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Exhibit R-2, RDT&E Budget Item Justification: PB 2015 Army	Date: March 2014
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Appropriation/Budget Activity 2040: Research, Development, Test & Evaluation, Army / BA 7: Operational Systems Development	R-1 Program Element (Number/Name) PE 0203802A / Other Missile Product Improvement Programs
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COST (\$ in Millions)	Prior Years	FY 2013	FY 2014	FY 2015 Base	FY 2015 OCO #	FY 2015 Total	FY 2016	FY 2017	FY 2018	FY 2019	Cost To Complete	Total Cost
Total Program Element	-	-	62.067	49.848	-	49.848	35.951	7.592	-	-	Continuing	Continuing
DZ9: ATACMS Mods	-	-	62.067	49.848	-	49.848	35.951	7.592	-	-	Continuing	Continuing

The FY 2015 OCO Request will be submitted at a later date.

A. Mission Description and Budget Item Justification

Army Tactical Missile Systems (ATACMS) is the United States (U.S) Army's primary 24/7, all-weather, and surface-to-surface artillery precision missile used by current and future Combatant Commanders to shape the battlefield with long-range fires against hard and soft stationary targets in open, complex, and urban environments. This effort will not build any new missiles or add to the overall inventory. Block (Blk) 1 missiles currently have warheads (WHs) that are non-compliant with the 2008 Department of Defense (DoD) policy on cluster munitions (CM). The modification program will take expired Blk 1 assets which have reached the end of their service life and reset to the contracted 10 year service life. Under this modification effort, a policy compliant WH will replace the existing M74 bomblets and also replace electronics and propellants. The Stockpile Reliability Program (SRP) will supply additional data to support extending the service life. This effort effectively brings the expired inventory back into service, while meeting the DoD CM Policy, to engage imprecisely located/area targets up to 300 kilometers (km).

B. Program Change Summary (\$ in Millions)	FY 2013	FY 2014	FY 2015 Base	FY 2015 OCO	FY 2015 Total
Previous President's Budget	-	62.100	46.300	-	46.300
Current President's Budget	-	62.067	49.848	-	49.848
Total Adjustments	-	-0.033	3.548	-	3.548
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Adjustments to Budget Years	-	-0.033	3.548	-	3.548

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DZ9: ATACMS Mods	-	-	62.067	49.848	-	49.848	35.951	7.592	-	-	Continuing	Continuing																												
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-																														
# The FY 2015 OCO Request will be submitted at a later date. A. Mission Description and Budget Item Justification Army Tactical Missile Systems (ATACMS) is the United States (U.S) Army's primary 24/7, all-weather, and surface-to-surface artillery precision missile used by current and future Combatant Commanders to shape the battlefield with long-range fires against hard and soft stationary targets in open, complex, and urban environments. This effort will not build any new missiles or add to the overall inventory. Block (Blk) 1 missiles currently have warheads (WHs) that are non-compliant with the 2008 Department of Defense (DoD) policy on cluster munitions (CM). The modification program will take expired Blk 1 assets which have reached the end of their service life and reset to the contracted 10 year service life. Under this modification effort, a policy compliant WH will replace the existing M74 bomblets and also replace electronics and propellants. The Stockpile Reliability Program (SRP) will supply additional data to support extending the service life. This effort effectively brings the expired inventory back into service, while meeting the DoD CM Policy, to engage imprecisely located/area targets up to 300 kilometers (km). B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each) <table border="1"> <thead> <tr> <th></th> <th>FY 2013</th> <th>FY 2014</th> <th>FY 2015</th> </tr> </thead> <tbody> <tr> <td>Title: Conduct Development Engineering, Design Component Testing, and Performance Analysis.</td> <td align="center">-</td> <td align="center">62.067</td> <td align="center">49.848</td> </tr> <tr> <td align="right">Articles:</td> <td align="center">-</td> <td align="center">-</td> <td align="center">-</td> </tr> <tr> <td>Description: Funding is provided for the following effort</td> <td></td> <td></td> <td></td> </tr> <tr> <td>FY 2014 Plans: Conduct Development Engineering, Design Component Testing, and Performance Analysis.</td> <td></td> <td></td> <td></td> </tr> <tr> <td>FY 2015 Plans: Conduct Development Engineering, Design Component Testing, Performance Analysis, and Begin Test Hardware Modification.</td> <td></td> <td></td> <td></td> </tr> <tr> <td align="right">Accomplishments/Planned Programs Subtotals</td> <td align="center">-</td> <td align="center">62.067</td> <td align="center">49.848</td> </tr> </tbody> </table> C. Other Program Funding Summary (\$ in Millions) N/A Remarks D. Acquisition Strategy The ATACMS M57E1 program is a product improved version of the current ATACMS Blk 1 missile. M57E1 will be integrated and tested under a Firm Fixed Price (FFP) contract to Lockheed Martin Missile and Fire Control System (LMMFCS).														FY 2013	FY 2014	FY 2015	Title: Conduct Development Engineering, Design Component Testing, and Performance Analysis.	-	62.067	49.848	Articles:	-	-	-	Description: Funding is provided for the following effort				FY 2014 Plans: Conduct Development Engineering, Design Component Testing, and Performance Analysis.				FY 2015 Plans: Conduct Development Engineering, Design Component Testing, Performance Analysis, and Begin Test Hardware Modification.				Accomplishments/Planned Programs Subtotals	-	62.067	49.848
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UNCLASSIFIED

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E. Performance Metrics N/A		

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2015 Army												Date: March 2014			
Appropriation/Budget Activity 2040 / 7						R-1 Program Element (Number/Name) PE 0203802A / Other Missile Product Improvement Programs				Project (Number/Name) DZ9 / ATACMS Mods					
Management Services (\$ in Millions)				FY 2013		FY 2014		FY 2015 Base		FY 2015 OCO		FY 2015 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Government Program Management	TBD	PFRMS Project Office, : RSA	0.000	-		3.711	Mar 2014	6.055	Oct 2014	-		6.055	-	9.766	-
Subtotal			0.000	-		3.711		6.055		-		6.055	-	9.766	-
Remarks PFRMS-Precision Fires Rocket and Missile Systems; RSA-Redstone Arsenal; TBD-To Be Determined															
Product Development (\$ in Millions)				FY 2013		FY 2014		FY 2015 Base		FY 2015 OCO		FY 2015 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
ATACMS Mods Contracts	TBD	LMMFCS : (Dallas, TX)	0.000	-		42.009	Aug 2014	22.874	Aug 2015	-		22.874	-	64.883	-
Other Government Agencies	TBD	AMCOM/AMRDEC, : RSA	0.000	-		0.999	Aug 2014	1.454	Aug 2015	-		1.454	-	2.453	-
Subtotal			0.000	-		43.008		24.328		-		24.328	-	67.336	-
Remarks ATACMS-Army Tactical Missile System; Mods-Modifications; LMMFCS-Lockheed Martin Missile and Fire Control; TX-Texas; TBD-To Be Determined; AMCOM-Army Materiel Command; AMRDEC-U.S. Army Research, Development and Engineering Command; RSA-Redstone Arsenal, Alabama															
Support (\$ in Millions)				FY 2013		FY 2014		FY 2015 Base		FY 2015 OCO		FY 2015 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Support Contract	TBD	Camber Research/ S3/TMI, : Alabama	0.000	-		2.547	Mar 2014	2.344	Dec 2014	-		2.344	-	4.891	-
Subtotal			0.000	-		2.547		2.344		-		2.344	-	4.891	-
Remarks S3-Systems Studies Simulation, Inc.; TMI-Tec Master, Inc.; TBD-To Be Determined															

UNCLASSIFIED

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Test and Evaluation (\$ in Millions)				FY 2013		FY 2014		FY 2015 Base		FY 2015 OCO		FY 2015 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Test Support	TBD	WSMR, NM; : RTC, AL	0.000	-		12.801	Mar 2014	17.121	Jun 2015	-		17.121	-	29.922	-
Subtotal			0.000	-		12.801		17.121		-		17.121	-	29.922	-

Remarks WSMR, NM-White Sands Missile Range, New Mexico; RTC, AL-Redstone Test Center, Alabama															
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	Prior Years	FY 2013	FY 2014	FY 2015 Base	FY 2015 OCO	FY 2015 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	0.000	-	62.067	49.848	-	49.848	-	111.915	-

Remarks									
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Exhibit R-4, RDT&E Schedule Profile: PB 2015 Army			Date: March 2014		
Appropriation/Budget Activity 2040 / 7		R-1 Program Element (Number/Name) PE 0203802A / <i>Other Missile Product Improvement Programs</i>			Project (Number/Name) DZ9 / ATACMS Mods

	FY 2013				FY 2014				FY 2015				FY 2016				FY 2017				FY 2018				FY 2019			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Risk Reduction																												
Conduct Arena Warhead Tests																												
Procure Flight Termination Systems																												
Proximity Sensor Integration																												
Obsolescence																												
System Engineering Directorate Lab Stand Up																												
Component Integration and Testing																												
Hardware Build Up																												
Deliveries																												
Ground Tests																												
Flight Tests																												

UNCLASSIFIED

Exhibit R-4A, RDT&E Schedule Details: PB 2015 Army			Date: March 2014
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Schedule Details

Events	Start		End	
	Quarter	Year	Quarter	Year
Risk Reduction	2	2014	1	2016
Conduct Arena Warhead Tests	4	2014	1	2015
Procure Flight Termination Systems	3	2014	1	2016
Proximity Sensor Integration	4	2014	1	2015
Obsolescence	3	2014	1	2016
System Engineering Directorate Lab Stand Up	3	2014	3	2015
Component Integration and Testing	4	2014	2	2017
Hardware Build Up	2	2016	2	2017
Deliveries	2	2016	2	2017
Ground Tests	1	2016	2	2016
Flight Tests	3	2016	2	2017