

UNCLASSIFIED

MDA Exhibit R-2 RDT&E Budget Item Justification	Date February 2004
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APPROPRIATION/BUDGET ACTIVITY RDT&E, DW/06 RDT&E Management Support	R-1 NOMENCLATURE 0901598C Management Headquarters - MDA
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COST (\$ in Thousands)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Total PE Cost	35,331	92,449	141,923	146,099	145,112	151,727	154,583
1095 Management Headquarters	35,331	0	0	0	0	0	0
0601 Management Headquarters	0	92,449	141,923	146,099	145,112	151,727	154,583

Note: Fiscal Year 2003 is reflected in project 1095 and Fiscal Years 2004 and out are in project 0601.

A. Mission Description and Budget Item Justification

Our goal is to defend the United States and our allies, friends, and deployed forces from ballistic missiles of all ranges in all phases of flight. By the beginning of FY 2005, we will put the BMDS on alert and, for the first time, we will have a capability to defeat a ballistic missile threatening the United States. In FY 2005 and the remainder of the FYDP, we will increase the breadth and depth of our defense by adding forward-deployed, networked sensors, by adding interceptors at sea and on land, and by adding layers of increasingly capable weapons and sensors. Throughout this documentation, therefore, every activity can be tied to one of our four objectives: complete, verify and test the Initial Defensive Capability; put the Ballistic Missile Defense System on alert; develop procedures and logistics to perform and sustain concurrent testing and operations; and enhance the BMDS capability.

As directed by the DoD Directive 5100.73, Major DoD Headquarters Activities, signed by the Deputy Secretary of Defense on 13 May 1999, this Program Element funds costs associated with the operation of the headquarters and headquarters activities of the Missile Defense Agency.

This project funds the following basic areas: government civilian personnel, related operational and facility costs, and service support contracts.

This Program Element (PE) increases due to substantial growth in Missile Defense Agency (MDA) mission requirements as well as consolidation of various activities from other PE into this PE. In particular, the increased MDA mission requirements for IM/IT Support and the consolidation of Support Contracts costs to this PE primarily responsible for driving this increase. In addition, funds required for the relocation of MDA office space contribute to the total increase in the Management Headquarters PE.

- Support Contracts is a new accomplishment for this PE, formerly budgeted in Program Operations. It provides contractual support for Management Headquarters related efforts. For a more detailed explanation, see the Support Contracts Accomplishments.
- Information Management/Information Technology (IM/IT) is also new to this PE, formerly budgeted in Program Operations, IM/IT budget increases for projected user increase, mandated efforts, and contract re-competition. Further explained the IM/IT Accomplishment.
- Rents & Utilities increase is cause by the Missile Defense Agency required move from FOB2; lease of commercial office space and the associated maintenance.
- Finally, the ramp-up in the support & administration costs is also due to the increased MDA mission.

Personnel and related costs covers payroll and benefits of government civilians performing program-wide oversight functions such as financial management, security, information management/information technology and legal services at the Missile Defense Agency located within Washington D.C. area. This project also funds related costs such as information technology support, training, travel, rents & utilities, supplies and equipment, and service support contracts for operational and maintenance activities of the Missile Defense Agency Headquarters.

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B. Program Change Summary	FY 2003	FY 2004	FY 2005
Previous President's Budget (FY 2004 PB)	25,365	93,441	101,373
Current President's Budget (FY 2005 PB)	35,331	92,449	141,923
Total Adjustments	9,966	-992	40,550
Congressional Specific Program Adjustments	0	0	0
Congressional Undistributed Adjustments	0	-992	0
Reprogrammings	9,966	0	40,550
SBIR/STTR Transfer	0	0	0

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APPROPRIATION/BUDGET ACTIVITY RDT&E, DW/06 RDT&E Management Support				R-1 NOMENCLATURE 0901598C Management Headquarters - MDA			
COST (\$ in Thousands)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
1095 Management Headquarters	35,331	0	0	0	0	0	0
RDT&E Articles Qty	0	0	0	0	0	0	0
<p><i>Note: Fiscal Year 2003 is reflected in project 1095 and Fiscal Years 2004 and out are in project 0601.</i></p> <p><u>A. Mission Description and Budget Item Justification</u></p> <p>Our goal is to defend the United States and our allies, friends, and deployed forces from ballistic missiles of all ranges in all phases of flight. By the beginning of FY 2005, we will put the BMDS on alert and, for the first time, we will have a capability to defeat a ballistic missile threatening the United States. In FY 2005 and the remainder of the FYDP, we will increase the breadth and depth of our defense by adding forward-deployed, networked sensors, by adding interceptors at sea and on land, and by adding layers of increasingly capable weapons and sensors. Throughout this documentation, therefore, every activity can be tied to one of our four objectives: complete, verify and test the Initial Defensive Capability; put the Ballistic Missile Defense System on alert; develop procedures and logistics to perform and sustain concurrent testing and operations; and enhance the BMDS capability.</p> <p>As directed by the DoD Directive 5100.73, Major DoD Headquarters Activities, signed by the Deputy Secretary of Defense on 13 May 1999, this Program Element funds costs associated with the operation of the headquarters and headquarters activities of the Missile Defense Agency.</p> <p>This project funds the following basic areas: government civilian personnel, related operational and facility costs, and service support contracts.</p> <p>This Program Element (PE) increases due to substantial growth in Missile Defense Agency (MDA) mission requirements as well as consolidation of various activities from other PE into this PE. In particular, the increased MDA mission requirements for IM/IT Support and the consolidation of Support Contracts costs to this PE primarily responsible for driving this increase. In addition, funds required for the relocation of MDA office space contribute to the total increase in the Management Headquarters PE.</p> <ul style="list-style-type: none"> - Support Contracts is a new accomplishment for this PE, formerly budgeted in Program Operations. It provides contractual support for Management Headquarters related efforts. For a more detailed explanation, see the Support Contracts Accomplishments. - Information Management/Information Technology (IM/IT) is also new to this PE, formerly budgeted in Program Operations, IM/IT budget increases for projected user increase, mandated efforts, and contract re-competition. Further explained the IM/IT Accomplishment. - Rents & Utilities increase is cause by the Missile Defense Agency required move from FOB2; lease of commercial office space and the associated maintenance. - Finally, the ramp-up in the support & administration costs is also due to the increased MDA mission. <p>Personnel and related costs covers payroll and benefits of government civilians performing program-wide oversight functions such as financial management, security, information management/information technology and legal services at the Missile Defense Agency located within Washington D.C. area. This project also funds related costs such as information technology support, training, travel, rents & utilities, supplies and equipment, and service support contracts for operational and maintenance activities of the Missile Defense Agency Headquarters.</p>							

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B. Accomplishments/Planned Program			
	FY 2003	FY 2004	FY 2005
Civilian Salaries & Support	35,331	0	0
RDT&E Articles (Quantity)			

Civilian Pay & Benefits: This effort provided funding for civilian payroll; the FY 2003 represents Missile Defense Agency response the DoD required to reduce the total authorized FTE's in the Management Headquarters Program Element to FY 1999 level minus a 15% reduction. Supplies: This effort provides for the materials and supplies to stock the Missile Defense Agency supply rooms. Rents & Utilities: The rents and utilities increase is associated with the Missile Defense Agency requirement to move from its' existing residence and the anticipated cost in leasing commercial office space. Travel & Transportation: Travel and Transportation provides funding for those specific functions for the individuals assigned to Management Headquarters organizations/functions, with the Missile Defense Agency. Service Contracts: These costs are for service contracts such as follows: office machines (copies, facsimile and printers), telephone service, leased vehicles, and various other service contracts. Training: This effort provides funding for the Missile Defense Agency civilian and military career development training.

C. Other Program Funding Summary									
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	To Complete	Total Cost
PE 0603175C Ballistic Missile Defense Technology	151,217	225,268	204,320	199,468	246,291	286,286	305,365	Continuing	Continuing
PE 0603869C Meads Concepts - Dem/Val	101,754	0	0	0	0	0	0	Continuing	Continuing
PE 0603879C Advanced Concepts, Evaluations and Systems	0	149,993	256,159	229,512	232,463	231,583	224,626	Continuing	Continuing
PE 0603880C Ballistic Missile Defense System Segment	1,028,016	0	0	0	0	0	0	Continuing	Continuing
PE 0603881C Ballistic Missile Defense Terminal Defense Segment	134,093	874,527	937,748	993,048	1,117,657	570,000	410,324	Continuing	Continuing
PE 0603882C Ballistic Missile Defense Midcourse Defense Segment	3,056,035	3,744,066	4,404,335	3,067,800	3,087,147	1,881,298	1,802,257	Continuing	Continuing
PE 0603883C Ballistic Missile Defense Boost Defense Segment	705,643	617,270	492,614	555,667	611,736	473,602	455,961	Continuing	Continuing
PE 0603884C Ballistic Missile Defense Sensors	327,013	425,421	591,957	790,265	1,453,679	1,122,189	1,232,893	Continuing	Continuing
PE 0603886C Ballistic Missile Defense System Interceptors	0	117,719	511,262	1,118,599	1,717,480	2,196,531	2,449,322	Continuing	Continuing
PE 0603888C Ballistic Missile Defense Test and Targets	0	635,782	716,427	673,476	656,152	654,015	688,119	Continuing	Continuing

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APPROPRIATION/BUDGET ACTIVITY RDT&E, DW/06 RDT&E Management Support					R-1 NOMENCLATURE 0901598C Management Headquarters - MDA				
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	To Complete	Total Cost
PE 0603889C Ballistic Missile Defense Products	0	305,309	418,608	421,049	445,971	456,339	469,621	Continuing	Continuing
PE 0603890C Ballistic Missile Defense System Core	0	445,356	479,764	492,988	527,541	539,210	568,365	Continuing	Continuing
PE 0604861C Theater High-Altitude Area Defense System - TMD - EMD	887,616	0	0	0	0	0	0	Continuing	Continuing
PE 0604865C Patriot PAC-3 Theater Missile Defense Acquisition - EMD	138,922	0	0	0	0	0	0	Continuing	Continuing
PE 0605502C Small Business Innovative Research - MDA	138,791	0	0	0	0	0	0	Continuing	Continuing
PE 0901585C Pentagon Reservation	7,432	14,327	13,884	12,958	12,850	13,158	13,476	Continuing	Continuing

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COST (\$ in Thousands)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
0601 Management Headquarters	0	92,449	141,923	146,099	145,112	151,727	154,583
RDT&E Articles Qty	0	0	0	0	0	0	0
<p><i>Note: Fiscal Year 2003 is reflected in project 1095 and Fiscal Years 2004 and out are in project 0601.</i></p> <p><u>A. Mission Description and Budget Item Justification</u></p> <p>Our goal is to defend the United States and our allies, friends, and deployed forces from ballistic missiles of all ranges in all phases of flight. By the beginning of FY 2005, we will put the BMDS on alert and, for the first time, we will have a capability to defeat a ballistic missile threatening the United States. In FY 2005 and the remainder of the FYDP, we will increase the breadth and depth of our defense by adding forward-deployed, networked sensors, by adding interceptors at sea and on land, and by adding layers of increasingly capable weapons and sensors. Throughout this documentation, therefore, every activity can be tied to one of our four objectives: complete, verify and test the Initial Defensive Capability; put the Ballistic Missile Defense System on alert; develop procedures and logistics to perform and sustain concurrent testing and operations; and enhance the BMDS capability.</p> <p>As directed by the DoD Directive 5100.73, Major DoD Headquarters Activities, signed by the Deputy Secretary of Defense on 13 May 1999, this Program Element funds costs associated with the operation of the headquarters and headquarters activities of the Missile Defense Agency.</p> <p>This project funds the following basic areas: government civilian personnel, related operational and facility costs, and service support contracts.</p> <p>This Program Element (PE) increases due to substantial growth in Missile Defense Agency (MDA) mission requirements as well as consolidation of various activities from other PE into this PE. In particular, the increased MDA mission requirements for IM/IT Support and the consolidation of Support Contracts costs to this PE primarily responsible for driving this increase. In addition, funds required for the relocation of MDA office space contribute to the total increase in the Management Headquarters PE.</p> <ul style="list-style-type: none"> - Support Contracts is a new accomplishment for this PE, formerly budgeted in Program Operations. It provides contractual support for Management Headquarters related efforts. For a more detailed explanation, see the Support Contracts Accomplishments. - Information Management/Information Technology (IM/IT) is also new to this PE, formerly budgeted in Program Operations, IM/IT budget increases for projected user increase, mandated efforts, and contract re-competition. Further explained the IM/IT Accomplishment. - Rents & Utilities increase is cause by the Missile Defense Agency required move from FOB2; lease of commercial office space and the associated maintenance. - Finally, the ramp-up in the support & administration costs is also due to the increased MDA mission. <p>Personnel and related costs covers payroll and benefits of government civilians performing program-wide oversight functions such as financial management, security, information management/information technology and legal services at the Missile Defense Agency located within Washington D.C. area. This project also funds related costs such as information technology support, training, travel, rents & utilities, supplies and equipment, and service support contracts for operational and maintenance activities of the Missile Defense Agency Headquarters.</p>							

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B. Accomplishments/Planned Program			
	FY 2003	FY 2004	FY 2005
Civilian Salaries & Support	0	38,741	54,245
RDT&E Articles (Quantity)			
<p>Civilian Pay & Benefits: This effort provided funding for civilian payroll; the FY 2003 represents Missile Defense Agency response the DoD required to reduce the total authorized FTE's in the Management Headquarters Program Element to FY 1999 level minus a 15% reduction. Supplies: This effort provides for the materials and supplies to stock the Missile Defense Agency supply rooms. Rents & Utilities: The rents and utilities increase is associated with the Missile Defense Agency requirement to move from its' existing residence and the anticipated cost in leasing commercial office space. Travel & Transportation: Travel and Transportation provides funding for those specific functions for the individuals assigned to Management Headquarters organizations/functions, with the Missile Defense Agency. Service Contracts: These costs are for service contracts such as follows: office machines (copies, facsimile and printers), telephone service, leased vehicles, and various other service contracts. Training: This effort provides funding for the Missile Defense Agency civilian and military career development training.</p>			
	FY 2003	FY 2004	FY 2005
Information Management/Information Technology (IM/IT)		29,170	30,802
RDT&E Articles (Quantity)			
<p>In the past this effort has been budgeted and executed in Program Operations projects. This budget is based on actual's spent in FY 02 to support 1,500 users in the MDA NCR. At the end of FY 03 MDA NCR will expand to four locations and grow to approximately 3,000 users. Increase in personnel has a corresponding increase in support cost which include purchases of desktop hardware, telecommunications links, network equipment (new procurements and existing hardware), software applications (new procurements and existing maintenance costs), consumables, laptops, and other peripherals. Increase in customer base necessitates increases in must-pay contractor costs associated with help desk, system engineers, software specialists, computer operations, etc. personnel. Failure to provide funding will result in failure to meet customer and operational requirements to support the MDA mission. FY 2004 is the first year these efforts have been included in the Management Headquarters Program Element, in the past these requirements were budgeted and executed in the Program Operations projects.</p>			
	FY 2003	FY 2004	FY 2005
Support Contracts		24,538	56,876
RDT&E Articles (Quantity)			
<p>Support contracts effort pertains to the contractual services provided to support the Management Headquarters functions. FY 2004 is the first year these efforts have been included in the Management Headquarters Program Element, in the past these requirements were budgeted and executed in the Program Operations projects. The Support contracts project includes the following efforts: Security - provides physical security, facility entry control, CCTV & perimeter door alarm monitoring, DoD badge issue for MDA employees, self propelled vehicle operation, escort of visitors for MDA facilities, and address identified shortcomings in our facility security and force protection standards. Information Assurance - provides fault tolerance/fail-over horsepower, application development, network management, and storage needed to power the virtual Information Assurance Operations Center infrastructure (IAOC), which provides security for MDA IT systems. Workforce Management - responsible for providing organization development consultation on corporate workforce management systems and issues. In addition, provides support for directing and managing the development, coordination, and execution of workforce management goals, objectives, policies, plans and programs for the Missile Defense Agency. Financial Management - provides Ballistic Missile Defense Program budget direction, accounting and fiscal policy, and guidance to the Missile Defense Agency and Missile Defense Agency Executing Agents for Program Objective Memorandum, budget submissions, budget execution, and related financial reporting. Strategic Relations - provides support to the principal advisor for developing the strategy, analysis, planning and implementation for all strategic (international and interagency) relations to the agency.</p>			

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