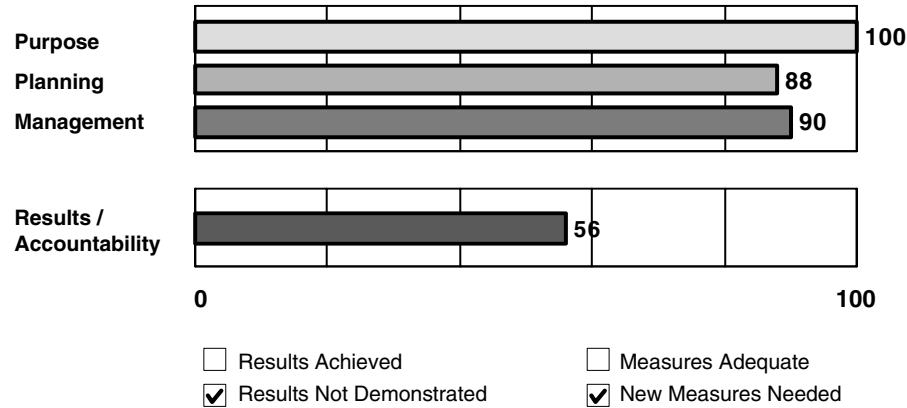


Program: Missile Defense

Agency: Department of Defense--Military

Bureau: Research, Development, Test, and Evaluation



Key Performance Measures

	Year	Target	Actual
Long-term Measure: Number of major tests performed and number successful (Tests will result in increasingly capable and integrated BMDs.)	2002	5	4
	2003	9	
	2004	10	
	2005	TBD	
	2006		
Annual Measure: Percentage of key schedule milestones met each year to support development of the first increment ("Block 04") of layered missile defenses (Milestones must be met within plus or minus two months of the date planned at the start of the fiscal year. "Block 06" milestones would begin in 2005 and continue beyond.)	2003	Final Design	
	2004	Test Bed Ready	
	2005	Block Certified	
	2006	Block 06	
Annual Measure: Cost of developing the first increment ("Block 04") of layered missile defenses (Targets will be the not-to-exceed annual development costs for "Block 04" as planned in the 2004 Budget. Cost estimates for "Block 06" are being developed.)	2003	\$4.4B	
	2004	\$4.8B	
	2005	Block 06	
	2006	Block 06	

Rating: Moderately Effective

Program Type: Capital Assets

Program Summary:

This program represents all the components making up the layered, Ballistic Missile Defense System (BMDs). These components are developed and deployed in "blocks" with new capabilities fielded on a two-year cycle (beginning with 2004). The core program is a research and development effort managed by the Missile Defense Agency (MDA), augmented by procurement efforts under the military services.

The assessment indicates that MDA has significantly improved strategic planning and program management, but has not yet demonstrated results in response to their new goals and objectives. Specific additional findings include:

- 2002 was a year of reorganization as MDA realigned its program planning to the Administration's withdrawal from the Anti-Ballistic Missile Treaty. The program receives a high score for "Planning" because it has completed documenting detailed research and development goals/objectives for its "Block 04" capability, although documentation for future "Blocks" is still in development.
- MDA has implemented a management approach emphasizing incremental development of multiple capabilities, with improved risk management throughout the program. This is in contrast to the previous philosophy of a single, high-risk National Missile Defense program with a large potential for failure.
- In terms of program results, MDA had a successful year in testing with four of five successful major intercept tests (seven-of-eight successes in the last two years). However, deployment of an actual operational system for defense of the U.S. is not expected until late 2004. Program "Results" could improve as MDA begins to manage and assess results against its newly developed "Block 04" program goals.

In response to these findings, the Administration:

- Will complete missile defense research and development goals/objectives through "Block 08" next year.
- Will develop measurable military operational goals for each Block of missile defense capability. These goals should be linked to the MDA research and development goals.
- Will review the program transition mechanism between MDA and the military services, which is not well understood and needs further development in 2003.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
7,772	7,725	9,138