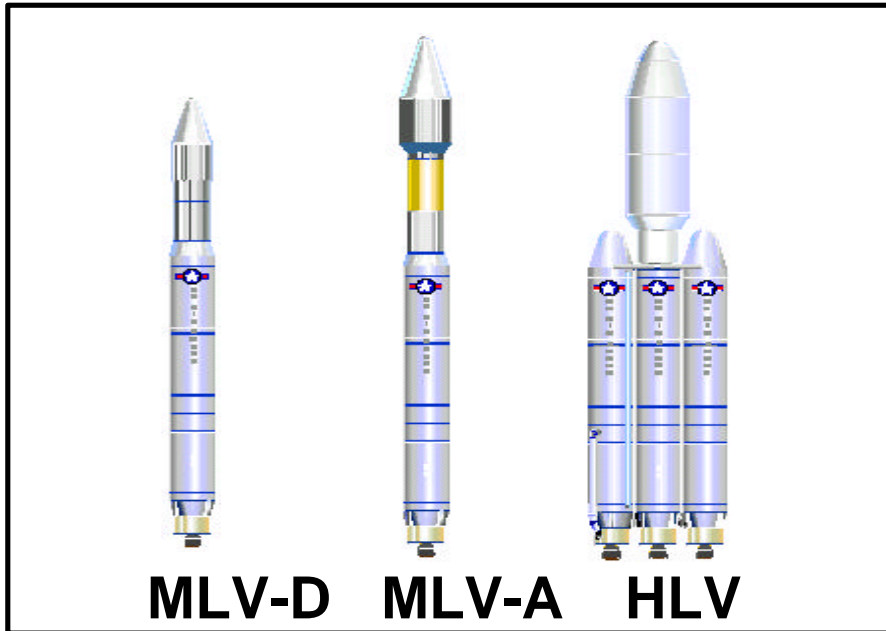
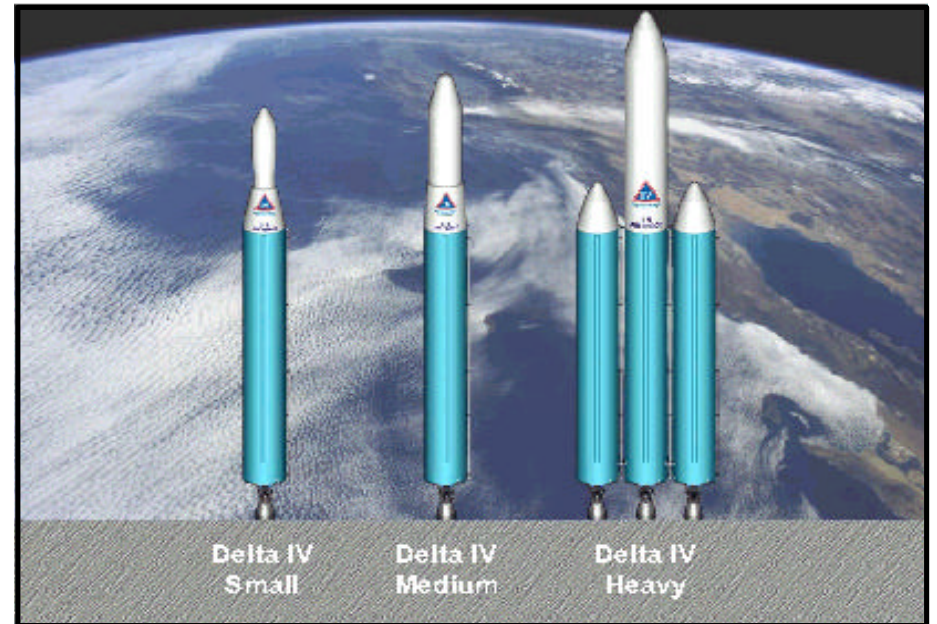




# NEW ACQUISITION STRATEGY FOR EELV



LOCKHEED MARTIN 



 **BOEING**



# REASONS FOR CHANGING

Larger commercial market than envisioned two years ago

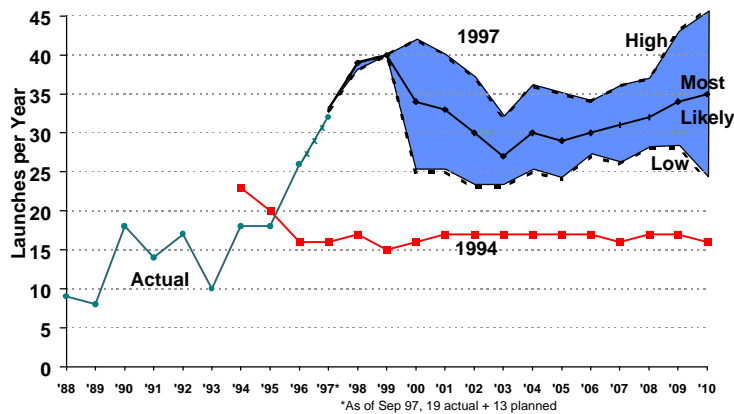


Sufficient market to support two contractors

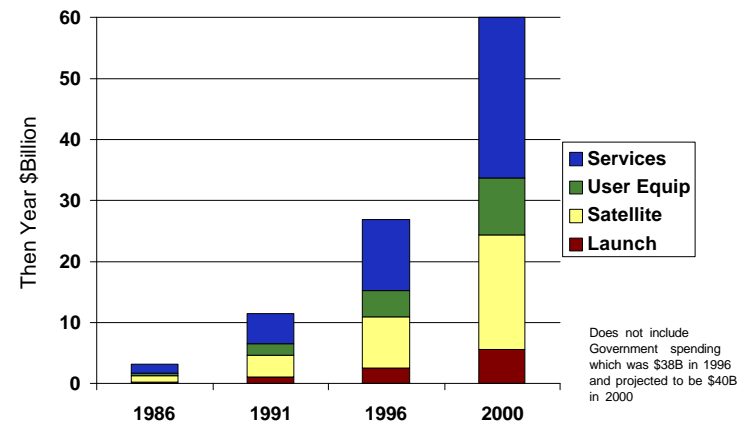
Industry Investment

Gov't leverage commercial market competition

COMSTAC Addressable Commercial GTO Market



Commercial Space Market Growth





# Acquisition Strategy

## Old

- **Cost-type contract for EMD**
- **Two system test flights**
- **Downselect to one**
- **Production**

## New

- **Fixed Gov't investment for development in addition to contractor investment**
- **No system test flights**
- **Compete two over life of program**
- **Launch services**



# 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%