

ARMY RDT&E BUDGET ITEM JUSTIFICATION (R2 Exhibit)

February 2008

BUDGET ACTIVITY 4 - Advanced Component Development and Prototypes		PE NUMBER AND TITLE 0603460A - Joint Air-to-Ground Missile (JAGM)						PROJECT JA2	
COST (In Thousands)	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	Cost to Complete	Total Cost
JA2 JOINT AIR-TO-GROUND MISSILE (JAGM)		53160							53160

A. Mission Description and Budget Item Justification: The Joint Air-to-Ground Missile (JAGM) is a fixed wing, rotary wing, and Unmanned Aircraft System (UAS) launched missile system that provides advanced line-of-sight (LOS) and beyond-line-of-sight (BLOS) capabilities, including precision point targeting (both active and passive) and fire-and-forget seeker technologies; increased range; and increased lethality against soft and hardened moving and stationary targets.

The JAGM System will replace aviation-launched TOW, the HELLFIRE family of missiles, and the Navy's Maverick family of missiles. JAGM will be a joint program with the Army, Navy and USMC that addresses rotary/fixed wing and UAS requirements. The Navy is funding the integration of the missile system on the Navy platforms. The Super Hornet (F/A 18E/F), the Apache (AH-64D), and the Super Cobra (AH-1Z) are Milestone C threshold platforms with integration occurring no later than (NLT) the end of FY13 and Initial Operating Capability (IOC) beginning NLT the end of FY16. Other threshold platforms are the Army Reconnaissance Helicopter (ARH)-70, the Seahawk (MH-60R) and Extended Range Multi Purpose (ERMP) UAS. MH-60R integration will occur NLT FY14. Integration timelines for ERMP and ARH are notional and will be updated prior to Milestone B as those programs mature. The JAGM will increase the warfighters' operational flexibility by effectively engaging a variety of stationary and mobile targets on the battlefield, including advanced heavy/light armored vehicles, bunkers, buildings, patrol craft, command and control vehicles, transporter/erector (e.g., SCUD) launchers, artillery systems, and radar/air defense systems. Its multi-mode seeker will provide robust capability in adverse weather, day or night, and in an obscured/countermeasure environment, against both stationary and moving targets. JAGM supports more efficient logistics for expeditionary force tailoring by replacing several missile variants with a single, interoperable weapon. The warhead is designed for high performance against both armored and non-armored targets. It also allows flexibility in the location of resupply on the battlefield, thereby minimizing the logistic burden of the combat force. The JAGM System includes missile, trainers, containers, support equipment, and launcher MODS.

<u>Accomplishments/Planned Program:</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Source Selection Evaluation Board (SSEB)		3500	
Contractor Establishment of Teams and Ramp-Up		31041	
Controls Establishment (Schedule and Cost Center)		4647	
Finalize Integrated Flight Simulation and Hardware in the Loop (HWIL)		6971	
Government Preparation for Integrated Baseline Review (IBR)		2324	
Software Simulation Algorithm Maturity		3190	
Small Business Innovative Research/Small Business Technology Transfer Programs (SBIR/STTR)		1487	
Total		53160	

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<u>B. Program Change Summary</u>	FY 2007	FY 2008	FY 2009	
Previous President's Budget (FY 2008/2009)		53500		
Current BES/President's Budget (FY 2009)		53160		
Total Adjustments		-340		
Congressional Program Reductions		-340		
Congressional Recissions				
Congressional Increases				
Reprogrammings				
SBIR/STTR Transfer				
Adjustments to Budget Years				

<u>C. Other Program Funding Summary</u>	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	To Compl	Total Cost
Joint Common Missile (JCM) PE: 654329	24210								24210
Joint-Air-To-Ground Missile (JAGM)			118517	129401	133050	131107	94398	Continuing	Continuing
Navy (RDTE) Joint Air-to-Ground Missile (JAGM)		15400	62300	80100	113200	134400	118900	Continuing	Continuing

Comment:

D. Acquisition Strategy The JAGM System is an ACAT 1D Joint Army/Navy program with the Army designated as lead service. The JAGM system will be a common air-to-ground precision guided missile for use by Joint Service manned and unmanned aircraft to destroy high-value stationary, moving, and relocateable land and naval targets. JAGM will be required to provide a common, multi-mode weapon capable of providing both current and future aviation platforms with reactive targeting capabilities satisfying the sum of needs across the joint platforms, and eliminates the requirement for separate upgrades to multiple existing missile systems. The government will utilize full and open competition to acquire the JAGM System. The government will issue one solicitation that includes three JAGM program phases: Phase I Competitive Preliminary Design and Fly-Off (27 months); Phase II System Development and Demonstration (48 months); Phase III Low Rate Initial Production 1 & 2. The government plans to award two Fixed Price Incentive (FPI) contracts (with full cost performance reporting) and each contract will include Phase I as the basic effort with options for phases II and III. The phase II CPIF/AF option will consist of a 48 month SDD and Demonstration Phase and will include provision for procurement of long lead-time items to support the follow-on-Phase III effort. Phase III will consist of two FPI LRIP options for the JAGM program. The opportunity to assess the viability of continuation of multiple contractors into/through SDD and LRIP will be provided through a series of three decision points aligned with MS B, DRR, and MS C. The decision criteria for carrying one of more contractors into the subsequent

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phase will be established in the acquisition strategy update for Milestone B prior to issuing the request for updated proposals at the conclusion of Phase I.

ARMY RDT&E COST ANALYSIS (R3)

February 2008

BUDGET ACTIVITY			PE NUMBER AND TITLE							PROJECT		
4 - Advanced Component Development and Prototypes			0603460A - Joint Air-to-Ground Missile (JAGM)							JA2		
I. Product Development	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2007 Cost	FY 2007 Award Date	FY 2008 Cost	FY 2008 Award Date	FY 2009 Cost	FY 2009 Award Date	Cost To Complete	Total Cost	Target Value of Contract
Prime Contract	FPIF/AW	To Be Determined				41260	3-4Q				41260	
Support Contracts	Various	Various				1842	2-4Q				1842	
Development Engineering	Various	Various				4111	2-4Q				4111	
Subtotal:						47213					47213	
Remarks: Fixed Price Incentive Fee/Award Fee (FPIF/AW)												
II. Support Costs	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2007 Cost	FY 2007 Award Date	FY 2008 Cost	FY 2008 Award Date	FY 2009 Cost	FY 2009 Award Date	Cost To Complete	Total Cost	Target Value of Contract
Contractor Support	Various	Various				408	2-4Q				408	
Subtotal:						408					408	
III. Test And Evaluation	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2007 Cost	FY 2007 Award Date	FY 2008 Cost	FY 2008 Award Date	FY 2009 Cost	FY 2009 Award Date	Cost To Complete	Total Cost	Target Value of Contract
Other Gov Agencies	Various	Various				414	3-4Q				414	
Subtotal:						414					414	
IV. Management Services	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2007 Cost	FY 2007 Award Date	FY 2008 Cost	FY 2008 Award Date	FY 2009 Cost	FY 2009 Award Date	Cost To Complete	Total Cost	Target Value of Contract
System Eng/ Project Management	Various	Various				5125	2-4Q				5125	
Subtotal:						5125					5125	

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Project Total Cost:

53160

53160

Schedule Profile (R4 Exhibit)

February 2008

Event Name	FY 07				FY 08				FY 09				FY 10				FY 11				FY 12				FY 13			
	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
	(1) Contract Award	[Red Grid]				▲ 1																						
(2) Preliminary Design Review (PDR)										▲ 2																		
(3) Milestone B														▲ 3														
(4) Critical Design Review (CDR)																		▲ 4										
(5) Design Readiness Review (DRR)																						▲ 5						
Test Events																												

Schedule Detail (R4a Exhibit)

February 2008

BUDGET ACTIVITY		PE NUMBER AND TITLE					PROJECT	
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<u>Schedule Detail</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	
Contract Award		3Q						
Preliminary Design Review (PDR)				2Q				
Milestone B				4Q				
Critical Design Review (CDR)					4Q			
Design Readiness Review (DRR)						4Q		
Test Events		4Q	1Q - 4Q	1Q - 4Q	1Q - 4Q	1Q - 4Q	1Q - 4Q	

Termination Liability Funding For Major Defense Acquisition Programs, RDT&E Funding (R5)	February 2008
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Funding in \$000							
Program	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Joint Air-To-Ground Missile (JAGM)							
Total Termination Liability Funding:							

Remarks:
 For the FPIF Phase I, the JAGM Prime Contract will incorporate the "Limitation of Government's Obligation" clause (DFARS 252.232-7007) to limit the Government's liability.
 For the CPIF/AF Phase II, the JAGM Prime Contract will incorporate the "Limitation of Funds" clause (FAR 52.232-22) to limit the Government's liability.
 For the JAGM Program, these two clauses limit the Government's financial liability per the contract to those funds placed on contract plus any outstanding commitments plus costs associated with the orderly termination of contractual actions.