ^(†)	14.413	45	648.584	18.912	3	56.736	-	-	-	-	-	-	-	-	-	-	-	-
GFE Electronics	-	-	79.871	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Airframe/CFE Overseas Contingency Operations (OCO) ^(†)	16.177	7	113.240	14.703	1	14.703 ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-
GFE Electronics OCO	-	-	-	-	-	2.969	-	-	-	-	-	-	-	-	-	-	-	-
<i>Subtotal: Recurring Cost</i>	-	-	841.695	-	-	74.408	-	-	-	-	-	-	-	-	-	-	-	-
Non Recurring Cost																		
Initial Spares	-	-	230.364	-	-	1.981	-	-	-	-	-	-	-	-	-	-	-	-
<i>Subtotal: Non Recurring Cost</i>	-	-	230.364	-	-	1.981	-	-	-	-	-	-	-	-	-	-	-	-
<i>Subtotal: Flyaway Cost</i>	-	-	1,072.059	-	-	76.389	-	-	-	-	-	-	-	-	-	-	-	-
Support Cost																		
Other ILS / Program Management	-	-	187.925	-	-	18.713	-	-	-	-	-	-	-	-	-	-	-	-
Interim Contractor Support	-	-	79.515	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OCO	-	-	10.255	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Peculiar Training Equipment	-	-	55.052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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Exhibit P-5, Cost Analysis: PB 2016 United States Special Operations Command		Date: February 2015
Appropriation / Budget Activity / Budget Sub Activity: 0300D / 02 / 1	P-1 Line Item Number / Title: 1000CV2200 / CV-22 MODIFICATION	Item Number / Title [DODIC]: - / AVIATION

ID Code (A=Service Ready, B=Not Service Ready) :	MDAP/MAIS Code:
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Note: Subtotals or Totals in this Exhibit P-5 may not be exact or add, due to rounding.

Cost Elements	Prior Years			FY 2014			FY 2015			FY 2016 Base			FY 2016 OCO			FY 2016 Total		
	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)
<i>Subtotal: Support Cost</i>	-	-	332.747	-	-	18.713	-	-	-	-	-	-	-	-	-	-	-	-
Gross/Weapon System Cost	27.016	52	1,404.806	23.776	4	95.102	-	-	-	-	-	-	-	-	-	-	-	-

Cost Elements	FY 2017			FY 2018			FY 2019			FY 2020			To Complete			Total Cost		
	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)

Flyaway Cost																		
Recurring Cost																		
Airframe / CFE ^(†)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14.694	48	705.320
GFE Electronics	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79.871
Airframe/CFE Overseas Contingency Operations (OCO) ^(†)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.993	8	127.943
GFE Electronics OCO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.969
<i>Subtotal: Recurring Cost</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	916.103
Non Recurring Cost																		
Initial Spares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	232.345
<i>Subtotal: Non Recurring Cost</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	232.345
<i>Subtotal: Flyaway Cost</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,148.448
Support Cost																		
Other ILS / Program Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	206.638
Interim Contractor Support	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79.515
OCO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.255
Peculiar Training Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55.052
<i>Subtotal: Support Cost</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	351.460
Gross/Weapon System Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,499.908

(†) indicates the presence of a P-5a

Footnotes:

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Exhibit P-5, Cost Analysis: PB 2016 United States Special Operations Command		Date: February 2015
Appropriation / Budget Activity / Budget Sub Activity: 0300D / 02 / 1	P-1 Line Item Number / Title: 1000CV2200 / CV-22 MODIFICATION	Item Number / Title [DODIC]: - / AVIATION
ID Code (A=Service Ready, B=Not Service Ready) :	MDAP/MAIS Code:	
⁽¹⁾ FY14 Lot 18 OCO aircraft buy-for operational loss replacement aircraft		

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Exhibit P-5a, Procurement History and Planning: PB 2016 United States Special Operations Command **Date:** February 2015

Appropriation / Budget Activity / Budget Sub Activity: 0300D / 02 / 1	P-1 Line Item Number / Title: 1000CV2200 / CV-22 MODIFICATION	Item Number / Title [DODIC]: - / AVIATION
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Cost Elements	O C O	FY	Contractor and Location	Method/Type or Funding Vehicle	Location of PCO	Award Date	Date of First Delivery	Qty <i>(Each)</i>	Unit Cost <i>(\$ M)</i>	Specs Avail Now?	Date Revision Available	RFP Issue Date
Airframe / CFE ^(†)		2013 (2)	Bell Boeing / Amarillo, TX	SS / FPIF	Patuxent River, MD	Nov 2012	Jan 2015	4	16.908	Y		
Airframe / CFE ^(†)		2014 (3)	Bell Boeing / Amarillo, TX	SS / FPIF	Patuxent River, MD	Dec 2013	May 2016	3	18.912	Y		
Airframe/CFE Overseas Contingency Operations (OCO) ^(†)	✓	2014	Bell Boeing / Amarillo, TX	SS / FPIF	Patuxent River, MD	Feb 2014	Dec 2016	1	14.703	Y		

^(†) indicates the presence of a P-21

Footnotes:

⁽²⁾ FY 2013 Lot 17 Base Aircraft Buy

⁽³⁾ FY 2014 Lot 18 Base Aircraft Buy

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Exhibit P-21, Production Schedule: PB 2016 United States Special Operations Command **Date:** February 2015

Appropriation / Budget Activity / Budget Sub Activity: 0300D / 02 / 1 **P-1 Line Item Number / Title:** 1000CV2200 / CV-22 MODIFICATION **Item Number / Title [DODIC]:** - / AVIATION

Cost Elements <i>(Units in Each)</i>						Fiscal Year 2013												Fiscal Year 2014																			
O C O	M F R #	FY	SERVICE	PROC QTY	ACCEPT PRIOR TO 1 OCT 2012	BAL DUE AS OF 1 OCT	Calendar Year 2013												Calendar Year 2014																		
							O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	B A L						
Airframe / CFE																																					
Prior Years Deliveries: 41																																					
	1	2013	SOCOM	4	-	4		A -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4					
	1	2014	SOCOM	3	-	3														A -	-	-	-	-	-	-	-	-	-	-	3						
Airframe/CFE Overseas Contingency Operations (OCO)																																					
Prior Years Deliveries: 7																																					
✓	2	2014	SOCOM	1	-	1																							A -	-	-	-	-	-	-	-	1
							O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	B A L						

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Exhibit P-21, Production Schedule: PB 2016 United States Special Operations Command **Date:** February 2015

Appropriation / Budget Activity / Budget Sub Activity: 0300D / 02 / 1	P-1 Line Item Number / Title: 1000CV2200 / CV-22 MODIFICATION	Item Number / Title [DODIC]: - / AVIATION
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MFR Ref #	MFR Name - Location	Production Rates (Each / Month)			Procurement Leadtime (Months)							
		MSR For 2016	1-8-5 For 2016	MAX For 2016	Initial			Reorder				
					ALT Prior to Oct 1	ALT After Oct 1	Mfg PLT	ALT Prior to Oct 1	ALT After Oct 1	Mfg PLT	Total After Oct 1	
1	Bell Boeing - Amarillo, TX		2	4	-	2	36	38	-	2	26	28
2	Bell Boeing - Amarillo, TX	1	2	4	-	2	36	38	-	2	26	28

- Remarks:**
- Production rates (minimum sustaining rate, economic, and maximum) include production of both USMC MV-22s and USAF CV-22s. The maximum production rate would require two shifts.
 - The aircraft procured in FY2014 will deliver in FY2016 and complete the production of CV-22 aircraft to a final fleet size of 50.

"A" in the Delivery Schedule indicates the Contract Award Date.
 Note: Due to space limitations, quantities in the Exhibit P-21 delivery calendar are truncated and rounded based on the maximum quantity in the calendar as follows. If the maximum quantity is less than or equal to than 9,999, all quantities are shown as each. If the maximum quantity is between 10,000 and 999,999 all quantities are shown in thousands. If the maximum quantity is between 1,000,000 and 999,999,999 all quantities are shown in millions (rounded to the nearest thousand). If the maximum quantity is equal or greater than 1,000,000,000 all quantities are shown in billions (rounded to the nearest million).