

RDT&E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)	DATE February 1999
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BUDGET ACTIVITY 7 - Operational System Development	PE NUMBER AND TITLE 1001018F NATO JSTARS	PROJECT 0002
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COST (\$ In Thousands)	FY 1998 Actual	FY 1999 Estimate	FY 2000 Estimate	FY 2001 Estimate	FY 2002 Estimate	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate	Cost to Complete	Total Cost
0002 NATO JSTARS	16,923	0	0	0	0	0	0	0	0	TBD
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0	TBD

(U) A. Mission Description

NATO initiated the Alliance Ground Surveillance (AGS) program to provide NATO commanders near-real time surveillance and targeting information on moving and stationary ground targets (growth to maritime operations), slow moving rotary and fixed wing aircraft, and rotating antennas from airborne platforms. The US proposed it's 707 based JSTARS aircraft in a 'Fast Track' offer to meet the NATO AGS requirement. The November 1997 Conference of National Armaments Director's (CNAD) meeting rejected all offers, including 'Fast Track'. The CNAD then tasked the Provisional Project Structure (PPS) to search for 'fresh options' and acquisition options, giving due consideration to an air segment composed of NATO owned and operated capabilities and interoperable national assets; and a NATO-owned open architecture ground segment. During the December 1997 Steering Committee (SC) meeting the US proposed an AGS system based on it's advanced radar sensor (JSTARS Radar Technology Insertion Program (RTIP)) integrated onto an air platform of NATO's choice. The April 1998 CNAD endorsed the PPS's recommendation for conducting a Concept Definition Study lead by the Provisional Project Office (PPO). The Purpose of the study is to develop the information required by the CNAD for determining an approach to pursue a NATO owned and operated core AGS capability. The PPO will present findings of the Concept Definition Study during the May 1999 CNAD meeting. In support of the PPO led Concept Definition Study, the US is leading the air segment portion based on the US advanced radar sensor during the FY98/99 timeframe.

An evaluation of the tasks required to support the Government's ongoing efforts resulted in a contract change proposal to the NATO Phase IV Study, extending the period of performance through 30 September 1998, in lieu of January 1998. This contract change was necessary to continue our support of the PPO during the Concept Definition Study as well as continuation of NATO Consultation Command and Control Agency (NC3A) activities. A Phase V effort will be added 1 October 1998 to carry this tasking through the Spring 1999 CNAD.

(U) FY 1998 (\$ in Thousands)

- (U) \$ 2,786 NATO Studies
- (U) \$ 100 Provisional Project Office
- (U) \$ 2,037 Other Government Cost (ESC/JPO Support)
- (U) \$12,000 Above Threshold Reprogramming Source
- (U) **\$16,923 Total**

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<p>(U) <u>FY 1999</u> (\$ in Thousands) - (U) \$0 Total (Note: Requirements are dependent upon a CNAD decision in May 1999)</p> <p>(U) <u>FY2000</u> - (U) \$0 Total (Note: Requirements are dependent upon results of a CNAD decision in May 1999)</p> <p>(U) <u>FY2001</u> - (U) \$0 Total (Note: Requirements are dependent upon results of a CNAD decision in May 1999)</p> <p>(U) B. <u>Budget Activity Justification:</u></p> <p>This program is in Budget Activity 7, Operational System Development because it involves the modification of radar sensor technology currently fielded.</p> <p>(U) C. <u>Program Change Summary (\$ in Thousands)</u></p> <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="text-align: center;"><u>FY 1998</u></th> <th style="text-align: center;"><u>FY 1999</u></th> <th style="text-align: center;"><u>FY 2000</u></th> <th style="text-align: center;"><u>FY 2001</u></th> <th style="text-align: center;"><u>Total Cost</u></th> </tr> </thead> <tbody> <tr> <td>(U) FY 1999 President's Budget</td> <td style="text-align: right;">24,091</td> <td style="text-align: center;">0*</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">TBD</td> </tr> <tr> <td>(U) Appropriated Value</td> <td style="text-align: right;">26,061</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>(U) Adjustments to Appropriated Value</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> a. Cong Gen Reductions</td> <td style="text-align: right;">-1,355</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> b. SBIR</td> <td style="text-align: right;">-619</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> c. Omnibus or Other Above Threshold Reprogram</td> <td style="text-align: right;">-164</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> d. Below Threshold Reprogramming</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> e. Rescissions</td> <td style="text-align: right;">-7,000</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>(U) Adjustments to Budget Years Since FY 1999 PB</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>(U) Current Budget Submit/FY 2000 PB</td> <td style="text-align: right;">16,923</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">TBD</td> </tr> </tbody> </table> <p>* A Below Threshold Reprogramming is expected to add 2,700 to FY99. Note: FY00 and out year requirements are dependent upon the CNAD decision in May 1999</p> <p>(U) Significant Program Changes: N/A</p>							<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>Total Cost</u>	(U) FY 1999 President's Budget	24,091	0*	0	0	TBD	(U) Appropriated Value	26,061					(U) Adjustments to Appropriated Value						a. Cong Gen Reductions	-1,355					b. SBIR	-619					c. Omnibus or Other Above Threshold Reprogram	-164					d. Below Threshold Reprogramming						e. Rescissions	-7,000					(U) Adjustments to Budget Years Since FY 1999 PB						(U) Current Budget Submit/FY 2000 PB	16,923	0	0	0	TBD
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Project 0002		Page 2 of 6 Pages		Exhibit R-2 (PE 1001018F)																																																																			

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(U) D. Other Program Funding Summary (\$ in Thousands)

Not Applicable

(U) E. Acquisition Strategy -The U.S. and other NATO nations are participating in a NATO AGS Provisional Project Office (PPO) led Concept Definition Study, giving due consideration to an air segment made up of both NATO-owned and national assets, and a NATO-owned ground segment. The results of the Concept Definition Study will be submitted to the May 1999 CNAD.

(U) F. Schedule Profile

	FY 1998			FY 1999			FY 2000			FY 2001		
	1	2	3	4	1	2	3	4	1	2	3	4
(U) Completion of Phase IV				*								
(U) Phase V Contract Award					*							
(U) CNAD Decision							X					

Legend:

- * - Denotes Completed Event
- X- Denotes Planned Event

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RDT&E PROGRAM ELEMENT/PROJECT COST BREAKDOWN (R-3)			DATE February 1999	
BUDGET ACTIVITY	PE NUMBER AND TITLE		PROJECT	
7 - Operational System Development	1001018F NATO JSTARS		0002	
(U) A. <u>Project Cost Breakdown (\$ in Thousands)</u>				
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
(U) NATO Studies	2,786	0*	0	0
(U) Provisional Project Office (PPO)	100	0	0	0
(U) Other Government Costs	2,037	0	0	0
(U) Above Threshold Reprogramming Source	12,000			
(U) Total	16,923	0	0	0
* A Below Threshold Reprogramming is expected to add 2,700 to FY99.				
NOTE: FY99 and out year requirements are dependent upon the CNAD decision in May 1999.				
Project 0002	Page 4 of 6 Pages	Exhibit R-3 (PE 1001018F)		

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RDT&E PROGRAM ELEMENT/PROJECT COST BREAKDOWN (R-3)										DATE February 1999	
BUDGET ACTIVITY 7 - Operational System Development					PE NUMBER AND TITLE 1001018F NATO JSTARS					PROJECT 0002	
(U) B. Budget Acquisition History and Planning Information (\$ in Thousands)											
Performing Organizations:											
<u>Contractor or Government Performing Activity</u>	<u>Contract Method/Type or Funding Vehicle</u>	<u>Award or Obligation Date</u>	<u>Performing Activity EAC</u>	<u>Project Office EAC</u>	<u>Total Prior to FY 1998</u>	<u>Budget FY 1998</u>	<u>Budget FY 1999</u>	<u>Budget FY 2000</u>	<u>Budget FY 2001</u>	<u>Budget to Complete</u>	<u>Total Program</u>
Above Threshold Reprog. Source					0	12,000	0	0	0	0	12,000
<u>Product Development Organizations</u>											
Northrop Grumman	IDIQ	Apr 96	2,478	2,478	2,478	0	0	0	0	0	2,478
Rome Labs	Fixed Price	Sep 96	485	485	485	0	0	0	0	0	485
Northrop Grumman	IDIQ	Jan 97	3,992	3,992	3,992	0	0	0	0	0	3,992
Northrop Grumman	IDIQ	Jan 98	1,371	1,371	0	1,371	0	0	0	0	1,371
Northrop Grumman	IDIQ	Oct 98	1,415	1,415	0	1,415	0	0	0	0	1,415
<u>Support and Management Organizations</u>											
ESC (Provisional Project Office)			100	100	0	100	0	0	0	0	100
MITRE	Cost Plus Award Fee	Oct 94/ Jun 96			674	785	0	0	0	0	1,459
TEMS	IDIQ	Mar - May 96			683	1,082	0	0	0	0	1,765
Miscellaneous	Various Contracts		796	796	626	170	0	0	0	0	796
<u>Test and Evaluation Organizations</u> - N/A											
Government Furnished Property: None											
Project 0002				Page 5 of 6 Pages				Exhibit R-3 (PE 1001018F)			

UNCLASSIFIED

RDT&E PROGRAM ELEMENT/PROJECT COST BREAKDOWN (R-3)						DATE February 1999	
BUDGET ACTIVITY		PE NUMBER AND TITLE				PROJECT	
7 - Operational System Development		1001018F NATO JSTARS				0002	
	Total						
	Prior to	Budget	Budget	Budget	Budget	Budget to	Total
	<u>FY 1998</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>Complete</u>	<u>Program</u>
Above Threshold Reprogramming Source	0	12,000	0	0	0	0	12,000
Subtotal Product Development	6,955	2,786	0	0	0	0	9,741
Subtotal Support and Management	1,983	2,137	0	0	0	0	4,120
Subtotal Test and Evaluation	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>Total Project</u>	8,938	16,923	0	0	0	0	25,861