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| <b>Exhibit R-2, RDT&amp;E Budget Item Justification:</b> FY 2018 Air Force | <b>Date:</b> May 2017 |
|--|-----------------------|

| Appropriation/Budget Activity   |             |         |         |              | R-1 Program Element (Number/Name)                           |               |         |         |         |         |                  |            |
|---|-------------|---------|---------|--------------|---|---------------|---------|---------|---------|---------|------------------|------------|
| 3600: Research, Development, Test & Evaluation, Air Force I BA 7: Operational Systems Development |             |         |         |              | PE 0605117F I Foreign Materiel Acquisition and Exploitation |               |         |         |         |         |                  |            |
| 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   | -           | 41.689  | 42.960  | 66.653       | 0.000   | 66.653        | 68.882  | 70.610  | 71.898  | 73.098  | Continuing       | Continuing |
| 675897: Foreign Material Aquisition and Exploitation  | -           | 41.689  | 42.960  | 66.653       | 0.000   | 66.653        | 68.882  | 70.610  | 71.898  | 73.098  | Continuing       | Continuing |

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

The Foreign Material Acquisition and Exploitation program funds the acquisition and assessment of foreign weapon systems, military equipment, and military dual-use technologies for the military services and defense agencies.

| <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                       | 41.689         | 42.960         | 45.392              | 0.000              | 45.392               |
| Current President's Budget                        | 41.689         | 42.960         | 66.653              | 0.000              | 66.653               |
| Total Adjustments                                 | 0.000          | 0.000          | 21.261              | 0.000              | 21.261               |
| • 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                              | 0.000          | 0.000          |                     |                    |                      |
| • Other Adjustments                               | 0.000          | 0.000          | 21.261              | 0.000              | 21.261               |

**Change Summary Explanation**

FY18 change: Funding realigned from a classified program element to consolidate the Foreign Material Procurement program into a single line item. Classified details can be found in OSD Comptroller's classified Defense-Wide Justification Book Volume 6.

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|   |                    |                |                |                     |  |                      |                |                |  |                       |                         |                   |
|---|--------------------|----------------|----------------|---------------------|--|----------------------|----------------|----------------|--|-----------------------|-------------------------|-------------------|
| <b>Exhibit R-2A, RDT&amp;E Project Justification:</b> FY 2018 Air Force |                    |                |                |                     |  |                      |                |                |  | <b>Date:</b> May 2017 |                         |                   |
| <b>Appropriation/Budget Activity</b><br>3600 / 7                        |                    |                |                |                     | <b>R-1 Program Element (Number/Name)</b><br>PE 0605117F / <i>Foreign Materiel Acquisition and Exploitation</i> |                      |                |                | <b>Project (Number/Name)</b><br>675897 / <i>Foreign Material Aquisition and Exploitation</i> |                       |                         |                   |
| <b>COST (\$ in Millions)</b>  | <b>Prior Years</b> | <b>FY 2016</b> | <b>FY 2017</b> | <b>FY 2018 Base</b> | <b>FY 2018 OCO</b>   | <b>FY 2018 Total</b> | <b>FY 2019</b> | <b>FY 2020</b> | <b>FY 2021</b>   | <b>FY 2022</b>        | <b>Cost To Complete</b> | <b>Total Cost</b> |
| 675897: <i>Foreign Material Aquisition and Exploitation</i>             | -                  | 41.689         | 42.960         | 66.653              | 0.000  | 66.653               | 68.882         | 70.610         | 71.898   | 73.098                | Continuing              | Continuing        |
| Quantity of RDT&E Articles  | -                  | -              | -              | -                   | -  | -                    | -              | -              | -  | -                     |                         |                   |

**A. Mission Description and Budget Item Justification**  
The Foreign Materiel Acquisition and Exploitation (FMA&E) program element supports the military services and defense agencies Foreign Material Program activities.

**B. Accomplishments/Planned Programs (\$ in Millions)**

|   | <b>FY 2016</b> | <b>FY 2017</b> | <b>FY 2018 Base</b> | <b>FY 2018 OCO</b> | <b>FY 2018 Total</b> |
|---|----------------|----------------|---------------------|--------------------|----------------------|
| <b>Title:</b> Foreign Material Aquisition and Exploitation  | 41.689         | 42.960         | 66.653              | 0.000              | 66.653               |
| <b>Description:</b> Classified details can be found in OSD Comptroller's classified Defense Wide Justification Book Volume 6. |                |                |                     |                    |                      |
| <b>FY 2016 Accomplishments:</b><br>Classified   |                |                |                     |                    |                      |
| <b>FY 2017 Plans:</b><br>Classified   |                |                |                     |                    |                      |
| <b>FY 2018 Base Plans:</b><br>Classified  |                |                |                     |                    |                      |
| <b>FY 2018 OCO Plans:</b><br>N/A  |                |                |                     |                    |                      |
| <b>Accomplishments/Planned Programs Subtotals</b>   | 41.689         | 42.960         | 66.653              | 0.000              | 66.653               |

**C. Other Program Funding Summary (\$ in Millions)**

| <u>Line Item</u> | <u>FY 2016</u> | <u>FY 2017</u> | <u>FY 2018 Base</u> | <u>FY 2018 OCO</u> | <u>FY 2018 Total</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>Cost To Complete</u> | <u>Total Cost</u> |
|------------------|----------------|----------------|---------------------|--------------------|----------------------|----------------|----------------|----------------|----------------|-------------------------|-------------------|
| • N/A: N/A       | 0.000          | 0.000          | 0.000               | 0.000              | 0.000                | 0.000          | 0.000          | 0.000          | 0.000          | -                       | -                 |

**Remarks**

**D. Acquisition Strategy**  
Classified details can be found in OSD Comptroller's classified Defense-Wide Justification Book Volume 6

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| Exhibit R-2A, RDT&E Project Justification: FY 2018 Air Force |   | Date: May 2017  |
| Appropriation/Budget Activity<br>3600 / 7                    | R-1 Program Element (Number/Name)<br>PE 0605117F / Foreign Materiel Acquisition<br>and Exploitation | Project (Number/Name)<br>675897 / Foreign Material Aquisition and<br>Exploitation |

E. Performance Metrics

Please refer to the Performance Base Budget Overview Book for information on how Air Force resources are applied and how those resources are contributing to Air Force performance goals and most importantly, how they contribute to our mission.

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|   |                        |                                |             |         |            |  |            |              |            |  |            |                |                  |                  |                          |                          |
|---|------------------------|--------------------------------|-------------|---------|------------|--|------------|--------------|------------|--|------------|----------------|------------------|------------------|--------------------------|--------------------------|
| Exhibit R-3, RDT&E Project Cost Analysis: FY 2018 Air Force   |                        |                                |             |         |            |  |            |              |            |  |            | Date: May 2017 |                  |                  |                          |                          |
| Appropriation/Budget Activity<br>3600 / 7   |                        |                                |             |         |            | R-1 Program Element (Number/Name)<br>PE 0605117F / Foreign Materiel Acquisition and Exploitation |            |              |            | Project (Number/Name)<br>675897 / Foreign Materiel Aquisition and Exploitation |            |                |                  |                  |                          |                          |
| Product Development (\$ in Millions)  |                        |                                |             | FY 2016 |            | FY 2017  |            | FY 2018 Base |            | FY 2018 OCO  |            | FY 2018 Total  |                  |                  |                          |                          |
| Cost Category Item  | Contract Method & Type | Performing Activity & Location | Prior Years | Cost    | Award Date | Cost   | Award Date | Cost         | Award Date | Cost   | Award Date | Cost           |                  | Cost To Complete | Total Cost               | Target Value of Contract |
| Classified details can be found in OSD Comptroller's classified Defense-Wide Justification Book Volume 6. | Various                | Various : TBD                  | -           | 41.689  | Dec 2015   | 42.960   | Dec 2016   | 66.653       | Dec 2017   | 0.000  |            | 66.653         |                  | Continuing       | Continuing               | -                        |
| Subtotal  |                        |                                | -           | 41.689  |            | 42.960   |            | 66.653       |            | 0.000  |            | 66.653         |                  | -                | -                        | -                        |
| Support (\$ in Millions)  |                        |                                |             | FY 2016 |            | FY 2017  |            | FY 2018 Base |            | FY 2018 OCO  |            | FY 2018 Total  |                  |                  |                          |                          |
| Cost Category Item  | Contract Method & Type | Performing Activity & Location | Prior Years | Cost    | Award Date | Cost   | Award Date | Cost         | Award Date | Cost   | Award Date | Cost           |                  | Cost To Complete | Total Cost               | Target Value of Contract |
| Subtotal  |                        |                                | -           | -       |            | -  |            | -            |            | -  |            | -              |                  | -                | -                        | -                        |
| Test and Evaluation (\$ in Millions)  |                        |                                |             | FY 2016 |            | FY 2017  |            | FY 2018 Base |            | FY 2018 OCO  |            | FY 2018 Total  |                  |                  |                          |                          |
| Cost Category Item  | Contract Method & Type | Performing Activity & Location | Prior Years | Cost    | Award Date | Cost   | Award Date | Cost         | Award Date | Cost   | Award Date | Cost           |                  | Cost To Complete | Total Cost               | Target Value of Contract |
| Subtotal  |                        |                                | -           | -       |            | -  |            | -            |            | -  |            | -              |                  | -                | -                        | -                        |
| Management Services (\$ in Millions)  |                        |                                |             | FY 2016 |            | FY 2017  |            | FY 2018 Base |            | FY 2018 OCO  |            | FY 2018 Total  |                  |                  |                          |                          |
| Cost Category Item  | Contract Method & Type | Performing Activity & Location | Prior Years | Cost    | Award Date | Cost   | Award Date | Cost         | Award Date | Cost   | Award Date | Cost           |                  | Cost To Complete | Total Cost               | Target Value of Contract |
| Subtotal  |                        |                                | -           | -       |            | -  |            | -            |            | -  |            | -              |                  | -                | -                        | -                        |
|   |                        |                                | Prior Years | FY 2016 |            | FY 2017  |            | FY 2018 Base |            | FY 2018 OCO  |            | FY 2018 Total  | Cost To Complete | Total Cost       | Target Value of Contract |                          |
| Project Cost Totals   |                        |                                | -           | 41.689  |            | 42.960   |            | 66.653       |            | 0.000  |            | 66.653         | -                | -                | -                        |                          |
| Remarks   |                        |                                |             |         |            |  |            |              |            |  |            |                |                  |                  |                          |                          |

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Exhibit R-4, RDT&amp;E Schedule Profile: FY 2018 Air Force

Date: May 2017

## Appropriation/Budget Activity

3600 / 7

## R-1 Program Element (Number/Name)

PE 0605117F / Foreign Materiel Acquisition and Exploitation

## Project (Number/Name)

675897 / Foreign Material Aquisition and Exploitation

|  | FY 2016 |   |   |   | FY 2017 |   |   |   | FY 2018 |   |   |   | FY 2019 |   |   |   | FY 2020 |   |   |   | FY 2021 |   |   |   | FY 2022 |   |   |   |
|--|---------|---|---|---|---------|---|---|---|---------|---|---|---|---------|---|---|---|---------|---|---|---|---------|---|---|---|---------|---|---|---|
|  | 1       | 2 | 3 | 4 | 1       | 2 | 3 | 4 | 1       | 2 | 3 | 4 | 1       | 2 | 3 | 4 | 1       | 2 | 3 | 4 | 1       | 2 | 3 | 4 | 1       | 2 | 3 | 4 |
| FY17 requirements and funding requests submitted by Services/Agencies                  |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| Requirements and funding requests validated and prioritized                            |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| FY17 FMP Plan approved and published   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| FY17 Plan executed and updated as required   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| Additional acquisition opportunities reviewed quarterly; FY17 execution reprioritized  |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| Additional exploitation opportunities reviewed quarterly; FY17 execution reprioritized |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| FY18 requirements and funding requests submitted by Services/Agencies                  |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| FY18 requirements and funding requests validated and prioritized                       |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| FY18 FMP Plan approved and published   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| FY18 Plan executed and updated as required   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| Additional acquisition opportunities reviewed quarterly; FY18 execution reprioritized  |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| Additional exploitation opportunities reviewed quarterly; FY18 execution reprioritized |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| FY19 requirements and funding requests submitted by Services/Agencies                  |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| FY19 requirements and funding requests validated and prioritized                       |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| FY19 FMP Plan approved and published   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| Additional acquisition opportunities reviewed quarterly; FY19 execution reprioritized  |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |

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| Exhibit R-4, RDT&E Schedule Profile: FY 2018 Air Force                                 |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   | Date: May 2017  |         |   |   |   |         |   |   |   |
|--|---------|---|---|---|---------|---|---|---|---------|---|---|---|---------|---|---|---|---------|---|---|---|---------|---|---|---|---------|---|---|---|
| Appropriation/Budget Activity  |         |   |   |   |         |   |   |   |         | R-1 Program Element (Number/Name)                           |   |   |         |   |   |   |         |   |   | Project (Number/Name)                                 |         |   |   |   |         |   |   |   |
| 3600 / 7   |         |   |   |   |         |   |   |   |         | PE 0605117F / Foreign Materiel Acquisition and Exploitation |   |   |         |   |   |   |         |   |   | 675897 / Foreign Material Aquisition and Exploitation |         |   |   |   |         |   |   |   |
|  | FY 2016 |   |   |   | FY 2017 |   |   |   | FY 2018 |   |   |   | FY 2019 |   |   |   | FY 2020 |   |   |   | FY 2021 |   |   |   | FY 2022 |   |   |   |
|  | 1       | 2 | 3 | 4 | 1       | 2 | 3 | 4 | 1       | 2   | 3 | 4 | 1       | 2 | 3 | 4 | 1       | 2 | 3 | 4   | 1       | 2 | 3 | 4 | 1       | 2 | 3 | 4 |
| Additional exploitation opportunities reviewed quarterly; FY19 execution reprioritized |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| FY20 FMP process continues   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| FY21 FMP process continues   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |
| FY22 FMP process continues   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |         |   |   |   |

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| <b>Exhibit R-4A, RDT&amp;E Schedule Details:</b> FY 2018 Air Force |  |  | <b>Date:</b> May 2017 |
| <b>Appropriation/Budget Activity</b><br>3600 / 7                   | <b>R-1 Program Element (Number/Name)</b><br>PE 0605117F / <i>Foreign Materiel Acquisition and Exploitation</i> | <b>Project (Number/Name)</b><br>675897 / <i>Foreign Material Aquisition and Exploitation</i> |                       |

**Schedule Details**

| <b>Events</b>  | <b>Start</b>   |             | <b>End</b>     |             |
|--|----------------|-------------|----------------|-------------|
|  | <b>Quarter</b> | <b>Year</b> | <b>Quarter</b> | <b>Year</b> |
| FY17 requirements and funding requests submitted by Services/Agencies                  | 3              | 2016        | 4              | 2016        |
| Requirements and funding requests validated and prioritized                            | 4              | 2016        | 4              | 2016        |
| FY17 FMP Plan approved and published   | 4              | 2016        | 4              | 2016        |
| FY17 Plan executed and updated as required   | 1              | 2017        | 1              | 2018        |
| Additional acquisition opportunities reviewed quarterly; FY17 execution reprioritized  | 1              | 2017        | 1              | 2018        |
| Additional exploitation opportunities reviewed quarterly; FY17 execution reprioritized | 1              | 2017        | 1              | 2018        |
| FY18 requirements and funding requests submitted by Services/Agencies                  | 3              | 2017        | 4              | 2017        |
| FY18 requirements and funding requests validated and prioritized                       | 4              | 2017        | 4              | 2017        |
| FY18 FMP Plan approved and published   | 4              | 2017        | 4              | 2017        |
| FY18 Plan executed and updated as required   | 1              | 2018        | 1              | 2019        |
| Additional acquisition opportunities reviewed quarterly; FY18 execution reprioritized  | 1              | 2018        | 1              | 2019        |
| Additional exploitation opportunities reviewed quarterly; FY18 execution reprioritized | 1              | 2018        | 1              | 2019        |
| FY19 requirements and funding requests submitted by Services/Agencies                  | 3              | 2018        | 4              | 2018        |
| FY19 requirements and funding requests validated and prioritized                       | 4              | 2018        | 4              | 2018        |
| FY19 FMP Plan approved and published   | 4              | 2018        | 4              | 2018        |
| Additional acquisition opportunities reviewed quarterly; FY19 execution reprioritized  | 1              | 2019        | 1              | 2020        |
| Additional exploitation opportunities reviewed quarterly; FY19 execution reprioritized | 1              | 2019        | 1              | 2020        |
| FY20 FMP process continues   | 3              | 2019        | 1              | 2021        |
| FY21 FMP process continues   | 3              | 2020        | 1              | 2022        |
| FY22 FMP process continues   | 3              | 2021        | 4              | 2022        |

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| Exhibit R-4A, RDT&E Schedule Details: FY 2018 Air Force  |   | Date: May 2017  |
| Appropriation/Budget Activity<br>3600 / 7  | R-1 Program Element (Number/Name)<br>PE 0605117F / Foreign Materiel Acquisition<br>and Exploitation | Project (Number/Name)<br>675897 / Foreign Material Aquisition and<br>Exploitation |
| <p><b>Note</b></p> <p>The schedule on the previous page, representing the Foreign Material Program acquisition and exploitation processes, repeats for each fiscal year. Out of cycle Ad-Hoc foreign material acquisition and exploitation reviews are held when required throughout each fiscal year.</p> |   |   |