

Statement of

The Under Secretary of Defense for Acquisition and Technology
Honorable Paul G. Kaminski

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Subcommittee on Military Research & Development
and the
Subcommittee on Military Procurement
of the
House Committee on National Security

on

Ballistic Missile Defense

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Mr. Chairmen, members of the committees, and staff, thank you for the opportunity to discuss with you the Department's Ballistic Missile Defense (BMD) program. For all of our adult lives, most Americans have lived with a dark cloud hanging over our heads--the horrific threat of a nuclear war that would end our way of life and civilization as we know it. Now, with the end of the Cold War, that dark cloud is beginning to drift away. The whole world is breathing a little easier.

But that cloud is not yet gone. The world's nuclear powers still hold thousands of nuclear weapons, along with many hundreds of missiles to deliver them. And many other countries, some of them rogue nations to which the calculus of deterrence may not apply in the same way, are acquiring the means to deliver weapons of mass destruction--nuclear, biological, and chemical. Many of these nations have obtained ballistic missiles--short-range ballistic missiles--and some are in the process of acquiring longer-range ballistic missiles and cruise missiles.

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The proliferation of short-range ballistic missiles in the world today poses a direct, immediate threat to many of our allies and to some U.S. forces deployed abroad in defense of our national interests. Over time, the proliferation of longer range missiles will pose a greater threat to the U.S. itself. For these reasons, active defenses are playing a central and vital role in U.S. defense planning well into the next century. The resource-constrained environment of the nineties, together with the complex nature of the security challenges facing us, requires that we deploy the right capabilities at the right time for achieving the highest overall level of security for the United States.

To do so we must consider the role of missile defense within the nation's broader national security strategy. Active defenses can never be considered in and of themselves a panacea for countering the proliferation of ballistic missiles and weapons of mass destruction. We have a broader strategy encompassing a full range of tools in a national "kit" of options. Our strategy has three components: preventing and reducing the threat; deterring the threat; and defending against the threat.

For example, we have adopted the Non-Proliferation Treaty, the Framework Agreement with North Korea, the INF Treaty, the MTCR, and export controls as ways of preventing or reducing the threat to our allies and U.S. forces deployed abroad. The threat to the United States has been reduced significantly through the START treaty, and it will be reduced even further through the START II treaty when Russia ratifies it. Additionally, we have an extensive program for actually dismantling the warheads and the missiles that had been directed against us in a Cooperative Threat Reduction (CTR) program supported by Nunn-Lugar funds. This is our first line of defense against ballistic missiles and weapons of mass destruction--preventing and reducing that threat.

The second line of defense is deterrence. In the case of the long-range missile threat to the United States, either from land-based intercontinental ballistic missiles

(ICBMs) or submarine-launched ballistic missiles (SLBMs), our strategic nuclear forces have been a bulwark of deterrence for nearly a half-century. That will continue. We have smaller numbers of nuclear forces now than we did a decade ago, but they are still very powerful and quite capable of carrying out the strategic deterrence mission. In the case of deterring short-range missile threats, our theater nuclear forces and very powerful conventional forces provide some level of deterrence against limited nuclear attacks.

To the extent that these first two components, reducing the threat and deterring the threat, are not fully successful, we have to be prepared to defend directly against a threat. In the case of the strategic ballistic missile threat to the United States from rogue states or from accidental/unauthorized launch, the National Missile Defense (NMD) program is America's ultimate insurance policy. For our deployed forces, we are developing and fielding multi-tier theater missile defenses to counter regionally-oriented missile attacks.

THE THREAT

The theater threat to our allies and U.S. forces deployed abroad is real and growing. We saw it demonstrated in the Gulf War. Besides Iraq, we know there are many ballistic and cruise missiles in many countries. Many thousands of short-range missiles are deployed today with hundreds of launchers in as many as 30 different countries--some of these countries are quite hostile to the United States. This threat is here and now. It is widely dispersed, and it has to be taken very seriously.

In addition to the short-range missile threat, we see a medium-range threat emerging. Some nations are developing their own medium-range missiles; in

particular, North Korea is developing the No Dong missile. Other nations, some of them rogue, are buying these missiles or trying to buy them. Iran is a case in point.

We also have a threat today from missiles armed with chemical and biological warheads. We believe that Iran, North Korea, and Libya all have extensive chemical weapon programs. In addition, we anticipate a nuclear threat being possible in the future. We know in retrospect that Iraq was very close to an operational nuclear capability at the time they started the Gulf War--fortunately, they were not all the way there. We know that North Korea was close last year. But their program is now stopped by the Framework Agreement. And we understand that Iran is working to achieve a nuclear weapons capability, but we believe they are many years away. We will keep a close eye on the nuclear threat from so-called rogue nations armed with theater ballistic missiles.

In the case of nuclear strategic weapons, Russia has a significant capability for delivering these weapons with strategic weapon delivery systems--land-based and submarine-launched missiles and long-range aircraft. China can also deliver these weapons with land-based and emerging sea-based ballistic missile capabilities. We do not see these systems as posing a threat to the United States in the foreseeable future. That is, we do not see an intent that goes with the capability. Even should that situation change, we will continue to field a significant U.S. deterrent force.

Land-attack cruise missiles (LACMs) are an emerging threat. LACMs are deployed in the U.S., France, and Russia. A dozen or so other countries are also developing this capability. We believe the nations of most concern are now more focused on short-range ballistic missiles, and the widespread proliferation of high-tech LACMs is 10-15 years away. However, there is already a widely deployed robust threat

of anti-ship cruise missiles in about 70 nations, and these could be modified to provide a limited land-attack capability.

We do not see a near-term ballistic missile threat to U.S. territory from the so-called rogue nations, but we cannot be complacent about this assessment. The threat of long-range missiles from rogue nations could emerge in the future. The Intelligence Community estimates that this threat would take 15 years to develop, but could be accelerated if those nations acquired this capability from beyond their borders. This is why our counter-proliferation programs are important and why the role of missile defense within this broader national strategy must be carefully integrated into U.S. defense planning. This is also why our proposed "three-plus-three" NMD program could be deployed as early as 2003 – eight years ahead of the intelligence community estimates.

BMD PROGRAM

Over the last year, the Department's missile defense programs have been criticized from two different directions. Some members of Congress have criticized the Department for spending too much money on missile defense; others believe we are not spending enough. Some have criticized the Department because we are moving the programs too quickly. Some think we are not moving the programs quickly enough.

Additionally, the Department's Joint Requirements Oversight Council (JROC) determined that our BMD program was funded at a level too high compared to other higher-priority, pressing modernization and re-capitalization needs; and that we were not focused sharply enough on dealing with the here-and-now threat.

To meet our oversight responsibilities, each of our acquisition programs is

reviewed to determine its progress against the Acquisition Program Baseline and to insure the program, as planned, continues to meet the Department's requirements. Program adjustments may be made in response to a number of factors, including changes in the requirement, threat, technology, funding or law. Where appropriate, such adjustments are then reflected in our funding request through the President's budget.

In light of the views of Congress and the JROC, and in order to meet our responsibilities for oversight, the Secretary of Defense decided we needed to look intensively into the Department's whole set of missile defense programs and look to restructure the program portfolio to recover funds for other modernization priorities. We completed such a review last February and have identified what I believe is a more balanced missile defense program than the one we proposed last year in the fiscal year 1996 budget request — one that is more affordable, with better prospects for successful execution. It is also better matched to the missile threats we will be facing. Our program does make use of all of the funds that were appropriated for fiscal year 1996 for missile defense — both the funds that were requested by the President, and the funds that were added by the Congress.

Our review reaffirmed the fundamental priorities in our missile defense program. The first priority is to defend against theater ballistic missiles and cruise missiles. Within the theater missile defense (TMD) mission area, the review broke some new ground on defining the underlying sub-priorities. The first sub-priority is to field systems to defend against the existing short-to-medium-range missiles--our lower-tier TMD systems. The next sub-priority is to proceed at a prudent pace to add upper tier TMD systems for wide area defenses and defenses against the longer-range theater missiles as that threat emerges.

Our second priority is to develop a capability to defend against Intercontinental Ballistic Missiles--our National Missile Defense program--and the cruise missiles which may threaten the United States in the future.

Finally, our third priority is developing a robust technology base to underlie these two programs---both the TMD program and the NMD program--to be able to develop and deploy more advanced missile defense systems over time as the threat systems they must counter become more advanced.

THEATER MISSILE DEFENSE

For our number one priority--Theater Missile Defense, two systems are currently fielded--the Marine Corps Hawk system and the Patriot Advanced Capability (PAC) 2/Guidance Enhanced Missile (GEM) system. The Hawk capability is very limited. However, the PAC-2/GEM system contains a guidance upgrade that significantly improves the lethality and coverage of the basic PAC-2 system used in combat during Desert Storm.

Although the PAC-2/GEM system provides a more robust capability than the Patriots we deployed in Desert Storm, it is still not fully capable of dealing with the threat. The lower-tier systems I'll describe next will have that capability, and these systems have our highest priority for fielding as soon as they are ready.

Lower-Tier Systems

Our lower-tier systems build on existing infrastructure and prior investments in on-going programs--extending the capability of the Patriot and Aegis/Standard Missile systems; and improving our Battle Management/Command, Control, and Communications (BM/C3) capability. We have also begun a cooperative program with

our allies, the Medium Extended Air Defense System (MEADS), which is a highly mobile system intended to provide our maneuvering forces with a 360-degree capability against both ballistic and cruise missiles.

The PAC-3 and the Navy Area Defense (NAD) system, will give us our core lower-tier capability. Neither of these programs involves a significant technology risk at this point. The risks ahead for these programs are related to program execution. Our task is to ensure that we have a robust program to proceed with both systems and to field this capability as early as possible.

PAC-3

PAC-3 is a much more capable derivative of the PAC-2/GEM system in terms of both coverage and lethality. The PAC-3, in fact, has a new interceptor missile with a different kill mechanism--rather than having an exploding warhead, it is a hit-to-kill system. During the BMD Program review, we found that the PAC-3 program had a high degree of risk for completion. There were some fact-of-life slips in the schedule, and the program was not funded at a level commensurate with our near-term priority to field a robust capability.

Even though a major objective of the review was to reduce the missile defense budget, we added about \$240 million for the PAC-3 through the Future Years Defense Program (FYDP) and established a realistic schedule to lower the program execution risk by extending the engineering and manufacturing development (EMD) phase of the program by ten months. System performance will be improved by re-phasing the missile and radar procurements; upgrading four launchers per battery with Enhanced Launcher Electronics Systems; and extending the battery's remote launch capability.

We had originally planned to upgrade all of the Patriot fire units with the PAC-3 system. We decided, instead, to defer the upgrade of three battalions pending availability of the Medium Extended Air Defense System (MEADS). PAC-3 Low-Rate Initial Production (LRIP) will begin in the first quarter of fiscal year 1998, and the First Unit Equipped (FUE) date is planned for the fourth quarter of fiscal year 1999.

Navy Area Defense

The second of the lower-tier systems, the Navy Area Defense (NAD) system, consists of Standard Missile-2 Block IVA interceptors deployed aboard Aegis ships. The capability provided by this system has the advantage of being able to be brought into theater quickly without having to put forces on land.

We have executability risks in the Navy program similar to those in the PAC-3 Program. We added about \$120 million to this program through the FYDP to make the program fully executable on a moderate risk profile. These funds will cover delays in risk-reduction flights and adjusted cost estimates for test targets and lethality efforts. This will allow us to proceed expeditiously with the EMD program and LRIP missile procurement.

We are continuing to emphasize the rapid and robust fielding of this core TMD program. We plan to field a User Operational Evaluation System (UOES) capability on two cruisers in fiscal year 2000, with first unit equipage in fiscal year 2002.

MEADS

The last of the lower-tier systems is the Medium Extended Air Defense System (MEADS), formerly the Corps SAM program. MEADS is the only Theater Missile Defense (TMD) system under consideration which will provide maneuver forces with 360 degree defense protection against the real and growing threat of short-range tactical ballistic missiles, cruise missiles, and unmanned aerial vehicles. This system will provide fundamental enhancements in tactical mobility, strategic deployability, and operational capability. MEADS is a highly mobile system that is designed to protect our forward deployed and maneuvering forces. It will be transportable on C-130 aircraft. This system would replace Hawk, and would ultimately replace Patriot. As discussed above, we will defer equipping three Patriot battalions with PAC-3 pending a decision on development and deployment of MEADS.

We have signed an MOU on this program with Germany and Italy, and NATO has formed a project agency that has started work in Huntsville, Alabama. We plan about \$115 million over the FYDP to fully fund the U.S. costs of the Project Definition/Validation phase. We are working to be ready to make a decision to enter development in fiscal year 1998. The 1997 Defense Authorization Act authorizes the full amount requested for this fiscal year. The Senate Defense Appropriation mark fully funds the program as well. The Department of Defense urges the Appropriation Conference to recede to the Senate mark. The impact of reduced funding on the program would be significant, causing a delay in contract award and performance.

Upper-Tier Systems

Our second theater missile defense priority is the upper-tier systems. These systems are necessary to defeat longer-range ballistic missiles, to defend larger areas, and to increase effectiveness against weapons of mass destruction.

The Department's plan for upper-tier systems includes the development of the Theater High-Altitude Area Defense (THAAD) system for our ground forces. In addition, our upper-tier approach moves the Navy Theater Wide (NTW) System from the status of a candidate program to a concept definition and technology demonstration program with an established funding line. We are also pursuing a boost phase intercept capability with the continued development of the Airborne Laser (ABL) system.

THAAD

The THAAD system will provide extended coverage for a greater diversity and dispersion of forces and the capability to protect population centers. But the principal additional capability provided by this system is the ability to deal with longer-range theater missile threats as they begin to emerge. THAAD also reduces the number of missiles that the lower-tier systems must engage and provides us with a shoot-look-shoot capability--the ability to engage incoming missiles more efficiently.

THAAD is the most mature upper-tier system. In the past year, we made a significant adjustment to this program, holding our schedule to have ready an early contingency capability, but making out-year adjustments to focus on the nearer-term threat, reduce technical risk, and lower the rate of investment.

We kept in place the UOES concept and schedule. This will enable us to deploy an initial limited THAAD UOES capability late in 1998 should a contingency arise. The

final UOES capability would include about 40 missiles and two radars, which would be used for user testing, but which could be maintained in theater if needed. Recent testing difficulties have exhausted the remaining margin on this program and have added considerable risk to our ability to hold the 1998 date. For this reason, I have asked the BMDO Director to report back to me on program options for addressing the THAAD UOES capability.

We made a conscious decision to keep the UOES portion of the program on track, but we restructured the rest of the program for the objective THAAD system. During the review, we confirmed it was not likely, due to the extent of system engineering risk in the program, that we could achieve a THAAD first unit equipped until fiscal year 2003 or 2002 at the very earliest. We further delayed the production ramp-up and First Unit Equipped by constraining the funding as part of our effort to balance investment priorities.

The THAAD system to be initially developed and deployed will have a "UOES+" capability, a better version of the UOES system, but with somewhat less capability than the previously planned THAAD objective system. We applied our cost-as-an-independent-variable (CAIV) approach to look at the enhancements for the objective system, what they cost and what they bought us. We concluded that the UOES+ will meet the most important THAAD warfighting requirements at a substantially reduced cost.

The UOES+ program will militarize the UOES design and upgrade certain components, such as the infrared seeker, the radar, and the BM/C3. Our current schedule for this program is to begin LRIP in fiscal year 2003, with a FUE in fiscal year 2006. However, we are currently considering whether we might be able to afford some recovery of the FUE date, perhaps to 2004. We still have a significant system

engineering challenge; the fact that recent THAAD flights did not meet all of their objectives, stretching out testing and delaying the start of EMD by four months, illustrates the difficulty of this task.

NTW

The Navy Theater Wide system is projected to add the same generic kind of upper-tier coverage capability as the THAAD system, again providing longer-range coverage and protecting a wider area. This system also offers ascent-phase intercept capability in cases where the Aegis ship can be positioned near the launch point, and between the launch point and the target area.

The Navy Theater Wide system is less mature than the THAAD system. Prior to the review, we were proposing funding this program in our fiscal year 1996 and 1997 budgets at a low level (\$30 million per year) to mature the key enabling technologies. We have restructured this program to begin technology demonstration and concept definition this fiscal year, adding about \$570 million through the FYDP.

This structured program responds to the need to proceed at a prudent pace as the threat emerges, the lack of maturity of the technology, and the need to further develop the system concept to enhance robustness. There is also the opportunity to apply technology being developed for national missile defense to the NTW system. Likely areas of technology synergy include advanced sensors and seeker, propulsion, stabilization, and the underlying phenomenology. The program faces significant technology as well as engineering challenges. In particular, since the lead kinetic kill vehicle is not yet mature, we need to better understand kill vehicle alternatives before committing to full-scale development. A Lethality Improvement Program has been initiated to evolve the kill vehicle to a robust capability. Planned modifications to the

SPY-1 radar will provide the fire control sensor capability needed to meet operational requirements.

Boost-Phase Intercept

We are working on several approaches for fielding a Boost-Phase Intercept (BPI) capability against theater ballistic missiles. The Air Force Airborne Laser (ABL) is now a Major Defense Acquisition Program funded at \$963 million over the fiscal 1997 to 2001 time period. The ABL will be able to engage tactical ballistic missiles (TBMs) early, while they are still over the enemy's territory. This will provide a valuable deterrent, since the enemy faces the possibility of his missile falling onto his own territory. The Program Definition and Risk Reduction (PDRR) program addresses the remaining risk of integrating a number of proven technologies onto the aircraft. We are planning to culminate the PDRR program in fiscal 2002 with the destruction of a boosting TBM. If successful, the PDRR aircraft would then have residual operational capability, and could be deployed when required (similar to the Joint STARS deployment during Desert Storm). In parallel, the Ballistic Missile Defense Organization (BMDO) has funded studies to refine the concept for an Unmanned Aerial Vehicle (UAV) with a kinetic energy interceptor (at a rate of about \$10 million per year in fiscal years 1997 and 1998). This level of investment is sufficient to support a back-up path should problems develop with the airborne laser approach.

BM/C3

Interoperability in BM/C3 is essential for successful TMD operations. A capable, joint, interoperable BM/C3 underlies the three pillars of TMD, improving the effectiveness of active defense, passive defense, and attack operations.

We are actively pursuing three avenues to ensure effective BM/C3. These are: improving early warning and dissemination, ensuring communications interoperability, and upgrading command and control centers for TMD functions. From the joint perspective, BMDO oversees the various independent weapon system developments and provides guidance, standards, equipment and system integration, and analysis to integrate the sensors, interceptors, and tactical command centers into a joint, theater-wide TMD architecture. BMDO also conducts tests and demonstrations with the Commanders-in-Chiefs (CINCs) to verify this architecture meets the requirements and supports the warfighters' needs.

These BM/C3 initiatives provide several benefits to active defense. Effective BM/C3 conserves the number of interceptors required by improving weapon system fire distribution and coordination and through sensor fusion. It provides multiple information paths between sensors, shooters, and control locations to combat sensor outages and jamming. BM/C3 weapon cueing information also increases battlespace and depth of fire, improves defense against long-range threats, and increases the defended area. For attack operations, BM/C3 helps locate the threat and improve probability to shooting the shooter first. BM/C3 also supports passive defense measures by providing greater early warning and faster reaction times.

This integrated BM/C3 architecture also sets a foundation for other BM/C3 intensive initiatives, such as cruise missile defense. Finally, the improvements to the

architecture, procedures, and interoperability pay direct dividends in all warfighting areas.

The Department plans to spend about \$200 million per year on enhancements to the battle management/command, control, and communications (BM/C3) capabilities of our theater missile defense forces. This amount includes "embedded funding" in the Patriot and Aegis programs. It also covers the amount required for the Department's TMD C3 core programs, such as the ADA Brigade Upgrades; JTIDS procurement and TBM platform integration; datalink standards; Combat Information Center (CIC) upgrades; and TIBS/TDDS integration.

NATIONAL MISSILE DEFENSE

The Department's second overall missile defense priority is National Missile Defense. Our intended program is to position the United States to respond to a strategic missile threat as it emerges. We have shifted our national missile defense emphasis from a technology readiness program to a deployment readiness program.

Secretary Perry in his testimony last year described a "three plus three" program under consideration by the Department at that time. By moving from a technology to a deployment readiness posture, we have made the decision to proceed with the first three years of the "three plus three" program that Secretary Perry described. Under this approach, we plan to develop and begin testing elements of an initial NMD system and preserve thereafter a capability to deploy within three years. If after three years we encounter a threat situation that warrants deployment, then an initial operational capability (IOC) for an NMD system could be achieved in another three years, by 2003.

To implement this approach, the Department is spending the additional \$375 million added by the Congress in the fiscal year 1996 appropriation over two years to

initiate the NMD deployment readiness program. As a result, we will be spending more on NMD early in the 1996-2001 FYDP and less later. We have increased our budget in NMD by about \$100 million per year in both 1997 and 1998. We plan to reduce our funding for NMD by a commensurate amount in the out years of the FYDP-- so the net change for NMD funding over the 1997-2001 FYDP ends up being about zero. Once the NMD technology base is built up over the next three years, the NMD deployment readiness posture can be sustained at a reduced funding level.

This approach enhances the technological foundation of our NMD program in two ways: (1) the performance of the National Missile Defense we would deploy will be considerably improved over time; and (2) the timeliness of response to field an operational capability to counter an emerging threat will be shortened from six years to three years. If the decision is made to deploy an NMD system in the near term, then the system we could field in 2003 would provide a very limited capability. If we can avoid deploying a system in the near term, we will continue to enhance the technology base and the commensurate capability of the NMD system that could be fielded on a later deployment schedule.

The goal here is to be in a posture to be three years away from deployment, so that we can respond to the emergence of a threat. It does not make sense to make a deployment decision in advance of the threat, because we would be making investments prematurely, resulting in a system that would be less capable when it is really needed. In the absence of a threat, it is more sensible to continue to enhance the capability of the system that could be deployed when it is needed. This approach fields the most cost effective capability that is available at the time the threat emerges.

The development program that will be executed over the next three years will be compliant with the existing ABM Treaty. The system that is ultimately fielded, should a

deployment decision be made after three years, might comply with the current Treaty, or might require modification of the Treaty, depending on what the threat situation required. Decisions about the Treaty compliance of potential NMD systems would be made by the Department of Defense. At this point, it is important to underscore that there is no commitment today to deploy an NMD capability. The funds to deploy an NMD system are not in the Department's Budget.

The Department plans to test a Ground-Based Interceptor (GBI) Exo-atmospheric Kill Vehicle (EKV) in fiscal year 1998 and conduct the first integrated system flight test of a ground-based interceptor, prototype ground-based radar (GBR), upgraded early warning radars, and improved BM/C3 in fiscal year 1999.

The Air Force is funding development of the Space and Missile Tracking System (SMTS) as the low-earth orbit (LEO) component of the Space-Based Infrared System (SBIRS). SBIRS provides a broad range of support to both TMD and NMD, as well as technical intelligence and battlespace characterization of non-ballistic missile targets. SMTS will provide a unique mid-course tracking capability of missile targets which will allow greatly improved cueing of interceptors, and far more accurate determination of launch position and impact points than is currently possible. SMTS will also have unique capabilities for space surveillance and intelligence collection.

The SMTS program currently consists of two competing contractor teams. Hughes/TRW is developing a two-satellite Flight Demonstration System (FDS); Rockwell/Lockheed-Martin a single-satellite Flight Experiment, with both programs launching in late FY99. These risk-reduction satellites will serve as a "bridge" to a fully operational SMTS next century. We are currently considering whether we might be able to afford some acceleration of the schedule for an EMD phase of SMTS, perhaps with a first launch in FY04. The technical, management, and programmatic aspects of

an FY04 deployment are being developed for a Defense Acquisition Board (DAB) review in April 1997.

CRUISE MISSILE DEFENSE

Many TMD sensors, BM/C3, and weapons also have an effective capability to counter the growing land-attack cruise missile threat. In particular, the lower-tier PAC-3, Navy Area Defense, and MEADS systems operate in the same battlespace and will have capability against cruise missiles. In addition, the NMD BM/C3 architecture will be designed to promote interoperability and evolution to a common BM/C3 system for ballistic and cruise missile defense.

The Department also has a number of initiatives outside the BMD program to improve the ability of U.S. forces to detect and defeat cruise missiles "in theater" or launched against the United States. These initiatives include advanced technology sensors to detect low observable cruise missiles; upgrades to existing airborne platforms to improve over-the-horizon detection capability against cruise missiles; an Advanced Concept Technology Demonstration (ACTD) of a new aerostat sensor platform; and upgrades to existing missile interceptor systems.

TECHNOLOGY BASE

The last element of the Department's Ballistic Missile Defense program is the technology base. This program underpins both the TMD and the NMD programs by continuing to advance our capability to counter future and possibly more difficult threats. The BMD technology base allows us to provide block upgrades to our baseline systems, to perform technology demonstrations for reducing risk and providing a path to speed technology insertion, and to advance some of our basic underlying

technologies to provide a hedge against future threats--including research into advanced concepts, such as directed energy systems capable of global coverage.

ARMS CONTROL AGREEMENTS

Our theater missile defense (TMD) programs are going forward without ABM Treaty constraints on the capabilities necessary to meet TMD requirements. As we have previously informed the Congress, we have certified the compliance of the Patriot, Navy Area Defense, and Navy Theater Wide systems and the dem/val flight test program of the THAAD system. DoD will make any further compliance assessments that are necessary for U.S. TMD systems at the appropriate points in their programs.

For example, we are at such a decision point in the THAAD program. The timing is determined by the structure of the program's contracts. We have now determined that we can proceed with the THAAD program as planned, including both the UOES and objective system, consistent with the ABM Treaty. Previously, the THAAD UOES had been certified as compliant only through the dem/val flight test program, and we had not formally reviewed the objective system. We have recently completed analysis of both systems. The THAAD system design has changed since 1993, when we made an initial compliance assessment, and THAAD's capabilities and limitations are better understood now. While both the UOES and the objective system continue to meet TMD requirements, we have determined that neither system, as currently planned, will have capabilities to counter strategic ballistic missiles. With this determination on THAAD, DoD has now certified as treaty compliant all current U.S. TMD programs that have matured to a point where it is possible to assess compliance. These programs will proceed without any ABM Treaty restrictions on their intended capabilities for theater missile defense. We will, of course, review for compliance purposes any changes to these programs.

As the Committees are aware, the United States has negotiated with Russia and other newly independent states a draft Agreed Statement on demarcation. On September 23, 1996, Secretary of State Christopher and Foreign Minister Primakov announced that this agreement will be signed by the end of October. The demarcation agreement records the clear understanding among ABM Treaty partners that TMD systems whose interceptor velocity does not exceed 3 km/sec are compliant with the Treaty. The agreement will thus preclude any disputes about the compliance of current—and future—lower velocity TMD systems. This agreement is without prejudice to the compliance of higher-velocity TMD systems, which will be addressed in a subsequent agreement. In the meantime, compliance determinations for high velocity TMD systems will remain a national responsibility. In this regard, it is important to realize that the Navy Theater Wide program has been certified as treaty compliant. The demarcation agreement that will be signed next month is entirely compatible with, and supportive of, our TMD programs and objectives.

With respect to the impact of the ABM Treaty on our national missile defense (NMD) program, DoD is considering various proposals for systems that would provide a limited defense of the entire United States against intercontinental range, or strategic, ballistic missiles. Systems to counter strategic ballistic missiles are considered ABM systems, and thus various provisions of the ABM Treaty would have to be considered. DoD will make formal ABM Treaty compliance assessments of the proposed systems as necessary once their designs have matured to a point where this is possible. However, the development program that will be executed over the next three years is expected to be compliant with the Treaty. The system components that ultimately would be fielded, should a deployment decision be made after three years, would depend on factors such as the threat, and might comply with the current Treaty, or might require Treaty

modification. The current program is proceeding, however, in the expectation that a deployment of up to 100 Ground-Based Interceptors would be Treaty compliant.

As the Committees are aware, the United States has also negotiated with Russia and other newly independent states a draft Memorandum of Understanding on succession, which establishes a process through which successor states to the former Soviet Union can become Parties to the ABM Treaty. The draft agreement does not address, and so has no direct impact on, U.S. TMD and NMD systems. With respect to potential indirect impacts -- such as on future negotiations for modifications to the Treaty -- there is no reason to believe that additional Treaty Parties would necessarily preclude attainment of our objectives or otherwise adversely affect our ballistic missile defense programs. The successful negotiation of the demarcation agreement underscores the possibility of achieving mutually acceptable outcomes in adapting the ABM Treaty to new realities.

SUMMARY

In summary, the Department is committed to protecting the United States, including U.S. forces deployed abroad, and our allies against ballistic missile, cruise missile, and weapons of mass destruction threats. We have a comprehensive national security strategy for countering such threats, including preventing and reducing the threat; deterring the threat; and defending against it. Active defense against ballistic missile attack is an important component of that strategy.

Our BMD priorities remain as they were in the past and are reflected in the President's budget, which includes \$13.5 billion across fiscal years 1997 through 2001. This represents about a \$3 billion reduction from the baseline established by the President's fiscal year 1996 budget request, in order to support even higher-priority

needs in other parts of the Defense budget. Our first priority, Theater Missile Defense, deals with the threat that exists today. The second priority is National Missile Defense. And the third priority is to support the underlying technology base.

I believe the program proposed by the Department responds to the threats and to the priorities expressed by the Joint Staff. The TMD program fully supports deployment of early operational capabilities for the high-priority lower-tier systems, and provides the ability to deploy upper-tier systems in response to the threat and the availability of funding for those systems.

Our NMD program shifts from a technology readiness posture to a deployment readiness posture. The development portion of the program will comply with the Anti-Ballistic Missile Treaty and enable the United States to develop within three years, elements of an initial NMD system that could be deployed within three years of a deployment decision. This approach would preserve thereafter a capability to deploy within three years, while allowing the United States to continue the advancement of technology, add new elements to the system, and reduce deployment timelines.

The NMD system would have the purpose of defending against rogue and accidental/unauthorized threats. It would not be capable of defending against a heavy deliberate attack. The current program is proceeding with the expectation that a deployment of up to 100 Ground-Based Interceptors would be treaty compliant.

I am convinced that we have a BMD program that is balanced, affordable, and executable, and that is consistent with the priorities of the Joint Staff and warfighters.

Mr. Chairmen, thank you for this opportunity to appear before the Committees. I shall be happy to answer any questions you may have.

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POC: Military Assistant
Cdr Timothy J. Harp, USN
697-9112