2004 Annual Report

MITRE

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MITRE

As a public interest company, MITRE works in partnership with the government to address issues of critical national importance.

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LETTER FROM THE PRESIDENT AND CHAIRMAN OF THE BOARD

DR. JAMES R. SCHLESINGER
Chairman of the Board of Trustees

MR. MARTIN C. FAGA
President and Chief Executive Officer

In the nearly fifty years that MITRE has been addressing some of the nation's most pressing problems, we have seen great change—in the challenges confronting our sponsors, in the technologies available to support their missions, and in the ways in which government organizes to meet those challenges and leverage technology advances.

Growth in Complexity

As we reflect on the nature of change over the past five decades, we note one key theme—a dramatic increase in operational and technical complexity that is both multifaceted and multilayered. Missions have become more complex. Military operations may be accompanied by humanitarian efforts. The safety and security of air travel are global concerns. And the old paradigm of one agency, one mission has shifted to a new view of enterprises comprising multiple agencies seeking to share one mission, one vision.

Technology has also become increasingly complex, with all the attendant benefits and problems. Dramatic advances offer innovative solutions to critical problems but evolve so rapidly that existing acquisition procedures often cannot keep pace. In the 1990s systems engineering, long the mainstay of good development and acquisition, rapidly gave way to an emphasis on managing systems of systems. Today the watchword is enterprise systems engineering, reflecting a growing recognition that an "enterprise" may comprise organizations from different parts of government, from the private and public sectors, and, in some cases, from other nations.

This increasing level of complexity is forcing government agencies to explore new ways to meet their mission objectives. With ambitious agendas calling for innovative solutions that rely on complex technologies, they are hard-pressed to hire the diversity of skills required to achieve their goals. In recent years, they have begun to rely more heavily on a portfolio of public-private partnerships that provide access to all the resources they need. Managing and networking these resources effectively presents an additional challenge.

The Role of FFRDCs

In exploring these changes, we have spent time assessing past, present, and future Federally Funded Research and Development Center (FFRDC) roles, with specific emphasis on the three FFRDCs we manage. We have looked closely at our relationships with each of our sponsors and identified with them the areas where our contributions can be of most value.

We remain confident that FFRDCs play a crucial role in helping government meet mission objectives. At the heart of each FFRDC relationship is a sense of mutual responsibility and shared accountability. FFRDCs operate as long-term strategic partners, providing expertise in critical areas that augment government talent. Because they are prohibited from manufacturing products, competing with industry, or working for commercial companies, they have no bias in favor of any solution or product. FFRDCs frequently provide continuity over time, serving as the keepers of institutional memory for their sponsors. And in our particular situation, managing multiple FFRDCs allows us to apply solutions developed for one sponsor to challenges facing another.

Our Work

In each of our FFRDCs, the work we do for our sponsors is attuned to their unique needs and our core capabilities.

Our relationship with the Department of Defense (DOD) has expanded over the years to meet the changing needs of the larger national security community. The evolution over the last half century from an emphasis on Cold War deterrence to today's global war on terrorism has had far-reaching implications for both the DOD and the Intelligence Community (IC). DOD services and agencies must now achieve the right balance between conventional forces and operations and lighter, more agile forces who frequently contend not only with asymmetric attacks, but also with social and political issues. The IC, traditionally compartmentalized, with rigorous information sharing processes that often took days or longer, now finds itself in the position of needing to share information swiftly (in hours and minutes), while still maintaining high levels of security.

In recent years, the DOD, supported by the IC, has embarked on a major effort to transform from platform- and organization-centric operations to net-centric operations that leverage the power of highly networked information resources. In 2004, MITRE established an Enterprise Systems Engineering initiative to address horizontal integration issues and determine ways to remove technical hindrances. Initially work focused on clearly defining and identifying how programs become net-centric. Subsequently we provided a framework for conducting assessments to accelerate the deployment of capabilities, made recommendations to retire standards not supporting net-centric operations, and collaborated in defining a baseline end-to-end enterprise-level modeling and simulation capability to quantify systems engineering recommendations.

When we began working with the Federal Aviation Administration (FAA) nearly a half century ago, safety was its chief concern. Today they must balance maintaining a safe air traffic control system with concerns about ensuring security and meeting growing demands from passengers and airlines for greater efficiencies—all in the context of a world where aviation has become a global concern.

In our advanced laboratories, we provide real-time, human-in-the-loop simulations to test capabilities and explore new concepts. Our researchers are developing concepts for a global air traffic management system that integrates international standards with advanced aircraft, ground, and space systems and capabilities. We are working closely with both the FAA and the Transportation Security Administration to investigate technologies and approaches for screening passengers, flight crews, and transportation workers.

Other civil agencies have become encumbered with systems that are both out of date and poorly integrated. These agencies now find themselves in the position of needing to respond rapidly to government regulatory requirements for more efficient operations, while at the same time, sharing new and developing mission responsibilities with other agencies and serving a public increasingly insistent on customer-focused operations.

MITRE is working to facilitate enterprise modernization across a broad spectrum of agencies. We are applying our expertise in systems engineering, architecture development, and program management to address a complex network of technical, operational, and social issues. In addition to providing technical insights to support the development of enterprise architectures and information technology infrastructures, we are also able to connect programs across agencies. For example, the Department of Homeland Security needs a robust technical infrastructure to support the common missions of its many separate agencies.

Our People

We know that our employees are our most valuable asset and make it a priority to provide a world-class work environment that supports and nurtures their abilities. We offer policies to balance home and work life and promote programs that further their intellectual growth and development.

We invest in an independent research and development program in which staff can explore advanced concepts and technologies and their potential applications. This program not only advances our technical skill base and fosters an environment of innovation, but it also enables us to find cutting-edge solutions to our sponsors' most challenging problems.

We provide a range of educational opportunities for our staff, including a program with Johns Hopkins University that enables staff to earn a master's degree in systems engineering in as little as two years through part-time study on our main campuses.

We know that a major characteristic of a world-class work environment is the infrastructure that underlies employee productivity. This year we completed construction of a new building on our Bedford, Mass., campus. Built with collaboration in mind, it features new meeting spaces enhanced by advanced technology. Supported by the Commonwealth of Massachusetts' Renewable Energy Trust, we incorporated environmentally friendly features into the design, including photovoltaic solar cells to minimize energy consumption.

Our commitment to providing a world-class work environment has not gone without notice. For the fourth year in a row, *Fortune* magazine has named us to its list of the 100 Best Companies to Work For. Our employees tell us that although benefits and company culture are important, what matters most to them is the nature of our work. They are proud to be part of a company that is dedicated to addressing critical national problems, and they feel real pride in the contributions they are making.

Our Future

At MITRE we continue to pay attention to those core values that have been the hallmark of our company since its earliest days: commitment to the public interest, people working in partnership, and the pursuit of excellence where it counts most—in the solutions we provide for our sponsors.

Contemplating the challenges that face us today and in the future, we are more aware than ever of the important role that our trustees play in shaping and guiding our work program. This year we welcomed Ms. Jane Garvey, former FAA Administrator, as our newest trustee.

The following pages provide only a brief glimpse into our work program accomplishments in 2004. We hope that they spark your interest. For more information, please visit our Web site at www.mitre.org.

Martin C. Faga

Mr. Martin C. Faga
President and Chief Executive Officer

James Schlesinger

Dr. James R. Schlesinger
Chairman of the Board of Trustees

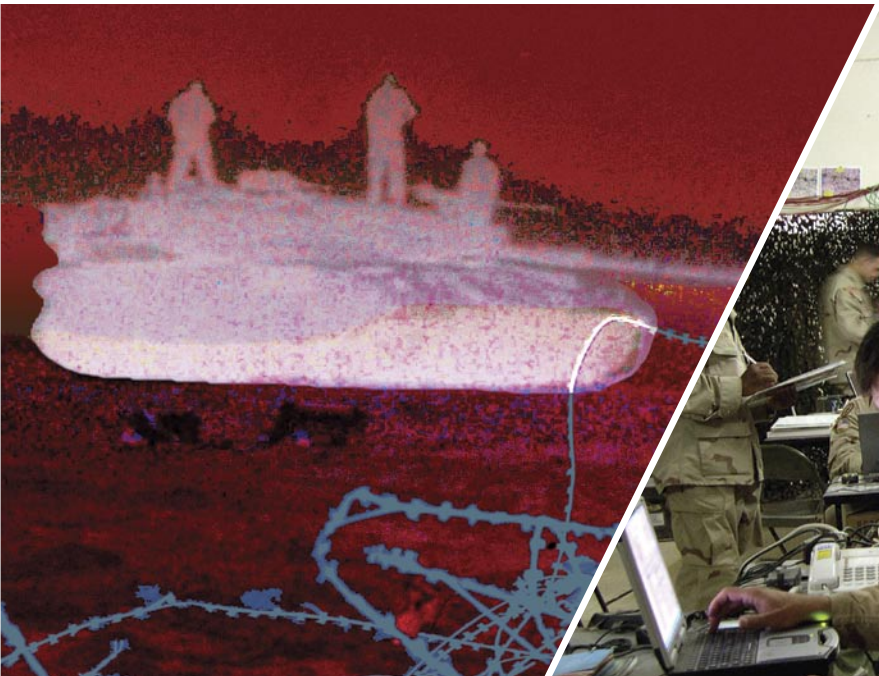
SENSING THE ENVIRONMENT

"No other organization provides true end-to-end systems engineering like MITRE—extending from basic technology development through technology transition to system acquisition. This lets us have a tremendous programmatic impact and be the best partner possible to our sponsors."

—Greg Crawford, Chief Engineer, Space Based Radar-BMC3

Over the last decade, the world has moved from a Cold War posture, characterized by well-defined adversaries and capabilities, to a climate of asymmetric threats, often without geographic restrictions. Meeting these new demands requires developing better sensors, sources, and methods to achieve around-the-clock, all-weather surveillance—in areas as diverse as isolated dense jungles, vast oceanic expanses, and highly cluttered urban environments. This "persistent surveillance" requires advances in collaboration and concepts of operation, and a leap forward in technology. MITRE has made substantial contributions to the Air Force's Multi-Platform Radar Technology Insertion Program, the Navy's Broad Area Maritime Surveillance Unmanned Aerial Vehicle program, and the joint Space Based Radar program. Much of our sensor technology work enables net-centric operations. The Air Force's Command and Control Constellation, the Army's Future Combat Systems, the Navy's FORCEnet, and the programs of the Missile Defense Agency are making significant advances in persistent surveillance. We are also taking the corporation's military and intelligence sensing expertise and applying that knowledge to support evolving Department of Homeland Security missions. Finally, we're always keeping an eye on the future, as illustrated by our research and development work with the Defense Advanced Research Projects Agency, other FFRDCs, government laboratories, academia, and commercial industry. Our extensive research in netted sensors, which link myriad small devices to form detailed big pictures, promises to yield exciting advances in persistent surveillance technology.

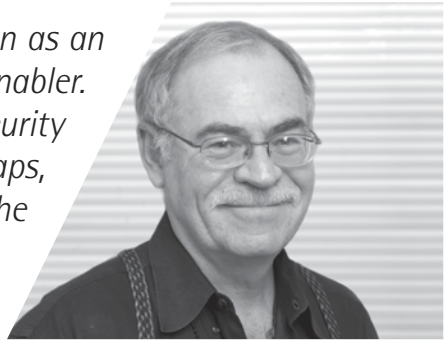
The "fog of war" describes the confusion of the battlefield, where things are not always as they seem. Today's high-tech sensors cut through the fog, giving our troops information essential to decisive action. MITRE is working at the forefront of sensor technology to provide a complete picture of the battlespace.



SHARING AND PROTECTING INFORMATION

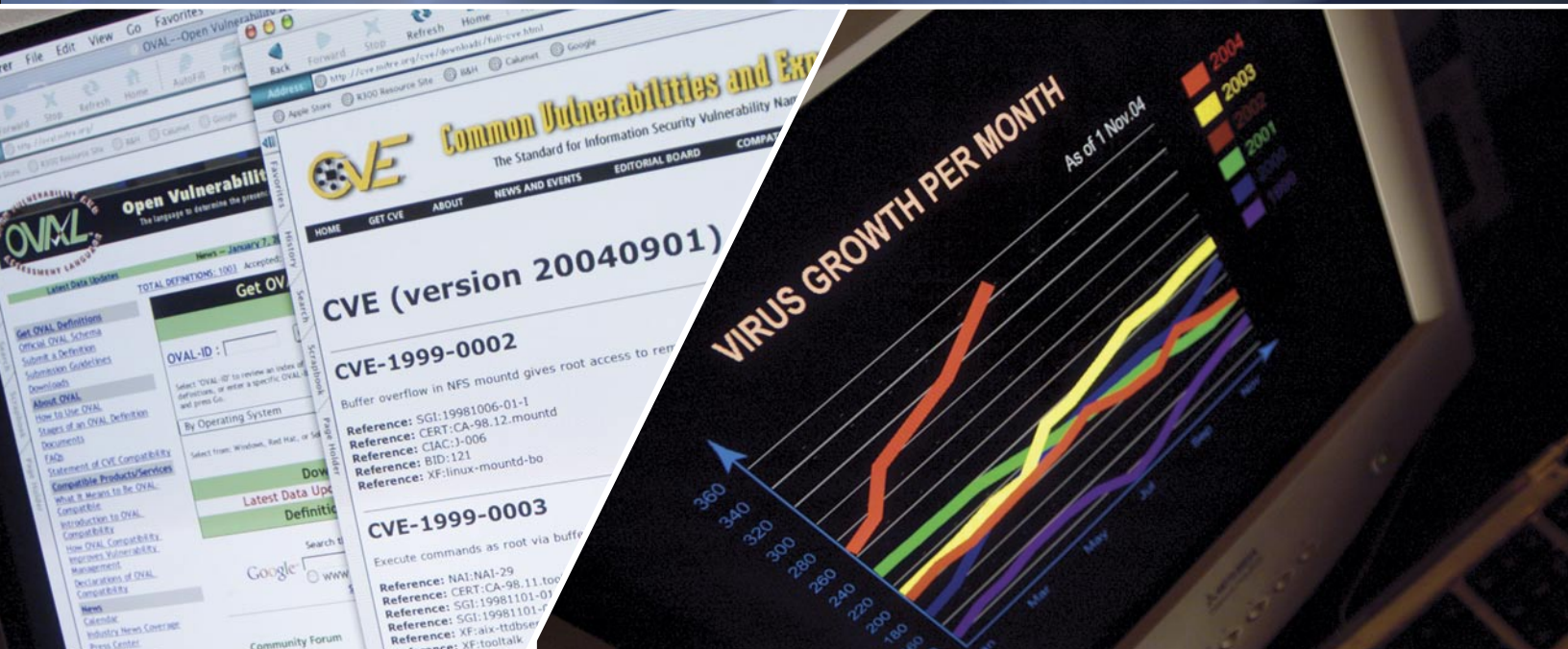
"It's ironic that security technology, so often seen as an impediment to sharing, could prove to be a key enabler. At MITRE, we check out the most promising security technologies in our labs, encourage vendors to fill gaps, and partner with government planners to enable the fielding of capabilities that really make a difference."

—Bill Neugent, Chief Engineer, Security and Information Operations



Security concerns have long impeded information sharing among intelligence organizations and users. These concerns are understandable because sharing can compromise sources and methods, lead to leaks, and expose intelligence systems to attacks. Recent events, however, have shown that need-to-know restrictions must be balanced with need to share. Sharing is also changing. Rather than waiting for vetted official information, the community now releases in-process products and raw data, often via real-time collaboration among new consumers and producers. Fortunately, innovative security initiatives and technologies hold the promise of taking secure sharing to the next level. At MITRE, we're working with our sponsors to examine several new security technologies, many with commercial origins. For instance, we're helping improve integrated identity and access management systems. Coupled with PKI (public key infrastructure, which supports digital signatures and other unique identifiers), this technology can enable single sign-on to numerous resources. Digital rights management (DRM) technology—best known for preventing digital music piracy—is also a growth area. DRM's strength lies in its ability to provide protection after data is distributed or shared. To prevent harm from within, insider-threat monitoring provides the ability to watch what people do at work with classified information. Meanwhile, as cross-domain information transfer across security levels becomes a reality, MITRE is studying ways to apply technology improvements that permit interagency sharing without compromising the information's source.

Sharing information can range from two people looking at the same computer screen to hundreds of users around the world in command centers, ships, and aircraft. The challenge we face is to increase sharing while continuing to protect sensitive sources, methods, and information.



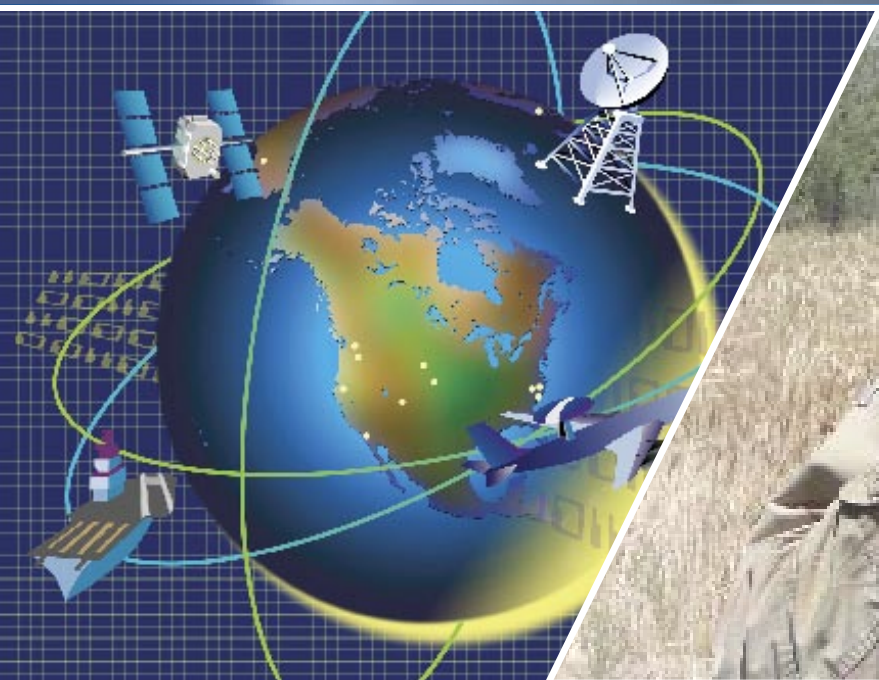
ENABLING GLOBAL NET-CENTRIC OPERATIONS

"Developing machine-to-machine information exchange allowed us to take the best of MITRE—our skills, our dedication, our knowledge of the people whowould use the technology—and create a working prototype that really hit the nail on the head."

—Mike Butler, Project Director, Machine-to-Machine Targeting Program

The concept of military net-centric operations (NCO)—getting information to the people who need it, when they need it, through the power of digital and Web-enabled connectivity—has moved beyond the theoretical to the real. But before NCO can reach its full potential, there are still a host of challenges to overcome. The underlying large-scale enterprise information environment, which is part of the Global Information Grid (GIG), for instance, must evolve significantly from its current form to support the military's long-term transformation goals. MITRE approaches this problem via the "layers" of separate functionality that make up net-centric capabilities: sensors, transport, information services, applications, and the information assurance embedded in each layer. Our staff works cooperatively in every area, knowing that solutions to challenges in one layer may affect solutions in the others. This approach enables rapid reconfigurations that meet changing mission needs and technology insertion in each layer independently. Our current work supports building the GIG of the future while enhancing the GIG of today. For instance, we helped the Navy develop the design that will enable the U.S. submarine force to plug more easily into the GIG by transitioning from "stove-piped" tactical data links to Internet Protocol (IP)-based communications. We've also been expanding our ground-breaking work in other major areas, for example, leveraging our previous work and deployment of machine-to-machine information exchange to develop the Blue Force Tracking Enterprise Service, which will be used as a reference model for future GIG Enterprise Services.

From enhanced global positioning systems to the next-generation Distributed Common Ground System, MITRE is hard at work helping bring the net-centric age to maturity. Ultimately, the Global Information Grid will use the power of the network to connect advanced military and intelligence resources to warfighters, commanders, and analysts.



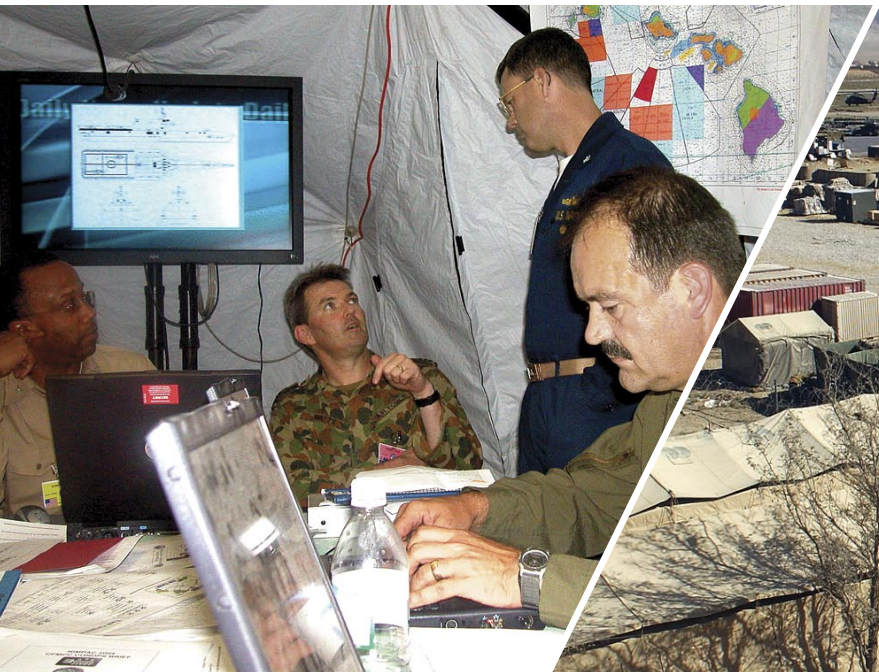
SUPPORTING DECISION MAKERS IN A JOINT AND MULTINATIONAL ENVIRONMENT

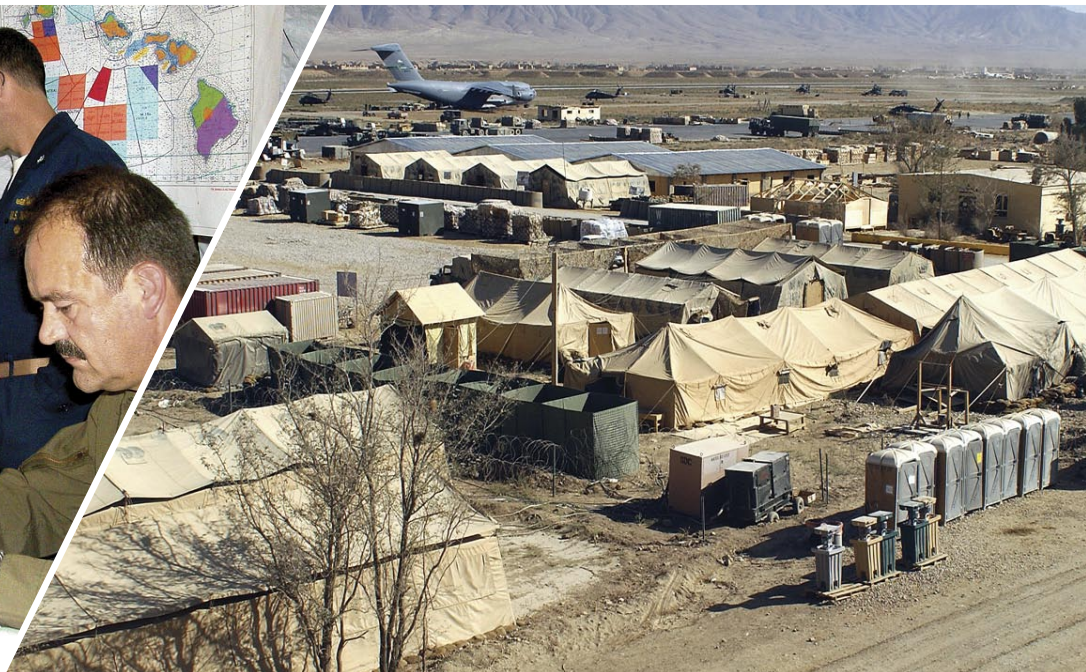
"My work lets me open lines of communication. We help the combatant commands and their coalition partners find ways to share information dynamically, under stressed operational conditions."

—Rajeev Parekh, Network Systems Engineer, CENTRIXS

We live in a world where joint, interagency, and multinational operations are the norm. This reality shapes actions at all levels, from choosing weapons and targets to mapping entire strategies. The military's evolving net-centric information structure must now support a vast range of applications for both the military services and their partners. We're helping improve our sponsors' interoperability, security, communications, and data sharing so that everyone can operate effectively in this complex environment. The work ranges from the MITRE-created Translingual Instant Messaging (TrIM) tool, which helped bridge language barriers among our allies during Operation Iraqi Freedom, to the Multinational Information Sharing Combined Enterprise Regional Information Exchange System (MNIS CENTRIXS), which is the standard for information sharing among the U.S. combatant commands and multinational forces. Our strong presence at the Joint Expeditionary Force Experiment continued, with JEFX04 demonstrating and providing a venue to assess new or evolving warfighter capabilities. We're applying the technical and organizational lessons we learned to the growing number of interagency cooperative efforts between the DOD and civilian agencies, such as the Department of Homeland Security. An Advanced Concept Technology Demonstration by U.S. Northern Command, for instance, promotes communications interoperability and information sharing among America's emergency first responders. Our International Operations Council, composed of system experts from throughout MITRE, helps coordinate and consolidate the joint and multinational activities.

The growth of multinational operations in today's military has introduced a range of new challenges—from different languages to different communication infrastructures. MITRE supports the development of technologies such as TrIM and CENTRIXS to facilitate coordination and collaboration among U.S. and allied forces in the operational environment.





ADVANCING GLOBAL AIR TRAFFIC MANAGEMENT

"Aviation's future is our future. That's our focus, and we devote all our energy to it."

—Chris DeSenti, Lead Multi-Discipline Systems Engineer

Although U.S. airlines are still restructuring, the number of passengers worldwide has increased dramatically since 9/11, posing significant challenges for air transportation providers. Current projections indicate that the world's air traffic management system will struggle to provide adequate capacity and services to meet the demand. MITRE is working as a mission partner with the Federal Aviation Administration to tackle these issues. Using real-time, human-in-the-loop simulation capabilities in its Air Traffic Management labs, MITRE is providing researchers and decision makers from all areas of aviation with an environment to test new concepts for the future. One example is the Performance-based National Airspace System, which will provide pilots, airlines, traffic flow managers, and controllers with unprecedented control over and integration of their operations. In addition, MITRE is helping shape the next-generation air transportation system through a research program called Future Vision. Using analysis techniques born out of complex systems theories, Future Vision investigates advanced aviation concepts, assessing their operational viability and calculating their value to all stakeholders. Using our expertise in systems engineering, MITRE researchers are building an air traffic management system that integrates global harmonization standards and advanced aircraft, space, and ground-based capabilities into a performance-based operation.

Research indicates that navigation, communications, and surveillance performance standards will be critical to increasing efficiency, flexibility, and safety of the National Airspace System. MITRE's labs and simulation capabilities provide aviation decision makers with access to real-time information for decision making.

ENHANCING TRANSPORTATION SECURITY

"Collaborating with my colleagues on a mission of national importance and having the ability to make a positive impact on the security of the U.S. transportation system ... every day ... that's what really motivates me."

—Kim Warren, Chief Software Architect

MITRE is at the forefront of key government initiatives aimed at ensuring the security of the national transportation system. Bringing our systems engineering and domain knowledge to bear, we are working as a strategic partner with the Federal Aviation Administration (FAA) and the Department of Homeland Security investigating a wide range of technologies and approaches. To ensure safety in the air, MITRE developed an innovative Airspace Avoidance/Alerting prototype that alerts pilots of Temporary Flight Restrictions (TFRs) and helps them revise their aircraft flight paths to avoid the TFR. On the ground, we support several Transportation Security Administration (TSA) programs focused on screening passengers, flight crews, and transportation workers. In cyberspace, MITRE is working to mitigate the risk of attacks before they can affect air traffic operations. We are working with the FAA Telecommunications Infrastructure (FTI) team to ensure that future National Airspace System (NAS) communications are protected, while at the same time developing an overall NAS security architecture that leverages the FTI to advance NAS information security. The architecture—NAS Security Using Restrictive Enclaves—provides a structure for protecting the NAS against malicious computer code viruses and other cyber threats. MITRE is also working with the FAA Computer Security Incident Response Center to formulate and implement procedures to detect, analyze, respond, and ultimately thwart cyber attacks in order to keep our transportation system safe.

MITRE is working with the government on the Secure Flight, Crew Vetting, and TSA Worker Credentialing programs. These programs help focus our nation's critical security resources where threats are highest.

TRANSFORMING GOVERNMENT THROUGH ENTERPRISE MODERNIZATION

"Modernization is principally about people and organizational change—the incremental fusion of incumbent government professionals with modern best practices and supporting information technology to better serve our citizens."

—Vance Kauzlarich, Program Manager, Modernized e-File System

Americans accustomed to automatic teller machines and real-time financial transactions are coming to expect the same convenience and speed from government agencies with which they do business. Government agencies need an environment where information can be shared, integrated, and processed quickly and seamlessly. But many systems the government uses date back to the 1960s and 1970s, slowing the process by which information is shared and services delivered. MITRE is facilitating enterprise modernization for a broad spectrum of national fiscal, health, security, and citizen service agencies. We have brought expertise in enterprise architecture, systems engineering, and program management to the Internal Revenue Service (IRS). We are five years into our partnership with the IRS, and the agency has dramatically improved its level of service to taxpayers and its ability to collect revenue and monitor tax compliance activities. In addition, we are helping set up Information Sharing and Analysis Centers to improve public health emergency preparedness by integrating health information from public and private sources. Preparations for the 2010 U.S. Census are fully engaging our strategic planning and systems engineering expertise. With these and other initiatives, MITRE is helping its customers manage transitions to meet new responsibilities and expectations.

A MITRE team worked with the IRS to launch the Modernized e-File (MeF) system to broaden electronic services to taxpayers and third-party tax return preparers. Using an Internet-based architecture, MeF initially handles the most common forms and schedules associated with corporate filers. Eventually this system will manage all individual and corporate returns.

SECURING OUR NATION

"MITRE is uniquely able to reach across organizational boundaries to facilitate collaboration. Our team supplies broad experience and hard-earned business, technical, and management lessons from many other large, complex government programs."

—Barbara Toohill, Program Manager, US-VISIT

Integrating 22 separate cultures into one cohesive unit is the challenge facing the Department of Homeland Security (DHS). Many of these agencies—including the U.S. Border Patrol, Coast Guard, and Customs and Border Protection—have missions much different from those they had before 9/11. To ensure integration, DHS needs a technical infrastructure to support common missions and enhance interoperability. MITRE is helping DHS build a technical and organizational foundation to do just that. We are using our technical expertise to advise DHS on an approach to systems engineering that will ensure that DHS' highest priorities, such as counter-terrorism and visitor screening, get addressed. We are providing technical oversight to the development of a DHS classified communications infrastructure, working with the DHS Enterprise Architecture team to create a roadmap for the future, and developing a technical assessment to help DHS identify the most promising emerging technologies and their potential application. And we have set up an investment review process to ensure DHS' needs are met in a cost-effective manner. MITRE is also providing strategic planning, technical support, and compliance implementation for the DHS Information Security Program. These and other current MITRE programs are helping DHS address our nation's most critical threats and vulnerabilities.

The US-VISIT program seeks to bolster national security with a system for confirming the identity of foreign nationals traveling to the United States. MITRE helped establish US-VISIT's program office, expedite the acquisition of a prime contractor, and meet the mandates Congress has set thus far.

LEVERAGING OUR RESEARCH AND DEVELOPMENT

"We're applying information exploitation and information sharing techniques developed for the Intelligence Community to civilian agencies. MITRE's strong interagency relationships give us a unique ability to link our sponsors' needs with our deep knowledge base."

—Conrad Chang, Principal Investigator, MITRE Technology Program

At any given moment, MITRE employees are digging deep into the heart of the Semantic Web, finding ways to share spectrum more efficiently, or even piloting robots that might one day lead search-and-rescue missions. All of those staff members and dozens of their colleagues are part of the MITRE Technology Program (MTP). By exploring new and emerging technologies, the MTP provides a tactical and strategic tool for our Centers—tactically, to show our sponsors how technology can meet their needs; strategically, to be ready for tomorrow's challenges today. Some research, such as that conducted in MITRE's aviation modeling and simulation laboratories, builds tools to analyze current and future scenarios. Other projects, such as the SPICE program to improve radio communications, transition directly into operational programs. Still other elements of the MTP are intangible, but no less real—offering leadership opportunities, helping attract and retain talented employees, and bringing knowledge into the company. To ensure that innovative ideas flow throughout the company, our Technology Symposium brings the principal investigators of current projects together with employees, sponsors, and other guests. This yearly event promotes discovery and discussion within MITRE and among its customers—contributing to the kind of collaboration that fuels innovation and encourages deployment of new technologies to solve sponsors' problems.

Deception—whether by a con artist or an enemy force—occurs every day. But while trickery is commonplace, systematic methods for spotting it are not. MITRE researchers Chris Elsaesser and Frank Stech (below right), co-principal investigators of our Counter-deception Decision Support project, are attempting to automate deception detection, a process that should help analysts and decision makers decide if deception is afoot.

REACHING OUT TO OUR COMMUNITIES

"We provide technical support to programs of national interest through our MITRE work program and also get to provide support to our most valued local resource, our children. What could be better?"

—Bobby Blount, Senior Principal Systems Engineer and founder of the Texas Annual Solar Race Car Event

At MITRE, our staff members are not just good employees, they're also good people—donating their time and skills to activities that will have a positive impact on the quality of life in the communities in which we live and work. Across the corporation, employees are reaching out to the next generation of scientists, serving as mentors at local schools. At our San Antonio site, employees have taken this one step further. They have established an annual solar race car event, which regularly draws over 300 elementary and middle school participants from the surrounding communities. Now in its eighth year, the event is a great way for children to work on teams to solve real-life scientific and engineering problems. Their newest activity, now in its third year, is an annual science bowl, which consists of an academic bowl and a fuel cell vehicle race for 120 middle school participants. Employees are also reaching out to the global community. This past year, one of MITRE's employees, along with a team of medical professionals, traveled to the West Indies island of Montserrat—an area recently devastated by volcanic eruptions—to provide desperately needed life support training. For one week, the team held classes for physicians, nurses, firefighters, elderly caregivers, ambulance drivers, and other first responders and health care providers. From education to health and human services to arts and culture to civic and community causes, our employees have found ways both large and small to give back to their communities.

Each year, hundreds of our employees, either individually or in groups, volunteer their time to make a difference for those in need. It is this generosity of spirit that reminds us that MITRE is more than just a company, it's a community of individuals committed to helping one another achieve a greater good.

MITRE AT A GLANCE

Mission

As a public interest company, MITRE works in partnership with the government applying systems engineering and advanced technology to address issues of critical national importance.

Organization

MITRE manages three Federally Funded Research and Development Centers (FFRDCs) for the U.S. government. Because FFRDCs are prohibited from engaging in profit-making activities or competing with industry, they can analyze technical questions objectively, providing creative solutions to problems of enormous complexity.

- **Department of Defense Command, Control, Communications, and Intelligence FFRDC**
  Established in 1958, the DOD C3I FFRDC today supports a broad and diverse set of sponsors within the Department of Defense and the Intelligence Community. To better meet the needs of its sponsors, MITRE has organized the C3I FFRDC into three operating centers—the Center for Air Force Command and Control Systems, the Center for Integrated Intelligence Systems, and the Washington Command, Control and Communications Center—each with a clear mission and focus.
- **Federal Aviation Administration FFRDC/Center for Advanced Aviation System Development**
  Established in 1990, CAASD works to advance the safety, security, effectiveness, and efficiency of aviation in the United States and around the world by conducting a continuing program of research, development, and engineering in collaboration with the aviation community.
- **Internal Revenue Service FFRDC/Center for Enterprise Modernization**
  Since 1998, CEM has worked to advance enterprise modernization within the IRS and across other government agencies—including the Department of the Treasury and its bureaus, the Department of Homeland Security, the Department of Health and Human Services, and the Bureau of the Census.

Additionally, the **MITRE Technology Program** sponsors an active company-wide research and development program, making sure we understand and contribute to the technologies that our sponsors will need in the years ahead. The Technology Program sponsors events to help employees share and gain knowledge such as the annual Technology Symposium and the Technology Speaker Series. MITRE's **Technology Transfer Office** (TTO) makes many of our innovations available to commercial companies, academia, and the public at large. Now in its fifth year, the TTO continues to grow, disclosing several new patents and signing numerous commercialization agreements during 2004.

Facts and Figures

Chairman, Board of Trustees: Dr. James R. Schlesinger
President and Chief Executive Officer: Mr. Martin C. Faga
Founded: 1958
Employees: 5,900 worldwide
Education: 65% of employees have advanced degrees
Principal locations: Bedford, Mass., and McLean, Va., with more than 60 sites in the U.S. and around the world

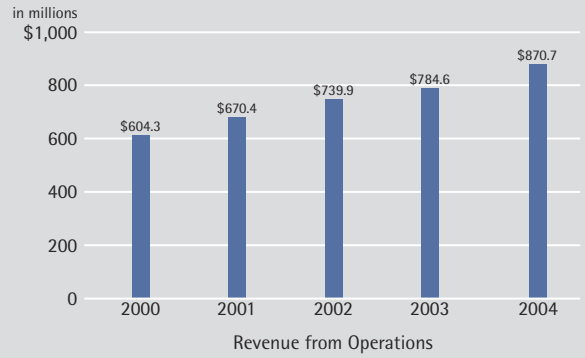
Awards and Recognition

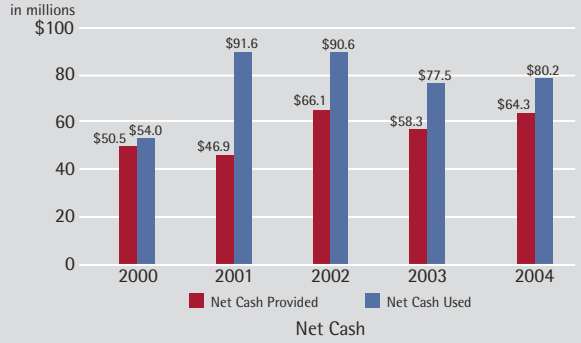
Fortune 100 Best Companies to Work For (fourth year in a row)
Working Mother 100 Best Companies for Working Mothers (second year in a row)

FINANCIALS

MITRE's revenue from operations increased from $784.6 million to $870.7 million in fiscal year 2004. This increase was due to a $53 million growth in the DOD C3I FFRDC (primarily in the intelligence area) and a $33 million growth in the Center for Enterprise Modernization (primarily in the Department of Homeland Security work program).

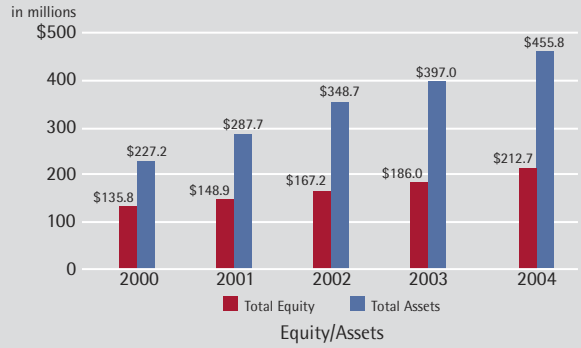
MITRE has continued with the modernization of its Bedford, Mass., campus with the completion and occupancy of the MITRE Center. Additional office space in Northern Virginia has been leased to accommodate the growth of MITRE's Washington work program.





REPORT OF PRICEWATERHOUSECOOPERS

MITRE's FY04 financial statements were audited by PricewaterhouseCoopers LLP, whose report, dated December 17, 2004, expressed its unqualified opinion that such financial statements, including the accompanying notes, were presented in conformity with accounting principles generally accepted in the United States of America. Copies of the audited financial statements are available upon request.



LEADERSHIP

Corporate

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President and Chief Executive Officer

Mr. Lewis Fincke
Senior Vice President,
Chief Financial Officer, and Treasurer

Mr. David H. Lehman
Senior Vice President for
Information and Technology

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