Fiscal Year 2014 Budget Estimates

Missile Defense Agency (MDA)

March 2013

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MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2014 Budget Estimates

Appropriation Summary	FY 2012 Actual	Price Change	Program Change	FY 2013 Estimate	Price Change	Program Change	FY 2014 Estimate
O&M, Defense-Wide	$201.7	$4.2	$54.1	$260.0	$4.9	$-8.7	$256.2

MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2014 Budget Estimates

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
1. Operational Support	**201,733**	**259,975**	**256,201**
Aegis Ballistic Missile Defense (BMD)	0	12,163	18,444
Ballistic Missile Defense Systems (BMDS) Radar	157,831	192,133	145,798
Terminal High Altitude Area Defense (THAAD)	43,902	55,679	91,959
Total Operation and Maintenance, Defense-Wide	**201,733**	**259,975**	**256,201**

MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2014 Budget Estimates

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MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2014 Budget Estimates

		FY 2012 Program	Price Growth Percent	Price Growth	Program Growth	FY 2013 Program	Price Growth Percent	Price Growth	Program Growth	FY 2014 Program
	DWCF Purchases									
679	Cost Reimbursable Purchase	2,205	2.00%	44	1,997	4,246	1.90%	81	-1,945	2,382
699	**Total DWCF Purchases**	**2,205**		**44**	**1,997**	**4,246**		**81**	**-1,945**	**2,382**
	Other Purchases									
920	Supplies & Materials (Non-Fund)	6,483	2.00%	130	-6,613	0	1.90%	0	24,537	24,537
922	Equipment Maintenance By Contract	188,365	2.00%	3,767	39,316	231,448	1.90%	4,398	-20,321	215,525
930	Other Depot Maintenance (Non-Fund)	0	2.00%	0	7,917	7,917	1.90%	150	-8,067	0
937	Locally Purchased Fuel (Non-Fund)	2,996	8.37%	251	-3,247	0	-2.95%	0	52	52
987	Other Intra-Govt Purch	0	2.00%	0	0	0	1.90%	0	3,439	3,439
989	Other Services	1,684	2.00%	34	14,646	16,364	1.90%	311	-6,409	10,266
999	**Total Other Purchases**	**199,528**		**4,182**	**52,019**	**255,729**		**4,859**	**-6,769**	**253,819**
	Total	**201,733**		**4,226**	**54,016**	**259,975**		**4,940**	**-8,714**	**256,201**

MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2014 Budget Estimates

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	Total	**201,733**		**4,226**	**54,016**	**259,975**		**4,940**	**-8,714**	**256,201**

MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2014 Budget Estimates

	FY 2012	FY 2013	FY 2014	Change FY 2013/2014
Contractor FTEs (Total)	110	605	110	-495

Personnel Summary Explanations:

The FY 2014 FTE decrease is the result of improved understanding of requirements resulting from MDA's first year of O&M funding in FY 2012.

MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2014 Budget Estimates

	TOTAL
FY 2013 President's Budget Request (Amended, if applicable)	**259,975**
1. Congressional Adjustments	
a. Distributed Adjustments	
b. Undistributed Adjustments	
c. Adjustments to Meet Congressional Intent	
d. General Provisions	
FY 2013 Appropriated Amount	**259,975**
2. War-Related and Disaster Supplemental Appropriations	
3. Fact-of-Life Changes	
FY 2013 Baseline Funding	**259,975**
4. Reprogrammings (Requiring 1415 Actions)	
Revised FY 2013 Estimate	**259,975**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings	
FY 2013 Normalized Current Estimate	**259,975**
6. Price Change	4,940
7. Functional Transfers	
8. Program Increases	
a. Annualization of New FY 2013 Program	
b. One-Time FY 2014 Increases	
c. Program Growth in FY 2014	
1) THAAD program growth is due to the addition of the two batteries & the provisioning of MDA functions for the Army Hybrid Cell, $7.5M. (FY 2013 baseline $55,679K, +0 FTE)	35,348

	TOTAL
2) Aegis BMD program growth is due to the increased support of 36 SM-3 Block IA for deployment aboard US Navy BMD configured ships. (FY 2013 baseline $12,162K, +0 FTE)	6,078
9. Program Decreases	
a. Annualization of FY 2013 Program Decreases	
b. One-Time FY 2013 Increases	
c. Program Decreases in FY 2014	
1) BMDS Radar program decrease is due to the Army assuming responsibility for site support operations & sustainment cost in the AN/TPY-2 Forward Based Mode (FY 2013 baseline $192,133K, +0 FTE)	-50,140
FY 2014 Budget Request	**256,201**

Missile Defense Agency
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2014 Budget Estimates

	FY 2012 Actual	Price Change	Program Change	FY 2013 Estimate	Price Change	Program Change	FY 2014 Estimate
MDA	201,733	4,226	54,016	259,975	4,940	-8,714	256,201

I. Description of Operations Financed: A. Terminal High Altitude Area Defense (THAAD). As described in the BMDS Transition and Transfer (T2) Annex, as well as the DEPSECDEF Funding Memorandum, the MDA is responsible for the sustainment of the missile defense unique or developmental items and the U.S. Army is responsible for the sustainment of the common items. MDA funding accomplishes the following efforts: Provides field and sustainment level maintenance for all THAAD deployed equipment for missile defense unique equipment only. 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 inventory control and storage of repair parts, LRUs, and spares. Provides engineering support for the THAAD missile defense unique equipment. Provides missile transportation and handling from the missile storage location to the site of the THAAD launchers. Updates logistical data information of the Interactive Electronic Technical Manual (IETM) with the most current data and provide software user's guide up-dates and certify each revision of the software. Provides maintenance and upkeep for all THAAD training devices. Provides maintenance support to the missile defense unique equipment in the THAAD Fire Battery, for all New Equipment Training and any replacement training required due to design changes for replacement soldiers. Ensures THAAD assets are properly maintained and the crews are trained and certified to meet Combatant Commanders needs. Beginning in FY 2015, training for THAAD will transition from MDA to the Army.

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

I. Description of Operations Financed (cont.)

maintenance of the UEWRs and Cobra Dane Radar.

C. Aegis Ballistic Missile Defense (BMD). 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 missile defense unique 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 battery. Interceptors are not considered part of battery force structure and are allocated by commanders in accordance with the mission and threat.

II. Force Structure Summary (cont.)

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.

The increase in FY 2014 is due to maintaining two additional batteries and the provisioning of the Army Hybrid Cell. MDA functions for the Army Hybrid Cell was funded in FY 2013 with RDT&E and will be funded in FY 2014 with O&M. The Hybrid Cell is composed of MDA and Army personnel providing Doctrine, Training, Leadership, Organization, Materiel, Soldier (DTLOMS) support for the THAAD system. The Hybrid Cell provides technical guidance, financial management, cost and schedule performance analysis, cost estimation and analysis, integration activities, and sub-contract management to ensure effective use of appropriated resources for Program Support Items activity. In FY 2013, THAAD will maintain three batteries and in FY 2014 THAAD will maintain a total of five batteries. MDA is responsible for interoperability and integration efforts into BMDS.

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 2014 funding provides for the daily operation and sustainment of nine Army Navy/Transportable Radar Surveillance and Control-2 (AN/TPY-2)radars, five forward-based radars (1 U.S., 4 OCONUS), and four Terminal High Altitude Area Defense battery radars (3 U.S., 1 OCONUS). These services are furnished through Centralized Contractor Logistics Support (CLS) contracts. The force structure and

II. Force Structure Summary (cont.)

operational tempo are documented in the AN/TPY-2 Cost Analysis Requirements Description dated January 2012.

The decrease in FY 2014 is due to the Army assuming responsibility for site support operations (i.e. fuel) and providing support to perform operator/maintainer tasks on forward-based radars as documented in the AN/TPY-2 Forward Based Mode Annex dated 25 January 2012.

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 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.

The increase in FY 2014 is due to the availability of 128 SM-3 Blk IA's for deployment aboard U.S. Navy BMD configured ships, an increase of 36 over previous year. Aegis BMD funding will support a wide range of activities in support of the SM-3 Blk IA including VLS Canister Spares, Fleet introduction and support, Initial round transportation; Re-Certification of the SM-3 Blk IA at the 4 year mid-life, and round surveillance.

Missile Defense Agency
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2014 Budget Estimates

III. Financial Summary ($ in thousands)

		FY 2013					
			Congressional Action				
A. BA Subactivities	FY 2012 Actual	Budget Request	Amount	Percent	Appropriated	Current Estimate	FY 2014 Estimate
1. Operational Support	**201,733**	**259,975**				**259,975**	**256,201**
Aegis Ballistic Missile Defense (BMD)	0	12,163				12,163	18,444
Ballistic Missile Defense Systems (BMDS) Radar	157,831	192,133				192,133	145,798
Terminal High Altitude Area Defense (THAAD)	43,902	55,679				55,679	91,959
Total	**201,733**	**259,975**				**259,975**	**256,201**

III. Financial Summary ($ in thousands)

B. Reconciliation Summary	Change FY 2013/FY 2013	Change FY 2013/FY 2014
Baseline Funding	**259,975**	**259,975**
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	**259,975**	
Fact-of-Life Changes (2013 to 2013 Only)		
Subtotal Baseline Funding	**259,975**	
Supplemental		
Reprogrammings		
Price Changes		4,940
Functional Transfers		
Program Changes		-8,714
Current Estimate	**259,975**	**256,201**
Less: Wartime Supplemental		
Normalized Current Estimate	**259,975**	

III. Financial Summary ($ in thousands)

C. Reconciliation of Increases and Decreases	**Amount**	**Totals**
FY 2013 President's Budget Request (Amended, if applicable)		**259,975**
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2013 Appropriated Amount		**259,975**
2. War-Related and Disaster Supplemental Appropriations		
3. Fact-of-Life Changes		
FY 2013 Baseline Funding		**259,975**
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2013 Estimate		**259,975**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		
FY 2013 Normalized Current Estimate		**259,975**
6. Price Change		4,940
7. Functional Transfers		
8. Program Increases		41,426
a. Annualization of New FY 2013 Program		
b. One-Time FY 2014 Increases		
c. Program Growth in FY 2014		
1) THAAD program growth is due to the addition of the two batteries & the provisioning of MDA functions for the Army Hybrid Cell, $7.5M. (FY 2013 baseline $55,679K, +0 FTE)	35,348	
2) Aegis BMD program growth is due to the increased support of 36 SM-3 Block IA for deployment aboard US Navy BMD configured ships. (FY 2013 baseline $12,162K, +0 FTE)	6,078	
9. Program Decreases		-50,140

III. Financial Summary ($ in thousands)

C. Reconciliation of Increases and Decreases	**Amount**	**Totals**
a. Annualization of FY 2013 Program Decreases		
b. One-Time FY 2013 Increases		
c. Program Decreases in FY 2014		
1) BMDS Radar program decrease is due to the Army assuming responsibility for site support operations & sustainment cost in the AN/TPY-2 Forward Based Mode (FY 2013 baseline $192,133K, +0 FTE)	-50,140	
FY 2014 Budget Request		**256,201**

IV. Performance Criteria and Evaluation Summary:

A. Terminal High Altitude Area Defense (THAAD). THAAD utilizes a Performance Clause in the Interim Contractor Support (ICS) contract with LM to award or penalize LM for THAAD weapon system readiness. The assessment of the performance clause is based on evaluation of Battery Operational Readiness and Minimum Capability:

Operational Readiness (OR) is calculated by dividing the number of hours the required components (2 TSG's and 3 Launchers) are available to accomplish the mission during a rating period by the number of hours possible during the rating period. For OR levels greater than 70% and less than or equal to 100%, the contractor is awarded fee on a sliding scale for that portion.
Minimum Capability (MC) is also calculated by dividing the number of hours the required components (1 TSG and 2 Launchers) are available to accomplish the mission during a rating period by the number of hours possible during the rating period. For MC readiness levels less than 100% the contractor is awarded zero fee for that portion.

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:

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

IV. Performance Criteria and Evaluation Summary:

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-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.

Missile Defense Agency
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2014 Budget Estimates

V. Personnel Summary	FY 2012	FY 2013	FY 2014	Change FY 2012/ FY 2013	Change FY 2013/ FY 2014
Contractor FTEs (Total)	110	605	110	495	-495

The FY 2014 FTE decrease is the result of improved understanding of requirements resulting from MDA's first year of O&M funding in FY 2012.

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

OP 32 Line	FY 2012 Actual	Change FY 2012/FY 2013 Price	Change FY 2012/FY 2013 Program	FY 2013 Estimate	Change FY 2013/FY 2014 Price	Change FY 2013/FY 2014 Program	FY 2014 Estimate
679 Cost Reimbursable Purchase	2,205	44	1,997	4,246	81	-1,945	2,382
699 Total DWCF Purchases	**2,205**	**44**	**1,997**	**4,246**	**81**	**-1,945**	**2,382**
920 Supplies & Materials (Non-Fund)	6,483	130	-6,613	0	0	24,537	24,537
922 Equipment Maintenance By Contract	188,365	3,767	39,316	231,448	4,398	-20,321	215,525
930 Other Depot Maintenance (Non-Fund)	0	0	7,917	7,917	150	-8,067	0
937 Locally Purchased Fuel (Non-Fund)	2,996	251	-3,247	0	0	52	52
987 Other Intra-Govt Purch	0	0	0	0	0	3,439	3,439
989 Other Services	1,684	34	14,646	16,364	311	-6,409	10,266
999 Total Other Purchases	**199,528**	**4,182**	**52,019**	**255,729**	**4,859**	**-6,769**	**253,819**
Total	**201,733**	**4,226**	**54,016**	**259,975**	**4,940**	**-8,714**	**256,201**

MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2014 Budget Estimates

CONTRACT SERVICES FUNDING
Defense-Wide Missile Defense Agency
Operation and Maintenance
($ in Millions)

Line	By PB/OP-32 Inflation Category Code	FY 2012 Base & OCO Actual [1]	FY 2013 Base Request [2]	FY 2013 OCO Request [2]	FY 2014 Base Request	FY 2014 OCO Request
931	Contract Consultants					
932	Mgmt and Professional Support Services					
933	Studies, Analysis and Evaluations					
934	Engineering and Technical Services					
	Total 25.1 - Advisory and Assistance Services	**0**	**0**	**0**	**0**	**0**
989	Other Contracts					
926	Other Overseas Purchases					
	Total 25.2 - Other Services	**0**	**0**	**0**	**0**	**0**
923	Facility Maintenance					
	Total 25.4 - Operation and Maintenance of Facilities	**0**	**0**	**0**	**0**	**0**
985	Research and Development Contracts					
	Total 25.5 - Research and Development Contracts	**0**	**0**	**0**	**0**	**0**
986	Medical Care					
	Total 25.6 - Medical Care	**0**	**0**	**0**	**0**	**0**
922	Equipment Maintenance - Contract					
927	Air Defense Contracts					
928	Ship Maintenance by Contract					
929	Aircraft Rework by Contract					
930	Other Depot Maintenance (Non-Fund)					
990	IT Contract Support Services					
	Total 25.7 - Operation and Maintenance of Equipment	**188**	**231**	**0**	**216**	**0**
964	Subsistence Contracts					
	Total 25.8- Subsistance and Support of Persons	**0**	**0**	**0**	**0**	**0**
	Total	**188**	**231**	**0**	**216**	**0**

Source: Program Resources Collection Process as of XX XXXXX, 2011

Numbers may not add due to rounding

[1] FY 2012 includes Overseas Contingency Operations (OCO) funding.

[2] Reflects the FY 2014 President's Budget request.

Attachment 4.7-2

MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2014 Budget Estimates

CONTRACT SERVICES - MANPOWER
Defense-Wide Missile Defense Agency
Operation and Maintenance
Contractor Full-Time Equivalents

Line	By PB/OP-32 Inflation Category Code	FY 2012 Base & OCO Actual [1]	FY 2013 Base Request	FY 2013 OCO Request	FY 2014 Base Request	FY 2014 OCO Request
931	Contract Consultants					
932	Mgmt and Professional Support Services					
933	Studies, Analysis and Evaluations					
934	Engineering and Technical Services					
	Total 25.1 - Advisory and Assistance Services	**0**	**0**	**0**	**0**	**0**
989	Other Contracts					
926	Other Overseas Purchases					
	Total 25.2 - Other Services	**0**	**0**	**0**	**0**	**0**
923	Facility Maintenance					
	Total 25.4 - Operation and Maintenance of Facilities	**0**	**0**	**0**	**0**	**0**
985	Research and Development Contracts					
	Total 25.5 - Research and Development Contracts	**0**	**0**	**0**	**0**	**0**
986	Medical Care					
	Total 25.6 - Medical Care	**0**	**0**	**0**	**0**	**0**
922	Equipment Maintenance - Contract					
927	Air Defense Contracts					
928	Ship Maintenance by Contract					
929	Aircraft Rework by Contract					
930	Other Depot Maintenance (Non-Fund)					
990	IT Contract Support Services					
	Total 25.7 - Operation and Maintenance of Equipment	**110**	**605**	**0**	**110**	**0**
964	Subsistence Contracts					
	Total 25.8- Subsistance and Support of Persons	**0**	**0**	**0**	**0**	**0**
	Total	**110**	**605**	**0**	**110**	**0**

Source: Program Resources Collection Process as of XX XXXXX, 2011

Numbers may not add due to rounding

[1] FY 2011 includes Overseas Contingency Operations (OCO) funding.

Attachment 4.7-2

FY 2014 – FY 2018 Integrated Program/Budget Submission Guidance

CONTRACT SERVICES

Defense-Wide Missile Defense Agency
Operation and Maintenance
Justification Narrative

Description of Services Financed:
Army force structure for THAAD is currently set at eight 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). The FY 2014 funding also provides for the daily operation and sustainment of nine Army Navy/Transportable Radar Surveillance and Control-2 (AN/TPY-2) radars: five forward-based radars (1 U.S. , 4 OCONUS) , and four Terminal High Altitude Area Defense (THAAD) battery radars (3 U.S., 1 OCONUS). These services are furnished through Centralized Contractor Logistics Support (CCLS) contracts. 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.

Reporting Limitations:
We are complying with section 803 of the National Defense Authorization Act for FY 2010 (Public Law 111-84), to provide an inventory of contract services by FY 2014 that detail expenditures and FTEs by contract vehicle. Majority of MDA's contracts are performance based and not FTE driven. At this point, MDA Contracts do require the contractors to report FTEs.

Summary of Increases/Decreases:
The increase in FY 2014 is due to maintaining two additional batteries and the provisioning of the Army Hybrid Cell. The THAAD embedded Army Hybrid Cell is composed of combined MDA and Army personnel providing Doctrine, Training, Leadership, Organization, Materiel, Soldier (DTLOMS) support for the THAAD system. The Hybrid Cell provides technical guidance, financial management, cost and schedule performance analysis, cost estimation and analysis, integration activities, and sub-contract management to ensure effective use of

appropriated resources. The decrease in FY 2014 is due to the Army assuming responsibility for site support operations (i.e. fuel) and providing support to perform operator/maintainer tasks on forward-based radars as documented in the AN/TPY-2 Forward Based Mode Annex dated 25 January 2012. The increase in FY 2014 is due to the availability of 128 SM-3 Blk IA's for deployment aboard U.S. Navy BMD configured ships. Aegis BMD funding will support a wide range of activities in support of the SM-3 Blk IA including VLS Canister Spares, Fleet introduction and support, Initial round transportation; Re-Certification of the SM-3 Blk IA at the 4 year mid-life, and round surveillance. The FY 2014 FTE decrease is the result of improved understanding of requirements from MDA’s first year of O&M funding in FY 2012.