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Exhibit R-2, RDT&E Budget Item Justification: PB 2024 Air Force **Date:** March 2023

Appropriation/Budget Activity 3600: <i>Research, Development, Test & Evaluation, Air Force / BA 7: Operational Systems Development</i>	R-1 Program Element (Number/Name) PE 0305238F / NATO AGS
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COST (\$ in Millions)	Prior Years	FY 2022	FY 2023	FY 2024 Base	FY 2024 OCO	FY 2024 Total	FY 2025	FY 2026	FY 2027	FY 2028	Cost To Complete	Total Cost
Total Program Element	-	19.473	0.826	0.002	0.000	0.002	0.863	0.884	0.902	0.934	Continuing	Continuing
676001: NATO AGS	-	19.473	0.826	0.002	0.000	0.002	0.863	0.884	0.902	0.934	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

Note

A. Mission Description and Budget Item Justification

This program funds the U.S. contribution to the Alliance Ground Surveillance (AGS) system, a North Atlantic Treaty Organization (NATO), Direct Commercial Sale acquisition. AGS is an airborne ground surveillance capability that provides continuous, wide area surveillance in all weather conditions. It provides NATO decision makers with near real time information and situational awareness concerning friendly, neutral and opposing ground and maritime forces to support mission planning and execution, including force protection and targeting. All NATO nations have access to AGS collection data, creating opportunities for burden sharing with the processing and exploitation of Intelligence, Surveillance, and Reconnaissance (ISR) data.

The AGS program includes: air and ground segment acquisitions, operations of the NATO AGS Management Agency (NAGSMA), development of operations and support definition and establishment of an initial support capability. The air segment consists of five (5) air vehicles based on unique exportable configurations of the United States Air Force Global Hawk air frame, Navy Triton command and control architecture and the U.S. Multi-Platform Radar Technology Insertion Program (MP-RTIP) radar. The U.S. integrated a new Maritime Moving Target and Inverse Synthetic Aperture Radar capability into the MP-RTIP radar for NATO AGS. The ground segment consists of fixed site and transportable/mobile ground stations for air vehicle Command and Control (C2), data exploitation and distribution. Operations and continuing In-Service Support is funded through the NATO Military Commanders' Capability Package within the NATO Security Investment Program (NSIP).

U.S. participation in NATO AGS was ratified by Secretary of Defense (SECDEF) signature/approval of the NATO AGS Program Memorandum of Understanding (PMOU) in June 2009 and includes 15 nations. In FY 2012, OSD transferred the NATO AGS program to the U.S. Air Force (USAF) for management and execution of the Research and Development effort.

This program element may include necessary civilian pay expenses required to manage, execute, and deliver NATO AGS system capability. The use of such programs funds would be in addition to the civilian pay expenses budgeted in program elements 0605827F, 0605828F, 0605829F, 0605831F, 0605832F, 0605833F, 0605898F, 0606398F. In PY \$0.00M was expended for civilian pay expenses in this program element, and in CY \$0.00M is forecasted for civilian pay expenses in this program element.

This program is in Budget Activity 7, Operational System Development because this budget activity includes development efforts to upgrade systems that have been fielded or have received approval for full rate production and anticipate production funding in the current or subsequent fiscal year.

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B. Program Change Summary (\$ in Millions)	FY 2022	FY 2023	FY 2024 Base	FY 2024 OCO	FY 2024 Total
Previous President's Budget	19.473	0.826	0.843	0.000	0.843
Current President's Budget	19.473	0.826	0.002	0.000	0.002
Total Adjustments	0.000	0.000	-0.841	0.000	-0.841
• Congressional General Reductions	0.000	0.000			
• Congressional Directed Reductions	0.000	0.000			
• Congressional Rescissions	0.000	0.000			
• Congressional Adds	0.000	0.000			
• Congressional Directed Transfers	0.000	0.000			
• Reprogrammings	0.000	0.000			
• SBIR/STTR Transfer	0.000	0.000			
• Other Adjustments	0.000	0.000	-0.841	0.000	-0.841

Change Summary Explanation

- N/A

C. Accomplishments/Planned Programs (\$ in Millions)	FY 2022	FY 2023	FY 2024
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Title: Design / Development of NATO Alliance Ground Surveillance (AGS)	4.384	0.200	0.001
Description: U.S. contribution to NATO for AGS development acquisition and initial fielding. Supports configuration changes at a system level and air vehicle exportability modifications.			
FY 2023 Plans: - Continues to support U.S. Government's contribution to NATO AGS Management Agency (NAGSMA) closeout costs.			
FY 2024 Plans: - Will continue to support U.S. Government's contribution to NATO AGS Management Agency (NAGSMA) closeout costs.			
FY 2023 to FY 2024 Increase/Decrease Statement: - Funding reduced to align anticipated needs with ongoing work to complete NAGSMA program office liquidation.			

Title: Design/Development of Maritime Modes	13.261	0.000	0.000
Description: Supports development and flight testing of maritime modes capability for RTIP and additional configuration changes that cannot be performed under the direct commercial sale contract between Northrop Grumman and NAGSMA.			
FY 2023 Plans:			

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C. Accomplishments/Planned Programs (\$ in Millions)		FY 2022	FY 2023	FY 2024
- N/A				
FY 2024 Plans:				
- N/A				
FY 2023 to FY 2024 Increase/Decrease Statement:				
- N/A				
Title: Technical Support for NATO Alliance Ground Surveillance (AGS)		1.778	0.626	0.001
Description: Provide engineering and logistics support for NATO AGS development, fielding, deferred capabilities, and obsolescence studies.				
FY 2023 Plans:				
- Will transition engineering, logistics, and program office support from initial fielding to sustainment activities, including AGS participation in NATO's UNIFIED VISION series.				
FY 2024 Plans:				
- Continue studies analysis related to mission security and exportability.				
FY 2023 to FY 2024 Increase/Decrease Statement:				
- Funding decreased due to fielding of maritime modes.				
Title: Test and Evaluation Support for NATO Alliance Ground Surveillance (AGS)		0.050	0.000	0.000
Description: Provide testing and evaluation via the Air Force Test Center.				
FY 2023 Plans:				
- N/A				
FY 2024 Plans:				
- N/A				
FY 2023 to FY 2024 Increase/Decrease Statement:				
- N/A				
Accomplishments/Planned Programs Subtotals		19.473	0.826	0.002

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D. Other Program Funding Summary (\$ in Millions)

<u>Line Item</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u> <u>Base</u>	<u>FY 2024</u> <u>OCO</u>	<u>FY 2024</u> <u>Total</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>Cost To</u> <u>Complete</u>	<u>Total Cost</u>
• RDTE 07 PE 0305220F: RQ-4 UAV	83.124	96.477	13.888	-	13.888	12.497	0.000	0.000	0.000	Continuing	Continuing

Remarks

E. Acquisition Strategy

Acquisition of the AGS system is being accomplished via a single delivery strategy. The system has been delivered via a fixed price direct commercial sale contract between Northrop Grumman Integrated System Sector International, Incorporated (NGISSII) & NATO, which was signed on 20 May 2012. The program is managed by the NATO AGS Management Agency (NAGSMA) and will closeout and liquidate in 2024.

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2024 Air Force												Date: March 2023			
Appropriation/Budget Activity				R-1 Program Element (Number/Name)				Project (Number/Name)							
3600 / 7				PE 0305238F / NATO AGS				676001 / NATO AGS							
Product Development (\$ in Millions)				FY 2022		FY 2023		FY 2024 Base		FY 2024 OCO		FY 2024 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
NATO AGS Design / Development	SS/FFP	NATO AGS Management Agency : Brussels, Belgium	-	4.384	Dec 2021	0.200	Dec 2022	0.001	Dec 2023	-		0.001	0.000	4.585	0.001
Maritime Modes Design / Development	SS/CPIF	AFLCMC/HB : WPAFB, OH	-	13.261	Dec 2021	-		-		-		-	0.000	13.261	-
Subtotal			-	17.645		0.200		0.001		-		0.001	0.000	17.846	N/A
Support (\$ in Millions)				FY 2022		FY 2023		FY 2024 Base		FY 2024 OCO		FY 2024 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
NATO AGS Technical Support	SS/FFP	Multiple : Hanscom, WPAFB, OH	-	1.778	Dec 2021	0.626	Dec 2022	0.001	Dec 2023	-		0.001	Continuing	Continuing	0.001
Subtotal			-	1.778		0.626		0.001		-		0.001	Continuing	Continuing	N/A
Test and Evaluation (\$ in Millions)				FY 2022		FY 2023		FY 2024 Base		FY 2024 OCO		FY 2024 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
NATO AGS Test and Evaluation Support	SS/FFP	Multiple: AFLCMC/ WI, AFLCMC/HB, 412 TW, 88 CG : Hanscom, WPAFB, Edwards	-	0.050	Dec 2021	-		-		-		-	Continuing	Continuing	-
Subtotal			-	0.050		-		-		-		-	Continuing	Continuing	N/A
Project Cost Totals			-	19.473		0.826		0.002		-		0.002	Continuing	Continuing	N/A

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2024 Air Force	Date: March 2023
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Appropriation/Budget Activity 3600 / 7	R-1 Program Element (Number/Name) PE 0305238F / NATO AGS	Project (Number/Name) 676001 / NATO AGS
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	Prior Years	FY 2022	FY 2023	FY 2024 Base	FY 2024 OCO	FY 2024 Total	Cost To Complete	Total Cost	Target Value of Contract
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Remarks
 The Industrial Structure consists of Northrop Grumman (Northrop Grumman Integrated Systems Sector International, Incorporated - NGISSII) prime contractor, three subcontractors, and 15 participating nation industries that received direct work. There are no indirect offsets. The technical support of the NATO AGS program includes Advisory & Assistance Services to NATO.

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Exhibit R-4, RDT&E Schedule Profile: PB 2024 Air Force **Date:** March 2023

Appropriation/Budget Activity 3600 / 7	R-1 Program Element (Number/Name) PE 0305238F / NATO AGS	Project (Number/Name) 676001 / NATO AGS
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FY 2022				FY 2023				FY 2024				FY 2025				FY 2026				FY 2027				FY 2028			
1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4

NATO AGS	
Design and Development - NATO AGS	
FOC (November 2024)	
Design and Development - Maritime Modes	
Tech Support - NATO AGS	
Maritime Mode Test Support	

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Exhibit R-4A, RDT&E Schedule Details: PB 2024 Air Force		Date: March 2023
Appropriation/Budget Activity 3600 / 7	R-1 Program Element (Number/Name) PE 0305238F / NATO AGS	Project (Number/Name) 676001 / NATO AGS

Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
NATO AGS				
Design and Development - NATO AGS	1	2022	4	2024
FOC (November 2024)	1	2025	1	2025
Design and Development - Maritime Modes	1	2022	2	2023
Tech Support - NATO AGS	1	2022	4	2028
Maritime Mode Test Support	1	2022	2	2023