



Blurring The Line Between R&D And Operations: The Missile Defense Agency's Acquisition Approach

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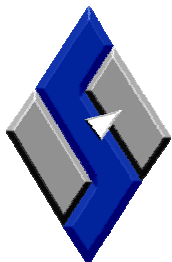
SPARTA, Inc.

March, 2005



**“Create An Acquisition Policy That Fosters Efficiency,
Flexibility, Creativity, And Innovation”**

**DEPSECDEF Paul Wolfowitz,
30 October, 2003**



RESTRUCTURED MISSILE DEFENSE PROGRAM



SECRETARY OF DEFENSE
1000 DEFENSE BUILDING
WASHINGTON, DC 20301-1800

JAN 2 2002

MEMORANDUM FOR DEPUTY SECRETARY OF DEFENSE
SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF
DEFENSE
DIRECTOR OPERATIONAL TEST AND
EVALUATION
COMMANDERS OF THE COMBATANT
COMMANDS
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION & MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Missile Defense Program Direction

The Department last year conducted extensive and rigorous missile defense reviews to determine how best to fulfill the Nation's need to defend the U.S., deployed forces, allies and friends. The findings underscore the importance of layered defenses as well as the need for new approaches to acquire and deploy missile defenses.

The attached provides my key priorities and specific direction to execute the Missile Defense Program. My objectives are:

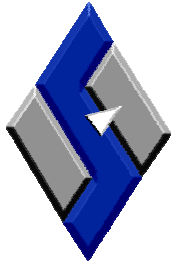
- a. Establish a single program to develop an integrated system under a newly titled Missile Defense Agency (MDA).
- b. Assign the best and brightest people to this work.
- c. Apply a capability-based requirements process for missile defense.
- d. Direct the MDA to develop the missile defense system and baseline the capability and configuration of its elements and the Military Departments to procure and provide for operation and support.

The full and cooperative efforts of the Services, Joint Staff, and defense agencies are essential to this goal. I ask that you give your full support to this national priority. I will look to the Senior Executive Council for oversight and recommendations for decision-making in this area.

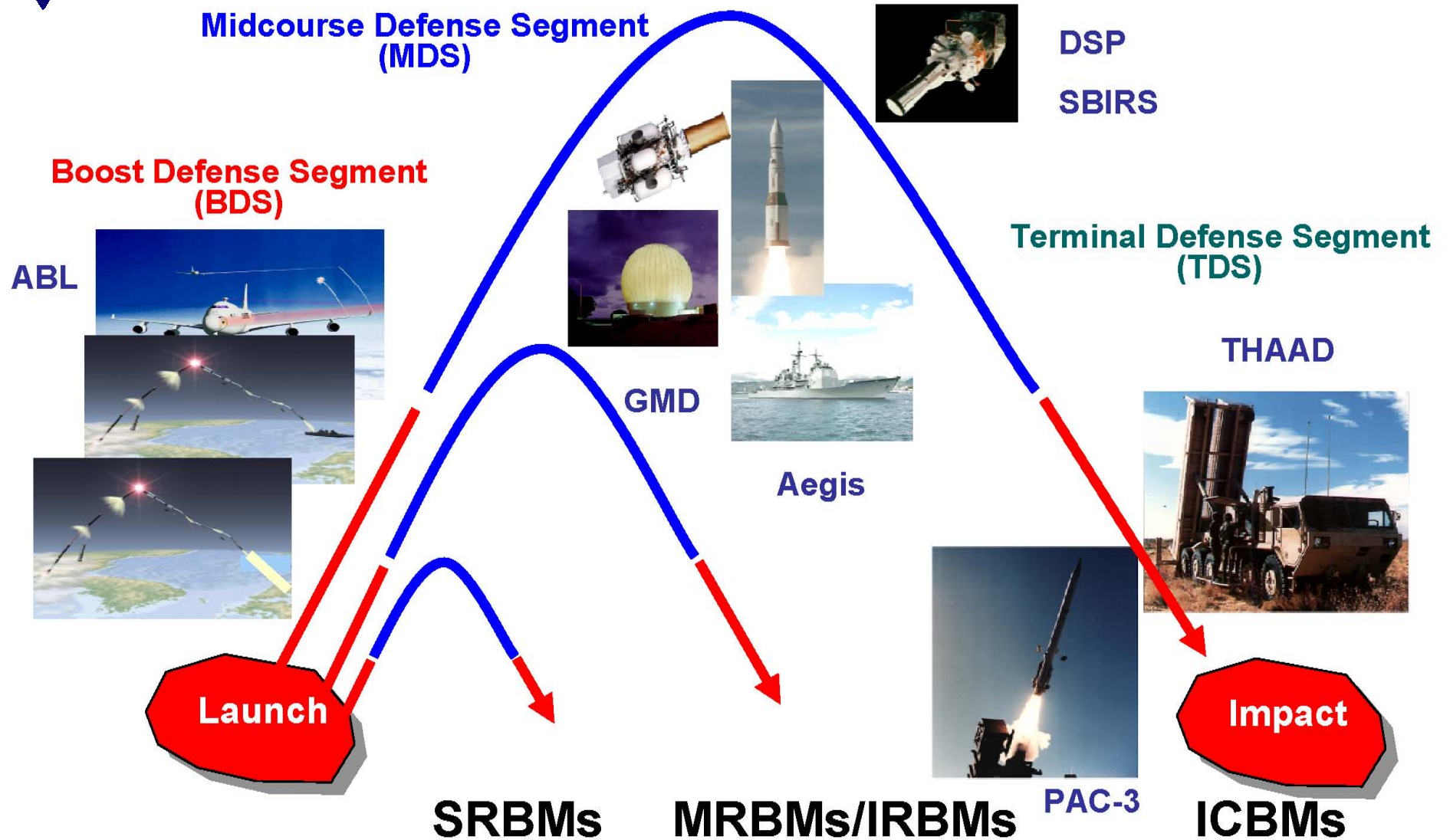
Point of contact for this matter is Lieutenant General Ronald Kadish, Director, Missile Defense Agency, (703) 695-6350.

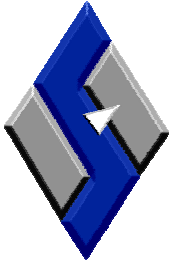
Attachment:
As stated

- Capabilities Based Approach
- Ballistic Missile Defense System As Single Major Defense Acquisition Program
- Cancellation Of Service ORDs
- Layered Defense: Boost, Midcourse, Terminal Engagements Against All Ranges Of Threats



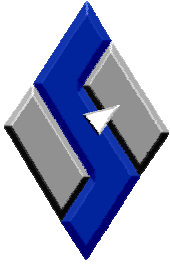
Layered Missile Defense Systems





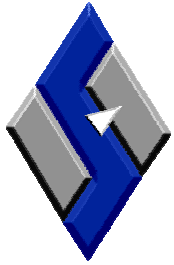
MDA's Acquisition Approach

- **Large Scale R&D Program With A Capability For Operational Use**
- **Concurrently Test And Operate The System, Program Management Remaining With MDA**
- **Wide Use Of Contractor Logistics Support**
- **No Formal Turnover Of BMDS Elements to the Services**

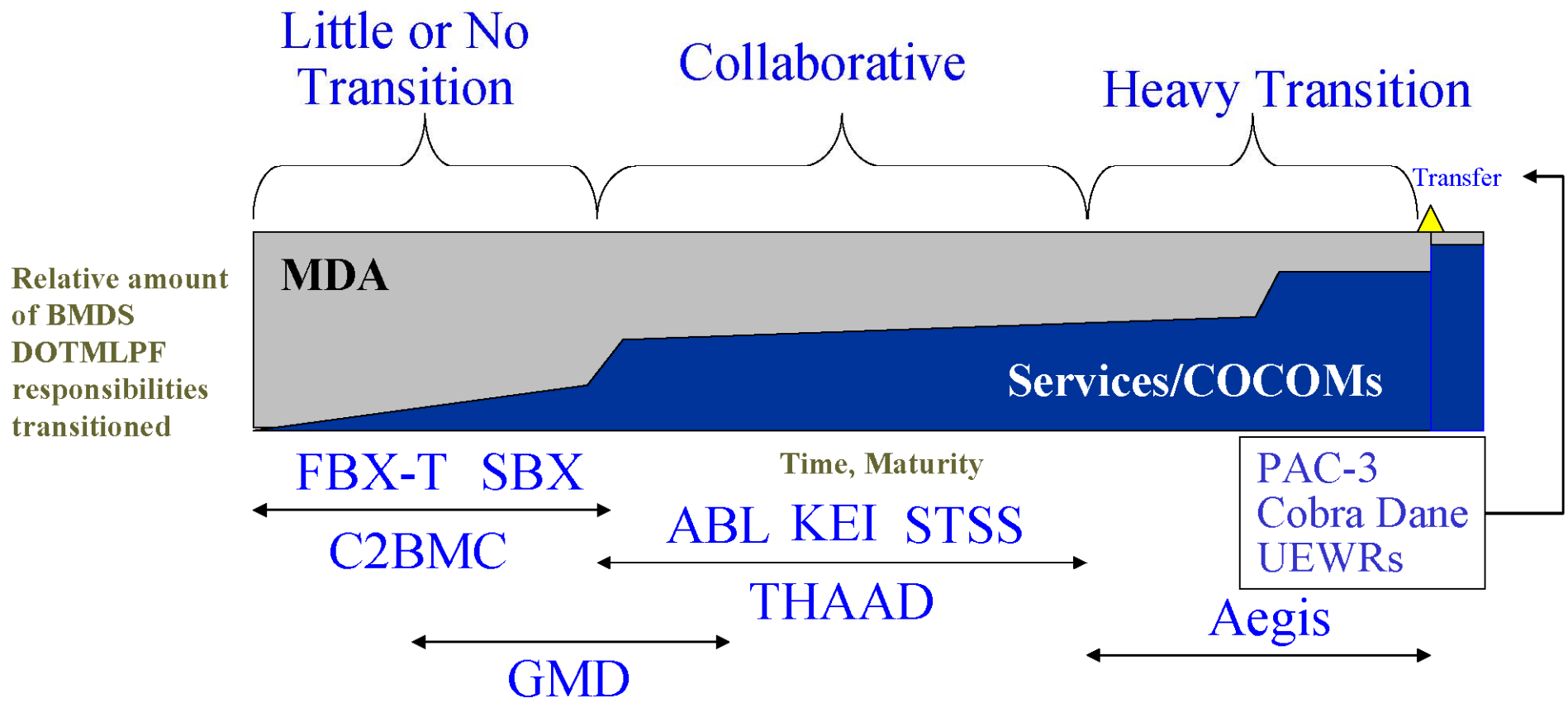


Transition of BMDS Elements To The Services

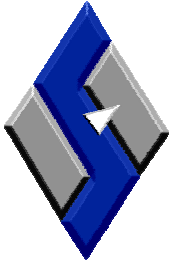
- Well Established Procedures For Transitioning An R&D Program To Operational Use
- These Processes Are Not Suitable To Address The Nature Of the BMD Battle
 - BMDS Elements To Be Fielded In Very Small Numbers
 - Missile Defense Is Entirely New Defense Capability
 - Integration Effort Required



BMDS Transition and Transfer Spectrum Ranges



Transition “events” occur across this spectrum



Little or No Transition

		Current	Future
D,T,O	Capability Definition		
	Materiel - R / D / T / E		
M	Materiel - Production		
	Modernization: In-Service Engineering		
	Configuration Control		
O,M,P,F	Sustainment - CLS <small>Note 1</small>		
	Sustainment - ISSA <small>Note 2</small>	N/A	
F	Facilities - construction		
D,O,L	Employment / Operation		
	War Plans		
	CONOPs		
O	Organization		
T	Training		
P	Personnel - Operators		
	Personnel - "O" - Level Maintainers		
	Personnel - "D" - Level Maintainers		

- Notes: 1) Includes: Maintenance Labor & Parts (Class II), computer resources support, Packaging, Handling, Storage, & Transportation (PHS & T), peculiar support equipment
 2) Includes: Base operations, installation support, including security & utilities

MDA - ■ Service - ■ Both - ■ COCOM - ■

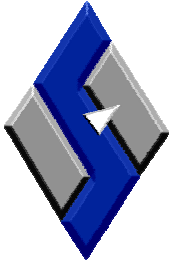


“Collaborative” Transition

		Historical	Current	Future
D,T,O	M	Capability Definition		
		Materiel - R / D / T / E		
		Materiel - Production		note 1
O,M,P,F	F	Modernization: In-Service Engineering		note 1
		Configuration Control		
		Sustainment - CLS		
D,O,L	O	Sustainment - ISSA	N/A	
		Facilities - construction		
		Employment / Operation	N/A	
O	T	War Plans		
		CONOPs	note 2	note 2
		Organization		
P	P	Training	note 3	note 3
		Personnel - Operators	N/A	
		Personnel - "O" - Level Maintainers		
		Personnel - "D" - Level Maintainers		

- Notes:
- 1) MDA to fund 2nd firing unit
 - 2) With Technical assistance from MDA
 - 3) Army develops/conducts training. MDA provides technical assistance and above-element training

MDA - ■ Army - ■ Both - ■ COCOM - ■



Service/Agency Ownership

		Historical	Current	Future	
D,T,O	M	Capability Definition	Army	Army	Army
		Materiel - R / D / T / E	Army	Army	Army
		Materiel - Production	Army	Army	Army
		Modernization: In-Service Engineering	Army	Army	Army
O,M,P,F	F	Configuration Control	MDA	MDA	MDA
		Sustainment - CLS	Army	Army	Army
		Sustainment - ISSA	Army	Army	Army
D,O,L	O	Facilities - construction	Army	Army	Army
		Employment / Operation	Army	Army	Army
		War Plans	COCOM	COCOM	COCOM
		CONOPs	Army	Army	Army
T	P	Organization	Army	Army	Army
		Training	Army	Army	Army
		Personnel - Operators	Army	Army	Army
		Personnel - "O" - Level Maintainers	Army	Army	Army
		Personnel - "D" - Level Maintainers	Army	Army	Army

MDA - ■ Army - ■ Both - ■ COCOM - ■



Implications Of MDA Approach

- Concurrent Test and Operations
- Contractor Logistics Support
- Financial System (“Color of Money”)



CONCLUSION

- **Missile Defense Is On Cutting Edge Of Acquisition Reform And In Concert With Flexible Nature of DOD Acquisition Reform Initiatives**
- **Capabilities Based Approach, Using NCW As Systems Framework, Is Only Path To Full Success**