Exhibit R-2, RDT&E Budget Item Justification								Date: June 2001	
APPROPRIATION/BUDGET ACTIVITY RDT&E, DEFENSE-WIDE, BUDGET ACTIVITY 4					R-1 ITEM NOMENCLATURE CALS, The Strategy, PE 0603736D8Z				
COST ($ in Millions)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Cost to Complete	Total Cost
Total PE Cost	5.383	8.522	1.614						Continuing	Continuing
Program Specifics										

A. **Mission Description and Budget Item Justification**

(U) (U) BRIEF DESCRIPTION OF ELEMENT: CALS is an international core strategy to share integrated digital product data through a set of standards to achieve efficiencies in business and operational mission areas. DoD's overarching goal in CALS is to develop a seamless defense enterprise in which the knowledge products of the acquisition process are immediately and rapidly accessible to all authorized users while maintaining near immediate currency and quality of information. This desired state is referred to as the "Integrated Data Environment (IDE)". The IDE (immediate access to quality information) drives many defense-wide and functional-specific reforms and business process improvements. The rapid sharing of information is an implied requisite of Integrated Product and Process Teams, a fundamental process for implementing concurrent engineering and streamlining project management. Digitized information frees logistics support and operator personnel from the burden of cumbersome document or file formats for information processing or presentation – enabling new methods for the performance of maintenance and training tasks based on interactive electronic technologies. This program element is to (1) assess and transition evolving automation technologies into the CALS strategy; (2) develop, maintain and apply to weapon system program office operations an executable business model for the application of CALS and related technologies; (3) integrate technical and functional requirements into a Shared Information Framework of the standards, protocols, procedures, and network management conventions required to achieve compatible implementation of the IDE throughout the international defense enterprise.

(U) FY 2000 Accomplishments

- Continue to reengineer logistics processes based on CALS technologies ($1.005 Million)
- Employ CALS in developing architectures to govern the modernization of integrated supply chain information systems ($.800 Million)
- Reengineering logistics processes based on CALS technologies and integrate maintenance prognostics and IETM architecture ($3.278 Million)
- Integrating CALS technologies with dynamic product models ($.300 Million)

Exhibit R-2, RDT&E Budget Item Justification	Date: June 2001

(U) FY 2001 Program

- Continue to reengineer logistics processes based on CALS technologies ($.500 Million)
- Continue to employ CALS in developing architectures to govern the modernization of integrated supply chain information systems ($.384 Million)
- Reengineering logistics processes based on CALS technologies and integrate maintenance prognostics and IETM architecture ($7.000 Million)
- Continue to employ CALS in developing architectures to govern the modernization of integrated supply chain information systems ($.278 Million)
- Integrating CALS technologies with dynamic product models ($.260 Million)
- Reengineer logistics processes based on CALS modernization technologies ($.100 Million)

(U) FY 2002 Plans

- Continue to reengineer logistics processes based on CALS technologies ($.910 Million)
- Continue to employ CALS in developing architectures to govern the modernization of integrated supply chain information systems ($.704 Million)

B.   Program Change Summary ($ millions)

	FY2000	FY2001	FY2002	Total Cost
Previous President's Budget	1.652	8.585	1.614	Continuing
Appropriated Value	5.652			
Adjustments to Appropriated Value				
a. Congressionally Directed Appropriation Reduction				
b. Congressionally Directed Undistributed Reduction				
c. OSD Directed Undistributed Reduction	(.269)	(.063)		
Current Budget Submit/President's Budget	5.383	8.522	1.614	Continuing

Change Summary Explanation: Adjustment reflects inflation saving and the Government-wide rescission.
            Funding: N/A
            Schedule: N/A

            Technical: N/A

C.   Other Program Funding Summary: N/A

Exhibit R-2, RDT&E Budget Item Justification	Date: June 2001

D. Acquisition Strategy: N/A

E. Schedule Profile: N/A
Fiscal Year actual and planned events:

                          FY2001   FY2002

Acquisition Milestones: N/A

Engineering Milestones: N/A

T&E Milestones: N/A

Contract Milestones: N/A

Exhibit R-2, RDT&E Budget Item Justification	Date: June 2001

Exhibit R-2a, RDT&E Project Justification		Date: June 2001

APPROPRIATION/BUDGET ACTIVITY RDT&E, DEFENSE WIDE, BUDGET ACTIVITY 4	PROGRAM ELEMENT PE 0603736D8Z	PROJECT NAME AND NUMBER CALS, The Strategy

Cost ($ in Millions)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Cost to Complete	Total Cost
CALS IETM Architecture	3.278	8.522	1.614	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
RDT&E Articles Qty										

A. Mission Description and Budget Item Justification The Joint Logistics Commanders documented an interoperability requirement for the development and deployment of Interactive Electronic Technical Manuals in a memorandum for the DUSD (Logistics) from Joint Logistics Commanders, 10 June 1997, and assigned responsibility to the Tri-Service Interactive Electronic Technical Working Group. This initiative provides technical support to the working group to accomplish several tasks in support of their mission. Total asset identification and application is not possible electronically without automation of the DoD Type Designation System and development of a link between Weapon Systems and the Federal Logistics Information System. CALS IETM researches into the application of Electronic Commerce and Electronic Data Interchange (EC/EDI) standards for business process application.

(U) FY 2000 Accomplishments
- Reengineering logistics processes based on CALS technologies and integrate maintenance prognostics and IETM architecture
- Integrating CALS technologies with dynamic product models

(U) FY 2001 Program
- Continue to employ CALS in developing architectures to govern the modernization of integrated supply chain information systems
- Continue to integrate CALS technologies with dynamic product models
- Reengineer logistics processes based on CALS modernization technologies
- Employ CALS in developing architectures to govern the modernization of integrated supply chain information systems

(U) FY 2002 Plans
- Continue to employ CALS in developing architectures to govern the modernization of integrated supply chain information systems
- Continue to reengineer logistics processes based on CALS technologies

Exhibit R-2a, RDT&E Project Justification	Date: June 2001

B.   Other Program Funding Summary

C.   Acquisition Strategy
Congress added $4.0M of FY00 and $7.0M of FY01 RDT&E funds for the Integrated Data Environment (IDE) /Computer Aided logistics (CALS) program. The IDE project develops research information management techniques to support The "Policy for the Transition to a Digital Environment for Acquisition Programs," DUSD(Logistics), July 2, 1997; and the "Life Cycle Information Integration Directive," USD(A&T), July 17, 1998.

D.   Schedule Profile

Fiscal Year actual and planned events: FY2001 & FY2002

Acquisition Milestones: N/A

Engineering Milestones: N/A

T&E Milestones: N/A

Contract Milestones: N/A