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RDT&E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)							DATE February 2000		
BUDGET ACTIVITY 07 - Operational System Development				PE NUMBER AND TITLE 0102411F North Atlantic Defense System				PROJECT 672980	
COST (\$ in Thousands)	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate	FY 2002 Estimate	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate	Cost to Complete	Total Cost
672980 North Atlantic Defense System (NADS)	537	0	0	0	0	0	0	0	61,699
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0
<p>(U) <u>A. Mission Description</u> This program provides improvements to command, control, and communications (C3) and air surveillance capabilities in Iceland. The Control Reporting Center (CRC) and air surveillance radars support air defense requirements in the strategically important Greenland-Iceland-Norwegian gap. The program is a joint program with NATO funding infrastructure while the US funds cryptographic capabilities, system engineering and integration activities. The Joint Formal Acceptance Inspection (JFAI), a NATO required technical inspection of the entire system, is complete. Both the JFAI and a NATO required financial audit are completed and the system has been turned over to NATO/Iceland.</p> <p>In Jul 99 NATO approved full program funding for implementation of a Link 16 capability for NADS in Iceland (approx \$28M). As the host nation in Iceland, the US will be responsible for funding the system engineering and intergration activities (approx \$11M over the FYDP).</p> <p>(U) <u>FY 1999 (\$ in Thousands)</u> (U) \$256 Provided program office support (U) \$201 Provided systems engineering support for NADS (U) \$80 Provided systems integration activities for NADS (U) \$537 Total</p> <p>(U) <u>FY 2000 (\$ in Thousands)</u> (U) \$0 No further funding in this project (U) \$0 Total</p> <p>(U) <u>FY 2001 (\$ in Thousands)</u> (U) \$0 No further funding in this project (U) \$0 Total</p> <p>(U) <u>B. Budget Activity Justification</u> The program is in Budget Activity 7 since it supports improvements to currently operational systems.</p>									
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(U) C. Program Change Summary (\$ in Thousands)									
				<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>		<u>Total Cost</u>	
(U)	Previous President's Budget (FY 2000 PBR)			569	0	0		61,702	
(U)	Appropriated Value			615					
(U)	Adjustments to Appropriated Value								
	a. Congressional/General Reductions			-46					
	b. Small Business Innovative Research			-17					
	c. Omnibus or Other Above Threshold Reprogram								
	d. Below Threshold Reprogram			-12					
	e. Rescissions			-3	0			0	
	f. Other				0				
(U)	Adjustments to Budget Years Since FY 2000 PBR								
(U)	Current Budget Submit/FY 2001 PBR			537	0	0		61,702	
(U)	<u>Significant Program Changes:</u>								
(U) D. Other Program Funding Summary (\$ in Thousands)									
		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Total Cost</u>
		<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Complete</u>
(U)	AF RDT&E								
(U)	Other APPN								
(U) E. Acquisition Strategy									
The acquisition of hardware has been completed. Prior year funding provided engineering support during the NATO Operational Review known as the JFAI (Joint Formal Acceptance Inspection). The JFAI is a NATO technical and financial audit. Any discrepancies must be corrected to satisfy NATO.									
The anticipated three year contract will be funded under the NATO Infrastructure Program and will be conducted in accordance with NATO's document AC/4-D/2261, 'Infrastructure Committee The NATO Security Investment Programme Procedures for International Competitive Bidding (1996 Edition)'. As such, the contract type will be Firm Fixed Price (FFP). Additionally, the contract will direct that required changes to the NADS CRC software be accomplished through subcontract to Raytheon Integrated Systems Division, the OEM and owner of the software data rights.									
(U) F. Schedule Profile									
				<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>	
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(U) **F. Schedule Profile Continued**

	<u>FY 1999</u>				<u>FY 2000</u>				<u>FY 2001</u>			
1	2	3	4	1	2	3	4	1	2	3	4	
(U) JFAI	*											
(U) NATO Financial Audit												
(U) Program residuals												

Note: * denotes completed event, X denotes planned event.

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RDT&E PROGRAM ELEMENT/PROJECT COST BREAKDOWN (R-3)							DATE February 2000			
BUDGET ACTIVITY 07 - Operational System Development					PE NUMBER AND TITLE 0102411F North Atlantic Defense System			PROJECT 672980		
(U) A. Project Cost Breakdown (\$ in Thousands)										
						<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
(U)	Engineering Support					201		0		0
(U)	Intergation Activiy Support					80				
(U)	Program Support					256				
(U)	Total					537		0		0
(U) B. Budget Acquisition History and Planning Information (\$ in Thousands)										
(U) Performing Organizations:										
<u>Contractor or</u>	<u>Contract</u>									
<u>Government</u>	<u>Method/Type</u>	<u>Award or</u>	<u>Performing</u>	<u>Project</u>						
<u>Performing</u>	<u>or Funding</u>	<u>Obligation</u>	<u>Activity</u>	<u>Office</u>	<u>Total Prior</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget to</u>	<u>Total</u>
<u>Activity</u>	<u>Vehicle</u>	<u>Date</u>	<u>EAC</u>	<u>EAC</u>	<u>to FY 1999</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>Complete</u>	<u>Program</u>
<u>Product Development Organizations</u>										
<u>Support and Management Organizations</u>										
MITRE	Various	Oct 94	N/A	N/A	37,817	281	0	0	0	38,098
TEMS	Various	Jun 94	N/A	N/A	16,583	178	0	0	0	16,761
Program Office Support	Various		N/A	N/A	3,384	78	0	0	0	3,462
<u>Test and Evaluation Organizations</u>										
Various					3,378	0	0	0	0	3,378
GFP/GFE	None					0	0	0	0	0
(U) Government Furnished Property:										
	<u>Contract</u>									
	<u>Method/Type</u>	<u>Award or</u>								
<u>Item</u>	<u>or Funding</u>	<u>Obligation</u>	<u>Delivery</u>		<u>Total Prior</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget to</u>	<u>Total</u>
<u>Description</u>	<u>Vehicle</u>	<u>Date</u>	<u>Date</u>		<u>to FY 1999</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>Complete</u>	<u>Program</u>
<u>Product Development Property</u>										
<u>Support and Management Property</u>										
<u>Test and Evaluation Property</u>										

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	<u>Total Prior</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget to</u>	<u>Total</u>
	<u>to FY 1999</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>Complete</u>	<u>Program</u>
<u>Subtotals</u>						
Subtotal Product Development						
Subtotal Support and Management	57,784	537	0	0	0	58,321
Subtotal Test and Evaluation	3,378	0	0	0	0	3,378
Total Project	61,162	537	0	0	0	61,699