

# UNCLASSIFIED

**Exhibit R-2, RDT&E Budget Item Justification:** PB 2016 Office of the Secretary Of Defense **Date:** February 2015

<b>Appropriation/Budget Activity</b> 0400: <i>Research, Development, Test &amp; Evaluation, Defense-Wide I BA 3: Advanced Technology Development (ATD)</i>					<b>R-1 Program Element (Number/Name)</b> PE 0603289D8Z I <i>Advanced Innovative Analysis and Concepts</i>							
<b>COST (\$ in Millions)</b>	<b>Prior Years</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016 Base</b>	<b>FY 2016 OCO</b>	<b>FY 2016 Total</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>Cost To Complete</b>	<b>Total Cost</b>
Total Program Element	0.000	-	50.000	59.830	-	59.830	57.654	57.649	57.642	58.422	Continuing	Continuing
P329: <i>Advanced Innovative Analysis and Concepts</i>	0.000	-	50.000	59.830	-	59.830	57.654	57.649	57.642	58.422	Continuing	Continuing

## A. Mission Description and Budget Item Justification

The Strategic Capabilities Office (SCO) conducts analysis in support of ongoing efforts to shape and counter emerging threats, with special emphasis on: innovative and architecture-level concepts, cross-Service and cross-Defense/Intelligence concepts, red-teaming, and on a case-by-case basis, research and development projects to demonstrate concept. SCO identifies, analyzes, and accelerates the development, demonstration, and transition of selected capabilities to shape and counter emerging threats, and to improve U.S. security posture. In a partnership endeavor across the Office of the Secretary of Defense (OSD), Joint Staff, Combatant Commands (CCMDs), the Services, the Intelligence Community (IC), and other U.S. Government agencies, SCO combines capability innovation with concepts of operation and information management to develop novel, high-leverage approaches to address pressing national security challenges. SCO conducts projects on accelerated timelines, at any classification or access level.

The Advanced Innovative Analysis and Concepts Program Element supports development, studies, analysis, and demonstration of integrated concepts and prototypes, analysis in support of ongoing efforts to shape and counter emerging threats, cross-Service and cross-Defense/Intelligence concepts, and red-teaming. Projects focus on proving component and subsystem maturity prior to integration in major systems, and may involve risk reduction initiatives. Due to the nature of these projects, specific applications and detailed plans are available at a higher classification level.

<b>B. Program Change Summary (\$ in Millions)</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016 Base</b>	<b>FY 2016 OCO</b>	<b>FY 2016 Total</b>
Previous President's Budget	-	60.000	60.000	-	60.000
Current President's Budget	-	50.000	59.830	-	59.830
Total Adjustments	-	-10.000	-0.170	-	-0.170
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-10.000			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Economic Assumptions	-	-	-0.170	-	-0.170

## Change Summary Explanation

Funding decreases were used to pay for higher priority DoD bills.

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Exhibit R-2A, RDT&E Project Justification: PB 2016 Office of the Secretary Of Defense										Date: February 2015		
Appropriation/Budget Activity 0400 / 3					R-1 Program Element (Number/Name) PE 0603289D8Z / <i>Advanced Innovative Analysis and Concepts</i>				Project (Number/Name) P329 / <i>Advanced Innovative Analysis and Concepts</i>			
COST (\$ in Millions)	Prior Years	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total	FY 2017	FY 2018	FY 2019	FY 2020	Cost To Complete	Total Cost
P329: <i>Advanced Innovative Analysis and Concepts</i>	-	-	50.000	59.830	-	59.830	57.654	57.649	57.642	58.422	Continuing	Continuing

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

The Strategic Capabilities Office (SCO) conducts analysis in support of ongoing efforts to shape and counter emerging threats, with special emphasis on: innovative and architecture-level concepts, cross-Service and cross-Defense/Intelligence concepts, red-teaming, and on a case-by-case basis, research and development projects to demonstrate concept. SCO identifies, analyzes, and accelerates the development, demonstration, and transition of selected capabilities to shape and counter emerging threats, and to improve U.S. security posture. In a partnership endeavor across the Office of the Secretary of Defense (OSD), Joint Staff, Combatant Commands (CCMDs), the Services, the Intelligence Community (IC), and other U.S. Government agencies, SCO combines capability innovation with concepts of operation and information management to develop novel, high-leverage approaches to address pressing national security challenges. SCO conducts projects on accelerated timelines, at any classification or access level.

The Advanced Innovative Analysis and Concepts Program Element supports development, studies, analysis, and demonstration of integrated concepts and prototypes, analysis in support of ongoing efforts to shape and counter emerging threats, cross-Service and cross-Defense/Intelligence concepts, and red-teaming. Projects focus on proving component and subsystem maturity prior to integration in major systems, and may involve risk reduction initiatives. Due to the nature of these projects, specific applications and detailed plans are available at a higher classification level.

<b>B. Accomplishments/Planned Programs (\$ in Millions)</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Title:</b> Low-Cost Payloads	-	12.600	-
<b>Description:</b> The Low-Cost Payloads project leverages existing platforms and payloads to deliver near-term innovative capabilities to Combatant Commanders. SCO repurposes existing systems by developing alternative Concepts of Employment (CONEMP) and Tactics, Techniques, and Procedures (TTP) for their employment by the warfighter. Concepts that provide capability improvements to Combatant Commanders are identified for accelerated prototype demonstration, and worked as joint projects with the Services to speed transition time for rapid fielding. Low-Cost Payloads will leverage low cost, commercial, and often low technology options that do not conform to the typical DoD acquisition business model, but have the potential to disrupt and change warfighting capabilities by avoiding or creating technological surprise. Due to the nature of these projects, specific applications and detailed plans are available at a higher classification level. The Low-Cost Payloads project will transition to the Advanced Innovative Technologies Program Element (PE) 0604250D8Z in FY 2016 as part of the Unmanned Aerial Vehicle Payloads project.			
<b>FY 2015 Plans:</b> <ul style="list-style-type: none"><li>• Design and conduct proof-of-concept and end-to-end demonstrations of four prototype systems.</li><li>• Demonstrate prototypes within Exercise Northern Edge 2015.</li></ul>			

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<b>B. Accomplishments/Planned Programs (\$ in Millions)</b>		<b>FY 2014</b>	<b>FY 2015</b>
<ul style="list-style-type: none"> <li>• Perform technical, operational, and red team analysis to determine capabilities' potential to counter strategic adversaries and improve the U.S. security posture in peacetime, crisis, and conflict.</li> <li>• Prototype and test in partnership with Service and Agency program offices to speed transition to a program of record or limited operational use.</li> </ul>			
<b>Title:</b> Command and Control of the Information Environment  <b>Description:</b> The Command and Control of the Information Environment project leverages commercial and other existing software tools to enable dynamic engagement of foreign targets in the information environment, informed by a shared understanding of centrally controlled strategic narratives. Due to the nature of these projects, specific applications and detailed plans are available at a higher classification level.  <b>FY 2015 Plans:</b> <ul style="list-style-type: none"> <li>• Complete collaboration lab infrastructure install.</li> <li>• Develop coordination framework and complete associated workflow requirements analysis.</li> <li>• Establish a developmental environment for evaluation of commercial software tools.</li> <li>• Begin assessment of analytic services and applications.</li> </ul> <b>FY 2016 Plans:</b> <ul style="list-style-type: none"> <li>• Refine existing software tools within a collaboration environment.</li> <li>• Conduct operational demonstration for Combatant Commander (CCMDs).</li> <li>• Establish a Department-wide architecture for fusing and managing Operations Security and Acquisition Enhanced Program Protection Plans (EP3) into a single threat oriented Common Operating Picture (COP).</li> </ul>		-	7.800
<b>Title:</b> High-Fidelity Analysis and Concept Generation  <b>Description:</b> The Strategic Capabilities Office (SCO) conducts analysis to identify and accelerate the development, demonstration, and transition of potentially game-changing capabilities to shape and counter emerging threats and improve U.S. security posture. All innovative concepts developed within SCO must first undergo a phase of thorough analysis before moving forward to become a project. Due to the nature of these projects, specific applications and detailed plans are available at a higher classification level.  <b>FY 2015 Plans:</b> <ul style="list-style-type: none"> <li>• Work with the Services Program Offices and CCMDs to identify novel uses of existing systems and technologies while exploring new and different concepts of operation.</li> </ul>		-	29.600
			49.830

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<b>B. Accomplishments/Planned Programs (\$ in Millions)</b>		<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<ul style="list-style-type: none"> <li>Conduct Technical and Operational exchange meetings with CCMDs to ensure appropriate emphasis on value added benefit of recommended alternatives.</li> </ul> <p><b>FY 2016 Plans:</b></p> <ul style="list-style-type: none"> <li>Continue to innovate in partnership with Services Program Offices and CCMDs to identify game-changing uses of existing systems and technologies.</li> </ul>				
<b>Accomplishments/Planned Programs Subtotals</b>		-	50.000	59.830
<b>C. Other Program Funding Summary (\$ in Millions)</b>				
N/A				
<b>Remarks</b>				
<b>D. Acquisition Strategy</b>				
N/A				
<b>E. Performance Metrics</b>				
Performance metrics are specific to each Advanced Innovative Analysis and Concepts effort and include measures identified in the management approach, Statement of Work (SOW), and Period of Performance (POP). In addition, completions and successes are monitored against schedules and deliverables stated in the initiative's management approach. Due to the nature of these projects, specific applications and detailed plans are available at a higher classification level.				