

## UNCLASSIFIED

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

DATE

February 2003

BUDGET ACTIVITY

07 - Operational System Development

PE NUMBER AND TITLE

0207325F Joint Air-to-Surface Standoff Missile  
(JASSM)

PROJECT

4515

COST (\$ in Thousands)	FY 2002 Actual	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	Cost to Complete	Total Cost
4515 Joint Air-to-Surface Standoff Missile (JASSM)	82,793	51,047	31,216	45,897	61,640	13,637	0	0	0	1,032,956
Quantity of RDT&E Articles	0	0	6	0	0	0	0	0	0	88

(U) A. Mission Description

JASSM is a joint Air Force/Navy program with the Air Force as the lead Service. Designated ACAT 1C by the Defense Acquisition Board (DAB) during the Low Rate Initial Production (LRIP) decision, this program provides 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. The JASSM-ER increased standoff range will allow us to attack high value targets with precision, deeper into enemy territory while minimizing the threat to the launch aircraft.

(U) FY 2002 (\$ in Thousands)

(U) \$0 Accomplishments/Planned program  
 (U) \$64,796 Continue JASSM EMD.  
 (U) \$8,377 Continue flight test support, live fire test support, target construction/rehab.  
 (U) \$5,826 Continue aircraft integration.  
 (U) \$584 Continue mission planning and intelligence systems integration.  
 (U) \$2,771 Continue program office support .  
 (U) \$439 Continue mission support.  
 (U) \$82,793 Total

(U) FY 2003 (\$ in Thousands)

(U) \$0 Accomplishments/Planned program  
 (U) \$30,336 Continue JASSM EMD  
 (U) \$10,000 Begin JASSM-ER risk reduction activities and development.  
 (U) \$7,981 Continue flight test support, live fire test support, target construction/rehab.  
 (U) \$1,135 Continue aircraft integration.  
 (U) \$1,007 Continue mission planning and intelligence systems integration.

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(U) **A. Mission Description Continued**(U) **FY 2003 (\$ in Thousands) Continued**

(U) \$588 Continue program office support.

(U) \$51,047 Total

(U) **FY 2004 (\$ in Thousands)**

(U) \$0 Accomplishments/Planned program

(U) \$3,683 Continue JASSM EMD.

(U) \$19,421 Continue JASSM-ER development

(U) \$3,188 Continue range test support.

(U) \$2,478 Begin JASSM-ER integration on B-1.

(U) \$789 Continue mission planning and intelligence systems integration.

(U) \$1,657 Continue program office support.

(U) \$31,216 Total

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

This program is reflected in Budget Activity 7, Operational System Development, because production (Low Rate Initial Production) began in FY02.

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

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Total Cost</u>
(U) Previous President's Budget	79,197	42,097	8,822	874,702
(U) Appropriated Value	79,197	52,097		
(U) Adjustments to Appropriated Value				
a. Congressional/General Reductions		-550		
b. Small Business Innovative Research				
c. Omnibus or Other Above Threshold Reprogram		-500		
d. Below Threshold Reprogram	4,000			
e. Rescissions	-404			
(U) Adjustments to Budget Years Since FY 2003 PBR			22,394	158,254
(U) Current Budget Submit/FY 2004 PBR	82,793	51,047	31,216	1,032,956

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(U) C. Program Change Summary (\$ in Thousands) Continued(U) Significant Program Changes:

Funding: FY03: Congress appropriated additional \$10,000 for JASSM-ER acceleration. FY04: Increased funding to continue JASSM-ER development.

Schedule: None.

Technical: None.

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

	<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>FY 2008</u>	<u>FY 2009</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) Missile Procurement (AF) JASSM	41,988	50,095	101,101	145,401	148,578	197,633	303,200	309,200	1,210,395	2,507,591
(U) SEEK EAGLE	742	3,735	1,433	2,849	0	2,845			0	11,604

(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 EMD schedule, system performance, and management effectiveness.

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 four key performance parameters. Under CAIV, the program maintains a threshold AUPP of \$700,000 (BY95\$) and an objective AUPP of \$400,000 (BY95\$) for 2,400 units baseline JASSM.

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.

The JASSM-ER program begins EMD in FY04. A Congressional add of \$10M in FY03 to accelerate the program will be used for JASSM-ER risk reduction activities.

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(U) F. Schedule Profile

	<u>FY 2002</u>				<u>FY 2003</u>				<u>FY 2004</u>			
	1	2	3	4	1	2	3	4	1	2	3	4
(U) First DT/OT Flight - 2nd Qtr FY 2001												
(U) LRIP Decision - 1st Qtr FY 2002	*											
(U) LRIP I Contract Award - 2nd Qtr FY 2002		*										
(U) Begin IOT&E Flight Testing (AFOTEC) - 3rd Qtr FY 2002			*									
(U) LRIP II Contract Award - 1st Qtr FY 2003					*							
(U) Last DT/OT Flight Testing - 2nd Qtr FY 2003						X						
(U) Complete IOT&E Flight Testing (AFOTEC) - 4th Qtr FY 2003								X				
(U) RAA B-52 - 4th Qtr FY 2003								X				
(U) Milestone III - 1st Qtr FY 2004									X			
(U) Start JASSM-ER Development - 1 st Qtr FY 2004									X			
* = Completed Event												
X = Planned Event												

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## RDT&amp;E PROGRAM ELEMENT/PROJECT COST BREAKDOWN (R-3)

DATE

February 2003

BUDGET ACTIVITY

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(JASSM)

PROJECT

4515

(U) A. Project Cost Breakdown (\$ in Thousands)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
(U) Major Contracts	64,475	40,321	23,104
(U) Associated Contracts	5,826	1,135	2,478
(U) Support Contracts	3,676	1,610	2,446
(U) In-House	439	0	0
(U) Test Support	8,377	7,981	3,188
(U) Total	82,793	51,047	31,216

(U) B. Budget Acquisition History and Planning Information (\$ in Thousands)(U) Performing Organizations:

<u>Contractor or Government Performing Activity</u>	<u>Contract Method/Type or Funding Vehicle</u>	<u>Award or Obligation Date</u>	<u>Performing Activity EAC</u>	<u>Project Office EAC</u>	<u>Total Prior to FY 2002</u>	<u>Budget FY 2002</u>	<u>Budget FY 2003</u>	<u>Budget FY 2004</u>	<u>Budget to Complete</u>	<u>Total Program</u>
<u>Product Development Organizations</u>										
MDA - PDRR I	C/CPFF	Jun 96	120,571	120,571	120,571	0	0		0	120,571
LM - PDRR I& II	C/CPFF	Jun 96	151,109	151,109	151,109	0	0		0	151,109
LM - EMD	C/CPAF	Nov 98	529,417	529,417	310,314	64,475	40,321	23,104	91,203	529,417
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	20,943	4,603	1,135	0	0	26,681
B-52 SPO	PO	Sep 96	N/A	N/A	30,029	1,223	0	2,478	9,913	43,643
Other Acft Integ	PO	Various	N/A	N/A	3,463	0	0	0	0	3,463
Sverdrup Inc.	C/CPAF	Jan 96	N/A	N/A	14,257	1,698	0	845	3,802	20,602
Navy	MIPR	Jan 96	N/A	N/A	2,248	0	0	0	0	2,248

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RDT&E PROGRAM ELEMENT/PROJECT COST BREAKDOWN (R-3)										DATE
										February 2003
BUDGET ACTIVITY					PE NUMBER AND TITLE					PROJECT
07 - Operational System Development					0207325F Joint Air-to-Surface Standoff Missile (JASSM)					4515
(U) <u>Performing Organizations Continued:</u>										
<u>Support and Management Organizations</u>										
JASSM SPO/Other	Misc	Various	N/A	N/A	28,113	2,417	1,610	1,601	1,612	35,353
<u>Test and Evaluation Organizations</u>										
46TW	PO	Jan 96	N/A	N/A	65,679	8,377	7,981	3,188	14,644	99,869
(U) <u>Government Furnished Property:</u>										
<u>Contract</u>										
<u>Method/Type</u>										
<u>Item</u>	<u>or Funding</u>	<u>Award or</u>	<u>Delivery</u>		<u>Total Prior</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget to</u>	<u>Total</u>
<u>Description</u>	<u>Vehicle</u>	<u>Obligation</u>	<u>Date</u>		<u>to FY 2002</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Complete</u>	<u>Program</u>
<u>Product Development Property</u>										
Not Applicable										
<u>Support and Management Property</u>										
Not Applicable										
<u>Test and Evaluation Property</u>										
Not Applicable										
					<u>Total Prior</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget to</u>	<u>Total</u>
<u>Subtotals</u>					<u>to FY 2002</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Complete</u>	<u>Program</u>
Subtotal Product Development					581,994	64,475	40,321	23,104	91,203	801,097
Subtotal Support and Management					99,053	9,941	2,745	4,924	15,327	131,990
Subtotal Test and Evaluation					65,679	8,377	7,981	3,188	14,644	99,869
Total Project					746,726	82,793	51,047	31,216	121,174	1,032,956
Project 4515										
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