Exhibit P-40, Budget Item Justification	Date: February 2007
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number **Aircraft Procurement, Air Force, Budget Activity 01, Combat Aircraft, Item No. 1**	P-1 Line Item Nomenclature **F-35**

Program Element for Code B Items:		N/A			Other Related Program Elements:				0604800F			
	ID Code	Prior Years	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	To Comp	Total
Proc Qty	A			2	6	8	12	24	42	48	TBD	TBD
Cost ($ M)				477.823	1298.167	1659.691	2102.904	2957.096	4189.527	4377.685	TBD	TBD
Advance Proc Cost ($ M)			117.447	93.657	123.539	136.904	231.764	358.194	365.977	468.838	TBD	TBD
Weapon System Cost ($ M)		0.000	117.447	571.480	1421.706	1796.595	2334.668	3315.290	4555.504	4846.523	TBD	TBD
Initial Spares ($ M)			0.000	77.011	40.007	109.696	122.635	228.821	358.581	376.115	TBD	TBD
Total Proc Cost ($ M)		0.000	117.447	648.491	1461.713	1906.291	2457.303	3544.111	4914.085	5222.638	TBD	TBD
Flyaway Unit Cost ($ M)			0.000	243.570	200.100	199.328	162.523	118.462	93.896	83.933	TBD	TBD
Wpn Sys Unit Cost ($ M)			0.000	285.740	236.951	224.574	194.556	138.137	108.464	100.969	TBD	TBD

Description **Unit Procurement Cost (US$M) $ 324.246 $ 243.619 $ 238.286 $ 204.776 $ 147.671 $ 117.002 $ 108.805**

The Joint Strike Fighter program will develop and field a family of aircraft that meets the needs of the USN with the Carrier Variant (CV), the USAF with the Conventional Take Off and Landing (CTOL) variant, the USMC with the Short Take-Off and Vertical Landing (STOVL) variant, and allies, with optimum commonality among the variants to minimize life cycle costs. This is a joint program with no executive service. Service Acquisition Executive (SAE) authority alternates between the Department of the Navy (DoN) and the Department of the Air Force (DoAF) and currently resides with the Navy. The F-35 is the next generation strike fighter which will increase aero performance, stealth signature and countermeasures. Its advanced avionics, data links and adverse weather precision targeting will incorporate the latest technology available. The F-35 has increased range with internal fuel and will include superior weaponry over existing aircraft. The highly supportable, affordable, state-of-the-art aircraft will command and maintain global air superiority. The production cost and quantities are interdependent due to one manufacturer for the program. Navy procurement begins in FY08 with Long-Lead in FY07.

FY 2008 Program Justification

USAF funding supports procurement of 6 CTOL aircraft and advanced procurement for 8 CTOL aircraft.

FY 2009 Program Justification

USAF funding supports procurement of 8 CTOL aircraft and advanced procurement for 12 CTOL aircraft.