

RDT&E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)	DATE February 1999
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BUDGET ACTIVITY 7 - Operational System Development	PE NUMBER AND TITLE 0207325F Joint Air-to-Surface Standoff Missile	PROJECT 4515
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COST (\$ In Thousands)	FY 1998 Actual	FY 1999 Estimate	FY 2000 Estimate	FY 2001 Estimate	FY 2002 Estimate	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate	Cost to Complete	Total Cost
4515 Joint Air-to-Surface Standoff Missile (JASSM)	163,801*	128,796	166,408	71,022	53,578	21,057	9,224	6,052	0	808,230
Quantity of RDT&E Articles	0	61**	0	0	0	0	0	0	0	61

*(U) FY 1998 Actual includes \$40,617 reclassified from the Joint Standoff Land Attack Missile (JSLAM) PE (0604611F) to the Joint Air-to-Surface Standoff Missile (JASSM) PE. This action properly aligned funds in accordance with Congressional direction and the SecDef decision to continue the JASSM program based on the Analysis of Alternatives. This action does not represent a change from the purpose for which the funds were originally appropriated.

***(U) RDT&E Test Articles quantity reflects purchase authorization for long lead items and order commitments with key sub-contractors. Test article deliveries include 20 assets in FY 2000 and 41 assets in FY2001. Quantities were inadvertently omitted from the FY99 President's Budget exhibit.

(U) A. Mission Description

JASSM is a joint Air Force/Navy program with the Air Force as the lead service. This is an ACAT ID program to provide an affordable long range, conventional air-to-surface, autonomous, precision guided, standoff cruise missile compatible with fighter and bomber aircraft able to attack a variety of fixed or relocatable targets. Initial integration efforts are for the B-52H and F-16 (Block 50). Objective aircraft include the B-1, B-2, F-15E, F-16 (Block 40), F-117, and F/A-18E/F. This descriptive summary reflects Air Force only funding.

(U) FY 1998 (\$ in Thousands):

- (U) \$128,768 Continued Program Definition Risk Reduction (PDRR).
- (U) \$16,467 Continued flight test support for threshold aircraft, test aircraft modifications, live fire test support, target construction.
- (U) \$10,764 Continued aircraft integration.
- (U) \$787 Continued mission planning and intelligence systems integration.
- (U) \$4,898 Continued program office support contracts.
- (U) \$2,117 Continued mission support.
- (U) \$163,801 Total

(U) FY 1999 (\$ in Thousands):

- (U) \$87,082 Initiate Engineering, Manufacturing, and Development (EMD).
- (U) \$23,825 Continue flight test support, test aircraft modifications, live fire test support, target construction/rehab.
- (U) \$6,648 Continue aircraft integration.
- (U) \$1,728 Continue mission planning and intelligence systems integration.
- (U) \$4,106 Continue program office support contracts.
- (U) \$2,450 Continue mission support.
- (U) \$2,957 Identified as a source for SBIR.

UNCLASSIFIED

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BUDGET ACTIVITY	PE NUMBER AND TITLE	PROJECT
7 - Operational System Development	0207325F Joint Air-to-Surface Standoff Missile	4515
<ul style="list-style-type: none"> - (U) \$128,796 Total 		
<p>(U) <u>FY 2000 (\$ in Thousands):</u></p> <ul style="list-style-type: none"> - (U) \$95,073 Continue EMD. - (U) \$41,115 Continue flight test support, test aircraft modifications, live fire test support, target construction/rehab. - (U) \$19,467 Continue aircraft integration. - (U) \$2,504 Continue mission planning and intelligence systems integration. - (U) \$6,005 Continue program office support contracts. - (U) \$2,244 Continue mission support. - (U) \$166,408 Total 		
<p>(U) <u>FY 2001 (\$ in Thousands):</u></p> <ul style="list-style-type: none"> - (U) \$36,543 Continue EMD. - (U) \$18,281 Continue flight test support, test aircraft modifications, live fire test support, target construction/rehab. - (U) \$9,082 Continue aircraft integration. - (U) \$3,205 Continue mission planning and intelligence systems integration. - (U) \$2,435 Continue program office support contracts. - (U) \$1,476 Continue mission support. - (U) \$71,022 Total 		
<p>(U) <u>B. Budget Activity Justification:</u></p> <p>This program is reflected in Budget Activity 7, Operational System Development, because production funds have been included in the DoD budget submission to begin Low Rate Initial Production (LRIP) in FY01.</p>		
Project 4515	Page 2 of 7 Pages	Exhibit R-2 (PE 0207325F)

UNCLASSIFIED

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BUDGET ACTIVITY 7 - Operational System Development			PE NUMBER AND TITLE 0207325F Joint Air-to-Surface Standoff Missile		PROJECT 4515
(U) C. <u>Program Change Summary (\$ in Thousands)</u>					
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>Total Cost</u>
(U) Previous President's Budget (FY 1999 PB)	123,460	132,870	104,434	34,067	588,036
(U) Appropriated Value	128,000	129,870			
(U) Adjustments to Appropriated Value					
a. Congressional/General Reductions	-4,540	-1,074			
b. SBIR					
c. Omnibus or Other Above Threshold Reprogram	-276				
d. Below Threshold Reprogramming					
(U) Adjustments to Budget Years Since FY 1999 PB	+40,617		+61,974	+36,955	+217,237
(U) Current Budget Submit/FY 2000 PB	163,801	128,796	166,408	71,022	808,230
 (U) Significant Program Changes:					
FY99: \$2,957 identified as a source for SBIR.					
Funding: FY 1998 funding adjustments included \$40,617 reclassified from the JSLAM PE (0604611F) to the JASSM PE to properly align funds in accordance with Congressional direction and the SecDef decision to continue the JASSM program based on the results of the Analysis of Alternatives. This action does not represent a change from the purpose for which the funds were originally appropriated. FY00-05 funding adjustments include +\$86,468 due to program restructure resulting from FY98 funding restrictions and adjustments necessary to match the winning contractor's EMD program requirements, and +\$97,459 resulting from the Milestone II decision to add six months to the EMD schedule for additional risk reduction activities. FY00-05 funding also reflects inflation adjustments.					
Schedule: EMD started in November 1998 as scheduled; however, the Milestone II decision extends the EMD program by six months: EMD now 40 months (was 34 months); Low Rate Initial Production (LRIP) decision now Jan 2001 (was Jul 2000); Milestone III now July 2002 (was January 2002).					
Technical: Risk reduction activities resulting from the six month extension to EMD include additional ground test, captive carry flight test, modeling, and simulation. In addition, JASSM mission planning software will migrate from the Combat Intelligence System (CIS) to Theater Battle Management Core System (TBMCS) which is replacing CIS.					
Project 4515		Page 3 of 7 Pages		Exhibit R-2 (PE 0207325F)	

UNCLASSIFIED

RDT&E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)	DATE February 1999
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BUDGET ACTIVITY 7 - Operational System Development	PE NUMBER AND TITLE 0207325F Joint Air-to-Surface Standoff Missile	PROJECT 4515
--	--	------------------------

(U) D. Other Program Funding Summary (\$ in Thousands)

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>To Compl</u>	<u>Total Cost</u>
(U) Missile Procurement (AF) JASSM	0	0	0	45,921	49,150	103,653	141,794	149,119	688,654	1,178,291
(U) SEEK EAGLE	0	0	0	6,369	3,414	2,929	3,657	2,925	0	19,294

Related RDT&E: N/A

(U) E. Acquisition Strategy:

All major contracts within this Program Element were awarded through full and open competition. The EMD phase option for JASSM is Cost Plus Award Fee (CPAF). This contract type provides the government the flexibility to periodically evaluate contractor performance while motivating the contractor to execute a successful program with emphasis on cost, average unit procurement price (AUPP), schedule, and performance.

JASSM is an OSD flagship program under Cost as An Independent Variable (CAIV). This allows the contractor to have maximum trade space to develop an affordable missile that meets the three key performance parameters. Under CAIV, the program maintains a threshold AUPP of \$700,000 (BY95\$) and an objective AUPP of \$400,000 (BY95\$).

The government is buying the JASSM system based on a contractor-developed, government-approved System Performance Specification (SPS) which became contractually binding at downselect. The contractor assumes Total System Performance Responsibility (TSPR) as defined in the SPS and warrants system performance for 15 years. Accordingly, the contractor is responsible not only for the design of the missile system, but also for planning and executing the Development Test and Evaluation (DT&E) program to verify the missile system performance. In its role as facilitator and advisor to the contractor, the government formally arranges and funds the use of government flight test support for DT&E. Although funded by the government, flight test support funds are part of the negotiated commitment between the contractor and the government ensuring the contractor is able to execute the DT&E program according to the scope of the EMD contract.

RDT&E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)	DATE February 1999
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(U) F. Schedule Profile

	<u>FY 1998</u>				<u>FY 1999</u>				<u>FY 2000</u>				<u>FY 2001</u>			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Downselect to Single Contractor			*													
Begin Phase II PDRR			*													
Milestone II Approval					*											
EMD Contract Award					*											
First Flight Test Vehicle Prototype Flight						X										
First DT/OT Flight									X							
Last DT/OT Flight														X		
LRIP Decision / Contract Award														X		
Begin IOT&E Flight Testing (AFOTEC)															X	

* = Completed Event

X = Planned Event

UNCLASSIFIED

RDT&E PROGRAM ELEMENT/PROJECT COST BREAKDOWN (R-3)	DATE February 1999
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BUDGET ACTIVITY 7 - Operational System Development	PE NUMBER AND TITLE 0207325F Joint Air-to-Surface Standoff Missile	PROJECT 4515
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(U) A. Project Cost Breakdown (\$ in Thousands)

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
(U) Major Contracts	128,768	87,082	95,073	36,543
(U) Associated Contracts	10,764	6,648	19,467	9,082
(U) Support Contracts	5,685	5,834	8,509	5,640
(U) In-House	2,117	2,450	2,244	1,476
(U) Test Support	16,467	23,825	41,115	18,281
(U) Identified as a source for SBIR	0	2,957	0	0
(U) Total	163,801	128,796	166,408	71,022

UNCLASSIFIED

RDT&E PROGRAM ELEMENT/PROJECT COST BREAKDOWN (R-3)										DATE February 1999	
BUDGET ACTIVITY 7 - Operational System Development					PE NUMBER AND TITLE 0207325F Joint Air-to-Surface Standoff Missile					PROJECT 4515	
(U) B. Budget Acquisition History and Planning Information (\$ in Thousands)											
Performing Organizations:											
Contractor or Government Performing Activity	Contract Method/Type or Funding Vehicle	Award or Obligation Date	Performing Activity EAC	Project Office EAC	Total Prior to FY 1998	Budget FY 1998	Budget FY 1999	Budget FY 2000	Budget FY 2001	Budget to Complete	Total Program
Identified as a source for SBIR							2,957				2,957
<u>Product Development Organizations</u>											
MDA - PDRR I	C/CPFF	Jun 96	125,976	125,976	72,180	53,796	0	0	0	0	125,976
LM - PDRR I& II	C/CPFF	Jun 96	153,956	153,956	78,984	74,972	0	0	0	0	153,956
LM - EMD	C/CPAF	Nov 98	237,678	237,678	0	0	87,082	95,073	36,543	18,980	237,678
NOTE: Contractors are MDA - McDonnell Douglas Aircraft; LM - Lockheed Martin											
<u>Support and Management Organizations</u>											
F-16 SPO	PO	Apr 96	N/A	N/A	2,015	3,053	2,336	10,079	5,764	12,446	35,693
B-52 SPO	PO	Sep 96	N/A	N/A	8,461	6,855	4,225	9,320	3,281	0	32,142
Other Acft SPOs	PO	Various	N/A	N/A	2,512	856	87	68	37	0	3,560
Sverdrup Inc.	C/CPAF	Jan 96	N/A	N/A	3,350	3,382	2,756	3,539	1,509	3,711	18,247
Navy	MIPR	Jan 96	N/A	N/A	2,240	101	0	0	0	0	2,341
JASSM	Misc	Various	N/A	N/A	11,002	4,319	5,528	7,214	5,607	19,415	53,085
SPO/Other											
<u>Test and Evaluation Organizations</u>											
46TW	PO	Jan 96	N/A	N/A	7,548	16,467	23,825	41,115	18,281	35,359	142,595
Government Furnished Property: Not Applicable.											
Identified as a source for SBIR							2,957				2,957
Subtotal Product Development					151,164	128,768	87,082	95,073	36,543	18,980	517,610
Subtotal Support and Management					29,580	18,566	14,932	30,220	16,198	35,572	145,068
Subtotal Test and Evaluation					7,548	16,467	23,825	41,115	18,281	35,359	142,595
Total Project					188,292	163,801	128,796	166,408	71,022	89,911	808,230
Project 4515					Page 7 of 7 Pages			Exhibit R-3 (PE 0207325F)			

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