

**UNCLASSIFIED**

<b>MDAExhibitR -2RDT&amp;EBudgetItemJustification</b>	Date <b>February2003</b>
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<b>APPROPRIATION/BUDGETACTIVITY</b> <b>5.SystemDevelopmentandDemonstration(SDD)</b>	<b>R-1NOM ENCLATURE</b> <b>0604861CTheaterHigh -AltitudeAreaDefenseSystem -TMD -EMD</b>
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COST(\$inThousands)	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
TotalPECost	818632	888323	0	0	0	0	0	0
2011TheaterHighAltitudeAreaDefense(THAAD)	808017	888323	0	0	0	0	0	0
2090ProgramOperations	10615	0	0	0	0	0	0	0

**A.MissionDescriptionandBudgetItemJustification**

TheTHAADprogramwasrestructuredfromProject2260inFY2001toProject2011startingwithFY2002.Project2011THAADistransferredtotheBMDTerminalDefenseSegmentProgram Element(PE)0603881CforFY 2004andout.

TheMDAdevelopstheBallisticMissileDefenseSystem(BMDS)usingbiennialcapabilityblocks.Thisapproachisthemostefficientandeffectivewaytogetmissiledefenseassetsintothehandsof thewarfightersasquicklyaspossiblewhileallowingforrapidinsertionofemergingtechnologyinthemostaffordablemanner.Thesecapabilityblockswillsubsequentlybuildonandbeintegrated withthepredecessorblocks.BlockcapabilitiesarebuiltbyusingcompleteelementsandtheirindividualcomponentstointegrateasingleBMDSandprovidelayereddefenseagainstballisticmissiles duringallflightphases,Boost,Midcourse,andTerminal,usingmultiplebasingmodesandphenomenology.

AsapartofthetotalBMDS,thisTHAADProgramElement(PE)fundstheTHAADdevelopmentaleffortsfory2002andFY2003aspartoftheoverallTerminalDefenseSegment(TDS).The overallTerminalDefenseSegmentelementsandactivitiesincludeTheaterHighAltitudeAreaDefense(THAAD),MediumExtended AirDefenseSystem(MEADS),andtheIsraeliArrowProgram. ThePatriotAdvancedCapability(PAC)3elementisalsoapartoftheTerminalDefenseemission;however,itisfundedinitsownPE.TheBMDSelementsinTerminalDefensepursueddevelopment andselectiveupgradesofmissiledefensecapabilitiesthatengageshorttomediumrangeballisticmissilesinthelatemid -courseandterminalphaseoftheirtrajectory.

TheTerminalDefenseElementsprovidethefinalopportunitytoengageshortandmedium rangeballisticmissilesnotengagedordestroyedintheboostormid -coursephasesoftrajectory.Upon directionoftheBallisticMissileDefenseSystem(BMDS)C2/BMandinconjunctionwiththefieldedPatriotSystem,theTHAAD,AEGIS,andPatriotSystems ,providetheonlycapabilitytodefend deployedU.S.forcesfromshorttomediumrangeballisticmissiles,andprotectbroadlydispersedassetsandpopulationcentersorselectedU.S.sites(HomelandDefense)fromshorttomediumrange ballisticmissileattacks.TheTHAADsystemcontributesinit'sabilitytoengageandnegateballisticmissilesinboththelatemid -course(exo -atmosphericengagements)andterminalphase(endo -atmosphericengagements)oftheirtrajectoryandaddsignificantcapabilityto theBMDSasthethreatmissilestransitionfromthemid -courseto terminalphases.IntegratedwiththeAEGISand PATRIOTSystems,therapidlydeployableTHAADsystemimprovestheBMDSoverall effectivenessbyengagingmissilesastheytransitionfromexo -toendo -atmosphericflightwheretheentry vehiclesaremorevulnerable.TheflowdownofBMDSsystemcapabilitiesresultingfromMissileDefenseNationalTeameffortsinCommand&Control/BattleManagement(C2BM) andSystemsEngineering &IntegrationwillguidetheintegrationofTDSintotheBMDSsystemandtheBMDS C2BArchitecture.

ProgramOperationsunderthisprojectcoverspersonnelandrelatedsupportcosts,statutoryandfiscalrequirements.Mayincludefundingforgovernmentcivilianperformingprogram -wideoversight functions suchascontracting,programintegration,safety,qualityandmissionassuranceatMissileDefenseAgency(MDA);costestimating;audit;technologyintegrationacrossallMDAprojects; andassessmentof schedule,costandperformance,documentationofrelatedprogrammaticissuesand,foreigncurrencyfluctuationsonlimitednumberofforeigncontracts.Alsoincludesfundingfor chargesoncanceledappropriationsinaccordancewithPublicLaw101 -510.

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<b>APPROPRIATION/BUDGETACTIVITY</b> <b>5.SystemDevelopmentandDemonstration(SDD)</b>	<b>R-1NOM ENCLATURE</b> <b>0604861CTheaterHigh -AltitudeAreaDefenseSystem -TMD -EMD</b>
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<b>B.ProgramChangeSummary</b>	FY2002	FY2003	FY2004	FY2005
PreviousPresident'sBudget(FY2003PB)	866530	932171	714679	830204
CurrentPresident'sBudget(FY2004PB)	818632	888323	0	0
TotalAdjustments	-47898	-43848	-714679	-830204
CongressionalSpe cificProgramAdjustments	-1577	-20000	0	0
CongressionalUndistributedAdjustments	-6812	-16131	0	0
Reprogrammings	-20683	-7717	-714679	-830204
SBIR/STTRTransfer	-18826	0	0	0

FY2003 -InthesubmissionforFY2003theR -1didnotmatchtheR -2which resultedinanetzerosumtransferbetweenGroundBasedMidcourse,PE0603882C,andtheTHAADPE0604861C. The -\$2510correctsthedocumentationtomatchtheOSDdatabase.

Project2011THAADistransferredtotheBMDTerminalDefenseSegmentProgramEle ment(PE)0603881CforFY2004andout.

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<b>MDA Exhibit R -2 ARDT&amp;E Project Justification</b>	Date <b>February 2003</b>
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<b>APPROPRIATION/BUDGET ACTIVITY</b> <b>5. System Development and Demonstration (SDD)</b>	<b>R-1 NOMENCLATURE</b> <b>0604861C Theater High -Altitude Area Defense System -TMD -EMD</b>
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COST (\$ in Thousands)	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
2011 Theater High Altitude Area Defense (THAAD)	808017	888323	0	0	0	0	0	0
RDT&E Articles Qty	1	7	0	0	0	0	0	0

**A. Mission Description and Budget Item Justification**

The THAAD program was restructured from Project 2260 in FY 2001 to Project 2011 starting with FY 2002. Project 2011 THAAD transferred to the BMD Terminal Defense Segment Program Element 0603881C for FY 2004 and out.

The Theater High Altitude Area Defense (THAAD) is an element of the Terminal Defense Segment (TDS) of the Ballistic Missile Defense System (BMDS). TDS allocates resources to support development and selective upgrades of defensive capabilities that engage and negate ballistic missiles in the terminal phase of their trajectory. The mission of the THAAD system is to defend against short to medium range Ballistic Missiles (BMs) and other near-term threats at endo-atmospheric altitudes. THAAD's capability will protect U.S. and allied armed forces, broadly dispersed assets and population centers against BM attacks. THAAD's capability to intercept endo-atmospheric altitudes makes effective countermeasures to THAAD difficult, allows multiple intercept opportunities, and will significantly mitigate the effects of weapons of mass destruction. The THAAD element development phase will refine and mature the system design to ensure component and system performance, producibility, and supportability. Five major components (missiles, launchers, radar(s), Command and Control/Battle Management (C2BM), and THAAD-specific support equipment) will be integrated into the THAAD element and BMDS. The flowdown of BMDS system capability specifications resulting from Missile Defense National Team efforts in C2BM and Systems Engineering & Integration will guide the integration of THAAD into the BMDS system, the BMDSC2BM architecture, and the Ballistic Missile Defense (BMD) Test Bed.

Block 2004: The Block 2004 represents the design and development of a significant, fundamental THAAD capability against short and medium range BMs and demonstration of exo and high endo capability against unitary and separating targets in limited battlespace. The Block 2004 THAAD element will have radar discrimination and missile infra-red discrimination capability and consists of a Test Missile configuration and C2BM with interactive defense planning and limited interoperability.

Flight testing for Block 2004 begins in 4th quarter, FY 2004, and continues through 1st quarter, FY 2006 with a total of 4 flight tests.

The RDT&E Articles: FY 2002 (Delivery Schedule) includes 1 Engineering Development Unit (EDU) missile. FY 2002 (Buy Schedule): 8 EDU missiles, 2 Ground Test Unit (GTU) missiles, 2 Radars, for a total of 12 RDT&E Articles.

The RDT&E Articles: FY 2003 (Delivery Schedule) includes 2 GTU missiles and 5 EDU missiles for a total of 7 RDT&E Articles. FY 2003 (Buy Schedule): 3 full-up missiles, 2 EDU missiles, 1 Launcher w/ Missile Round Pallet (MRP), 2 THAAD MRP (Reload), and 16 Missile mass Property Simulators for a total of 24 RDT&E Articles.

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<b>MDAExhibitR -2ARDT&amp;EProjectJustification</b>	Date <b>February2003</b>
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<b>APPROPRIATION/BUDGETACTIVITY</b> <b>5.SystemDevelopmentandDemonstration(SDD)</b>	<b>R-1NOMENCLATURE</b> <b>0604861CTheaterHigh -AltitudeAreaDefenseSystem -TMD -EMD</b>
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<b>B.Accomplishments/PlannedProgram</b>				
	FY2002	FY2003	FY2004	FY2005
Block2004(Contract)	726590	810823		
RDT&EArticles(Quantity)	1	7		

FY02Accomplishments:

RDT&EArticles:FY02(DeliverySchedule)included1EngineeringDevelopmentUnit(EDU)missile.FY02(BuySchedule)includes2GTUmissiles,8EDUmissiles,2Radars,foratotalof12RDT&EArticles.

Modifiedcontractfortechnicalandschedulerriskreduction.

InitiatedtechnicalandschedulerriskreductioneffortstoestablishearlyHardware -In-The-Loopfacilities,initiatedearlycomponentprototypedeliveriesandpreparedforadditionalflighttesting.

CompletedMissileSub -AssemblyPreliminaryDesignReviews(PDRs)(MissionComputer,InertialMeasurementUnit(IMU),Seeker,DivertandAttitudeControlSystem(DACS),BoostMotor,Avionics).

CompletedMissileEngineeringdevelopmenttests(SeekerGimbal, DACSThrusterRiskReductionHotFiringTests,BoosterStaticFiring).

CompletedC2BMHardware/SoftwareBuild4.1CriticalDesignReviews(CDRs).

BeganMissilesub -assemblybrassboardtesting.

Beganlethalityplanningandmodeldesign.

ProposedTHAADblockcapabilitygrowthstrategy.

CompletedRadarand80percentoftheMissileBaselineProductionReadinessRiskAssessments(BPRRA).

InitiatedRadar#1and#2fabrication.

CompletedTHAADMissileandSystemPDRs.

FY2003PlannedProgram:

ContinueMissile,RadarC2BM,andLauncherhardwareandsoftwaredevelopment.CompleteMissileandLauncherdetailed designsandinitiatefabricationofLauncherandMissilegroundtest units.SupportrangeactivationandoperationactivitiesatWhiteSandsMissile Range(WSMR)andPacificMissileRangeFacility(PMRF).ContinuefabricationofLauncherandBattleManagertest beds.CompleteassemblyofRadarantenna#1andbegin calibrationandtesting.

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<b>MDAExhibitR -2ARDT&amp;EProjectJustification</b>		Date <b>February2003</b>		
<b>APPROPRIATION/BUDGETACTIVITY</b> <b>5.SystemDevelopmentandDemonstration(SDD)</b>		<b>R-INOMENCLATURE</b> <b>0604861CTheaterHigh -AltitudeAreaDefenseSystem -TMD -EMD</b>		
<p>TheRDT&amp;EArticles:FY2003(DeliverySchedule)includes2GT Umissilesand5EDUmissilesforatotalof7RDT&amp;EArticles.FY2003(BuySchedule):3full -upmissiles,2EDUmissiles,1 Launcherw/MissileRoundPallet(MRP),2THAADMRP(Reload),and16MissilemassPropertySimulatorsforatotalof24RDT&amp;EArticles.</p> <p>FY2004PlannedProgram:Notapplicable(seePE0603881C).</p> <p>FY2005PlannedProgram:Notapplicable(seePE0603881C).</p>				
	FY2002	FY2003	FY2004	FY2005
TestPlanningandLethality	4408	5935		
RDT&EArticles(Quantity)				
<p>FY2002Accomplishments: TestPlanning -InitiatedintegrationintoWSMRandPMRF.</p> <p>Lethality -Conductedlethalityplanning,targetselection,planningforshotlineselectionprocess.</p> <p>FY2003PlannedProgram: TestPlanning -ContinueintegrationintoWSMRandPMRF.</p> <p>Lethality -Continuelethalitysimulationcodedevelopmentandvalidation.Initiatelethalitytestarticledevelopment.</p> <p>FY2004PlannedProgram:Notapplicable(seePE0603881C).</p> <p>FY2005PlannedProgram:Notapplicable(seePE0603881C).</p>				
	FY2002	FY2003	FY2004	FY2005
SupportCosts	77019	71565		
RDT&EArticles(Quantity)				
<p>FY2002Accomplishments: SupportContracts -Continuedsoftwareindependentverificationandvalidation.ContinueddevelopmentofSimulation -Over-Live-Driver(SOLD).Performedtechnicalanalysisissupport.</p> <p>OtherGovernmentAgencies(OGAs),GovernmentFurnishedEquipment(GFE)/other:InitiatedTHAADrangeoperationsatWhiteSandsMissileRange(WSMR)andBMDTestBed(BTB)at PacificMissileRangeFacility(PMRF)andcontinuedsystemHardware -In-The-Loopdevelopmentefforts.ContinuedC2BMinteroperabilityandsimulationefforts.Continuedthreatvulnerability assessment.Maintainedintegratedlogisticsandproductassuranceefforts.Performedqualityandmanufacturingtechnologytasks.</p> <p>In-housesupport -Fundedgovernmentssalaries,benefits,travel,andtraining(includesMITRE,anFFRDC).</p>				

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<b>MDA Exhibit R -2 ARDT&amp;E Project Justification</b>	Date <b>February 2003</b>
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<b>APPROPRIATION/BUDGET ACTIVITY</b> <b>5. System Development and Demonstration (SDD)</b>	<b>R-1 NOMENCLATURE</b> <b>0604861C Theater High -Altitude Area Defense System -TMD -EMD</b>
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National Team -the flowdown of BMD System capability specifications resulting from Missile Defense National Team efforts in C2B Mand Syst ems Engineering & Integration will guide the integration of THAAD into the BMD System, the BMD SC2B Architecture, and the Ballistic Missile Defense (BMD) Test Bed.

FY2003 Planned Program:

Support Contracts -Continues software independent verification and validation. Continued development of simulation -over-live-driver. Perform technical analysis support.

Other Government Agencies (OGAs), Government Furnished Equipment (GFE)/other: Continue THAAD range operations at WSMR and BT Bat PMRF and continue system Hardware -In-The-Loop development efforts. Continue C2B interoperability and simulation efforts. Continue threat vulnerability assessment. Maintain integrated logistics and product assurance efforts. Perform quality and manufacturing technology tasks.

In-house support -Fund government salaries, benefits, travel, and training (includes MITRE).

FY2004 Planned Program: Not applicable (see PE0603881C).

FY2005 Planned Program: Not applicable (see PE0603881C).

**C. Other Program Funding Summary**

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	To Complete	Total Cost
PE0603869C Meads Concepts -Dem/Val	0	114781	0	0	0	0	0	0		
PE0603879C Advanced Concepts, Evaluations and Systems	0	0	151696	216778	166308	193949	241947	234484		
PE0603880C Ballistic Missile Defense System Segment	790535	1046652	0	0	0	0	0	0		
PE0603881C Ballistic Missile Defense Terminal Defense Segment	195800	136399	810440	924356	985514	805785	558071	371649		
PE0603882C Ballistic Missile Defense Midcourse Defense Segment	3655089	3103844	3613266	3841412	2078522	1908511	1482389	1437923		
PE0603883C Ballistic Missile Defense Boost Defense Segment	583463	718036	626264	653612	755163	665772	477109	354346		
PE0603884C Ballistic Missile Defense Sensors	312973	350436	438242	562752	706514	1043454	1152740	1261906		
PE0603886C Ballistic Missile Defense System Interceptors	0	0	301052	541178	1127180	1729613	2558327	2904096		
PE0603890C Ballistic Missile Defense System Engineering and Integration	0	0	483996	522458	604445	628594	703055	706501		

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<b>MDA Exhibit R -2 ARDT&amp;E Project Justification</b>	Date <b>February 2003</b>
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<b>APPROPRIATION/BUDGET ACTIVITY</b> <b>5. System Development and Demonstration (SDD)</b>	<b>R-1 NOMENCLATURE</b> <b>0604861C Theater High -Altitude Area Defense System -TMD -EMD</b>
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PE0603888C Ballistic Missile Defense Test and Targets	0	0	611522	711181	661416	643302	639839	672396		
PE0603889C Ballistic Missile Defense Products	0	0	343644	384763	333636	343447	349335	360951		
PE0603175C Ballistic Missile Defense Technology	145021	151130	240820	205791	200956	247990	287864	306472		
PE0604867C Navy Area Theater Missile Defense -EMD	96121	0	0	0	0	0	0	0		
PE0605502C Small Business Innovative Research -MDA	145102	0	0	0	0	0	0	0		
PE0901585C Pentagon Reservation	6381	7432	14481	13384	12758	12850	13158	13476		
PE0901598C Management Headquarters - MDA	30191	25365	93441	101373	114107	121743	128972	133499		
PE0604865C Patriot PAC -3 Theater Missile Defense Acquisition -EMD	130630	176155	0	0	0	0	0	0		

**D. Acquisition Strategy**

THAAD will follow the Missile Defense Agency's capability -based acquisition strategy that emphasizes testing, spiral development, and evolutionary acquisition through the use of two -year capability blocks. The THAAD Block 2004 program is already on contract with Lockheed Martin Space Systems Company, Sunnyvale, CA. The Cost Plus Award Fee contract was awarded effective August 2000 and is 34% complete. The program is slightly ahead of schedule and under cost. Other THAAD blocks are discussed in PE0603881C, Ballistic Missile Defense Terminal Defense System.

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MDAExhibitR -3RDT&EProjectCostAnalysis										Date February2003		
APPROPRIATION/BUDGETACTIVITY 5.SystemDevelopmentandDemonstration(SDD)					R-INOMENCLATURE 0604861CTheaterHigh -AltitudeAreaDefenseSystem -TMD -EMD							
<b>I.ProductDevelopmentCost(\$inThousands)</b>												
CostCategories:	Contract Method &Type	Performing Activity& Location	Total PYs Cost	FY2003 Cost	FY2003 Award Date	FY2004 Cost	FY2004 Award Date	FY2005 Cost	FY2005 Award Date	Costto Complete	Total Cost	Target Valueof Contract
<b>Block2004(Contract)</b>												
THAADADVCOMPONENT DEV&PROT	SS/CPAF	LMSSC/VARIOUS	726590	810823	1Q						1537413	
SubtotalProductDevelopme nt			726590	810823		0		0			1537413	
<b>Remarks</b>												
<b>II.SupportCostsCost(\$inThousands)</b>												
CostCategories:	Contract Method &Type	Performing Activity& Location	Total PYs Cost	FY2003 Cost	FY2003 Award Date	FY2004 Cost	FY2004 Award Date	FY2005 Cost	FY2005 Award Date	Costto Complete	Total Cost	Target Valueof Contract
<b>SupportCosts</b>												
SupportContractor		Various/Various	36294	31168	1/2Q					CONT.	67462	
In-HouseSupport		Various/Various	20158	21677	1/2Q					CONT.	41835	
OtherGovernment Agencies		Various/Various	17160	15797	1/2Q					CONT.	32957	
SubtotalSupportCosts			73612	68642		0		0			142254	
<b>Remarks</b>												
<b>III.TestandEvaluationCost(\$inThousands)</b>												
CostCategories:	Contract Method &Type	Performing Activity& Location	Total PYs Cost	FY2003 Cost	FY2003 Award Date	FY2004 Cost	FY2004 Award Date	FY2005 Cost	FY2005 Award Date	Costto Complete	Total Cost	Target Valueof Contract
<b>TestPlanningandLethality</b>												
TestPlanning		Various/Various	1468	2417	1Q					CONT.	3885	
Lethality		Various/Various	2940	3518	1Q					CONT.	6458	
SubtotalTestandEvaluation			4408	5935		0		0			10343	
<b>Remarks</b>												

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<b>MDAExhibitR -3RDT&amp;EProjectCostAnalysis</b>	Date <b>February2003</b>
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<b>APPROPRIATION/BUDGETACTIVITY</b> <b>5.SystemDevelopmentandDemonstration(SDD)</b>	<b>R-1NOMENCLATURE</b> <b>0604861CTheaterHigh -AltitudeAreaDefenseSystem -TMD -EMD</b>
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<b>IV.ManagementServicesCost(\$inThousands)</b>												
CostCategories:	Contract Method &Type	Performing Activity& Location	Total PYs Cost	FY2003 Cost	FY2003 Award Date	FY2004 Cost	FY2004 Award Date	FY2005 Cost	FY2005 Award Date	Costto Complete	Total Cost	Target Valueof Contract
<b>Block2004(Contract)</b>												
MIT/LL	MIPR	Lexington,MA	500	0							500	
MITRE	MIPR	Ft.Mo nmouth,NJ	2907	2923	1/2Q						5830	
SubtotalManagementServices			3407	2923		0		0			6330	

**Remarks**

ProjectTotalCost			808017	888323		0		0			1696340	
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**Remarks**

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<b>MDAExhibitR -4ScheduleProfile</b>	Date <b>February2003</b>
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APPROPRIATION/BUDGETACTIVITY <b>5.SystemDevelopmentandDemonstration(SDD)</b>	R-1NOMENCLATURE <b>0604861CTheaterHigh -AltitudeAreaDefenseSys tem -TMD -EMD</b>
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FiscalYear	2002				2003				2004				2005				2006				2007				2008				2009							
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
<b>PDR</b>																																				
Block2004SystemPDR				▲																																

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<b>MDAExhibitR -4AScheduleDetail</b>						Date <b>February2003</b>		
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<b>APPROPRIATION/BUDGETACTIVITY</b> <b>5.SystemDevelopmentandDemonstration(SDD)</b>				<b>R-1NOMENCLATURE</b> <b>0604861CTheaterHigh -AltitudeAreaDefenseSystem -TMD -EMD</b>				
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ScheduleProfile	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
<b>PDR</b>								
Block2004SystemPDR	4Q							
C2BMHardwareDesign/Development/Integration	1Q-4Q	1Q-4Q						
C2BMSoftwareDesign/Development	1Q-4Q	1Q-4Q						
LauncherHardwareDesign/Development/Integ	1Q-4Q	1Q-4Q						
Launcher SoftwareDesign/Development	1Q-4Q	1Q-4Q						
MissileHardwareDesign/Development/Integ	1Q-4Q	1Q-4Q						
MissileSoftwareDesign/Development	1Q-4Q	1Q-4Q						
RadarSoftwareDesign/Development	1Q-4Q	1Q-4Q						

Note:ForresumptionofscheduleinFY 2004,refertoPE0603881C.

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<b>APPROPRIATION/BUDGET ACTIVITY</b> <b>5. System Development and Demonstration (SDD)</b>					<b>R-1 NOM ENCLATURE</b> <b>0604861C Theater High -Altitude Area Defense System -TMD -EMD</b>			
COST (\$ in Thousands)	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
2090 Program Operations	10615	0	0	0	0	0	0	0
RDT&E Articles Qty	0	0	0	0	0	0	0	0
<p><b><u>A. Mission Description and Budget Item Justification</u></b></p> <p>Transferred to the BMD Terminal Defense Segment Program Element 0603881C for FY2004 and out.</p> <p>This project covers personnel and related support costs, statutory and fiscal requirements.</p> <p>Personnel covers government and civilians performing program -wide over eight functions such as contracting, program integration, safety, quality and mission assurance at Missile Defense Agency (MDA), Executing Agents within the US Army Space &amp; Missile Defense Command, US Army PEO Air and Missile Defense, US Navy PEO for Theater Surface Combatants, Office of Naval Research, and US Air Force.</p> <p>Assistance required to support Missile Defense Agency program -wide management functions is also contained in this project. Typical efforts include cost estimating; audit; technology integration across MDA projects; and assessment of schedule, cost and performance, with attendant documentation of the many related programmatic issues. The requirements for this are based on most economical and efficient utilization of contractors versus government personnel.</p> <p>Fiscal Requirements include reimbursable services acquired through the Defense Working Capital Fund (DWCF) such as accounting services provided by the Defense Finance and Accounting Services (DFAS); reserves for special termination costs on designated contracts; and provisions for terminating other programs as required. MDA has additional requirements to provide for foreign currency fluctuation on its limited number of foreign contracts. Also includes funding for charges to canceled appropriations in accordance with Public Law 101 -50.</p> <p>Note that these funds are allocated across multiple Program Elements in accordance with the Fiscal Year 1996 Authorization Act, which directed these funds be allocated to the programs being supported rather than managed from a single source. This structure often makes it difficult to level -fund all IPE's while maintaining an orderly fiscal structure for executing the individual Program Operation efforts.</p>								
<b><u>B. Accomplishments/Planned Program</u></b>								
	FY2002	FY2003	FY2004	FY2005				
Personnel	1721							
RDT&E Articles (Quantity)								
<p>Provides funding for government salaries and benefits at the Missile Defense Agency that are associated with program -wide support.</p>								

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--	------------------------------

<b>APPROPRIATION/BUDGET ACTIVITY</b> <b>5. System Development and Demonstration (SDD)</b>	<b>R-1 NOM ENCLATURE</b> <b>0604861C Theater High -Altitude Area Defense System -TMD -EMD</b>
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	FY2002	FY2003	FY2004	FY2005
Management Support	4383			
RDT&E Articles (Quantity)				

Funds the contract SETAs support costs directly associated with Missile Defense Agency program -widesupport organizations. This effort provides the funding for the Missile Defense Agency's executing agents (Army Space and Missile Defense Command, Army PEO -AMD, Air Force, and Navy) including government salaries & benefits, setas support, and various management/overhead costs.

	FY2002	FY2003	FY2004	FY2005
Fiscal Requirements	380			
RDT&E Articles (Quantity)				

This effort funds various requirements at the Missile Defense Agency, to include accounting services, special termination costs, foreign currency fluctuations, and charges from cancelled appropriations.

	FY2002	FY2003	FY2004	FY2005
Information Management/Information Technology (IM/IT)	4131			
RDT&E Articles (Quantity)				

This effort pays for Information Management/Information Technology (IM/IT) requirements within the Missile Defense Agency. These requirements are moved to the Management Headquarters Program Element (PE) in Fiscal Years 2004 -2009.

**C. Other Program Funding Summary**

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	To Complete	Total Cost
PE0603175C Ballistic Missile Defense Technology	145021	151130	240820	205791	200956	247990	287864	306472		
PE0603869C Meads Concepts -Dem/Val	0	114781	0	0	0	0	0	0		
PE0603879C Advanced Concepts, Evaluations and Systems	0	0	151696	216778	166308	193949	241947	234484		
PE0605502C Small Business Innovative Research -MDA	145102	0	0	0	0	0	0	0		
PE0901585C Pentagon Reservation	6381	7432	14481	13384	12758	12850	13158	13476		

**UNCLASSIFIED**

MDAExhibitR -2ARDT&EProjectJustification							Date February2003			
APPROPRIATION/BUDGETACTIVITY 5.SystemDevelopmentandDemonstration(SDD)					R-1NOM ENCLATURE 0604861CTheaterHigh -AltitudeAreaDefenseSystem -TMD -EMD					
PE0901598CManagementHeadquarters - MDA	30191	25365	93441	101373	114107	121743	128972	133499		
PE0604867CNavyAreaTheaterMissile Defense -EMD	96121	0	0	0	0	0	0	0		
PE0603881CBallisticMissileDefense TerminalDefenseSegment	195800	136399	810440	924356	985514	805785	558071	371649		
PE0603882CBallisticMissileDefense MidcourseDefenseSegment	3655089	3103844	3613266	3841412	2078522	1908511	1482389	1437923		
PE0603883CBallisticMissileDefenseBoost DefenseSegment	583463	718036	626264	653612	755163	665772	477109	354346		
PE0603884CBallisticMissileDefense Sensors	312973	350436	438242	562752	706514	1043454	1152740	1261906		
PE0603886C BallisticMissileDefense SystemInterceptors	0	0	301052	541178	1127180	1729613	2558327	2904096		
PE0603890CBallisticMissileDefense SystemEngineeringandIntegration	0	0	483996	522458	604445	628594	703055	706501		
PE0603888CBallisticMissileDefen seTest andTargets	0	0	611522	711181	661416	643302	639839	672396		
PE0603889CBallisticMissileDefense Products	0	0	343644	384763	333636	343447	349335	360951		
PE0604865CPatriotPAC -3TheaterMissile DefenseAcquisition -EMD	130630	176155	0	0	0	0	0	0		
PE0603880CBallisticMissileDefense SystemSegment	790535	1046652	0	0	0	0	0	0		