

## UNCLASSIFIED

## RDT&amp;E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)

DATE

June 2001

BUDGET ACTIVITY

**05 - Engineering and Manufacturing Development**

PE NUMBER AND TITLE

**0604328F Extended Range Cruise Missile (ERCM)**

PROJECT

**4978**

COST (\$ in Thousands)	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	Cost to Complete	Total Cost
4978 ERCM Initiatives	0	39,633	40,235	82,957	71,952	16,947	2,019	86,632	0	340,375
Quantity of RDT&E Articles	0	0	0	12	0	0	0	0	0	0

RDT&E funding in FY06 and FY07 is programmed for Long Range Cruise Missile (LRCM).

Note: The FY03-FY07 budget numbers do not reflect DoD's strategic review results.

(U) **A. Mission Description**

The Extended Range Cruise Missile (ERCM) is a FY01 New Start based on the Congressional Add in the FY01 Appropriations. Funding for FY2002 - FY2007 was moved to PE 0604328F from PE 0207323F (CALCM) for the development of the next Air Force conventional cruise missile. ERCM is a CSAF-directed effort to provide a longer range cruise missile to supplement the low conventional cruise missile inventory. An ERCM will be launched from bomber and potentially fighter aircraft and provide an adverse weather, day/night, air-to-surface, near-precision, standoff (outside theater defense) strike capability. An ERCM will provide low-risk, surprise air attacks against campaign critical targets, over a wide area, without extensive support packages, hostile territory over flight, or host nation support. An internal CSAF-directed review of all ERCM alternative is on-going and will be complete by 1st Quarter FY02. A program decision will be made by 1st Quarter FY02. In addition, a Nuclear Posture Review is expected in December 2001, which could indicate if there are Nuclear ALCMs available for conversion to CALCMs.

(U) **FY 2000 (\$ in Thousands)**

(U) \$0 No Activity

(U) \$0 Total

(U) **FY 2001 (\$ in Thousands)**

(U) \$39,633 Congressional Add - No activity due to further evaluation of ERCM alternatives

(U) \$39,633 Total

(U) **FY 2002 (\$ in Thousands)**

(U) \$40,235 Begin Development Activities

(U) \$40,235 Total

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(U) **B. Budget Activity Justification**

This program is reflected in Budget Activity 5, Engineering and Manufacturing Development (EMD) because the program has not received approval for full-rate production.

(U) **C. Program Change Summary (\$ in Thousands)**

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>Total Cost</u>
(U) Previous President's Budget (FY 2001 PBR)	0	0	0	0
(U) Appropriated Value	0	40,000		
(U) Adjustments to Appropriated Value				
a. Congressional/General Reductions		-280		
b. Small Business Innovative Research				
c. Omnibus or Other Above Threshold Reprogram				
d. Below Threshold Reprogram				
e. Rescissions		-87		
(U) Adjustments to Budget Years Since FY 2001 PBR	0	0	40,235	340,375
(U) Current Budget Submit/FY 2002 PBR	0	39,633	40,235	340,375

(U) **Significant Program Changes:**

Funds for the ERCM were not requested in the FY01 PBR. Funds for ERCM were requested via the FY01 CSAF Unfunded Priority List (UPL), and were appropriated in the amount of \$40M. The ERCM program is funded from FY01 to FY05. Funding in FY06 and FY07 is programmed for Long Range Cruise Missile (LRCM).

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

	<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>FY 2006</u>	<u>FY 2007</u>	<u>Cost to</u>	<u>Total Cost</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Complete</u>	
(U) AF RDT&E										
(U) Other APPN					53,429	145,170	207,776	132,831	0	539,206
Missile Procurement (AF)										

(U) **E. Acquisition Strategy**

Any major contracts within this program element are planned to be awarded through full and open competition. The Acquisition Strategy plans (i.e. Analysis of Alternatives, Request For Proposals, and development contract types) are TBD pending the results of the internal Air Force review of ERCM alternatives.

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(U) **F. Schedule Profile**

	<u>FY 2000</u>				<u>FY 2001</u>				<u>FY 2002</u>			
	1	2	3	4	1	2	3	4	1	2	3	4
(U) Air Force ERCM alternatives review complete									X			
(U) Nuclear Posture Review									X			
(U) ERCM development activities begin										X		
(U) X = Estimated completion												

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RDT&E PROGRAM ELEMENT/PROJECT COST BREAKDOWN (R-3)						DATE June 2001					
BUDGET ACTIVITY					PE NUMBER AND TITLE					PROJECT	
<b>05 - Engineering and Manufacturing Development</b>					<b>0604328F Extended Range Cruise Missile (ERCM)</b>					<b>4978</b>	
(U) <b><u>A. Project Cost Breakdown (\$ in Thousands)</u></b>											
					<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>		
(U)	Congressional Add				0		39,633		0		
(U)	Major Contracts				0		0		38,985		
(U)	Associated Contracts				0		0		0		
(U)	Support Contracts				0		0		650		
(U)	In-House				0		0		600		
(U)	Test Support				0		0		0		
(U)	Total				0		39,633		40,235		
(U) <b><u>B. Budget Acquisition History and Planning Information (\$ in Thousands)</u></b>											
(U) <b><u>Performing Organizations:</u></b>											
	<u>Contractor or Government</u>	<u>Contract Method/Type</u>	<u>Award or Obligation</u>	<u>Performing Activity</u>	<u>Project Office</u>	<u>Total Prior to FY 2000</u>	<u>Budget FY 2000</u>	<u>Budget FY 2001</u>	<u>Budget FY 2002</u>	<u>Budget to Complete</u>	<u>Total Program</u>
	<u>Performing Activity</u>	<u>or Funding Vehicle</u>	<u>Date</u>	<u>EAC</u>	<u>EAC</u>						
<u>Product Development Organizations</u>											
	TBD	TBD	FY02	N/A	TBD	0	0	39,633	38,985	219,307	297,925
<u>Support and Management Organizations</u>											
	SPO	MISC	Various	N/A	TBD	0	0	0	600	5,400	6,000
	SPO Support Contractors	TBD	TBD	N/A	TBD	0	0	0	650	1,800	2,450
	Aircraft SPO	PO	TBD	N/A	TBD	0	0	0	0	2,000	2,000
<u>Test and Evaluation Organizations</u>											
	Other Acft Integ	PO	TBD	N/A	TBD	0	0	0	0	16,000	16,000
	Test Wing	PO	TBD	N/A	TBD	0	0	0	0	16,000	16,000
(U) <b><u>Government Furnished Property:</u></b>											
	<u>Contract</u>	<u>Method/Type</u>	<u>Award or Obligation</u>	<u>Delivery</u>		<u>Total Prior to FY 2000</u>	<u>Budget FY 2000</u>	<u>Budget FY 2001</u>	<u>Budget FY 2002</u>	<u>Budget to Complete</u>	<u>Total Program</u>
	<u>Item</u>	<u>or Funding Vehicle</u>	<u>Date</u>	<u>Date</u>							
	<u>Description</u>	<u>Vehicle</u>	<u>Date</u>	<u>Date</u>							
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RDT&E PROGRAM ELEMENT/PROJECT COST BREAKDOWN (R-3)							DATE		June 2001	
BUDGET ACTIVITY				PE NUMBER AND TITLE					PROJECT	
05 - Engineering and Manufacturing Development				0604328F Extended Range Cruise Missile (ERCM)					4978	
(U) Government Furnished Property Continued:										
Item	Contract Method/Type or Funding	Award or Obligation	Delivery Date	Total Prior to FY 2000	Budget FY 2000	Budget FY 2001	Budget FY 2002	Budget to Complete	Total Program	
Description	Vehicle	Date	Date							
Product Development Property										
Pending Completion of Program Office Estimate	TBD	TBD	TBD	0	0	0	0	0	0	
Support and Management Property										
Pending Completion of Program Office Estimate	TBD	TBD	TBD	0	0	0	0	0	0	
Test and Evaluation Property										
Pending Completion of Program Office Estimate	TBD	TBD	TBD	0	0	0	0	0	0	
				Total Prior to FY 2000	Budget FY 2000	Budget FY 2001	Budget FY 2002	Budget to Complete	Total Program	
Subtotals										
Subtotal Product Development				0	0	39,633	38,985	219,307	297,925	
Subtotal Support and Management				0	0	0	1,250	9,200	10,450	
Subtotal Test and Evaluation				0	0	0	0	32,000	32,000	
Total Project				0	0	39,633	40,235	260,507	340,375	

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Exhibit R-3 (PE 0604328F)

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