

BUDGET ITEM JUSTIFICATION (EXHIBIT P-40)								DATE: February 2011		
APPROPRIATION/BUDGET ACTIVITY: MISSILE PROCUREMENT-AIR FORCE/MISSILE Modifications					P-1 LINE ITEM NOMENCLATURE: AGM-86					
	FY-10	FY-11	FY-12	FY-12 OCO	FY-12 Total	FY-13	FY-14	FY-15	FY-16	
<b>COST (In Mil)</b>	\$0.000	\$10.795	\$14.987	\$	\$14.987	\$6.255	\$0.000	\$0.000	\$0.000	

The AGM-86B, Air Launched Cruise Missile (ALCM), is a subsonic, air-to-surface strategic nuclear missile, operational since 1982. Armed with a W80 warhead, it is designed to evade air and ground-based defenses in order to strike targets at any location within any enemy's territory. ALCM was designed for both B-52H internal and external carriage.

CLASS	MOD NR	MODIFICATION TITLE	FY-10	FY-11	FY-12	FY-12 OCO	FY-12 Total	FY-13	FY-14	FY-15	FY-16	COST TO GO	TOTAL PROG
P	_0468	LOW COST MODIFICATIONS		0.5	0.5		0.5						1.9
	_2783	AGM-86B SERVICE LIFE EXTENSION PROGRAM 2			8.4		8.4	4.3					12.7
	_3165	AGM-86B TRAINERS		2.5									2.6
	860001	AGM-86B SERVICE LIFE EXTENSION PROGRAM		1.6	1.6		1.6	0.2					6.6
	860004	CATIK PAYLOAD DOOR		6.2				1.7					79.6
	860005	Electronic System Test Set			4.5		4.5						4.5
<b>TOTAL FOR CLASS P</b>				10.8	15.0		15.0	6.3					108.0
<b>TOTAL FOR WEAPON SYSTEM AGM-86</b>													

Totals may not add due to rounding  
TOTAL PROG includes Prior Year and Cost To Go Dollars

	P-1 SHOPP LIST ITEM NO. 12	PAGE NO. 1	
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UNCLASSIFIED  
Individual Modification

02/03/2011  
FY 2012 PB

Exhibit P3A Congressional  
Appropriation: Missile Procurement, Air Force

Modification Title and No. AGM-86B SERVICE LIFE EXTENSION PROGRAM 2 MN- \_2783  
Models of Systems Affected: AGM-86B Center: Kirtland, NM

CLC: AGM-86 Class: P  
PE 0101122F Team SPACE

**Description/Justification**

The AGM-86B Air Launched Cruise Missile (ALCM) is a subsonic, air-to-surface strategic nuclear missile, operational since 1982. Armed with a W80 warhead, it is designed to evade air and ground-based defenses in order to strike targets at any location within any enemy's territory. ALCM was designed for both B-52H internal and external carriage. AF Long Range Planning required the service life of the ALCM be extended to 2030. In order to satisfy the life extension requirement, several phases of the Service Life Extension Program (SLEP) were implemented. Through several studies and surveillance and analysis programs, various components were identified as candidates for replacement due to aging and obsolescence issues before they become a fleet-wide problem. This modification executes SLEP 2, using separate contractual vehicles, to replace three critical components with new or refurbished components: Warhead Arming Device (WAD), Rotary Switch, and Guided Missile Flight Controller (GMFC). SLEP 2 components will be delivered via Time Compliance Technical Order (TCO) kits to the organizational level maintenance personnel for installation in conjunction with scheduled maintenance activity. Service life extension of this critical weapon is essential to meet Air Force Global Strike Command (AFGSC) and United States Strategic Command (USSTRATCOM) commitments.

A total of 129 missiles are currently funded for modification.

ALCM SLEP is a FY12 new start.

Missile Breakdown: ACTIVE 129, RESERVE 0, ANG 0, TOTAL 129

**Development Status**

Engineering studies and surveillance and analysis programs have identified potential candidates for replacement due to aging and obsolescence issues. Solutions to the aging and obsolescence issues were identified through engineering studies conducted by the Original Equipment Manufacturer (OEM) and paid for with sustaining engineering funds (3400). The most recent SLEP assessments have identified ALCM components – WAD, Rotary Switch, and the GMFC that are addressed in SLEP 2. The WAD requires complete rebuilding to include a reapplication of circuit board solder and replacement of aging wet-slug tantalum capacitors. The rotary switch and GMFC both require replacement of aging wet-slug tantalum capacitors.

**Projected Financial Plan**

	<u>PRIOR</u>		<u>FY-10</u>		<u>FY-11</u>		<u>FY-12</u>		<u>FY-12 OCO</u>		<u>FY-13</u>	
	<u>QTY</u>	<u>COST</u>	<u>QTY</u>	<u>COST</u>	<u>QTY</u>	<u>COST</u>	<u>QTY</u>	<u>COST</u>	<u>QTY</u>	<u>COST</u>	<u>QTY</u>	<u>COST</u>
RDT & E (3600) (Active)												
RDT & E (3600) (Guard)												
RDT & E (3600) (Reserve)												
Total RDT & E (3600)												
PROCUREMENT (3020)												
INSTALL KITS Group A (Active)								[0]				
INSTALL KITS Group A (Guard)												
INSTALL KITS Group A (Reserve)												
TOTAL: INSTALL KITS								[0]				
KITS NONRECUR Group A (Active)												
KITS NONRECUR Group A (Guard)												
KITS NONRECUR Group A (Reserve)												
TOTAL: KITS NONRECUR												

**Projected Financial Plan Continued**

	<u>PRIOR</u>		<u>FY-10</u>		<u>FY-11</u>		<u>FY-12</u>		<u>FY-12 OCO</u>		<u>FY-13</u>	
	<u>QTY</u>	<u>COST</u>	<u>QTY</u>	<u>COST</u>	<u>QTY</u>	<u>COST</u>	<u>QTY</u>	<u>COST</u>	<u>QTY</u>	<u>COST</u>	<u>QTY</u>	<u>COST</u>
EQUIPMENT Group B (Active)							85	8.362			44	4.328
EQUIPMENT Group B (Guard)												
EQUIPMENT Group B (Reserve)												
TOTAL: EQUIPMENT							85	8.362			44	4.328
EQUIP NONREC Group B (Active)												
EQUIP NONREC Group B (Guard)												
EQUIP NONREC Group B (Reserve)												
TOTAL: EQUIP NONREC												
CHANGE ORDERS												
DATA												
SIM/TRAINER												
SUPPORT- EQUIP												
INSTALL KITS												
PMA								0.039				
OGC								0.020				0.000
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TOTAL COST (BP-2100)							85	8.421			44	4.328
(Totals may not add due to rounding)												
INSTALLATION QTY											50	

Continued

	<u>FY-14</u>		<u>FY-15</u>		<u>FY-16</u>		<u>TO COMP</u>		<u>TOTAL</u>	
	<u>QTY</u>	<u>COST</u>	<u>QTY</u>	<u>COST</u>	<u>QTY</u>	<u>COST</u>	<u>QTY</u>	<u>COST</u>	<u>QTY</u>	<u>COST</u>
RDT & E (3600) (Active)										
RDT & E (3600) (Guard)										
RDT & E (3600) (Reserve)										
Total RDT & E (3600)										
PROCUREMENT (3020)										
INSTALL KITS Group A (Active)									[0]	
INSTALL KITS Group A (Guard)										
INSTALL KITS Group A (Reserve)										
TOTAL: INSTALL KITS									[0]	
KITS NONRECUR Group A (Active)										
KITS NONRECUR Group A (Guard)										
KITS NONRECUR Group A (Reserve)										
TOTAL: KITS NONRECUR										
EQUIPMENT Group B (Active)									129	12.690
EQUIPMENT Group B (Guard)										
EQUIPMENT Group B (Reserve)										
TOTAL: EQUIPMENT									129	12.690
EQUIP NONREC Group B (Active)										
EQUIP NONREC Group B (Guard)										
EQUIP NONREC Group B (Reserve)										
TOTAL: EQUIP NONREC										
CHANGE ORDERS										
DATA										
SIM/TRAINER										
SUPPORT- EQUIP										
INSTALL KITS										
PMA										0.039
OGC										0.020
TOTAL COST (BP-2100)									129	12.749
(Totals may not add due to rounding)										
INSTALLATION QTY	79								129	

Method of Implementation: Org/Intermediate

Initial Lead Time: 16 Months

Follow-On Lead Time: 12 Months

**Milestones**

	<u>FY-11</u>	<u>FY-12</u>	<u>FY-13</u>
Contract Date (Month/CY)		01/12	01/13
Delivery Date (Month/CY)		05/13	01/14