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Exhibit R-2, RDT&E Budget Item Justification: PB 2016 Army	Date: February 2015
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Appropriation/Budget Activity 2040: <i>Research, Development, Test & Evaluation, Army / BA 7: Operational Systems Development</i>					R-1 Program Element (Number/Name) PE 0203802A / <i>Other Missile Product Improvement Programs</i>							
COST (\$ in Millions)	Prior Years	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total	FY 2017	FY 2018	FY 2019	FY 2020	Cost To Complete	Total Cost
Total Program Element	-	60.005	38.323	35.951	-	35.951	7.592	-	-	-	Continuing	Continuing
DZ9: <i>ATACMS Mods</i>	-	60.005	38.323	35.951	-	35.951	7.592	-	-	-	Continuing	Continuing

Note

FY2015: Congressional Mark; program delay

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 effort will take expired assets and reset them to a 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).

<u>B. Program Change Summary (\$ in Millions)</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016 Base</u>	<u>FY 2016 OCO</u>	<u>FY 2016 Total</u>
Previous President's Budget	62.067	49.848	35.951	-	35.951
Current President's Budget	60.005	38.323	35.951	-	35.951
Total Adjustments	-2.062	-11.525	-	-	-
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-11.500			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-2.062	-			
• Adjustments to Budget Years	-	-0.025	-	-	-

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Exhibit R-2A, RDT&E Project Justification: PB 2016 Army										Date: February 2015		
Appropriation/Budget Activity 2040 / 7					R-1 Program Element (Number/Name) PE 0203802A / Other Missile Product Improvement Programs				Project (Number/Name) DZ9 / ATACMS Mods			
COST (\$ in Millions)	Prior Years	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total	FY 2017	FY 2018	FY 2019	FY 2020	Cost To Complete	Total Cost
DZ9: ATACMS Mods	-	60.005	38.323	35.951	-	35.951	7.592	-	-	-	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		
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 effort will take expired assets and reset them to a 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)									FY 2014	FY 2015	FY 2016	
Title: Conduct Development Engineering, Design Component Testing, and Performance Analysis.									60.005	38.323	35.951	
Description: Funding is provided for the following effort												
FY 2014 Accomplishments: Conduct Development Engineering, Design Component Testing, and Performance Analysis.												
FY 2015 Plans: Conduct Development Engineering to address obsolescence and proximity sensor integration, Design Component Testing, and Performance Analysis.												
FY 2016 Plans: Completion of component hardware build up and integration into completed missiles. Performance Analysis to include ground and flight testing.												
Accomplishments/Planned Programs Subtotals									60.005	38.323	35.951	
C. Other Program Funding Summary (\$ in Millions)												
Line Item	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total	FY 2017	FY 2018	FY 2019	FY 2020	Cost To Complete	Total Cost	
• ATACMS MODS: ATACMS MODS (CA6700)	-	-	30.119	-	30.119	67.554	63.456	17.032	-	-	178.161	

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Appropriation/Budget Activity 2040 / 7				R-1 Program Element (Number/Name) PE 0203802A / Other Missile Product Improvement Programs				Project (Number/Name) DZ9 / ATACMS Mods				
C. Other Program Funding Summary (\$ in Millions)												
	<u>Line Item</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u> <u>Base</u>	<u>FY 2016</u> <u>OCO</u>	<u>FY 2016</u> <u>Total</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>Cost To</u> <u>Complete</u>	<u>Total Cost</u>
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 Cost Plus Fixed Fee (CPFF) contract to Lockheed Martin Missile and Fire Control System (LMMFCS).												
E. Performance Metrics												
N/A												

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2016 Army												Date: February 2015			
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 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 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	3.600	Mar 2014	4.675	Oct 2014	6.180	Oct 2015	-		6.180	-	14.455	-
Subtotal			0.000	3.600		4.675		6.180		-		6.180	-	14.455	-
Remarks PFRMS-Precision Fires Rocket and Missile Systems; RSA-Redstone Arsenal; TBD-To Be Determined															
Product Development (\$ in Millions)				FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 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	C/CPFF	LMMFCS : (Dallas, TX)	0.000	40.564	Dec 2013	17.476	Jun 2015	18.563	Jan 2016	-		18.563	-	76.603	-
Other Government Agencies	TBD	AMCOM/AMRDEC, : RSA	0.000	0.960	Mar 2014	1.188	Dec 2014	1.515	Dec 2015	-		1.515	-	3.663	-
Subtotal			0.000	41.524		18.664		20.078		-		20.078	-	80.266	-
Remarks ATACMS-Army Tactical Missile System; Mods-Modifications; C-Competitive; CPFF-Cost Plus Fixed Fee; 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 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 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	C/CPFF	Camber Research/ S3/TMI, : Alabama	0.000	2.460	Mar 2014	1.801	Dec 2014	2.400	Dec 2015	-		2.400	-	6.661	-
Subtotal			0.000	2.460		1.801		2.400		-		2.400	-	6.661	-
Remarks S3-Systems Studies Simulation, Inc.; TMI-Tec Master, Inc.; TBD-To Be Determined															

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PE 0203802A: Other Missile Product Improvement Progra...
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Exhibit R-4, RDT&E Schedule Profile: PB 2016 Army																Date: February 2015												
Appropriation/Budget Activity 2040 / 7								R-1 Program Element (Number/Name) PE 0203802A / Other Missile Product Improvement Programs								Project (Number/Name) DZ9 / ATACMS Mods												
Event Name	FY 2014				FY 2015				FY 2016				FY 2017				FY 2018				FY 2019				FY 2020			
	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
Development Engineering																												
Conduct Arena Warhead Tests																												
Procure Flight Termination Systems																												
Proximity Sensor Integration																												
Obsolescence																												
(1) Integration and Testing Contract Award																												
Component Build Up and Performance Analysis																												
Sub Component Hardware Build Up																												
Missiles Integration, Assembly, and Deliveries																												
Ground/Flight Tests																												

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Exhibit R-4A, RDT&E Schedule Details: PB 2016 Army			Date: February 2015
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	

Schedule Details

Events	Start		End	
	Quarter	Year	Quarter	Year
Development Engineering	2	2014	2	2016
Conduct Arena Warhead Tests	4	2014	2	2015
Procure Flight Termination Systems	3	2014	4	2015
Proximity Sensor Integration	4	2014	2	2015
Obsolescence	3	2014	2	2016
Integration and Testing Contract Award	1	2015	1	2015
Component Build Up and Performance Analysis	1	2015	2	2017
Sub Component Hardware Build Up	1	2015	2	2016
Missiles Integration, Assembly, and Deliveries	3	2016	1	2017
Ground/Flight Tests	3	2016	2	2017