

UNCLASSIFIED

Exhibit P-40, Budget Line Item Justification: PB 2019 Army **Date:** February 2018

Appropriation / Budget Activity / Budget Sub Activity: 2032A: Missile Procurement, Army / BA 03: Modification of Missiles / BSA 10: Modifications	P-1 Line Item Number / Title: 1823CA6700 / ATACMS MODS
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ID Code (A=Service Ready, B=Not Service Ready):	Program Elements for Code B Items: N/A	Other Related Program Elements: 0203802A
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Line Item MDAP/MAIS Code: N/A

Resource Summary	Prior Years	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023	To Complete	Total
Procurement Quantity (<i>Units in Each</i>)	-	-	-	-	-	-	-	-	-	-	-	-
Gross/Weapon System Cost (<i>\$ in Millions</i>)	20.119	165.943	186.040	221.656	225.580	447.236	259.011	332.791	374.310	374.270	-	2,159.720
Less PY Advance Procurement (<i>\$ in Millions</i>)	-	-	-	-	-	-	-	-	-	-	-	-
Net Procurement (P-1) (<i>\$ in Millions</i>)	20.119	165.943	186.040	221.656	225.580	447.236	259.011	332.791	374.310	374.270	-	2,159.720
Plus CY Advance Procurement (<i>\$ in Millions</i>)	-	-	-	-	-	-	-	-	-	-	-	-
Total Obligation Authority (<i>\$ in Millions</i>)	20.119	165.943	186.040	221.656	225.580	447.236	259.011	332.791	374.310	374.270	-	2,159.720

(The following Resource Summary rows are for informational purposes only. The corresponding budget requests are documented elsewhere.)

Initial Spares (<i>\$ in Millions</i>)	-	-	-	-	-	-	-	-	-	-	-	-
Flyaway Unit Cost (<i>\$ in Thousands</i>)	-	-	-	-	-	-	-	-	-	-	-	-
Gross/Weapon System Unit Cost (<i>\$ in Thousands</i>)	-	887.396	1,388.358	1,119.475	1,095.049	1,107.020	1,007.825	981.684	992.865	1,014.282	-	1,044.857

Description:

Army Tactical Missile System (ATACMS) is the United States (U.S.) Army's primary 24/7, all weather, and surface-to-surface artillery precision missile used by current and future Combatant Commanders to shape the battle field with long-range fires against hard and soft stationary targets in open, complex, and urban environments.

This is the follow-on procurement to the integration and testing program funded under Program Element (PE) 0203802A.

Block (BLK) I/IA missiles currently have warheads (WHs) that are non-compliant with the 2008 Department of Defense (DoD) policy on cluster munitions (CM). The modification will be performed as a Service Life Extension Program (SLEP) and will take expired assets and reset them to a 10 year service life. This effort will replace the existing M74 bomblets with a policy compliant WH, update electronics and propellants. This effort effectively brings the expired inventory back into service, while meeting the DoD CM Policy, to engage targets up to 300 kilometers (km). A Height-of-Burst capability may be introduced under this modification pending test program results under PE 0203802A. New missile builds may be included under this effort if sufficient assets are not available to SLEP.

ATACMS modifications will be performed by Lockheed Martin Missiles and Fire Control, Grand Prairie, TX.

Secondary Distribution	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023
Army	Quantity	-	-	-	-	-	-	-	-
	Total Obligation Authority	165.943	186.040	221.656	225.580	447.236	259.011	332.791	374.310
Total: Secondary Distribution	Quantity	-	-	-	-	-	-	-	-
	Total Obligation Authority	165.943	186.040	221.656	225.580	447.236	259.011	332.791	374.310

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Exhibit P-40, Budget Line Item Justification: PB 2019 Army **Date:** February 2018

Appropriation / Budget Activity / Budget Sub Activity:
2032A: Missile Procurement, Army / BA 03: Modification of Missiles / BSA 10: Modifications

P-1 Line Item Number / Title:
1823CA6700 / ATACMS MODS

ID Code (A=Service Ready, B=Not Service Ready): **Program Elements for Code B Items:** N/A **Other Related Program Elements:** 0203802A

Line Item MDAP/MAIS Code: N/A

Exhibits Schedule					Prior Years	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total
Exhibit Type	Title*	Subexhibits	ID CD	MDAP/MAIS Code	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)
P-3a	CA6700 / Army Tactical Missile System (ATACMS) Modifications (Unclassified)				- / 20.119	- / 165.943	- / 186.040	- / 221.656	- / 225.580	- / 447.236
P-40	Total Gross/Weapon System Cost				- / 20.119	- / 165.943	- / 186.040	- / 221.656	- / 225.580	- / 447.236

Exhibits Schedule					FY 2020	FY 2021	FY 2022	FY 2023	To Complete	Total
Exhibit Type	Title*	Subexhibits	ID CD	MDAP/MAIS Code	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)
P-3a	CA6700 / Army Tactical Missile System (ATACMS) Modifications (Unclassified)				- / 259.011	- / 332.791	- / 374.310	- / 374.270	- / -	- / 2,159.720
P-40	Total Gross/Weapon System Cost				- / 259.011	- / 332.791	- / 374.310	- / 374.270	- / -	- / 2,159.720

*Title represents 1) the Number / Title for Items; 2) the Number / Title [DODIC] for Ammunition; and/or 3) the Number / Title (Modification Type) for Modifications.

Note: Totals in this Exhibit P-40 set may not be exact or sum exactly due to rounding.

Justification:
 FY19 Base procurement dollars in the amount of \$221.656 million supports the modification of up to 198 expired ATACMS to reset the 10 year service life and/or new missile builds if expired assets are not available.
 FY19 OCO procurement dollars in the amount of \$225.580 million supports the modification of up to 206 expired ATACMS to reset the 10 year service life and/or new missile builds if expired assets are not available. Additional supporting tasks include bunker storage, Follow-on Production Testing (FPT), Stockpile Reliability Program (SRP), rate tooling, Government System Engineering/Program Management (SEPM), obsolescence, and software.

In accordance with Section 1815 of the FY 2008 National Defense Authorization Act (P.L. 110-181), this item is necessary for use by the active and reserve components of the Armed Forces for homeland defense missions, domestic emergency responses, and providing military support to civil authorities.

Modification costs in FY19 include components, installation costs, and checkout in the unit price at the time of contract award.

FY18 reflects a \$70 million increase in MDDE funding. FY18 funding of \$186.040 million supports the modification of 181 expired ATACMS to reset the 10 year service life.

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Exhibit P-3a, Individual Modification: PB 2019 Army		Date: February 2018
Appropriation / Budget Activity / Budget Sub Activity: 2032A / 03 / 10	P-1 Line Item Number / Title: 1823CA6700 / ATACMS MODS	Modification Number / Title: CA6700 / Army Tactical Missile System (ATACMS) Modifications

ID Code (A=Service Ready, B=Not Service Ready) :	MDAP/MAIS Code:
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Resource Summary	Prior Years	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023	To Complete	Total
Procurement Quantity (<i>Units in Each</i>)	-	-	-	-	-	-	-	-	-	-	-	-
Gross/Weapon System Cost (<i>\$ in Millions</i>)	20.119	165.943	186.040	221.656	225.580	447.236	259.011	332.791	374.310	374.270	-	2,159.720
Less PY Advance Procurement (<i>\$ in Millions</i>)	-	-	-	-	-	-	-	-	-	-	-	-
Net Procurement (P-1) (<i>\$ in Millions</i>)	20.119	165.943	186.040	221.656	225.580	447.236	259.011	332.791	374.310	374.270	-	2,159.720
Plus CY Advance Procurement (<i>\$ in Millions</i>)	-	-	-	-	-	-	-	-	-	-	-	-
Total Obligation Authority (<i>\$ in Millions</i>)	20.119	165.943	186.040	221.656	225.580	447.236	259.011	332.791	374.310	374.270	-	2,159.720

(The following Resource Summary rows are for informational purposes only. The corresponding budget requests are documented elsewhere.)

Initial Spares (<i>\$ in Millions</i>)	-	-	-	-	-	-	-	-	-	-	-	-
Gross/Weapon System Unit Cost (<i>\$ in Thousands</i>)	-	887.396	1,388.358	1,119.475	1,095.049	1,107.020	1,007.825	981.684	992.865	1,014.282	-	1,044.857

Description:

Block (BLK) I/IA missiles currently have warheads (WHs) that are non-compliant with the 2008 Department of Defense (DoD) policy on cluster munitions (CM). The modification will be performed as a Service Life Extension Program (SLEP) and will take expired assets and reset them to a 10 year service life. This effort will replace the existing M74 bomblets with a policy compliant WH, update electronics and propellants. This effort effectively brings the expired inventory back into service, while meeting the DoD CM Policy, to engage targets up to 300 kilometers (km). A Height-of-Burst capability may be introduced under this modification pending test program results under PE 0203802A. New missile builds may be included under this effort if sufficient assets are not available to SLEP.

ATACMS modifications will be performed by Lockheed Martin Missiles and Fire Control, Grand Prairie, TX.

Modification costs in FY19 include components, installation costs, and checkout in the unit price at the time of contract award.

Secondary Distribution	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023
Army									
Quantity	-	-	-	-	-	-	-	-	-
Total Obligation Authority	165.943	186.040	221.656	225.580	447.236	259.011	332.791	374.310	374.270
Total:									
Secondary Distribution									
Quantity	-	-	-	-	-	-	-	-	-
Total Obligation Authority	165.943	186.040	221.656	225.580	447.236	259.011	332.791	374.310	374.270

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Exhibit P-3a, Individual Modification: PB 2019 Army										Date: February 2018			
Appropriation / Budget Activity / Budget Sub Activity: 2032A / 03 / 10				P-1 Line Item Number / Title: 1823CA6700 / ATACMS MODS						Modification Number / Title: CA6700 / Army Tactical Missile System (ATACMS) Modifications			
ID Code (A=Service Ready, B=Not Service Ready) :							MDAP/MAIS Code:						
Models of Systems Affected: ATACMS				Modification Type: Unclassified				Related RDT&E PEs:					
Financial Plan	Prior Years	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023	To Complete	Total	
	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	
Procurement													
<i>Modification Item 1 of 1:</i> CM Compliant Warhead													
A Kits													
Recurring													
Kit Quantity	- / -	187 / 129.510	181 / 131.182	198 / 171.311	206 / 212.692	404 / 384.003	264 / 205.364	339 / 266.701	377 / 301.068	369 / 300.895	- / 0.000	2,121 / 1,718.723	
Project Management Admin	- / 2.427	- / 13.130	- / 15.277	- / 13.865	- / -	- / 13.865	- / 14.142	- / 14.425	- / 14.714	- / 15.008	- / 0.000	- / 102.988	
<i>Subtotal: Recurring</i>	- / 2.427	187 / 142.640	181 / 146.459	198 / 185.176	206 / 212.692	404 / 397.868	264 / 219.506	339 / 281.126	377 / 315.782	369 / 315.903	- / -	2,121 / 1,821.711	
Non-Recurring													
Startup/Tooling/Other Non-Recurring	- / 17.692	- / 4.202	- / 19.887	- / 16.180	- / 0.450	- / 16.630	- / 7.311	- / 9.557	- / 10.822	- / 10.788	- / 0.000	- / 96.889	
<i>Subtotal: Non-Recurring</i>	- / 17.692	- / 4.202	- / 19.887	- / 16.180	- / 0.450	- / 16.630	- / 7.311	- / 9.557	- / 10.822	- / 10.788	- / -	- / 96.889	
<i>Subtotal: CM Compliant Warhead</i>	- / 20.119	187 / 146.842	181 / 166.346	198 / 201.356	206 / 213.142	404 / 414.498	264 / 226.817	339 / 290.683	377 / 326.604	369 / 326.691	- / -	2,121 / 1,918.600	
<i>Subtotal: Procurement, All Modification Items</i>	- / 20.119	187 / 146.842	181 / 166.346	198 / 201.356	206 / 213.142	404 / 414.498	264 / 226.817	339 / 290.683	377 / 326.604	369 / 326.691	- / -	2,121 / 1,918.600	
Installation													
<i>Modification Item 1 of 1:</i> CM Compliant Warhead													
	- / -	187 / 19.101	181 / 19.694	198 / 20.300	206 / 12.438	404 / 32.738	264 / 32.194	339 / 42.108	377 / 47.706	369 / 47.579	- / -	2,121 / 241.120	
<i>Subtotal: Installation</i>	0 / 0.000	187 / 19.101	181 / 19.694	198 / 20.300	206 / 12.438	404 / 32.738	264 / 32.194	339 / 42.108	377 / 47.706	369 / 47.579	- / -	2,121 / 241.120	
Total													
Total Cost (Procurement + Support + Installation)	20.119	165.943	186.040	221.656	225.580	447.236	259.011	332.791	374.310	374.270	-	2,159.720	

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Exhibit P-3a, Individual Modification: PB 2019 Army		Date: February 2018
Appropriation / Budget Activity / Budget Sub Activity: 2032A / 03 / 10	P-1 Line Item Number / Title: 1823CA6700 / ATACMS MODS	Modification Number / Title: CA6700 / Army Tactical Missile System (ATACMS) Modifications

ID Code (A=Service Ready, B=Not Service Ready) :	MDAP/MAIS Code:
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Modification Item 1 of 1: CM Compliant Warhead

Manufacturer Information

Manufacturer Name: Lockheed Martin	Manufacturer Location: Camden, AR
Administrative Leadtime (in Months): 3	Production Leadtime (in Months): 15

Dates	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Contract Dates	Aug 2017	Jun 2018	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023
Delivery Dates	Feb 2019	Dec 2019	Sep 2020	Sep 2021	Sep 2022	Sep 2023	Sep 2024

Installation Information

Method of Implementation: TBD

Installation Cost	Prior Years	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023	To Complete	Total
	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)	Qty (Each) / Total Cost (\$ M)
Prior Years	- / -	- / -	- / -	0 / 0.000	- / -	0 / 0.000	- / -	- / -	- / -	- / -	- / -	- / -
FY 2017	- / -	187 / 19.101	- / -	- / -	- / -	- / -	- / -	- / -	- / -	- / -	- / -	187 / 19.101
FY 2018	- / -	- / -	181 / 19.694	- / -	- / -	- / -	- / -	- / -	- / -	- / -	- / -	181 / 19.694
FY 2019	- / -	- / -	- / -	198 / 20.300	206 / 12.438	404 / 32.738	- / -	- / -	- / -	- / -	- / -	404 / 32.738
FY 2020	- / -	- / -	- / -	- / -	- / -	- / -	264 / 32.194	- / -	- / -	- / -	- / -	264 / 32.194
FY 2021	- / -	- / -	- / -	- / -	- / -	- / -	- / -	339 / 42.108	- / -	- / -	- / -	339 / 42.108
FY 2022	- / -	- / -	- / -	- / -	- / -	- / -	- / -	- / -	377 / 47.706	- / -	- / -	377 / 47.706
FY 2023	- / -	- / -	- / -	- / -	- / -	- / -	- / -	- / -	- / -	369 / 47.579	- / -	369 / 47.579
To Complete	- / -	- / -	- / -	0 / 0.000	- / -	0 / 0.000	- / -	- / -	- / -	- / -	- / -	- / -
Total	0 / 0.000	187 / 19.101	181 / 19.694	198 / 20.300	206 / 12.438	404 / 32.738	264 / 32.194	339 / 42.108	377 / 47.706	369 / 47.579	- / -	2,121 / 241.120

Installation Schedule

	PYS	FY 2017				FY 2018				FY 2019				FY 2020				FY 2021				FY 2022				FY 2023				TC	Tot		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
In	-	-	-	-	187	-	-	181	-	-	404	-	-	-	264	-	-	-	339	-	-	-	377	-	-	-	369	-	-	-	-	-	2,121
Out	-	-	-	-	-	-	-	-	-	-	46	47	47	93	45	45	146	101	101	101	66	66	66	66	84	85	85	85	94	652	2,121		