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

Appropriation / Budget Activity / Budget Sub Activity:
2032A: Missile Procurement, Army / BA 02: Other Missiles / BSA 20: Air-To-Surface Missile System

P-1 Line Item Number / Title:
2605C70302 / Joint Air-to-Ground MSLS (JAGM)

ID Code (A=Service Ready, B=Not Service Ready): **Program Elements for Code B Items:** N/A **Other Related Program Elements:** 0605450A

Line Item MDAP/MAIS Code: 355

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>)	373	899	721	-	609	609	592	460	571	540	-	4,765
Gross/Weapon System Cost (<i>\$ in Millions</i>)	89.649	215.532	256.462	-	233.353	233.353	213.608	220.900	213.611	208.833	-	1,651.948
Less PY Advance Procurement (<i>\$ in Millions</i>)	27.738	37.100	-	-	-	-	-	-	-	-	-	64.838
Net Procurement (P-1) (<i>\$ in Millions</i>)	61.911	178.432	256.462	-	233.353	233.353	213.608	220.900	213.611	208.833	-	1,587.110
Plus CY Advance Procurement (<i>\$ in Millions</i>)	64.838	-	-	-	-	-	-	-	-	-	-	64.838
Total Obligation Authority (<i>\$ in Millions</i>)	126.749	178.432	256.462	-	233.353	233.353	213.608	220.900	213.611	208.833	-	1,651.948

(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 Thousands</i>)	-	-	-	-	-	-	-	-	-	-	-	-
Gross/Weapon System Unit Cost (<i>\$ in Thousands</i>)	240.346	239.746	355.703	-	383.174	383.174	360.824	480.217	374.100	386.728	-	346.684

Description:

FY 2020 funding totals include \$0.0M for Base and \$233.353M for Overseas Contingency Operations (OCO); of which \$233.353M and 609 quantity is realigned as part of the OCO for Base Requirements. FY 2020 OCO for Base Requirements is OCO funding for base budget requirements in support of the National Defense Strategy. The Budget requests these funds in OCO to comply with the base budget defense caps included in the Budget Control Act of 2011.

The Joint Air-to-Ground Missile (JAGM) program is an Army-led, Acquisition Category (ACAT) IC Major Defense Acquisition Program (MDAP) with joint interest with the U.S. Marine Corps (USMC), U.S. Navy, and U.S. Air Force. The JAGM is the next generation of aviation-launched, fire and forget missiles to replace all variants of HELLFIRE. The JAGM multi-mode Guidance Section is integrated with the combat proven HELLFIRE II (AGM-114R) propulsion, warhead, and control section. JAGM will be used by joint service aircraft for destruction of high value stationary, moving, and relocatable land and maritime targets from standoff range in day, night, adverse weather, and obscured battlefield conditions. The program's threshold platforms are the U.S. Army AH-64E Apache and USMC AH-1Z. JAGM procurement funding supports the entire JAGM system to include resolution of obsolescence, safety, reliability, weapon integration activities, test sets, engineering services, facilitization, production ramp-up activities and production issues.

Secondary Distribution		FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total	FY 2021	FY 2022	FY 2023	FY 2024
Army	Quantity	899	721	0	609	609	592	460	571	540
	Total Obligation Authority	178.432	256.462	0.000	233.353	233.353	213.608	220.900	213.611	208.833
Total: Secondary Distribution	Quantity	899	721	0	609	609	592	460	571	540
	Total Obligation Authority	178.432	256.462	-	233.353	233.353	213.608	220.900	213.611	208.833

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

Appropriation / Budget Activity / Budget Sub Activity: 2032A: Missile Procurement, Army / BA 02: Other Missiles / BSA 20: Air-To-Surface Missile System **P-1 Line Item Number / Title:** 2605C70302 / Joint Air-to-Ground MSLS (JAGM)

ID Code (A=Service Ready, B=Not Service Ready): **Program Elements for Code B Items:** N/A **Other Related Program Elements:** 0605450A

Line Item MDAP/MAIS Code: 355

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)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)
P-5	C70302 / Joint Air-to-Ground MSLS (JAGM)	P-5a, P-21			373 / 89.649	899 / 215.532	721 / 256.462	- / -	609 / 233.353	609 / 233.353
P-40	Total Gross/Weapon System Cost				373 / 89.649	899 / 215.532	721 / 256.462	- / -	609 / 233.353	609 / 233.353

*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:

FY 2020 procurement dollars in the amount of \$233.353 million supports the procurement of 609 missiles and Project Management Cost and Engineering Services funding.

The Army intends to convert any price advantage created through contract negotiations and/or other service procurement to increase the Army procurement of JAGM missiles.

The JAGM Product Office is the procurement agent for all services.

The Army Acquisition Objective is 20,303.

In accordance with Section 1815 of the FY 2008 National Defense Authorization Act (P.L. 110-181), this item is necessary for use by the active and reserve components of the Armed Forces for homeland defense missions, domestic emergency responses, and providing military support to civil authorities.

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Exhibit P-5, Cost Analysis: PB 2020 Army		Date: March 2019
Appropriation / Budget Activity / Budget Sub Activity: 2032A / 02 / 20	P-1 Line Item Number / Title: 2605C70302 / Joint Air-to-Ground MSLS (JAGM)	Item Number / Title [DODIC]: C70302 / Joint Air-to-Ground MSLS (JAGM)

ID Code (A=Service Ready, B=Not Service Ready) :	MDAP/MAIS Code:
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Resource Summary	Prior Years	FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total
Procurement Quantity (Units in Each)	373	899	721	-	609	609
Gross/Weapon System Cost (\$ in Millions)	89.649	215.532	256.462	-	233.353	233.353
Less PY Advance Procurement (\$ in Millions)	27.738	37.100	-	-	-	-
Net Procurement (P-1) (\$ in Millions)	61.911	178.432	256.462	-	233.353	233.353
Plus CY Advance Procurement (\$ in Millions)	64.838	-	-	-	-	-
Total Obligation Authority (\$ in Millions)	126.749	178.432	256.462	-	233.353	233.353

(The following Resource Summary rows are for informational purposes only. The corresponding budget requests are documented elsewhere.)

Initial Spares (\$ in Millions)	-	-	-	-	-	-
Gross/Weapon System Unit Cost (\$ in Thousands)	240.346	239.746	355.703	-	383.174	383.174

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 (\$ K)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ K)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ K)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ K)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ K)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ K)	Qty (Each)	Total Cost (\$ M)
Flyaway Cost																		
Recurring Cost																		
All Up Rounds (AUR) ^(†)	165.981	373	61.911	170.284	899	153.085	223.569	721	161.193	-	-	-	213.972	609	130.309	213.972	609	130.309
Engineering Services	-	-	-	-	-	17.631	-	-	19.016	-	-	-	-	-	19.100	-	-	19.100
Guidance Section Long Lead Items	-	-	24.800	-	-	13.800	-	-	-	-	-	-	-	-	-	-	-	-
Acceptance Testing	-	-	-	-	-	-	-	-	1.224	-	-	-	-	-	1.915	-	-	1.915
Subtotal: Recurring Cost	-	-	86.711	-	-	184.516	-	-	181.433	-	-	0.000	-	-	151.324	-	-	151.324
Non Recurring Cost																		
HELLFIRE Backend Long Lead Items	-	-	2.938	-	-	22.918	-	-	-	-	-	-	-	-	-	-	-	-
Tooling and Test Equipment	-	-	-	-	-	-	-	-	6.785	-	-	-	-	-	9.049	-	-	9.049
Subtotal: Non Recurring Cost	-	-	2.938	-	-	22.918	-	-	6.785	-	-	0.000	-	-	9.049	-	-	9.049
Subtotal: Flyaway Cost	-	-	89.649	-	-	207.434	-	-	188.218	-	-	0.000	-	-	160.373	-	-	160.373
Support - Fielding Cost																		
Fielding	-	-	-	-	-	-	-	-	0.890	-	-	-	-	-	0.875	-	-	0.875
Subtotal: Support - Fielding Cost	-	-	-	-	-	-	-	-	0.890	-	-	0.000	-	-	0.875	-	-	0.875
Support - Initial Spares and Repair Parts Cost																		

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Exhibit P-5, Cost Analysis: PB 2020 Army		Date: March 2019
Appropriation / Budget Activity / Budget Sub Activity: 2032A / 02 / 20	P-1 Line Item Number / Title: 2605C70302 / Joint Air-to-Ground MSLS (JAGM)	Item Number / Title [DODIC]: C70302 / Joint Air-to-Ground MSLS (JAGM)

ID Code (A=Service Ready, B=Not Service Ready) :	MDAP/MAIS Code:
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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 (\$ K)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ K)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ K)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ K)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ K)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ K)	Qty (Each)	Total Cost (\$ M)
Initial Spares and Repair Parts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.926	-	-	1.926
<i>Subtotal: Support - Initial Spares and Repair Parts Cost</i>	-	-	-	-	-	-	-	-	-	-	-	0.000	-	-	1.926	-	-	1.926
Support - Non-Recurring Support Cost																		
Facilitization	-	-	-	-	-	-	-	-	20.438	-	-	-	-	-	19.985	-	-	19.985
<i>Subtotal: Support - Non-Recurring Support Cost</i>	-	-	-	-	-	-	-	-	20.438	-	-	0.000	-	-	19.985	-	-	19.985
Support - Production Engineering Cost																		
Production Engineering	-	-	-	-	-	4.621	-	-	28.063	-	-	-	-	-	21.825	-	-	21.825
<i>Subtotal: Support - Production Engineering Cost</i>	-	-	-	-	-	4.621	-	-	28.063	-	-	0.000	-	-	21.825	-	-	21.825
Support - Program Management Cost																		
Government Management	-	-	-	-	-	3.477	-	-	14.938	-	-	-	-	-	11.788	-	-	11.788
<i>Subtotal: Support - Program Management Cost</i>	-	-	-	-	-	3.477	-	-	14.938	-	-	0.000	-	-	11.788	-	-	11.788
Support - System Test and Evaluation Cost																		
Test and Evaluation Support	-	-	-	-	-	-	-	-	3.915	-	-	-	-	-	16.581	-	-	16.581
<i>Subtotal: Support - System Test and Evaluation Cost</i>	-	-	-	-	-	-	-	-	3.915	-	-	0.000	-	-	16.581	-	-	16.581
Gross/Weapon System Cost	240.346	373	89.649	239.746	899	215.532	355.703	721	256.462	-	-	-	383.174	609	233.353	383.174	609	233.353

Secondary Distribution		FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total
Army	Quantity	899	721	0	609	609
	Total Obligation Authority	178.432	256.462	0.000	233.353	233.353
Total:	Quantity	899	721	-	609	609
Secondary Distribution	Total Obligation Authority	178.432	256.462	-	233.353	233.353

(t) indicates the presence of a P-5a

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Exhibit P-5a, Procurement History and Planning: PB 2020 Army							Date: March 2019				
Appropriation / Budget Activity / Budget Sub Activity: 2032A / 02 / 20			P-1 Line Item Number / Title: 2605C70302 / Joint Air-to-Ground MSLS (JAGM)				Item Number / Title [DODIC]: C70302 / Joint Air-to-Ground MSLS (JAGM)				

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>(\$ K)</i>	Specs Avail Now?	Date Revision Available	RFP Issue Date
All Up Rounds (AUR) ^(†)		2017	Lockheed Martin / Orlando	C / FPIF	Redstone Arsenal, AL	Aug 2018	Dec 2018	373	165.980	Y		Feb 2015
All Up Rounds (AUR) ^(†)		2018	Lockheed Martin / Orlando	C / FPIF	Redstone Arsenal, AL	Sep 2018	Dec 2019	899	170.284	Y		Feb 2015
All Up Rounds (AUR) ^(†)		2019	Lockheed Martin / Orlando	C / FPIF	Redstone Arsenal, AL	Jun 2019	Dec 2021	721	223.569	Y		Aug 2018
All Up Rounds (AUR) ^(†)	✓	2020	Lockheed Martin / Orlando	C / FPIF	Redstone Arsenal, AL	Sep 2020	Oct 2022	609	213.972	Y		Apr 2019

^(†) indicates the presence of a P-21

Remarks:

FY 2020 will be the first full rate production award for JAGM.

- Tooling and Test equipment is for the stand up of a depot.
- Facilitization costs are for prime contractor production line ramp up to 2,400 missiles.

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Exhibit P-21, Production Schedule: PB 2020 Army															Date: March 2019														
Appropriation / Budget Activity / Budget Sub Activity: 2032A / 02 / 20										P-1 Line Item Number / Title: 2605C70302 / Joint Air-to-Ground MSLS (JAGM)										Item Number / Title [DODIC]: C70302 / Joint Air-to-Ground MSLS (JAGM)									

Cost Elements <i>(Units in Each)</i>						Fiscal Year 2020														Fiscal Year 2021														BALANCE	
O C O #	M F R #	FY	SERVICE	PROC QTY	ACCEPT PRIOR TO 1 OCT 2019	BAL DUE AS OF 1 OCT	Calendar Year 2020														Calendar Year 2021														
							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					
All Up Rounds (AUR)																																			
1		2017	ARMY	373	311	62	31	31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0			
1		2017	NAVY (‡)	104	0	104	-	-	-	50	48	-	-	-	-	-	-	-	-	2	2	2	-	-	-	-	-	-	-	-	0				
1		2017	Total	477	311	166	31	31	-	50	48	-	-	-	-	-	-	-	2	2	2	-	-	-	-	-	-	-	-	0					
1		2018	ARMY	899	0	899	-	-	50	-	2	50	50	50	50	50	50	50	50	33	33	33	33	33	33	33	33	33	33	67					
1		2019	ARMY	721	0	721	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	721					
1		2019	NAVY (‡)	75	0	75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75					
1		2019	Total	796	0	796	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	796					
✓ 1		2020	AF (‡)	60	0	60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60					
✓ 1		2020	ARMY	609	0	609	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	609					
✓ 1		2020	NAVY (‡)	382	0	382	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	382					
✓ 1		2020	Total OCO	1,051	0	1,051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,051					
							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 Army																							Date: March 2019										
Appropriation / Budget Activity / Budget Sub Activity: 2032A / 02 / 20										P-1 Line Item Number / Title: 2605C70302 / Joint Air-to-Ground MSLS (JAGM)										Item Number / Title [DODIC]: C70302 / Joint Air-to-Ground MSLS (JAGM)													
Cost Elements (Units in Each)						Fiscal Year 2022													Fiscal Year 2023													BALANCE	
O C O #	M F R #	FY	SERVICE	PROC QTY	ACCEPT PRIOR TO 1 OCT 2021	BAL DUE AS OF 1 OCT	Calendar Year 2022													Calendar Year 2023													
							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			
All Up Rounds (AUR)																																	
	1	2017	ARMY	373	373	0																							0				
	1	2017	NAVY (‡)	104	104	0																							0				
	1	2017	Total	477	477	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0				
	1	2018	ARMY	899	832	67	33	34																					0				
	1	2019	ARMY	721	0	721	-	-	60	60	60	60	60	60	60	60	60	60	61										0				
	1	2019	NAVY (‡)	75	0	75	-	-	8	7	8	7	8	7	8	7	8	7	-	-									0				
	1	2019	Total	796	0	796	-	-	68	67	68	67	68	67	68	67	68	67	60	61	-	-	-	-	-	-	-	-	0				
✓	1	2020	AF (‡)	60	0	60	-	-	-	-	-	-	-	-	-	-	-	5	5	5	5	5	5	5	5	5	5	5	0				
✓	1	2020	ARMY	609	0	609	-	-	-	-	-	-	-	-	-	-	-	6	3	60	60	60	60	60	60	60	60	60	0				
✓	1	2020	NAVY (‡)	382	0	382	-	-	-	-	-	-	-	-	-	-	-	32	32	32	32	32	32	32	32	32	32	31	0				
✓	1	2020	Total OCO	1,051	0	1,051	-	-	-	-	-	-	-	-	-	-	-	43	40	97	97	97	97	97	97	97	96	96	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 Army		Date: March 2019
Appropriation / Budget Activity / Budget Sub Activity: 2032A / 02 / 20		P-1 Line Item Number / Title: 2605C70302 / Joint Air-to-Ground MSLS (JAGM)
		Item Number / Title [DODIC]: C70302 / Joint Air-to-Ground MSLS (JAGM)

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	Lockheed Martin - Orlando	600	1,200	2,400	5	12	24	36	5	12	24	36

Remarks:
FY 2019 total quantities includes Navy purchases. FY 2020 total quantities includes Navy and Air Force purchases.

(†) 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).