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BMDO RDT&E BUDGET ITEM JUSTIFICATION (R-2 Exhibit)								DATE June 2001		
BUDGET ACTIVITY 5 - Engineering and Manufacturing Development				PE NUMBER AND TITLE 0604867C Navy Area - EMD				PROJECT 2263		
COST <i>(In Thousands)</i>	FY2000 Actual	FY 2001 Estimate	FY 2002 Estimate	FY 2003 Estimate	FY 2004 Estimate	FY2005 Estimate	FY2006 Estimate	FY2007 Estimate	Cost to Complete	Total Cost
2263 Navy Area	303479	269552								
<p>The Navy Area Program (PE 0604867C) to include programmatic and funding is being transferred to the Navy beginning in FY02.</p> <p>A. <u>Mission Description and Budget Item Justification</u></p> <p>The Navy Area Theater Ballistic Missile Defense (TBMD) program builds on the national investment in AEGIS ships, AEGIS Weapon Systems (AWS), and Navy Standard Missile II (SM-2) Block IV missiles. Two classes of ships continue to be deployed with the AEGIS combat system: the CG-47 TICONDEROGA-class cruisers and the DDG-51 ARLEIGH BURKE-class destroyers. Navy Area TBMD will take advantage of the attributes of naval forces including overseas presence, mobility, flexibility, and sustainability in order to provide lower tier protection to debarkation ports, coastal airfields, amphibious objective areas, Allied forces ashore, and other high value sites. Navy assets will provide an option for initial TBMD allowing the insertion of additional land-based TBMD assets and other expeditionary forces in an opposed environment. Navy Area TBMD is designed to be fully interoperable within the Theater Missile Defense (TMD) Family of Systems (FoS) architecture, will complement the land-based PAC-3 system, the Navy Theater Wide (NTW) and Theater High Altitude Area Defense (THAAD) upper tier TBMD systems.</p> <p>FY 2000 Accomplishments:</p> <ul style="list-style-type: none"> • 271053 Began SM-2 Block IVA missile land based testing at WSMR by successfully conducting two Control Test Vehicle Flight Tests of the SM-2 Block IVA Missile. Completed exit criteria to support Low Rate Initial Production (LRIP) Long Lead Material (LLM) decision. Continued Engineering/Manufacturing Development (EMD) of the SM-2 Block IVA missile. Continued fabrication and delivery of White Sands Missile Range (WSMR) flight test and LINEBACKER missiles. Continued fabrication and delivery of Inert Operational Missile (IOM)/Engineering Design Model (EDM) test rounds. Continued Aegis Weapon System (AWS) Baseline 6 Phase III (B/L 6.3) full capability (tactical) computer program development and initiated computer program testing at Combat Systems Engineering Development Site (CSEDS). Continued follow-on AWS Baseline 7 Phase I (B/L 7.1) computer program development. Continue implementation of modifications to Navy Command and Control systems to maintain consistency with the Joint Planning Network (JPN), Joint Data Network (JDN), and Joint Composite Tracking Network (JCTN). • 4700 Continued Live Fire Test & Evaluation (LFT&E) ground test program activities. Continued required lethality analyses and lethality model refinements. • 27726 Continued building and delivery of targets to support Navy TBMD flight tests and maintain infrastructure to support Theater Missile Defense (TMD) targets. <p>Total 303479</p>										
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FY 2001 Planned Program:

- 227839 Continue EMD of the SM-2 Block IVA missile. Continue WSMR missile flight testing. Continue fabrication and delivery of EMD test rounds. Complete AWS Baseline 6 Phase III full capability (tactical) computer program coding and computer program testing at CSEDS. Begin preparations for delivery of AWS tactical computer program to Developmental Testing/Operational Testing (DT/OT) test ship. Continue follow-on AWS Baseline 7 Phase I computer program development. Continue implementation of modifications to Navy Command and Control systems to maintain consistency with the JPN, JDN, and JCTN. Gain LRIP LLM decision and awarded LRIP LLM contract December 01.
 - 1810 Complete LFT&E ground test program activities. Continue required lethality analyses and lethality model refinements.
 - 39903 Continue building and delivery of targets to support Navy TBMD flight tests.
- Total 269552

B. Program Change Summary	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Previous President's Budget (<u>FY 2001 PB</u>)	303479	271648		
Congressional Adjustments				
Appropriated Value		274234		
Adjustments to Appropriated Value				
a. Congressional Reductions (FFRDC, Inflation, etc)		-3182		
b. OSD Reductions				
c. Emergency Supplemental				
d. SIAP Reprogramming		-1500		
Adjustments to Budget Years Since <u>FY 2001 PB</u>				
Current Budget Submit (<u>FY 2002 PB</u>)	303479	269552		

Change Summary Explanation:

Funding: The FY01 decrease of \$3182K represents this program's portion of the Congressional reductions and \$1500 was reprogrammed for SIAP.

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C. <u>Other Program Funding Summary</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>FY 2006</u>	<u>FY2007</u>	<u>To Compl</u>	<u>Total Cost</u>
DWP Navy Area – AEGIS TBM Upgrades	7839	0								
DWP Navy Area – SM-2 Blk IVA Procurement	10123	0								
WPN BLI: 223400 -SM-2 BLK IVA	93346	68141								
WPN 229000er Missile Support Mk 21 Mod 1 VLS Canisters for SM-2 BLK IVA	2114	2342								

D. Acquisition Strategy:
Navy Area Defense. The Navy Area program builds on the existing Aegis air defense system to achieve a sea-based lower-tier BMD capability. The program includes a phased development with early demonstration of AEGIS Theater Ballistic Missile detection capability. This strategy consists of a Navy Area TBMD Program evolving to a Theater-Wide Defense TBMD program. The Navy Area Program strategy will build on existing force structure by modifying the SM-2 Block IV missile and AEGIS Combat System to achieve TBMD capability.

E. <u>Schedule Profile</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>FY 2006</u>	<u>FY 2007</u>
White Sands Missile Range Develop Testing/Operational Assessment – Start	3Q							
Long Lead Material for Low Rate Initial Production Decision		1Q						
AWS Baseline 6 Phase 3 Demonstration (CSEDS)		4Q						
Low Rate Initial Production Decision								
WSMR Developmental Testing/Operational Assessment - Complete								
Tactical Developmental Testing At Sea – Start								
AEGIS Linebacker Developmental Testing At-Sea Tests								
Low Rate Initial Production Delivery								
Tactical Operational Testing At Sea – Start								
Tactical First Unit Equipped								
Acquisition Milestone III								

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BMDO RDT&E COST ANALYSIS (R-3)	DATE June 2001
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BUDGET ACTIVITY 5 - Engineering and Manufacturing Development	PE NUMBER AND TITLE 0604867C Navy Area - EMD	PROJECT 2263
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I. Product Development	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2001 Cost	FY 2001 Award Date	FY 2002 Cost	FY 2002 Award Date	FY 2003 Cost	FY 2003 Award Date	Cost To Complete	Total Cost	Target Value of Contract
a. SM-2 Blk IVA Missile	CPAF	RAYTHEON	459611	98370	Cont							
b. SM-2 Blk IVA Missile	WR	CHINA LAKE	6100	2025	Cont							
c. AWS/BMC41	CPAF	LOCKHEED MARTIN	190390	55145	Cont							
d. AWS/BMC4I/SM-2	WR	NSWC/DD	32196	7713	Cont							
e. AWS/BMC4I/SM-2	CPFF	JHU/APL	40231	13858	Cont							
f. AEGIS Weapon System	MIPR	MIT/LL	3585	1354	Cont							
g. AWS/BMC41	CPFF	TSC	1600	100	Cont							
h. AWS/SM-2	WR	NWAS	2759	855	Cont							
i. Vertical Launch System	CPAF	UNITED DEFENSE	7707	341	Cont							
j. BMC4I	RCP	SPAWAR	17348	1770	Cont							
k. BMC41	CPFF	ANTEON	7495	2984	Cont							
l. SM-2/AWS/VLS	VARIOUS	VARIOUS	37912	6163	Cont							
Subtotal Product Development:			806934	190678	Cont							

Remark:

II. Support Costs	Contract Method & Type	Performing Activity & Location	Total Pys Cost	FY 2001 Cost	FY 2001 Award Date	FY 2002 Cost	FY 2002 Award Date	FY 2003 Cost	FY 2003 Award Date	Cost To Complete	Total Cost	Target Value of Contract
a. Systems Architecture	CPFF	JHU/APL	2927	1670	Cont							
b. SM-2/AWS/Sys Arch	WR	NSWC/DD	14379	4937	Cont							
c. VLS/Sys Arch/BMC4I	VARIOUS	VARIOUS	8159	1528	Cont							
d. AWS		TSC	3582	1350	Cont.							
e. AWS	WR	NWAS/CORONA	2830	1000	Cont.							
f. AWS	MIPR	MIT/LL	5200	1300	Cont.							
Subtotal Support Costs:			37077	11785	Cont							

Remark:

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III. Test and Evaluation	Contract Method & Type	Performing Activity & Location	Total Pys Cost	FY 2001 Cost	FY 2001 Award Date	FY 2002 Cost	FY 2002 Award Date	FY 2003 Cost	FY 2003 Award Date	Cost To Complete	Total Cost	Target Value of Contract
a. Test & Evaluation	CPFF	JHU/APL	4688	1965	Cont							
b. Test & Evaluation	WR	WSMR	8697	3859	Cont							
c. Test & Evaluation	WR	PMRF	1235	676	Cont							
d. T&E/IMPACT/Lethality	WR	NSWC/DD	31777	3799	Cont							
e. VLS/T&E	WR	NSWC/PHD	5540	2481	Cont							
f. Test & Evaluation	MIPRE	MIT/LL	430	200	Cont							
g. Test & Evaluation	WR	COTF	850	696	Cont							
h. Targets	N/A	SMDC Army	62986	39903	Cont							
i. T&E/VLS/BMC4I	Various	Various	5867	2421	Cont							
Subtotal Test and Evaluation:			122070	56000	Cont							

Remark:

IV. Management Services	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2001 Cost	FY 2001 Award Date	FY 2002 Cost	FY 2002 Award Date	FY 2003 Cost	FY 2003 Award Date	Cost To Complete	Total Cost	Target Value of Contract
a. SM-2 Blk IVA Missile	CPAF	BAE SYSTEMS	5806	3629	Cont							
b. AEGIS Weapon System	CPFF	PCI	1450	1275	Cont							
c. Systems Architecture	PD	NAVSEA	8900	2100	Cont							
d. T&E/Sys Architecture	CPFF	ANTEON	3218	2218	Cont							
e. SM/BMC4I/SysArch/VLS	Various	Various	4874	1867	Cont							
Subtotal Mgmt Services:			24248	11089	Cont							
Project Total Cost:			990329	269552								

Remark: