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Missile Defense Agency Officials Hold News Briefing on the Missile Defense Agency's F.Y. 2015 Budget

LIST OF SPEAKERS

SYRING:
Hello. It's my honor today to brief the Missile Defense Agency's fiscal year 2015 budget and the overview of what we're submitting and requesting.

In fiscal year '15, the Missile Defense Agency will request $7.459 billion to deploy interceptors, sensors, command and control systems that constitute the BMDS and provide U.S. homeland defense and regional defense as well for our deployed forces, allies and friends.

The agency is requesting just over $37 billion in fiscal year '15 to '19 in the FYDP. The budget protects both homeland and regional defense priorities. For homeland defense in response to the recent threat developments, the department increased the number of GBIs by 14 (inaudible) last March with Secretary Hagel's announcement. We maintain that commitment in this budget, with 44 GBIs to be fielded by 2017.

In addition, we will execute a return to intercept flight tests in the third quarter of 2014. The focus of the tests will be the GMD system reliability and GMD performance.

Last year, MDA began refurbishment of missile field one in Fort Greely, Alaska to develop the silo capacity and support the in- placement of additional GBIs. We continue to emplace GBIs in missile field two in this budget, conduct GBI component testing, and refurbish currently deployed GBIs to test and improve their reliability.

MDA will continue to acquire GBIs to support GMD operations, testing and spares, GBIs in missile field one and missile field two as we progress to 44 by the end of 2017. MDA continues to fund operations sustainment of the GMD weapons system with operation and maintenance defense-wide funds.

We will take additional steps to keep pace with the threats to the U.S. homeland in line with the department's priorities. We have requested $99.5

million to initiate the redesign of the Exoatmospheric kill vehicle for GMD. The redesigned EKV will be built with a modular open architecture and designed with common interfaces and standards, making upgrades easier and broadening our vendor and supply base.

SYRING:
The redesigned EKV will increase performance to address the evolving threat, improve reliability, availability, maintainability, test ability and produce-ability, and increase in- flight communications to improve the usage of off-board sensors and situational awareness to the combatant commanders for enabling tactics and weapons doctrine.

The budget also requests $79.5 million to begin development of a long-range discriminating radar. The new LRDR is a mid-course tracking radar that will provide persistent sensor coverage and improved discrimination capabilities against threats to the homeland from the Pacific theater.

The new radar will give the sea-based X-band radar, the SBX, more geographic deployment flexibility for contingency and test use.

We're also requesting $122 million for discrimination improvements for the homeland defense. The investment will develop and field an integrated set of element capabilities to improve the DMBS (ph) engagement capability, reliability, lethality and discrimination.

The combined effects of these investments will be a deployed DMBSR (ph) architecture capable of discriminating and killing a re- entered vehicle with a high degree of confidence and will dramatically improve DMD (ph) system capability and warfighter doctrine, while preserving inventory.

Again, those three efforts need to be thought of together. The E.K. (ph) redesign, the long-range radar and improved discrimination. And thought from a system engineering standpoint as a continuum and thus engineering the kill chain from -- from beginning to end.

For regional missile defense, MDA will continue to focus on threats from Asia Pacific and the Middle East as we continue to support the European phrased-adaptive approach to protect our European NATO allies and deployed forces from ballistic missile attacks.

The department met its objectives for phase 1, EPAF (ph) phase 1, by deploying Aegis BMD ships from the Mediterranean Sea, a land-based radar

in Turkey and command-and-control battle management system node at the Ramstein Air Force Base in Germany in 2011.

The next two phases of the EPAF (ph), phase 2 and phase 3, remain on track and will include additional Aegis BMD (ph) ships in 2014 and 2015 and Aegis ashore (ph) in Romania in 2015 and Poland in 2018. Aegis ashore (ph) will be capable of launching a standard missile Block 1-A, 1-B and the 2-A when it delivers in 2018.

Our goal in EPA (ph) phase 2 is to provide a robust capability against the short-range ballistic missiles and medium-range ballistic missiles by ensuring the system provides multiple opportunities to gauge each missile and threat missile in flight. The architecture includes deployment of the Aegis 4.0, 5.0 weapons system with the Block 1-Bs at sea and in Aegis ashore (ph) site Romania.

The Romania site is on schedule and will be available at the end of 2015.

In support of EPA (ph) phase 3, the SM-3 Block 2-A (ph), which we are codeveloping with the Japanese government, and an upgraded versions of the Aegis weapons system are on schedule for deployment in 2018 at the Aegis ashore (ph) sites in Poland and Romania, and at sea.

The upgraded Aegis weapons system combined with the faster, longer reaching SM-3 2-A will provide the capability to counter more sophisticated threats when compared to the SM-3 1-A and 1-B and will extend coverage to our NATO allies in Europe threatened by longer range ballistic missiles.

MDA is also requesting $435 million to procure 30 Aegis SM-3 Block 1-B missiles in 2015, for a total inventory objective of 332 SM- 3 Block 1-B missiles.

MDA requests $68.9 million got advanced procurement for long-lead items associated with the F.U. 2016 SM-3 Block 1-B missile buy to ensure timely delivery to the combatant commander. And we'll be making that request to the department and, obviously, to the Congress.

For 2015, MDA is requesting $464 million for THAAD procurement, which includes the purchase of 31 THAAD interceptors. That puts us on a path for an additional THAAD battery based on warfighter demand and operational need.

We will continue to enhance THAAD's ability to operate through post-intercept debris, enable launch of THAAD interceptors using sensor data

provided by other BMDS sensors, and maintain capability against the evolving and current threat.

We also -- we will also deploy a second forward-based TIPPI-2 (ph) radar in Japan, improving both homeland and regional defense capabilities, increasing our global TIPPI-2 (ph) radar posture.

We'll build and improve the C-2-BMC (ph) infrastructure at fielded sites as well.

In addition to continuing the enhancement of global BMD (ph) communications and operations of the C-2-BMC (ph) at the fielded sites, in 2015, we will integrate overhead persistent infrared data to support key (inaudible) BMD (ph) sensors worldwide.

We will also improve sensor data integration and battle management in C-2-BMC (ph) to support Aegis BMB (ph) queuing and launch on and engage on remote capability.

We are developing fiscally sustainable advanced BMD (ph) technologies in the advance technology line that can be integrated into the BMD (ph) as the adaptive threat changes.

Our investments are focused on technology that brings upgradeable capability to the warfighter, determined by system engineering which permits us to evaluate and determine which emerging technical solutions will best fill the gaps in the BMDS and enhance overall BMDS capability to the war-fighter.

The goals of our investments are to deploy a future BMDS architecture to more enable of discriminating and intercepting the re- entry vehicle with a high degree of confidence and to allow the war- fighters to dramatically improve their shot doctrine.

The budget continues MDA's long-standing commitment in support of the Israeli defensive efforts to include the development of (inaudible) weapon system, upper-tier interceptor, HERA (ph) weapon system improvements, and the procurement of the iron dome weapon system. MDA is working with the Israeli missile defense organization (ph) on these programs to include the delivery of iron dome batteries and interceptors and long (inaudible) sling, an upper-tier interceptor.

Working collaboratively with the independent testers and services, MDA follows a rigorous integrated master test plan, and continues a robust flight-test program using operationally realistic conditions to demonstrate our

capabilities, as we did in FTO long last year. Robust testing demonstrates our capability while further enhancing war-fighter confidence in the performance of the BMDS.

My view is the F.Y. 2015 budget balances capabilities and risk to deter the aggression, protect the interests of the United States and its allies, respond to war-fighter requirements, pursue cost, and operationally effective capabilities against the future threats to the advance the missile defense priorities of the administration.

Our -- again, our request for this budget is $7.459 billion, and I'll just -- I'll just end with this is a very good budget for missile defense and addresses the gaps that I see as -- as the relatively new director. With that, I'll take the questions.

Let me start back here.

QUESTION:
(inaudible) Sir, that, on the EKV redesign, is that solely a result of DOT's -- DOTNE's recommendation, or is that -- is there anything else within your office that thought about that decision?

SYRING:
No, it's not solely the result of their recommendation. There has been -- there's been a long-standing need to increase the reliability of the EKV, and we've seen some of that with a couple of the flight-test failures that have happened over the last three or four years. Again, these were fielded as prototypes, as I've said in my testimony, early on to address the urgent need with the direction that we would improve the system over time, and we're going to do that with this EKV redesign.

Amy.

QUESTION:
(inaudible) could we get FIDEF (ph) numbers for -- for the EKV redesign, the long range radar, and then this DIHD, and I -- I'm sure that will come as a follow-up, but overall, is this a message that you're then going to spend more time and money tweaking EKV or at some point will you cut the cord and go to a common kill vehicle, because there's been, you know, rhetoric about that?

SYRING:
The -- again, the -- the effort of the -- that we're undertaking in the GND system, and I call it a system because it is a system, is in the EKV area, in

terms of a redesign, it needs to happen and is now funded in the budget. The addition of a long range discriminating radar, and discrimination algorithms that need to be added into the command and control system. Those taken together form the continuum of where we need to be against the threat by 2020. And as funded and programmed, we will -- we will execute these to stay -- stay ahead of the current threat.

It's just not about EKV redesign.

QUESTION:
Gotcha. OK. And so then, is there still a plan to move forward with the common kill vehicle? Is that a separate?

SYRING:
There is a separate line in the budget called common kill vehicle technology, and I'll get the exact number, it's roughly $26 million in fiscal year '15 that will continue to breed the technologies and improvements that will feed not just an EKV, but potentially the kill vehicle of the SM-3 and the advanced system as well.

Andrea.

QUESTION:
So, just to follow up on all of that, Amy's question about the FIDEF (ph) numbers, we'd really like those if you're asking us to look at that (inaudible) group, maybe you want to just give us updates.

SYRING:
We will. We'll get you the exact strings for all three.

QUESTION:
And how much money is in the budget for the acquisition of these additional ground-based interceptors, and what kill vehicle will go on top of those ground-based interceptors, since you're now -- you've acknowledged that the ones that you have are not adequate.

SYRING:
We've -- we've acknowledged that, I'd parse your word in terms of adequate. We acknowledged that there are reliability improvements, produceability improvements that are required to get these out of the prototype nature into a reliable, produceable, quality design that is paced to the future. Pacing the threat to the future.

SYRING:

The budget from a -- to answer your question directly -- for procurement has money for procurement of GBIs starting in '16. And, as I finalize the acquisition-way ahead for the EKV, that will inform the Department's strategy on that -- those procurement dollars -- and what configuration that GBIs would be in.

QUESTION:
Is there -- have you made decisions yet on whether you will have that be a competitive process, or whether you will, you know, award a contract to Raytheon to work on getting another design?

SYRING:
We'll looking at all the above options: Competitive, modification to the existing EKV and -- and others as well, limited competition, there's -- there's a whole range of acquisition options that we'll analyze.

Through the CKV program that was funded this year, we've got three very viable industry concepts that my team will be taking on a briefing this month on forming the recommendation to me and the Department.

QUESTION:
Yes, thank you. Dain LaMolf (ph) for Foreign Policy.

Russia's aggressive actions over the last week have raised some questions and some calls on Capitol Hill to potentially move up the date if possible for the missile sites in Romania and Poland.

Is that feasible? And, are you satisfied with the project as it is, in light of everything new?

SYRING:
I'll leave the feasibility question to policy and state in terms of the direction we may or may not receive. It's in their line, not mine.

We are working aggressively to meet the program record (ph) time line. And if would be speculation to -- to -- for me today to comment on the ability to accelerate. We'd have to go look at it.

QUESTION:
(OFF-MIKE) this new kill vehicle program, you're undecided whether you're gonna compete it or not or what the acquisition strategy is.

SYRING:
That's correct.

QUESTION:
As a prudent taxpayer would ask, why give it to Raytheon if the last three other warheads have failed in testing for whatever reason?

SYRING:
The -- it's a -- it's a good point. The -- and that will be undertaken when we review options.

That decision is not just about cost or technical or schedule, ti's about all three that we have to account for when we (sic) make the recommendation to me and the Department.

QUESTION:
Follow up.

What's the status of your failure review board at findings of the July failure? When do you think you'll have (inaudible) soup (ph) basically? And when will the next CE2 test take place?

SYRING:
The failure review board is ongoing still. We are narrowing in on the root cause. It would be premature for me to discuss today, but I'm confident that we'll understand that in the next few weeks enough to have accounted for it in the next intercept test if it applies to the CE2. And we're marching towards the summer test of the CE2 on schedule.

QUESTION:
If it was a quality issue, would you know that by now?

SYRING:
I would.

I would know that and it's not a quality issue.

QUESTION:
All right. So it's more like a design -- a cosmic design issue that you didn't anticipate earlier or something?

SYRING:
As opposed to me addressing today, I'd like you (ph) to discuss all -- all of the aspects of the falltree (ph) that were analyzed in a very rigorous fashion.

QUESTION:
(OFF-MIKE) quality issue like a battery thing or some screw up?

SYRING:
I can say that it was -- it's not a quality issue.

QUESTION:
Just to follow up on the question of the -- what happens next with the interceptors in terms of the redesign.

I understand that you were -- you had independent review -- independent commission that has been reviewing this that has concluded that there was core engineering -- Frank Kendall spoke at a conference last week and talked about bad engineering on the system. And we didn't really get a chance to talk with him much more about it.

But, can you say anything about the engineering approach and whether that reflects on the -- on, you know, Boeing handling of the GMD program? Or whether -- whether that is meant to talk about the worth of Raytheon on the EKV?

SYRING:
OK, to me -- and I'll answer this in about a minute, but it probably requires about a couple hours.

The -- the -- let me take you back in history. When -- when these GBIs were ordered to be fielded through NSPD-23, in 2002, the direction and the written direction was -- and I can pull it up for you -- to get these things in the field to counter a -- a very real threat that the administration was concerned about.

Everybody knew that they were prototype in nature, and that decision was made to field the prototypes because some defense now is better than defense much later.

So the administration made that decision, sound decision at the time. But in order to rapidly field what was done was the system engineering cycle was cut short. And that risk, I think, was understood by the department in terms of what did that -- what that meant.

And that eventually there will be reliability improvements and other improvements necessary to the prototype interceptors and those have been made over a period of time. And the final step now is to step back, given the direction from Secretary Hagel last year, to go back to 44 to go to 44 GBIs, to now look at this from a bottoms-up design standpoint and not just keep making reliability improvements on the -- on the -- on the margin.

I think that -- and I know what Mr. Kendall (ph) meant, the bad engineering was is that we stopped or we shut -- we cut short the design cycle. And that had risks. And some of those risks are surfacing in a couple of our flight tests now. And I think, given a full design cycle, a full failure modes in effective analysis and all of the things that are part of a developmental missile program, that some of those could have been avoided.

QUESTION:
Can I just ask, on your answer to Tony's (ph) question about the, you know, the factors that influence your decision, I mean, given the threat environment, given the fact that the administration has recommitted to the 44 again, with this budget document, it -- you know, is there even scope to have a confrontational free KV (ph)? You know, that -- a ballpark people say is five years to develop a new kill vehicle.

SYRING:
There's always time to compete, if that's the right answer. And, again, I'm going to be weighing cost, schedule and performance in that decision. And you know, getting to 44 is unaffected by this redesign. After the intercept test this summer, there is interceptors that are under contract and in various stages of integration, which we will begin accepting upon the successful completion of the intercept test.

So it's a matter of how do I balance the schedule risk of interceptors beyond 44 for the test program, the reliability program and the future needs of the warfighter? I would not shy away from competition if that was the right answer.

QUESTION:
(INAUDIBLE), where would this be based? Is that decided yet?

SYRING:
What we said is the Pacific. And specifically, we've talked about Alaska. But we're going to evaluate. We're going to do the diligence and evaluate all of the possible alternatives in the Pacific.

Yes, Diane (ph)?

QUESTION:
Sir, just follow up on a few of these points, can you give us a notional IOC dates that you would see that radar field in -- did you want to see the EKV redesign field, did you have a ballpark?

SYRING:
In some of the work that we've done with STRATCOM previously under General Taylor in terms of you know, where is the path and what is the vision for missile defense in the future, we talked about these coming together before 2020.

QUESTION:
And is that threat-based or is that more a response to the reliability issues that are...

SYRING:
Threat-based.

QUESTION:
OK. OK.

And then if you could elaborate a little bit, the test this summer, you just mentioned just now, will include CE-2. Do you expect for that to be a head-on engagement? Or more of a slightly easier, you know, at angle engagement?

SYRING:
It's not proper for me to talk about that in this forum.

QUESTION:
OK.

QUESTION:
You discussed moving the TPY-2 to Japan, as I recall. That was coming out of Vanderbilt --

(CROSSTALK)

QUESTION:
-- Vandenberg -- somewhere else today.

So is there any cost of replacing that one? Is there any funding in the current budget or in the FYDP to buy any additional TPY-2s?

SYRING:
There's no funding in this year's budget for additional TPY-2s. The radar will go as scheduled to Japan by the end of the year. And the agreement that we'll have with the Army is that as we need a TPY-2 radar for testing that we will use those radars that are designated for the THAAD batteries today. It'll be something that, Jeff (ph), will evaluate in the future year budgets.

QUESTION:
Are you still confident that the missile field, when referred -- refurbishment will be completed on time and on schedule?

SYRING:
100 percent. I was there a week ago, going very, very well.

QUESTION:
Sir, can you give us a little bit more fidelity on what the discrimination improvements for homeland defense covers? It's a lot of money.

SYRING:
It is...

(CROSSTALK)

SYRING:
It is the necessary algorithm work that needs to go on, the database updates that need to be incorporated in the GMD system for the current threat -- current threat characteristics. And it's a lot of engineering that will feed into that and then we'll see that go to the system over the next few years.

QUESTION:
OK. And then two points on sensors. Can you update us on what your plans, if any, are to do with the knowledge (inaudible) -- what was known as the (inaudible) testing, the UAV sensor testing? And also, are there any plans on the books to do something as a follow-on to STSS?

SYRING:
We're -- I'll take the second question first. We're working hard with our partners who do space for a living on what the follow-on system or capability will be and when it will be.

The -- the first part of your question was what are we doing with airborne sensors, I believe. And we've got a lot of work going on with Phantom Eye out west. And some of the testing that we're getting ready to ramp up at high altitudes with the NTSB and CBALS (ph). And we'll see I think a good demonstration of that in the next year, and then that will inform our decision on what's the way ahead for that.

But it's very important to look at this in a dual phenomenology (ph) sort of way, with both R.F. (ph) and I.R. (ph) to help us solve the discrimination problem.

QUESTION:
OK. (inaudible) on the STSS issue, you're confident that the STSS satellites will continue to endure and that there won't be a gap? Because that's been something we've kind of heard of over the years is a worry.

SYRING:
They continue to perform their function. I think they've performed beyond what we expected. And the life and fuel on board will I think be fine for the next few years. And we'll envision what that next follow-on capability is with Air Force and other partners.

MODERATOR:
Last two questions.

(CROSSTALK)

QUESTION:
(inaudible) I know what a circuit (inaudible) assembly is. On (inaudible) Block 2-B, what's an integrated (inaudible) assembly -- forgive me -- (inaudible) plain English.

(CROSSTALK)

QUESTION:
Integrated D-W-A-R.

SYRING:
It's associated with the guidance system.

(CROSSTALK)

QUESTION:
(inaudible) regional (inaudible). You know, there's been a lot of discussion about (inaudible) regional missile defense and (inaudible). And a lot of talk, and the president has now approved, for instance, weapons sales to GCC (inaudible). Can you tell us at all about how that factors into your strategy? And given the budget constraints, you know, missile defense is actually seeing an increase in funding versus other parts of the budget that are now.

You know, to what extent do you see partners stepping up? The president is going to be going to Saudi Arabia fairly soon. You know, a lot of those countries have already bought piecemeal parts. What's happening now in terms of binding that together into some more effective regional missile defense?

SYRING:
So, I'll take it in two parts.

First, the dialogue and effort with the GCC is going very well. I was there a month ago and visited various countries. Our case with the UAE is progressing for the two THAAD batteries that they are procuring. We're in discussions with other countries about future procurement needs and requirements. And carrying the message that we need in both the Gulf region and the European region, we need our allies and partners to step up and contribute, and they are.

We can't do it alone -- and we've said that. And that's why there is great benefit, for example, with us in THAAD in these countries. It helps us in the U.S. to get our production price down as well, to couple buys like we did in the last THAAD buy with the UAE. And I'm confident that those discussions will bear fruit.

The second part of the discussion is an excellent point in terms of you can procure the system, but until you go work on interoperability and integration, they'll operate a very stand-alone. And I would say that's a challenge of us in that region and NATO as well, in Europe, to go work on that problem. It's not an easy problem. It involves policy changes, information-sharing agreements, and everything else. But that's the next hurdle that we must tackle.

QUESTION:
Do you have a timeframe for when the, you know, you'd like to see that resolved? Or are there...

SYRING:
We...

(CROSSTALK)

SYRING:
We want to make some positive progress on information sharing by 2016, and step through hopefully additional partner procurements along with improving that between now and 2020.

(UNKNOWN)
That's all we have time for today.

SYRING:
OK. Thank you for your time. Thanks.

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