

DEPARTMENT OF THE NAVY
FY 1999 AMENDED BUDGET ESTIMATES



JUSTIFICATION OF ESTIMATES
FEBRUARY 1998

WEAPONS PROCUREMENT, NAVY
BUDGET ACTIVITY 1

Department of the Navy
 FY 1999 Procurement Program

Exhibit P-1

APPROPRIATION: 1507N Weapons Procurement, Navy

DATE: 01/23/98

LINE NO	ITEM NOMENCLATURE	IDENT CODE	(DOLLARS) FY 1999 UNIT COST	TOA, \$ IN MILLIONS						S E C
				FY 1997		FY 1998		FY 1999		
				QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	
BUDGET ACTIVITY 01: Ballistic Missiles										

Ballistic Missiles										
1	1150 Trident II	A	55,487,200	7	284.5	5	226.5	5	277.4	U
	Less: Advance Procurement (PY)				-29.4		-14.9		-16.8	
					-----		-----		-----	
					255.1		211.6		260.7	
2	1150 Trident II	A								U
	(FY 1997 for 1998) (MEMO)				10.7		-		-	
	(FY 1997 for 1999) (MEMO)				1.7		-		-	
	(FY 1997 for 2000) (MEMO)				2.9		-		-	
	(FY 1997 for 2001) (MEMO)				1.2		-		-	
	(FY 1997 for 2004) (MEMO)				41.4		-		-	
	(FY 1998 for 1999) (MEMO)				-		10.9		-	
	(FY 1998 for 2001) (MEMO)				-		1.9		-	
	(FY 1998 for 2002) (MEMO)				-		2.9		-	
	(FY 1998 for 2003) (MEMO)				-		2.9		-	
	(FY 1998 for 2004) (MEMO)				-		37.5		-	
	(FY 1999 for 2000) (MEMO)				-		-		17.2	
	(FY 1999 for 2001) (MEMO)				-		-		1.8	
	(FY 1999 for 2002) (MEMO)				-		-		4.1	
	(FY 1999 for 2003) (MEMO)				-		-		4.1	
	(FY 1999 for 2004) (MEMO)				-		-		35.7	
Support Equipment And Facilities										
3	1350 Missile Industrial Facilities	A			1.8		2.1		.2	U
					-----		-----		-----	
TOTAL	Ballistic Missiles				314.8		269.8		323.7	

Weapons Procurement, Navy
Program and Financing (in Thousands of dollars)

Identification code	17-1507-0-1-051	Budget Plan (amounts for PROCUREMENT actions programed)			Obligations		
		1997 actual	1998 est.	1999 est.	1997 actual	1998 est.	1999 est.
Program by activities:							
Direct program:							
00.0101	Ballistic missiles	314,815	269,834	323,650	366,815	286,465	292,984
00.0201	Other missiles	830,648	618,864	832,908	926,354	600,517	740,014
00.0301	Torpedoes and related equipment	108,108	92,621	97,837	100,236	111,289	105,517
00.0401	Other weapons	36,636	85,022	27,232	34,966	73,804	39,515
00.0601	Spares and repair parts	41,809	21,422	45,918	47,140	31,335	46,165
00.9101	Total direct program	1,332,016	1,087,763	1,327,545	1,475,511	1,103,410	1,224,195
01.0101	Reimbursable program	21,000	74,800	74,800	243	95,800	74,800
10.0001	Total	1,353,016	1,162,563	1,402,345	1,475,754	1,199,210	1,298,995
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)	-21,000	-74,800	-74,800	-15,784	-74,800	-74,800
17.0001	Recovery of prior year obligations				-12,077		
Unobligated balance available, start of year:							
21.4002	For completion of prior year budget plans				-448,823	-311,568	-274,920
21.4003	Available to finance new budget plans	-16,000	-6,726		-16,000	-6,726	
21.4009	Reprogramming from/to prior year budget plan	-21,378					
22.1001	Unobligated balance transferred to other acco		6,726			6,726	
Unobligated balance available, end of year:							
24.4002	For completion of prior year budget plans				311,568	274,920	378,270
24.4003	Available to finance subsequent year budget	6,726			6,726		
25.0001	Unobligated balance expiring	21,378			21,378		
39.0001	Budget authority	1,322,742	1,087,763	1,327,545	1,322,742	1,087,763	1,327,545
Budget authority:							
40.0001	Appropriation	1,364,231	1,102,193	1,327,545	1,364,231	1,102,193	1,327,545
40.7601	Reduction pursuant to P.L. 105-56 (-), 8041		-21,230			-21,230	
41.0001	Transferred to other accounts (-)	-41,489			-41,489		
42.0001	Transferred from other accounts		6,800			6,800	
43.0001	Appropriation (adjusted)	1,322,742	1,087,763	1,327,545	1,322,742	1,087,763	1,327,545

Weapons Procurement, Navy
 Program and Financing (in Thousands of dollars)

Identification code	17-1507-0-1-051	Budget Plan (amounts for PROCUREMENT actions programed)			Obligations		
		1997 actual	1998 est.	1999 est.	1997 actual	1998 est.	1999 est.
Relation of obligations to outlays:							
71.0001	Obligations incurred				1,459,970	1,124,410	1,224,195
72.1001	Orders on hand, SOY				-37,434	-34,608	-34,608
72.4001	Obligated balance, start of year				3,286,784	2,765,572	2,270,295
74.1001	Orders on hand, EOY				34,608	34,608	34,608
74.4001	Obligated balance, end of year				-2,765,572	-2,270,295	-2,109,757
77.0001	Adjustments in expired accounts (net)				15,891		
78.0001	Adjustments in unexpired accounts				-12,077		
90.0001	Outlays (net)				1,982,170	1,619,687	1,384,733

Weapons Procurement, Navy
Object Classification (in Thousands of dollars)

Identification code	17-1507-0-1-051	1997 actual	1998 est.	1999 est.

Direct obligations:				
122.001	Transportation of things	2,566	2,008	2,028
125.101	Advisory and assistance services	23,256	24,591	24,701
	Purchases goods/services (inter/intra) Fed accounts			
125.303	Purchases from revolving funds	200,392	203,192	179,946
126.001	Supplies and materials	78,820	70,461	82,862
131.001	Equipment	1,170,477	803,158	934,658
		-----	-----	-----
199.001	Total Direct obligations	1,475,511	1,103,410	1,224,195
Reimbursable obligations:				
226.001	Supplies and materials	243	95,800	21,900
231.001	Equipment			52,900
		-----	-----	-----
299.001	Total Reimbursable obligations	243	95,800	74,800
		-----	-----	-----
999.901	Total obligations	1,475,754	1,199,210	1,298,995

Comparison of FY 1998 Program Requirements as Reflected
in the FY 1998 Budget with FY 1998 Program Requirements as
Shown in FY 1999 Budget (In Thousands of Dollars)

	FY 1998 Total Program Requirements <u>Per FY 1998 Budget</u>	FY 1998 Program Requirements <u>Per FY 1999 Budget</u>	Increase (+) or Decrease (-)
Ballistic Missiles	341,412	269,834	-71,578
Other Missiles	612,993	618,864	+5,871
Torpedoes and Related Equipment	95,715	92,621	-3,094
Other Weapons	59,230	85,022	+25,792
Spares and Repair Parts	26,943	21,422	-5,521
Subtotal Direct Program	1,136,293	1,087,763	-48,530
Reimbursable	74,800	74,800	-
Total Fiscal Year	1,211,093	1,162,563	-48,530

Explanation of Changes in FY 1998 Program Requirements

1. Ballistic Missiles (-\$71.6 million)
Decrease reflects Congressional undistributed and inflation reductions (-\$6.6 million) and a program reduction of 2 Trident II missiles (-\$65.0 million) to slow the production rate of Trident II missiles specifically earmarked for the D5 Backfit submarines.
2. Other Missiles (+\$5.9 million)
Changes include Congressional adjustments to JSOW (+\$5.0 million), Standard Missile (-\$15.4 million), Hellfire (+\$20.0 million), Penguin (+\$7.5 million), Aerial Targets (-\$7.0 million), ESSM (-\$5.0 million), Standard Missile Modifications (+\$15.3 million), and Weapons Industrial Facility (-\$4.5 million). Reprogrammings requiring Congressional approval include the SLAM-ER program (+\$9.0 million) and RAM (-\$2.0 million) are also part of the change. Adjustments also include Congressional undistributed general and inflation reductions (-\$17.0 million).
3. Torpedoes and Related Equipment (-\$3.1 million)
Changes include Congressional undistributed general and inflation reductions (-\$2.9 million) and a reprogramming requiring Congressional approval to the First Destination Transportation program (-\$0.2 million).
4. Other Weapons (+\$25.8 million)
Changes include Congressional adjustments for the Close-In-Weapons-System (+\$15.0 million), 5/54 Gun Mount Modifications (+\$10.0 million), and Pioneer (+\$3.0 million) and Congressional undistributed reductions (-\$2.2 million).
6. Spares & Repair Parts (\$-5.5 million)
Changes include adjustments for Congressional reductions (-\$5.0 million) and undistributed Congressional reductions (-\$.5 million).

Comparison of FY 1998 Financing as Reflected in the FY 1998 Budget
with FY 1998 Financing as Shown in FY 1998 Budget
(In Thousands of Dollars)

	FY 1998 Financing Per <u>FY 1998 Budget</u>	FY 1998 Financing Per <u>FY 1999 Budget</u>	Increase (+) Decrease (-)
Program Requirements (Total)			
Program Requirements (Direct)	(1,136,293)	(1,087,763)	(-48,530)
Program Requirements (Reimb)	(74,800)	(74,800)	
Less:			
Anticipated Reimbursements	74,800	74,800	-
Add:			
Unob bal avail, start of year to finance new budget plans		-6,726	-6,726
Unob bal transferred to other accts		6,726	6,726
Appropriation Adjusted	1,136,293	1,087,763	-48,530
Budget Authority:			
FY 1998 DoD Appropriations Act	1,136,293	1,102,193	-34,100
Reduct Pursuant to P. L. 105-56		-21,230	-21,230
Transferred from other accounts		6,800	+6,800
Appropriation (Adjusted)	1,136,293	1,087,763	-48,530

Explanation of Changes in Financing

The \$48.5 million change in program financing is the net result of Congressional specific (-\$34.1 million) and undistributed general reductions (-\$21.2 million); and Prior Approval Congressional reprogrammings associated with a more cost efficient procurement profile for the SLAM-ER program (+\$9.0 million), and funding from RAM (-\$2.0 million) and First Destination Transportation (-\$0.2 million) funding to fund emergent DOD requirements.

Comparison of FY 1997 Program Requirements as Reflected
in the FY 1998 Budget with FY 1997 Program
Requirements as Shown in FY 1999 Budget (In Thousands of Dollars)

	FY 1997 Total Program Requirements <u>Per FY 1998 Budget</u>	FY 1997 Total Program Requirements <u>Per FY 1999 Budget</u>	Increase (+) or Decrease (-)
Ballistic Missiles	316,332	314,815	-1,517
Other Missiles	844,202	830,648	-13,554
Torpedoes and Related Equipment	120,594	108,108	-12,486
Other Weapons	30,815	36,636	+5,821
Spares and Repair Parts	46,490	41,809	-4,681
Subtotal Direct Program	1,358,433	1,332,016	-26,417
Reimbursable	74,800	21,000	-53,800
Total Fiscal Year	1,433,233	1,353,016	-80,217

Explanation of Changes in FY 1997 Program Requirements

1. Ballistic Missiles (-\$1.5 million)

Change is a result of revised economic assumption reflected in the FY 1997 Supplemental Appropriation (-\$1.3 million) and minor below threshold reprogramming actions (-\$0.2 million).

2. Other Missiles (-\$13.6 million)

Change reflects a reduction to AMRAAM (-\$4.2 million) to fund the AEGIS Baseline Consolidation effort; and a net increase to fund additional MA-31 Aerial Target procurement (\$1.5 million). Adjustments were also associated with revised economic assumptions reflected in the FY 1997 Supplemental Appropriation (-\$3.6 million), and minor below threshold reprogramming actions.

3. Torpedoes and Related Equipment (-\$12.5 million)

Change reflects minor below threshold reprogrammings (-\$9.4 million), and reductions associated with the revised economic assumptions reflected in the FY 1997 Supplemental appropriation (-\$0.5 million). Reduction also include funding reprogrammed to support the AEGIS Baseline Consolidation effort (-\$2.5 million).

4. Other Weapons (+\$5.8 million)

Change reflects minor below threshold reprogrammings (+\$6.0 million) and revised economic assumption reflected in the FY 1997 Supplemental Appropriation (-\$0.1 million).

6. Spares & Repair Parts (-\$4.7 million)

Change reflects minor below threshold reprogrammings (-\$4.5 million) and revised economic assumptions reflected in the FY 1997 Supplemental Appropriation (-\$0.2 million).

Comparison of FY 1997 Financing as Reflected in the FY 1998 Budget
with FY 1997 Financing as Shown in FY 1999 Budget
(In Thousands of Dollars)

	FY 1997 Financing Per FY 1998 Budget	FY 1997 Financing Per FY 1999 Budget	Increase (+) Decrease (-)
Program Requirements (Total)	1,433,233	1,353,016	-80,217
Program Requirements (Direct)	(1,358,433)	(1,332,016)	(-26,417)
Program Requirements (Reimb)	(74,800)	(21,000)	(-53,800)
Less:			
Anticipated Reimbursements	-74,800	-21,000	-53,800
Add:			
Federal Funds (-):	-	-21,000	-21,000
Available to finance new budget plans	-	-16,000	-16,000
Reprogrammed from/to prior year budget plan:	-	-21,378	-21,378
Available to finance subsequent year budget:	-	6,726	+6,726
Unobligated balance expiring	-	21,378	+21,378
Appropriation Adjusted	1,358,433	1,322,742	-35,691
Budget Authority:			
FY 1997 DoD Appropriations Act	1,389,913	1,364,231	-25,682
Reduction pursuant to P.L. 104-208, 8037 (h)	-3,682	-	+3,682
Transferred from other accts	-	-	-
Transferred to other accounts	-27,798	-41,489	-13,691
Appropriation (Adjusted)	1,358,433	1,322,742	-35,691

Explanation of Changes in Financing

Primary changes in program financing are a result of reductions associated with revised economic assumptions reflected in the FY 1997 Supplemental Appropriation (-\$5.7 million), transfers to other accounts (-\$13.7 million), and funding reprogrammed for AEGIS Baseline Consolidation efforts (-\$6.7 million).

BUDGET ITEM JUSTIFICATION SHEET	DATE FEBRUARY 1998
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APPROPRIATION/BUDGET ACTIVITY WEAPONS PROCUREMENT, NAVY / BUDGET ACTIVITY 1 BALLISTIC MISSILES	P-1 ITEM NOMENCLATURE TRIDENT II MISSILE UGM-133A (D-5)
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\$ in Millions	Prior Years	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	To Complete	Total Program
QUANTITY	337	6	7	5	5	12	12	12	12	26	434
End Cost	\$12,016.8	\$337.8	\$291.3	\$237.7	\$281.3	\$498.8	\$496.5	\$582.9	\$664.5	\$1,947.2	\$17,354.8
Less: Prior Year Adv. Proc. 1/	(\$1,460.3)	(\$16.0)	(\$36.2)	(\$19.5)	(\$20.6)	(\$36.3)	(\$35.2)	(\$98.2)	(\$153.2)	(\$666.4)	(\$2,541.9)
Current Year Full Funding 1/	\$10,556.5	\$321.8	\$255.1	\$218.2	\$260.7	\$462.5	\$461.3	\$484.7	\$511.3	\$1,280.8	\$14,812.9
Plus: Current Year Adv. Proc.	\$2,065.6	\$185.4	\$57.9	\$49.5	\$62.8	\$37.5	\$36.6	\$16.2	\$15.0	\$15.4	\$2,541.9
Plus: Initial Spares	\$20.7	\$3.5	\$3.4	\$1.7	\$5.5	\$13.6	\$6.0	\$4.2	\$4.6	\$191.8	\$255.0
Total New Obligational Authority	\$12,642.8	\$510.7	\$316.4	\$269.4	\$329.0	\$513.6	\$503.9	\$505.1	\$530.9	\$1,488.0	\$17,609.8
Missile Flyaway Unit Cost 2/	\$29.0	\$20.6	\$20.9	\$21.8	\$22.7	\$23.1	\$23.6	\$23.9	\$24.4	\$25.3	\$27.8

The TRIDENT II missile is carried on OHIO CLASS Fleet Ballistic Missile Submarines, ensuring that the United States continues to maintain a highly survivable strategic deterrent for the 1990's and beyond. Deployment of the TRIDENT II missile (1) enhances Fleet Ballistic Missile Submarine survivability by increasing Sea Launched Ballistic Missile range at full payload to exploit the total patrol area available to the TRIDENT submarine, (2) minimizes total weapon system costs by increasing Sea Launched Ballistic Missile payload to the level permitted by the size of the TRIDENT submarine launch tube, thereby allowing mission capability to be achieved with fewer submarines, and (3) balances the Triad by adding efficient hard target kill capability to the Sea Launched Ballistic Missile.

Funding in this line is required to support the procurement of an all new TRIDENT II missile, initial production of which commenced in FY 1987 and supported a TRIDENT II missile Initial Operational Capability (IOC) in March 1990.

The FY 1999 full funding request of \$260.7 million will support the production of 5 TRIDENT II missiles with associated guidance systems, additional reentry systems hardware, continued support required to maintain SWFLANT's TRIDENT II missile processing capability, and initial equipment procurements associated with establishing a limited TRIDENT II capability at the Strategic Weapons Facility, Pacific (SWFPAC) at Bangor WA. Funding provides for a 14 SSBN TRIDENT II program, which assumes the backfit of 4 C-4 boats to the D-5 configuration.

Compared to FY 1998, the FY 1999 program cost has increased as a consequence of production restarts and the requalification costs occasioned by the \$65 million Congressional mark in the FY 1998 DoD Appropriations Act. The FY 1998 appropriation forced numerous production line breaks in D-5 missile component manufacture, including post boost control systems, nose fairing jettison motors, MK-6 guidance system electronic assemblies, and HMX (rocket motor propellant).

The Navy's budget estimates for D-5 missile procurement assume U.K. participation in FY 1997 - FY 1999.

1/ The FY 1998 column reflects a below-threshold reprogramming correcting the full funding and advance procurement lines.

2/ Unit cost shown is flyaway airframe and motor unit cost of which \$3.1M for FY 1998 and \$2.6M for FY 1999 were funded in prior years' Advance Procurement. Costs shown in the Total New Obligational Authority line include guidance systems, warhead components, flight test instrumentation, arms control and recurring production support costs.

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WEAPON SYSTEM COST ANALYSIS EXHIBIT (P-5)			A. WEAPONS PROCUREMENT, NAVY BUDGET ACTIVITY 1			B. UGM-133A TRIDENT II (D-5) MISSILE (31DL)			C. LOCKHEED MARTIN MISSILES AND SPACE CO. SUNNYVALE, CA			D. FEBRUARY 1998		
WEAPON SYSTEM COST ELEMENTS	Ident. Code	FY 96 Unit cost	TOTAL Qty COST	FY 97 Unit cost	TOTAL Qty COST	FY 98 Unit cost	TOTAL Qty COST	FY 99 Unit cost	TOTAL Qty COST					
<u>MISSILE H/W - RECURRING</u>														
1		AIRFRAME & MOTOR FLYAWAY COST	20,600	6	123,600	20,935	7	146,548	21,820	5	109,100	22,720	5	113,600
2		GUIDANCE FLYAWAY COST	9,655	4	38,620	9,822	4	39,286			24,000	10,250	4	41,000
3		SUBTOTAL MISSILE AND GUIDANCE FLYAWAY COST			162,220			185,834			133,100			154,600
		LESS: PRIOR YEAR ADVANCE PROCUREMENT			(15,960)			(36,190)			(19,482)			(20,645)
4		SUBTOTAL MISSILE AND GUIDANCE NEW OBLIGATIONAL AUTHORITY (NOA)			146,260			149,644			113,618			133,955
		<u>SUPPORT COSTS</u>												
5		WARHEAD COMPONENTS			24,180			23,394			19,000			20,300
6		SPECIAL PURPOSE INSTRUMENTATION			11,035			10,423			10,100			12,150
7		SPECIAL PURPOSE TOOLING & TEST EQUIPMENT			28,970			22,369			13,800			14,450
8		INF TREATY SUPPORT			6,984			7,140			7,200			7,500
9		ARMS CONTROL			7,687			7,700			12,800			6,700
10		CONTAINERS			40			40			40			40
11		SYSTEM INTEGRATION & PLANNING			12,140			11,349			11,450			11,500
12		SWFLANT PRODUCTION SUPPORT			22,964			15,788			14,800			14,150
13		GUIDANCE SUPPORTABILITY MODS			2,390			7,246			15,397			15,700
14		ANNUALIZED PRODUCTION COSTS			59,181			0			0			0
15		GUIDANCE PARTS PROCUREMENT			0			0			0			6,082
16		SWFPAC PRODUCTION SUPPORT			0			0			0			3,975
17		PRODUCTION REQUALIFICATION			0			0			0			14,150
18		SUBTOTAL SUPPORT COST NOA			175,571			105,449			104,587			126,696
		CURRENT YEAR FULL FUNDING			321,831			255,093			218,205			260,652
		PLUS: CURRENT YEAR ADVANCE PROCUREMENT			185,379			57,934			49,533			62,800
		NET TRIDENT II COST			507,210			313,027			267,738			323,452
		PLUS: INITIAL SPARES			3,498			3,351			1,693			5,466
		TOTAL NEW OBLIGATIONAL AUTHORITY			510,708			316,378			269,431			328,918

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BUDGET PROCUREMENT HISTORY AND PLANNING EXHIBIT (P-5A)								DATE: FEBRUARY 1998		
B. WEAPONS PROCUREMENT NAVY BUDGET ACTIVITY 1						P-1 ITEM NOMENCLATURE: TRIDENT II MISSILE UGM-133A (D-5)				
COST ELEMENT/ FISCAL YEAR	CONTRACTOR AND LOCATION	CONTRACT METHOD & TYPE	CONTRACTED BY	AWARD DATE	DATE OF FIRST DELIVERY	QUANTITY	UNIT COST	SPECS AVAILABLE NOW	SPEC REV REQ'D	IF YES, WHEN AVAILABLE
1. TRIDENT II MSL. FY 1996	LOCKHEED MARTIN MISSILES AND SPACE CO. (LMMS) SUNNYVALE, CA	SS/CPIF	STRATEGIC SYSTEMS PROGRAMS (SSP)	10/95	10/97	6	20,600	YES	NO	
FY 1997	LMMS	SS/CPIF	SSP	10/96	10/98	7	20,935	YES	NO	
FY 1998	LMMS	SS/CPIF	SSP	10/97	10/99	5	21,820	YES	NO	
FY 1999	LMMS	SS/CPIF	SSP	10/98	10/00	5	22,720	YES	NO	
D. REMARKS The UK is buying 7 missiles each year during FY 1997 - FY 1999.										

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FY 98/99 BUDGET PRODUCTION SCHEDULE												P-1 ITEM NOMENCLATURE: TRIDENT II MISSILE UGM - 133A (D-5)												DATE: FEBRUARY 1998															
ITEM/MANUFACTURER PROCUREMENT YEAR	FISCAL YEAR 1998												FISCAL YEAR 1999												FISCAL YEAR 2000												L A T E R		
	CALENDAR YEAR 1998												CALENDAR YEAR 1999												CALENDAR YEAR 2000														
	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	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			
TRIDENT II MISSILE FY 1996	1	1	1	1	1	1																																	0
FY 1997 1/													1	1	1	1	1	1	1																			0	
FY 1998 1/																									1	1	1		1		1							0	
FY 1999 1/																																						5	
FY 2000																																						12	
FY 2001																																						12	
FY 2002																																						12	
FY 2003																																						12	
TOTAL	1	1	1	1	1	1	0	0	0	0	0	0	1	1	1	1	1	1	1	0	0	0	0	0	1	1	1	1	0	1	0	1	0	0	0	0	53		
REMARKS 1/ The Navy's budget estimates for D-5 missile procurement and deliveries assume U.K. participation in FY 1997 - FY 1999.	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	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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BUDGET ITEM JUSTIFICATION SHEET										DATE FEBRUARY 1998	
APPROPRIATION/BUDGET ACTIVITY WEAPONS PROCUREMENT, NAVY / BUDGET ACTIVITY 1 BALLISTIC MISSILES					P-1 ITEM NOMENCLATURE TRIDENT II ADVANCE PROCUREMENT						
	Prior Years	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	To Complete	Total Program
QUANTITY	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cost (in millions)	\$2,065.6	\$185.4	\$57.9	\$49.5	\$62.8	\$37.5	\$36.6	\$16.2	\$15.0	\$15.4	\$2,541.9
Initial Spares	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total (in Millions) 1/	\$2,065.6	\$185.4	\$57.9	\$49.5	\$62.8	\$37.5	\$36.6	\$16.2	\$15.0	\$15.4	\$2,541.9
Unit Cost (in Millions)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Funding in this line item provides for the advance procurement of various components, subassemblies and raw materials which are required to support the future production and processing of TRIDENT II (D-5) missiles, MK-6 guidance systems and D-5 special purpose flight test instrumentation. Total advance procurement requirements comprise two major subsets of commodity acquisition: traditional, or long lead advance procurement, which includes those items having longer manufacturing leadtimes than the using D 5 items; and production continuity advance procurement, which entails the purchase of certain critical components earlier than leadtimes alone would dictate to ensure their continuous production. These latter production continuity procurements encompass a broad range of components and materials which must be produced at minimum, uninterrupted rates on dedicated production lines as well as life-of-type or one-time quantity buys of items required to support the total planned program. The quality and homogeneity obtained by these means are essential to assure the consistent performance reliability of the missiles to be procured for the TRIDENT II program.

The FY 1999 request of \$62.8 million will provide \$16.0 million for the advance procurement of long lead items required to support the FY 2000 full funded manufacture of D-5 missiles and \$46.8 million for advance procurement of life of type and critical components required to maintain D-5 missile component production lines at the lowest sustaining rate consistent with quality, reliability, safety and cost.

1/ The FY 1998 column reflects a below-threshold reprogramming correcting the full funding and advance procurement lines.

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WEAPON SYSTEM ADVANCE PROCUREMENT EXHIBIT (P-10) (PROCUREMENT OF ADVANCE DESIGN AND MATERIAL) (TOA, Dollars in tenths of Millions)					FY 1996 FOR FY 1997	
					DATE: FEBRUARY 1998	
Weapon System Type - UGM 133A TRIDENT II Missile		First System Award Date		First System Completion Date		Interval Between System Completions
UGM 133A TRIDENT II MISSILE		FY 1987		FY 1989		
Advance Procurement/Advance Funding Items	Quantity	End Item			Unit Cost	Total Cost
		Date Contract Award Planned/Required	Delivery Date of First Equipment Required	Production Lead Time in Months (Adm/Prod)-Total		
1. CFE AIRFRAME AND MOTOR LONG LEAD	1 (see below)	10/96 *	10/98 *	9/24	1.5	1.5
AIRFRAME AND MOTOR PRODUCTION CONTINUITY						183.9
TOTAL						185.4
<p>Narrative Description</p> <p>Long Lead funding will allow for the delivery of TRIDENT II missiles in 2 versus 3 years. Long Lead items for six of the seven missiles authorized for the October 1996 contract were procured in FY 1995.</p> <p>Production continuity funds are required to maintain continuous production for missile motors and critical components at the lowest sustaining rate consistent with quality, reliability, safety and cost.</p> <p>* Long Lead procurements are awarded in the preceding year. The dates shown pertain to the full funded D-5 missiles to which the Long Lead will be applied.</p>						

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WEAPON SYSTEM ADVANCE PROCUREMENT EXHIBIT (P-10) (PROCUREMENT OF ADVANCE DESIGN AND MATERIAL) (TOA, Dollars in tenths of Millions)					FY 1997 FOR FY 1998	
					DATE: FEBRUARY 1998	
Weapon System Type - UGM 133A TRIDENT II Missile		First System Award Date		First System Completion Date		Interval Between System Completions
UGM 133A TRIDENT II MISSILE		FY 1987		FY 1989		
Advance Procurement/Advance Funding Items	Quantity	End Item			Unit Cost	Total Cost
		Date Contract Award Planned/Required	Delivery Date of First Equipment Required	Production Lead Time in Months (Adm/Prod)-Total		
1. CFE AIRFRAME AND MOTOR LONG LEAD	7 (see below)	10/97 *	10/99 *	9/24	1.5	10.7
AIRFRAME AND MOTOR PRODUCTION CONTINUITY						47.2
TOTAL						57.9
<p>Narrative Description</p> <p>Long Lead funding will allow for the delivery of TRIDENT II missiles in 2 versus 3 years. Subsequent to obligation of FY 1997 Long Lead funding for seven missiles budgeted for the October 1997 contract, Congress reduced the authorized quantity to five missiles. As a consequence, FY 1997 Advance Procurement funds will procure Long Lead items for two of the five missiles requested for the October 1998 contract.</p> <p>Production continuity funds are required to maintain continuous production for missile motors and critical components at the lowest sustaining rate consistent with quality, reliability, safety and cost.</p> <p>* Long Lead procurements are awarded in the preceding year. The dates shown pertain to the full funded D-5 missiles to which the Long Lead will be applied.</p>						

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WEAPON SYSTEM ADVANCE PROCUREMENT EXHIBIT (P-10) (PROCUREMENT OF ADVANCE DESIGN AND MATERIAL)					FY 1998 FOR FY 1999	
(TOA, Dollars in tenths of Millions)					DATE: FEBRUARY 1998	
Weapon System Type -		First System Award Date		First System Completion Date		Interval Between System Completions
UGM 133A TRIDENT II MISSILE		FY 1987		FY 1989		
Advance Procurement/Advance Funding Items	Quantity	End Item			Unit Cost	Total Cost
		Date Contract Award Planned/Required	Delivery Date of First Equipment Required	Production Lead Time in Months (Adm/Prod)-Total		
1. CFE AIRFRAME AND MOTOR LONG LEAD	5 (see below)	10/98 *	10/00 *	9/24	1.6	8.0
AIRFRAME AND MOTOR PRODUCTION CONTINUITY						41.5
TOTAL						49.5
<p>Narrative Description</p> <p>Long Lead funding will allow for the delivery of TRIDENT II missiles in 2 versus 3 years. Long Lead items for two of the five missiles requested for the October 1998 contract were funded in FY 1997. The Department of Defense has reduced the number of missiles proposed for the October 1998 contract from seven to five. As a consequence, FY 1998 Advance Procurement will fund Long Lead items for two of the seven missiles requested for the October 1999 contract.</p> <p>Production continuity funds are required to maintain continuous production for missile motors and critical components at the lowest sustaining rate consistent with quality, reliability, safety and cost.</p> <p>* Long Lead procurements are awarded in the preceding year. The dates shown pertain to the full funded D-5 missiles to which the Long Lead will be applied.</p>						

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WEAPON SYSTEM ADVANCE PROCUREMENT EXHIBIT (P-10) (PROCUREMENT OF ADVANCE DESIGN AND MATERIAL)					FY 1999 FOR FY 2000	
(TOA, Dollars in tenths of Millions)					DATE: FEBRUARY 1998	
Weapon System Type - UGM 133A TRIDENT II Missile		First System Award Date		First System Completion Date		Interval Between System Completions
UGM 133A TRIDENT II MISSILE		FY 1987		FY 1989		
Advance Procurement/Advance Funding Items	Quantity	End Item			Unit Cost	Total Cost
		Date Contract Award Planned/Required	Delivery Date of First Equipment Required	Production Lead Time in Months (Adm/Prod)-Total		
1. CFE AIRFRAME AND MOTOR LONG LEAD	10 (see below)	10/99 *	10/01 *	9/24	1.6	16.0
AIRFRAME PRODUCTION CONTINUITY						46.8
TOTAL						62.8
<p>Narrative Description</p> <p>Long Lead funding will allow for the delivery of TRIDENT II missiles in 2 versus 3 years. Long Lead items for two of the twelve missiles requested for the October 1999 contract were funded in FY 1998.</p> <p>Production continuity funds are required to maintain continuous production for critical components at the lowest sustaining rate consistent with quality, reliability, safety and cost.</p> <p>* Long Lead procurements are awarded in the preceding year. The dates shown pertain to the full funded D-5 missiles to which the Long Lead will be applied.</p>						

BUDGET ITEM JUSTIFICATION SHEET	DATE FEBRUARY 1998
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APPROPRIATION/BUDGET ACTIVITY WEAPONS PROCUREMENT, NAVY / BUDGET ACTIVITY 1 BALLISTIC MISSILES	P-1 ITEM NOMENCLATURE MISSILE INDUSTRIAL FACILITIES
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	Prior Years	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	To Complete	Total Program
QUANTITY	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cost (in millions)	N/A	\$2.1	\$1.8	\$2.1	\$0.2	\$1.2	\$1.3	\$1.3	\$1.4	N/A	N/A
Initial Spares	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total (in Millions)	N/A	\$2.1	\$1.8	\$2.1	\$0.2	\$1.2	\$1.3	\$1.3	\$1.4	N/A	N/A
Unit Cost (in Millions)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Funding for Missile Industrial Facilities provides for capital maintenance projects at Navy-owned Naval Industrial Reserve Ordnance Plants (NIROPS) at Sunnyvale and Santa Cruz, California, and Bacchus, Utah in support of the Fleet Ballistic Missile program.

Projects planned in FY 1996 through FY 1999 include additions and modifications to, and rehabilitation of, civil works, non-severable equipment, and real property. Among those projects are upgrades and improvements such as upgrading building electrical systems, replacing conductive floors, replacing insulation, replacing water and steam piping, paving roads and parking areas and painting buildings.

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WEAPON SYSTEM COST ANALYSIS EXHIBIT (P-5)			A. WEAPONS PROCUREMENT, NAVY BUDGET ACTIVITY 1		B. MISSILE INDUSTRIAL FACILITIES (31DG)		C. LOCKHEED MARTIN MISSILES AND SPACE CO. SUNNYVALE, CA		FEBRUARY 1998				
WEAPON SYSTEM COST ELEMENTS	Ident. Code	FY 96 Unit cost	Qty	TOTAL COST	FY 97 Unit cost	Qty	TOTAL COST	FY 98 Unit cost	Qty	TOTAL COST	FY 99 Unit cost	Qty	TOTAL COST
CAPITAL MAINTENANCE				2,138			1,788			2,096			198
TOTAL MISSILE INDUSTRIAL FACILITIES				2,138			1,788			2,096			198

P-1 Shopping List
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