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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 30: Anti-Tank/ Assault Missile Sys	P-1 Line Item Number / Title: 6472C98510 / ARMY TACTICAL MSL SYS (ATACMS) - SYS SUM
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ID Code (A=Service Ready, B=Not Service Ready):	Program Elements for Code B Items: N/A	Other Related Program Elements: 0203802A
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Line Item MDAP/MAIS Code: N/A

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>)	1,279	-	-	-	240	240	30	50	138	274	Continuing	Continuing
Gross/Weapon System Cost (<i>\$ in Millions</i>)	1,266.402	-	-	-	340.612	340.612	50.000	100.000	178.700	282.920	Continuing	Continuing
Less PY Advance Procurement (<i>\$ in Millions</i>)	75.067	-	-	-	-	-	-	-	-	-	-	75.067
Net Procurement (P-1) (<i>\$ in Millions</i>)	1,191.335	-	-	-	340.612	340.612	50.000	100.000	178.700	282.920	Continuing	Continuing
Plus CY Advance Procurement (<i>\$ in Millions</i>)	75.067	-	-	-	-	-	-	-	-	-	-	75.067
Total Obligation Authority (<i>\$ in Millions</i>)	1,266.402	-	-	-	340.612	340.612	50.000	100.000	178.700	282.920	Continuing	Continuing

(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>)	990.150	-	-	-	1,419.217	1,419.217	1,666.667	2,000.000	1,294.928	1,032.555	Continuing	Continuing

Description:

NOTE: All funds for this program were previously included in CA6700 ATACMS Mods in support of New Missiles.

FY 2020 funding totals include \$0.0M for Base and \$340.612M for Overseas Contingency Operations (OCO); of which \$209.842M and 146 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.

Army Tactical Missile System (ATACMS) is the United States (U.S.) Army's primary 24/7, all weather, and surface-to-surface artillery precision missile used by current and future Combatant Commanders to shape the battlefield with long-range fires against hard and soft stationary targets in open, complex, and urban environments. The missile provides the Combatant Commanders with a 24/7 all-weather 300 kilometers (km) long-range fires capability to attack high-payoff, time-sensitive targets without placing aircraft and crews at risk. It's precision accuracy, along with the absence of potential duds and reduced lethal radii, mitigate the warfighter's collateral damage concerns against hard and soft targets in complex and urban environments.

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	-	-	0	240	240	30	50	138	274
Total Obligation Authority	-	-	0.000	340.612	340.612	50.000	100.000	178.700	282.920
Total:									
Secondary Distribution									
Quantity	-	-	0	240	240	30	50	138	274
Total Obligation Authority	-	-	-	340.612	340.612	50.000	100.000	178.700	282.920

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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 30: Anti-Tank/
Assault Missile Sys **P-1 Line Item Number / Title:**
6472C98510 / ARMY TACTICAL MSL SYS (ATACMS) - SYS SUM

ID Code (A=Service Ready, B=Not Service Ready): **Program Elements for Code B Items:** N/A **Other Related Program Elements:** 0203802A

Line Item MDAP/MAIS Code: N/A

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	C98501 / ATACMS BLK IA	P-5a, P-21			1,279 / 1,266.402	- / -	- / -	- / -	240 / 340.612	240 / 340.612
P-40	Total Gross/Weapon System Cost				1,279 / 1,266.402	- / -	- / -	- / -	240 / 340.612	240 / 340.612

*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 Overseas Contingency Operations (OCO) procurement dollars in the amount of \$340.612 million supports the acquisition of 240 ATACMS new missile builds. Additional supporting tasks include bunker storage, Follow-on Production Testing (FPT), Stockpile Reliability Program (SRP), rate tooling, Government System Engineering/Program Management (SEPM), obsolescence, and software.

 FY 2020 OCO for Base procurement dollars in the amount of \$209.842M supports the productions of 143 missiles.
 FY 2020 Enduring OCO procurement dollars in the amount of \$130.770 million supports the production of 94 missiles.

 Procurement dollars moved from ATACMS Mods (1823CA6700) funding line.

 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.

 This program supports the Long Range Precision Fires Cross Functional Team (CFT), ATACMS BLK 1A (C98501).

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Exhibit P-5, Cost Analysis: PB 2020 Army		Date: March 2019
Appropriation / Budget Activity / Budget Sub Activity: 2032A / 02 / 30	P-1 Line Item Number / Title: 6472C98510 / ARMY TACTICAL MSL SYS (ATACMS) - SYS SUM	Item Number / Title [DODIC]: C98501 / ATACMS BLK IA

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)	1,279	-	-	-	240	240
Gross/Weapon System Cost (\$ in Millions)	1,266.402	-	-	-	340.612	340.612
Less PY Advance Procurement (\$ in Millions)	-	-	-	-	-	-
Net Procurement (P-1) (\$ in Millions)	1,266.402	-	-	-	340.612	340.612
Plus CY Advance Procurement (\$ in Millions)	-	-	-	-	-	-
Total Obligation Authority (\$ in Millions)	1,266.402	-	-	-	340.612	340.612

(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)	990.150	-	-	-	1,419.217	1,419.217

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																		
Recurring Production ^(†)	-	-	1,036.847	-	-	-	-	-	-	-	-	-	1,161.963	240	278.871	1,161.963	240	278.871
Engineering Changes	-	-	30.867	-	-	-	-	-	-	-	-	-	-	-	8.302	-	-	8.302
Systems Engineering/Mgmt	-	-	95.085	-	-	-	-	-	-	-	-	-	-	-	25.574	-	-	25.574
Systems Test and Eval	-	-	5.172	-	-	-	-	-	-	-	-	-	-	-	1.391	-	-	1.391
Transportation	-	-	0.863	-	-	-	-	-	-	-	-	-	-	-	0.232	-	-	0.232
Subtotal: Recurring Cost	-	-	1,168.834	-	-	-	-	-	-	-	-	0.000	-	-	314.370	-	-	314.370
Non Recurring Cost																		
Non-Recurring Production	-	-	47.635	-	-	-	-	-	-	-	-	-	-	-	12.812	-	-	12.812
Subtotal: Non Recurring Cost	-	-	47.635	-	-	-	-	-	-	-	-	0.000	-	-	12.812	-	-	12.812
Subtotal: Flyaway Cost	-	-	1,216.469	-	-	-	-	-	-	-	-	0.000	-	-	327.182	-	-	327.182
Support - Data Cost																		
Support Data Data	-	-	12.463	-	-	-	-	-	-	-	-	-	-	-	3.352	-	-	3.352
Subtotal: Support - Data Cost	-	-	12.463	-	-	-	-	-	-	-	-	0.000	-	-	3.352	-	-	3.352
Support - Fielding Cost																		
Fielding	-	-	0.628	-	-	-	-	-	-	-	-	-	-	-	0.169	-	-	0.169

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Exhibit P-5, Cost Analysis: PB 2020 Army		Date: March 2019
Appropriation / Budget Activity / Budget Sub Activity: 2032A / 02 / 30	P-1 Line Item Number / Title: 6472C98510 / ARMY TACTICAL MSL SYS (ATACMS) - SYS SUM	Item Number / Title [DODIC]: C98501 / ATACMS BLK IA

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)
<i>Subtotal: Support - Fielding Cost</i>	-	-	0.628	-	-	-	-	-	-	-	-	0.000	-	-	0.169	-	-	0.169
Support - Support Equipment Cost																		
Test and Measurement Equipment	-	-	28.272	-	-	-	-	-	-	-	-	-	-	-	7.604	-	-	7.604
<i>Subtotal: Support - Support Equipment Cost</i>	-	-	28.272	-	-	-	-	-	-	-	-	0.000	-	-	7.604	-	-	7.604
Support - Training Cost																		
Services	-	-	8.570	-	-	-	-	-	-	-	-	-	-	-	2.305	-	-	2.305
<i>Subtotal: Support - Training Cost</i>	-	-	8.570	-	-	-	-	-	-	-	-	0.000	-	-	2.305	-	-	2.305
Gross/Weapon System Cost	990.150	1,279	1,266.402	-	-	-	-	-	-	-	-	-	1,419.217	240	340.612	1,419.217	240	340.612

Secondary Distribution		FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total
Army	Quantity	-	-	0	240	240
	Total Obligation Authority	-	-	0.000	340.612	340.612
Total: Secondary Distribution	Quantity	-	-	-	240	240
	Total Obligation Authority	-	-	-	340.612	340.612

(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 / 30			P-1 Line Item Number / Title: 6472C98510 / ARMY TACTICAL MSL SYS (ATACMS) - SYS SUM				Item Number / Title [DODIC]: C98501 / ATACMS BLK IA					
Cost Elements	O C O	FY	Contractor and Location	Method/Type or Funding Vehicle	Location of PCO	Award Date	Date of First Delivery	Qty (Each)	Unit Cost (\$ K)	Specs Avail Now?	Date Revision Available	RFP Issue Date
Recurring Production ^(†)	✓	2020	Lockheed Martin / Dallas, Texas	SS / FPIF	Aviation and Missile Command	Jun 2020	Feb 2022	240	1,161.963	N		Aug 2018

^(†) indicates the presence of a P-21

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Exhibit P-21, Production Schedule: PB 2020 Army															Date: March 2019														
Appropriation / Budget Activity / Budget Sub Activity: 2032A / 02 / 30										P-1 Line Item Number / Title: 6472C98510 / ARMY TACTICAL MSL SYS (ATACMS) - SYS SUM										Item Number / Title [DODIC]: C98501 / ATACMS BLK IA									

Cost Elements <i>(Units in Each)</i>						Fiscal Year 2022														Fiscal Year 2023														BALANCE	
O C 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					

Recurring Production																																				
✓	1	2020	ARMY	240	0	240	-	-	-	-	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	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 / 30		P-1 Line Item Number / Title: 6472C98510 / ARMY TACTICAL MSL SYS (ATACMS) - SYS SUM
		Item Number / Title [DODIC]: C98501 / ATACMS BLK IA

MFR Ref #	Manufacturer Name - Location	Production Rates (Each / Month)			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 - Dallas, Texas	7	38	48	0	9	20	29	0	9	20	29

"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).