Exhibit R-2, RDT&E Budget Item Justification: FY 2018 Office of the Secretary Of Defense	Date: May 2017
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide* / BA 5: *System Development & Demonstration (SDD)*	**R-1 Program Element (Number/Name)** PE 0605022D8Z / *Defense Exportability Program*

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	10.360	3.165	2.920	3.162	-	3.162	2.960	2.852	2.910	2.974	Continuing	Continuing
P013: *Defense Exportability Features (DEF) Program*	10.360	3.165	2.920	3.162	-	3.162	2.960	2.852	2.910	2.974	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Defense Exportability Features (DEF) Pilot Program is a result of a USD (AT&L) sponsored legislative proposal for authorities to better prepare warfighting systems for non-US use. This program funds activities to support identification of major defense acquisition programs for possible export, and the planning for design and incorporation of exportability features during the research and development phases of these programs. Features include, but are not limited to, technology and engineering design activity such as capability differentials, anti-tamper, system assurance, and software assurance. Activities include the development of program protection strategies for the program; the design and incorporation of exportability features into the system; implementation of exportability requirements onto contracts; and research, development, test, and evaluation activities.

Defense exportability features play a critically important role in United States Government/DoD efforts to build partnership capacity. Funds support building joint and coalition environments by enabling the export of DoD systems to a wide range of partner nations, resulting in improved security and interoperability. In addition to the operational benefits, by providing these resources up front, the United States and partner nations will save significant resources by more efficiently designing and producing exportable U.S. systems.

A number of designated systems participating in the DEF Pilot Program in FY18 will continue defining and implementing DEF ‘best practices’ related to designing and developing technology protection in the areas of program management, system engineering, and technology protection measures in the DoD acquisition process. Failure to consider export variant designs early in the acquisition process results in increased costs, delayed delivery, and higher risk of sensitive technology compromise due to ad-hoc sales later in production. Early development of export variants, including systems design approaches to integrate adequate domestic and exportable anti-tamper protection and differential capability requirements to lower production costs, makes it possible to improve quality and timely deliveries to allies and friends, and may enhance US industry share of the global marketplace.

Exhibit R-2, RDT&E Budget Item Justification: FY 2018 Office of the Secretary Of Defense					Date: May 2017
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide* / BA 5: *System Development & Demonstration (SDD)*			R-1 Program Element (Number/Name) PE 0605022D8Z / *Defense Exportability Program*		
B. Program Change Summary ($ in Millions)	**FY 2016**	**FY 2017**	**FY 2018 Base**	**FY 2018 OCO**	**FY 2018 Total**
Previous President's Budget	3.267	2.920	3.371	-	3.371
Current President's Budget	3.165	2.920	3.162	-	3.162
Total Adjustments	-0.102	0.000	-0.209	-	-0.209
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-0.001	-			
• SBIR/STTR Transfer	-0.101	-			
• DTIC Offset Bill	-	-	0.004	-	0.004
• SRRB	-	-	-0.213	-	-0.213

Exhibit R-2A, RDT&E Project Justification: FY 2018 Office of the Secretary Of Defense			Date: May 2017
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605022D8Z / *Defense Exportability Program*	Project (Number/Name) P013 / *Defense Exportability Features (DEF) Program*	

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
P013: *Defense Exportability Features (DEF) Program*	10.360	3.165	2.920	3.162	-	3.162	2.960	2.852	2.910	2.974	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Defense Exportability Features (DEF) Pilot Program is a result of a USD (AT&L) sponsored legislative proposal for authorities to better prepare warfighting systems for non-US use. This program funds activities to support identification of major defense acquisition programs for possible export, and the planning for design and incorporation of exportability features during the research and development phases of these programs. Features include, but are not limited to, technology and engineering design activity such as capability differentials, anti-tamper, system assurance, and software assurance. Activities include the development of program protection strategies for the program; the design and incorporation of exportability features into the system; implementation of exportability requirements onto contracts; and research, development, test, and evaluation activities.

Defense exportability features play a critically important role in United States Government/DoD efforts to build partnership capacity. Funds support building joint and coalition environments by enabling the export of DoD systems to a wide range of partner nations, resulting in improved security and interoperability. In addition to the operational benefits, by providing these resources up front, the United States and partner nations will save significant resources by more efficiently designing and producing exportable U.S. systems.

A number of designated systems participating in the DEF Pilot Program in FY18 will continue defining and implementing DEF 'best practices' related to designing and developing technology protection in the areas of program management, system engineering, and technology protection measures in the DoD acquisition process. Failure to consider export variant designs early in the acquisition process results in increased costs, delayed delivery, and higher risk of sensitive technology compromise due to ad-hoc sales later in production. Early development of export variants, including systems design approaches to integrate adequate domestic and exportable anti-tamper protection and differential capability requirements to lower production costs, makes it possible to improve quality and timely deliveries to allies and friends, and may enhance US industry share of the global marketplace.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2016	FY 2017	FY 2018
Title: Defense Exportability Features (DEF) Program	3.165	2.920	3.162
FY 2016 Accomplishments: Funding was slightly increased in FY 2016 to expand the number of systems included in the Defense Exportability Features Pilot Program that are used to define and implement DEF 'best practice' program management, system engineering, and technology protection measures in the DoD acquisition process, and to cover more expensive follow-on DEF export design activities.			

Exhibit R-2A, RDT&E Project Justification: FY 2018 Office of the Secretary Of Defense		Date: May 2017
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605022D8Z / *Defense Exportability Program*	**Project (Number/Name)** P013 / *Defense Exportability Features (DEF) Program*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2016	FY 2017	FY 2018
In FY16, the DEF Pilot Program is initiating or continuing contracts for DEF feasibility studies or DEF design activities on the following previously selected systems (plus any new DEF Pilot Program designated systems selected by OSD for FY 2016 - 2017): - Height of Burst Fuzing (US Air Force) - Three Dimensional Expeditionary Long Range Radar (US Air Force) - Small Diameter Bomb II (US Air Force) - Joint Air to Ground Missile (US Army) - Air and Missile Defense Radar (US Navy) - Miniature Air Launched Decoy (US Air Force) - Indirect Fire Protection Capability (US Army) - Review of major defense acquisition programs for exportability as part of the major milestone review process. - Identify and select new pilot program candidates from Service Acquisition Executive nominations. - Identify Service leads and subject matter experts, to provide support to programs, prior to Milestone B, to develop plans for exportability features. - Manage, fund, and track the completion of the contractor exportability feasibility studies and design activities. - Oversee drafting of DEF Lessons Learned and Interim Progress Reviews and Final Reports from DEF studies conducted in FY 2016. - Draft and submit the annual Report to Congress on the program. The focus for FY 2016 for the DEF pilot program will be to execute initial or follow-on feasibility studies for selected DEF Pilot Programs, and to conduct initial or follow-on DEF design studies on designated DEF pilot programs. As with the FY 2015 programs, FY 2016 feasibility studies will define the required actions for incorporating DEF into programs, begin DEF designs on select designated programs, and assess the potential costs of those actions. OUSD (AT&L) will continue to engage with program offices through the Military Department DEF POCs, and serve as a liaison among the program offices, the Military Departments, and other defense agencies to facilitate the feasibility studies. For pre-MS A and B systems, OUSD(AT&L)/IC will ensure the DEF feasibility studies are addressed in their program Acquisition Strategies and Program Protection Plans (PPP). For Post-MS B platforms, when there is already a contract in place, OUSD (AT&L) will work with the program managers and contracting officers to implement the necessary contractual modifications to ensure that the feasibility studies were executed.			
FY 2017 Plans: - Funding will decrease in FY 2017 to account for the availability of prior year execution balances and to fund other programs as part of an internal OSD realignment of funds to achieve efficiencies. Funding will be sufficient to support the number of systems included in the Defense Exportability Features Pilot Program that are used to define and implement DEF 'best practice'			

Exhibit R-2A, RDT&E Project Justification: FY 2018 Office of the Secretary Of Defense		Date: May 2017
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605022D8Z / *Defense Exportability Program*	**Project (Number/Name)** P013 / *Defense Exportability Features (DEF) Program*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2016	FY 2017	FY 2018
program management, system engineering, and program protection measures in the DoD acquisition process, and to cover more expensive follow-on DEF export design activities. In FY 2017, the pilot program is anticipating initiating or continuing contracts for DEF feasibility studies or DEF design activities on the following previously selected systems (plus any new DEF Pilot Program designated systems selected by OSD for FY 2017 - 2018): - Height of Burst Fuzing (US Air Force) - Three-Dimensional Expeditionary Long-Range Radar (US Air Force) - Joint Air to Ground Missile (US Army) - Air and Missile Defense Radar (US Navy) - Indirect Fires Protection Capability (US Army) - Next Generation Jammer (US Navy) - Miniature Air Launched Decoy (US Air Force) - Land Mine Removal System (US Army) (plus any new programs selected in FY16-17 that commence DEF studies or design activities) - Review of major defense acquisition programs for exportability as part of the major milestone review process. - Identify and select new pilot program candidates from Service Acquisition Executive nominations. - Identify Service leads and subject matter experts, to provide support to programs, prior to Milestone B, to develop plans for exportability features. - Manage, resource, and track the completion of the contractor exportability feasibility studies and design activities. - Oversee drafting of DEF Lessons Learned, Interim Progress Review briefings, and Final Reports from DEF studies conducted in FY 2017. - Draft and submit the annual Report to Congress on the program. The focus for FY 2017 for the DEF pilot program will be to execute feasibility studies from newly selected DEF Pilot Programs that have yet to receive DEF funding, and to conduct follow-on DEF design studies on designated DEF pilot programs. As with the FY 2016 programs, FY 2017 feasibility studies will define the required actions for incorporating DEF into programs, begin DEF designs on select designated programs, and assess the potential costs of those actions. OUSD (AT&L) will continue to engage with program offices through the Military Department DEF POCs, and serve as a liaison among the program offices, the Military Departments, and other defense agencies to facilitate the feasibility studies. For pre-MS A and B systems, OUSD(AT&L)/IC will ensure the DEF feasibility studies are addressed in their program Acquisition Strategies and Program Protection Plans (PPP).			

Exhibit R-2A, RDT&E Project Justification: FY 2018 Office of the Secretary Of Defense		Date: May 2017
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605022D8Z / *Defense Exportability Program*	**Project (Number/Name)** P013 / *Defense Exportability Features (DEF) Program*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2016	FY 2017	FY 2018
For Post-MS B platforms, when there is already a contract in place, OUSD (AT&L) will work with the program managers and contracting officers to implement the necessary contractual modifications to ensure that the feasibility studies were executed. ***FY 2018 Plans:*** - Funding will increases in FY 2018 will be sufficient to support the number of systems included in the Defense Exportability Features Pilot Program that are used to define and implement DEF 'best practice' program management, system engineering, and program protection measures in the DoD acquisition process, and to cover more expensive follow-on DEF export design activities. In FY 2018, the pilot program is anticipating initiating or continuing contracts for DEF feasibility studies or DEF design activities on the following previously selected systems (plus any new DEF Pilot Program designated systems selected by OSD for FY 2018 - 2019): - Three-Dimensional Expeditionary Long-Range Radar (US Air Force) - Joint Air to Ground Missile (US Army) - Air and Missile Defense Radar (US Navy) - Indirect Fires Protection Capability (US Army) - Height of Burst Fuzing (US Army) - Miniature Air Launched Decoy (US Air Force) - Land Mine Removal System (US Army) - Lower Tier Air Missile Defense (US Army) (plus any new programs selected in FY17-18 that commence DEF studies or design activities) - Review of major defense acquisition programs for exportability as part of the major milestone review process. - Identify and select new pilot program candidates from Service Acquisition Executive nominations. - Identify Service leads and subject matter experts, to provide support to programs, prior to Milestone B, to develop plans for exportability features. - Manage, resource, and track the completion of the contractor exportability feasibility studies and design activities. - Oversee drafting of DEF Lessons Learned, Interim Progress Review briefings, and Final Reports from DEF studies conducted in FY 2018. - Draft and submit the annual report to Congress on the program. The focus for FY 2018 for the DEF pilot program will be to execute feasibility studies from newly selected DEF Pilot Programs that have yet to receive DEF funding, and to conduct follow-on DEF design studies on designated DEF pilot programs. As with the FY 2017 programs, FY 2018 feasibility studies will define the required actions for incorporating DEF into programs, begin DEF			

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Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605022D8Z / *Defense Exportability Program*	**Project (Number/Name)** P013 / *Defense Exportability Features (DEF) Program*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2016	FY 2017	FY 2018
designs on select designated programs, and assess the potential costs of those actions. OUSD (AT&L) will continue to engage with program offices through the Military Department DEF POCs, and serve as a liaison among the program offices, the Military Departments, and other defense agencies to facilitate the feasibility studies. OUSD(AT&L)/IC will ensure the DEF feasibility studies are addressed in program Acquisition Strategies and Program Protection Plans (PPP). For Post-MS B platforms, when there is already a contract in place, OUSD (AT&L) will work with the program managers and contracting officers to implement the necessary contractual modifications to ensure that the feasibility studies were executed.			
Accomplishments/Planned Programs Subtotals	3.165	2.920	3.162

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

E. Performance Metrics

N/A