

UNCLASSIFIED

Missile Defense Agency (MDA) Exhibit R-2 RDT&E Item Justification	Date February 2005
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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 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Total Program Element (PE) Cost	92,100	113,777	99,327	95,443	98,984	98,728	81,492	81,760
0601 Management Headquarters	92,100	113,777	99,327	95,443	98,984	98,728	81,492	81,760

Note:
As addressed under PE 0603890C (BMDS Core), the Counterintelligence and Information Assurance efforts, each approximately \$1M per year, were transferred beginning in FY 2005 to Project 0102 in the BMDS Core PE. Otherwise, the FY05 amount reflects a \$25M Congressional reduction to FY05 budget request. The FY06 request reflects further reductions as a result of MDA's ongoing efforts to reduce Agency infrastructure, which will carry through into FY07. The increasing amounts in FY08 and FY09 are based on MDA moving to a consolidated location as part of the planned expansion of Arlington National Cemetery, with FY10 and FY11 costs again decreasing to reflect anticipated savings as a result of the consolidation.

A. Mission Description and Budget Item Justification

The Administration and the Congress have committed to deploying a ballistic missile defense system as soon as technologically possible. In response to Presidential direction, MDA fielded an initial defensive capability in 2004 to address known threats. We began with the most mature components - a small number of sensors and interceptors and a fire control system - forming the foundation of an integrated and layered ballistic missile defense system (BMDS). The fielded system is limited, intended to support comprehensive development and testing while providing defense of the United States against attack by a limited number of ballistic missiles. Our objective remains a single integrated layered system with diverse basing options. We have balanced fielding decisions with a comprehensive development program to deliver the maximum operational capability within the resources provided.

The FY 2006 biennial budget submission, to include the FYDP years, emphasizes full integration of BMDS elements and components - that is, making the system work better as a single system - as well as continued development of capabilities that will close performance gaps in our current configuration. This program is balanced and funded to meet a broad spectrum of potential threats: 1) the size of the rogue nation threat; 2) the complexity of the rogue nation threat; 3) aggressive tactics to circumvent our current posture; and 4) the emergence of new threats. The Administration is committed to defending the American people against new threats of the 21st century and has called out deployment of effective missile defenses as an essential element of that effort.

As prescribed by DoD Directive 5100.73, Major 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:

- Salaries and benefits for government civilian personnel assigned to the Agency headquarters, as well as training and professional development required to maintain mandatory Acquisition Certifications for the MDA workforce. Staff functions funded from this project include the Command Group and Chief of Staff, the Small and Disadvantage Business Utilization Office (SADBU), Workforce Management, General Counsel, Legislative Affairs, Financial Management to include a priority effort to improve Agency-wide financial statements, International Program Support with particular emphasis of Israeli and Japanese cooperative efforts, centralized oversight of classified programs, and management of all MDA facility, maintenance, and housekeeping activities.
- Related operational costs include leases for commercial office space, utilities and communications at both the leased facilities and Federal Office Building 2 (Navy Annex), shuttle bus service between the five major offices occupied by MDA personnel throughout the National Capitol Region (NCR), janitorial and maintenance contracts to ensure a healthy and productive work place, and leases for office equipment other than computers. This project also funds mission travel and relocation costs for new government civilian employees hired from outside the NCR.
- In addition to the direct costs for government civilian salaries and the MDA headquarters plant, this project also funds contractual support for Management Headquarters related efforts covering a broad spectrum of activities: from janitorial and maintenance services, travel office staffing, mail room operations, and contract secretarial support, to highly specialized skills such as certified accountants and auditors to help improve MDA's financial statements, attorney advisors to augment the General Counsel's office, international program specialists, employee benefit and training specialists, program analysts with specific skill sets to assist in tracking classified programs, and logistics/facility managers.

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Accomplishments/Planned Program				
	FY 2004	FY 2005	FY 2006	FY 2007
Civilian Salaries & Support	40,388	54,245	54,958	51,973
<p>This effort funds the basic costs for government civilian salaries and the operation of the MDA plant.</p> <p>Civilian Salaries & Benefits: Funds MDA's civilian payroll.</p> <p>Supplies: This effort provides for the materials and supplies to stock the Missile Defense Agency supply rooms.</p> <p>Rents & Utilities: The rents and utilities for MDA leased offices.</p> <p>Travel & Transportation: Provides funding mission travel, Permanent Change of Station, and any other transportations costs.</p> <p>Service Contracts: Costs for service contracts such as office machines (copies, facsimile and printers), telephone service, leased vehicles, and various other service contracts.</p> <p>Training: Provides funding for Missile Defense Agency civilian and military career development training.</p>				
	FY 2004	FY 2005	FY 2006	FY 2007
Support Contracts	51,712	59,532	44,369	43,470
<p>This effort provides contractual services required to maintain and operate the MDA plant as well as augment the government civilian staff performing Agency-wide Management Headquarters functions:</p> <p>Logistics and Administrative Support - janitorial and maintenance services, travel office staffing, mail room operations, and contract secretarial support.</p> <p>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.</p> <p>Financial Management - provides Ballistic Missile Defense Program accounting and fiscal policy for the Missile Defense Agency and Missile Defense Agency Executing Agents. In coordination with the Defense Finance and Accounting Service, the DoD Comptroller, and the DoD Inspector General, improve and enhance the MDA financial process leading to a clean opinion on the audited MDA financial statement.</p> <p>Strategic Relations - provides support to the principal advisor for developing the strategy, analysis, planning and implementation for all strategic (international and interagency) programs.</p> <p>Other Specialized Support - provides augmentation for management of classified programs, legal, logistics management, and support to the Director's office.</p>				

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B. Program Change Summary Table	FY 2004	FY 2005	FY 2006	FY 2007
Previous President's Budget (FY 2005 PB)	92,449	141,923	146,099	145,112
Current President's Budget (FY 2006 PB)	92,100	113,777	99,327	95,443
Total Adjustments	-349	-28,146	-46,772	-49,669
Congressional Specific Program Adjustments	0	-25,000	0	0
Congressional Undistributed Adjustments	0	-3,146	0	0
Reprogrammings	-349	0	0	0
SBIR/STTR Transfer	0	0	0	0
Adjustments to Budget Years	0	0	-46,772	-49,669

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C. Other Program Funding Summary

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Total Cost
PE 0603175C Ballistic Missile Defense Technology	226,765	231,145	136,241	184,877	197,229	205,191	212,435	218,763	1,612,646
PE 0603879C Advanced Concepts, Evaluations and Systems	132,701	159,878	0	0	0	0	0	0	292,579
PE 0603881C Ballistic Missile Defense Terminal Defense Segment	860,794	928,388	1,143,610	1,034,676	879,674	617,319	731,282	485,512	6,681,255
PE 0603882C Ballistic Missile Defense Midcourse Defense Segment	3,731,708	4,521,019	3,266,196	3,945,991	3,650,848	3,315,513	3,183,622	2,545,882	28,160,779
PE 0603883C Ballistic Missile Defense Boost Defense Segment	475,911	476,179	483,863	648,728	620,793	690,807	811,430	1,183,182	5,390,893
PE 0603884C Ballistic Missile Defense Sensors	417,814	577,297	529,829	995,711	1,214,008	1,186,134	1,069,208	1,018,614	7,008,615
PE 0603886C Ballistic Missile Defense System Interceptors	114,669	279,815	229,658	444,900	677,243	1,137,337	1,468,827	1,717,507	6,069,956
PE 0603888C Ballistic Missile Defense Test and Targets	616,773	720,818	622,357	684,170	608,282	643,119	661,362	670,092	5,226,973
PE 0603889C Ballistic Missile Defense Products	309,949	383,830	455,152	509,982	509,161	516,599	516,017	515,729	3,716,419
PE 0603890C Ballistic Missile Defense System Core	449,747	399,829	447,006	538,442	532,412	530,934	520,679	531,832	3,950,881
PE 0603891C Special Programs - MDA	0	0	349,522	482,903	826,173	1,097,252	1,015,198	1,244,072	5,015,120
PE 0605502C Small Business Innovative Research - MDA	146,030	0	0	0	0	0	0	0	146,030
PE 0901585C Pentagon Reservation	16,251	13,761	17,386	15,586	6,058	6,376	4,490	4,725	84,633
PE 0901598C Management Headquarters - MDA	92,100	113,777	99,327	95,443	98,984	98,728	81,492	81,760	761,611
Air Force – Other Procurement	0	0	2,400	1,453	11,279	386	17,710	25,709	58,937
Air Force – Operations and Maintenance	0	17,600	7,964	11,712	33,830	33,080	34,119	35,398	173,703
Air Force – Military Personnel	0	0	3,628	7,640	8,332	8,535	8,826	9,129	46,090
Army – Operations and Maintenance	37,600	49,597	66,974	68,246	69,809	71,472	73,325	75,230	512,253
Army National Guard – Operations and Maintenance	0	0	155	151	150	154	164	167	941
Army National Guard – Military Personnel	21,000	21,000	17,648	24,432	24,952	25,591	25,591	25,591	185,805
Navy – Operations and Maintenance	0	11,300	12,900	24,100	24,400	24,600	23,300	23,700	144,300
PAC-3/MEADS – RDT&E	433,728	344,978	304,973	336,959	465,395	521,791	522,418	502,961	3,433,203
PAC-3/MEADS – Missile Procurement	841,964	574,972	581,924	578,579	660,584	616,020	509,032	738,679	5,101,754

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