

ARMY RDT&E BUDGET ITEM JUSTIFICATION (R2 Exhibit)							February 2005				
BUDGET ACTIVITY 7 - Operational system development				PE NUMBER AND TITLE 0203801A - Missile/Air Defense Product Improvement Program				PROJECT 036			
COST (In Thousands)		FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	Cost to Complete	Total Cost
036	PATRIOT PROD IMP PGM	46055	32082	16188	10607	10884	11119	12029	12520	Continuing	190278
<p>A. Mission Description and Budget Item Justification: Patriot is an advanced Surface-to-Air guided missile system with a high single shot kill probability capable of operation in the presence of Electronic Countermeasures (ECM) and able to conduct multiple simultaneous engagements against high performance air breathing targets and ballistic missile likely to be encountered by US Forces. The Patriot Product Improvement Program provides for the upgrade of the Patriot System through individual materiel changes culminating in the attainment of the Patriot Advanced Capability-3 (PAC-3) System. Program objective will be to define and implement software changes necessary to enhance system capabilities against advanced Air Breathing Threat (ABT), Tactical Ballistic Missile (TBM) and Cruise Missile threats. Recapitalization development efforts address Mode V/S Identification Friend or Foe (IFF), launcher and design improvements. Single Integrated Air Picture (SIAP) continues efforts associated with Block 0 improvements initiated in FY03.</p> <p>On January 13, 2005, the Program Executive Office (PEO), Air, Space and Missile Defense (ASMD) merged with the PEO, Tactical Missiles to become the PEO, Missiles and Space.</p>											
<u>Accomplishments/Planned Program</u>							FY 2004	FY 2005	FY 2006	FY 2007	
Post Deployment Software Development							9241	5758	7548	10607	
Recapitalization							29714	19472	8640	0	
SIAP, Block 0 Integration							6000	4852	0	0	
Advanced Composite RADOME							1100	2000	0	0	
Totals							46055	32082	16188	10607	

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B. Program Change Summary

	FY 2005	FY 2006	FY 2007
Previous President's Budget (FY 2005)	31690	16576	10785
Current Budget (FY 2006/2007 PB)	32082	16188	10607
Total Adjustments	392	-388	-178
Net of Program/Database Changes			
Congressional Program Reductions			
Congressional Rescissions	-686		
Congressional Increases	2000		
Reprogrammings			
SBIR/STTR Transfer	-922		
Adjustments to Budget Years		-388	-178

FY 05 SBIR/STTR Transfer (-\$922K); Congressional Program Reductions (-\$686K); Congressional Increase for Advanced Composite Radome (+\$2000K).
FY 06 Funds realigned (-\$388K) to higher priority requirements.
FY 07 Funds realigned (-\$178K) to higher priority requirements.

C. Other Program Funding Summary

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	To Compl	Total Cost
Budget Activity 3 - Patriot Mod (C50700)	225022	87608	77411	68845	88129	61782	65923	68222	Continue	Continue
Budget Activity 3 - Patriot Mod Initial Spares CA0267	31817	14674	14656	15193	18369	18510	20378	7016	Continue	Continue
PE 0604865A, PAC-3	151318	61482	0	0	0	0	0	0	0	212800
PE 0603869A, MEADS	236823	251414	0	0	0	0	0	0	0	488237
PE 0604869A, Patriot/MEADS Combined Aggregate Program (CAP), project M06	0	0	288785	326352	454511	510672	510389	490441	Continue	Continue

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C. Other Program Funding Summary (continued)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	ToCompl	TotalCost
SSN C49100, PAC-3 Missile	616942	487364	489700	494754	466004	471770	0	0	0	3026534
SSN C50001, Patriot/MEADS CAP	0	0	0	0	88425	64338	423209	663557	Continue	Continue
PE 0102419, JLENS Development	57803	79316	106420	256893	471997	332428	0	0	0	1304857
SSN BZ0525, OPA, JLENS	0	0	0	0	0	29153	549707	397776	0	976636
PE 0604802, Project S23, SLAMRAAM	36103	63111	36102	29200	0	0	0	0	0	164516
SSN C81001, SLAMRAAM Production	7397	2440	19315	21970	59273	13124	0	0	0	123519
PE 0604820, SENTINEL Development	0	5851	5080	2547	2647	0	0	0	0	16125
SSN WK5057, OPA, SENTINEL	20646	7337	8393	15373	25074	31572	34473	32552	0	175420
PE 643327, Project S23, Integrated Fire Control	40275	0	24961	42736	48894	50930	0	0	0	207796

C. Other Program Funding Summary: This PE is an integral part of the Air, Space and Missile Defense System of Systems (SoS) including Integrated Fire Control, JLENS, Patriot/MEADS Combined Aggregate Program (CAP), SLAMRAAM, JTAGS, SENTINEL and on-going initiatives to achieve Single Integrated Air Picture (SIAP).

D. Acquisition Strategy: The design objective of the Patriot system was to provide a baseline system capable of modification to cope with the evolving threat. This alternative 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 growth program and the PAC-3 missile program. Growth program modifications are grouped into configurations, which are fielded in the same timeframe as they technically mature. However, incremental increases in performance will be determined for each configuration in order to provide benchmarks for configuration testing and for the development of user doctrine and tactics. This incremental approach to fielding will continue through the Combined Aggregate Program (CAP) as Patriot is evolved to MEADS.

ARMY RDT&E COST ANALYSIS(R3)									February 2005			
BUDGET ACTIVITY 7 - Operational system development					PE NUMBER AND TITLE 0203801A - Missile/Air Defense Product Improvement Program					PROJECT 036		
I. Product Development	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2005 Cost	FY 2005 Award Date	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	Cost To Complete	Total Cost	Target Value of Contract
a . Post Deployment Software Development	1095/SS-CPIF	MRDEC, AL/Raytheon, MA	9253	2732	2-3Q	4952	2Q	8507	2Q	Continue	25444	Continue
b . Recapitalization	SS-CPIF/MIPR	LM/CECOM	61514	19472	1-2Q	8640	2Q	0		0	89626	0
c . SIAP	SS-FP	Raytheon, MA	10000	4852	2Q	0		0		0	14852	0
d . Advanced Composite RADOME	SS-CPIF	LMMFC - D, TX	1100	2000		0		0		0	3100	0
Subtotal:			81867	29056		13592		8507		Continue	133022	Continue
II. Support Cost	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2005 Cost	FY 2005 Award Date	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	Cost To Complete	Total Cost	Target Value of Contract
a . In-House Support	1095	RSA/AL	15911	850	1-4Q	550	1-2Q	500	1-2Q	Continue	17811	Continue
b . Matrix Support	1095	RSA/AL	4217	520	1-2Q	500	1-2Q	400	1-2Q	Continue	5637	Continue
Subtotal:			20128	1370		1050		900		Continue	23448	Continue

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III. Test and Evaluation	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2005 Cost	FY 2005 Award Date	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	Cost To Complete	Total Cost	Target Value of Contract
a . Missile Command	1095	RSA/AL	17321	500	1Q	446		350		Continue	18617	Continue
b . White Sands Missile Range	MIPR	WSMR/NM	13367	400	2Q	300		250		Continue	14317	Continue
c . RDEC and Other Govt Agent	1095/MIPR	RSA/AL	98436	756	1Q	800		600		Continue	100592	Continue
Subtotal:			129124	1656		1546		1200		Continue	133526	Continue
IV. Management Services	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2005 Cost	FY 2005 Award Date	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	Cost To Complete	Total Cost	Target Value of Contract
Subtotal:			0	0		0		0		0	0	0
Project Total Cost:			231119	32082		16188		10607		Continue	289996	Continue

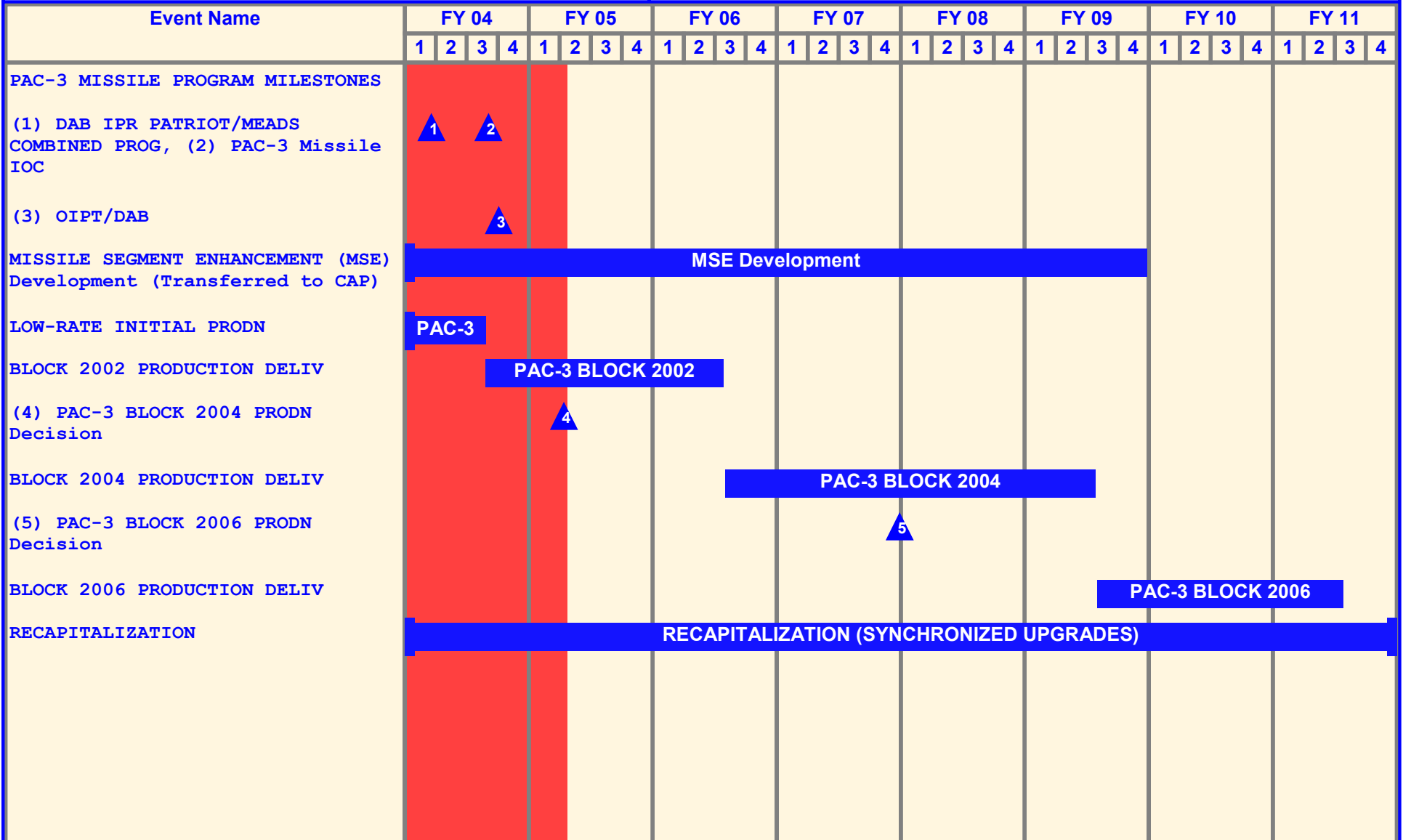
Schedule Profile (R4 Exhibit)

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Schedule Detail (R4a Exhibit)						February 2005					
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<u>Schedule Detail</u>				FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
PAC-3 Missile Block 04 Production Decision					2Q						
PAC-3 IOC				3Q							
PAC-3 Missile Block 06 Production Decision							4Q				
OIPT DAB PAC-3/MEADS Combined Program				4Q							
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