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Exhibit R-2, RDT&E Budget Item Justification					Date: February 2006		
Appropriation/Budget Activity RDT&E Defense-Wide, BA 6	R-1 Item Nomenclature: General Support to USD(Intelligence) PE 0605200D8Z						
Cost (\$ in millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Total PE Cost	7.680	14.054	5.637	5.910	5.909	5.952	6.076
Intelligence Support	.728	.752	.874	.916	.916	.923	.942
Resource Database Support	.262	.278	.295	.297	.296	.299	.305
Information Operations	3.748	4.169	4.468	4.697	4.697	4.730	4.829
Foreign Supplier Assessment Center	2.942	8.855	0	0	0	0	0
<b>A. Mission Description and Budget Item Justification:</b>							
Intelligence and Resource Database Support are technical and resource management activities that serve the OUSD(I) organization. Information Operations contains classified efforts. Foreign Supplier Assessment Center is an FY 2005 and FY 2006 Congressional add.							
<b>B. Program Change Summary:</b> (Show total funding, schedule, and technical changes for the program element that have occurred since the previous President's Budget Submission)							
	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>				
Previous President's Budget	7.690	5.282	5.445				
Current President's Budget	7.680	14.054	5.637				
Total Adjustments	-.010	+8.772					
Congressional program reductions		-.085					
Congressional rescissions		-.143					
Congressional increases		+9.000					
Other adjustment	-.010		+1.192				
Change Summary Explanation:							
FY 2005: New program element. These efforts were previously funded in 0605710D8Z. Department adjustments							
FY 2006: \$.085 Congressional program reductions; \$.143 Congressional rescissions; \$9.000 Congressional add for Foreign Supplier Assessment Center;							
FY 2007: \$.192 Department increase							

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**C. Other Program Funding Summary:** Not Applicable

**D. Acquisition Strategy:** Not Applicable

**E. Performance Metrics:**

Intelligence Support: Classified

Resource Database Support: Accuracy and completeness of financial data capture for all Intelligence elements within the DoD in support of SecDef, OMB and Congress

Information Operations: Classified

Foreign Supplier Assessment Center: Accuracy of threat and vulnerability assessment tabulated on foreign service/product suppliers to protect critical United States warfighting technologies

Exhibit R-2a, RDT&E Project Justification							Date: February 2006
Appropriation/Budget Activity RDT&E,DW BA 6	Project Name and Number: Intelligence Support						
Cost (\$ in millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Intelligence Support	.728	.752	.874	.916	.916	.923	.942
RDT&E Articles Quantity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>A. Mission Description and Budget Item Justification:</b>							
<p>The program focuses on technologies and their applications on activities of the OUSD(I), and includes evaluations of concepts, technology development, and feasibility studies related to intelligence processes, shortfalls, and requirements, and affects intelligence policy, planning and operational guidance.</p>							
<b>B. Accomplishments/Planned Program</b>							
	FY 2005	FY 2006	FY 2007				
Accomplishment/ Effort/Subtotal Cost	.728	.752	.874				
RDT&E Articles Quantity	N/A	N/A	N/A				
<p>FY 2005 Accomplishments: Mission Support \$ .728</p> <p>FY 2006 Accomplishments: Mission Support \$ .751</p> <p>FY 2007 Plans: Mission Support \$ .874</p>							

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**C. Other Program Funding Summary:** Not Applicable

**D. Acquisition Strategy:** Not Applicable

**E. Major Performers:** Not applicable

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Exhibit R-2a, RDT&E Project Justification							Date: February 2006
Appropriation/Budget Activity RDT&E,DW BA 6	Project Name and Number: Resource Database Support						
Cost (\$ in millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Resource Database Support	.262	.278	.295	.297	.296	.299	.305
RDT&E Articles Quantity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>A. Mission Description and Budget Item Justification:</b>							
Provides on and offsite operational, technical and process support, to include development of major improvements to the existing mechanisms/applications used by OUSD(I) to meet PPBE requirements and the timely and accurate production of MIP Congressional Justification Book (CJB). Supports transition from current applications and databases to an integrated automated resource management system.							
<b>B. Accomplishments/Planned Program</b>							
	FY 2005	FY 2006	FY 2007				
Accomplishment/ Effort/Subtotal Cost	.262	.278	.295				
RDT&E Articles Quantity	N/A	N/A	N/A				
FY 2005 Accomplishments: Initiated design and development of a resource database for the purpose of capturing, tabulating, and reporting all elements of Intelligence funding within the DoD to meet PPBE and CJB requirements.							
FY 2006 Accomplishments: Continued design and development of a resource database for the purpose of capturing, tabulating, and reporting all elements of Intelligence funding within the DoD to meet PPBE and CJB requirements.							
FY 2007 Plans: Develop automated database functionality/capability to support PPBE, CPBS and MIP business processes and MIP CJB requirements.							

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C. Other Program Funding Summary: Not applicable

D. Acquisition Strategy: Not applicable

E. Major Performers: Not applicable

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Exhibit R-2a, RDT&E Project Justification							Date: February 2006
Appropriation/Budget Activity RDT&E,DW BA 6	Project Name and Number: Information Operations						
Cost (\$ in millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Information Operations	3.748	4.169	4.468	4.697	4.697	4.730	4.829
RDT&E Articles Quantity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>A. Mission Description and Budget Item Justification:</b> Information Operations contains classified programs.							
<b>B. Accomplishments/Planned Program</b>							
	FY 2005	FY 2006	FY 2007				
Accomplishment/ Effort/Subtotal Cost	3.748	4.169	4.468				
RDT&E Articles Quantity	N/A	N/A	N/A				
<p>FY 2005 Accomplishments: Details are classified.</p> <p>FY 2006 Accomplishments: Details are classified.</p> <p>FY 2007 Plans: Details are classified.</p> <p><b>C. Other Program Funding Summary:</b> Not applicable</p> <p><b>D. Acquisition Strategy:</b> Not applicable</p> <p><b>E. Major Performers:</b> Details are classified.</p>							

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Exhibit R-2a, RDT&E Project Justification							Date: February 2006
Appropriation/Budget Activity RDT&E,DW BA 6	Project Name and Number: Foreign Supplier Assessment Center (FSAC)						
Cost (\$ in millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Foreign Supplier Assessment Center	2.942	8.855	0	0	0	0	0
RDT&E Articles Quantity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>A. Mission Description and Budget Item Justification:</b>							
<p>The FSAC's goal is to ensure that the U.S. Government is fully aware of foreign involvement in DoD programs by conducting a counterintelligence and security due diligence in the review of foreign suppliers. The FSAC will assess current and prospective foreign suppliers of products and services, including components for weapons systems, automation hardware, and various forms of software, to the DoD. The number of foreign prime contractors identified in the WHS 350 database alone was over 6,900 in FY04, which does not include subcontractors. The FSAC effort is intended to provide a comprehensive look at the entire DoD supplier base – to eventually examine all tiers of suppliers, address the criticality of subsystems, components, piece-parts, and materials, identify linkages among transnational organizations, and to assess vulnerabilities and potential threats. The resulting product will include a company profile, threat assessment, and recommended countermeasures, which will be available in the FSAC database to U.S. Government decision-makers.</p>							
<b>B. Accomplishments/Planned Program</b>							
	FY 2005	FY 2006	FY 2007				
Accomplishment/ Effort/Subtotal Cost	2.942	8.855	0				
RDT&E Articles Quantity	N/A	N/A	N/A				
<p>FY 2005 Accomplishments:</p> <ul style="list-style-type: none"> <li>- Conducted analysis of prime DoD contractors in order to identify foreign suppliers of services and products.</li> <li>- Using open source data and commercially available services to include Dun &amp; Bradstreet and LexisNexis, conducted a review of contractors claiming they provide supplies and services to DoD. Analyzed these suppliers and compared the results with the analysis of prime DoD contractors in an attempt to identify foreign content and assess vulnerabilities inherent in that content.</li> <li>- Using collateral all-source intelligence sources determined if foreign suppliers or potential suppliers supporting DoD programs have attempted or will attempt to control, influence or illegally acquire technologies critical to U.S. war fighting</li> </ul>							

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capabilities.

- Conducted threat assessments of specific foreign suppliers identified by DoD.
- Developed an analytical methodology and assessment template, which was vetted throughout the DoD CI Community.
- Developing a Quality Assurance Program to ensure analytical methodology and product deliverables remain consistent with Government-identified requirements.

FY 2006 Accomplishments:

- Develop/Maintain Repository and Database
  - Document Requirements /Deploy; Test; Interface
- Provide Assessments
  - Number of Assessments Dependent on Funding
  - Vet Reassessment Methodology
  - Develop Metrics
- Develop Policy to Support FSAC Initiative
  - Obtain Support from AT&L and Others; Research/Document Existing Policies / Draft Policy
- Support Related DoD & National Strategy/Initiatives
  - Continue Identifying & Researching, Sharing & Coordinating Development Plans
  - Incorporate Related Initiatives
  - Participate in Working Groups & Conferences

FY 2007 Plans: Not applicable

**C. Other Program Funding Summary:** Not applicable

**D. Acquisition Strategy:** Not applicable

**E. Major Performers:**

FY 2005: MZM, Inc.

FY 2006: To Be Completed