

ARMY RDT&E BUDGET ITEM JUSTIFICATION (R-2 Exhibit)							February 2003				
BUDGET ACTIVITY 4 - Advanced Component Development and Prototypes				PE NUMBER AND TITLE 0603869A - Meads Concepts - Dem/Val				PROJECT 01B			
COST (In Thousands)		FY 2002 Actual	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	Cost to Complete	Total Cost
01B	MEDIUM EXTENDED AIR DEFENSE SYSTEM (MEADS)	0	0	276259	267270	271689	276194	289483	295187	0	1676082
<p><u>A. Mission Description and Budget Item Justification:</u> The Medium Extended Air Defense System (MEADS) is an Objective Force system. It is an international co-development program essential to fulfill the requirements of the U.S. Army and the U.S. Marine Corps for a low-medium air and missile defense system in the 21st century. MEADS will offer a significant improvement in tactical mobility and strategic deployability over comparable missile systems. It will defend the maneuver force and other critical forward-deployed assets against short and medium range Theater Ballistic Missiles (TBMs), cruise missiles and other air-breathing threats throughout all phases of tactical operations. MEADS will operate with upper-tier systems in areas of debarkation and assembly and provide continuous coverage alone, or with Short-Range Air Defense Systems (SHORAD) systems in the division area of the battlefield during movement to contact and decisive operations. MEADS will be interoperable with other airborne and ground-based sensors and utilize a netted and distributed architecture and modularly-configurable battle elements to provide a robust, 360-degree defense against short and medium range TBMs, cruise missiles, unmanned-aerial-vehicles, tactical air-to-surface missiles, rotary-wing and fixed-wing threats.</p> <p>The MEADS program is currently executing a thirty two and half month Risk Reduction Effort (RRE) phase. The primary objectives of RRE are to develop a program cost and schedule consensus, mature critical technologies, and program planning for entry into the Design and Development (D&D) Phase at Milestone B in 2004. The D&D Phase is currently planned to be a six year ten month effort producing six MEADS Fire Units with the first unit equipped in FY12. The D&D Phase will be executed under an International Memorandum of Understanding (MOU) between the participating nations.</p> <p>There remains a critical void in maneuver force defense against the current and future AMD threat of short and medium range TBMs, cruise missiles, and low-to-medium altitude advanced air-breathing threats. This program will meet this challenge by integrating the PAC-3 missile and developing the critical technologies required for maneuver force protection, including development and testing of a light weight launcher, reloader, 360-degree multifunction fire control and surveillance radars and a netted and distributed Battle Management/Command, Control, Communications, Computers, and Intelligence (BM/C4I) Tactical Operations Center (TOC). The PAC-3 missile is the baseline interceptor for MEADS. Sensor and battle management software technology from both U.S. and international programs will be examined to enhance and augment organic-equipment functions, reducing development cost and risk. Improvements will be balanced against costs and the projected threat to develop a U.S. and Allied capability to counter the current and future AMD threats. The approach emphasizes prototyping of system-specific and surrogate hardware in key areas of BM/C4I, fire control radar, and light weight launcher to satisfy mobility, strategic deployability and interoperability requirements. The Army requirement for MEADS supports the Objective transition path of the Army Transformation Campaign Plan (TCP).</p> <p>In FY03, Congress transferred the MEADS program from the Army to the Missile Defense Agency (MDA).</p>											

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<u>Accomplishments/Planned Program</u>		FY 2002	FY 2003	FY 2004	FY 2005	
Continue the U.S. contribution to the North Atlantic Treaty Organization (NATO) MEADS Management Agency (NAMEADSMA) International Program Office operational and administrative budgets for the MEADS Risk Reduction Effort (RRE) contract which includes development of digital end-to-end simulation, continue development of a prototype launcher, fire control radar and prototype BM/C4I hardware/ software, test planning, technology transfer and anti-tamper. Award the Design and Development (D&D) Phase contract to design, develop, build, test and evaluate the MEADS System.		0	0	215280	189770	
Conduct program integration efforts that will examine Department of Defense (DOD) Joint Vision and Army Transformation Objective Force mix and integration issues; support MEADS in the test and evaluation of Air and Missile Defense (AMD) task force interoperability and Army Family-of-Systems; support development and maintenance of Joint Data Network interface requirements and planning and appropriate planning of MEADS manpower, training, human factors, safety issues, cost reduction initiatives, composite tracker and protect U.S. background technology.		0	0	44079	59900	
Continue funding for government agencies and support contracts to provide technical analysis and tools in specialty areas of lethality, BM/C4I and system simulations, as well as support of conducting independent evaluations of contractor trades and analysis.		0	0	10100	10500	
Continue MEADS program management, support and salaries for both the national and international program offices. Includes efforts to support U.S. unique requirements for MEADS.		0	0	6800	7100	
Totals		0	0	276259	267270	

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<u>B. Program Change Summary</u>	FY 2002	FY 2003	FY 2004	FY 2005
Previous President's Budget (FY 2003)	527	117745	280580	272070
Current Budget (FY 2004/2005 PB)	0	0	276259	267270
Total Adjustments	-527	-117745	-4321	-4800
Congressional program reductions		-117745		
Congressional rescissions				
Congressional increases				
Reprogrammings				
SBIR/STTR Transfer				
Adjustments to Budget Years	-527		-4321	-4800

FY02 program was transferred from the Army to the Missile Defense Agency.
\$527K of FY 2002 Army funding was realigned to the correct PE for execution.

In FY03, Congress transferred the MEADS program from the Army to the Missile Defense Agency (MDA).

C. Other Program Funding Summary: Not applicable for this item.

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<p><u>D. Acquisition Strategy:</u> The MEADS program gained approval from the Defense Acquisition Executive (DAE) in an August 2000 Acquisition Decision Memorandum (ADM) to begin a Risk Reduction Effort (RRE) phase extending the Project Definition/Validation (PD/V) phase by three years in order to focus on integrating the PAC-3 missile into the MEADS system concept, identifying and reducing technical risk, developing a cost and schedule consensus among the partner nations (Germany, Italy and United States), and to refine the MEADS concept. In July 2001, MEADS International (MI) was awarded a thirty-two and half month RRE contract. Additional key elements of the RRE scope include full harmonization of the threat and requirements, a detailed plan and cost consensus for Design and Development (D&D), and developing a negotiated Memorandum of Understanding (MOU) for the D&D phase. A Milestone B (MS B) Defense Acquisition Board (DAB) is planned for FY04, at which time the D&D phase will begin a six year ten month effort. Per the 2 January 2002 SEC DEF missile defense directive memo, the U.S. national unique requirements of the MEADS program will be developed in consultation with the Army. The MEADS program will continue to be directed per the International MOU and the three nation Steering Committee for international program participation.</p>		

ARMY RDT&E COST ANALYSIS(R-3)									February 2003			
BUDGET ACTIVITY 4 - Advanced Component Development and Prototypes					PE NUMBER AND TITLE 0603869A - Meads Concepts - Dem/Val					PROJECT 01B		
I. Product Development	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2003 Cost	FY 2003 Award Date	FY 2004 Cost	FY 2004 Award Date	FY 2005 Cost	FY 2005 Award Date	Cost To Complete	Total Cost	Target Value of Contract
a . Risk Reduction	CPFF	NAMEADSMA, Huntsville, AL	0	0		0		0		Continue	0	0
b . MultiBand Spectral Radar Frequency Data Link	Contract/MIPR	LMMS, Orlando, FL.	0	0		0		0		Continue	0	0
c . Design and Development	TBD	NAMEADSMA, Huntsville, AL	0	0		213580	3Q	187870	2Q	Continue	401450	0
Subtotal:			0	0		213580		187870		Continue	401450	0
II. Support Cost	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2003 Cost	FY 2003 Award Date	FY 2004 Cost	FY 2004 Award Date	FY 2005 Cost	FY 2005 Award Date	Cost To Complete	Total Cost	Target Value of Contract
a . Int'l Program Office	LOE	NAMEADSMA, Huntsville, AL.	0	0		1700	2Q	1900	2Q	Continue	3600	0
b . Program Integration	LOE	Various, Huntsville, AL.	0	0		34879	2Q	49330	2Q	Continue	84209	0
c . U.S. Contracts	Various	Various, Huntsville, AL	0	0		3200	2Q	3300	2Q	Continue	6500	0
d . U.S. OGAs	MIPR	Various, Huntsville, AL.	0	0		6900	2Q	7200	2Q	Continue	14100	0

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II. Support Cost (continued)	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2003 Cost	FY 2003 Award Date	FY 2004 Cost	FY 2004 Award Date	FY 2005 Cost	FY 2005 Award Date	Cost To Complete	Total Cost	Target Value of Contract
e . Composite Tracker	LOE	MRDEC, Huntsville, AL.	0	0		1200	2Q	1200	2Q	Continue	2400	0
f . US Only Security	LOE	Lockheed Martin, Syracuse, NY., Dallas, TX. & Orlando, FL.	0	0		5000	3Q	5500	3Q	Continue	10500	0
Subtotal:			0	0		52879		68430		Continue	121309	0
III. Test and Evaluation	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2003 Cost	FY 2003 Award Date	FY 2004 Cost	FY 2004 Award Date	FY 2005 Cost	FY 2005 Award Date	Cost To Complete	Total Cost	Target Value of Contract
a . Range Support	TBD	WSMR, White Sands, NM	0	0		3000	2Q	3870	2Q	Continue	6870	0
Subtotal:			0	0		3000		3870		Continue	6870	0

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IV. Management Services	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2003 Cost	FY 2003 Award Date	FY 2004 Cost	FY 2004 Award Date	FY 2005 Cost	FY 2005 Award Date	Cost To Complete	Total Cost	Target Value of Contract
a . Internal Operating	In-House	MEADS Prod Ofc/NAMEADSMA, Huntsville, AL.	0	0		6800	2Q	7100	2Q	0	13900	0
Subtotal:			0	0		6800		7100		0	13900	0
Project Total Cost:			0	0		276259		267270		Continue	543529	0

Schedule Profile Detail (R-4a Exhibit)							February 2003	
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<u>Schedule Detail</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>	<u>FY 2009</u>
Demonstrate MEADS Functionality			2Q					
Program Review			2Q					
Milestone B			2Q					
Full System Demo			2Q					
Design and Development Phase Contract Award			3Q					
Systems Requirements Review			4Q					
System Preliminary Design Review (PDR)				2Q				