Fiscal Year 2015 Budget Estimates

Missile Defense Agency (MDA)

March 2014

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TABLE OF CONTENTS

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MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

Appropriation Summary	FY 2013 Actual	Price Change	Program Change	FY 2014 Estimate	Price Change	Program Change	FY 2015 Estimate
O&M, Defense-Wide	$221.6	$4.2	$143.6	$369.4	$6.7	$40.5	$416.6

MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
1. Operational Support	**221,609**	**369,371**	**416,644**
Aegis Ballistic Missile Defense (BMD)	11,050	17,738	11,666
Ballistic Missile Defense (BMD) Midcourse Defense Segment	0	137,776	146,218
Ballistic Missile Defense Systems (BMDS) AN/TPY-2 Radars	173,543	140,225	183,047
Terminal High Altitude Area Defense (THAAD)	37,016	73,632	75,713
Total Operation and Maintenance, Defense-Wide	**221,609**	**369,371**	**416,644**

MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
1. Operational Support	**221,609**	**369,371**	**416,644**
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MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

		FY 2013 Program	Price Growth Percent	Price Growth	Program Growth	FY 2014 Program	Price Growth Percent	Price Growth	Program Growth	FY 2015 Program
	Supplies & Materials									
401	DLA Energy (Fuel Products)	0	-2.95%	0	1,532	1,532	2.21%	34	120	1,686
499	**Total Supplies & Materials**	**0**		**0**	**1,532**	**1,532**		**34**	**120**	**1,686**
	DWCF Purchases									
677	DISA Telecomm Svcs - Reimbursable	0	8.54%	0	5	5	7.80%	0	-5	0
699	**Total DWCF Purchases**	**0**		**0**	**5**	**5**		**0**	**-5**	**0**
	Transportation									
771	Commercial Transport	0	1.90%	0	1,031	1,031	1.80%	19	-1	1,049
799	**Total Transportation**	**0**		**0**	**1,031**	**1,031**		**19**	**-1**	**1,049**
	Other Purchases									
913	Purchased Utilities (Non-Fund)	0	1.90%	0	4,142	4,142	1.80%	75	662	4,879
920	Supplies & Materials (Non-Fund)	0	1.90%	0	78	78	1.80%	1	16	95
922	Equipment Maintenance By Contract	209,201	1.90%	3,975	93,145	306,321	1.80%	5,514	44,675	356,510
923	Facilities Sust, Rest, & Mod by Contract	0	1.90%	0	12,767	12,767	1.80%	230	213	13,210
932	Mgt Prof Support Svcs	0	1.90%	0	7,471	7,471	1.80%	134	-9	7,596
937	Locally Purchased Fuel (Non-Fund)	0	-2.95%	0	52	52	2.21%	1	0	53
987	Other Intra-Govt Purch	0	1.90%	0	13,888	13,888	1.80%	250	-2,790	11,348
989	Other Services	12,408	1.90%	236	9,207	21,851	1.80%	393	-2,548	19,696
990	IT Contract Support Services	0	1.90%	0	233	233	1.80%	4	285	522
999	**Total Other Purchases**	**221,609**		**4,211**	**140,983**	**366,803**		**6,602**	**40,504**	**413,909**
	Total	**221,609**		**4,211**	**143,551**	**369,371**		**6,655**	**40,618**	**416,644**

MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

		FY 2013 Program	Price Growth Percent	Price Growth	Program Growth	FY 2014 Program	Price Growth Percent	Price Growth	Program Growth	FY 2015 Program
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499	**Total Supplies & Materials**	**0**		**0**	**1,532**	**1,532**		**34**	**120**	**1,686**
	DWCF Purchases									
677	DISA Telecomm Svcs - Reimbursable	0	8.54%	0	5	5	7.80%	0	-5	0
699	**Total DWCF Purchases**	**0**		**0**	**5**	**5**		**0**	**-5**	**0**
	Transportation									
771	Commercial Transport	0	1.90%	0	1,031	1,031	1.80%	19	-1	1,049
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999	**Total Other Purchases**	**221,609**		**4,211**	**140,983**	**366,803**		**6,602**	**40,504**	**413,909**
	Total	**221,609**		**4,211**	**143,551**	**369,371**		**6,655**	**40,618**	**416,644**

MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

	FY 2013	FY 2014	FY 2015	Change FY 2014/2015
Contractor FTEs (Total)	510	894	894	0

Personnel Summary Explanations:
The FY 2013 to FY 2014 contractor FTE increase is due to a congressional direction to transfer all GMD Operations and Sustainment activities previously captured in the Ballistic Missile Defense Midcourse Segment RDT&E program element (0603882C) to the Operations and Maintenance, Defense-Wide appropriation. There is no contractor FTE increase for FY 2014 to FY 2015.

MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

	TOTAL
FY 2014 President's Budget Request (Amended, if applicable)	**256,201**
1. Congressional Adjustments	
a. Distributed Adjustments	
1) Distributed Adjustments	127,456
b. Undistributed Adjustments	
1) Program Reduction	-10,000
c. Adjustments to Meet Congressional Intent	
d. General Provisions	
1) Section 8140 - DWCF Excess Cash	-4,140
2) Section 8034 - Indian Lands Environmental Mitigation	-143
3) Section 8023 - FFRDC	-3
FY 2014 Appropriated Amount	**369,371**
2. War-Related and Disaster Supplemental Appropriations	
3. Fact-of-Life Changes	
FY 2014 Baseline Funding	**369,371**
4. Reprogrammings (Requiring 1415 Actions)	
Revised FY 2014 Estimate	**369,371**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings	
FY 2014 Normalized Current Estimate	**369,371**
6. Price Change	6,655
7. Functional Transfers	
8. Program Increases	
a. Annualization of New FY 2014 Program	

	TOTAL
b. One-Time FY 2015 Increases	
c. Program Growth in FY 2015	
1) BMDS Radar program increase is due to the establishment of depot capability at Letterkenny Army Depot and the sustainment efforts with the PACOM Radar deployment. (FY 2014 baseline $141,896K +0 FTE)	41,151
2) BMD Midcourse Defense Segment program increase is due to a congressional transfer of all GMD Operations and Sustainment activities from RDT&E to O&M appropriation.(FY 2014 baseline $139,300K $+0 FTE)	6,918
3) THAAD program increase is due to increased field support required for the fielding of the fifth THAAD battery. (FY 2014 baseline $74,510K, +0 FTE)	1,203
9. Program Decreases	
a. Annualization of FY 2014 Program Decreases	
b. One-Time FY 2014 Increases	
c. Program Decreases in FY 2015	
1) Aegis BMD program decrease is due to a reduction in required recertification of SM-3 Block IA for deployment aboard US Navy BMD configured ships. (FY 2014 baseline $17,950K, +0 FTE)	-8,654
FY 2015 Budget Request	**416,644**

Missile Defense Agency
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

Operation and Maintenance, Defense-Wide Summary ($ in thousands)
Budget Activity (BA) 1: Operating Forces
Subactivity Group 11A

	FY 2013 Actual	Price Change	Program Change	FY 2014 Estimate	Price Change	Program Change	FY 2015 Estimate
MDA	221,609	4,211	143,551	369,371	6,655	40,618	416,644

I. Description of Operations Financed:

A. 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, first destination AUR transportation; re-certification of the SM-3 Blk IA at 4 year mid-life, demilitarization of the Blk IA at 8 year mid-life, and round surveillance.

B. Ballistic Missile Defense (BMD) Midcourse Defense Segment.
The Ground-based Midcourse Defense (GMD) program is the element of the Ballistic Missile Defense System (BMDS) that provides combatant commanders with a continuously available (24 hours a day, 7 days a week, 365 days a year) capability to defend the Homeland against limited intermediate and long-range ballistic missile threats in the midcourse battle space. Missile Defense Agency (MDA) funding supports the operations and sustainment of the GMD weapon system that consists of Ground Based Interceptors (GBI), GMD Fire Control (GFC) systems, GMD Communications Network (GCN), In-Flight Interceptor Communications System Data Terminals (IDT) and all of the ground Launch Support Systems (LSS), silos, silo interface vaults (SIVs), environmental control systems, Command Launch Equipment (CLE), firing circuits and safety systems. This funding specifically provides for a wide range of activities in support of the fielded capabilities to include the GBIs

I. Description of Operations Financed (cont.)

at Fort Greely, Alaska (FGA) and Vandenberg Air Force Base (VAFB), California as well as IDTs at Eareckson Air Station (EAS), Alaska, FGA, VAFB and Fort Drum, New York. It also provides for the maintenance, repair, training, sustainment and supply support, sustaining engineering, network operations, integrated logistics support, execution and management of day-to-day planning, configuration control, scheduling, execution control, system transitioning and performance reporting functions at FGA, VAFB, EAS, Fort Drum and the Missile Defense Integration Operations Center (MDIOC), at Colorado Springs, Colorado. Additionally, the funding provides Base Operations Support (BOS) for facility sustainment and maintenance at the various GMD sites. BOS includes funding for utilities, facility maintenance, communications infrastructure support, grounds maintenance, snow removal and other services required to support the fielded weapon system.

C. Ballistic Missile Defense Systems (BMDS) AN/TPY-2 Radars.
This funding provides for the Upgraded Early Warning Radar (UEWR)/Cobra Dane Radar Software Sustainment unique to the Missile Defense mission. FY 2015 funding also provides training, sustainment and daily operations of 11 Army Navy/Transportable Radar Surveillance and Control-2 radars: five forward-based radars, and six Terminal High Altitude Area Defense battery radars. This funding will also establish depot capability at Letterkenny Army Depot (LEAD) to support AN/TPY-2 Electronics Equipment Unit (EEU) retrofit in FY 2015.

D. Terminal High Altitude Area Defense (THAAD).
As described in the BMDS Transition and Transfer (T2) Annex, 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

I. Description of Operations Financed (cont.)

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 Delta training for fielded units required due to design changes for replacement soldiers. Provides Special Tools and Test Equipment for the organic depot. Begins RESET program. Ensures THAAD assets are properly maintained and the crews are trained to meet Combatant Commanders needs.

II. Force Structure Summary:

A. 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

II. Force Structure Summary (cont.)

also provides a Long Range Surveillance and Track (LRS&T) capability to the BMDS. Aegis BMDS program decrease in FY 2015 is due to a reduction in required recertifications of SM-3 Block IA for deployment aboard US Navy BMD configured ships.

B. Ballistic Missile Defense (BMD) Midcourse Defense Segment.
The GMD fielded weapon system is under the command of U.S. Northern Command (NORTHCOM) and consists of soldiers from the 100th Missile Defense Brigade (5 crews) headquartered at Colorado Springs, Colorado, and its 49th Missile Defense Battalion (5 crews) at Fort Greely, Alaska. The 30 operationally deployed GBIs located at FGA (26 GBIs) and VAFB (4 GBIs) each deliver a single Exoatmospheric Kill Vehicle (EKV) to defeat threat warheads in space during the midcourse phase of the ballistic trajectory. The GMD Fire Control System consists of redundant fire control nodes at FGA (2 each) and the MDIOC (2 each). IDTs are currently located at FGA, VAFB, EAS and the MDA plans to field an additional IDT at Fort Drum, New York with an Initial Operational Capability (IOC) in 3rd QTR FY 2015. The increase in FY 2015 adheres to congressional direction to transfer all GMD Operations and Sustainment activities previously captured in the Ballistic Missile Defense Midcourse Segment RDT&E program element (0603882C) to the Operations and Maintenance, Defense -Wide appropriation starting in FY 2014.

C. Ballistic Missile Defense Systems (BMDS) AN/TPY-2 Radars. This funding provides for the Upgraded Early Warning Radar (UEWR)/Cobra Dane Radar Software Sustainment in support of 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 2015 funding also provides for the training, sustainment and daily operation of eleven Army Navy/Transportable Radar Surveillance and Control-2 (AN/TPY-2)radars: five forward-based radars, and six Terminal High Altitude Area Defense battery radars. These services are

II. Force Structure Summary (cont.)

furnished through Centralized Contractor Logistics Support (CCLS) contracts. This funding will also establish depot capability at Letterkenny Army Depot (LEAD) to support an AN/TPY-2 Electronics Equipment Unit (EEU) retrofit in FY15. The force structure and operational tempo are documented in the AN/TPY-2 Cost Analysis Requirements Description dated January 2012. The increase in the FY 2015 O&M estimate is due to the establishment of depot capability at LEAD and the sustainment efforts associated with the planned deployment of the PACOM Radar.

D. Terminal High Altitude Area Defense (THAAD). Army force structure for THAAD is currently set at six batteries with six launchers operated by ninety-five 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. 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

II. Force Structure Summary (cont.)

increase in FY 2015 is due to increased field support required for the fielding of the fifth THAAD battery.

Missile Defense Agency
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

III. Financial Summary ($ in thousands)

		FY 2014					
			Congressional Action				
A. BA Subactivities	FY 2013 Actual	Budget Request	Amount	Percent	Appropriated	Current Estimate	FY 2015 Estimate
1. Operational Support	**221,609**	**256,201**	**113,170**	**44.2**	**369,371**	**369,371**	**416,644**
Aegis Ballistic Missile Defense (BMD)	11,050	18,444	-706	-3.8	17,738	17,738	11,666
Ballistic Missile Defense (BMD) Midcourse Defense Segment	0	0	137,776	n/a	137,776	137,776	146,218
Ballistic Missile Defense Systems (BMDS) AN/TPY-2 Radars	173,543	145,798	-5,573	-3.8	140,225	140,225	183,047
Terminal High Altitude Area Defense (THAAD)	37,016	91,959	-18,327	-19.9	73,632	73,632	75,713
Total	**221,609**	**256,201**	**113,170**	**44.2**	**369,371**	**369,371**	**416,644**

III. Financial Summary ($ in thousands)

B. Reconciliation Summary	Change FY 2014/FY 2014	Change FY 2014/FY 2015
Baseline Funding	**256,201**	**369,371**
Congressional Adjustments (Distributed)	127,456	
Congressional Adjustments (Undistributed)	-10,000	
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-4,286	
Subtotal Appropriated Amount	**369,371**	
Fact-of-Life Changes (2014 to 2014 Only)		
Subtotal Baseline Funding	**369,371**	
Supplemental		
Reprogrammings		
Price Changes		6,655
Functional Transfers		
Program Changes		40,618
Current Estimate	**369,371**	**416,644**
Less: Wartime Supplemental		
Normalized Current Estimate	**369,371**	

III. Financial Summary ($ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2014 President's Budget Request (Amended, if applicable)		**256,201**
1. Congressional Adjustments		113,170
a. Distributed Adjustments		
1) Distributed Adjustments	127,456	
b. Undistributed Adjustments		
1) Program Reduction	-10,000	
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
1) Section 8140 - DWCF Excess Cash	-4,140	
2) Section 8034 - Indian Lands Environmental Mitigation	-143	
3) Section 8023 - FFRDC	-3	
FY 2014 Appropriated Amount		**369,371**
2. War-Related and Disaster Supplemental Appropriations		
3. Fact-of-Life Changes		
FY 2014 Baseline Funding		**369,371**
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2014 Estimate		**369,371**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		
FY 2014 Normalized Current Estimate		**369,371**
6. Price Change		6,655
7. Functional Transfers		
8. Program Increases		49,272
a. Annualization of New FY 2014 Program		
b. One-Time FY 2015 Increases		
c. Program Growth in FY 2015		
1) BMDS Radar program increase is due to the establishment of depot capability at Letterkenny Army Depot and the sustainment efforts with the PACOM Radar deployment. (FY 2014 baseline $141,896K +0 FTE)	41,151	

III. Financial Summary ($ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
2) BMD Midcourse Defense Segment program increase is due to a congressional transfer of all GMD Operations and Sustainment activities from RDT&E to O&M appropriation.(FY 2014 baseline $139,300K $+0 FTE)	6,918	
3) THAAD program increase is due to increased field support required for the fielding of the fifth THAAD battery. (FY 2014 baseline $74,510K, +0 FTE)	1,203	
9. Program Decreases		-8,654
a. Annualization of FY 2014 Program Decreases		
b. One-Time FY 2014 Increases		
c. Program Decreases in FY 2015		
1) Aegis BMD program decrease is due to a reduction in required recertification of SM-3 Block IA for deployment aboard US Navy BMD configured ships. (FY 2014 baseline $17,950K, +0 FTE)	-8,654	
FY 2015 Budget Request		**416,644**

IV. Performance Criteria and Evaluation Summary:

A. 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.

B. Ballistic Missile Defense Midcourse Defense Segment. The Ground-Based Midcourse System utilizes a performance clause on the Development and Sustainment Contract (DSC) with Boeing using GMD System Availability SA and GBI Availability GA criteria as the primary operational readiness metric to gauge the DSC Prime Contractor's sustainment performance.

The intent of using SA and GA criteria are to: 1) Maximize availability of the GMD weapon system to the warfighter for the Homeland Defense mission; and 2) Maximize the availability of operational interceptors to the Warfighter. Specifically, at any given time during performance of the contract, the DSC Contractor is responsible for making a minimum number of healthy GBIs available, and ensuring that COCOM minimum asset availability is maintained per established COCOM readiness criteria.

Specific SA and GA Calculation: All calculations are based on times measured to the nearest minute.

$$SA = \frac{(TT - TCM - TPM - \text{Government Directed Down Time})}{(TT - \text{Government Directed Down Time})}$$

IV. Performance Criteria and Evaluation Summary:

$$GA = \frac{(TT - \text{Government Directed Down Time} - \text{Time that fewer than x* GBIs Healthy})}{(TT - \text{Government Directed Down Time})}$$

SA and GA Calculation Notes:

TT	Total Time (24 hrs/X days in Month)
TCM	Total downtime due to corrective maintenance actions including logistics
TPM	Total downtime due to preventative maintenance actions including logistics delay
Government Directed Down Time (GDDT)	When the Government expressly directs the Contractor to take the system or selected prime mission equipment asset(s) out of an operational state for a specified period of time for activities that are neither CM nor PM. Further, GDDT includes periods when the system or assets are turned off based on unforeseen or scheduled events (beyond the control, fault or negligence of the contractor or any of its subcontractors) which created conditions that render the system unavailable to the Warfighter GDDT does not include scheduled Corrective Maintenance (CM) and Preventive Maintenance (PM) activities covered in the Warfighter Asset Management Process. Under Performance Based Logistics (PBL), the DSC Contractor should schedule maintenance using the Asset Management Process in a way that minimizes down time.

IV. Performance Criteria and Evaluation Summary:

C. Ballistic Missile Defense Systems (BMDS) AN/TPY-2 Radars.

Upgraded Early Warning Radars (UEWR) and Cobra Dane operations and sustainment are managed by Air Force Space to maintain radar mission capability and meet specified operational availability requirements to maintain and enhance the Missile Defense mission for these radars.

For Army Navy/Transportable Radar Surveillance and Control-2 (AN/TPY-2) radars, the contractor's performance in operations and sustainment will be measured by the radars' demonstrated operational availability (Ao), defined as:

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

For AN/TPY-2 radars: "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 = 95%	
A_o > 95%	100% of Performance Incentive Pool

IV. <u>Performance Criteria and Evaluation Summary</u>:

$A_o \geq 70\%, <95\%$	Actual A_o% achieved times pool amount
$A_o < 70\%$	Performance Fee = 0%

D. Terminal High Altitude Area Defense (THAAD). THAAD utilizes a Performance Clause in the Interim Contractor Support (ICS) contract with LM to incentivize 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 an incentive 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.

Missile Defense Agency
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

V. Personnel Summary	FY 2013	FY 2014	FY 2015	Change FY 2013/ FY 2014	Change FY 2014/ FY 2015
Contractor FTEs (Total)	510	894	894	384	0

The FY 2013 to FY 2014 contractor FTE increase is due to a congressional direction to transfer all GMD Operations and Sustainment activities previously captured in the Ballistic Missile Defense Midcourse Segment RDT&E program element (0603882C) to the Operations and Maintenance, Defense-Wide appropriation. There is no contractor FTE increase for FY 2014 to FY 2015.

Missile Defense Agency
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

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

		Change			Change		
	FY 2013	FY 2013/FY 2014		FY 2014	FY 2014/FY 2015		FY 2015
OP 32 Line	Actual	Price	Program	Estimate	Price	Program	Estimate
401 DLA Energy (Fuel Products)	0	0	1,532	1,532	34	120	1,686
499 Total Supplies & Materials	**0**	**0**	**1,532**	**1,532**	**34**	**120**	**1,686**
677 DISA Telecomm Svcs - Reimbursable	0	0	5	5	0	-5	0
699 Total DWCF Purchases	**0**	**0**	**5**	**5**	**0**	**-5**	**0**
771 Commercial Transport	0	0	1,031	1,031	19	-1	1,049
799 Total Transportation	**0**	**0**	**1,031**	**1,031**	**19**	**-1**	**1,049**
913 Purchased Utilities (Non-Fund)	0	0	4,142	4,142	75	662	4,879
920 Supplies & Materials (Non-Fund)	0	0	78	78	1	16	95
922 Equipment Maintenance By Contract	209,201	3,975	93,145	306,321	5,514	44,675	356,510
923 Facilities Sust, Rest, & Mod by Contract	0	0	12,767	12,767	230	213	13,210
932 Mgt Prof Support Svcs	0	0	7,471	7,471	134	-9	7,596
937 Locally Purchased Fuel (Non-Fund)	0	0	52	52	1	0	53
987 Other Intra-Govt Purch	0	0	13,888	13,888	250	-2,790	11,348
989 Other Services	12,408	236	9,207	21,851	393	-2,548	19,696
990 IT Contract Support Services	0	0	233	233	4	285	522
999 Total Other Purchases	**221,609**	**4,211**	**140,983**	**366,803**	**6,602**	**40,504**	**413,909**
Total	**221,609**	**4,211**	**143,551**	**369,371**	**6,655**	**40,618**	**416,644**

MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

CONTRACT SERVICES FUNDING
($ in Millions)

Line	By PB/OP-32 Inflation Category Code	FY 2013 Base & OCO Actual [1]	FY 2014 Base Request [2]	FY 2014 OCO Request [2]	FY 2015 Base Request	FY 2015 OCO Request
931	Contract Consultants					
932	Mgmt and Professional Support Services	0	7	0	8	0
933	Studies, Analysis and Evaluations					
934	Engineering and Technical Services					
	Total 25.1 - Advisory and Assistance Services	**0**	**7**	**0**	**7**	**0**
989	Other Contracts	0	22	0	20	0
926	Other Overseas Purchases					
	Total 25.2 - Other Services	**0**	**22**	**0**	**20**	**0**
923	Facility Maintenance	0	13	0	13	0
	Total 25.4 - Operation and Maintenance of Facilities	**0**	**13**	**0**	**13**	**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	209	306	0	357	
927	Air Defense Contracts					0
928	Ship Maintenance by Contract					
929	Aircraft Rework by Contract					
930	Other Depot Maintenance (Non-Fund)					
990	IT Contract Support Services	0	1	0	1	0
	Total 25.7 - Operation and Maintenance of Equipment	**0**	**307**	**0**	**358**	**0**
964	Subsistence Contracts					
	Total 25.8- Subsistance and Support of Persons	**0**	**0**	**0**	**0**	**0**
	Total	**0**	**349**	**0**	**398**	**0**

MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

CONTRACT SERVICES FUNDING
($ in Millions)

Line	By PB/OP-32 Inflation Category Code	FY 2013 Base & OCO Actual [1]	FY 2014 Base Request	FY 2014 OCO Request	FY 2015 Base Request	FY 2015 OCO Request
931	Contract Consultants					
932	Mgmt and Professional Support Services	0	47	0	47	0
933	Studies, Analysis and Evaluations					
934	Engineering and Technical Services					
	Total 25.1 - Advisory and Assistance Services	**0**	**47**	**0**	**47**	**0**
989	Other Contracts	0	42	0	42	0
926	Other Overseas Purchases					
	Total 25.2 - Other Services	**0**	**42**	**0**	**42**	**0**
923	Facility Maintenance	0	129	0	129	0
	Total 25.4 - Operation and Maintenance of Facilities	**0**	**129**	**0**	**129**	**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**
			0			
922	Equipment Maintenance - Contract	510	674	0	674	0
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	0	2		2	0
	Total 25.7 - Operation and Maintenance of Equipment	**510**	**676**	**0**	**676**	**0**

CONTRACT SERVICES

Defense-Wide Missile Defense Agency
Operation and Maintenance
Justification Narrative

Description of Services Financed:

A. 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, first destination AUR transportation; re-certification of the SM-3 Blk IA at 4 year mid-life, demilitarization of the Blk IA at 8 year mid-life, and round surveillance.

B. Ballistic Missile Defense (BMD) Midcourse Defense Segment. The Ground-based Midcourse Defense (GMD) program is the element of the Ballistic Missile Defense System (BMDS) that provides combatant commanders with a continuously available (24 hours a day, 7 days a week, 365 days a year) capability to defend the Homeland against limited intermediate and long-range ballistic missile threats in the midcourse battle space. Missile Defense Agency (MDA) funding supports the operations and sustainment of the GMD weapon system that consists of Ground Based Interceptors (GBI), GMD Fire Control (GFC) systems, GMD Communications Network (GCN), In-Flight Interceptor Communications System Data Terminals (IDT) and all of the ground Launch Support Systems (LSS), silos, silo interface vaults (SIVs), environmental control systems, Command Launch Equipment (CLE), firing circuits and safety systems. This funding specifically provides for a wide range of activities in support of the fielded capabilities to include the GBIs at Fort Greely, Alaska (FGA) and Vandenberg Air Force Base (VAFB), California as well as IDTs at Eareckson Air Station (EAS), Alaska, FGA, VAFB and Fort Drum, New York. It also provides for the maintenance, repair, training, sustainment and supply support, sustaining engineering, network operations, integrated logistics support, execution and management of day-to-day planning, configuration control, scheduling, execution control, system transitioning and performance reporting functions at FGA, VAFB, EAS, Fort Drum and the Missile Defense Integration Operations Center (MDIOC), at Colorado Springs, Colorado. Additionally, the funding provides Base Operations Support (BOS) for facility sustainment and maintenance at the various GMD sites. BOS includes funding for utilities, facility maintenance, communications infrastructure support, grounds maintenance, snow removal and other services required to support the fielded weapon system.

C. Ballistic Missile Defense Systems (BMDS) AN/TPY-2 Radars. This funding provides for the Upgraded Early

Warning Radar (UEWR)/Cobra Dane Radar Software Sustainment unique to the Missile Defense mission. FY 2015 funding also provides training, sustainment and daily operations of 11 Army Navy/Transportable Radar Surveillance and Control-2 radars: five forward-based radars, and six Terminal High Altitude Area Defense battery radars. This funding will also establish depot capability at Letterkenny Army Depot (LEAD) to support AN/TPY-2 Electronics Equipment Unit (EEU) retrofit in FY 2015.

D. Terminal High Altitude Area Defense (THAAD). Terminal High Altitude Area Defense (THAAD). As described in the BMDS Transition and Transfer (T2) Annex, 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 Delta training for fielded units required due to design changes for replacement soldiers. Provides Special Tools and Test Equipment for the organic depot. Begins RESET program. Ensures THAAD assets are properly maintained and the crews are trained to meet Combatant Commanders needs.

Reporting Limitations:

N/A

Summary of Increases/Decreases:

A. Aegis Ballistic Missile Defense (BMD). Aegis BMDS program decrease in FY 2015 is due to a reduction in required recertification of SM-3 Block IA for deployment aboard US Navy BMD configured ships.

B. Ballistic Missile Defense (BMD) Midcourse Defense Segment. The BMD Midcourse Defense Segment program increase in FY 2015 due to a congressional direction to transfer all GMD Operations and Sustainment

activities previously captured in the Ballistic Missile Defense Midcourse Segment RDT&E program element (0603882C) to the Operations and Maintenance, Defense -Wide appropriation starting in FY 2014.

C. Ballistic Missile Defense Systems (BMDS) AN/TPY-2 Radars. The BMDS AN/TPY-2 Radars program increase in FY 2015 O&M estimate is due to the establishment of depot capability at LEAD and the sustainment efforts associated with the planned deployment of the PACOM Radar.

D. Terminal High Altitude Area Defense (THAAD). The THAAD program increase is due to the increased of field support required for the fielding of the fifth THAAD battery.

DATE PREPARED: 5 February 2014
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MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

Appropriation/Fund	**FY 2013 Actual**	**FY 2014 Estimate**	**FY 2015 Estimate**
I. Management & Professional Support Services			
FFRDC Work	0	0	0
Non-FFRDC Work	0	7,471	7,596
Subtotal	0	7,471	7,596
II. Studies, Analysis & Evaluations			
FFRDC Work	0	0	0
Non-FFRDC Work	0	0	0
Subtotal	0	0	0
III. Engineering & Technical Services			
FFRDC Work	0	0	0
Non-FFRDC Work	0	0	0
Subtotal	0	0	0
TOTAL			
FFRDC Work	**0**	**0**	**0**
Non-FFRDC Work	**0**	**7,471**	**7,596**
Reimbursable	0	0	0

MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

Explanation of Funding Changes (FY 2013 to FY 2014):
The FY 2014 amount captured in this exhibit is for the THAAD Hybrid Cell. THAAD Hybrid Cell provides 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.

Explanation of Funding Changes (FY 2014 to FY 2015):
The FY 2015 amount captured in this exhibit is for the THAAD Hybrid Cell. THAAD Hybrid Cell provides 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.

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MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

(Dollars in Thousands)

Appropriation/Fund: RDT&E (0400)	FY 2013	FY 2014	FY 2015	FY 2016
1. Management & Professional Support Services				
FFRDC Work	1,742	1,624	1,791	1,489
Non-FFRDC Work	219,064	204,211	225,272	187,240
Sub-Total	220,806	205,835	227,063	188,729
2. Studies, Analysis & Evaluations				
FFRDC Work	18,433	19,272	18,954	22,055
Non-FFRDC Work	12,618	13,194	12,975	15,099
Sub-Total	31,051	32,466	31,929	37,154
3. Engineering & Technical Services				
FFRDC Work	125,834	125,764	107,607	90,956
Non-FFRDC Work	164,881	164,790	140,999	119,181
Sub-Total	290,715	290,554	248,606	210,137
TOTAL	**542,572**	**528,855**	**507,598**	**436,020**
FFRDC Work	**146,008**	**146,660**	**128,352**	**114,500**
Non-FFRDC Work	**396,564**	**382,195**	**379,246**	**321,520**

MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

DATE PREPARED: 24 February 2014
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MISSILE DEFENSE AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

MISSILE DEFENSE AGENCY	US Direct Hire	Foreign National Direct Hire	Foreign National Indirect Hire	Total
1. FY 2013 FTEs	**0**	**0**	**0**	**0**
2. FY 2014 FTEs	**0**	**0**	**0**	**0**
3. FY 2015 FTEs	**0**	**0**	**0**	**0**

4.SUMMARY	US Direct Hire	Foreign National Direct Hire	Foreign National Indirect Hire	Total
FY 2013				
Total Component	0	0	0	0
Direct Funded	0	0	0	0
Reimbursable Funded	0	0	0	0
FY 2014				
Total Component	0	0	0	0
Direct Funded	0	0	0	0
Reimbursable Funded	0	0	0	0
FY 2015				
Total Component	0	0	0	0
Direct Funded	0	0	0	0
Reimbursable Funded	0	0	0	0