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<b>Missile Defense Agency (MDA) Exhibit R-2 RDT&amp;E Item Justification</b>	Date <b>February 2007</b>
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<b>APPROPRIATION/BUDGET ACTIVITY</b> <b>RDT&amp;E, DW/06 RDT&amp;E Management Support</b>	<b>R-1 NOMENCLATURE</b> <b>0901598C Management Headquarters - MDA</b>
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COST (\$ in Thousands)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Total Program Element (PE) Cost	98,609	87,059	85,906	86,453	70,355	69,855	69,855	69,855
0601 Management Headquarters	98,609	87,059	85,906	86,453	70,355	69,855	69,855	69,855

*Note: FY06 funds appropriated within this PE pay for the costs to perform technical assessments of missile defense programs, architectures, and technologies, which are funded in FY07 - FY13 within Project 0602 (Program-Wide Support).*

*In concert with the ongoing efforts to reduce Agency infrastructure and with the mandate of the Base Re-Alignment and Closure Commission, the funding amounts within this PE for FY08 through FY10 are based on MDA reducing its presence in the National Capital region in preparation for the move to a consolidated campus on Redstone Arsenal in Huntsville, Alabama, with costs decreasing to reflect anticipated savings as a result of the consolidation.*

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

As prescribed by DoD Directive 5100.73, Major Headquarters Activities, signed by the Deputy Secretary of Defense on 13 May 1999, this Program Element funds costs associated with the operation of the headquarters and headquarters activities of the Missile Defense Agency. This project funds the following basic areas: Salaries and benefits for government civilian personnel assigned to the Agency headquarters, training, professional development, and travel for Agency personnel, rents, supplies and services for Agency facilities, facility support functions, and specialized headquarters contract support.

**Accomplishments/Planned Program**

	FY 2006	FY 2007	FY 2008	FY 2009
Civilian Salaries	32,019	28,917	30,560	32,077

Funds the basic costs for government civilian salaries, payroll, and benefit costs for all personnel within this Program Element. Civilian staff functions funded from this project include the Command Group and Chief of Staff, the Small and Disadvantage Business Utilization Office (SADBU), Workforce Management, General Counsel, Legislative Affairs, centralized oversight of classified programs, and civilian management of all MDA facility, maintenance, and housekeeping activities. Total staff funded by these dollars is approximately 180 civilians, with historical costs forming a firm basis for estimating future costs for this function.

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	FY 2006	FY 2007	FY 2008	FY 2009
Training, Professional Development and Travel	4,022	3,257	3,310	3,412
<p>This effort provides funding required for training and professional development required to maintain mandatory Acquisition Certifications for the MDA workforce, essential mission travel, and relocation costs for new government civilian employees hired from outside the NCR. Historical cost trends, an emphasis on enhanced use of video teleconferencing in lieu of travel, and known requirements for civilian workforce acquisition certification and training are all used to allow for accurate budgeting of costs for this function.</p>				
	FY 2006	FY 2007	FY 2008	FY 2009
Rents, Supplies and Services	19,007	19,480	20,897	21,043
<p>This effort provides funds required to operate the MDA plant and related operational costs. This includes leases for commercial office space, as well as utilities and communications expenses at both the leased facilities and Federal Office Building 2 (FOB-2). The expansion of the MDA mission and associated growth of the Agency during the last several years has the Agency currently residing in FOB-2, Sequoia Plaza, and the Suffolk Building, and the Agency has warehousing space for storage of items needed for daily operations. Given the current size of the agency, virtually all of the costs within this project remain fixed: costs for utilities, commercial building leases, backup generator and HVAC maintenance and operations, and alarm systems and minor carpentry, electrical, and painting work requests consume 80% of the funding, with the remaining represented by fixed costs related to Metro transit subsidies, operational requirements to transport key leadership personnel, expendable supplies, the costs of postage and express mail, and copier service/maintenance contracts. Rent costs for the MDA use of FOB-2 are included in Program Element 0901585C, Pentagon Reservation Maintenance Reserve Fund.</p>				
	FY 2006	FY 2007	FY 2008	FY 2009
Facility Support	17,391	20,854	17,975	16,194
<p>A large and fixed base of costs are required to perform Logistics support of Agency operations - the transportation, janitorial and maintenance services, travel office staffing, and mail room operations that allow the civilian staff of the Agency to perform their operational mission.</p> <p>The FY08 budgeted amount of \$17 million represents the fixed, steady-state costs required to pay for these vital services, as the historical FY06 and FY07 cost trends are not reflective of the current fixed cost basis for these services. Two-thirds of the costs within this category represent fixed costs for transit services to shuttle MDA employees between the various Agency buildings, monthly purchasing, logistics, and telecommunications costs, fitness, cleaning, and maintenance contractual costs, and the costs to perform detailed planning and design associated with the relocation of Agency functions. The remaining costs represent contractor staffing costs to operate MDA supply and mailroom operations at multiple MDA facilities in the National Capital region, and to provide management analysis in the areas of management headquarters account processes and assess facilities,</p>				

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logistics, and administrative operations to identify opportunities to improve performance and customer service, and to introduce capability for enhancing effectiveness and efficiency.				
	FY 2006	FY 2007	FY 2008	FY 2009
Specialized HQ Contract Support	18,443	14,551	13,164	13,727
<p>This effort provides specialized, critical contractual services required to augment the government civilian staff performing Agency-wide Management Headquarters functions within a host of offices within the Missile Defense Agency:</p> <p>Workforce Management - responsible for providing organization development consultation on corporate workforce management systems and issues. In addition, provides support for directing and managing the development, coordination, and execution of workforce management goals, objectives, policies, plans and programs for the Missile Defense Agency.</p> <p>Office of the Chief of Staff Support - provides for direct costs and an augmentation to government staffing associated with MDA-wide protocol, major events and offsite meetings and their planning and management, the execution of Occupational Safety and Health programs to include staff training and purchase of emergency escape masks, and contractual staff to respond to congressional and interdepartmental requests for information, to include researching background information for use in answering Freedom of Information Act requests.</p> <p>Legislative Affairs/Communications/General Counsel Support provides for purchases of outside services critical to the implementation of staff actions for these three areas. This includes the purchases and use of databases, publications, and proprietary information critical to these highly specialized headquarters functions, the use of an MDA Booth, as well as augmented contractor staff to compile research information and to develop archiving systems and databases for use by civilian staff.</p>				
	FY 2006	FY 2007	FY 2008	FY 2009
Technical Assessments	7,727	0	0	0
FY06 funds appropriated within this PE also pay for the costs to perform technical assessments of missile defense programs, architectures, and technologies, efforts which are funded in fiscal years 2007 - 2013 within Project 0602 (Program-Wide Support).				

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<b>B. Program Change Summary Table</b>	FY 2006	FY 2007	FY 2008	FY 2009
Previous President's Budget (FY 2007 PB)	99,327	87,389	86,471	85,894
Current President's Budget (FY 2008 PB)	98,609	87,059	85,906	86,453
Total Adjustments	-718	-330	-565	559
Congressional Specific Program Adjustments	0	0	0	0
Congressional Undistributed Adjustments	0	-330	0	0
Reprogrammings	-654	0	0	0
SBIR/STTR Transfer	0	0	0	0
Adjustments to Budget Years	-64	0	-565	559

FY06 decrease of \$0.718 million includes MDA reprogrammings and MDA programmatic changes.

FY07 decrease of \$0.330 million includes a portion of the MDA congressional undistributed reduction.

FY08 decrease of \$0.565 million and FY09 reduction of \$0.559 million reflects MDA programmatic changes.

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<b>C. Other Program Funding Summary</b>									
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Total Cost
PE 0603175C Ballistic Missile Defense Technology	147270	193307	118569	109540	116014	121008	127917	131291	1064916
PE 0603881C Ballistic Missile Defense Terminal Defense Segment	1120879	1092076	962585	1004282	924101	851213	678694	501147	7134977
PE 0603882C Ballistic Missile Defense Midcourse Defense Segment	2391246	3043058	2520064	2359665	2179602	1699963	1153082	1183003	16529683
PE 0603883C Ballistic Missile Defense Boost Defense Segment	455572	628958	548759	432432	448375	678913	829683	1026239	5048931
PE 0603884C Ballistic Missile Defense Sensors	284297	514129	778163	984963	939417	791701	723843	603585	5620098
PE 0603886C Ballistic Missile Defense System Interceptors	200446	356004	227499	393317	522388	730236	836029	570206	3836125
PE 0603888C Ballistic Missile Defense Test and Targets	610619	601782	586150	628364	662984	681511	696037	705210	5172657
PE 0603889C Ballistic Missile Defense Products	387402	0	0	0	0	0	0	0	387402
PE 0603890C Ballistic Missile Defense System Core	409993	429420	482016	511147	558746	579571	579316	588480.9	4138689.9
PE 0603891C Special Programs - MDA	271021	353031	323250	305409	369073	526966	789017	792271	3730038
PE 0603892C Ballistic Missile Defense Aegis	893040	1122669	1059103	1129425	1221650	1067587	1054753	1089078	8637305
PE 0603893C Space Tracking & Surveillance System	220048	322220	331525	347811	412623	501197	778067	981424	3894915
PE 0603894C Multiple Kill Vehicle	48370	144362	271151	352741	461179	618263	673477	842905	3412448
PE 0603895C BMD System Space Program	0	0	27666	35093	46849	56183	133617	157117	456525
PE 0603896C BMD C2BMC	0	246852	258913	294627	300847	282615	267275	269420	1920549
PE 0603897C BMD Hercules	0	49674	53658	54264	54405	55142	53355	54198	374696
PE 0603898C BMD Joint Warfighter Support	0	54935	48787	50428	54086	56603	58890	60206	383935
PE 0603904C BMD Joint National Integration Center (JNIC)	0	110629	104012	106985	111542	111947	113592	115287	773994
PE 0603905C BMD Concurrent Test and Operations	0	23159	0	0	0	0	0	0	23159
PE 0603906C Regarding Trench	0	0	2000	3000	5000	5000	9000	9000	33000
PE 0605502C Small Business Innovative Research - MDA	133105	0	0	0	0	0	0	0	133105
PE 0901585C Pentagon Reservation	14874	15527	6058	6376	4490	4725	4801	4877	61728

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