

ARMY RDT&E BUDGET ITEM JUSTIFICATION (R-2 Exhibit)							February 2003				
BUDGET ACTIVITY 5 - System Development and Demonstration				PE NUMBER AND TITLE 0604865A - Patriot PAC-3 Theater Missile Defense Acq - EMD				PROJECT 01C			
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
01C	PATRIOT ADVANCED CAPABILITY (PAC) - 3	0	0	174475	78440	21614	15965	0	0	0	290494
<p><b><u>A. Mission Description and Budget Item Justification:</u></b> PATRIOT is a mobile, field Army and Corps air defense system, using guided missiles to simultaneously engage and destroy multiple target types at varying ranges. The PATRIOT Advanced Capability 3 (PAC-3) Upgrade Program is the latest evolution of the phased materiel change improvement program to PATRIOT. The materiel changes will provide improved performance across the spectrum for system and threat intercept performance. In addition to modernization of the ground support equipment, funding resources a new missile design providing a high velocity, hit to kill, surface to air missile with the range, accuracy, and lethality necessary to effectively intercept and destroy tactical missiles with Nuclear Biological Chemical/High Explosive (NBC/HE) warheads and air breathing threats. The full capability will provide defense against short to medium range theater ballistic missiles (TBMs), cruise missiles (CMs), unmanned aerial vehicles (UAVs) and other air breathing threats as part of the Ballistic Missile Defense (BMD) systems, a multi-layered Theater Air and Missile Defense Architecture. Funds will ensure PAC-3 will remain interoperable in the BMDS. PATRIOT is pursuing integration of PATRIOT Battle Management Command, Control, Communications and Intelligence (BMC3I) with the Project Manager, Air Defense Command and Control Systems to take advantage of previous U.S. Army developments that can be incorporated into the PATRIOT program. The Army requirement for PAC-3 supports the Legacy to Objective transition path of the Transformation Campaign Plan (TCP).</p>											
<b><u>Accomplishments/Planned Program</u></b>						<b><u>FY 2002</u></b>	<b><u>FY 2003</u></b>	<b><u>FY 2004</u></b>	<b><u>FY 2005</u></b>		
Continue follow-on Block test program with LMMFC and Raytheon.						0	0	18000	0		
Continue Operational Test & Evaluation.						0	0	2000	0		
Evolutionary Development.						0	0	154475	78440		
Totals						0	0	174475	78440		

**ARMY RDT&E BUDGET ITEM JUSTIFICATION (R-2 Exhibit)****February 2003****BUDGET ACTIVITY****PE NUMBER AND TITLE****PROJECT****5 - System Development and Demonstration****0604865A - Patriot PAC-3 Theater Missile Defense****01C****Acq - EMD**

<b><u>B. Program Change Summary</u></b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Previous President's Budget (FY 2003)	0	150819	177404	79774
Current Budget (FY 2004/2005 PB)	0	0	174475	78440
Total Adjustments	0	-150819	-2929	-1334
Congressional program reductions		-150819		
Congressional rescissions				
Congressional increases				
Reprogrammings				
SBIR/STTR Transfer				
Adjustments to Budget Years			-2929	-1334

In FY03, Congress transferred the PAC-3 program from the Army to the Missile Defense Agency (MDA).

<b><u>C. Other Program Funding Summary</u></b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>To Compl</b>	<b>Total Cost</b>
PAC-3, SSNC49200	0	0	561555	490754	490892	490814	620451	626573	0	3281039
PATRIOT MODS, SSN C50700	24819	148671	212575	86131	75443	77490	71881	41854	0	738864
Initial Spares, CA0267	722	39946	32055	14775	14849	9576	9034	8124	0	129081

ARMY RDT&E BUDGET ITEM JUSTIFICATION (R-2 Exhibit)		February 2003
BUDGET ACTIVITY <b>5 - System Development and Demonstration</b>	PE NUMBER AND TITLE <b>0604865A - Patriot PAC-3 Theater Missile Defense Acq - EMD</b>	PROJECT <b>01C</b>
<p><b><u>D. Acquisition Strategy:</u></b> The design objective of the PATRIOT system is to provide an element of an integrated Ballistic Missile Defense system capable of being modified to cope with the evolving threat. This strategy minimizes technological risks and provides a means of enhancing system capability through planned upgrades of deployed systems. The PATRIOT program consists of two interrelated acquisition programs - the PATRIOT PAC-3 Growth Program and the PAC-3 Missile Program. Growth Program modifications are grouped into configurations which are scheduled to be fielded in the same time frame. However, incremental increases in performance are determined for each configuration in order to provide benchmarks for configuration testing and for the development of user doctrine and tactics. The PAC-3 Missile Program focuses on developing, fabricating and testing the high velocity, hit to kill, surface to air missile and associated ground support equipment to provide essential increases in battle space, accuracy, lethality and firepower to counter and destroy evolving air defense threats. Funds will ensure PAC-3 will remain interoperable in the BMDS. The missile performance is demonstrated through a series of flight tests and modeling and simulation activities. PAC-3 Block Evolutionary development efforts will further improve system interoperability, commonality, and capabilities against emerging and reactive threats.</p>		

ARMY RDT&E COST ANALYSIS(R-3)									February 2003			
BUDGET ACTIVITY <b>5 - System Development and Demonstration</b>					PE NUMBER AND TITLE <b>0604865A - Patriot PAC-3 Theater Missile Defense Acq - EMD</b>					PROJECT <b>01C</b>		
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 . PAC-3 Missile EMD	SS-CPIF	LMMFC-D, TX	0	0		0		0		0	0	0
b . PAC-3 Missile Integration	SS-CPIF	Raytheon, MA	0	0		0		0		0	0	0
c . RDEC	MIPR	MRDEC, AL	0	0		15400	1Q	14450	1Q	Continue	29850	0
d . PAC-3 Missile FOT	SS-CPIF	LMMFC-D, TX	0	0		5500	1Q	0		Continue	5500	0
e . RSC Integration	SS-CPIF	Raytheon, MA	0	0		4000	1Q	0		Continue	4000	0
f . Raytheon Evolutionary Development	CPAF	Raytheon, MA	0	0		20300	1Q	14300	1Q	Continue	34600	0
g . LMMFC Evolutionary Development	CPAF	LMMFC-D, TX	0	0		91571	1Q	27040	1Q	Continue	118611	0
Subtotal:			0	0		136771		55790		Continue	192561	0

ARMY RDT&E COST ANALYSIS(R-3)									February 2003			
BUDGET ACTIVITY <b>5 - System Development and Demonstration</b>					PE NUMBER AND TITLE <b>0604865A - Patriot PAC-3 Theater Missile Defense Acq - EMD</b>					PROJECT <b>01C</b>		
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 . SETA	FFP	CAS, AL	0	0		2500	1Q	1500	1Q	Continue	4000	0
b . OGA/In-House	PO		0	0		4900	1Q	3900	1Q	Continue	8800	0
c . Engineering Support	FFP	Raytheon, MA	0	0		4500	1Q	0	1Q	Continue	4500	0
Subtotal:			0	0		11900		5400		Continue	17300	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 . White Sands Missile Range	MIPR	WSMR, NM	0	0		9000	1Q	5250	1Q	Continue	14250	0
b . Operational Test Support	MIPR		0	0		2000	1Q	0	1Q	Continue	2000	0
c . Targets	MIPR	SMDC/AL	0	0		14804	1Q	12000	1Q	Continue	26804	0
Subtotal:			0	0		25804		17250		Continue	43054	0

<b>ARMY RDT&amp;E COST ANALYSIS(R-3)</b>									<b>February 2003</b>			
BUDGET ACTIVITY <b>5 - System Development and Demonstration</b>					PE NUMBER AND TITLE <b>0604865A - Patriot PAC-3 Theater Missile Defense Acq - EMD</b>					PROJECT <b>01C</b>		
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
Subtotal:			0	0		0		0		0	0	0
Project Total Cost:			0	0		174475		78440		Continue	252915	0

Schedule Profile Detail (R-4a Exhibit)							February 2003	
BUDGET ACTIVITY <b>5 - System Development and Demonstration</b>				PE NUMBER AND TITLE <b>0604865A - Patriot PAC-3 Theater Missile Defense Acq - EMD</b>				PROJECT <b>01C</b>
<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>
Configuration 3 Initial Operational Test & Evaluation (IOT&E)	2-4Q							
Initiate PAC-3 Evolutionary Block Upgrades	1Q							
PAC-3 Missile Block 02 Production DAB		1Q						
PAC-3 Missile Block 04 Production			4Q					
PAC-3 IOC				4Q				
PAC-3 Missile Block 06 Production						4Q		