

STATEMENT OF

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(ACQUISITION, TECHNOLOGY, AND LOGISTICS)**

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Ballistic Missile Defense Program Progress
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Good morning Madam Chairman, Congressman Turner, and Members of the Committee. Thank you for the opportunity to appear before you today to discuss the Department of Defense management and oversight of the Missile Defense Agency (MDA). One year ago, the Honorable John Young, Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)), appeared before this subcommittee to testify on the Department's Ballistic Missile Defense program and budget submission. At that time, Mr. Young discussed the establishment of the Missile Defense Executive Board (MDEB) and its role in overseeing and guiding our missile defense program.

Today, I am pleased to update you on the Department's plans and procedures for the management and oversight of the MDA, including the MDEB and its recent activities, the Ballistic Missile Defense System (BMDS) Life Cycle Management Process (LCMP), and the Department's process for determining missile defense force structure and inventory requirements. In the process, I will also address key issues facing the missile defense program and look forward to answering any questions you may have.

Plans and Procedures for the Management and Oversight
of the Missile Defense Agency

The USD(AT&L) currently has full authority and responsibility necessary to exercise comprehensive and effective oversight of the MDA and its programs. The

MDEB was established “to recommend and oversee implementation of strategic policies and plans, program priorities, and investment options to protect our Nation and allies from missile attack.” The MDEB authorities and responsibilities extend to comprehensive oversight of all of the MDA's activities including those outside the scope of the traditional milestone review process for individual programs (e.g., assessments and potential influence on policy, threat assessments, capability requirements, budget formulation, and fielding options).

Supporting the MDEB are four committees: Policy, Test and Evaluation, Operational Forces, and Program Acquisition and Budget Development (PA&BD). In accordance with the MDEB Charter, the Policy Committee “advises the Board on strategic missile defense policy direction to ensure full consistency with DoD policy, conducts and oversees international activities and represents the Department in inter-Agency matters.” The Test and Evaluation Committee “oversees the T&E planning and resource roadmap as it relates to MDA test requirements and test program.” It “provides technical recommendations and oversight for the conduct of an integrated T&E program and investment strategy”. The Operational Forces Committee “oversees fielding schedules and deployments to ensure consistency with planned schedules and DoD objectives.” The Operational Forces Committee also “oversees agreements, documentation, and requirements between MDA, the DoD components, and the fielding organizations for ensuring appropriate funding policies for operational and support resources.” The PA&BD Committee “ensures that Missile Defense (MD) program and budget development is integrated effectively into the Board’s oversight role and that

missile defense programs are properly aligned with missions, taking appropriate account of relevant risk factors.” The PA&BD Committee “oversees implementation of missile defense acquisition guidance to include transition and transfer of responsibilities/authorities of the BMDS elements from MDA to the Services and provides oversight of BMDS procurement, operation and support”.

The Committees supporting the MDEB examine topics in their respective areas of interest. USD(AT&L) is then able to pursue an agenda in the MDEB that examines detailed topic areas and any other that enhances BMDS development and fielding.

Since inception, the MDEB has conducted fourteen meetings and USD(AT&L) has issued five Acquisition Decision Memorandums. Thus, it meets more frequently than a Defense Acquisition Board (DAB) would meet for a typical program. The MDEB will continue to conduct reviews of each MDA program including establishment of a baseline agreement with defined cost, schedule and performance parameters to allow continuous evaluation of program execution. By performing these reviews the MDEB maintains early and continued visibility into MDA programs and is able to provide the necessary guidance to achieve Missile Defense priorities within cost and schedule constraints.

One oversight focus area is the Department’s assessment of a BMDS element’s maturity for production and Lead Service operation. The Department's current criteria for missile defense element production decisions includes: an assessment of the depth and breadth of preparation including element progress; performance validated by testing results; reports by the Director, Operational Test and Evaluation; funding to support program plans; and an executable plan for operation and support. MDA, in conjunction

with the designated Lead Military Department makes the recommendation for a production decision. The USD(AT&L) is responsible for the production review and decision.

I fully expect that the MDEB will remain a force for Missile Defense prioritization, planning and execution. With broad interest across the Department and the involvement by a broad range of stakeholders, the MDEB relevance and influence on BMDS operations will continue to grow.

Recent activities of the Missile Defense Executive Board

Having discussed the MDEB's structure and role in Department oversight of the BMDS, I would like to discuss recent MDEB activities in order to highlight its role in providing oversight of the MDA and the BMDS.

The MDEB recently conducted a comprehensive and detailed pre-production review of the Terminal High Altitude Area Defense (THAAD) program to determine the maturity of the program and readiness for operation and support by the Army. All aspects of THAAD program status were assessed. As an outcome of the review and evaluation of the program performance parameters, USD(AT&L) authorized near term contract actions for acquisition for long lead items for THAAD Batteries (which include launchers, interceptors, a fire control and communications component, a radar, and a battery support center) and expectations for annual reviews of THAAD in the next two years. As part of the same review, criteria were endorsed for subsequent production-related BMDS element reviews. The MDEB also assessed the options and made a determination of the Foreign Military Sales Implementing Agent for THAAD.

Last summer, the MDEB reviewed the Institute for Defense Analysis report on MDA Future Roles and Missions, and committed to incorporate the recommendations when appropriate.

The MDEB reviewed the MDA Fiscal Year 2010 budget several times last year, providing direction for option development. The MDEB and its Committees reviewed BMDS requirements and achievable capabilities, the resulting program plan and associated budget. The MDEB articulated resource priorities and endorsed the budget prior to Deputy Secretary review. The MDEB has also been involved in the recent review process for revisions to the proposed Fiscal Year 2010 budget.

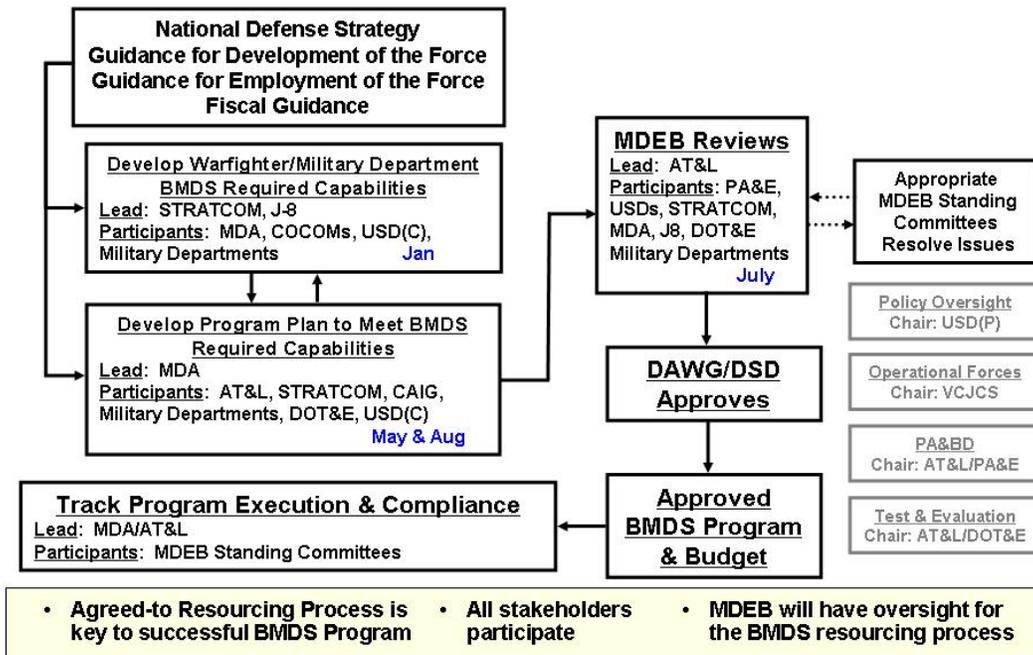
MDEB recommendations to the Deputy Secretary included Lead Service determination for the European Mid-Course Radar and Interceptor Site and approval of the BMDS Life Cycle Management Process (LCMP), described later on in more detail, which will facilitate future collaborative BMDS budget development and transition of operation and support responsibilities to the Services.

Another example of the MDEB's oversight of and influence on missile defense programs was the decision to acquire capabilities recommended by the Joint Staff-performed Joint Capability Mix study. The Joint Capability Mix assessed the mix of upper tier missile defense weapons and sensors required for near simultaneous Major Combat Operations. The Joint Requirements Oversight Council and the MDEB endorsed the results of the study, which served as foundation for MDA's plan for Terminal High Altitude Area Defense and Standard Missiles.

The Ballistic Missile Defense System Life Cycle Management Process

On September 25, 2008, the Deputy Secretary signed the BMDS LCMP guidance which for the first time describes the roles of the Missile Defense Agency; the Office of the Secretary of Defense; the Commander, Strategic Command; other Combatant Commanders (COCOMs); the Joint Staff and the Military Departments in an annual program plan and budget preparation process to build the BMDS budget. The LCMP, depicted below, synchronizes the MDA budget process with the Department's annual resource and planning cycle and provides an opportunity for OSD, the Military

Ballistic Missile Defense System Life Cycle Management Process



Departments and COCOMs to identify capabilities and operation and support requirements and to influence the BMDS annual budget formulation and program plan to ensure resources are available for development, fielding and sustainment. The BMDS

LCMP allows development of the missile defense budget as a portfolio, ensures input by all participants into resource formulation and allocation at the Department level, uses a Defense Wide account with multiple appropriations, and undergoes MDEB review prior to final approval.¹

The BMDS LCMP starts with Departmental guidance - the development of capability and operational support requirements - led by the Joint Staff and STRATCOM with Service participation which is provided for the MDA-led planning and budgeting process. The resultant draft plan and budget are reviewed by the MDEB and, when endorsed, forwarded to the Deputy Secretary for approval. The final product reflects Department-level involvement and decisions.

The BMDS LCMP initiative was implemented on a trial basis during Fiscal Year 2010 budget preparation and will fully influence Fiscal Year 2011 and subsequent budget reviews. The Military Departments provided their requirements to support MDA-developed programs during the Fiscal Year 2010 budget review. In particular, the Military Departments provided specific near-term support requirements for the Missile Defense Complexes at Fort Greely and Vandenberg; the AN/TPY-2 Radar Site at Shariki, Japan; Terminal High Altitude Area Defense Battery Sustainment; Patriot Advanced Capability-3; AEGIS BMD; Standard Missile-3; COBRA DANE Radar; European Midcourse Radar; and Upgraded Early Warning Radar sustainment. This input established the foundation for capability and support requirements for use in future

¹ Deputy Secretary of Defense Memorandum, Ballistic Missile Defense System Life Cycle Management Process, September 25, 2008

budget submissions. For future budget reviews, the BMDS LCMP will result in budget submissions aligned closely with Military Department inputs and COCOM requirements.

Continued use of the MDA Defense Wide account will enable the MDEB to execute oversight of BMDS resources and facilitate management of BMDS as a portfolio, with allocations across the four appropriations and annual distribution to the Services for operation and support.

One of the key challenges associated with transition and transfer is early lead Service involvement, which develops understanding and confidence in operation and support planning and budgeting, and realistic scheduling to execute plans. The BMDS Life Cycle Management Process establishes responsibilities and expectations for the Services and MDA relative to resources, decision authority, program management, and testing. It involves joint planning by MDA and the Military Departments for fielding BMDS elements and their operational support and will facilitate the transition and transfer process from MDA element development to Military Department operation and support.

The Department has made significant progress in transition and transfer over the past two years. With the Lead Military Department assignment of the European Mid-course Radar to the Air Force (2007) and the Sea Based X-Band (SBX) Radar to the Navy (2008), all Lead Military assignments have now been made. We have completed MDA/Service Memorandum of Agreements for Sea Based X-Band Radar (2008), and COBRA DANE Radar Upgrade (2008); and initiated transition for the Sea Based X-Band Radar to the Navy (2008) and for Upgraded Early Warning Radars (UEWR) and the

COBRA DANE Radar Upgrade to the Air Force (2008).

Under the BMDS LCMP Business Rules and the MDEB's guidance, the MDA and each of the Services are establishing an overarching Service-specific memorandum of agreement (MOA) construct that will move the BMDS Transition & Transfer Plan details and annex content into Element MOAs. As of March 1, 2009, the MDA and Army have signed an overarching Service MOA and are staffing Element MOAs for THAAD, GBI, and AN/TPY-2. PAC-3/MEADS will be included as a new agreement under the MDA-Army Overarching MOA. The Navy and Air Force are in discussions and staffing for overarching Service MOAs with MDA. The Navy and MDA have previously existing Element MOAs for Aegis BMD and SBX. The Air Force and MDA have an Element MOA for the COBRA DANE Radar Upgrade and are staffing Element MOAs for the Space Tracking and Surveillance System, Air Borne Laser, UEWRs, and the European Midcourse Radar.

As BMDS elements are fielded, Military Department participation in BMDS operations is of increasing importance. The MDEB and the LCMP provide access for Military Department and COCOM involvement in the BMDS resource prioritization, planning and execution. The BMDS LCMP initiative combined with MDEB oversight provides the Military Departments a venue and process to ensure their requirements are properly addressed. The success of the BMDS LCMP's implementation will be better defined as current plans reach the years of execution.

Department of Defense Process to Determine Missile Defense Force Structure and Inventory Requirements:

The overarching process to determine missile defense force structure and inventory requirements is the Life Cycle Management Process described above that is overseen by the MDEB. As previously discussed, the MDEB recommends and oversees implementation of strategic policies and plans, program priorities and investment options related to missile defense. The BMDS LCMP is the venue for the annual review of desired BMDS portfolio capabilities, a program plan to achieve them, and a comprehensive funding strategy to implement the program.

As part of the LCMP, in September 2008, the Deputy Secretary established “business rules” that outline the institutional roles and relationships between the Missile Defense Agency and the Services. As noted previously, the Services and MDA have been developing overarching Service Memoranda of Agreement (MOAs). These MOAs define and align MDA’s responsibilities (research, development, testing and manufacturing) with the Services’ Title 10 responsibilities. These MOAs will enable each Service to develop doctrine, training, logistics, force structure and facility planning needed to field BMDS elements.

In addition to the LCMP, DoD uses other avenues to provide MDA and Service leadership opportunities to assess future force structure requirements. The Army, Air Force and Navy each individually conduct periodic Board of Director (BoD) meetings with MDA. Representatives from OSD and STRATCOM attend each BoD meeting.

To accomplish their mission of advocating desired global missile defense capabilities and characteristics for all COCOMs, STRATCOM established the Warfighter Involvement Process (WIP). The WIP process is a multi-phased collaborative process linking COCOMs, international partners, Services, Defense Agencies, and the Joint Staff to ensure that warfighters' desired operational capabilities are considered by the materiel developer, MDA. A significant output of the WIP analytical process is the Prioritized Capability List (PCL) that documents operator capability requests. MDA provides a formal response to the PCL, known as the Achievable Capabilities List, which facilitates assessment of MDA program plans against the desired warfighter capabilities.

Finally, to guide missile defense investment portfolio planning, the Department is conducting a number of studies, including the latest iteration of the Joint Capability Mix (JCM) Study. The JCM II Study was to explore and assess aggregate BMDS capabilities and provide analysis in support of determining the appropriate BMDS weapon and sensor mix to address the ballistic missile threat in the 2015 timeframe. The MDEB received this warfighter analysis and recommended that MDA address requirements during the formulation of its POM10 budget submission.

In addition to the JCM analysis efforts, STRATCOM is coordinating an employment strategy of the AN/TPY-2 Radar to enhance global and regional missile defense capabilities and will provide the strategy to the MDEB through the Operational Forces Committee. This employment strategy considers various aspects of military utility and geopolitical concerns to inform leadership toward a decision. Other efforts that

impact force structure and inventory requirements include various war games and exercises to define the future operational concepts, including war games with our Allies.

Conclusion

The Missile Defense Executive Board and the BMDS Life Cycle Management Process show that the Department has made significant progress in ensuring proper management and oversight of the Missile Defense Agency as it has developed the Ballistic Missile Defense System and fielded individual elements. We are taking prudent steps to transition and transfer individual elements to the Lead Military Departments at the appropriate time for operation and support. Continued cooperation between the MDA, OSD, the Military Departments, the Joint Staff, and COCOMs will be critical to long-term success of the BMDS.

We are grateful for the continued support of Congress which has been critical to the success to date in developing and fielding missile defenses. Thank you for this opportunity to testify on our management and oversight of the Department's missile defense program. I look forward to answering any questions you might have.