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Exhibit R-2, RDT&E Budget Item Justification: PB 2025 Army **Date:** March 2024

Appropriation/Budget Activity 2040: <i>Research, Development, Test & Evaluation, Army / BA 5: System Development & Demonstration (SDD)</i>	R-1 Program Element (Number/Name) PE 0605231A / <i>Precision Strike Missile (PrSM)</i>
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COST (\$ in Millions)	Prior Years	FY 2023	FY 2024	FY 2025 Base	FY 2025 OCO	FY 2025 Total	FY 2026	FY 2027	FY 2028	FY 2029	Cost To Complete	Total Cost
Total Program Element	-	250.034	272.786	184.046	-	184.046	201.504	241.956	244.593	247.037	0.000	1,641.956
CO3: <i>Precision Strike Missile (PrSM)</i>	-	250.034	272.786	184.046	-	184.046	201.504	241.956	244.593	247.037	0.000	1,641.956

A. Mission Description and Budget Item Justification

Precision Strike Missile (PrSM) funding line is directly aligned to the Army Long Range Precision Fires Modernization Priority.

PrSM is the Army's next generation surface-to-surface missile that replaces and improves upon Army Tactical Missile System (ATACMS) capabilities. The PrSM program is a component of an integrated fires development effort that includes survivability, resiliency, and effectiveness improvements against advanced threats from near-peer adversaries. These efforts include integration with an evolving common fires mission command, common development tools and processes, and annual test and evaluation to provide data to support program assessments and progress toward closure of performance gaps.

PrSM requirements include: threshold max range of 400 kilometers (km), specified lethality against the designated target set, a Launch Pod Missile Container (LPMC) that holds two missiles, survivability in a threat environment, and compatibility with the existing launcher platforms (M270A2 Multiple Launch Rocket System (MLRS) and M142 High Mobility Artillery Rocket System (HIMARS)). PrSM will meet cluster and Insensitive Munition (IM) requirements and is designed with an open system approach that provides the capability for future growth to counter new and emerging threats. PrSM is an incremental development program.

The mission of PrSM Increment 1 is to attack/neutralize/suppress/destroy targets using missile delivered indirect precision fires. PrSM will provide Joint Force Commanders with a 24/7, all-weather capability to attack critical and time sensitive area and point targets including threat air defense, missile launchers, command and control centers, assembly/staging areas and high payoff targets at all depths of the multi-domain battlefield. PrSM will counter the enemy's ability to conduct combat maneuver and air defense operations.

PrSM Increment 2 integrates a seeker to attack critical time sensitive moving maritime or relocatable land targets.

Future PrSM increments will provide increased lethality against hardened targets and extend range capability.

FY 2025 Base dollars in the amount of \$184.046 million supports continuation of PrSM Increment 1 Engineering and Manufacturing Development (EMD) and Increment 2 technology maturation risk reduction efforts leading to system level prototype flights.

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B. Program Change Summary (\$ in Millions)	FY 2023	FY 2024	FY 2025 Base	FY 2025 OCO	FY 2025 Total
Previous President's Budget	259.506	272.786	238.657	-	238.657
Current President's Budget	250.034	272.786	184.046	-	184.046
Total Adjustments	-9.472	0.000	-54.611	-	-54.611
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-9.472	-			
• Adjustments to Budget Years	-	-	-54.611	-	-54.611

Change Summary Explanation

Reductions: \$15.000 million moved to PrSM Missile Procurement (PE C29600), \$39.980 million realigned for Army approved reductions, and \$0.369 million added due to revised economic assumptions.

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Appropriation/Budget Activity 2040 / 5					R-1 Program Element (Number/Name) PE 0605231A / Precision Strike Missile (PrSM)				Project (Number/Name) CO3 / Precision Strike Missile (PrSM)			
COST (\$ in Millions)	Prior Years	FY 2023	FY 2024	FY 2025 Base	FY 2025 OCO	FY 2025 Total	FY 2026	FY 2027	FY 2028	FY 2029	Cost To Complete	Total Cost
CO3: Precision Strike Missile (PrSM)	-	250.034	272.786	184.046	-	184.046	201.504	241.956	244.593	247.037	0.000	1,641.956
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

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PrSM Increment 2 integrates a seeker to attack critical time sensitive moving maritime or relocatable land targets.

Future PrSM increments will provide increased lethality against hardened targets and extend range capability.

FY 2025 Base dollars in the amount of \$184.046 million supports continuation of PrSM Increment 1 Engineering and Manufacturing Development (EMD) and Increment 2 technology maturation risk reduction efforts leading to system level prototype flights.

B. Accomplishments/Planned Programs (\$ in Millions)

	FY 2023	FY 2024	FY 2025
Title: Increment 1: Engineering and Manufacturing Development (EMD)	167.628	154.402	63.975

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B. Accomplishments/Planned Programs (\$ in Millions)	FY 2023	FY 2024	FY 2025
<p>Description: EMD activities to develop the Army's next generation missile capability that doubles volume of fire, meets range requirements by exceeding 400km, provides required lethality for both point and area targets, ensures survivability, meets cluster munition policy requirements, and provides an open system approach. PrSM provides field artillery units with a deep-strike capability while supporting Brigade, Division, Corps, Army, Theater, Joint and Coalition forces in full, limited, or expeditionary operations.</p> <p>FY 2024 Plans: The program will continue Production Qualification Testing (PQT) flight testing in FY 2024 and focus on system level hardware/software integration, performance and safety. PQT-5 flight test will be a Limited User Test (LUT) (2 missile flight) in 2Q FY 2024. Upon successful completion of the LUT, PrSM will staff a request for Urgent Materiel Release (UMR). After the LUT the program will shift focus to integration with the M270A2 launcher and the new Common Fire Control System (CFCS). Additional effort will focus on hardware builds and training material in preparation for (10) Initial Operational Test & Evaluation (IOT&E) flight tests occurring in early FY 2025.</p> <p>FY 2025 Plans: Efforts will focus on hardware builds and training material in preparation for (10) Initial Operational Test & Evaluation (IOT&E) flight tests occurring in late FY 2025. Additional FY 2025 efforts include the completion of PQT flight testing, integration with the M270A2 launcher and the new Common Fire Control System (CFCS), cyber security requirements to achieve Full Materiel Release (FMR), and preparation for MS C.</p> <p>FY 2024 to FY 2025 Increase/Decrease Statement: The \$90.427 million decrease from FY 2024 to FY 2025 reflects the program completing the EMD phase and transitioning to production and deployment phase at Milestone C planned for 4Q FY 2025.</p>			
<p>Title: Increment 2 Integration</p> <p>Description: Activities to integrate Science and Technology (S&T) seeker technology into PrSM Increment 1 will result in an Increment 2 missile.</p> <p>FY 2024 Plans: FY 2024 activities focus on meeting an Army Futures Command Directed Requirement of an FY 2027 Early Operational Capability (EOC). These activities include an Initial Design Review (IDR), Design Verification Testing (DVT), launcher software integration, and hardware in the loop activities. The FY 2024 events are in preparation for the PrSM Increment 2 demonstration flight tests that begin 4Q FY 2024.</p> <p>FY 2025 Plans:</p>	82.406	118.384	120.071

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B. Accomplishments/Planned Programs (\$ in Millions)	FY 2023	FY 2024	FY 2025
FY 2025 activities support system prototype flight tests against maritime targets and PrSM Increment 2 Preliminary Design Review (PDR). System prototype tests inform the EOC contract award decision scheduled in late FY 2025 in order to begin delivery of EOC missiles by FY 2027.			
<i>FY 2024 to FY 2025 Increase/Decrease Statement:</i> The \$1.687 million increase from FY 2024 to FY 2025 supports continued development and test activities to achieve Technology Readiness Level - 6 at the system level.			
Accomplishments/Planned Programs Subtotals	250.034	272.786	184.046

C. Other Program Funding Summary (\$ in Millions)											
Line Item	FY 2023	FY 2024	FY 2025 Base	FY 2025 OCO	FY 2025 Total	FY 2026	FY 2027	FY 2028	FY 2029	Cost To Complete	Total Cost
• C29600: <i>PRECISION STRIKE MISSILE (PRSM)</i>	162.876	384.071	492.566	-	492.566	539.992	604.286	604.268	610.310	0.000	3,398.369

Remarks

D. Acquisition Strategy
The PrSM program was designated as an Acquisition Category 1B in 2017. In 2018, Army leaders directed PrSM to accelerate the program and provide an EOC by FY 2023. The program awarded an Enhanced TMRR (E-TMRR) contract to reduce risk, conduct prototype flight-testing and conduct several Engineering and Manufacturing Development (EMD) activities to accelerate development. In 2020, Army senior leaders approved program acceleration using a single vendor. The program is executing E-TMRR as a sole-source effort to demonstrate threshold program requirements and complete sub-assembly qualification activities. The contractor conducted seven (7) successful flight tests to date and completed sub-assembly qualification testing while establishing a pilot production line.

The program received Milestone B approval in FY 2021 and awarded an EMD and initial EOC contract. The program is executing to contract and delivered EOC missiles in 1QFY 2024. With the delivery of initial EOC 1 missiles, the program is conducting PQT flight tests to qualify the production line before conducting a Production Readiness Review (PRR). The PRR will confirm the production line is qualified to support production of continued EOC and Initial Operational Test and Evaluation missiles. EOC missiles are contracted ahead of a Milestone C decision in FY 2025.

In January 2021, the Army Requirements Oversight Council (AROC) validated the PrSM Increment 2 Capabilities Development Document (CDD) Annex A. Additionally on 6 July 2022, the Commanding General Army Futures Command signed a Directed Requirement for PrSM Increment 2 missiles. The Directed Requirement requires the delivery of EOC missiles beginning in FY 2027. In FY 2022, the program awarded a Broad Agency Announcement contract vehicle to transition seeker technology from Development Command (DEVCOM) into PrSM for Increment 2. In November 2022, the Army Acquisition Executive determined that the Increment 2 program will follow the Major Capability Acquisition (MCA) Pathway. PrSM Increment 2 prototype testing begins in 2QFY26. An MDD occurred on 28 August 2023 and allowed the program to enter the Materiel Solution Analysis (MSA) phase.

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The Army has prioritized PrSM Increment 4 (extended range with seeker) ahead of PrSM Increment 3 (Modular Payload).

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2025 Army **Date:** March 2024

Appropriation/Budget Activity 2040 / 5	R-1 Program Element (Number/Name) PE 0605231A / Precision Strike Missile (PrSM)	Project (Number/Name) CO3 / Precision Strike Missile (PrSM)
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Management Services (\$ in Millions)				FY 2023		FY 2024		FY 2025 Base		FY 2025 OCO		FY 2025 Total	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
Government Program Management	MIPR	Various : RSA, AL	5.442	4.642	Apr 2023	5.972	Apr 2024	6.098	Apr 2025	-		6.098	0.000	22.154	-
Subtotal			5.442	4.642		5.972		6.098		-		6.098	0.000	22.154	N/A

Remarks
RSA - Redstone Arsenal, Alabama

Product Development (\$ in Millions)				FY 2023		FY 2024		FY 2025 Base		FY 2025 OCO		FY 2025 Total	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
PrSM Increment 1 EMD - 1 Vendor (Lockheed Martin)	SS/FFP	LMMFCS : Grand Prairie, TX	114.068	126.207	Jan 2023	108.339	Jan 2024	44.055	Nov 2024	-		44.055	0.000	392.669	-
PrSM Increment 2 - 1 Vendor (Lockheed Martin)	SS/CPIF	LMMFCS : Grand Prairie, TX	20.825	46.416	Oct 2022	75.486	Oct 2023	61.018	Nov 2024	-		61.018	0.000	203.745	-
PrSM Increment 2 Seeker Integration	MIPR	DEVCOM AvMC : RSA, AL	22.134	23.514	Dec 2022	27.438	Dec 2023	26.416	Dec 2024	-		26.416	0.000	99.502	-
Development Engineering Support	MIPR	AMCOM/DEVCOM AvMC : RSA, AL	5.134	11.083	Nov 2022	8.442	Nov 2023	8.140	Jan 2025	-		8.140	0.000	32.799	-
Increment 1 - Software Development	MIPR	S3I : RSA, AL	-	9.981	Feb 2023	6.151	Feb 2024	3.067	Feb 2025	-		3.067	0.000	19.199	-
Increment 2 - Software Development	MIPR	S3I : RSA, AL	-	1.500	Feb 2023	3.336	Feb 2024	2.409	Feb 2025	-		2.409	0.000	7.245	-
A-PNT	MIPR	DEVCOM AvMC : RSA, AL	-	9.999	Dec 2022	13.148	Dec 2023	11.800	Dec 2024	-		11.800	0.000	34.947	-
Subtotal			162.161	228.700		242.340		156.905		-		156.905	0.000	790.106	N/A

Remarks
AMCOM - Aviation and Missile Command; A-PNT - Assured-Position, Navigation and Timing; DEVCOM AvMC - U.S. Army Combat Capabilities Development Command Aviation & Missile Command; LMMFCS - Lockheed Martin Missiles and Fire Control System; RSA - Redstone Arsenal, Alabama; S3I - Systems Simulation, Software and Integration; TX - Texas

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Support (\$ in Millions)				FY 2023		FY 2024		FY 2025 Base		FY 2025 OCO		FY 2025 Total	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
SETA Support	SS/T&M	Various; Competitive SETA Contract Award in Aug 2021 : RSA, AL	4.169	5.574	Dec 2022	6.240	Dec 2023	3.929	Dec 2024	-		3.929	0.000	19.912	-
Subtotal			4.169	5.574		6.240		3.929		-		3.929	0.000	19.912	N/A

Remarks
RSA - Redstone Arsenal, AL; SETA - Systems Engineering and Technical Assistance

Test and Evaluation (\$ in Millions)				FY 2023		FY 2024		FY 2025 Base		FY 2025 OCO		FY 2025 Total	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
Increment 1 - Test Support	MIPR	WSMR; RTC : WSMR,NM; RSA, AL; VSFB, CA	-	8.718	Dec 2022	14.484	Dec 2023	14.761	Dec 2024	-		14.761	0.000	37.963	-
Increment 2 - Test Support	MIPR	WSMR; RTC : WSMR,NM; RSA, AL; EAFB, FL	-	2.400	Dec 2022	3.750	Dec 2023	2.353	Dec 2024	-		2.353	0.000	8.503	-
Subtotal			-	11.118		18.234		17.114		-		17.114	0.000	46.466	N/A

Remarks
RTC - Redstone Test Center; RSA - Redstone Arsenal, Alabama; WSMR, NM - White Sands Missile Range, New Mexico; VSFB - Vandenberg Space Force Base, California; EAFB - Eglin Air Force Base, Florida

	Prior Years	FY 2023	FY 2024	FY 2025 Base	FY 2025 OCO	FY 2025 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	171.772	250.034	272.786	184.046	-	184.046	0.000	878.638	N/A

Remarks

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Exhibit R-4, RDT&E Schedule Profile: PB 2025 Army		Date: March 2024
Appropriation/Budget Activity 2040 / 5	R-1 Program Element (Number/Name) PE 0605231A / Precision Strike Missile (PrSM)	Project (Number/Name) CO3 / Precision Strike Missile (PrSM)

Event Name	FY 2023				FY 2024				FY 2025				FY 2026				FY 2027				FY 2028				FY 2029			
	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
Increment 1 Engineering and Manufacturing Development (E...)																												
Increment 1 Production Qualification Testing (PQT) Groun...																												
Increment 1 PQT Flight Tests																												
Increment 1 Limited User Test (LUT)									▲ 1																			
Increment 1 Initial Operational Test and Evaluation (IOT&E)									■																			
Increment 1 Milestone C / Full Rate Production Decision													▲ 4															
Increment 1 Initial Operational Capability													▲ 2															
Increment 2 - Integration and Support																												
Increment 2 - System PDR									▲ 3																			
Increment 2 - Seeker Critical Design Review (CDR)													▲ 5															
Increment 2 - Prototype Flight Tests													■															
Increment 2 - System CDR																	▲ 7											
Increment 2 - EOC 1 Capability																	▲ 6											

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Exhibit R-4A, RDT&E Schedule Details: PB 2025 Army		Date: March 2024
Appropriation/Budget Activity 2040 / 5	R-1 Program Element (Number/Name) PE 0605231A / <i>Precision Strike Missile (PrSM)</i>	Project (Number/Name) CO3 / <i>Precision Strike Missile (PrSM)</i>

Schedule Details

Events	Start		End	
	Quarter	Year	Quarter	Year
Increment 1 Technology Maturation and Risk Reduction (TMRR) Phase	1	2020	4	2021
Increment 1 Milestone B	4	2021	4	2021
Increment 1 Engineering and Manufacturing Development (EMD) Phase	1	2022	4	2025
Increment 1 Production Qualification Testing (PQT) Ground / Component / Safety	4	2023	3	2024
Increment 1 PQT Flight Tests	1	2024	2	2025
Increment 1 Limited User Test (LUT)	4	2024	4	2024
Increment 1 Initial Operational Test and Evaluation (IOT&E)	2	2025	3	2025
Increment 1 Milestone C / Full Rate Production Decision	4	2025	4	2025
Increment 1 Initial Operational Capability	4	2025	4	2025
Increment 2 - Integration and Support	3	2024	4	2025
Increment 2 - System PDR	4	2025	4	2025
Increment 2 - Seeker Critical Design Review (CDR)	1	2027	1	2027
Increment 2 - Prototype Flight Tests	2	2026	2	2026
Increment 2 - System CDR	4	2028	4	2028
Increment 2 - EOC 1 Capability	4	2028	4	2028