

APACHE ATTACK HELICOPTER RECAPITALIZATION PERFORMANCE PLAN AND AGREEMENT

July 1, 2002

The AH-64A Apache is the Army's main heavy attack helicopter. The AH-64A has been in the Army's inventory since 1986 and an upgraded AH-64D began fielding in 1998. This upgrade is accomplished by remanufacturing 501 AH-64A models to the newer AH-64D Apache Longbow model. The AH-64 Apache recapitalization program is the integration of a number of related initiatives to produce and/or retrofit aircraft to meet the objectives of the recapitalization policy. The program goals are to reduce the overall average airframe age of the fleet to the half-life metric of 10 years by 2010, increase the unscheduled Mean Time Between Removal (MTBR) by 20 percent for selected recapitalized components and maximize the marginal return on recapped components by 20 percent.

On April 20, 2001, the Army Acquisition Executive/Vice Chief of Staff of the Army (AAE/VCSA) approved the General Officer Working Group's recommended option Focused Recapitalization plan for 501 AH-64Ds and 203 AH-64A models. All on going efforts such as the Multi-Year I (MYI) and Multi-Year II (MYII) remanufacturing contracts, the Task Force (TF) Hawk effort which includes the Modernized Target Acquisition Designation Sight/Pilot Night Vision Sensor (M-TADS/PNVS), Reliability and Safety (R&S) efforts and the Selected Component Rebuild effort will be coordinated and combined to provide the greatest synergy for the system.

The Project Manager (PM) initially established an Integrated Product Team to provide close oversight to the program and to ensure that all the initiatives are integrated to provide the best effort possible. Key individuals from the Project Manager's Office, the Aviation and Missile Command (AMCOM) Integrated Material Management Center (IMMC), and Boeing, co-chaired the team. All agencies, government, and industry who have a stake in the Apache program participated to ensure that all aspects of the program were fully staffed throughout the community.

The team developed the required Apache Recapitalization Program Baseline (RPB) which outlines in detail the metrics that will be utilized in the evaluation and tracking of the recapitalization program. The Program Executive Officer Aviation (PEO-AVN) conducted a decision review of the Apache Recapitalization Program on January 30, 2002, and approved the program's entry into Phase I-Program Definition and Phase II-Production/Fielding pending approval by the AAE/VCSA. The RPB was forwarded to Assistant Secretary of the Army (Acquisition, Logistics and Technology) (ASA (ALT)) for coordination and was the first of 17 major Army programs

to submit its RPB for review and approval by the AAE/VCSA. The baseline was signed on April 10, 2002.

A Focused Recapitalization team was formed to augment the PM's Business Division efforts to support the overall recapitalization effort as the program matured and to continue the more detailed planning required supporting the combined program. This team is tasked to continue the coordination effort of the Integrated Product Team (IPT) plus facilitate the contracting efforts necessary to support the various recapitalization efforts.

A key factor in the success of our program is the assumption that the forecasted funding will be shielded and provided to the PM. Any major reduction of projected funds will have a significant impact or possibly cause a breach in the over-all program. For example, the Selected Component Rebuild portion of the Apache Recapitalization Plan was estimated assuming the PM would either receive credit from the Army Working Capital Fund (AWCF) for turning in old components or would buy components from the AWCF at an equivalent exchange price. If policy changes in the AWCF preclude either of these assumptions, there may be a significant adverse affect on the Selected Component Rebuild portion of the Apache Recapitalization Plan.

Section I details and defines the Apache recapitalization program's four initiatives: Remanufacture program, TF Hawk initiatives, Reliability and Safety upgrades, and selected component rebuilds. These efforts are funded and ongoing with Readiness and Supportability (R&S) and the current Apache Longbow Multi-Year remanufacture effort well into their cycle. Additionally, selected depot level reparable components will be rebuilt to an enhanced Depot Maintenance Work Requirement (DMWR) or National Maintenance Work Requirement Standard (NMWR) and installed on the aircraft during the remanufacture effort or by field retrofit for the AH-64D and by attrition for the AH-64A.

Section II details the performance based measurement effort, which will be applied across the board in the various programs to ensure that an accurate baseline is established and that the recapitalization efforts success is properly documented. Each initiative contains performance-based measurements that will track the success of each initiative and form the basis for high-level tracking and reporting. Measurements will allow the Army to gauge the benefits of recapitalization initiatives within a selected portion of the fleet, as well as show the affect they will have on the entire fleet performance when implemented.

Section III outlines the evolution of Apache participation in the Office of the Secretary of Defense (OSD) pilot program.

Section I.

APACHE RECAPITALIZATION PLAN

The Apache Recapitalization Program includes selected upgrades and the rebuild of selected components. This program incorporates four initiatives: The Apache Longbow remanufacture program with MYI and MYII contracts, TF Hawk enhancements, R&S, and recapitalization of selected depot level reparable. All these efforts support the desired end-state to reduce the overall average airframe age of the fleet to the half-life metric of 10 years by 2010, increase the unscheduled Mean Time Between Removal (MTBR) by 20 percent for selected recapitalized components and maximize the marginal return on recapped components by 20 percent. A key factor of the plan is the integration of the four initiatives into an optimized implementation strategy. The majority of the metrics used will be common for all four initiatives. The metrics are explained in detail in Section II.

INITIATIVE 1: AH-64D Apache Longbow Remanufacture Program

The AH-64D Apache Longbow remanufacture effort involves a combined effort between the Apache Attack Helicopter Project Management Office, the U.S. Army Materiel Command, Longbow Limited Liability Company, and Boeing Corporation. Currently, the program has completed the first MYI contract for a total of 232 Apache Longbows. In September 2000, the contract for MYII was signed and is now implemented for the next 269 aircraft. This brings the total AH-64D fleet to 501 aircraft. The basic effort involves the pre-modification of an AH-64A at Boeing or Corpus Christi Army Depot (CCAD) where all components are removed and inspected for serviceability, all wiring is removed, and the airframe is reworked. At Boeing Aircraft, Longbow unique items and upgrades are added to the airframe and the "on condition" or new components are re-installed. Beginning in Fiscal Year 2004 (FY04), new or rebuilt components per existing Depot Maintenance Work Requirements/National Maintenance Work Requirements (DMWR/NMWR) will replace the existing procedure of utilizing serviceable components. All selected components are expected to have NWRS completed by 2005. Additionally, TF Hawk and Level I enhancements are being incorporated into the aircraft production when available.

INITIATIVE 2: TF Hawk including M-TADS:

The primary concern of TF Hawk focused on improvements in the targeting and pilotage of the aircraft and these issues are being addressed through the Tactical Module Automated Data System/Pilot Night Vision System (M-TADS/PNVS). Other improvements addressing TF Hawk concerns (HF Radio, Auxiliary fuel tanks, New Video Recorder, and

Enhanced Video Transmission and Reception) are being incorporated into the aircraft as enhancements during the remanufacture of the Longbow aircraft beginning in FY02 with Lot Seven aircraft. Advanced Threat Infra-Red Counter-measures (ATIRCM) and Suite of Integrated Radar Frequency Counter-measures (SIRFC) are no longer viable programs since their funds were removed and these issues are no longer being addressed.

The M-TADS/PNVS is scheduled to begin production in 2004. It will provide advanced generation day and night target information, as well as night navigation capabilities and advanced generation thermal imaging for nap-of-the-earth flight. The co-pilot will be provided with improved search, detection, recognition, and designation by the way of I2 television and Second-Generation Forward Looking Infrared Radar (SGFLIR) sighting systems that may be used separately or in combinations. Complete provisions are made for image fusion, automatic target recognition, and dynamic alignment. The most significant cost and maintenance drivers for the TADS/PNVS system will be replaced or modified with significantly higher Mean Time Between Failure (MTBF) components. This is expected to reduce the operational and sustainment costs of the M-TADS/PNVS by a significant amount and to provide a two level maintenance Line Replaceable Unit/Line Replaceable Module (LRU/LRM) design. The listing shown in figure 1-1 shows the new, modified and non-modified LRU's.

Figure 1-1

<u>New LRU's</u>	<u>Modified LRU's</u>	<u>LRU's Not Modified</u>
PNVS Turret PNVS Shroud PEU	Night Sensor Shroud Environmental Control Optic Relay Tube	PECA Gyro (x3) System Day Sensor Sub Assembly Day Sensor Sub TV Sensor
Night Sight Assembly TADS Power Supply TADS Electronic Unit Bore Sight Module TADS Electronic Control Assembly TEDAC*	PNVS AZ Drive TADS Turret Assembly	Laser Electronic Unit Laser Transceiver Unit Laser Tracker Receiver Left Hand Grip Right Hand Grip Alpha Numeric Display Control Panel Assembly Individual Video Display Optic Relay Column
*TEDAC replaces AND, CPA, IVD, AND ORC		

Performance Based Measurement Effort:

AMSAA has provided (and continues to provide) the PM Apache, Aviation and Missile Research, Development and Engineering Center (AMRDEC), and Sandia National Labs with Sample Data Collection (SDC) data for use in Sandia National Labs Apache Reliability Model and the calculation of key metrics, such as Mean Time Between Unscheduled Removals (MTBUR) to be used in measuring proposed recapitalized components. Army Materiel Systems Analysis Activity (AMSAA) SDC collection includes the capturing of data at the 2-101st at Fort Campbell, Kentucky, which will be used as a control group for recapitalization evaluation.

The following five Line Replaceable Units (LRUs) represent the higher cost and reliability drivers for the TADS/PNVS that will be addressed by the recapitalization effort:

LRU	NSN	Projected MTBUR _R *	Projected MTBUR _B *
PNVS Turret	1270013083019	392 Operating hours	327 Operating hours
TV Sensor	1270011992049	1993 Operating hours	1661 Operating hours
NT-Sensor	5855013916914	671 Operating hours	559 Operating hours
Tads Servo	5999012326667	1168 Operating hours	973 Operating hours
Tads Turret	1270013413366	675 Operating hours	563 Operating hours

The TADS/PNVS fleet-wide operating data for Calendar Year 1998 was used as the baseline data set for the initial performance figures on MTBUR_B. The calendar year 1998 data has been analyzed down to the depot component level, and overall performance trends have been shown to be consistent with both earlier 1990's field data and subsequent years. Raw data from all repair/maintenance levels and root-cause analysis results are obtained via ongoing AMCOM engineering services and depot repair contracts for the TADS/PNVS. These data are routinely compared against TADS/PNVS O&S cost data provided through the Operating and Support Management Information System (OSMIS) database by the Deputy Assistant Secretary of the Army for Cost and Economics (DASA-CE) to further improve accuracy. Actual field performance of all implemented recapitalized items will be tracked using the same contract vehicles and analysis systems to provide a closed-loop monitoring process.

The following metric definitions and methodology will apply to these LRUs:

The MTBUR is defined as removal for unscheduled maintenance, due to component failures or indicated failures. It does not include removals to gain access to other components or controlled exchange. The MTBUR Source of Data is DASA-CE's Operating and Support Management Information System (OSMIS) database and the Lockheed-Martin database.

MTBUR_B = MTBUR for the baseline components.

MTBUR_R = MTBUR for the recapitalized components.

The Baseline MTBUR_B metric for the above LRUs was calculated as follows:

$MTBUR_B = (1998 \text{ Total Fleet TADS/PNVS Operating Hours}) / (1998 \text{ Total Fleet TADS/PNVS Unscheduled Removals})$.

* Projected $MTBUR_P = (1998 \text{ Total Fleet TADS/PNVS Operating Hours}) / (1998 \text{ Total Fleet TADS/PNVS Unscheduled Removals adjusted to reflect expected improvements})$.

Both the baseline and projected metrics will be adjusted if further evaluations and/or studies provide an improved estimate.

INITIATIVE 3: Reliability and Safety (R&S) Program:

The Apache R&S program was initiated to resolve 27 R&S problems identified on the AH-64. This program consists of three integrated actions based on the fact that the Apache fleet is split into three configuration groups. There is the AH-64A with 27 associated R&S items, the AH-64D MYI with 19 associated R&S items and the AH-64D MYII with 18 R&S items (see figure 1-2). All three of these actions are fully funded and are being controlled and monitored under the purview of the R&S IPT. The identification of these items and the current program are a result of several years of concentrated analysis and decision-making. The current concept is to either incorporate during remanufacture or force retrofit AH-64 R&S items. These R&S fixes will improve safety, reliability, and sustainment of the Apache fleet.

Action 1:

This action involves contracting for analysis and production of relevant ECP's for the 18 R&S items associated with the Multi-Year II (MY II) AH-64D. Once these items are complete and ready for insertion, they will be applied to the MY II remanufacture line. The results of the Engineering Change Proposals (ECP) will be transferred to the MYI AH-64D and AH-64A via a forced retrofit plan thus allowing for the common components to be upgraded.

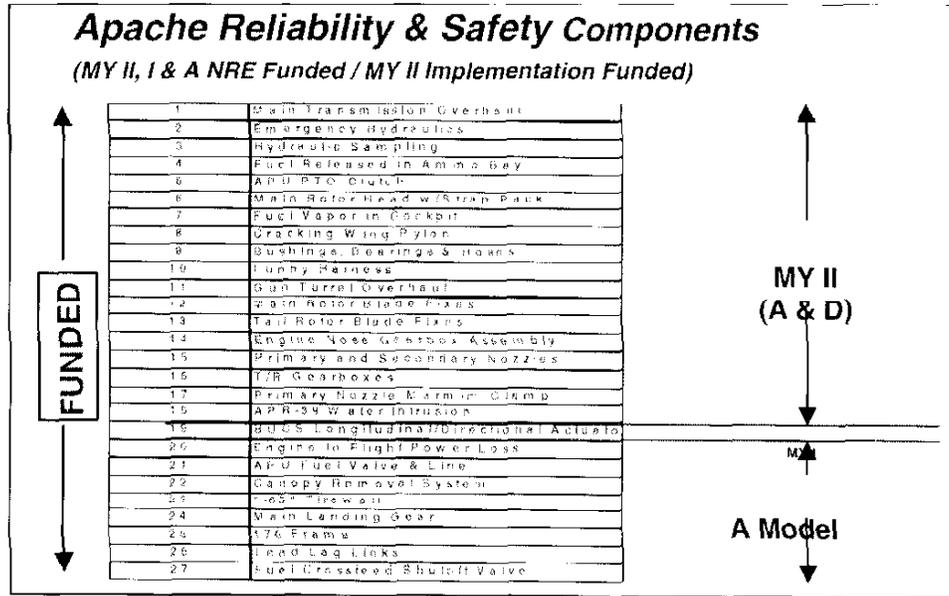
Action 2:

This action involves taking the data produced in the MY II R&S effort and retrofitting back to the 19 items for MYI AH-64D. The one remaining item that is common to the AH-64A and MYI AH-64D will be taken care of independent of MYII. The recurring cost for this item is already included in the MYII baseline. Items common to the AH-64A and MYI AH-64D will be taken care of independent of MYII. Additionally, any ECP's not applied in MYI will be applied in the MYII contract.

Action 3:

This action consists of correcting the 27 R&S items for the AH-64A. Of these 27 items 19 are common to the MYI AH-64D and 18 are common to the MYII AH-64D. Those remaining eight items that are common to only the AH-64A are being worked separately and are independent.

Figure 1-2



Performance Based Measurement Effort:

The success of the R&S effort must be quantified in two ways. First, the solving of various safety related problems and secondly, the redesign or remanufacture of various parts to solve a noted deficiency, examples shown below in figure 1-3. Several parts are being tracked in the Depot Level Reparable (DLR) metrics and will not be duplicated here.

Figure 1-3

Issue	Solution	Objective
Cracking Wing Pylon	Load Distribution Strap	Eliminate Cracking
Fuel Vapor in Cockpit	Redesign	Eliminate Vapor
Strap Pack	New Design	Solve Safety Issue Eliminate 10 Hour Inspection

INITIATIVE 4: Selected DLR Component Rebuild Program:

A selected DLR Component rebuild program has been established to evaluate the feasibility of rebuilding those critical parts and systems that have significantly affected the AH-64 sustainability and operational readiness. This program will fund the engineering effort for developing the NWRS that will be used to rebuild these parts to a like-new standard.

All DLR components on the AH-64A/D were evaluated to determine the key drivers for operational readiness, sustainability, and O&S costs. These items, which include the Aviation and Missile Command (AMCOM) and the U.S. Army Tank-automotive and Armaments Command (TACOM) are shown in figure 1-4, have been identified for a Non-recurring Engineering (NRE) effort that will first determine the feasibility and cost effectiveness of re-building the component and secondly develop the NWRS for that item if the rebuild is feasible. It includes components from the R&S and M-TADS/PNVS effort. This list is a target list that may be modified to include additional parts or eliminate others based on feasibility of the study as the NRE effort is completed. The Sandia National Laboratory optimization analysis may also result in adjustments to the list.

Figure 1-4
Component Recapitalization List

Priority	MSC	AH-64		NOMENCLATURE	NSN
		A	D		
1	AMCOM		x	TV Sensor	1270011992049
2	AMCOM		x	Day Sensor Sub Assembly	1240012326568
3	AMCOM		x	Laser Tranceiver Unit	1270014089015
4	AMCOM		x	Pnvs Azimuth Drive Gimbals	6105013344949
5	AMCOM		x	Environmental Control System	4120013029578
6	AMCOM		x	Tads Turret	1270013413366
R&S COMPONENTS (TACOM)					
1	TACOM	x	x	Carrier Drive Assembly	1005012217602
2	TACOM	x	x	Motor,Hydraulic (Aws)	1650011839529
3	TACOM	x	x	Azimuth Drive Assembly	1005013980015
4	TACOM	x	x	Actuator,Gun Turret	1005012210436
5	TACOM	x	x	Turret Control Box	5390013981523
6	TACOM	x	x	Train Rate Sensor	6615013811678
7	TACOM	x	x	Gun Control Box	1005013294861
R&S COMPONENTS (AMCOM)					
1	AMCOM	x	x	Pylon, Aircraft (4)	1560012413523
2	AMCOM	x	x	Transmission,Main	1615014618845
3	AMCOM	x	x	Head,Rotary Wing (Mr)	1615014616127

R&S COMPONENTS (AMCOM)					
4	AMCOM	x	x	Gearbox,Tail Rotor	1615012547793
5	AMCOM	x	x	Drive Unit,Angle (Ngb L/H)	3010014643209
6	AMCOM	x	x	Drive Unit,Angle (Ngb R/H)	3010014643208
7	AMCOM	x	x	Bucs Servocylinder (Dir T/R) (1 ea)	TBD
SELECTED DEPOT LEVEL REPARABLES					
8	AMCOM	x	x	Bucs Servocylinder (Coll/Lat) (2 ea)	1650012737610
9	AMCOM	x	x	Bucs Servocylinder (Long) (1ea)	TBD
10	AMCOM	x	x	Gearbox,Intermediate	1615014787102
1	AMCOM		x	Swashplate,Control, (M/R)	1615013257002
2	AMCOM		x	Swashplate,Control (T/R)	1615013122388
3	AMCOM		x	Manifold,Hydraulic	4730013261804
4	AMCOM		x	Pump,Axial Pistons, (L&R Hyd)	4320011580893
5	AMCOM		x	Actuator, Horiz. Stab	1680012697284
SELECTED DEPOT LEVEL REPARABLES					
6	AMCOM		x	Nitrogen Inerting Unit	1560011659449
7	AMCOM		x	Power Supply	6130011603520
8	AMCOM		x	Control Module Assy	1680012587001
SELECTED DEPOT LEVEL REPARABLES					
9	AMCOM		x	Processor,Signal (Fault Func)	1270012244838
10	AMCOM		x	Cylinder Assy (Wing Pylon,Act.) 4ea.	1650012637856
11	AMCOM		x	Shock Strut Assy (Mlg) (2 ea)	1620011474775
12	AMCOM		x	Shock Strut Assy (Tlg) (1 ea)	1620011532281
13	AMCOM		x	Valve Assembly	4810014426929
14	AMCOM		x	Arm Assy,Fit Con. (Lwr Scissor)	1680011656775
15	AMCOM		x	Pump,Submerged, (Refuel Xsfr)	2915011598522
16	AMCOM		x	Pump, Hydraulic Ram (Grnd Serv)	4320-01-305-6955
M-TADS					
1	N/A	x	x	Pnvs Turret	1270013083019
2	N/A	x	x	Night Sensor Assy	5855013916914
3	N/A	x	x	Tads Electronics Unit	5998013923735
4	N/A	x	x	Indirect View Display	1240012587074
5	N/A	x	x	Pnvs Electronic Unit	4931014672642
6	N/A	x	x	Tads Servo Elec/Torq Amp	5999012326667
7	N/A	x	x	Tads Power Supply	6130012996100
8	N/A	x	x	Control Panel Assembly	1290013062102
9	N/A	x	x	Boresight Assembly	1270012506615
10	N/A	x	x	Night Sensor Shroud	1270012821119
11	N/A	x	x	Optical Relay Column	1270011873439

M-TADS					
12	N/A	x	x	Helmet Display Unit	1270012919334
13	N/A	x	x	Pnvs Shroud	

* NSN=National Stock Number

**MSC=Major Support Command

Performance Based Measurement Effort:

The following five LRUs represent the higher cost and reliability drivers of the Depot Level Reparable Components that will be addressed by the Recapitalization effort:

LRU	Latest NSN	Projected MTBUR _R *	Projected MTBUR _B *
Transmission, Main	1615014618845	1364 flight hours	1137 flight hours
Head, Rotary Wing (MR)	1615014616127	2379 flight hours	1982 flight hours
Gearbox, Tail Rotor	1615012547793	1115 flight hours	929 flight hours
Swash plate, Control (T/R)	1615013122388	4817 flight hours	4014 flight hours
Drive Unit, Angle (NGB L&R)	1614014643209 1615014643208	2145 flight hours	1788 flight hours

AH-64A and AH-64D fleet-wide flight hour data for Calendar Year 1999 and Calendar Year 2000 was used as the baseline data set for the initial performance figures on MTBUR_B. Actual field performance of all implemented recapitalized items will be tracked using the same IMMC 2410 database in conjunction with field data collected via the Enhanced Logbook Automation System (ELAS) maintenance data tool to provide a closed-loop monitoring process, as described in Section II.

The same metric definitions and methodology will apply to these LRUs as with the other initiatives.

Section II.

APACHE ATTACK HELICOPTER RECAPITALIZATION PERFORMANCE BASED MEASUREMENT EFFORT

Determining whether the Apache Recapitalization Program is meeting its stated goal of maximizing the marginal return on recapped

components, requires identifying cost drivers, accurate data collection on current (pre-recapitalization) cost, cost of recapitalization of components, and accurate follow up data collection on post-recapitalization costs. Accomplishing this requires measuring, analyzing and documenting the reduction of cost per flight hour through a systematic process of data collection in the operational helicopter environment and repair operations both at the unit and at the Depot facilities. The PM's intent is to go well beyond the metrics outlined in the various initiatives in this plan to gain the necessary data to determine the program's effectiveness. Metrics will be gathered from numerous other criteria and compiled to form a more detailed baseline. The primary metrics will focus on reliability and support costs where as the secondary metrics will help focus on underlying areas that impact cost and readiness. The basic O&S cost metrics capture all wholesale level expenditures, while secondary (retail) level metrics are indicative of unit level cost and maintenance burden. Reductions in MTBUR and MTBF rates are the primary drivers for all other metrics.

Baseline primary metrics will be developed from current SDC and IMMC databases of non-recapped aircraft. Objective values for the MTBUR metrics will be developed based on engineering estimates initially and refined as engineering reviews and studies associated with the NMWR process are completed. As recapped components are fielded, field data will be collected to assess progress toward meeting these MTBUR objectives as well as evaluating the effect this has on the other primary and secondary metrics.

A lead the fleet program at Fort Rucker, Alabama consisting of one or two aircraft will be used to identify any potential problems with a recapitalized component as early as possible so corrective actions can be taken prior to fleet wide retrofitting of the recapitalized component. This program will take the selected recapitalized components through an accelerated and rigorous evaluation process to discover long-term benefits of the effort.

The 2/101 Aviation Battalion at Fort Campbell, Kentucky will be used as a control group for recapitalization evaluation. Initial data will be captured on this mature D-model unit to form a control group baseline of all the above metrics. This will minimize any biasing of the metrics, due to differences in unit operations and/or location. The 2/101st will then be force retrofitted with all recapitalized components as soon as they are available and data will be collected to measure the progress against objective metrics. This unit will be the primary unit from which emerging data will be available.

As each AH-64D battalion goes through collective training at Fort Hood, Texas, initial data will be collected from the 21st Cavalry.

Performance measures will focus on the various criteria such as:

PRIMARY METRICS

MTBUR

MTBF

Component cost per flight hour

Operation and Sustainment cost

SECONDARY METRICS

In-Flight Abort Rate

Maintenance Burden (MMH/FH)

Mean Time To Repair (MTTR)

Essential Maintenance Action Rate

Controlled Exchange Rate

No Evidence Of Failure (NEOF)

This information will be gathered on all the ongoing efforts that exist and the data gained will assist the Apache PM in refining the recapitalization effort and focusing on those components or areas that still show a need for improvement. Although, published data exists, to establish benchmarks along with projected data for the recapitalized components, the PM has decided to use the proposed evaluation metrics to verify and validate the performance of the various efforts.

These evaluation efforts and the criteria utilized will remain constant through the program to maintain a common base through our program. The components being recapitalized are reflected along with their NSNs within each discussion of the initiative.

Data will be used in a performance measurement process that uses fleet management metrics developed jointly by the Apache and Cargo Program Offices to address the reduction in total ownership costs. These fleet management metrics analyze fleet data deliberately gathered at selected operational helicopter locations (Fort Campbell, Kentucky, Fort Rucker, Alabama, and Fort Hood, Texas) and repair operations at Army and commercial Depot locations.

Data collected from legacy Army systems at these locations will be augmented by data collected through implementation of additional technologies such as Automatic Identification Technologies (AIT), specifically Contact Memory Buttons (CMBs), and automating

maintenance systems such as the Apache Phase Maintenance process. Data will be collected throughout the various Apache initiatives using the same systems and processes to insure a constant and thorough method of measurement. It will then be integrated, analyzed and reported to the Business Process Improvement Directorate (BPI) to demonstrate actual performance of the Apache Recapitalization efforts.

Initially, the ELAS will be used as an interim tool for data collection until Global Combat Support System-Army (GCSS-A) is fielded and provides for the collection and tracking of all aircraft data. However, the BPI should look for a long-term data collection solution, such as the Advanced Maintenance Aviation Chinook (AMAC) to collect and track all aircraft data, to include recapitalized components. Regardless of the interim data collection system in place (legacy, AIT (CMB), ELAS), SDC will be used as required to augment these systems by capturing additional data elements and editing the existing data (quality control).

Section III

APACHE ATTACK HELICOPTER OSD PILOT PROGRAM

The Apache was selected for the OSD pilot program based on the Prime Vendor Support (PVS) initiative on going at the time. The PVS was later cancelled and the remaining O&S cost reduction effort is captured within the four initiatives, which define the Apache Recapitalization Program. In addition, the Apache O&S cost reduction Integrated Process Team (IPT) continues to generate effective cost and maintenance burden savings for the Apache fleet.

All signatories agree to the following:

- a. This is a living document as of July 1, 2002.
- b. The BPI in coordination with all parties, will track results of Apache recapitalization performance metrics established in this agreement.
- c. The BPI in coordination with all parties, will supply tracking results to participating organizations via the BPI website and tailored reports.
- d. The BPI will report tracking results to the Assistant Secretary of the Army for Acquisition, Logistics and Technology ASA(ALT), staff.
- e. The PM Apache in coordination with all parties will assist with metric development to be used in tracking execution.

- f. The PM Apache in coordination with signatories (dependent upon who is funding the effort) will supply Field Service Representative (FSR) report data to the BPI.
- g. The warfighters will ensure continued emphasis on accurate data reporting.
- h. The warfighters will facilitate/authorize Headquarters, Department of the Army (HQDA) liaison visits when necessary.
- i. Component/sub-component serial numbers will be linked prior to fielding.
- j. The PM Apache/AMC will provide updates to performance standards and baselines as required to the BPI.
- k. The HQDA will furnish funding details as requested.
- l. The DASA-CE will perform substantive review of the U.S. Army Major Command (MACOM) validated economic analysis for recapitalization and perform independent validation when applicable.
- m. The U.S. Army Materiel Command (AMC) will provide independent evaluations and analyses to be conducted by AMSAA.

Approved By:

HQ AMC

Ms. Linda A. Nordstrom/s-August 8, 2002

HQ FORSCOM
(Representing Warfighters)

Mr. David Skinner/s-August 5, 2002

TRADOC System
Manager-LB

COL Mike Riley/s-September 27, 2002

APACHE-PM

COL Ralph G. Palotta/s-July 15, 2002

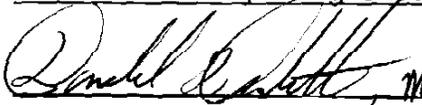
PEO Aviation

MG Joseph L. Bergantz/s-July 9, 2002

DASA-CE

Mr. Robert Conley/s-August 15, 2002

for
ASA(ALT)


Donald E. Smith, March 11, 2003