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**Exhibit P-40, Budget Line Item Justification:** PB 2017 Army **Date:** February 2016

**Appropriation / Budget Activity / Budget Sub Activity:**  
 2032A: Missile Procurement, Army / BA 02: Other Missiles / BSA 10: Surface-to-Air Missile System **P-1 Line Item Number / Title:**  
 C50016 / Lower Tier Air and Missile Defense (AMD)

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

**Line Item MDAP/MAIS Code:** N/A **Item MDAP/MAIS Code(s):** N/A

Resource Summary	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	To Complete	Total
Procurement Quantity ( <i>Units in Each</i> )	-	-	-	-	-	-	-	-	-	-	-	-
Gross/Weapon System Cost ( <i>\$ in Millions</i> )	-	110.300	115.075	126.470	-	126.470	112.888	122.768	150.444	120.542	Continuing	Continuing
Less PY Advance Procurement ( <i>\$ in Millions</i> )	-	-	-	-	-	-	-	-	-	-	-	-
Net Procurement (P-1) ( <i>\$ in Millions</i> )	-	110.300	115.075	126.470	-	126.470	112.888	122.768	150.444	120.542	Continuing	Continuing
Plus CY Advance Procurement ( <i>\$ in Millions</i> )	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Obligation Authority</b> ( <i>\$ in Millions</i> )	-	<b>110.300</b>	<b>115.075</b>	<b>126.470</b>	-	<b>126.470</b>	<b>112.888</b>	<b>122.768</b>	<b>150.444</b>	<b>120.542</b>	<b>Continuing</b>	<b>Continuing</b>

*(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> )	-	-	-	-	-	-	-	-	-	-	-	-

**Description:**

The Lower Tier Air and Missile Defense (AMD) supports the Field Surveillance Program (FSP), PAC-3 Missile Support Center (P3MSC), International Engineering Services Program (IESP), Integrated Logistics Support (ILS), and System Engineering Program Management (SEPM) activities. The mission of the PATRIOT Advanced Capability-3 (PAC-3) Missile Field Surveillance Program (FSP) is required to ensure that the reliability, performance, and safety of fielded PAC-3 missiles remain within the classified system specification for the life of the system. Initial FSP tasks confirmed the quality of design, materials, procedures, and processes used in the manufacture of the system. After missile deployment, results from surveillance firings, inspections, functional tests, Storage and Aging Programs, and depot level missile maintenance processing provide the data required for the assessment of reliability, performance, and safety of the missile stockpile. This includes PAC-3 missile tooling and test equipment. The PAC-3 missile is fielded under the Certified Round Concept. Under this approved concept, the PAC-3 missile is capable of being placed in extended storage as part of war reserve stocks or deployed in operational units for variable periods and then fired without intervening tests or checkouts. In accordance with the Certified Round Concept, the reliability/performance of the missile is certified by the Lower Tier Project Office (LTPO) to be at an acceptable level for a stated period of time.

The certification of reliability is made possible through the use of the PAC-3 Missile Support Center (P3MSC) contract to use technical support and knowledge of the testing of discrete lots of component parts, subassemblies and assemblies which the prime contractor Lockheed Martin Missiles and Fire Control (LMMFC) provides as the only source of technical knowledge, expertise, and facilities to perform FSP activities and process PAC-3 missiles.

The PATRIOT International Engineering Services Program provides continuing engineering support for system software and hardware for the life of the PATRIOT Air Defense System for US and international partners. The Engineering Services Program is designed to sustain, maintain, and improve the PATRIOT system within the performance envelope described in the system specification. The support provided under this program includes PATRIOT software maintenance, Post Deployment Build 8/8.x(PDB-8/8.x), engineering support for PATRIOT peculiar hardware, government furnished equipment, logistics, technical data package, trainers, and integrated diagnostics support system. This is accomplished through the investigation, analysis, and development of solutions to identified problems. Modifications to hardware are engineered for manufacturing implementation and retrofit of fielded hardware through the modification process. The Dismounted Patriot Information Coordination Central (D-PICC) effort is an example of rehosting tactical Patriot software maintained via engineering services to a smaller, more mobile hardware configuration that will allow flexible, tailorable deployment options by freeing up Battalion level ICC's.

Procurement funded systems engineering and project management support the PATRIOT Weapon System. This support encompasses the overall planning, direction, and control of the production of the system/program, including functions of logistics engineering and Integrated Logistics Support (ILS) management, e.g., maintenance support, facilities, personnel, training, testing, and fielding.

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**Appropriation / Budget Activity / Budget Sub Activity:**  
 2032A: Missile Procurement, Army / BA 02: Other Missiles / BSA 10: Surface-to-Air Missile System

**P-1 Line Item Number / Title:**  
 C50016 / Lower Tier Air and Missile Defense (AMD)

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

**Line Item MDAP/MAIS Code:** N/A **Item MDAP/MAIS Code(s):** N/A

Secondary Distribution		FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021
Army	Quantity	-	-	-	-	-	-	-	-	-
	Total Obligation Authority	110.300	115.075	126.470	-	126.470	112.888	122.768	150.444	120.542
<b>Total:</b> Secondary Distribution	Quantity	-	-	-	-	-	-	-	-	-
	Total Obligation Authority	<b>110.300</b>	<b>115.075</b>	<b>126.470</b>	-	<b>126.470</b>	<b>112.888</b>	<b>122.768</b>	<b>150.444</b>	<b>120.542</b>

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**Appropriation / Budget Activity / Budget Sub Activity:**  
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 C50016 / Lower Tier Air and Missile Defense (AMD)

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

**Line Item MDAP/MAIS Code:** N/A **Item MDAP/MAIS Code(s):** N/A

Exhibits Schedule				Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Exhibit Type	Title*	Subexhibits	ID CD	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	C50016 / Lower Tier Air and Missile Defense (AMD)			- / -	- / 110.300	- / 115.075	- / 126.470	- / -	- / 126.470
<b>P-40</b>	<b>Total Gross/Weapon System Cost</b>			- / -	- / 110.300	- / 115.075	- / 126.470	- / -	- / 126.470

\*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:**  
 FY17 base procurement dollars in the amount of \$126.470 million supports the Field Surveillance Program (FSP), PAC-3 Missile Support Center (P3MSC), International Engineering Services Program (IESP), Integrated Logistics Support (ILS), and System Engineering Program Management (SEPM) activities.

Funds in the program were realigned in FY2015 from C53101 (MSE) to reflect those requirements that are not unique to MSE.

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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<b>Exhibit P-5, Cost Analysis: PB 2017 Army</b>		<b>Date:</b> February 2016
<b>Appropriation / Budget Activity / Budget Sub Activity:</b> 2032A / 02 / 10	<b>P-1 Line Item Number / Title:</b> C50016 / Lower Tier Air and Missile Defense (AMD)	<b>Item Number / Title [DODIC]:</b> C50016 / Lower Tier Air and Missile Defense (AMD)

<b>ID Code</b> (A=Service Ready, B=Not Service Ready) :	<b>MDAP/MAIS Code:</b>
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<b>Resource Summary</b>	<b>Prior Years</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Base</b>	<b>FY 2017 OCO</b>	<b>FY 2017 Total</b>
Procurement Quantity ( <i>Units in Each</i> )	-	-	-	-	-	-
Gross/Weapon System Cost ( <i>\$ in Millions</i> )	-	110.300	115.075	126.470	-	126.470
Less PY Advance Procurement ( <i>\$ in Millions</i> )	-	-	-	-	-	-
Net Procurement (P-1) ( <i>\$ in Millions</i> )	-	110.300	115.075	126.470	-	126.470
Plus CY Advance Procurement ( <i>\$ in Millions</i> )	-	-	-	-	-	-
<b>Total Obligation Authority</b> ( <i>\$ in Millions</i> )	-	<b>110.300</b>	<b>115.075</b>	<b>126.470</b>	-	<b>126.470</b>

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

Initial Spares ( <i>\$ in Millions</i> )	-	-	-	-	-	-
Gross/Weapon System Unit Cost ( <i>\$ in Thousands</i> )	-	-	-	-	-	-

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

<b>Cost Elements</b>	<b>Prior Years</b>			<b>FY 2015</b>			<b>FY 2016</b>			<b>FY 2017 Base</b>			<b>FY 2017 OCO</b>			<b>FY 2017 Total</b>		
	<b>Unit Cost</b> (\$ K)	<b>Qty</b> (Each)	<b>Total Cost</b> (\$ M)	<b>Unit Cost</b> (\$ K)	<b>Qty</b> (Each)	<b>Total Cost</b> (\$ M)	<b>Unit Cost</b> (\$ K)	<b>Qty</b> (Each)	<b>Total Cost</b> (\$ M)	<b>Unit Cost</b> (\$ K)	<b>Qty</b> (Each)	<b>Total Cost</b> (\$ M)	<b>Unit Cost</b> (\$ K)	<b>Qty</b> (Each)	<b>Total Cost</b> (\$ M)	<b>Unit Cost</b> (\$ K)	<b>Qty</b> (Each)	<b>Total Cost</b> (\$ M)
Flyaway Cost																		
Recurring Cost																		
Field Surveillance Program	-	-	-	-	-	15.000	-	-	15.000	-	-	16.500	-	-	-	-	-	16.500
P3MSC	-	-	-	-	-	6.400	-	-	5.500	-	-	10.500	-	-	-	-	-	10.500
International Engr Services Program	-	-	-	-	-	55.200	-	-	56.800	-	-	59.500	-	-	-	-	-	59.500
System Engineering/ Project Management	-	-	-	-	-	9.000	-	-	9.200	-	-	9.600	-	-	-	-	-	9.600
Logistics Recurring	-	-	-	-	-	24.700	-	-	28.575	-	-	30.370	-	-	-	-	-	30.370
<i>Subtotal: Recurring Cost</i>	-	-	-	-	-	110.300	-	-	115.075	-	-	126.470	-	-	-	-	-	126.470
<i>Subtotal: Flyaway Cost</i>	-	-	-	-	-	110.300	-	-	115.075	-	-	126.470	-	-	-	-	-	126.470
<b>Gross/Weapon System Cost</b>	-	-	-	-	-	110.300	-	-	115.075	-	-	126.470	-	-	-	-	-	126.470

<b>Secondary Distribution</b>		<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Base</b>	<b>FY 2017 OCO</b>	<b>FY 2017 Total</b>
Army	Quantity	-	-	-	-	-
	Total Obligation Authority	110.300	115.075	126.470	-	126.470
<b>Total:</b>	<b>Quantity</b>	-	-	-	-	-
<b>Secondary Distribution</b>	<b>Total Obligation Authority</b>	<b>110.300</b>	<b>115.075</b>	<b>126.470</b>	-	<b>126.470</b>