Fiscal Year 2013 Budget Estimates

Missile Defense Agency (MDA)

February 2012

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Missile Defense Agency
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates

Operation and Maintenance, Defense-Wide Summary ($ in thousands)
Budget Activity (BA) 1: Operating Forces
Subactivity Group 11A

	FY 2011 Actuals	Price Change	Program Change	FY 2012 Estimate	Price Change	Program Change	FY 2013 Estimate
MDA	0	0	202,342	202,342	3,440	54,193	259,975

I. Description of Operations Financed: A. Terminal High Altitude Area Defense (THAAD). Funding provides field and sustainment level maintenance for all MDA developed and deployed THAAD equipment. Funding provides spares, repair parts, and maintenance capability at the location of the deployed THAAD batteries. Spares and repair parts include the contractor transportation, packaging and handling of Line Replaceable Units (LRUs) and the inventory control and storage of repair parts, LRUs, and spares. Funds cover subject matter experts (SME) engineering support for the THAAD peculiar equipment and the THAAD Radar. These SMEs will be deployed to the THAAD location. Funds provide missile transportation and handling from the missile storage location to the site of the THAAD launchers. Additional tasks are to update the logistical data information of the Interactive Electronic Technical Manual (IETM) with the most current data and provide software user's guide updates and certify each revision of the software. Funds provide maintenance and upkeep for all THAAD training devices. This contractor logistics support contract provides support for the Ballistic Missile Defense System (BMDS) unique equipment and also provides for any replacement training required for replacement soldiers or due to design changes. These funds are required to ensure THAAD assets are properly maintained and the crews are trained and certified to meet Combatant Commanders needs.

B. Ballistic Missile Defense System (BMDS) Radars. This funding provides for the Upgraded Early Warning Radar (UEWR)/Cobra Dane Radar Software Sustainment unique to the Missile

I. Description of Operations Financed (cont.)

Defense mission. The Air Force is responsible for the day to day operations and maintenance of the UEWRs and Cobra Dane Radar. The FY 2013 funding also provides for the daily operation and sustainment of eight Army Navy Transportable Radar Surveillance (AN/TPY-2) radars: four forward-based radars (OCONUS), three THAAD battery radars (1 US, 1 OCONUS, 1 TBD), and one radar at Pacific Missile Range Facility (PMRF/Wake Island).

C. Aegis Ballistic Missile Defense (BMD). At the end of FY 2013 there will be 92 SM-3 Blk IA's available for deployment aboard United States Navy BMD configured ships. Aegis BMD funding will support a wide range of activities in support of the SM-3 Blk IA including Vertical Launch System (VLS) canister spares, fleet introduction and support, initial round transportation; re-certification of the SM-3 Blk IA at 4 year mid-life, and round surveillance.

II. Force Structure Summary:

A. Terminal High Altitude Area Defense (THAAD). Army force structure for THAAD is currently set at six batteries with six launchers operated by ninety-nine soldiers and documented on Modified Table of Organization and Equipment (MTOE) number 44693G000. The battery is organized to conduct 120-day deployments (forty-five days of entry operations and seventy-five days of 17-hour/day combat operations). This operational tempo can be increased with appropriate attachments and support. The battery requires support from the Army for communications, security, common supplies, and services. THAAD peculiar supplies are routed to a non-theater contractor supply and specialized maintenance chain. To this end, the battery brings with it a twelve-person contractor support team with its own complement of equipment. The contractor team will be documented on an Army Table of Distribution and Allowances (TDA) to facilitate movement into a war zone with the

II. Force Structure Summary (cont.)

battery. Interceptors are not considered part of battery force structure and are allocated by commanders in accordance with the mission and threat.

Batteries will be doctrinally assigned to the theater Army Air and Missile Defense Command. Engagements will be coordinated through the theater Air Operations Center. With the provision of specialized communications and radar software, the battery will be able to communicate directly with the Ballistic Missile Defense System Command and Control Battle Management and Communications (C2BMC) system making it capable of performing surveillance and tracking missions in addition to its normal active defense engagement mission.

B. Ballistic Missile Defense System (BMDS) Radars. This funding provides for the Upgraded Early Warning Radar (UEWR)/Cobra Dane Radar Software Sustainment unique to the Missile Defense mission. The Air Force is responsible for the day to day operations and Maintenance of the UEWRs and Cobra Dane Radar.

The FY 2013 funding also provides for the daily operation and sustainment of eight AN/TPY-2 radars: four forward-based radars (OCONUS), three THAAD battery radars (1 U.S., 1 OCONUS, 1 TBD), and one radar at (PMRF/Wake Island). These services are furnished through Centralized Contractor Logistics Support (CCLS) contracts.

C. Aegis Ballistic Missile Defense (BMD). The Aegis Ballistic Missile Defense (Aegis BMD) mission is to deliver an enduring, operationally effective and supportable Ballistic Missile Defense capability to defend the nation, deployed forces, friends and allies. The Aegis BMD element of the BMDS capitalizes upon and evolves from the existing United States Navy Aegis Weapons System (AWS) and Standard Missile (SM) infrastructures. Aegis

II. Force Structure Summary (cont.)

BMD provides a forward-deployable, mobile capability to detect and track Ballistic Missiles of all ranges, and the ability to destroy Short-Range Ballistic Missiles (SRBM), Medium-Range Ballistic Missiles (MRBM), and Intermediate-Range Ballistic Missiles (IRBM) in the midcourse phase of flight and shorter range missile in terminal phase. Aegis BMD also provides a Long Range Surveillance and Track (LRS&T) capability to the BMDS.

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III. Financial Summary ($ in thousands)

		FY 2012					
			Congressional Action				
A. BA Subactivities	FY 2011 Actuals	Budget Request	Amount	Percent	Appropriated	Current Estimate	FY 2013 Estimate
1. Operational Support	**0**	**202,758**	**-416**	**-0.2**	**202,342**	**202,342**	**259,975**
Aegis Ballistic Missile Defense (BMD)	0	0	0	n/a	0	0	12,163
Ballistic Missile Defense Systems (BMDS) Radar	0	151,937	0	0.0	151,937	151,937	192,133
Terminal High Altitude Area Defense (THAAD)	0	50,821	-416	-0.8	50,405	50,405	55,679
Total	**0**	**202,758**	**-416**	**-0.2**	**202,342**	**202,342**	**259,975**

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III. Financial Summary ($ in thousands)

B. Reconciliation Summary	Change FY 2012/FY 2012	Change FY 2012/FY 2013
Baseline Funding	**202,758**	**202,342**
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)	-336	
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-80	
Subtotal Appropriated Amount	**202,342**	
Fact-of-Life Changes (2012 to 2012 Only)		
Subtotal Baseline Funding	**202,342**	
Supplemental		
Reprogrammings		
Price Changes		3,440
Functional Transfers		16,748
Program Changes		37,445
Current Estimate	**202,342**	**259,975**
Less: Wartime Supplemental		
Normalized Current Estimate	**202,342**	

III. Financial Summary ($ in thousands)

C. Reconciliation of Increases and Decreases	**Amount**	**Totals**
FY 2012 President's Budget Request (Amended, if applicable)		**202,758**
1. Congressional Adjustments		-416
a. Distributed Adjustments		
b. Undistributed Adjustments		
1) Unobligated Balances Congress Adjustments	-336	
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
1) Sec 8034 - Mitigation of Environment Impacts	-80	
FY 2012 Appropriated Amount		**202,342**
2. War-Related and Disaster Supplemental Appropriations		
3. Fact-of-Life Changes		
FY 2012 Baseline Funding		**202,342**
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2012 Estimate		**202,342**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		
FY 2012 Normalized Current Estimate		**202,342**
6. Price Change		3,440
7. Functional Transfers		16,748
a. Transfers In		
1) Transfers in from RDT&E for Aegis Ballistic Missile Defense Systems (BMD) Replacement training due to growth in total number of Battery personnel. (FY 2012 Baseline $0)	12,163	
2) Transfers in from RDT&E for Terminal High Altitude Area Defense (THAAD) Battery sustainment and maintenance due to start of hardware deliveries for Battery #3. (FY 2012 Baseline $50,405)	4,585	
8. Program Increases		37,445
a. Annualization of New FY 2012 Program		

III. Financial Summary ($ in thousands)

C. Reconciliation of Increases and Decreases	**Amount**	**Totals**
b. One-Time FY 2013 Increases		
c. Program Growth in FY 2013		
1) BMDS Sensors Program Growth is due to increased cost to operate and sustain deployed AN/TPY-2 Radars, and operate and sustain all Upgraded Early Warning Radars (FY 2012 Baseline $151,937)	37,445	
9. Program Decreases		
a. Annualization of FY 2012 Program Decreases		
b. One-Time FY 2012 Increases		
c. Program Decreases in FY 2013		
FY 2013 Budget Request		**259,975**

IV. Performance Criteria and Evaluation Summary:

A. Terminal High Altitude Area Defense (THAAD). Performance objectives are defined in the contract as the following: the contractor will receive minimal fee by maintaining all THAAD peculiar equipment at a 70% operation rate, and a maximum fee by maintaining all THAAD peculiar equipment at a 95% operational rate with 90% as the lowest acceptable rate. Operational rate is based on the current number of pieces of THAAD equipment and not the operational readiness rate reported to the Department of the Army by the deployed THAAD unit.

B. Ballistic Missile Defense System (BMDS) Radars. Upgraded Early Warning Radars (UEWR) and Cobra Dane operations and sustainment are managed by Air Force Space Command and the Air Force Technical Applications Center, respectively. Their contract vehicles have specific incentives to maintain specified operational performance values. The UEWR/Cobra Dane operations and sustainment funds are for MDA developed software support/deficiencies to maintain/enhance the Missile Defense mission for these radars.

For AN/TPY-2 radars, the contractor's performance in operations and sustainment will be measured by the radars' demonstrated operational availability A_o, defined as:

$$A_o = \frac{\text{Total Time} - \text{Non Mission Capable Time}}{\text{Total Time}}$$

"Total time" is defined as 24 hours per day times the number of days in the period of performance of the task order. Performance measurement does not include contractually-

IV. Performance Criteria and Evaluation Summary:

defined conditions that are outside the control of the Contractor and are exceptions to A_o downtime. For AN/TPY-2 radars, performance incentives are calculated as follows:

Target A_o = 90%	
A_o > 90%	100% of Performance Incentive Pool
A_o ≥ 70%, <90%	Actual A_o% achieved times pool amount
A_o < 70%	Performance Fee = 0%

C. Aegis Ballistic Missile Defense BMD Standard Missile 3 Block IA (SM-3 BLK IA). Performance Objectives are defined in the SM-3 contracts as follows: The performance incentive of the SM-3 Cost Plus/ Incentive Fee/Award Fee (CP/IF/AF) contracts is determined by a formula designed to focus on reduction of overall maintenance cost and efficiency of recertification and the timely return of SM-3s to the fleet.

V. Personnel Summary	FY 2011	FY 2012	FY 2013	Change FY 2011/ FY 2012	Change FY 2012/ FY 2013
Contractor FTEs (Total)	0	473	605	473	132

Contractor logistics support FTEs based on current estimates. FY 2013 increase reflects transfer of Aegis Ballistic Missile Defense Systems (BMD) Standard Missile 3 Block IA, sustainment from RDT&E.

VI. OP 32 Line Items as Applicable (Dollars in thousands):

OP 32 Line	FY 2011 Actuals	Change FY 2011/FY 2012 Price	Change FY 2011/FY 2012 Program	FY 2012 Estimate	Change FY 2012/FY 2013 Price	Change FY 2012/FY 2013 Program	FY 2013 Estimate
679 Cost Reimbursable Purchase	0	0	0	0	0	4,246	4,246
699 Total DWCF Purchases	**0**	**0**	**0**	**0**	**0**	**4,246**	**4,246**
922 Eqt Maint Contract	0	0	186,805	186,805	3,176	41,467	231,448
930 Other Depot Maint non fund	0	0	0	0	0	7,917	7,917
989 Other Services	0	0	15,537	15,537	264	563	16,364
999 Total Other Purchases	**0**	**0**	**202,342**	**202,342**	**3,440**	**49,947**	**255,729**
Total	**0**	**0**	**202,342**	**202,342**	**3,440**	**54,193**	**259,975**