

UNCLASSIFIED

MDA RDT&E BUDGET ITEM JUSTIFICATION (R-2 Exhibit)	DATE February 2002
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BUDGET ACTIVITY 5 - Engineering and Manufacturing Development	PE NUMBER AND TITLE 0604867C Navy Area - EMD
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COST <i>(In Thousands)</i>	FY 2001 Actual	FY 2002 Estimate	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	Cost to Complete	Total Cost
Total Program Element (PE) Cost	267453	99302	0	0	0	0	0	0	0
2021 Navy Area	0	99302	0	0	0	0	0	0	0
2263 Navy Area	267453	0	0	0	0	0	0	0	0

A. Mission Description and Budget Item Justification

The Navy AREA Theater Ballistic Missile Defense (TBMD) program was planned to provide ballistic missile defense against short to medium range threat missiles. However, on 14 December 2001, OUSD (AT&L) elected to cancel in lieu of certifying the program in accordance with Nunn-McCurdy provision under USC Title 10. Navy AREA TBMD was being built on the national investment in AEGIS ships, AEGIS Weapon Systems (AWS), and Navy Standard Missile II (SM-2) Block IV missiles while retaining the Anti-Air Warfare (AAW) capability. Two classes of ships are deployed with the AEGIS combat system: the CG-47 TICONDEROGA-class cruisers and the DDG-51 ARLEIGH BURKE-class destroyers. Navy AREA TBMD took 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 provided an option for initial TBMD allowing the insertion of additional land-based TBMD assets and other expeditionary forces in an anti access or area denial environment. Navy AREA TBMD was designed to be fully interoperable within the Ballistic Missile Defense System (BMDS).

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BUDGET ACTIVITY
5 - Engineering and Manufacturing Development

PE NUMBER AND TITLE
0604867C Navy Area - EMD

B. Program Change Summary	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Previous President's Budget (FY 2002 PB)	271648	388496	145066*
Congressional Adjustments		-288496	
Appropriated Value	274234	100000	
Adjustments to Appropriated Value			
a. Congressional General Reductions	-3182	-698	
b. SBIR / STTR	-5973		
c. SIAP Reprogramming	-1500		
d. Below Threshold Reprogramming			
e. Internal Realignment	3874		
f. Rescissions			
Adjustments to Budget Years Since FY 2002 PB	-4195		-145066**
Current Budget Submit (FY 2003 Budget Estimates)	267453	99302	0

Change Summary Explanation:

Funding: The FY 2001 decreases of \$3182K represent this program's portion of the Congressional reductions and the \$5973K was for SBIR. The \$1500K was reprogrammed for SIAP.

Funding: FY 2002: We operated under Continuing Resolution Authority (CRA) funding (\$64M), through the 1st quarter FY02 for program of record efforts. The OUSD (AT&L) decision to cancel the program on 14 December 2001, coupled with executing the Program of Record under the CRA will leave an appropriation balance of \$36M to fund termination liabilities of the program.

Funding: FY 2003: * From Previous Administration President's Budget.
 ** Program terminated in FY 2002.

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MDA RDT&E BUDGET ITEM JUSTIFICATION (R-2A Exhibit)	DATE February 2002
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BUDGET ACTIVITY 5 - Engineering and Manufacturing Development	PE NUMBER AND TITLE 0604867C Navy Area - EMD	PROJECT 2021
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COST (In Thousands)	FY 2001 Actual	FY 2002 Estimate	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	Cost to Complete	Total Cost
2021 Navy Area	0	99302	0	0	0	0	0	0	0

A. Mission Description and Budget Item Justification

The Navy AREA Theater Ballistic Missile Defense (TBMD) program was planned to provide ballistic missile defense against short to medium range threat missiles. However, on 14 December 2001, OUSD (AT&L) elected to cancel in lieu of certifying the program in accordance with Nunn-McCurdy provision under USC Title 10. Navy AREA TBMD was being built on the national investment in AEGIS ships, AEGIS Weapon Systems (AWS), and Navy Standard Missile II (SM-2) Block IV missiles while retaining the Anti-Air Warfare (AAW) capability. Two classes of ships are deployed with the AEGIS combat system: the CG-47 TICONDEROGA-class cruisers and the DDG-51 ARLEIGH BURKE-class destroyers. Navy AREA TBMD took 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 provided an option for initial TBMD allowing the insertion of additional land-based TBMD assets and other expeditionary forces in an anti access or area denial environment. Navy AREA TBMD was designed to be fully interoperable within the Ballistic Missile Defense System (BMDS).

FY 2001 Accomplishments:

- 0 This project was reported in project 2263, Program Element 0604867C.
- Total 0

FY 2002 Planned Program:

- 99302 Program Termination Liability. Conduct orderly termination of the program based on the termination implementation plan approved by the Department.
- Total 99302

FY 2003 Planned Program:

- 0 Program Terminated.
- Total 0

MDA RDT&E BUDGET ITEM JUSTIFICATION (R-2A Exhibit)	DATE February 2002
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BUDGET ACTIVITY 5 - Engineering and Manufacturing Development	PE NUMBER AND TITLE 0604867C Navy Area - EMD
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B. <u>Other Program Funding Summary</u>	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	To Compl	Total Cost
N/A									

C. Acquisition Strategy:
N/A

D. <u>Schedule Profile</u>	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Termination Effort		4Q						

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MDA RDT&E COST ANALYSIS (R-3)		DATE February 2002
BUDGET ACTIVITY 5 - Engineering and Manufacturing Development		PE NUMBER AND TITLE 0604867C Navy Area - EMD
		PROJECT 2021

I. Product Development	Contract Method & Type	Performing Activity & Location	Total PYs Cost	<u>FY 2002</u> Cost	<u>FY 2002</u> Award Date	<u>FY 2003</u> Cost	<u>FY 2003</u> Award Date	Cost To Complete	Total Cost	Target Value of Contract
a. SM-2 Blk IVA Missile	CPAF	RAYTHEON, AZ	572267						572267	
b. SM-2 Blk IVA Missile	WR	CHINA LAKE, CA	7600						7600	
c. AWS/BMC41/T&E	CPAF	LOCKHEED MARTIN, MA	244484						244484	
d. AWS/BMC41/SM-2	WR	NSWC/DD, VA	36022						36022	
e. AWS/BMC41/SM-2	CPFF	JHU/APL, MD	48350						48350	
f. AWS/SM-2	MIPR	MIT/LL, MA	3790						3790	
g. AWS/BMC41	CPFF	TSC, VA	1600						1600	
h. AWS/SM-2/BMC41	WR	NWAS, CA	3854						3854	
i. VLS/SM-2	CPAF	UNITED DEFENSE, VA	7722						7722	
j. BMC41	RCP	SPAWAR, CA	18944						18944	
k. BMC41	CPFF	ANTEON, VA	7495						7495	
l. SM-2/AWS/VLC/BMC41	VARIOUS	VARIOUS	44144						44144	
Subtotal Product Development:			996272						996272	

Remark:

II. Support Costs	Contract Method & Type	Performing Activity & Location	Total PYs Cost	<u>FY 2002</u> Cost	<u>FY 2002</u> Award Date	<u>FY 2003</u> Cost	<u>FY 2003</u> Award Date	Cost To Complete	Total Cost	Target Value of Contract
a. Sys Architecture/AWS	CPFF	JHU/APL, MD	4997						4997	
b. SM2/AWS/SysArch/VLS	WR	NSWC/DD, VA	19850						19850	
c. VLS/Sys Arch/BMC41	VARIOUS	VARIOUS	17345						17345	
d. AWSI	CPFF	TSC, VA	5272						5272	
e. AWS	WR	NWAS, CA	3880						3880	
f. AWS	MIPR	MIT/LL, MA	5200						5200	
Subtotal Support Costs:			56544						56544	

Remark:

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MDA RDT&E COST ANALYSIS (R-3)		DATE February 2002
BUDGET ACTIVITY 5 - Engineering and Manufacturing Development		PE NUMBER AND TITLE 0604867C Navy Area - EMD
		PROJECT 2021

III. Test and Evaluation	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2002 Cost	FY 2002 Award Date	FY 2003 Cost	FY 2003 Award Date	Cost To Complete	Total Cost	Target Value of Contract
a. T&E/Lethality	CPFF	JHU/APL, MD	7348						7348	
b. Test & Evaluation	CPAF	RAYTHEON, AZ	968						968	
c. VLS	CPAF	LOCKHEED MARTIN, NJ	141						141	
d. Test & Evaluation	WR	WSMR, NM	8847						8847	
e. Test & Evaluation	WR	PMRF, HI	2261						2261	
f. T&E/IMPACT/Lethality	WR	NSWC/DD, VA	32666						32666	
g. VLS/T&E	WR	NSWC/PHD, CA	7396						7396	
h. T&E/Lethality	MIPR	MIT/LL, MA	788						788	
i. T&E	WR	COTF, VA	1375						1375	
j. Targets	N/A	SMDC Army, AL	94384						94384	
k. T&E/VLS/BMC4I	VARIOUS	VARIOUS	7074						7074	
Subtotal Test and Evaluation:			163248						163248	

Remark:

IV. Management Services	Contract Method & Type	Performing Activity & Location	Total PYs Cost	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/AWS	CPAF	BAE SYSTEMS, VA	9879						9879	
b. AEGIS Weapon System	CPFF	PCI, VA	1450						1450	
c. System Architecture	PD	NAVSEA, VA	11000						11000	
d. T&E/ Sys Architecture/AWS	CPFFf	ANTEON, VA	4221						4221	
e. SM/BMC4I/SysArc/VLS	VARIOUS	VARIOUS	10506						10506	
Subtotal Management Services:			37056						37056	

Remark:

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MDA RDT&E COST ANALYSIS (R-3)										DATE
										February 2002
BUDGET ACTIVITY				PE NUMBER AND TITLE						PROJECT
5 - Engineering and Manufacturing Development				0604867C Navy Area - EMD						2021
V. CRA for Program of Record/Termination Liability	Contract Method & Type	Performing Activity & Location	Total PYs Cost	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, AZ		33258	1/2Q				33258	
b. SM-2 Blk IVA Missile	WR	CHINA LAKE, CA		327	1/2Q				327	
c. AWS/BMC41	CPAF	LOCKHEED MARTIN, NJ		2600	1/2Q				2600	
d. AWS/BMC4I/SM-2	WR	NSWC/DD, VA		4431	1/2Q				4431	
e. AWS/BMC4I/SM-2	CPFF	JHU/APL, MD		5053	1/2Q				5053	
f. AEGIS Weapon System	MIPR	MIT/LL, MA		550	1/2Q				550	
g. AWS/BMC41	CPFF	TSC, VA		200	1/2Q				200	
h. AWS/SM-2	WR	NWAS/Corona, CA		750	1/2Q				750	
i. BMC41	CPFF	ANTEON, VA		1765	1/2Q				1765	
j. SM-2/AWS	CPAF	LOGICON, VA		471	1/2Q				471	
k. SM-2	IPR	DTI, VA		79	1/2Q				79	
l. SM-2/VLS/T&E	WR	NSWC/PHD, CA		3535	1/2Q				3535	
m. SM-2/VLS	WR	NSWC/IH, MD		552	1/2Q				552	
n. AWS/T&E	IPR	BAE Systems, VA		950	1/2Q				950	
o. AWS	WR	NAWC/AD, MD		75	1/2Q				75	
p. AWS/T&E	WR	NRL, DC		240	1/2Q				240	
q. AWS	CPFF	PCI, VA		597	1/2Q				597	
r. T&E	WR	NAWC/PM, CA		325	1/2Q				325	
s. T&E	MIPR	MITRE, NJ		330	1/2Q				330	
t. T&E	WR	PMRF, HI		120	1/2Q				120	
u. BMC4I	IPR	JAYCOR, VA		10	1/2Q				10	
v. BMC4I	IPR	SPA, VA		345	1/2Q				345	
w. SYS ARCHITECTURE	CPFF	PARADIGM, VA		900	1/2Q				900	
x. SYS ARCHITECTURE	MIPR	ADI, VA		150	1/2Q				150	
y. SYS ARCHITECTURE	N/A	NAVSEA, VA		1075	1/2Q				1075	
z. Targets	N/A	SMDC Army, AL		345	1/2Q				345	
aa.SM-2/AWS/VLS	VARIOUS	VARIOUS		40269	1/2Q				40269	
Subtotal				99302					99302	
Termination Costs:										

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BUDGET ACTIVITY 5 - Engineering and Manufacturing Development	PE NUMBER AND TITLE 0604867C Navy Area - EMD	PROJECT 2021
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Project Total Cost:			1253120	99302				1352422	
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MDA RDT&E BUDGET ITEM JUSTIFICATION (R-2A Exhibit)							DATE February 2002			
BUDGET ACTIVITY 5 - Engineering and Manufacturing Development				PE NUMBER AND TITLE 0604867C Navy Area - EMD				PROJECT 2263		
COST (In Thousands)		FY 2001 Actual	FY 2002 Estimate	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	Cost to Complete	Total Cost
2263	Navy Area	267453	0	0	0	0	0	0	0	0

A. Mission Description and Budget Item Justification

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.

FY 2001 Accomplishments:

- 234421 Continued Engineering/Manufacturing Development (EMD) of the SM-2 Block IVA missile. Continued White Sands Missile Range (WSMR) missile flight testing. Continued fabrication and delivery of EMD test rounds. Continued AWS Baseline 6 Phase III full capability (tactical) computer program coding and computer program testing at Combat Systems Engineering Development Site (CSEDS). Began preparations for delivery of AWS tactical computer program to Developmental Testing/Operational Testing (DT/OT) test ship. Continued follow-on AWS Baseline 7 Phase I computer program development. Continued implementation of modifications to Navy Command and Controls systems. Gained Low Rate Initial Production Long Lead Material (LRIP LLM) decision and awarded LRIP LLM contract December 00.
- 1634 Completed Live Fire Test & Evaluation (LFT&E) ground test program activities. Continued required lethality analyses and lethality model refinements.
- 31398 Continued building targets to support Navy TBMD flight tests and maintained infrastructure to support TMD targets.

Total 267453

FY 2002 Planned Program:

- 0 This project was moved to project 2021, Program Element 0604867C.

Total 0

Project 2263 Page 9 of 12 Pages Exhibit R-2A (PE 0604867C)

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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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FY 2003 Planned Program:

- 0 Program Terminated.
- Total 0

B. <u>Other Program Funding Summary</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>	<u>To Compl</u>	<u>Total Cost</u>
WPN BLI: 223400 -SM-2 BLK IVA	68141	0	0	0	0	0	0	0	TBD
WPN 229000er Missile Support Mk 21 Mod 1 VLS Canisters for SM-2 BLK IVA	2342	0	0	0	0	0	0	0	TBD

C. 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.

D. <u>Schedule Profile</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>	<u>FY 2008</u>
Long Lead Material for Low Rate Initial Production Decision	1Q							
AWS Baseline 6 Phase 3 Demonstration (CSEDS)	4Q							

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BUDGET ACTIVITY 5 - Engineering and Manufacturing Development		PE NUMBER AND TITLE 0604867C Navy Area - EMD
		PROJECT 2263

I. Product Development	Contract Method & Type	Performing Activity & Location	Total PYs Cost	<u>FY 2002</u> Cost	<u>FY 2002</u> Award Date	<u>FY 2003</u> Cost	<u>FY 2003</u> Award Date	Cost To Complete	Total Cost	Target Value of Contract
a. SM-2 Blk IVA Missile	CPAF	RAYTHEON, AZ	572267						572267	
b. SM-2 Blk IVA Missile	WR	CHINA LAKE, CA	7600						7600	
c. AWS/BMC41/T&E	CPAF	LOCKHEED MARTIN, NJ	244484						244484	
d. AWS/BMC41/SM-2	WR	NSWC/DD, VA	36022						36022	
e. AWS/BMC41/SM-2	CPFF	JHU/APL, MD	48350						48350	
f. AEGIS Weapon System	MIPR	MIT/LL, MA	3790						3790	
g. AWS/BMC41	CPFF	TSC, VA	1600						1600	
h. AWS/SM-2	WR	NWAS/Corona, CA	3854						3854	
i. Vertical Launch System	CPAF	UNITED DEFENSE, MN	7722						7722	
j. BMC4I	RCP	SPAWAR, CA	18944						18944	
k. BMC4I	CPFF	ANTEON, CA	7495						7495	
l. SM-2/AWS/VLS	VARIOUS	VARIOUS	44144						44144	
Subtotal Product Development:			996272						996272	

Remark:

II. Support Costs	Contract Method & Type	Performing Activity & Location	Total PYs Cost	<u>FY 2002</u> Cost	<u>FY 2002</u> Award Date	<u>FY 2003</u> Cost	<u>FY 2003</u> Award Date	Cost To Complete	Total Cost	Target Value of Contract
a. System Architecture	CPFF	JHU/APL, MD	4997						4997	
b. SM-2/AWS/Sys Arch	WR	NSWC/DD, VA	19850						19850	
c. VLS/Sys Arch/BMC4I	VARIOUS	VARIOUS	17345						17345	
d. AWS	CPFF	TSC, VA	5272						5272	
e. AWS	WR	NWAS/Corona, CA	3880						3880	
f. AWS	MIPR	MIT/LL, MA	5200						5200	
Subtotal Support Costs:			56544						56544	

Remark:

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MDA RDT&E COST ANALYSIS (R-3)

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BUDGET ACTIVITY
5 - Engineering and Manufacturing Development

PE NUMBER AND TITLE
0604867C Navy Area - EMD

PROJECT
2263

III. Test and Evaluation	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2002 Cost	FY 2002 Award Date	FY 2003 Cost	FY 2003 Award Date	Cost To Complete	Total Cost	Target Value of Contract
a. T&E/Lethality	CPFF	JHU/APL, MD	7348						7348	
b. Test & Evaluation	CPAF	RAYTHEON, AZ	968						968	
c. VLS	CPAF	LOCKHEED MARTIN, NJ	141						141	
d. Test & Evaluation	WR	WSMR, NM	8847						8847	
e. Test & Evaluation	WR	PMRF, HI	2261						2261	
f. T&E/IMPACT/Lethality	WR	NSWC/DD, VA	32666						32666	
g. VLS/T&E	WR	NSWC/PHD, CA	7396						7396	
h. T&E/Lethality	MIPR	MIT/LL, MA	788						788	
i. T&E	WR	COTF, VA	1375						1375	
j. Targets	N/A	SMDC Army, AL	94384						94384	
k. T&E/VLS/BMC4I	VARIOUS	VARIOUS	7074						7074	
Subtotal Test and Evaluation:			163248						163248	

Remark:

IV. Management Services	Contract Method & Type	Performing Activity & Location	Total PYs Cost	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, VA	9879						9879	
b. AEGIS Weapon System	CPFF	PCI, VA	1450						1450	
c. Systems Architecture	PD	NACSEA, VA	11000						11000	
d. T&E/Sys Architecture	CPFF	ANTEON, VA	4221						4221	
e. SM/BMC4I/Sys Arch/VLS	VARIOUS	VARIOUS	10506						10506	
Subtotal Management Services:			37056						37056	

Remark:

Project Total Cost:			1253120						1253120	
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Remark: