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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 1001018F NATO AGS				PROJECT 670002	
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
670002 NATO JSTARS	2,685	0	3,270	0	0	0	0	0	TBD
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	TBD
<p>Note: On 29 October 1999 the Air Force informed Congress of intentions for an FY99 New Start: the NATO Airborne Ground Surveillance, for the NATO Alliance Ground Surveillance (AGS) requirement. The Air Force intends to use \$.477 million, FY99 RDT&E remaining in the NATO Joint STARS line. The Air Force will support a Below Threshold Reprogramming of \$1.6 million FY00 RDT&E.</p> <p>(U) <u>A. Mission Description</u> The NATO Staff Requirement (NSR) for an Alliance Ground Surveillance (AGS) System, Sep 97, states the requirement for a NATO owned and operated capability to '...detect, locate, recognize and track specified activities on and near the surface and disseminate related data in timely manner, and thereby contribute to the successful accomplishment of the NATO military operations....' In Nov 97 the NATO Conference of National Armaments Directors (CNAD) rejected a US 'fast track' offer of the US JSTARS system to meet the AGS requirement, and directed the AGS Provisional Project Structure (PPS) to look at fresh options to satisfy the requirement. In Dec 97 the US offered the JSTARS Radar Technology Insertion Program (RTIP) advanced sensor on a platform of NATO's choice. In Apr 98 the CNAD endorsed the PPS recommendation for conducting a one year Concept Definition Study (CDS) led by the Provisional Project Office (PPO). The US led the airborne portion of the CDS and presented a study based on the US RTIP advanced sensor system. In May 99 the CNAD authorized entrance into a 2-year, RTIP-based, project definition phase for interested nations, based on a proposal by Norway. This project definition effort has been named the Trans-Atlantic Advanced Radar Project (TARP) and formal designation as a NATO Project has been requested. Nations that have agreed to participate in this effort to date are: US, Canada, Norway, Denmark, and Belgium. All NATO nations have been encouraged to join the effort and several have indicated interest in joining. In Aug 99 USD/AT&L directed the Air Force to be lead service, with support of the Army, in carrying out overall US participation in this project and to be specifically responsible for the Air Segment. The Air Force plans to support the effort through participation in a Project Definition Office (PDO) in Brussels, BE. The objective of the Project Definition effort is to prepare an international agreement, a program charter, and a request for proposal for a fully integrated and interoperable NATO owned and operated airborne ground surveillance system. Standup of the PDO is expected in Feb 00 and its work will last for approximately two years. To initiate the activity the Air Force plans to use \$.477 million FY99 RDT&E funds remaining in the NATO Joint STARS line. The FY00 effort will be supported by a below threshold reprogramming action.</p> <p>(U) <u>FY 1999 (\$ in Thousands)</u> (U) \$380 NATO Studies (U) \$1,808 Other Government Costs (U) \$20 Provisional Program Office Support (U) \$477 Project Definition Office Support (New Start pending with Congress; letter notification)</p>									
Project 670002			Page 1 of 5 Pages				Exhibit R-2 (PE 1001018F)		

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<p>(U) <u>A. Mission Description Continued</u></p> <p>(U) <u>FY 1999 (\$ in Thousands) Continued</u></p> <p>(U) \$2,685 Total</p> <p>(U) <u>FY 2000 (\$ in Thousands)</u></p> <p>(U) \$0 The Air Force plans a Below Threshold Reprogramming action, upon Congressional approval of the FY99 New Start Request, to add 1,600 for support for the operations of the PDO, and other NATO studies as required.</p> <p>(U) \$0 Total</p> <p>(U) <u>FY 2001 (\$ in Thousands)</u></p> <p>(U) \$3,270 Project Definition Office support and support NATO interoperability studies and efforts</p> <p>(U) \$3,270 Total</p> <p>(U) <u>B. 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) <u>C. Program Change Summary (\$ in Thousands)</u></p> <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></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) Previous President's Budget (FY 2000 PBR)</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: center;">0</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(U) Adjustments to Appropriated Value</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> a. Congressional/General Reductions</td> <td style="text-align: center;">-15</td> <td></td> <td></td> <td></td> </tr> <tr> <td> b. Small Business Innovative Research</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> c. Omnibus or Other Above Threshold Reprogram</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> d. Below Threshold Reprogram</td> <td style="text-align: center;">2,700</td> <td></td> <td></td> <td></td> </tr> <tr> <td> e. Rescissions</td> <td></td> <td style="text-align: center;">0</td> <td></td> <td></td> </tr> <tr> <td> f. Other</td> <td></td> <td style="text-align: center;">0</td> <td></td> <td style="text-align: center;">TBD</td> </tr> <tr> <td>(U) Adjustments to Budget Years Since FY 2000 PBR</td> <td></td> <td></td> <td style="text-align: center;">3,270</td> <td></td> </tr> <tr> <td>(U) Current Budget Submit/FY 2001 PBR</td> <td style="text-align: center;">2,685</td> <td style="text-align: center;">0</td> <td style="text-align: center;">3,270</td> <td style="text-align: center;">TBD</td> </tr> </tbody> </table> <p>(U) <u>Significant Program Changes:</u></p> <p>A Below Threshold Reprogramming is planned to add 1,600 to FY00, for the Air Force share of support to operations of the PDO. Funding in FY01 added by DOD direction.</p>				<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>Total Cost</u>	(U) Previous President's Budget (FY 2000 PBR)	0	0	0	TBD	(U) Appropriated Value	0				(U) Adjustments to Appropriated Value					a. Congressional/General Reductions	-15				b. Small Business Innovative Research					c. Omnibus or Other Above Threshold Reprogram					d. Below Threshold Reprogram	2,700				e. Rescissions		0			f. Other		0		TBD	(U) Adjustments to Budget Years Since FY 2000 PBR			3,270		(U) Current Budget Submit/FY 2001 PBR	2,685	0	3,270	TBD
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Project 670002	Page 2 of 5 Pages	Exhibit R-2 (PE 1001018F)																																																												

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RDT&E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)	DATE February 2000
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BUDGET ACTIVITY 07 - Operational System Development	PE NUMBER AND TITLE 1001018F NATO AGS	PROJECT 670002
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(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>Cost to</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
- N/A

(U) **E. Acquisition Strategy**
 The U.S. and four other NATO nations (Canada, Belgium, Denmark, and Norway) are participating in a Project Definition effort for a NATO owned and operated ground surveillance capability, based on the US JSTARS Radar Technology Insertion Program (RTIP) advanced radar. The Project Definition work is expected to conclude in 2002, and is expected to produce documentation to be presented to NATO nations necessary for a decision on whether to proceed with acquisition of an airborne ground surveillance system based on this effort.

(U) **F. Schedule Profile**

	<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) CNAD authorization, start of RTIP- based Project Definition effort			*									
(U) Standup of Project Definition Office						X						

* - 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 1001018F NATO AGS			PROJECT 670002		
(U) <u>A. Project Cost Breakdown (\$ in Thousands)</u>										
						<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
(U)	NATO Studies					380		0		0
(U)	Other Government Costs					1,808				
(U)	Provisional Project Office Support					20				
(U)	Project Definition Office Support and NATO Interoperability studies and efforts					477				3,270
(U)	Total					2,685		0		3,270
NOTE: For FY00 RDT&E, a Below Threshold Reprogramming action is planned to add 1,600 to be used for Project Definition Office support										
(U) <u>B. Budget Acquisition History and Planning Information (\$ in Thousands)</u>										
(U) <u>Performing Organizations:</u>										
	<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>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>Product Development Organizations</u>									<u>Total</u>
	Northrop Grumman	IDIQ	Apr 96	2,376	2,376	2,376				2,376
	Rome Labs	Fixed Price	Sep 96	485	485	485				485
	Northrop Grumman	IDIQ	Jan 97	3,782	3,782	3,782				3,782
	Northrop Grumman	IDIQ	Dec 97	637	637	637				637
	Northrop Grumman	IDIQ	May 98	944	944	944				944
	Northrop Grumman	IDIQ	Sep 98	1,404	1,404	1,404				1,404
	Northrop Grumman	IDIQ	Dec 98	47	47	47				47
	Northrop Grumman	IDIQ	May 99	520	520	140	380			520
	Project Development Office						477		3,270	3,747
	<u>Support and Management Organizations</u>									
	ESC (Provisional					4	20			0
	Project Office)									24
	MITRE	Cost Plus	Oct 94/			1,704	1,371			0
		Award Fee	Jun 96							3,075
	TEMS	IDIQ	Mar - May			2,255	337			0
										2,592
Project 670002						Page 4 of 5 Pages			Exhibit R-3 (PE 1001018F)	

UNCLASSIFIED

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BUDGET ACTIVITY			PE NUMBER AND TITLE		PROJECT	
07 - Operational System Development			1001018F NATO AGS		670002	
(U) <u>Performing Organizations Continued:</u>						
<u>Support and Management Organizations</u>						
Miscellaneous	Various	96	800	100	0	900
	Contracts					
<u>Test and Evaluation Organizations</u>						
			<u>Total Prior</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
			<u>to FY 1999</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>Subtotals</u>					<u>Budget to</u>	<u>Total</u>
Subtotal Product Development			9,815	857	3,270	13,942
Subtotal Support and Management			4,763	1,828	0	6,591
Subtotal Test and Evaluation						
Total Project			14,578	2,685	3,270	20,533