



SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

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.

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2 Jan 02



U18606 /01

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, (██████████)

A handwritten signature in black ink, appearing to read "Donald R. Hays". The signature is written in a cursive, flowing style.

Attachment:
As stated



Missile Defense Program Direction

This document provides the Secretary of Defense's priorities and guidance for the Department's Missile Defense Program. The following are the top four missile defense priorities for the Department of Defense:

- a. First, to defend the U.S., deployed forces, allies, and friends.
- b. Second, to employ a Ballistic Missile Defense System (BMDS) that layers defenses to intercept missiles in all phases of their flight (i.e., boost, midcourse, and terminal) against all ranges of threats.
- c. Third, to enable the Services to field elements of the overall BMDS as soon as practicable. To that end, we have started to deploy the Patriot Advanced Capability-3 system this year, after successful testing, as the first line of defense against short-range missiles.
- d. Fourth, to develop and test technologies, use prototype and test assets to provide early capability, if necessary, and improve the effectiveness of deployed capability by inserting new technologies as they become available or when the threat warrants an accelerated capability.

To enhance elevated national priority and mission emphasis, the Ballistic Missile Defense Organization (BMDO) is hereby redesignated the Missile Defense Agency (MDA). The Director, MDA will report directly to the Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD (AT&L)).

To improve the leadership, management, and organization of missile defense activities, I direct the USD (AT&L) to take the following actions:

- a. Establish a single development program for all work needed to design, develop, and test the elements of an integrated BMDS.
- b. Develop for deployment, when directed, a useful military capability to detect, track, intercept, and defeat ballistic missiles in all phases of flight against all ranges of threats. Improve the BMD system through incremental improvements and block upgrades to BMDS elements over time.
- c. Plan and execute work such that efforts in particular areas of the BMDS may be truncated or stopped if the results are unsatisfactory or where the development effort should be shifted to another integrated BMDS element to permit its acceleration.



d. Execute the program such that demonstrated capabilities can be fielded in limited numbers when available. Base production decisions on the initial performance of the BMDS as demonstrated through credible testing, availability of system alternatives, and consideration of threat evolution.

e. Adopt a flexible approach to the overall BMDS such that each BMDS element complements the others, supports deployment in differing combinations over time, and is open for international participation.

The special nature of missile defense development, operations, and support calls for non-standard approaches to both acquisition and requirements generation. As a development activity, the Missile Defense Agency will require some expanded responsibility and authority. I therefore direct the following:

a. To rapidly carry out my direction, streamlined executive oversight and reporting will be implemented. The Senior Executive Council (SEC), chaired by the Deputy Secretary of Defense, will, in addition to other responsibilities, provide policy, planning and programming guidance; oversee the Department's missile defense activities; and approve BMDS fielding recommendations. The USD (AT&L) will establish a Missile Defense Support Group (MDSG) of appointed department officials to advise the Director, MDA and support SEC decision-making. The chairman of the MDSG will report to USD (AT&L).

b. Management of the BMDS elements will consist of three phases: development, transition, and procurement and operations. The recommendation by Director, MDA for a BMDS element to move to the transition phase; and by the Defense Acquisition Board (DAB) to enter the procurement phase will be approved by the SEC along with budget and force structure levels.

c. To encourage flexible acquisition practices, I delegate to the Director, MDA, authority to use transactions other than contracts, grants, and cooperative agreements to carry out basic, applied, and advanced research.

d. The Secretary, with input from the SEC, will decide whether to use Research Development Test and Evaluation (RDT&E) assets for emergency or contingency deployment, based on assessment of military utility, progress in development and recommendation by the Director, MDA and Military Services.

e. The Director, MDA will manage the BMDS through the development and transition phases, and baseline the capability and configuration of its capability blocks and BMDS elements. The Departments of the Army, Navy, and Air Force will procure the BMDS elements and provide, with the Defense Agencies, for their operation and support.



f. The Director, MDA will work closely with the Commanders-In-Chief and Services throughout the development of the BMDS. Production quantities and operational force levels will be settled early enough in the development for an effective transition of responsibility. BMDS elements will enter the formal DoD acquisition cycle at Milestone C, concurrent with Service procurement responsibility transfer. USD (AT&L) will oversee all Service missile defense procurement phase activity.

g. Budgeting for RDT&E is the responsibility of MDA; budgeting for procurement is the responsibility of the Services.

h. The Under Secretary of Defense (Policy), as a member of the Missile Defense Support Group, will ensure international participation remains a key, long-term component of the missile defense program.

i. The Under Secretary of Defense (Comptroller)/Chief Financial Officer will develop within 120 days for the Deputy Secretary's approval, in coordination with the USD (AT&L) and the Director, MDA, a description of how the Department's Planning, Programming and Budget System process will be tailored for the missile defense program. The process will clarify the lines of authority, specific responsibilities and coordination requirements consistent with the intent of the authorities and responsibilities in this memorandum.

j. To reinforce the single-system focus, and to implement a successful transition to capability-based management, the BMDS program will not be subject to the traditional requirements generation process of CJCSI 3170. The current Service missile defense Operational Requirements Documents are not consistent with the proposed BMDS development program objectives and are hereby cancelled. However, the Director, MDA will establish a process that sets initial capability standards, engages the participation of future users early and throughout development, and permits capability trades across all BMDS elements. MDA will manage through System Technical Objectives and Goals and during the transition phase will baseline capabilities and configurations. During transition, the Services will develop a capability-based Operational Requirements Document (ORD) that will become operative upon transfer of capabilities to the Services. Throughout development, the military departments and the Joint Staff will provide guidance and advice on desired capabilities, operational approaches, and suitability and supportability features.

k. The Military Departments will provide forces, as needed, to support the fielding of early and/or contingency capability and will budget the resources to procure and operate the planned force structure. The MDA will continue to fund



and manage RDT&E activities for new missile defense capabilities and modifications to fielded systems.

l. The MDA is responsible for Developmental Testing and Evaluation (DT&E) of the BMDS and its elements. When a decision is made to transition a block configuration of an element to a Service for procurement and operation, an Operational Test Agent will be designated and an Operational Test and Evaluation (OT&E) will be conducted at the end of the transition phase to characterize the operational effectiveness and suitability of that block configuration of that element.

m. A DoD Force/Activity Designator (FAD) -1 priority is assigned for the BMDS and its elements.

n. The MDA will be staffed with our most-talented people through competitive nominations, selective personnel transfers, and recruitment. The Service Secretaries will assist in this effort. The Department will staff the MDA and program offices, both direct and matrix, at 100 percent of authorized levels. The Director, MDA will be the final authority for all personnel actions.

o. The Director, MDA will retain management responsibility for defining the overall BMDS and the interoperability standards for programs that transfer to the Services (e.g., Patriot Advanced Capability 3, Navy Area Theater Ballistic Missile Defense, and Medium Extended Air Defense System). The Services will ensure such systems remain interoperable, as defined by the Director, MDA, in the BMDS.

p. The Director, MDA will have all management authority and funding responsibility for the Space Based Laser, Airborne Laser and Space-Based Infrared System (Low) programs.

q. The Director, MDA will work with the designated Air Force DoD Executive Agent for Space to develop a seamless process that ensures close management, integration, and interoperability with existing and planned space systems.

Additionally, to affirm my commitment to rapidly capitalize on promising concepts and promptly adjust program priorities, I request the Deputy Secretary of Defense to ensure that decision-making cycle times are as rapid as possible for proposed executive decisions on missile defense. I will support additional or revised statutory authority as identified by the Director, MDA, to reduce development time and enhance program success.



All BMDS development and testing activities will be planned without regard for compliance with the ABM Treaty but no action will be taken that would violate that treaty as required by paragraph. 3.1, DoD Directive 2060.1, dated January 10, 2001.

DoD Directive 5134.9, the “Ballistic Missile Defense Program,” will be revised within 90 days to implement this memorandum. Regulations and Instructions of the military departments and other departmental components will be revised as needed within 120 days.



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1300

OFFICE OF THE
UNDER SECRETARY OF DEFENSE

2001 NOV 09 AM 9:52



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACTION MEMO

9 November 2001

FOR: SECRETARY OF DEFENSE

Dep Sec Action _____

FROM: Mr. E.C. "Pete" Aldridge, Under Secretary of Defense (Acquisition,
Technology & Logistics)

10 NOV 2001

SUBJECT: Authorities and Responsibilities for Missile Defense

- Sign the memorandum at TAB A which provides direction for the Department to expeditiously implement the findings of your missile defense review, including:
 - Establishment of a single development program to design, develop, and test an integrated missile defense system under a newly titled Missile Defense Agency (MDA).
 - Streamlined oversight/executive decision-making by Senior Executive Council.
- Applying a capability-based requirements process for missile defense development. ~~The Joint Staff and Army staff non-concurred with exempting missile defense from the formal military requirements process. Rather than change our approach,~~ I will ensure close Joint Staff and Service participation through a Missile Defense Support Group, which will advise the SEC. *WMA*
- Assigning to the MDA the responsibility to develop the missile defense system and baseline the capability and configuration of its elements and to the Military Departments the responsibility to procure and provide for operation and support.
- With your signature at TAB A, I will provide further implementing guidance, in accordance with my authority (TAB B).

The Joint Staff now concurs. WMA

RECOMMENDATION: SecDef sign at TAB A and approve memorandum for USD (AT&L) to sign at TAB B.

COORDINATION: SECNAVY, SECAF, SECARMY, CJCS, USD(P), GC (TAB C).

ATTACHMENTS: As stated

Prepared by Lt Gen Kadish, BMDO [REDACTED]

462-2001 AT

APPROVED: _____ DISAPPROVED: _____ OTHER: _____



U18606 /01

November 10, 2001

Mr. Secretary:

There is one remaining critical issue that needs your decision before signing this implementing document. It is the question on whether the Ballistic Missile Defense System (BMDS) should follow the traditional military requirements process. What this means is that the Military Departments and Joint Staff will establish firm requirements for the performance of the BMDS against a specified threat and have those requirements approved by the Joint Requirements Oversight Council (JROC). This would be the performance required before the BMDS deployment would be authorized. I would observe that this process works for a specific system, like an F-22, a space communication system or an armored vehicle, but is less appropriate for a system of systems like BMDS.


What we have proposed for the BMDS, and reflected in the implementation memo, is a "capabilities based" approach. As the technologies mature and individual missile defense systems become integrated, BMDO will tell us what capability they can provide against a variety of threats. We will then decide whether this capability is worthy of deployment. The Senior Executive Council will provide that advice to you and the President for a deployment decision.

Only ~~the Army and~~ the Joint Staff are opposed to this approach.

If you approve the "capabilities based" process, sign the implementing memo as is.



E. C. Aldridge, Jr.

Tom White
has agreed with
the new approach.




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 *for* decision-making in this area. *Recommendations*

Point of contact for this matter is Lieutenant General Ronald Kadish, Director, Missile Defense Agency, [REDACTED].

Attachment:
As stated



TAB

B





ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

MEMORANDUM FOR DIRECTOR, MISSILE DEFENSE AGENCY SECRETARIES OF THE MILITARY DEPARTMENTS ATTN: SERVICE ACQUISITION EXECUTIVES

SUBJECT: Ballistic Missile Defense Program Implementation Guidance

This memorandum provides my guidance to implement the direction Secretary Rumsfeld provided in his memorandum of November 1, 2001, subject: "Missile Defense Program Direction." Secretary Rumsfeld restated the Nation's need for establishing effective, layered defenses against ballistic missiles and established the Department's missile defense program as a top priority. He assigned responsibility for the program to the Director, Missile Defense Agency (MDA) and tasked all Departmental components with helping to ensure the program's success.

To implement the Secretary's direction:

a. I direct the Director, MDA to set up and carry out a single program of research and development work to develop the Ballistic Missile Defense System (BMDS). The BMDS program shall use a system-level management structure that integrates work and enables capability trades among BMDS elements and decisive action in response to program events.

b. I hereby assign responsibility and delegate full authority to the Director, MDA as follows:

(1) Responsibility to plan and execute an evolutionary, capability-based acquisition approach focused on developing and deploying missile defense capability as soon as practical.

(2) Responsibility to assure the operational suitability and supportability of fielded capability, baseline the system capability and configuration, conduct developmental testing and evaluation, conduct initial capability-based operational testing and evaluation, and provide a sound basis for production decisions.



(3) Responsibility to conduct technology development activity and decide on missile defense applications, obtain the guidance and advice of the warfighter community on desired operational features and approaches to system deployment, and provide tools to enable further development of operational approaches.

(4) Authority for program direction and execution at the operating management level. This shall include authority to tailor the application of DoD 5000 provisions, decide acquisition strategy, make program commitments and terminations, conduct source selections and award contracts, analyze performance and make affordability tradeoffs, and document the BMDS program of work and report progress. The traditional Defense Acquisition Board (DAB) and Integrated Product Team processes will not apply to the BMDS program during the development phase. Upon a recommendation from the Director, MDA and approval from the Senior Executive Council (SEC) for a BMDS element to enter the transition phase, USD (AT&L) will establish necessary product teams to support a subsequent Milestone C decision by the DAB.

(5) Authority to set up and carry out special access program activities to protect sensitive information, applying adequate procedures to maintain security.

c. Given the early stage of BMDS overall development and element integration, I have determined that the BMDS elements are in a non- Major Defense Acquisition Program (MDAP) status. I direct the preparation of termination Selected Acquisition Reports (SARs) for these BMDS elements until such time as they reach MDAP status.

d. To assist the Director, MDA in managing the BMDS program and the SEC in executive decision making on missile defense, I will form a Missile Defense Support Group (MDSG) of designated senior experts from selected Department staffs. I will provide further guidance on the responsibilities of this group in separate correspondence.

e. The Director, MDA, working with the Services, shall develop a transition plan (to include resources, contracting, personnel, facilities, etc.) for the BMDS elements transferring into, or out of, MDA responsibility.

f. The National DX priority is assigned for all BMDS industrial acquisition activities including those activities executed by the Services.



Because of the special nature and priority of the BMDS program, it is important to implement a disciplined acquisition approach. The Director, MDA shall submit for my review a draft program implementation plan within 60 days to address the following:

- a. program structure with funding allocations;
- b. technical and program management structure (to include organizational changes and program transfer realignments);
- c. planned program documentation and reporting;
- d. personnel ceiling adjustments including adjustments of Federally Funded Research and Development Centers (FFRDC) staff-year ceilings or reallocation to the MDA of sufficient FFRDC staff-years of technical effort required for the BMDS program;
- e. selective staffing procedures and service support;
- f. Service interfaces;
- g. OSD and Joint Staff interfaces;
- h. approach to test and evaluation; and
- i. transition plan for each program transferring into, or out of, MDA responsibility.

The MDSG will review this implementation plan and provide their advice to the Director, MDA and USD (AT&L) before SEC final approval.



TAB

C



COORDINATION SUMMARY

Secretary of the Navy	Mr. England	October 2, 2001 Concur
Secretary of the Air Force	Mr. Roche	October 12, 2001 Concur – with comments

- Endorses the streamlined acquisition of a missile defense capability.
- Agrees that capability-based acquisition demands flexibility to be effective but believes the acquisition flexibility can still be achieved by working from JROC-validated requirements.
- Supports the establishment of the Missile Defense Support Group.
- Recommends the Director, MDA work with the Air Force DoD Executive Agent to develop a process to ensure close management, integration and interoperability with existing and planned space systems. The following bullet was added to the memorandum:

The Director, MDA shall work with the designated Air Force DoD Executive Agent for Space to develop a seamless process that ensures close management, integration, and interoperability with existing and planned space systems.

Secretary of the Army	Mr. McDonald Dep. Under Secy	October 22, 2001 Comments
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- Supports call for non-standard approaches to both acquisition and requirements generation but believes that the requirements development process defined in CJCSI 3170 should remain in effect for missile defense capabilities.
- Recommends USD (AT&L) retain the milestone decision authority for MDA programs.
- States perception that there is no Service involvement in personnel management.
- Raises the issue that systems returned to the Services must be full funded and executable.
- Recommends that a working group comprised of Service and Defense Agency representatives convene to address implementation details.

The issues addressed notably modify the flexibility sought under the proposed BMDS approach. Therefore, no changes to the SECDEF memorandum are recommended as a result of these comments.



Chairman of the Joint Chiefs of Staff

LTG Abizaid
Acting Dir, Joint Staff

October 13, 2001
Non Concur

- Contests exemption from traditional military requirements (CJCSI 3170) and insists the MDA will work through the JROC process.
- Nonconcur with portions of the plan they perceive as conflicting with the Defense Planning Guidance that directs JTAMDO to construct the operational concept and operational architecture for the Department's missile defense program. States that JTAMDO, as the interface on missile defense matters for the Joint Staff, has the responsibility to:
 - Assess potential military utility during development and characterize operational effectiveness and suitability during the transition phase.
 - Define the overall architecture and interoperability standards for the missile defense system elements.
 - Lead the collaborative process with the combatant commands and Services to produce a unified view of ballistic missile defense operational requirements and priorities.
 - Serve as the single voice to MDA for missile defense requirements and operational priorities and as the single proponent for BMD elements and system performance objectives during research, development, test and evaluation.

The position taken would depart from the capability-based approach to BMDS development and significantly alter the flexibility sought. Therefore, no changes to the SECDEF memorandum are recommended as a result of these comments.

Under Secretary of Defense for Policy Mr. Feith

October 10, 2001
Concur – with comments

- Recommends adding language to the Secretary's fourth priority directing that there be sufficient test assets and plans for an emergency capability
- Recommends coordination with USD (P) to ensure international participation remains a key, long-term component of the missile defense system.
- Recommends language to clarify timing of the various phases of the missile defense program for baseline capability and configuration, production quantities and operational force levels and initial capability standards.

We added language and a bullet to the SECDEF memorandum modifying the fourth priority accordingly and highlighting their participation in the Missile Defense Support Group to focus on international concerns. Wording was revised to clarify activities during the various program phases.

General Counsel of the Department

Mr. Haynes

October, 2001
Concur – with comments



- Recommends clarification to consistently describe an RDT&E program to develop a single BMDS with integral system elements that are no longer stand-alone MDAP programs.
- Raises legal concerns regarding non-MDAP status of the BMDS elements.
- Recommends clarification to provide that operational testing for BMDS elements will occur in accordance with statutory and regulatory requirements.
- Suggests wording preferences to alleviate these concerns.

Suggestions have been incorporated and are not believed to alter the planned approach.





Honorable E.C. "Pete" Aldridge, Jr.
Under Secretary of Defense
(Acquisition, Technology and Logistics)

12/14/01

Larry -

Congressional staff
visits on BMAD are done.

All went well and ~~not~~
problems.

would really help
if he signed before he
departs.

Pete

P.S. I have to admit we made a
positive impression with Staff by doing
this.

