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| Exhibit R-2, RDT&E Budget Item Justification: FY 2018 Office of the Secretary Of Defense | Date: May 2017 |
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| Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide I BA 2: Applied Research</i> | | | | | R-1 Program Element (Number/Name) PE 0602230D8Z I <i>Defense Technology Innovation</i> | | | | | | | |
|--|-------------|---------|---------|--------------|--|---------------|---------|---------|---------|---------|------------------|------------|
| COST (\$ in Millions) | Prior Years | FY 2016 | FY 2017 | FY 2018 Base | FY 2018 OCO | FY 2018 Total | FY 2019 | FY 2020 | FY 2021 | FY 2022 | Cost To Complete | Total Cost |
| Total Program Element | 0.000 | 0.000 | 30.000 | 0.000 | - | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | Continuing | Continuing |
| P835: <i>Defense Technology Innovation</i> | 0.000 | 0.000 | 30.000 | 0.000 | - | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | Continuing | Continuing |

A. Mission Description and Budget Item Justification

This program will fund the development of novel leading-edge technologies emerging from high-tech companies that are not traditional defense contractors. These funds will enable the Department to source break through and emerging technologies applicable to the defense mission as identified in the Defense Innovation Unit Experimental (DIUx), or the Components, for potential incorporation into the Department's weapon systems and operational capabilities.

An objective of this program is to obtain innovative ideas from industry that have low technology readiness of high priority to DoD leadership. Incoming proposals will be approved by the Assistant Secretary of Defense, Research and Engineering to ensure alignment with the DoD's strategic objectives and increase our permeability to disruptive change, and strengthen our nation's security.

| B. Program Change Summary (\$ in Millions) | FY 2016 | FY 2017 | FY 2018 Base | FY 2018 OCO | FY 2018 Total |
|---|----------------|----------------|---------------------|--------------------|----------------------|
| Previous President's Budget | 0.000 | 30.000 | 30.000 | - | 30.000 |
| Current President's Budget | 0.000 | 30.000 | 0.000 | - | 0.000 |
| Total Adjustments | 0.000 | 0.000 | -30.000 | - | -30.000 |
| • Congressional General Reductions | - | - | | | |
| • Congressional Directed Reductions | - | - | | | |
| • Congressional Rescissions | - | - | | | |
| • Congressional Adds | - | - | | | |
| • Congressional Directed Transfers | - | - | | | |
| • Reprogrammings | - | - | | | |
| • SBIR/STTR Transfer | - | - | | | |
| • Other Adjustments | - | - | -30.000 | - | -30.000 |

Change Summary Explanation

The DIUx program in this PE and associated funding have been transferred to Washington Headquarters Services (WHS), PE 0603342D8W, beginning in FY 2018.

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| Exhibit R-2A, RDT&E Project Justification: FY 2018 Office of the Secretary Of Defense | | | | | | | | | | Date: May 2017 | | |
| Appropriation/Budget Activity 0400 / 2 | | | | | R-1 Program Element (Number/Name) PE 0602230D8Z / Defense Technology Innovation | | | | Project (Number/Name) P835 / Defense Technology Innovation | | | |
| COST (\$ in Millions) | Prior Years | FY 2016 | FY 2017 | FY 2018 Base | FY 2018 OCO | FY 2018 Total | FY 2019 | FY 2020 | FY 2021 | FY 2022 | Cost To Complete | Total Cost |
| P835: Defense Technology Innovation | 0.000 | 0.000 | 30.000 | 0.000 | - | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | Continuing | Continuing |
| A. Mission Description and Budget Item Justification | | | | | | | | | | | | |
| This program will fund the development of novel leading-edge technologies emerging from high-tech companies that are not traditional defense contractors. These funds will enable the Department to source break through and emerging technologies applicable to the defense mission as identified in the Defense Innovation Unit Experimental (DIUx), or the Components, for potential incorporation into the Department’s weapon systems and operational capabilities. | | | | | | | | | | | | |
| An objective of this program is to obtain innovative ideas from industry that have low technology readiness of high priority to DoD leadership. Incoming proposals will be approved by the Assistant Secretary of Defense, Research and Engineering to ensure alignment with the DoD’s strategic objectives and increase our permeability to disruptive change, and strengthen our nation’s security. | | | | | | | | | | | | |
| B. Accomplishments/Planned Programs (\$ in Millions) | | | | | | | | | | FY 2016 | FY 2017 | FY 2018 |
| Title: Defense Technology Innovation | | | | | | | | | | 0.000 | 30.000 | - |
| Description: This program will fund the development of novel leading-edge technologies emerging from high-tech companies that are not traditional defense contractors. These funds will enable the Department to source break through and emerging technologies applicable to the defense mission as identified in the Defense Innovation Unit Experimental (DIUx), or the Components, for potential incorporation into the Department’s weapon systems and operational capabilities. | | | | | | | | | | | | |
| An objective of this program is to obtain innovative ideas from industry that have low technology readiness of high priority to DoD leadership. Incoming proposals will be approved by the Assistant Secretary of Defense, Research and Engineering to ensure alignment with the DoD’s strategic objectives and increase our permeability to disruptive change, and strengthen our nation’s security. | | | | | | | | | | | | |
| FY 2016 Accomplishments: New Start in FY17. | | | | | | | | | | | | |
| FY 2017 Plans: This program will fund the development of novel leading-edge technologies emerging from high-tech companies that are not traditional defense contractors. These funds will enable the Department to source break through and emerging technologies applicable to the defense mission as identified in the Defense Innovation Unit Experimental (DIUx), or the Components, for potential incorporation into the Department’s weapon systems and operational capabilities. | | | | | | | | | | | | |
| Accomplishments/Planned Programs Subtotals | | | | | | | | | | 0.000 | 30.000 | - |

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| Exhibit R-2A, RDT&E Project Justification: FY 2018 Office of the Secretary Of Defense | | Date: May 2017 |
| Appropriation/Budget Activity 0400 / 2 | R-1 Program Element (Number/Name) PE 0602230D8Z / <i>Defense Technology Innovation</i> | Project (Number/Name) P835 / <i>Defense Technology Innovation</i> |
| <p><u>C. Other Program Funding Summary (\$ in Millions)</u> N/A</p> <p><u>Remarks</u> N/A</p> <p><u>D. Acquisition Strategy</u> N/A</p> <p><u>E. Performance Metrics</u> N/A</p> | | |