

**UNCLASSIFIED**

<b>Exhibit R-2, RDT&amp;E Budget Item Justification:</b> FY 2018 Defense Advanced Research Projects Agency	<b>Date:</b> May 2017
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<b>Appropriation/Budget Activity</b> 0400: Research, Development, Test & Evaluation, Defense-Wide / BA 6: RDT&E Management Support	<b>R-1 Program Element (Number/Name)</b> PE 0605502E / SMALL BUSINESS INNOVATION RESEARCH
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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	-	89.060	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	-	-
SB-01: SMALL BUSINESS INNOVATION RESEARCH	-	89.060	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	-	-
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

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

In accordance with Public Law No: 114-92 (National Defense Authorization Act 2016) and the Small Business Act (15 U.S.C. 638), the DARPA Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs are designed to provide small, high-tech businesses and academic institutions the opportunity to propose radical, innovative, high-risk approaches to address existing and emerging national security threats; thereby supporting DARPA's overall strategy to enable fundamental discoveries and technological breakthroughs that provide new military capabilities.

<b>B. Program Change Summary (\$ in Millions)</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018 Base</b>	<b>FY 2018 OCO</b>	<b>FY 2018 Total</b>
Previous President's Budget	0.000	0.000	0.000	-	0.000
Current President's Budget	89.060	0.000	0.000	-	0.000
Total Adjustments	89.060	0.000	0.000	-	0.000
• Congressional General Reductions	0.000	0.000			
• Congressional Directed Reductions	0.000	0.000			
• Congressional Rescissions	0.000	0.000			
• Congressional Adds	0.000	0.000			
• Congressional Directed Transfers	0.000	0.000			
• Reprogrammings	0.000	0.000			
• SBIR/STTR Transfer	89.060	0.000			

**Change Summary Explanation**

FY 2016: Increase reflects the SBIR/STTR transfer.  
 FY 2017: N/A  
 FY 2018: N/A

<b>C. Accomplishments/Planned Programs (\$ in Millions)</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Title:</b> Small Business Innovation Research	89.060	-	-
<b>Description:</b> The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs are designed to provide small, high-tech businesses and academic institutions the opportunity to propose radical, innovative, high-risk			

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<b>C. Accomplishments/Planned Programs (\$ in Millions)</b> approaches to address existing and emerging national security threats; thereby supporting DARPA's overall strategy to enable fundamental discoveries and technological breakthroughs that provide new military capabilities.  <b><i>FY 2016 Accomplishments:</i></b> - The DARPA SBIR and STTR were executed within OSD guidelines.		<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Accomplishments/Planned Programs Subtotals</b>		89.060	-	-
<b>D. Other Program Funding Summary (\$ in Millions)</b> N/A  <b>Remarks</b>  <b>E. Acquisition Strategy</b> N/A  <b>F. Performance Metrics</b> Not applicable.				