NEW ACQUISITION STRATEGY FOR EELV

MLV-D  MLV-A  HLV

Delta IV Small  Delta IV Medium  Delta IV Heavy

LOCKHEED MARTIN  BOEING
REASONS FOR CHANGING

Larger commercial market than envisioned two years ago

Sufficient market to support two contractors

Gov’t leverage commercial market competition

**COMSTAC Addressable Commercial GTO Market**

**Commercial Space Market Growth**

- **Services**
- **User Equip**
- **Satellite**
- **Launch**

Does not include Government spending which was $38B in 1996 and projected to be $40B in 2000.
## Acquisition Strategy

<table>
<thead>
<tr>
<th>Old</th>
<th>New</th>
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<tr>
<td>• Cost-type contract for EMD</td>
<td>• Fixed Gov’t investment for development in addition to contractor investment</td>
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<tr>
<td>• Two system test flights</td>
<td>• No system test flights</td>
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<tr>
<td>• Downselect to one</td>
<td>• Compete two over life of program</td>
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<tr>
<td>• Production</td>
<td>• Launch services</td>
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BENEFITS OF STRATEGY CHANGE

• Reduced program cost
  – Cost sharing & competition
• Decreased program risk
  – Increased assurance
  – Two U.S. sources
• Increased flexibility
  – Dual Integration
• Enhanced U.S. launch industry
  – Increased market share capture

SAVES MONEY AND REDUCES RISK
SUMMARY

• New EELV Acquisition Approach Provides
  – Two contractors for long term competition
  – Significant industry investment commensurate with the growing commercial market
  – Enhanced use of commercial launch services by the DOD
  – Reduction in Government’s total cost of launch through 2020 by 25-50%