Exhibit R-2, RDT&E Budget Item Justification: PB 2011 Office of Secretary Of Defense		DATE: February 2010

APPROPRIATION/BUDGET ACTIVITY 0400: *Research, Development, Test & Evaluation, Defense-Wide* BA 6: *RDT&E Management Support*	R-1 ITEM NOMENCLATURE PE 0605110D8Z: *Militarily Critical Technology Support*

COST ($ in Millions)	FY 2009 Actual	FY 2010 Estimate	FY 2011 Base Estimate	FY 2011 OCO Estimate	FY 2011 Total Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
Total Program Element	4.151	4.874	4.743	0.000	4.743	4.772	4.809	4.867	4.924	Continuing	Continuing
P110: *Militarily Critical Technology Support*	4.151	4.874	4.743	0.000	4.743	4.772	4.809	4.867	4.924	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Militarily Critical Technologies Program (MCTP) provides the development and implementation of DoD technology security policies on international transfers of defense related goods, services, and technologies:

(1) Export Control Program: Provides an ongoing assessment and analysis of goods and technologies. Determines significant advances in the development, production, and use of military capabilities of potential adversaries. Determines goods and technologies being developed worldwide with potential to significantly enhance or degrade U.S. military capabilities in the future. Identified in the Export Administration Act of 1979 and extended by Presidential Directive to review militarily critical goods and technologies and to consider worldwide technology capabilities. Comprised of two sets of documents:

a) Militarily Critical Technologies List (MCTL): Congressionally mandated source document for identification of leading edge and current technologies monitored worldwide for national security, nonproliferation control of weapons of mass destruction, and advanced conventional weapons.
b) Developing Science & Technologies List (DSTL): Describes military and proliferation significance of future technologies.

Specific activities include:
- Develop and publish in electronic form (including Internet version, both restricted and public) various editions of the MCTL and DSTL documents that describe the military and proliferation significance of various technologies
- Monitor and assess dual-use and military technologies worldwide.
- Assist in the development of proposals for negotiation in various multilateral export control regimes.
- Provide technical support for the review/revision of the U.S. Munitions List under the Defense Trade Security Initiative.
- Provide analytical support for Congressional reports.
- Continuous technical support to interdepartmental and international processes which develop multinational export control agreements on technologies of concern to DoD.
- Worldwide technology capability assessments for the MCTL and other U.S. international critical technologies efforts.
- Identification and determination of technical parameters for proposals for international control of weapons of mass destruction.

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Exhibit R-2, **RDT&E Budget Item Justification:** PB 2011 Office of Secretary Of Defense	**DATE:** February 2010
APPROPRIATION/BUDGET ACTIVITY 0400: *Research, Development, Test & Evaluation, Defense-Wide* BA 6: *RDT&E Management Support*	**R-1 ITEM NOMENCLATURE** PE 0605110D8Z: *Militarily Critical Technology Support*

- Technical assessments to support decisions on foreign ownership of U.S. industrial assets and treaty compliance inspections.
- Identification of foreign technologies of interest to the DoD and opportunities for international cooperative research and development.
- Identification of Homeland Defense and terrorism applications of militarily critical technologies.

(2) The DoD Damage Assessment Management Office (DAMO) Program: The DAMO Program coordinates the impact assessments involving the loss of Controlled Unclassified Information (CUI) resulting from the illicit exfiltration of technical and programmatic data maintained on unclassified Defense Industrial Base (DIB) networks. The DAMO identifies and categorizes the impact of the loss of acquisition information contained on the affected systems, organizes and coordinate the assessments with the affected DoD component and DIB partner, prepares interim and final assessment reports, and establishes a process to appropriately share collected information with all affected components and DIB members. The DAMO provides a triage of data and technical assessments based on the MCTL and coordinates assessments and information across the Services/Programs. The DAMO establishes policy and procedures for conducting damage assessments applicable to all DoD components in concert with FAR and DFAR procedures pertaining to contracts with the DIB.

Specific activities include:
- Coordination with DIB partners, Defense Cyber Crime Center (DC3), Military Departments, DoD agencies, Counterintelligence/Law Enforcement Agencies, and Service Acquisition Executives (SAEs) to assess impacts of information compromise.
- Establish and organize the DAMO to be the centralized office for coordinating damage assessments relating to CUI.
- Develop and publish DoD policy guidance regarding the conduct of Damage Assessments for all DoD components to implement relating to CUI on defense acquisition programs.
- Develop, coordinate, implement and update CONOPs and procedures as required.
- Provide technical expertise and analyses in assessing the impact of data lost as a result of the exfiltration.
- Develop and implement the DAMO library of assessments maintaining damage assessment reports and ensuring access is available to all with a "need to know" for analytical purposes.
- Provide analysis to identify trends in the targeting and compromise of defense acquisition information.

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Exhibit R-2, RDT&E Budget Item Justification: PB 2011 Office of Secretary Of Defense	DATE: February 2010

APPROPRIATION/BUDGET ACTIVITY	R-1 ITEM NOMENCLATURE
0400: *Research, Development, Test & Evaluation, Defense-Wide* BA 6: *RDT&E Management Support*	PE 0605110D8Z: *Militarily Critical Technology Support*

B. Program Change Summary ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
Previous President's Budget	4.007	4.914	0.000	0.000	0.000
Current President's Budget	4.151	4.874	4.743	0.000	4.743
Total Adjustments	0.144	-0.040	4.743	0.000	4.743
• Congressional General Reductions		0.000			
• Congressional Directed Reductions		0.000			
• Congressional Rescissions	0.000	0.000			
• Congressional Adds		0.000			
• Congressional Directed Transfers		0.000			
• Reprogrammings	0.250	0.000			
• SBIR/STTR Transfer	-0.106	0.000			
• Other Program Adjustments	0.000	-0.040	4.743	0.000	4.743

Exhibit R-2A, RDT&E Project Justification: PB 2011 Office of Secretary Of Defense		DATE: February 2010

APPROPRIATION/BUDGET ACTIVITY 0400: *Research, Development, Test & Evaluation, Defense-Wide* BA 6: *RDT&E Management Support*	R-1 ITEM NOMENCLATURE PE 0605110D8Z: *Militarily Critical Technology Support*	PROJECT P110: *Militarily Critical Technology Support*

COST ($ in Millions)	FY 2009 Actual	FY 2010 Estimate	FY 2011 Base Estimate	FY 2011 OCO Estimate	FY 2011 Total Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
P110: *Militarily Critical Technology Support*	4.151	4.874	4.743	0.000	4.743	4.772	4.809	4.867	4.924	Continuing	Continuing
Quantity of RDT&E Articles											

A. Mission Description and Budget Item Justification

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Specific activities include:
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Exhibit R-2A, RDT&E Project Justification: PB 2011 Office of Secretary Of Defense		DATE: February 2010
APPROPRIATION/BUDGET ACTIVITY 0400: *Research, Development, Test & Evaluation, Defense-Wide* BA 6: *RDT&E Management Support*	**R-1 ITEM NOMENCLATURE** PE 0605110D8Z: *Militarily Critical Technology Support*	**PROJECT** P110: *Militarily Critical Technology Support*

- Technical assessments to support decisions on foreign ownership of U.S. industrial assets and treaty compliance inspections.
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Specific activities include:
- Coordination with DIB partners, Defense Cyber Crime Center (DC3), Military Departments, DoD agencies, Counterintelligence/Law Enforcement Agencies, and Service Acquisition Executives (SAEs) to assess impacts of information compromise.
- Establish and organize the DAMO to be the centralized office for coordinating damage assessments relating to CUI.
- Develop and publish DoD policy guidance regarding the conduct of Damage Assessments for all DoD components to implement relating to CUI on defense acquisition programs.
- Develop, coordinate, implement and update CONOPs and procedures as required.
- Provide technical expertise and analyses in assessing the impact of data lost as a result of the exfiltration.
- Develop and implement the DAMO library of assessments maintaining damage assessment reports and ensuring access is available to all with a "need to know" for analytical purposes.
- Provide analysis to identify trends in the targeting and compromise of defense acquisition information.

B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
Militarily Critical Technologies Program	4.151	4.874	4.743	0.000	4.743
FY 2009 Accomplishments: (1) Export Control Program:					

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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
- Conducted MCTL annual update and reviews. - Continued to strengthen outreach to the Services and the U.S. Departments of State and Commerce to exchange technical information through the Community Advisory Board (CAB) process, as well as technical representation on multilateral export control panels. - Improved and expanded the focus of the DSTL effort to represent a broader global research watch. - Maintained twenty technical working groups with awareness across a complete range of current world-wide scientific and technical areas of DoD concerns. - Built the framework to create a tiered approach production, dissemination, implementation and revision. - Continued to refine Wiki-based collaborative environment (introduce new DTIC search engine for public MCTL users with improved access and usability). - Worked with DTSA, DoS, and DoC to ensure viable proposals for the Wassenaar Arrangement negotiations. *FY 2010 Plans:* (1) Export Control Program: - Conduct MCTL annual update and reviews. - Continue to strengthen outreach to the Services and the U.S. Departments of State and Commerce to exchange technical information through the Community Advisory Board (CAB) process, as well as technical representation on multilateral export control panels. - Improve and expand the focus of the DSTL effort to represent a broader global research watch. - Build definitions and a tiered approach to both the MCTL and DSTL processes. - Adapt the Wiki-based collaborative environment to evolving search engine requirements. (2) Damage Assessment Management Office (DAMO) Program: - Coordination with DIB partners, Defense Cyber Crime Center (DC3), Services, DoD agencies, Counterintelligence/Law Enforcement Agencies, and Service Acquisition Executives (SAES) to assess cyber intrusion compromises from foreign exploitation.					

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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
- Maintain DAMO as the centralized office for coordinating damage assessments relating to CUI. - Develop and publish DoD policy guidance regarding the conduct of Damage Assessments for all DoD components to implementing to CUI. - develop, coordinate, implement and update CONOPS ad procedures as required. - Provide technical expertise and analyses in assessing the impact of data lost as a result of the exfiltration. - Maintain the DAMO library of assessments maintaining damage assessment reports and ensuring access is available to all with a "need to know" for analytical purposes. *FY 2011 Base Plans:* (1) Export Control Program: - Conduct MCTL annual update and reviews. - Continue to strengthen outreach to the Services and the U.S. Departments of State and Commerce to exchange technical information through the Community Advisory Board (CAB) process, as well as technical representation on multilateral export control panels. - Improve and expand the focus of the DSTL effort to represent a broader global research watch. (2) Damage Assessment Management Office (DAMO) Program: - Continue coordination with DIB partners, Defense Cyber Crime Center (DC3), Services, DoD agencies, Counterintelligence/Law Enforcement Agencies, and Service Acquisition Executives (SAES) to assess cyber intrusion compromises from foreign exploitation. - Continue the DAMO as the centralized office for coordinating damage assessments relating to CUI. - Continue the development and publication of DoD policy guidance regarding the conduct of Damage Assessments for all DoD components to implementing to CUI. - Continue the development, coordination, implementation and updates of the CONOPS ad procedures as required. - Continue to provide technical expertise and analyses in assessing the impact of data lost as a result of the exfiltration.					

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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
- Continue to maintain the DAMO library of assessments maintaining damage assessment reports and ensuring access is available to all with a "need to know" for analytical purposes.					
Accomplishments/Planned Programs Subtotals	4.151	4.874	4.743	0.000	4.743

C. Other Program Funding Summary ($ in Millions)

  N/A

D. Acquisition Strategy

  Not applicable for this item.

E. Performance Metrics

  The indicators below allow the DoD to measure the success of the Militarily Critical Technologies Program program element:

  - Currency of the MCTL with perspectives of user community
  - Monitor usage/utility of the MCTL web sites and benchmarking with Service Acquisition agents
  - Impact assessments of cyber-intrusions on DoD networks (identification of intruder, information obtained, impact on DoD technologies/programs and indications of next target)