



UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON DC 20301-1100



JUN 24 2004

COMPTROLLER

The Honorable Duncan Hunter
Chairman, Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Attached is the annual report on multiyear contracts as required by Section 2306b of title 10, United States Code.

The new multiyear contracts planned for fiscal year (FY) 2004 that exceed \$500 million include: Navy contracts for the E-2C aircraft, the Tactical Tomahawk missile, and the Virginia Class Submarine.

Also enclosed for your approval are multiyear exhibits to support a new proposed joint service, Marine Corps and Army, multiyear procurement for the Lightweight 155mm Howitzer starting in FY 2005. This multiyear procurement is greater than \$500 million and is reflected in the FY 2005 President's Budget request.

Similar letters are being sent to the Chairmen and Ranking Members of the other congressional Defense Committees.

Sincerely,

Lawrence J. Lanzillotta

Acting

Enclosures:

As stated

cc: The Honorable Ike Skelton
Ranking Member



Multyear Procurement (MYP) Contracts Report
 FY 2004
 TOA, \$, Millions

Section A: New Multyear Procurement (MYP) Contracts

Service/ Agency	Appn	Item(s) Acquired	FY						Total FY 04-09
			2004	2005	2006	2007	2008	2009	
ARMY	OPA	LIWt Laser Desig/Rangelinder	13	13	13	-	-	-	39
		% of OPA	0.2%	0.3%	0.3%	0.0%	0.0%	0.0%	0.1%
		% of Total Army Procurement	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
OPA	OPA	Thermal Weapon Sight	2	39	39	47	49	-	176
		% of OPA	0.0%	0.9%	0.9%	0.9%	0.9%	0.0%	0.6%
		% of Total Army Procurement	0.0%	0.4%	0.4%	0.3%	0.3%	0.0%	0.2%
		Total New MYPs (OPA)	15	52	52	47	49	-	215
		% of OPA	0.3%	1.2%	1.1%	0.9%	0.9%	0.0%	0.7%
		% of Total Army Procurement	0.1%	0.5%	0.5%	0.3%	0.3%	0.0%	0.3%
PAA	PAA	Proj. Arty, 155mm HE 107 Metal Parts	13	33	18	-	-	-	64
		% of PAA	0.9%	2.4%	1.5%	0.0%	0.0%	0.0%	0.7%
		% of Total Army Procurement	0.1%	0.3%	0.2%	0.0%	0.0%	0.0%	0.1%
PAA	PAA	MACS M231/M232 Metal Containers	11	17	20	19	18	-	85
		% of PAA	0.8%	1.2%	1.7%	1.3%	1.1%	0.0%	1.0%
		% of Total Army Procurement	0.1%	0.2%	0.2%	0.1%	0.1%	0.0%	0.1%
PAA	PAA	120mm Tank Training Ammo (M865)	53	52	48	37	-	-	190
		% of PAA	3.8%	3.7%	4.1%	2.5%	0.0%	0.0%	2.1%
		% of Total Army Procurement	0.4%	0.5%	0.4%	0.3%	0.0%	0.0%	0.2%
PAA	PAA	120mm Tank Training Ammo (M831A1)	54	52	48	37	-	-	191
		% of PAA	3.9%	3.7%	4.1%	2.5%	0.0%	0.0%	2.1%
		% of Total Army Procurement	0.4%	0.5%	0.4%	0.3%	0.0%	0.0%	0.2%
		Total New MYPs (PAA)	131	154	134	93	18	0	530
		% of PAA	9.5%	11.0%	11.4%	6.3%	1.1%	0.0%	5.9%
		% of Total Army Procurement	0.9%	1.5%	1.2%	0.7%	0.1%	0.0%	0.6%
		Total New Procurement MYPs (ARMY)	146	206	186	140	67	-	745
		% of Total Army Procurement	1.0%	2.0%	1.7%	1.0%	0.4%	0.0%	0.9%

* Numbers may not add due to rounding.

Multiyear Procurement (MYP) Contracts Report
 FY 2004
 TOA, \$, Millions

Service/ Agency	Appn	Item(s) Acquired	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total FY 04-09	
NAVY	APN	MH-60R/MH-60S Common Cockpit	40	60	102	109	114	0	425	
		% of APN	0.4%	0.7%	1.0%	0.9%	0.7%	0.0%	0.6%	
		% of Total Navy Procurement	0.1%	0.2%	0.3%	0.3%	0.3%	0.0%	0.2%	
		E-2C Airframe	172	193	175	145	0	0	0	685
		% of APN	1.9%	2.2%	1.7%	1.2%	0.0%	0.0%	0.0%	0.9%
		% of Total Navy Procurement	0.6%	0.7%	0.6%	0.4%	0.0%	0.0%	0.0%	0.3%
		E-2C Engine	9	9	10	7	0	0	0	35
		% of APN	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
		% of Total Navy Procurement	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		F/A-18 E/F/G Airframe (AP)	66	68	73	72	73	0	0	352
% of APN	0.7%	0.8%	0.7%	0.6%	0.5%	0.0%	0.0%	0.5%		
% of Total Navy Procurement	0.2%	0.2%	0.2%	0.2%	0.2%	0.0%	0.0%	0.2%		
F/A-18 E/F/G Airframe	0	1,597	1,613	1,634	1,666	1,705	1,705	8,215		
% of APN	0.0%	18.2%	15.5%	13.5%	10.8%	8.6%	8.6%	10.9%		
% of Total Navy Procurement	0.0%	5.8%	5.3%	4.6%	3.7%	3.4%	3.4%	3.8%		
Total New MYPs (APN)			287	1,927	1,973	1,967	1,853	1,705	9,712	
% of APN			3.1%	22.0%	18.9%	16.2%	12.0%	8.6%	12.8%	
% of Total Navy Procurement			1.0%	7.0%	6.5%	5.5%	4.1%	3.4%	4.4%	
WPN										
Tactical Tomahawk			241	203	300	311	353	0	1,408	
% of WPN			11.6%	9.7%	10.5%	10.7%	9.1%	0.0%	7.9%	
% of Total Navy Procurement			0.8%	0.7%	1.0%	0.9%	0.8%	0.0%	0.6%	
Total New MYPs (WPN)			241	203	300	311	353	-	1,408	
% of WPN			11.6%	9.7%	10.5%	10.7%	9.1%	0.0%	7.9%	
% of Total Navy Procurement			0.8%	0.7%	1.0%	0.9%	0.8%	0.0%	0.6%	

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Multiyear Procurement (MYP) Contracts Report
 FY 2004
 TOA, \$, Millions

Service/ Agency	Abdn	Item(s) Acquired	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total FY 04-09	
OPN	High Voltage Distribution Units	% of OPN	4	3	2	2	2	2	15	
			0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	
			% of Total Navy Procurement	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
			Total New MYPs (OPN)	4	3	2	2	2	2	15
SCN	VIRGINIA Class Submarine	% of SCN	1,529	1,628	1,514	1,507	1,325	-	7,503	
			13.4%	16.3%	17.9%	11.9%	8.2%	0.0%	10.0%	
			% of Total Navy Procurement	5.1%	5.9%	5.0%	4.2%	3.0%	0.0%	3.4%
			Total New MYPs (SCN)	1,529	1,628	1,514	1,507	1,325	-	7,503
Total NAVY	Total New Procurement MYPs (NAVY)	% of Total Navy Procurement	2,061	3,761	3,789	3,787	3,533	1,707	18,638	
			6.9%	13.6%	12.5%	10.6%	7.9%	3.4%	8.5%	
			Total New Procurement MYPs (DOD)	2,207	3,967	3,975	3,927	3,600	1,707	19,383
			% of TOTAL DOD PROCUREMENT	2.7%	5.3%	4.9%	4.3%	3.4%	1.5%	3.5%

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Multiyear Procurement (MYP) Contracts Report

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Section B: Ongoing Multiyear Procurement (MYP) Contracts

Service/ Agency	Appn	Item(s) Acquired	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total FY 04-09	
ARMY	APA	Total Ongoing MYPS	597	319	194	-	-	-	1,110	
		% of APA	27.9%	17.4%	8.2%	0.0%	0.0%	0.0%	5.9%	
	MPA	Total Ongoing MYPS	4.2%	3.1%	1.8%	0.0%	0.0%	0.0%	1.3%	
		% of Total Army Procurement								
	PAA	Total Ongoing MYPS	26	26	21	-	-	-	73	
		% of PAA	1.7%	2.0%	1.7%	0.0%	0.0%	0.0%	0.8%	
	OPA	Total Ongoing MYPS	0.2%	0.3%	0.2%	0.0%	0.0%	0.0%	0.1%	
		% of Total Army Procurement								
	TOTAL ARMY	Total Ongoing MYPS	73	64	34	35	-	-	-	206
		% of Total Army Procurement	5.3%	4.6%	2.9%	2.4%	0.0%	0.0%	0.0%	2.3%
TOTAL ONGOING MYPS (ARMY)	Total Ongoing MYPS	279	361	355	297	-	-	-	1,292	
	% of Total Army Procurement	4.7%	8.6%	7.8%	5.8%	0.0%	0.0%	0.0%	4.1%	
TOTAL ARMY PROCUREMENT	Total Ongoing MYPS	1.9%	3.5%	3.2%	2.2%	0.0%	0.0%	0.0%	1.5%	
	% of TOTAL ARMY PROCUREMENT	9.7%	7.4%	6.0%	2.5%	0.0%	0.0%	0.0%	2,681	
NAVY	APN	Total Ongoing MYPS	2,166	769	835	278	238	-	4,286	
		% of APN	23.6%	8.8%	8.0%	2.3%	1.5%	0.0%	5.7%	
	SCN	Total Ongoing MYPS	7.3%	2.8%	2.7%	0.8%	0.5%	0.0%	2.0%	
		% of Total Navy Procurement								
	WPN	Total Ongoing MYPS	1,600	1,663	0.0%	0.0%	0.0%	0.0%	3,263	
		% of SCN	14.0%	16.7%	0.0%	0.0%	0.0%	0.0%	4.3%	
	OPN	Total Ongoing MYPS	5.4%	6.0%	0.0%	0.0%	0.0%	0.0%	1.5%	
		% of Total Navy Procurement								
	TOTAL NAVY	Total Ongoing MYPS	17	-	0.0%	0.0%	0.0%	0.0%	0.0%	17
		% of Total Navy Procurement	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
TOTAL NAVY PROCUREMENT	Total Ongoing MYPS	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	% of Total Navy Procurement	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

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Multiyear Procurement (MYP) Contracts Report
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Service/ Agency	Appn	Item(s) Acquired	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total
			FY 04-09						
TOTAL NAVY NAVY PROC	PMC	Total Ongoing MYPs	90	-	-	-	-	-	90
		% of PMC	7.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%
TOTAL NAVY NAVY PROC	PMC	% of Total Navy Procurement	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		TOTAL ONGOING MYPs (NAVY)* (EXCLUDES NMCI)	3,877	2,432	835	278	238	-	7,660
TOTAL NAVY NAVY PROC	PMC	% of TOTAL NAVY PROCUREMENT	13.0%	8.8%	2.7%	0.8%	0.5%	0.0%	3.5%
		TOTAL ONGOING MYPs (OMN)	1,444	1,599	1,565	1,567	1,430	1,442	9,047
TOTAL NAVY NAVY PROC	PMC	% of OMN	4.9%	5.4%	5.4%	5.4%	5.0%	4.7%	5.1%
		AIR FORCE	2,669	3,397	3,246	2,552	371	-	12,235
TOTAL AIR FORCE	APAF	Total Ongoing MYPs	22.2%	25.8%	23.7%	17.4%	2.4%	0.0%	14.1%
		% of APAF	8.2%	10.4%	9.4%	7.0%	1.0%	0.0%	5.7%
TOTAL AIR FORCE	APAF	% of Total Air Force Procurement	2,669	3,397	3,246	2,552	371	-	12,235
		TOTAL ONGOING MYPs (AIR FORCE)	8.2%	10.4%	9.4%	7.0%	1.0%	0.0%	5.7%
TOTAL AIR FORCE	APAF	% of TOTAL AIR FORCE PROCUREMENT	2,669	3,397	3,246	2,552	371	-	12,235
		TOTAL ONGOING MYPs (DOD)*	7,521	6,599	4,685	3,162	609	-	22,576
TOTAL DOD PROC	APAF	% of TOTAL DOD PROCUREMENT	9.3%	8.8%	5.8%	3.5%	0.6%	0.0%	4.1%
		(EXCLUDES NMCI)							

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Multiyear Procurement (MYP) Contracts Report
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Section C: New & Ongoing Multiyear Procurement (MYP) Contracts

Service/ Agency	Appn	Item(s) Acquired	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total
			FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 04-09
ARMY	APA	Total New & Ongoing MYPs	597	319	194	-	-	-	1,110
		% of APA	27.9%	17.4%	8.2%	0.0%	0.0%	0.0%	5.9%
		% of Total Army Procurement	4.2%	3.1%	1.8%	0.0%	0.0%	0.0%	1.3%
MPA	MPA	Total New & Ongoing MYPs	26	26	21	-	-	-	73
		% of MPA	1.7%	2.0%	1.7%	0.0%	0.0%	0.0%	0.8%
		% of Total Army Procurement	0.2%	0.3%	0.2%	0.0%	0.0%	0.0%	0.1%
PAA	PAA	Total New & Ongoing MYPs	204	218	168	128	18	-	736
		% of PAA	14.8%	15.5%	14.2%	8.7%	1.1%	0.0%	8.2%
		% of Total Army Procurement	1.4%	2.1%	1.5%	1.0%	0.1%	0.0%	0.9%
OPA	OPA	Total New & Ongoing MYPs	294	413	407	344	49	-	1,507
		% of OPA	5.0%	9.9%	8.9%	6.7%	0.9%	0.0%	4.8%
		% of Total Army Procurement	2.0%	4.0%	3.7%	2.6%	0.3%	0.0%	1.8%
TOTAL ARMY	TOTAL NEW & ONGOING MYPs % of TOTAL ARMY PROCUREMENT		1,121	976	790	472	67	-	3,426
			7.8%	9.4%	7.2%	3.5%	0.4%	0.0%	4.0%
NAVY	APN	Total New & Ongoing MYPs	2,453	2,696	2,808	2,245	2,091	1,705	13,998
		% of APN	26.8%	30.7%	26.9%	18.5%	13.6%	8.6%	18.5%
		% of Total Navy Procurement	8.2%	9.7%	9.2%	6.3%	4.7%	3.4%	6.4%
WPN	WPN	Total New & Ongoing MYPs	258	203	300	311	353	-	1,425
		% of WPN	12.4%	9.7%	10.5%	10.7%	9.1%	0.0%	8.0%
		% of Total Navy Procurement	0.9%	0.7%	1.0%	0.9%	0.8%	0.0%	0.7%
SCN	SCN	Total New & Ongoing MYPs	3,129	3,291	1,514	1,507	1,325	-	10,766
		% of SCN	27.4%	33.0%	17.9%	11.9%	8.2%	0.0%	14.3%
		% of Total Navy Procurement	10.5%	11.9%	5.0%	4.2%	3.0%	0.0%	4.9%
OPN	OPN	Total New & Ongoing MYPs	8	3	2	2	2	2	19
		% of OPN	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%
		% of Total Navy Procurement	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Multiyear Procurement (MYP) Contracts Report
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Service/ Agency	Appn	Item(s) Acquired	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total FY 04-09
	PMC	Total New & Ongoing MYPPs % of PMC % of Total Navy Procurement	90 7.0% 0.3%	- 0.0% 0.0%	- 0.0% 0.0%	- 0.0% 0.0%	- 0.0% 0.0%	- 0.0% 0.0%	90 0.9% 0.0%
	OMN	Total New & Ongoing MYPPs % of OMN % of Total Operation & Maintenance, Navy	1,444 4.9% 4.9%	1,599 5.4% 5.4%	1,565 5.4% 5.4%	1,567 5.4% 5.4%	1,430 5.0% 5.0%	1,442 4.7% 4.7%	9,047 5.1% 5.1%
TOTAL NAVY		TOTAL NEW & ONGOING MYPPs % of TOTAL NAVY PROCUREMENT	5,938 19.9%	6,193 22.3%	4,624 15.2%	4,065 11.3%	3,771 8.4%	1,707 3.4%	26,298 12.0%
		TOTAL NEW & ONGOING MYPPs % of TOTAL O&M, NAVY	1,444 4.9%	1,599 5.4%	1,565 5.4%	1,567 5.4%	1,430 5.0%	1,442 4.7%	9,047 5.1%
AIR FORCE	APAF	Total New & Ongoing MYPPs % of APAF % of Total Air Force Procurement	2,669 22.2% 8.2%	3,397 25.8% 10.4%	3,246 23.7% 9.4%	2,552 17.4% 7.0%	371 2.4% 1.0%	- 0.0% 0.0%	12,235 14.1% 5.7%
TOTAL AIR FORCE		TOTAL NEW & ONGOING MYPPs % of TOTAL AIR FORCE PROCUREMENT	2,669 8.2%	3,397 10.4%	3,246 9.4%	2,552 7.0%	371 1.0%	- 0.0%	12,235 5.7%

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Multityear Procurement (MYP) Contracts Report

FY 2004

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Service/ Agency	Appn	Item(s) Acquired	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total
									FY 04-09
Section D: Total DOD New & Ongoing Multityear Procurement (MYP) Contracts									
TOTAL DOD			9,728	10,566	8,660	7,089	4,209	1,707	41,959
		TOTAL NEW & ONGOING MYPs* % of TOTAL DOD PROCUREMENT (EXCLUDES NMCI)	12.0%	14.1%	10.8%	7.8%	4.0%	1.5%	7.7%
									Total FY 04-09

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Multiyear Procurement (MYP) Contracts Report

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Service/ Agency	Appn	Item(s) Acquired	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total FY 04-09
Agency ARMY	Appn APA	Black Hawk - Airframe LB Apache - Airframe & AP	88	68	189	-	-	-	345
	APA		509	251	5	-	-	765	
	Total APA		597	319	194	-	-	1,110	
ARMY	MPA	TOW (ITAS)	26	26	21	-	-	73	
Total MPA			26	26	21	-	-	73	
ARMY	OPA	FMTV A1	179	308	313	297	-	-	1,097
ARMY	OPA	Hvy Dry Support Bridge	31	-	-	-	-	-	31
ARMY	OPA	Improved Ribbon Bridge	15	-	-	-	-	-	15
ARMY	OPA	Rapidly Emplaced Bridging System	3	4	-	-	-	-	7
ARMY	OPA	LFRAS3	51	49	42	-	-	-	142
Total OPA			279	361	355	297	-	-	1,292

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Multyear Procurement (MYP) Contracts Report

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Service/ Agency	Appn	Item(s) Acquired	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total FY 04-09
ARMY	PAA	Multi-Option Fuze for Artillery	23	23	-	-	-	-	46
	PAA	M762 FUZE	3	8	-	-	-	-	11
	PAA	M767 FUZE	13	7	-	-	-	-	20
	PAA	120mm Mortar Shell Bodies	6	5	4	-	-	-	15
	PAA	MACS Ignitor	0.5	-	-	-	-	-	1
ARMY	PAA	MACS-Combustible Case M231 & M232	27	21	30	35	-	-	113
	PAA		73	64	34	35	-	-	206
Total PAA			975	770	604	332	-	-	2,681
	Total ARMY								
NAVY	APN	KC-130J	40	278	278	278	238	0	1,111
	APN	F/A-18 E/F Engine	322	322	306	-	-	-	950
	APN	MH-60S Airframe	155	169	251	-	-	-	575
	APN	F/A-18E/F Airframe	1,649	-	-	-	-	-	1,649
Total APN			2,166	769	835	278	238	-	4,285
	NAVY	DDG-51	1,600	1,663	-	-	-	-	3,263
Total SCN			1,600	1,663	-	-	-	-	3,263
NAVY	OPN	RAM Block 1	4	-	-	-	-	-	4
	Total OPN		4	-	-	-	-	-	4
NAVY	WPN	Standard Missile	17	-	-	-	-	-	17
	Total WPN		17	-	-	-	-	-	17
NAVY	PMC	LW 155	90	-	-	-	-	-	90
	Total PMC		90	-	-	-	-	-	90
NAVY	OMN	NMCI	1,444	1,599	1,565	1,567	1,430	1,442	9,047
	Total OMN		1,444	1,599	1,565	1,567	1,430	1,442	9,047
Total NAVY			5,321	4,031	2,400	1,845	1,668	1,442	16,706
	USAF	C-17 Airframe	1,940	2,240	2,311	1,794	-	-	8,285
USAF	C-17 Engines	346	415	362	210	-	-	-	1,333
USAF	C-130J Airframe	369	734	568	548	371	-	-	2,590
USAF	SDD R7	14	8	5	-	-	-	-	27
Total APAF			2,669	3,397	3,246	2,552	371	-	12,235
	Total AIR FORCE		2,669	3,397	3,246	2,552	371	-	12,235
Total Ongoing			8,965	8,198	6,250	4,729	2,039	1,442	31,622

* Numbers may not add due to rounding.

Multiyear Procurement (MYP) Contracts Report
 FY 2004
 TOA, \$, Millions

Service/ Agency	Appn	Item(s) Acquired	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total
			FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 04-09
FY 2004 Procurement Annex									
ARMY	APA		2,137	1,831	2,368	3,218	4,288	4,912	18,754
ARMY	MPA		1,494	1,305	1,237	1,387	1,921	2,073	9,417
ARMY	WTCV		1,945	1,640	1,642	2,229	4,035	3,788	15,279
ARMY	PAA		1,379	1,402	1,180	1,476	1,637	1,856	8,930
ARMY	OPA		5,896	4,186	4,551	5,124	5,617	6,150	31,524
ARMY	Chem D		1,500						1,500
ARMY			14,351	10,364	10,978	13,434	17,498	18,779	85,404
NAVY	APN		9,165	8,768	10,439	12,148	15,385	19,736	75,641
NAVY	WPN		2,080	2,101	2,848	2,908	3,862	3,968	17,767
NAVY	PAN/MC		928	859	918	864	1,132	1,202	5,903
NAVY	SCN		11,402	9,962	8,460	12,705	16,155	16,446	75,130
NAVY	OPN		4,969	4,834	6,003	5,201	6,075	6,819	33,901
NAVY	PMC		1,279	1,190	1,745	2,025	2,092	2,096	10,427
NAVY			29,823	27,714	30,413	35,851	44,701	50,267	218,769
AF	APAF		12,023	13,163	13,680	14,698	15,692	17,699	86,955
AF	PAAF		1,253	1,397	1,318	1,284	1,071	1,223	7,546
AF	MPAF		4,166	4,718	6,014	6,360	6,552	6,674	34,484
AF	OPAF		14,919	13,284	13,687	14,375	14,928	15,251	86,444
AF			32,361	32,562	34,699	36,717	38,243	40,847	215,429
DW	P,DW		4,119	2,883	2,949	3,218	3,388	2,946	19,503
NGRE	NGRE		397	0	0	0	0	0	397
DPAP	DPAP		77	9	14	6	6	6	118
Chem D	Chem D		0	1,372	1,343	1,336	1,266	1,194	6,511
Total			81,128	74,904	80,396	90,562	105,102	114,039	546,131
NAVY	OMN		29,615	29,789	29,232	29,260	28,826	31,003	177,725

* Numbers may not add due to rounding.

Exhibit MYP-1, Multiyear Procurement Criteria

Program: LW155 Towed Howitzer

Date: February 2004

1. Multiyear Procurement Description:

This proposed multiyear procurement is a four year acquisition for the Full Rate Production (FRP) of the Lightweight 155mm Howitzer (LW155) to recognize substantial cost avoidance over individual yearly procurements. The LW155 is a joint service (USMC and Army), international cooperative (US and UK) program for the development and production of a lightweight towed howitzer to replace the heavier and aging M198 currently in service. The Marine Corps is the lead service for this program and will initiate the procurement and fielding of LW155. Under this multiyear acquisition, the Marine Corps will procure and field 223 LW155s (97 in FY05, 93 in FY06 & 33 in FY 07), while the Army will procure and field 233 LW155s (18 in FY05, 18 in FY06, 72 in FY07, and 125 in FY08).

The Marine Corps is currently in a two year multi-year contract for the LRIP phase of production. A Milestone C decision and LRIP contract award occurred in November 2002. LRIP was awarded as a two-year multi-year procurement of 94 howitzers (34 in FY03 and 60 in FY04) with first deliveries to occur in February 2004. BAE SYSTEMS (BAE) is the prime contractor and has established a supply chain producing approximately 70% of the howitzer in the US, including the final integration and assembly test in Hattiesburg, MS.

The Army has funded development of the Towed Artillery Digitization (TAD) for the howitzer and will be part of the multi-year procurement for full-rate production.

The Full-Rate production decision is scheduled to be made by the ASN-RDA in December 2004. A single four-year fixed-price contract covering both the Marine Corps and Army quantities is scheduled to be awarded in January 2005.

2. Benefit to the Government:

a. Substantial Savings: The use of a multiyear contract will result in substantial cost avoidance of approximately \$163.6M for both services. This reflects facilitization being spread out over a larger quantity, economies of scale in ordering titanium and other materials and ability to utilize economic production runs, and allows the contractors to move directly to hard tooling for castings.

BAE will be able to load its supply chain in a manner to recognize considerable economies of scale and the multi-year acquisition will prompt significant self-facilitization by the contractors.

Administrative and production planning costs are reduced since there is only one proposal, negotiation, and contract versus four single-year contracting actions. The prime contractor costs will also be reduced by affording them the opportunity to enter into multiyear contracts with their subcontractors.

b. Stability of Requirement: This program is a high priority program for the Marine Corps and Army. It replaces all Marine Corps howitzers and the howitzers used by the Army's Stryker Brigade Combat Team and light forces. The predecessor M198 howitzers have passed their intended life-span and have begun to demonstrate serious problems. The LW155 JORD was updated and approved by the MROC on 5 May 2003. This multi-year acquisition continues the production which began in FY03 for the Marine Corps. The LW155 has undergone five years of development and testing; therefore, the requirement is expected to remain substantially unchanged. Any design changes from this point are expected to be minor.

c. Stability of Funding: Funding for the full-rate production contract is included within the current FYDP for both the Marine Corps and the Army; all quantities are fully funded in theyears they are to be ordered. There is a reasonable expectation that, throughout the contemplated contract period, funding will be at a sufficient level required to avoid contract cancellation. The program has received strong support from the Marine Corps and Army and both services have demonstrated a strong commitment to make this important joint-service program work. The program had also received strong Congressional support with three of the four key committees voting to add funding to the LW155 budget in FY04 in order to accelerate certain facilitization efforts at Watervliet Arsenal (which manufactures the cannon assembly).

Exhibit MYP-1, Multiyear Procurement Criteria

Program: LW155 Towed Howitzer

Date: February 2004

d. Stability of Configuration: By the time of the FRP production contract, the LW155 will have been heavily tested over a six-year period. This testing included substantial Marine and soldier involvement. To date, the LW155 has fired over 15,000 rounds of ammunition and been towed over 15,000 miles. By the time of the FRP production contract, the LW155 will have been fired over 29,000 rounds and been towed over 18,000 miles. The LW155 design has been frozen in LRIP and there is low risk of any future significant problems or design changes occurring after award of the full-rate contract. Ninety-four LW155s are currently in production and will be tested in spring 2004 in first-article testing and pre-qualification tests. An operational test will be conducted during the summer of 2004 to validate that the LW155 with Towed Artillery Digitization (TAD) meets its operational and reliability requirements.

e. Realistic Cost Estimates: The estimates used for the multi-year exhibits are based on actual contractor submission. BAE solicited its supply chain for multi-year quantities versus annualized buys. The submission received from BAE was reviewed and approved by the Chief Executive Officer of BAE Systems. The BAE submission was consistent with the expected learning curve and the expected reductions from LRIP. Prior to award of the full-rate contract, an Independent Cost Estimate (ICE) will be conducted in consonance with the Naval Cost Analysis Division (NCAD) and the Army's Cost and Economic Analysis Center Office (CEAC).

f. National Security:

The LW155 will represent an important improvement in tactical mobility for fire support. Its decreased weight and improved features will give Marines and soldiers a significant improvement to what they have now - equating to a seventy percent increase in their survivability:

	LW155	M198	Improvement
Weight	10,000 lbs.	16,000 lbs	42%
Emplaces	2:28 min	6:35	260%
Displaces	2:15	10:40	470%
Terrain Trafficable	83%	63%	32%
C-130 Transport	2	1	100%
TAD Compatible	Yes	No	70%
Footprint	-	-	25%

3. Source of Savings

	\$ in Millions
Inflation	3.3
Vendor Procurement	130.8
Manufacturing	16.4
Design/Engineering	5.0
Tool Design	
Support Equipment	8.2
Other	
Total	163.6

4. Advantages of the MYP: The multi-year strategy will achieve significant savings over annualized procurements. As compared to annualized procurements, this multi-year procurement will achieve \$163.6M of savings over the four-year period. This is equivalent to 16% of the total annualized cost to procure the same quantity. In addition to the considerable economies of scale, the multi-year acquisition will prompt significant self-facilitization by the contractors. In the important area of titanium castings, a multi-year contract will mean that the supply chain can move directly into hard tooling. In addition to the cost benefits, hard tooling will have a great benefit to overall quality as parts produced by this process will be uniform.

5. Impact on Defense Industrial Base:

Exhibit MYP-1, Multiyear Procurement Criteria

Program: LW155 Towed Howitzer

Date: February 2004

Implementation of the multi-year procurement will have a favorable impact on the industrial base. The stability afforded by a multi-year acquisition will allow BAE to enter into long-term agreements with its supply chain. This will provide both stability to the program and significant cost avoidance. Such long-term agreements incentivize both the prime and subcontractors to invest in process improvements which will yield benefits to both quality and price. The entire supply chain will face reduced risks when implementing production process and facility improvements.

The LW155 is the first ground combat system to make extensive use of titanium and titanium cast parts. Aircraft industry declines have reduced the industrial base of companies that can produce such titanium castings. Two of the three remaining suppliers are highly dependent on LW155 work. The award of a multi-year contract will incentivize this industry to maintain their capacity and proficiency in this highly specialized field. The LW155 represents about 50% of the workload for Watervliet Arsenal over the next 3-5 years. A multi-year contract award will go a long way to providing this important facility with a stabilized workload.

6. Multiyear Procurement Summary

	<u>Annual Contracts</u>	<u>Multiyear Contract</u>
Quantity	456	456
Total Contract Price	850,750	695,368
Cancellation Ceiling (highest point)		104,760
Funded		104,760
Unfunded		0,000
\$ Cost Avoidance Over Annual		155,382
% Cost Avoidance Over Annual		18%

The contract savings alone are \$155.382M vs a total program savings of \$163.641M.

The cannon assembly of the howitzer is not produced by the contractor but is supplied by the Army's Watervliet Arsenal as GFE. This results in multi-year savings on these exhibits which are outside of the actual multi-year contract, but are based upon economies which will be recognized by Watervliet. Therefore, the overall multi-year savings are larger than the contract multi-year savings.

The Army has agreed to provide the cannon assembly to the Marine Corps for the entire four year full-rate production under firm fixed prices. However, the Army's prices for the cannon assembly are subject to year-by-year adjustment under its internal pricing policies. This results in slightly different pricing for the two Services.

**Exhibit MYP-2, Total Program Funding Plan
Combined Program**

Date: February 2004

Appropriation/Budget Activity/Serial No:

P-1 Line Item Nomenclature: LW155 Towed Howitzer

Procurement, Marine Corps / Procurement of Weapons and Tracked Combat Vehicles,
Army

	FY 04	FY 05	FY 06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	TOTAL
Annual Procurement												
Proc Qty		115	111	105	125							456
Gross Cost		251,191	270,992	245,896	236,642							1004,721
Less PY Adv Proc		11,252	10,788	3,828	.000							25,868
Plus CY Adv Proc		11,252	10,788	3,828	.000							25,868
Net Proc (=P-1)		11,252	250,727	264,032	242,068							1004,721
Multyear Proc												
Proc Qty		115	111	105	125							456
Gross Cost (P-1)		213,118	230,743	205,677	191,542							841,080
Less PY Adv Proc		11,252	10,788	3,828	.000							25,868
Plus CY Adv Proc		11,252	10,788	3,828	.000							25,868
Net Proc		11,252	212,654	223,783	201,849							841,080
Multyear Savings(\$)												
Multyear Savings(%)		.000	38.073	40.249	40.219	45.100						163,641
		0.00%	15.19%	15.24%	16.61%	19.06%						16.29%
Cancellation Ceiling - Funded												
Cancellation Ceiling - Unfunded			104,760	100,478	95,175	47,587						
Outlays												
Annual	2,959	64,389	157,849	190,479	223,289	223,447	101,034	29,054	7,901	3,137	1,183	1004,721
Multyear	2,959	55,176	133,950	161,447	186,653	184,164	82,750	23,959	6,509	2,556	.957	841,080
Savings	.000	9,213	23,899	29,032	36,636	39,283	18,284	5,095	1,392	.581	.226	163,641

Remarks:
The cannon assembly of the howitzer is not produced by the contractor but is supplied by the Army's Watervliet Arsenal as GFE. This results in multi-year savings under these exhibits which are outside of the actual multi-year contract, but are based upon economies which will be recognized by Watervliet. Therefore, the overall multi-year savings are larger than the contract multi-year savings.

The Army has agreed to provide the cannon assembly to the Marine Corps for the entire four year full-rate production under firm fixed prices. However, the Army's prices for the cannon assembly are subject to year-by-year adjustment under its internal pricing policies. This results in slightly different pricing for the two Services.

Exhibit MYP-2, Total Program Funding Plan

Date: February 2004

Marine Corps

Appropriation/Budget Activity/Serial No:
Procurement, Marine Corps (1109) / Weapons and Combat
Vehicles / 218500

P-1 Line Item Nomenclature: 155MM Lightweight Towed Howitzer

	FY 04	FY 05	FY 06	FY07	FY08	FY09	FY10	FY11	FY12	Total
Annual Procurement										
Proc Qty		97	93	33						223
Gross Cost		207,482	217,706	91,611						516,799
Less PY Adv Proc		11,252	10,788	3,828						25,868
Plus CY Adv Proc	11,252	10,788	3,828	0						25,868
Net Proc (=P-1)	11,252	207,018	210,746	87,783						516,799
Multiyear Proc										
Proc Qty		97	93	33						223
Gross Cost (P-1)		175,909	183,957	77,392						437,258
Less PY Adv Proc		11,252	10,788	3,828						25,868
Plus CY Adv Proc	11,252	10,788	3,828	0						25,868
Net Proc	11,252	175,445	176,997	73,564						437,258
Multiyear Savings(\$)	.000	31,573	33,749	14,219						79,541
Multiyear Savings(%)	0.0%	15.22%	15.50%	15.52%						15.39%
Cancellation Ceiling - Funded										
Cancellation Ceiling - Unfunded		51,228	37,177	13,610						
Outlays										
Annual	2,959	58,271	127,669	130,474	94,277	56,770	31,559	12,011	2,809	516,799
Multiyear	2,959	49,968	108,058	110,050	79,454	47,804	26,533	10,078	2,354	437,258
Savings	.000	8,303	19,611	20,424	14,823	8,966	5,026	1,933	.455	79,541

Remarks:

Cancellation ceiling by Service is an estimate based on the quantity of howitzers still to be procured at the time of any cancellation.

Exhibit MYP-2, Total Program Funding Plan

Date: February 2004

Appropriation/Budget Activity/Serial No.
Procurement of Weapons and Tracked Combat Vehicles, Army /
HOWITZER, LT WT 155MM(T) / G01700

P-1 Line Item Nomenclature: HOWITZER, LT WT 155MM(T)

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	Total
Annual Procurement											
Proc Qty	18	18	72	125							233
Gross Cost	43,709	53,286	154,285	236,642							487,922
Less PY Adv Proc	0	0	0	0							0
Plus CY Adv Proc	0	0	0	0							0
Net Proc (=P-1)	43,709	53,286	154,285	236,642							487,922
Multiyear Proc											
Proc Qty	18	18	72	125							233
Gross Cost	37,209	46,786	128,285	191,542							403,822
Less PY Adv Proc	0	0	0	0							0
Plus CY Adv Proc	0	0	0	0							0
Net Proc (=P-1)	37,209	46,786	128,285	191,542							403,822
Multiyear Savings (\$)	6,500	6,500	26,000	45,100							84,100
Multiyear Savings (%)	14.87%	12.20%	16.85%	19.06%							17.24%
Cancellation Ceiling - Funded											
Cancellation Ceiling - Unfunded	53,532	63,301	81,565	47,587							
Outlays											
Annual	6,117	30,18	60,005	129,012	166,677	69,476	17,043	5,092	3,137	1,183	487,922
Multiyear	5,208	25,892	51,397	107,199	136,36	56,217	13,881	4,155	2,556	0,957	403,822
Savings	0,910	4,288	8,609	21,813	30,316	13,258	3,162	0,937	0,581	0,226	84,100

Remarks:
The cannon assembly of the howitzer is not produced by the contractor but is supplied by the Army's Watervliet Arsenal as GFE. This results in multi-year savings under these exhibits which are outside of the actual multi-year contract, but are based upon economies which will be recognized by Watervliet. Therefore, the overall multi-year savings are larger than the contract multi-year savings.

The Army has agreed to provide the cannon assembly to the Marine Corps for the entire four year full-rate production under firm fixed prices. However, the Army's prices for the cannon assembly are subject to year-by-year adjustment under its internal pricing policies. This results in slightly different pricing for the two Services.

Cancellation ceiling by Service is an estimate based on the quantity of howitzers still to be procured at the time of any cancellation.

**Exhibit MYP-3, Contract Funding Plan
Combined Program**

Date: February 2004

Appropriation Code/Budget Activity/Senat No:
Procurement, Marine Corps / Procurement of Weapons and Tracked Combat Vehicles,
Army

P-1 Line Item Nomenclature: LW155 Towed Howitzer

	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	Total
Annual Procurement												
Proc Qty		115	111	105	125							456
Gross Cost		205,440	217,452	204,858	223,000							850,750
Less PY Adv Proc		6,790	6,510	2,310	0,000							15,610
Plus CY Adv Proc		6,510	2,310	.000	0,000							15,610
Net Proc (=P-1)	6,790	205,160	213,252	202,548	223,000							850,750
Multyear Proc												
Proc Qty		115	111	105	125							456
Gross Cost (P-1)		168,008	177,844	167,203	182,313							695,368
Less PY Adv Proc		6,790	6,510	2,310	.000							15,610
Plus CY Adv Proc		6,790	6,510	.000	.000							15,610
Net Proc (=P-1)	6,790	167,728	173,644	164,893	182,313							695,368
Multyear Savings(\$)	.000	37,432	39,608	37,655	40,687							155,382
Cancellation Ceiling - Funded												
Cancellation Ceiling - Unfunded		104,760	100,478	95,175	47,587							
Outlays												
Annual	1,786	52,317	128,790	153,128	187,523	200,024	90,325	25,870	7,000	2,872	1,115	850,750
Multyear	1,786	43,192	105,312	124,941	153,029	162,721	74,340	21,086	5,701	2,348	.912	695,368
Savings	.000	9,125	23,478	28,187	34,494	37,303	15,985	4,784	1,299	.524	.203	155,382

Remarks:

Exhibit MYP-3, Contract Funding Plan
Marine Corps

Date: February 2004

Appropriation Code/Budget Activity/Serial No:
 Procurement, Marine Corps (1109) / Weapons and
 Combat Vehicles / 218500

P-1 Line Item Nomenclature: 155MM Lightweight Towed Howitzer

	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	Total
Annual Procurement										
Proc Qty		97	93	33						223
Gross Cost		173,328	185,340	76,410						435,078
Less PY Adv Proc		6,790	6,510	2,310						15,610
Plus CY Adv Proc	6,790	6,510	2,310	0,000						15,610
Net Proc (=P-1)	6,790	173,048	181,140	74,100						435,078
Multyear Proc										
Proc Qty		97	93	33						223
Gross Cost (P-1)		141,755	151,591	62,191						355,537
Less PY Adv Proc		6,790	6,510	2,310						15,610
Plus CY Adv Proc	6,790	6,510	2,310	0,000						15,610
Net Proc (=P-1)	6,790	141,475	147,391	59,881						355,537
Multyear Savings(S)	.000	31,573	33,749	14,219						79,541
Cancellation Ceiling - Funded										
Cancellation Ceiling - Unfunded		51,228	37,177	13,610						
Outlays										
Annual	1,786	47,820	107,596	110,579	79,718	48,186	26,780	10,242	2,371	435,078
Multyear	1,786	39,517	87,986	90,156	64,891	39,221	21,754	8,309	1,917	355,537
Savings	.000	8,303	19,610	20,423	14,827	8,965	5,026	1,933	.454	79,541

Remarks:

Cancellation ceiling by Service is an estimate based on the quantity of howitzers still to be procured at the time of any cancellation.

Exhibit MYP-3, Contract Funding Plan

Date: February 2004

Army

Appropriation/Budget Activity/Serial No.
Procurement of Weapons and Tracked Combat Vehicles, Army /
HOWITZER, LT WT 155MM(T) / G01700

P-1 Line Item Nomenclature: HOWITZER, LT WT 155MM(T)

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	Total
Annual Procurement											
Proc Qty	18	18	72	125							233
Gross Cost	32.112	32.112	128.448	223							415.672
Less PY Adv Proc	0	0	0	0							0
Plus CY Adv Proc	0	0	0	0							0
Net Proc (=P-1)	32.112	32.112	128.448	223							415.672
Multyear Proc											
Proc Qty	18	18	72	125							233
Gross Cost	26.253	26.253	105.012	182.313							339.831
Less PY Adv Proc	0	0	0	0							0
Plus CY Adv Proc	0	0	0	0							0
Net Proc (=P-1)	26.253	26.253	105.012	182.313							339.831
Multyear Savings (\$)	5.859	5.859	23.436	40.687							75.841
Multyear Savings (%)	18.25%	18.25%	18.25%	18.25%							18.25%
Cancellation Ceiling - Funded	53.532	63.301	81.565	47.587							
Cancellation Ceiling - Unfunded											
Outlays											
Annual	4.496	21.194	42.548	107.807	151.838	63.545	15.628	4.629	2.872	1.115	415.672
Multyear	3.675	17.327	34.785	88.137	123.5	52.585	12.777	3.785	2.348	0.912	339.831
Savings	0.821	3.867	7.763	19.67	28.338	10.96	2.851	0.844	0.524	0.203	75.841

Remarks:
Cancellation ceiling by Service is an estimate based on the quantity of howitzers still to be procured at the time of any cancellation.

**Exhibit MYP-4, Present Value Analysis
Combined Program**

Date: February 2004

Appropriation Code/Budget Activity/Serial No.:
Procurement, Marine Corps / Procurement of Weapons and Tracked Combat Vehicles, Army
P-1 Line Item Nomenclature: LW155 Towed Howitzer

	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	Total
Annual Procurement												
Then Year Cost	1.786	52.317	128.790	153.128	187.523	200.024	90.325	25.870	7.000	2.872	1.115	850.750
Constant Year Cost	1.720	49.595	120.056	140.277	168.793	175.144	78.126	22.074	5.868	2.366	.902	763.201
Present Value	1.720	48.472	114.645	130.814	153.427	148.102	67.605	18.671	2.361	1.895	.705	686.697
Multiyear Proc												
Then Year Cost	1.786	43.192	105.312	124.941	153.029	162.721	74.340	21.086	5.701	2.348	0.912	695.368
Constant Year Cost	1.720	40.945	98.171	114.456	137.746	143.035	63.751	17.992	4.779	1.935	.738	625.268
Present Value	1.720	40.018	93.746	106.734	125.205	126.723	55.164	15.217	3.943	1.549	.576	570.595
Difference												
Then Year Cost	.000	9.125	23.478	28.187	34.494	37.303	15.985	4.784	1.299	.524	.203	155.382
Constant Year Cost	.000	8.650	21.885	25.821	31.047	32.109	14.375	4.082	1.089	.431	.164	139.653
Present Value	.000	8.454	20.899	24.080	28.222	21.379	12.441	3.454	-1.582	.346	.129	117.822
Multiyear Savings(\$)	0.000	9.125	23.478	28.187	34.494	37.303	15.985	4.784	1.299	.524	.203	155.382
Multiyear Savings(%)	0.0%	17.4%	18.2%	18.4%	18.4%	18.6%	17.7%	18.5%	18.6%	18.2%	18.2%	18.3%

Remarks:

Constant year costs in FY03 dollars
2.3 percent real interest rate used for present value analysis per OMB Circular No A-94 dated Jan03

Exhibit MYP-4, Present Value Analysis
Marine Corps

Date: February 2004

Appropriation Code/Budget Activity/Serial No: P-1 Line Item Nomenclature: 155MM Lightweight Towed Howitzer
 Procurement, Marine Corps (1109) / Weapons and
 Combat Vehicles / 218500

	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	Total
Annual Procurement										
Then Year Cost	1.786	47.820	107.596	110.579	79.718	48.186	26.780	10.242	2.371	435.078
Constant Year Cost	1.720	45.327	100.276	101.263	71.687	42.567	23.246	8.732	1.986	396.804
Present Value	1.720	44.308	95.818	94.586	65.454	37.993	20.282	7.447	1.656	369.264
Multiyear Proc										
Then Year Cost	1.786	39.517	87.986	90.156	64.891	39.221	21.754	8.309	1.917	355.537
Constant Year Cost	1.720	37.456	82.000	82.560	58.357	34.647	18.884	7.084	1.605	324.313
Present Value	1.720	36.614	78.354	77.116	53.283	30.924	16.475	6.041	1.338	301.865
Difference										
Then Year Cost	.000	8.303	19.610	20.423	14.827	8.965	5.026	1.933	.454	79.541
Constant Year Cost	.000	7.871	18.276	18.703	13.330	7.920	4.362	1.648	.381	72.491
Present Value	.000	7.694	17.464	17.470	12.171	7.069	3.807	1.406	.318	67.399
Multiyear Savings(\$)	.000	8.303	19.610	20.423	14.827	8.965	5.026	1.933	.454	79.541
Multiyear Savings(%)	0.0%	17.4%	18.2%	18.5%	18.6%	18.6%	18.8%	18.9%	19.1%	18.3%

Remarks:
 Constant year costs in FY03 dollars
 2.3 percent real interest rate used for present value analysis per OMB Circular No A-94 dated Jan03

Exhibit MYP-4, Present Value Analysis

Date: February 2004

Army

Appropriation/Budget Activity/Serial No.
Procurement of Weapons and Tracked Combat Vehicles, Army /
HOWITZER, LT WT 155MM(TT) / G01700

P-1 Line Item Nomenclature: HOWITZER, LT WT 155MM(TT)

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	Total
Annual Procurement											
Then Year Cost	4.496	21.194	42.548	107.807	151.838	63.545	15.628	4.629	2.872	1.115	415.672
Constant Year Cost	4.268	19.780	39.014	97.106	132.577	54.880	13.342	3.882	2.366	0.902	368.117
Present Value	4.164	18.827	36.228	87.973	117.178	47.323	11.224	3.187	1.895	0.705	328.704
Multiyear Proc											
Then Year Cost	3.675	17.327	34.785	88.137	123.5	52.585	12.777	3.785	2.348	0.912	339.831
Constant Year Cost	3.489	16.171	31.896	79.389	108.388	44.867	10.908	3.174	1.935	0.738	300.955
Present Value	3.404	15.392	29.618	71.922	95.799	38.689	9.176	2.605	1.549	0.576	268.73
Difference											
Then Year Cost	0.821	3.867	7.763	19.670	28.338	10.960	2.851	0.844	0.524	0.203	75.841
Constant Year Cost	0.779	3.609	7.118	17.717	24.189	10.013	2.434	0.708	0.431	0.164	67.162
Present Value	0.760	3.435	6.610	16.051	21.379	8.634	2.048	0.582	0.346	0.129	59.974
Multiyear Savings (\$)	0.821	3.867	7.763	19.670	28.338	10.960	2.851	0.844	0.524	0.203	75.841
Multiyear Savings (%)	18.26%	18.25%	18.25%	18.25%	18.66%	17.25%	18.24%	18.23%	18.25%	18.21%	18.25%

Remarks:

Constant year costs in FY03 dollars.
2.5 percent real interest rate used for present value analysis per OMB Circular No A-94, dated Jan 03.