Exhibit R-2, RDT&E Budget Item Justification: PB 2024 Army	Date: March 2023
Appropriation/Budget Activity 2040: *Research, Development, Test & Evaluation, Army* / BA 5: *System Development & Demonstration (SDD)*	**R-1 Program Element (Number/Name)** PE 0605235A / *Strategic Mid-Range Capability*

COST ($ in Millions)	Prior Years	FY 2022	FY 2023	FY 2024 Base	FY 2024 OCO	FY 2024 Total	FY 2025	FY 2026	FY 2027	FY 2028	Cost To Complete	Total Cost
Total Program Element	-	-	5.016	348.855	-	348.855	432.806	285.303	183.125	62.620	0.000	1,317.725
CQ4: *Mid-Range Capability*	-	-	5.016	348.855	-	348.855	432.806	285.303	183.125	62.620	0.000	1,317.725

Note

Activities performed in Program Element (PE) 0604135A (Strategic Mid-Range Fires) are transitioning from the Rapid Capabilities and Critical Technologies Office (RCCTO) to PEO Missiles and Space (PEO MS) in PE 0605235A (Strategic Mid-Range Capability). The PE 0605235A FY 2024 planned program continues activities and contracting actions started in PE 0604135A. Additionally, the program transitions funding for Tomahawk missiles from Research, Development, Testing & Evaluation (RDT&E) to Missile Procurement, Army in FY 2024 to align with the program's acquisition strategy.

A. Mission Description and Budget Item Justification

This funding line is directly aligned to the Army Long-Range Precision Fires Modernization Priority. The Mid-Range Capability (MRC) Prototype Weapon System leverages Joint Service technologies and integration of common hardware, software, and mutually supporting test events. MRC provides Ground Support Equipment (GSE) to include a Battery Operations Center (BOC) with support vehicles, launcher Payload Deployment System (PDS), and reload support to fire a mix of missiles capable of engaging targets at mid-range distances. The prototype MRC leverages existing SM-6 and Tomahawk technology to include command and control systems and missile variants to provide a responsive, highly accurate capability designed for high value targets. MRC is optimized for the penetration / dis-integration phase of Multi-Domain Operations (MDO) by defeating enemy Anti-Access / Area Denial (A2/AD) systems, enabling Combatant Commanders freedom of maneuver. Five MRC batteries will be developed and fielded; the initial prototype MRC battery will be developed and fielded by Rapid Capabilities and Critical Technologies Office (RCCTO) and four additional MRC batteries by Program Executive Office Missiles and Space (PEO MS) plus hardware support for additional capabilities including Defense of Guam.

The first MRC prototype weapon system battery deliverable quantity is one residual combat capability consisting of four (4) launchers, BOC, reload support, and basic load of missiles consisting of eight (8) SM-6 Block 1A and eight (8) Tomahawk Block V to be fielded by RCCTO not later than 4Q FY2023 as the First Unit of Issue (FUI). Delivery of follow-on batteries and additional capabilities by PEO MS will occur annually thereafter.

FY 2024 base funding in the amount of $348.855 million continues alignment of RCCTO and PEO MS program transition activities started in FY 2023, culminating in FY 2024 with PEO MS as the Office of Primary Responsibility (OPR) responsible for meeting statutory and appropriate regulatory acquisition requirements. Base funding allows for developing, testing, evaluating, system engineering and integrating of system improvements while ensuring safe, suitable and sustainable operational fielding of the additional prototype batteries. Base funding also allows for purchasing and receiving hardware and materials to implement prototype fabrication, and to support component-level and system-level qualification. The PEO MS program funding continues fabrication, integration of new design requirements and technology insertions adding additional capabilities to the prototype batteries.

Exhibit R-2, RDT&E Budget Item Justification: PB 2024 Army	Date: March 2023
Appropriation/Budget Activity 2040: *Research, Development, Test & Evaluation, Army I* BA 5: *System Development & Demonstration (SDD)*	**R-1 Program Element (Number/Name)** PE 0605235A *I Strategic Mid-Range Capability*

B. Program Change Summary ($ in Millions)	FY 2022	FY 2023	FY 2024 Base	FY 2024 OCO	FY 2024 Total
Previous President's Budget	0.000	5.016	644.380	-	644.380
Current President's Budget	0.000	5.016	348.855	-	348.855
Total Adjustments	0.000	0.000	-295.525	-	-295.525
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Adjustments to Budget Years	-	-	-295.525	-	-295.525

Change Summary Explanation

Program funding for munitions previously budgeted in PE 0605235A (Strategic Mid-Range Capability) was realigned to Missile Procurement, Army in FY 2024 to procure Tomahawk missiles to align with the program's acquisition strategy and to other Army priorities based on the current cost projections.

Pacific Deterrence Initiative (PDI) funding increases from FY 2023 ($5.016 million) to FY 2024 ($40.177 million) to continue the rapid development effort for Mid-Range Capability.

Exhibit R-2A, RDT&E Project Justification: PB 2024 Army			Date: March 2023
Appropriation/Budget Activity 2040 / 5	R-1 Program Element (Number/Name) PE 0605235A / *Strategic Mid-Range Capability*	Project (Number/Name) CQ4 / *Mid-Range Capability*	

COST ($ in Millions)	Prior Years	FY 2022	FY 2023	FY 2024 Base	FY 2024 OCO	FY 2024 Total	FY 2025	FY 2026	FY 2027	FY 2028	Cost To Complete	Total Cost
CQ4: *Mid-Range Capability*	-	-	5.016	348.855	-	348.855	432.806	285.303	183.125	62.620	0.000	1,317.725
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

Note

Activities performed in Program Element (PE) 0604135A (Strategic Mid-Range Fires) are transitioning from the Rapid Capabilities and Critical Technologies Office (RCCTO) to PEO Missiles and Space (PEO MS) in PE 0605235A (Strategic Mid-Range Capability). The PE 0605235A FY 2024 planned program continues activities and contracting actions started in PE 0604135A. Additionally, the program transitions funding for Tomahawk missiles from Research, Development, Testing & Evaluation (RDT&E) to Missile Procurement, Army in FY 2024 to align with the program's acquisition strategy.

A. Mission Description and Budget Item Justification

This funding line is directly aligned to the Army Long-Range Precision Fires Modernization Priority. The Mid-Range Capability (MRC) Prototype Weapon System leverages Joint Service technologies and integration of common hardware, software, and mutually supporting test events. MRC provides Ground Support Equipment (GSE) to include a Battery Operations Center (BOC) with support vehicles, launcher Payload Deployment System (PDS), and reload support to fire a mix of missiles capable of engaging targets at mid-range distances. The prototype MRC leverages existing SM-6 and Tomahawk technology to include command and control systems and missile variants to provide a responsive, highly accurate capability designed for high value targets. MRC is optimized for the penetration / dis-integration phase of Multi-Domain Operations (MDO) by defeating enemy Anti-Access / Area Denial (A2/AD) systems, enabling Combatant Commanders freedom of maneuver. Five MRC batteries will be developed and fielded; the initial prototype MRC battery will be developed and fielded by Rapid Capabilities and Critical Technologies Office (RCCTO) and four additional MRC batteries by Program Executive Office Missiles and Space (PEO MS) plus hardware support for additional capabilities including Defense of Guam.

The first MRC prototype weapon system battery deliverable quantity is one residual combat capability consisting of four (4) launchers, BOC, reload support, and basic load of missiles consisting of eight (8) SM-6 Block 1A and eight (8) Tomahawk Block V to be fielded by RCCTO not later than 4Q FY 2023 as the First Unit of Issue (FUI). Delivery of follow-on batteries and additional capabilities by PEO MS will occur annually thereafter.

FY 2024 base funding in the amount of $348.855 million continues alignment of Rapid Capability and Critical Technologies Office (RCCTO) and PEO MS program transition activities started in FY 2023, culminating in FY 2024 with PEO MS as the Office of Primary Responsibility (OPR) responsible for meeting statutory and appropriate regulatory acquisition requirements. Base funding allows for developing, testing, evaluating, system engineering and integrating of system improvements while ensuring safe, suitable and sustainable operational fielding of the additional prototype batteries. Base funding also allows for purchasing and receiving hardware and materials to implement prototype fabrication, and to support component-level and system-level qualification. The funding continues fabrication, integration of new design requirements and technology insertions adding additional capabilities to the prototype batteries.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2022	FY 2023	FY 2024
Title: MRC Prototype Program Transition and Startup	-	4.833	-

Exhibit R-2A, RDT&E Project Justification: PB 2024 Army		Date: March 2023
Appropriation/Budget Activity 2040 / 5	**R-1 Program Element (Number/Name)** PE 0605235A / *Strategic Mid-Range Capability*	**Project (Number/Name)** CQ4 / *Mid-Range Capability*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2022	FY 2023	FY 2024
Description: Program Executive Office Missiles and Space (PEO MS) develops agreements, decision points, acquisition strategies and plans which documents the transition of the Rapid Capabilities and Critical Technologies Office (RCCTO) prototype Mid-Range Capability (MRC) to a Programs of Record, thus aligning the Defense Management process and Secretary of the Army guidance for completing and fielding MRC equipment. The MRC Ground Support Equipment (GSE) leverages Joint Service technologies and integration of common hardware, software, and mutually supporting test events. This includes the Battery Operations Center (BOC), launcher Payload Deployment System (PDS), prime movers, trailers, generators, cabling, and support vehicles. The MRC BOC houses the federated Command and Control systems which enable the capability to fire a mix of missiles. The MRC Launcher PDS stows and fires a mix of missile types to include SM-6 and Tomahawk missiles capable of flying at various speeds and altitudes for engage desired targets at range. Additional missiles may integrate into the MRC GSE to meet capability needs to include Defense of Guam. ***FY 2023 Plans:*** This effort funds program support costs necessary to prepare program acquisition, budget/cost, contract, prototype technology transition, and product support documentation. Provides for follow-on prototype development, acquisition, affordability, and risk reduction activities for batteries 2 - 5. ***FY 2023 to FY 2024 Increase/Decrease Statement:*** FY 2024 decrease is a result of Mid-Range Capability (MRC) Battery procurement transitioned to Program Executive Office Missiles and Space (PEO MS) from Rapid Capabilities and Critical Technologies Office (RCCTO).			
Title: FY 2023 SBIR/STTR Tranfer ***Description:*** Funding transferred in accordance with Title 15 USC 638. ***FY 2023 Plans:*** Funding transferred in accordance with Title 15 USC 638. ***FY 2023 to FY 2024 Increase/Decrease Statement:*** Funding transferred in accordance with Title 15 USC 638.	-	0.183	-
Title: Mid-Range Capability Prototype Program ***FY 2024 Plans:*** The FY 2024 Base funding in the amount of $348.855 million funds the fabrication, integration of design requirements, and test and evaluation for the Mid-Range Capabilities (MRC) Ground Support Equipment (GSE) and to enable completion and fielding of the prototype Battery 2. Base funding allows for integration of design requirements and evaluation of MRC GSE required characteristics to ensure safe and effective operational fielding of the prototype Batteries 2, 3, and 4. Funds the Original	-	-	348.855

Exhibit R-2A, RDT&E Project Justification: PB 2024 Army		Date: March 2023
Appropriation/Budget Activity 2040 / 5	**R-1 Program Element (Number/Name)** PE 0605235A / *Strategic Mid-Range Capability*	**Project (Number/Name)** CQ4 / *Mid-Range Capability*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2022	FY 2023	FY 2024
Equipment Manufacturer's (OEM) effort to purchase hardware and materials and receive Government Furnished Equipment (GFE) to fabricate and to support component-level and system-level qualification for MRC GSE. Base funding also allows for the System Engineering and Program Management of integration across military branches to include the OEM contractor and Other Government Agencies (OGA) in order to ensure a common MRC GSE. Funding provides for the Government and Contractor coordination required to perform systems engineering for system integration and check out, verify cybersecurity requirements, manage software development, verify transportation requirements, and plan and execute test and evaluation events to support fielding. This funding allows for developing, testing, evaluating, systems engineering and integrating of system improvements while ensuring safe, suitable and sustainable operational fielding of the MRC GSE solution through Technology Insertion Points adding additional capabilities to the prototype batteries. Additional integration efforts include improved communications, rapid reloading, improved mobility, weight reduction, M-Code implementation, software development, cyber security, transportability and locality-based enhancements. Provides Systems Engineering and Government Program Management required to deliver the prototype battery to a combat unit. ***FY 2023 to FY 2024 Increase/Decrease Statement:*** FY 2024 increase fully transitions the Mid-Range Capability (MRC) Battery procurement to Program Executive Office Missiles and Space (PEO MS) from Rapid Capabilities and Critical Technologies Office (RCCTO) to continue rapid prototyping. This effort continues transition of the MRC program from RCCTO to PEO MS with PEO MS assuming the responsibility for program management, systems engineering, integration, manufacturing, assembly, test evaluation, and product support planning for Battery 2, 3 and 4.			
Accomplishments/Planned Programs Subtotals	-	5.016	348.855

C. Other Program Funding Summary ($ in Millions)

Line Item	FY 2022	FY 2023	FY 2024 Base	FY 2024 OCO	FY 2024 Total	FY 2025	FY 2026	FY 2027	FY 2028	Cost To Complete	Total Cost
• C81214: *TOMAHAWK AND TOMAHAWK MISSION PLANNING CENTER (TMP*	-	-	169.519	-	169.519	96.296	56.510	265.156	375.674	0.000	963.155

Remarks

D. Acquisition Strategy

The Mid-Range Capability (MRC) project starts transition from Rapid Capabilities and Technologies Office (RCCTO) to Program Executive Office Missiles and Space (PEO MS) in FY 2023 and completes transition in FY 2024. PEO MS will execute the Army Acquisition Executive approved acquisition strategy to support Program of Record requirements, acquisition pathway, systems engineering, and contracting decisions. The effort supports Army pre- and post-acquisition strategy decision

Exhibit R-2A, RDT&E Project Justification: PB 2024 Army		Date: March 2023
Appropriation/Budget Activity 2040 / 5	**R-1 Program Element (Number/Name)** PE 0605235A / *Strategic Mid-Range Capability*	**Project (Number/Name)** CQ4 / *Mid-Range Capability*

points in FY2023 for Batteries 2-5. These include acquisition pathway determination, contract planning, requirements development / technology insertion, cost analysis, test planning, and lifecycle support planning. Based on SecArmy guidance and DOD 5000 authority, the effort leverages a variety of contract vehicles, including Other Transaction Authority Agreements to meet program continuation and system delivery requirements. The MRC program will continue developing, integrating, and fielding through transition of a RCCTO prototype Other Transaction Authority (pOTA), which was awarded to Lockheed Martin (LM) in November 2020. Additionally, PEO MS leverages the Navy, and U.S. Marine Corps (USMC) investments in weapon system development by utilizing existing contract vehicles to procure supporting items currently in production through a combination of Office of the Secretary of Defense (OSD) and Joint Service contracts. Using these contracts, the MRC project retains commonality in production, training, logistics, and sustainment with and the Navy.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2024 Army			Date: March 2023
Appropriation/Budget Activity 2040 / 5	R-1 Program Element (Number/Name) PE 0605235A / *Strategic Mid-Range Capability*	Project (Number/Name) CQ4 / *Mid-Range Capability*	

Management Services ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2022 Cost	FY 2022 Award Date	FY 2023 Cost	FY 2023 Award Date	FY 2024 Base Cost	FY 2024 Base Award Date	FY 2024 OCO Cost	FY 2024 OCO Award Date	FY 2024 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Program Management / Systems Engineering	Various	Various : Huntsville, AL: National Capitol Region	-	-		4.833	Nov 2022	10.145	Oct 2023	-		10.145	0.000	14.978	-
FY 2023 SBIR/STTR Transfer	TBD	Funding transferred in accordance with Title 15 USC 638 : Funding transferred in accordance with Title 15 US	-	-		0.183		-		-		-	0.000	0.183	-
		Subtotal	-	-		5.016		10.145		-		10.145	0.000	15.161	N/A

Product Development ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2022 Cost	FY 2022 Award Date	FY 2023 Cost	FY 2023 Award Date	FY 2024 Base Cost	FY 2024 Base Award Date	FY 2024 OCO Cost	FY 2024 OCO Award Date	FY 2024 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Original Equipment Manufacturer (OEM)	SS/CPFF	Various : Lockhead Martin	-	-		-		219.876	Jan 2024	-		219.876	0.000	219.876	-
Government Furnished Equipment (GFE)	Various	Various : Various	-	-		-		26.971	Dec 2023	-		26.971	0.000	26.971	-
Other Government Agencies (OGA)	Various	Various : Various	-	-		-		19.321	Jan 2024	-		19.321	0.000	19.321	-
		Subtotal	-	-		-		266.168		-		266.168	0.000	266.168	N/A

Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2022 Cost	FY 2022 Award Date	FY 2023 Cost	FY 2023 Award Date	FY 2024 Base Cost	FY 2024 Base Award Date	FY 2024 OCO Cost	FY 2024 OCO Award Date	FY 2024 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Cyber and Software	Various	Various : Various	-	-		-		32.534	Nov 2023	-		32.534	0.000	32.534	-
Transportation and Support	Various	Various : Various	-	-		-		16.942	Oct 2023	-		16.942	0.000	16.942	-
		Subtotal	-	-		-		49.476		-		49.476	0.000	49.476	N/A

Exhibit R-3, RDT&E Project Cost Analysis: PB 2024 Army		Date: March 2023
Appropriation/Budget Activity 2040 / 5	**R-1 Program Element (Number/Name)** PE 0605235A / *Strategic Mid-Range Capability*	**Project (Number/Name)** CQ4 / *Mid-Range Capability*

Test and Evaluation ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2022 Cost	FY 2022 Award Date	FY 2023 Cost	FY 2023 Award Date	FY 2024 Base Cost	FY 2024 Base Award Date	FY 2024 OCO Cost	FY 2024 OCO Award Date	FY 2024 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Test and Evaluation	Various	Various : Various	-	-		-		23.066	Jan 2024	-		23.066	0.000	23.066	-
		Subtotal	-	-		-		23.066		-		23.066	0.000	23.066	N/A

	Prior Years	FY 2022		FY 2023		FY 2024 Base		FY 2024 OCO		FY 2024 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	-	-		5.016		348.855		-		348.855	0.000	353.871	N/A

Remarks

GFE includes trucks, trailers, cranes, generators, radios, communication equipment, navy electronics, missile handling equipment, storage containers.

Exhibit R-4, RDT&E Schedule Profile: PB 2024 Army		Date: March 2023
Appropriation/Budget Activity 2040 / 5	**R-1 Program Element (Number/Name)** PE 0605235A / *Strategic Mid-Range Capability*	**Project (Number/Name)** CQ4 / *Mid-Range Capability*

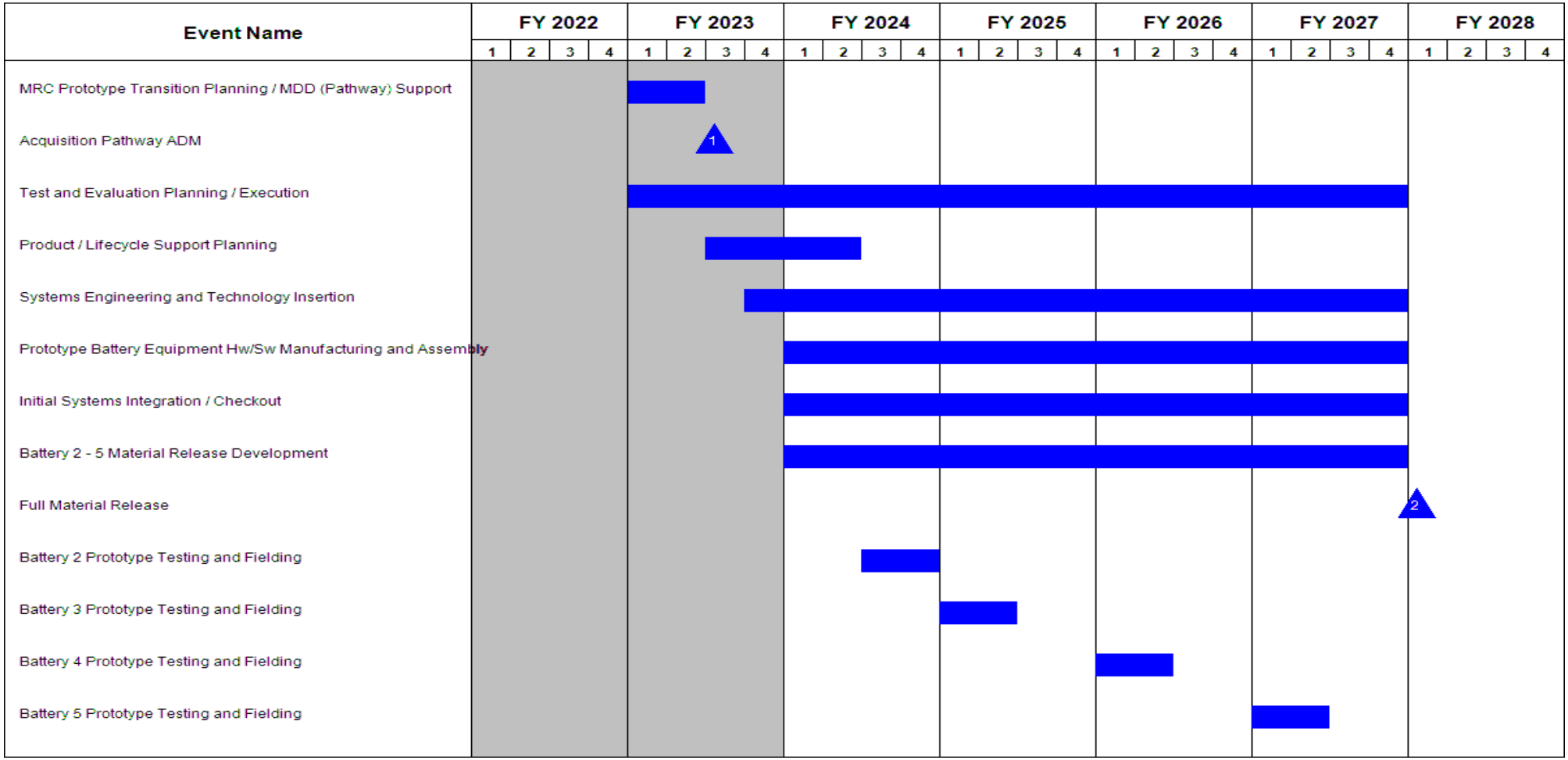
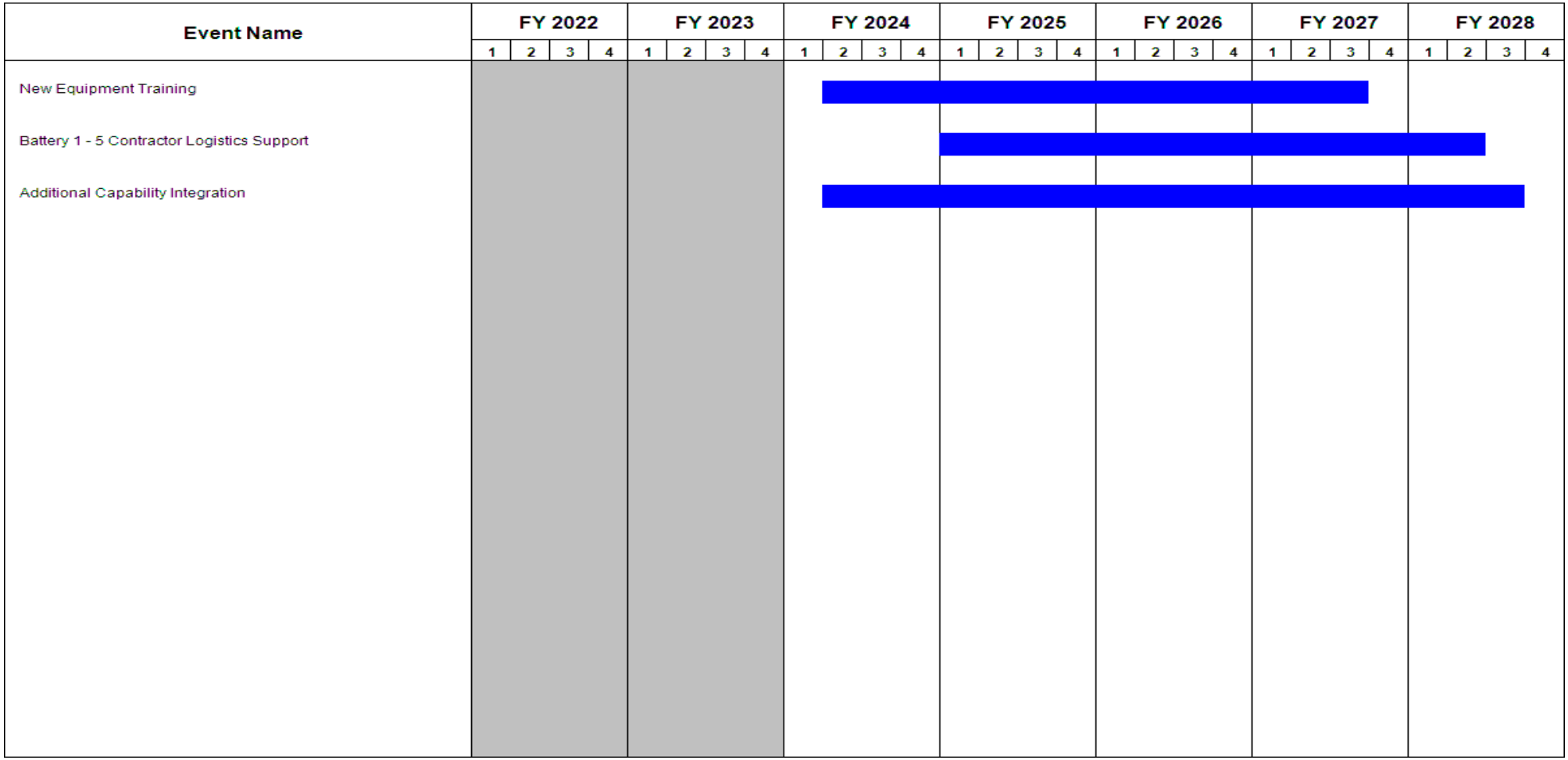


Exhibit R-4, RDT&E Schedule Profile: PB 2024 Army		Date: March 2023
Appropriation/Budget Activity 2040 / 5	**R-1 Program Element (Number/Name)** PE 0605235A / *Strategic Mid-Range Capability*	**Project (Number/Name)** CQ4 / *Mid-Range Capability*



Note

Rapid Capabilities and Rapid Technologies (RCCTO) Program Element (PE) 0604135A /Strategic Mid-Range Fires was moved to PE 0605235A / Strategic Mid-Range Capability in FY 2024. PE 0605235A / Strategic Mid-Range Capability funding was partially reallocated to PE 0204229A / Tomahawk in FY 2024 and the out years.

Exhibit R-4A, RDT&E Schedule Details: PB 2024 Army		Date: March 2023
Appropriation/Budget Activity 2040 / 5	**R-1 Program Element (Number/Name)** PE 0605235A / *Strategic Mid-Range Capability*	**Project (Number/Name)** CQ4 / *Mid-Range Capability*

Schedule Details

	Start		End	
Events	**Quarter**	**Year**	**Quarter**	**Year**
MRC Prototype Transition Planning / MDD (Pathway) Support	1	2023	2	2023
Acquisition Pathway ADM	3	2023	3	2023
Test and Evaluation Planning / Execution	1	2023	4	2027
Product / Lifecycle Support Planning	3	2023	2	2024
Systems Engineering and Technology Insertion	4	2023	4	2027
Prototype Battery Equipment Hw/Sw Manufacturing and Assembly	1	2024	4	2027
Initial Systems Integration / Checkout	1	2024	4	2027
Battery 2 - 5 Material Release Development	1	2024	4	2027
Full Material Release	1	2028	1	2028
Battery 2 Prototype Testing and Fielding	3	2024	4	2024
Battery 3 Prototype Testing and Fielding	1	2025	2	2025
Battery 4 Prototype Testing and Fielding	1	2026	2	2026
Battery 5 Prototype Testing and Fielding	1	2027	2	2027
New Equipment Training	2	2024	3	2027
Battery 1 - 5 Contractor Logistics Support	1	2025	2	2028
Additional Capability Integration	2	2024	3	2028