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Exhibit P-40, Budget Line Item Justification: PB 2020 Air Force **Date:** March 2019

Appropriation / Budget Activity / Budget Sub Activity: 3020F: Missile Procurement, Air Force / BA 02: Other Missiles / BSA 2: Tactical **P-1 Line Item Number / Title:** SDB002 / SMALL DIAMETER BOMB II

ID Code (A=Service Ready, B=Not Service Ready): B **Program Elements for Code B Items:** 0207327F **Other Related Program Elements:** 0207327F

Line Item MDAP/MAIS Code: 439

Resource Summary	Prior Years	FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total	FY 2021	FY 2022	FY 2023	FY 2024	To Complete	Total
Procurement Quantity (<i>Units in Each</i>)	-	-	510	1,175	-	1,175	2,160	1,968	2,082	1,315	1,514	10,724
Gross/Weapon System Cost (<i>\$ in Millions</i>)	-	0.000	100.861	212.434	-	212.434	333.546	308.116	321.972	219.598	267.467	1,763.994
Less PY Advance Procurement (<i>\$ in Millions</i>)	-	-	-	-	-	-	-	-	-	-	-	-
Net Procurement (P-1) (<i>\$ in Millions</i>)	-	0.000	100.861	212.434	-	212.434	333.546	308.116	321.972	219.598	267.467	1,763.994
Plus CY Advance Procurement (<i>\$ in Millions</i>)	-	-	-	-	-	-	-	-	-	-	-	-
Total Obligation Authority (<i>\$ in Millions</i>)	-	0.000	100.861	212.434	-	212.434	333.546	308.116	321.972	219.598	267.467	1,763.994

(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 Millions</i>)	-	-	0.140	0.158	-	0.158	0.139	0.151	0.145	0.161	0.163	-
Gross/Weapon System Unit Cost (<i>\$ in Millions</i>)	-	-	0.198	0.181	-	0.181	0.154	0.157	0.155	0.167	0.177	0.164

Description:

1. GBU-53/B: Small Diameter Bomb Increment II (SDB II) StormBreaker is a joint interest United States Air Force (USAF) and Department of Navy (DoN) ACAT IC program, with the USAF as the lead service. SDB II addresses the following war-fighter requirements: attack moving and stationary targets, adverse weather operations, multiple kills per pass, multiple ordinance carriage, precision munitions capability, reduced munitions footprint, increased weapons effectiveness, minimized potential for collateral damage, reduced susceptibility of munitions to countermeasures and provides a network enabled weapon capability via Link-16 and Ultra High Frequency (UHF) weapon data link. The threshold aircraft for the USAF is the F-15E, and the threshold aircraft for the DoN are the F-35B and F-35C. Objective aircraft include the F-22, F-16, F-35A, B-2, A-10, MQ-9, B-1, B-52, AC-130 and the F/A-18E/F. SDB II is compatible with the Bomb Rack Unit-61 (BRU-61) miniature munitions carriage, Type II carriage systems, the CNU-660/E carriage system, the Common Munitions BIT/Reprogramming Equipment (CMBRE), and the Joint Mission Planning System (JMPS). SDB II will develop and field a single weapon storage container (USAF) and a dual weapon storage container (DoN). SDB II is a key component of the Air Force Global Strike Task Force CONOPs.

1a. SDB II completed a competitive Risk Reduction in October 2009 and entered Milestone B Engineering and Manufacturing Development (EMD) in August 2010. A Fixed Price Incentive Firm EMD contract with five options for annual (FY 2015-FY 2019) Low Rate Initial Production (LRIP) lots was awarded in August 2010. SDB II received Milestone C approval to enter LRIP in June 2015 and completed an Acquisition Program Baseline update. Contract options for LRIP Lots 1-5 have been exercised. Developmental Testing and Evaluation (DT&E), including Guided Test Vehicles (GTV), Live Fire (LF) test missions, and a 28-shot Government Confidence Test (GCT) program was completed in May 2018. Initial Operational Test and Evaluation (IOT&E) started June 2018 and will complete May 2019. Initial Operational Capability (IOC) for the F-15E is scheduled for FY 2019. IOC on the DoN's F-35B and F-35C is scheduled for FY 2021 and FY 2022, respectively; and is based on the F-35 B/C hardware and software modification schedule and completion IOT&E. DoN's first production lot (Lot 4) supports F/A-18E/F IOC.

1b. Total planned SDB II procurement is 17,000 weapons; 12,000 for the USAF and 5,000 for the DoN. SDB II total procurement costs in this document only include 10,724 USAF weapons, weapon containers, trainers, reliability captive/test vehicles, tactical to guided test vehicle conversions for Air Combat Command's Weapon System Evaluation Program (WSEP), and SDB II product support. The remaining 1,276 USAF weapons are included in BP20 SDB000. Funds may also be used for cost reduction activities and to resolve production diminishing manufacturing source and material shortage (DMSMS) issues through studies, bridge buys, life-of-type buys, supplier/parts replacement and qualification activities to preserve future production capabilities and capacities.

Funding for this exhibit contained in PE 0207327F.

Reference BP20 SDB000 for SDB II FY18 and prior years.

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Exhibit P-40, Budget Line Item Justification: PB 2020 Air Force		Date: March 2019
Appropriation / Budget Activity / Budget Sub Activity: 3020F: Missile Procurement, Air Force / BA 02: Other Missiles / BSA 2: Tactical		P-1 Line Item Number / Title: SDB002 / SMALL DIAMETER BOMB II
ID Code (A=Service Ready, B=Not Service Ready): B	Program Elements for Code B Items: 0207327F	Other Related Program Elements: 0207327F
Line Item MDAP/MAIS Code: 439		
<p>As directed in the FY 2018 NDAA, Sec 825, amendment to PL 114-92 FY 2016 NDAA, Sec 828 Penalty for Cost Overruns, the FY 2018 Air Force penalty total is \$14.373M. The calculated percentage reduction to each research, development, test and evaluation and procurement account will be allocated proportionally from all programs, projects, or activities under such account.</p>		

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Exhibit P-40, Budget Line Item Justification: PB 2020 Air Force **Date:** March 2019

Appropriation / Budget Activity / Budget Sub Activity: 3020F: Missile Procurement, Air Force / BA 02: Other Missiles / BSA 2: Tactical **P-1 Line Item Number / Title:** SDB002 / SMALL DIAMETER BOMB II

ID Code (A=Service Ready, B=Not Service Ready): B **Program Elements for Code B Items:** 0207327F **Other Related Program Elements:** 0207327F

Line Item MDAP/MAIS Code: 439

Exhibits Schedule					Prior Years	FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total
Exhibit Type	Title*	Subexhibits	ID CD	MDAP/MAIS Code	Quantity / Total Cost (Each) / (\$ M)					
P-5	SMALL DIAMETER BOMB II	P-5a, P-21	B		- / -	- / 0.000	510 / 100.861	1,175 / 212.434	- / -	1,175 / 212.434
P-40	Total Gross/Weapon System Cost				- / -	- / 0.000	510 / 100.861	1,175 / 212.434	- / -	1,175 / 212.434

*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:
 The FY 2020 budget request includes funding for SDB II weapons, weapon containers, training equipment required for weapon handling and maintenance, software maintenance, tactical to guided test vehicle conversions for WSEP, test assets and support for reliability testing, product support, and required DMSMS activities. Training equipment includes Weapon Load Crew Trainers (WLCT) and Conventional Maintenance Munitions Trainers (CMMT). FY 2020 funding supports the sole source Lot 6 production contract which includes an option for Lot 7 weapons. The Lot 6 contract and Lot 7 option are inclusive of both USAF and DoN production quantities. Quantities listed in exhibits are USAF only.

Note: Procurement quantities can change based on negotiated options/pricing bands and available funding, in accordance with Title 10, U.S Code Section 2308 BUY-TO-BUDGET ACQUISITION.

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Exhibit P-5, Cost Analysis: PB 2020 Air Force					Date: March 2019		
Appropriation / Budget Activity / Budget Sub Activity: 3020F / 02 / 2		P-1 Line Item Number / Title: SDB002 / SMALL DIAMETER BOMB II			Item Number / Title [DODIC]: SMALL DIAMETER BOMB II		
ID Code (A=Service Ready, B=Not Service Ready) : B				MDAP/MAIS Code:			
Resource Summary		Prior Years	FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total
Procurement Quantity (Units in Each)		-	-	510	1,175	-	1,175
Gross/Weapon System Cost (\$ in Millions)		-	0.000	100.861	212.434	-	212.434
Less PY Advance Procurement (\$ in Millions)		-	-	-	-	-	-
Net Procurement (P-1) (\$ in Millions)		-	0.000	100.861	212.434	-	212.434
Plus CY Advance Procurement (\$ in Millions)		-	-	-	-	-	-
Total Obligation Authority (\$ in Millions)		-	0.000	100.861	212.434	-	212.434
<i>(The following Resource Summary rows are for informational purposes only. The corresponding budget requests are documented elsewhere.)</i>							
Initial Spares (\$ in Millions)		-	-	-	-	-	-
Gross/Weapon System Unit Cost (\$ in Millions)		-	-	0.198	0.181	-	0.181

Note: Subtotals or Totals in this Exhibit P-5 may not be exact or sum exactly due to rounding.

Cost Elements	Prior Years			FY 2018			FY 2019			FY 2020 Base			FY 2020 OCO			FY 2020 Total		
	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ M)	Qty (Each)	Total Cost (\$ M)
Flyaway - Small Diameter Bomb II Cost																		
Recurring Cost																		
SDB Increment II All Up Round Weapon ^(†)	-	-	-	-	-	0.000	0.119	510	60.708	0.150	1,175	176.056	-	-	-	0.150	1,175	176.056
Weapon Containers	-	-	-	-	-	-	-	-	1.784	-	-	3.665	-	-	-	-	-	3.665
Test Vehicle	-	-	-	-	-	-	-	-	9.012	-	-	6.509	-	-	-	-	-	6.509
<i>Subtotal: Recurring Cost</i>	-	-	-	-	-	0.000	-	-	71.504	-	-	186.230	-	-	-	-	-	186.230
<i>Subtotal: Flyaway - Small Diameter Bomb II Cost</i>	-	-	-	-	-	0.000	-	-	71.504	-	-	186.230	-	-	-	-	-	186.230
Support - Small Diameter Bomb II Cost																		
Training Equipment	-	-	-	-	-	-	-	-	0.089	-	-	0.000	-	-	-	-	-	0.000
Operational Flight Program Updates & Test	-	-	-	-	-	-	-	-	5.306	-	-	5.227	-	-	-	-	-	5.227
Production Testing	-	-	-	-	-	-	-	-	6.400	-	-	3.669	-	-	-	-	-	3.669
PMA Contractor Services	-	-	-	-	-	-	-	-	3.909	-	-	4.168	-	-	-	-	-	4.168
PMA Other Government Costs	-	-	-	-	-	-	-	-	0.853	-	-	0.923	-	-	-	-	-	0.923
Product Support	-	-	-	-	-	-	-	-	12.800	-	-	9.116	-	-	-	-	-	9.116
Tooling and Test Equipment	-	-	-	-	-	-	-	-	-	-	-	3.101	-	-	-	-	-	3.101
<i>Subtotal: Support - Small Diameter Bomb II Cost</i>	-	-	-	-	-	-	-	-	29.357	-	-	26.204	-	-	-	-	-	26.204
Gross/Weapon System Cost	-	-	-	-	-	0.000	0.198	510	100.861	0.181	1,175	212.434	-	-	-	0.181	1,175	212.434

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Exhibit P-5, Cost Analysis: PB 2020 Air Force		Date: March 2019
Appropriation / Budget Activity / Budget Sub Activity: 3020F / 02 / 2	P-1 Line Item Number / Title: SDB002 / SMALL DIAMETER BOMB II	Item Number / Title [DODIC]: SMALL DIAMETER BOMB II
ID Code (A=Service Ready, B=Not Service Ready) : B	MDAP/MAIS Code:	
Remarks: PMA Other Government Costs: Travel, GPC, and Central Support Product Support: DMSMS activities, Interim Contractor Support (Raytheon), Encryption Chips, and Shipping (t) indicates the presence of a P-5a		

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Exhibit P-5a, Procurement History and Planning: PB 2020 Air Force **Date:** March 2019

Appropriation / Budget Activity / Budget Sub Activity: 3020F / 02 / 2	P-1 Line Item Number / Title: SDB002 / SMALL DIAMETER BOMB II	Item Number / Title [DODIC]: SMALL DIAMETER BOMB II
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Cost Elements	O C O	FY	Contractor and Location	Method/Type or Funding Vehicle	Location of PCO	Award Date	Date of First Delivery	Qty <i>(Each)</i>	Unit Cost <i>(\$ M)</i>	Specs Avail Now?	Date Revision Available	RFP Issue Date
SDB Increment II All Up Round Weapon ^(†)		2019	Raytheon / Tucson AZ	SS / FFP	AFLCMC/PK Eglin AFB, FL	Dec 2018	Sep 2020	510	0.119	N	Aug 2018	Oct 2009
SDB Increment II All Up Round Weapon ^(†)		2020	Raytheon / Tucson AZ	SS / FPIF	AFLCMC/PK Eglin AFB, FL	Jan 2020	Sep 2021	1,175	0.150	N	Aug 2019	Oct 2018

^(†) indicates the presence of a P-21

Remarks:

1. SDB II Lots 1-5 are options on the current EMD contract with Raytheon Missile Systems, Tucson, AZ, which was competitively awarded in August 2010. SDB II specifications for Lot 1-5 are defined in the EMD contract.
2. SDB II Lots 4-5 (FY 2018-FY 2019) are Firm Fixed Price contracts.
3. SDB II Lots 6-7 (FY 2020-FY 2021) will be negotiated as Fixed Price Incentive Firm contracts.

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Exhibit P-21, Production Schedule: PB 2020 Air Force **Date:** March 2019

Appropriation / Budget Activity / Budget Sub Activity: 3020F / 02 / 2	P-1 Line Item Number / Title: SDB002 / SMALL DIAMETER BOMB II	Item Number / Title [DODIC]: SMALL DIAMETER BOMB II
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Cost Elements <i>(Units in Each)</i>						Fiscal Year 2019													Fiscal Year 2020													B A L A N C E	
O C C O	M F R #	FY	SERVICE	PROC QTY	ACCEPT PRIOR TO 1 OCT 2018	BAL DUE AS OF 1 OCT	Calendar Year 2019													Calendar Year 2020													
							O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P			
SDB Increment II All Up Round Weapon																																	
	1	2019	AF	510	0	510				A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43	467			
	1	2019	NAVY ^(*)	750	0	750				A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63	687			
	1	2019	Total	1,260	0	1,260				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	106	1,154			
	1	2020	AF	1,175	0	1,175																								1,175			
	1	2020	NAVY ^(*)	750	0	750																								750			
	1	2020	Total	1,925	0	1,925																								1,925			
							O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P			

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Exhibit P-21, Production Schedule: PB 2020 Air Force **Date:** March 2019

Appropriation / Budget Activity / Budget Sub Activity: 3020F / 02 / 2	P-1 Line Item Number / Title: SDB002 / SMALL DIAMETER BOMB II	Item Number / Title [DODIC]: SMALL DIAMETER BOMB II
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Cost Elements <i>(Units in Each)</i>					Fiscal Year 2021													Fiscal Year 2022													BALANCE		
O C O #	M F R #	FY	SERVICE	PROC QTY	ACCEPT PRIOR TO 1 OCT 2020	BAL DUE AS OF 1 OCT	Calendar Year 2021													Calendar Year 2022													
							O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P			
SDB Increment II All Up Round Weapon																																	
1	2019	AF		510	43	467	43	43	43	43	43	43	43	43	43	43													0				
1	2019	NAVY (‡)		750	63	687	63	63	63	63	63	63	63	63	63	63	57												0				
1	2019	Total		1,260	106	1,154	106	106	106	106	106	106	106	106	106	94	-	-	-	-	-	-	-	-	-	-	-	-	0				
1	2020	AF		1,175	0	1,175	-	-	-	-	-	-	-	-	-	-	98	98	98	98	98	98	98	98	98	98	98	97	0				
1	2020	NAVY (‡)		750	0	750	-	-	-	-	-	-	-	-	-	-	63	63	63	63	63	63	63	63	63	63	63	57	0				
1	2020	Total		1,925	0	1,925	-	-	-	-	-	-	-	-	-	-	161	161	161	161	161	161	161	161	161	161	161	154	0				
							O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P			

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Exhibit P-21, Production Schedule: PB 2020 Air Force								Date: March 2019				
Appropriation / Budget Activity / Budget Sub Activity: 3020F / 02 / 2					P-1 Line Item Number / Title: SDB002 / SMALL DIAMETER BOMB II				Item Number / Title [DODIC]: SMALL DIAMETER BOMB II			
MFR Ref #	Manufacturer Name - Location	Production Rates (Each / Year)			Procurement Leadtime (Months)							
		MSR For 2020	1-8-5 For 2020	MAX For 2020	Initial				Reorder			
					ALT Prior to Oct 1	ALT After Oct 1	Manufacturing PLT	Total After Oct 1	ALT Prior to Oct 1	ALT After Oct 1	Manufacturing PLT	Total After Oct 1
1	Raytheon - Tucson AZ	1,346	1,925	2,119	0	0	0	0	0	4	20	24

Remarks:
SDB II - Annual production may be below the Minimum Sustainment Rate (MSR) due to the MSR being applicable to Lot 5 and out and the programs first four LRIP quantity buys may be below MSR.

(†) Delivery rows marked with this symbol indicate that they are funded through a separate Line Item. See the respective components' exhibits for details, including the full delivery schedule.

"A" in the Delivery Schedule indicates the Contract Award Date.

Note: Due to space limitations, quantities in the Exhibit P-21 delivery calendar are truncated and rounded based on the maximum quantity in the calendar as follows. If the maximum quantity is less than or equal to than 9,999, all quantities are shown as each. If the maximum quantity is between 10,000 and 999,999 all quantities are shown in thousands. If the maximum quantity is between 1,000,000 and 999,999,999 all quantities are shown in millions (rounded to the nearest thousand). If the maximum quantity is equal or greater than 1,000,000,000 all quantities are shown in billions (rounded to the nearest million).