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Exhibit R-2, RDT&E Budget Item Justification: PB 2025 Defense Counterintelligence and Security Agency **Date:** March 2024

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide / BA 7: Operational Systems Development</i>	R-1 Program Element (Number/Name) PE 0604130V / <i>Enterprise Security System (ESS)</i>
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COST (\$ in Millions)	Prior Years	FY 2023	FY 2024	FY 2025 Base	FY 2025 OCO	FY 2025 Total	FY 2026	FY 2027	FY 2028	FY 2029	Cost To Complete	Total Cost
Total Program Element	161.981	13.555	42.482	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
000: <i>Enterprise Security System (ESS)</i>	161.981	13.555	42.482	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Defense Counterintelligence Security Agency (DCSA) is a strategic asset to the nation and our allies - continuously ensuring a trusted federal, industrial, and affiliated workforce, and enabling industry's delivery of uncompromised capabilities by leveraging advanced technologies and innovation. DCSA uniquely blends critical technology protection, trusted personnel vetting, counterintelligence, and professional education and certification to advance and preserve America's strategic edge.

The National Industrial Security System (NISS) supports the Defense Counterintelligence and Security Agency (DCSA) mission to oversee approximately 10,000 cleared companies, 12,677 contractor facilities, and 5,700 classified systems in the National Industrial Security Program (NISP), ensuring that classified U.S. government information and critical technologies are properly protected. The Industrial Security (IS) Directorate uses NISS to manage and document the oversight of facilities under the National Industrial Security Program. NISS is also the system of record for facilities clearance (FCL) information and the official system that allows DCSA to improve assessment and mitigation of risks related to contractors under Foreign Ownership, Control, or Influence (FOCI), and the newly developed system repository for DD-254 forms. NISS has been adopted by the Department of Defense (DoD) to provide DoD-wide visibility and access to security related data for classified contracts, sites, and systems. NISS is being developed into a multi-level classification system to allow DoD-wide visibility of relevant intelligence, threats, and communications across the Non-classified Internet Protocol (IP) Router Network (NIPRNet), Secure Internet Protocol Router Network (SIPRNet), and Joint Worldwide Intelligence Communication System (JWICS). NISS will enable near-real time threat awareness and discovered non-compliance vulnerabilities once fully deployed to enhance field and headquarters communication where security oversight, counterintelligence and cyber threats need to be addressed. NISS will provide the Defense Security Enterprise (DSE) visibility to know and project risks to specific industrial sites, be able to correlate FOCI concerns for large acquisition contracts and provide a database of security in direct support of the Under Secretary of Defense for Research and Engineering and Under Secretary of Defense for Acquisition & Sustainment enterprise efforts to make more secure decisions about unclassified acquisition, research, and grants. NISS is being designed to share a common operational picture of risk, vulnerability, and threat reporting across the entire NISP including the contractor Security Officials to improve transparency and timely action on identified risks. Additionally, NISS will incorporate the workflows, tools and serve as the repository for "pre award" FOCI analysis, reports and documentation of ultimate beneficiary for all DoD contracts (except commercial products and services) over \$5.0 million threshold in support of Public Law 116-92, Section 847 acquisition security reform efforts outlined in the FY 2020 National Defense Authorization Act (NDAA), impacting the Defense Industrial Base (DIB) comprised of more than 100,000 companies.

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B. Program Change Summary (\$ in Millions)	FY 2023	FY 2024	FY 2025 Base	FY 2025 OCO	FY 2025 Total
Previous President's Budget	13.555	42.482	41.823	-	41.823
Current President's Budget	13.555	42.482	0.000	-	0.000
Total Adjustments	0.000	0.000	-41.823	-	-41.823
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Transferred to new PE 0307609V	-	-	-41.823	-	-41.823

Change Summary Explanation

The funding for NISS transferred to new PE 0307609V.

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Exhibit R-2A, RDT&E Project Justification: PB 2025 Defense Counterintelligence and Security Agency										Date: March 2024		
Appropriation/Budget Activity 0400 / 7					R-1 Program Element (Number/Name) PE 0604130V / <i>Enterprise Security System (ESS)</i>				Project (Number/Name) 000 / <i>Enterprise Security System (ESS)</i>			
COST (\$ in Millions)	Prior Years	FY 2023	FY 2024	FY 2025 Base	FY 2025 OCO	FY 2025 Total	FY 2026	FY 2027	FY 2028	FY 2029	Cost To Complete	Total Cost
000: <i>Enterprise Security System (ESS)</i>	161.981	13.555	42.482	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

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

	FY 2023	FY 2024	FY 2025
Title: National Industrial Security System (NISS)	13.555	42.482	0.000
Description: Description: Provided development activities for NISS, National Industrial Security Program (NISP) Contract Classification System (NCCS) 2.0, and FY 2020 NDAA Sections 845 and 847 applications to include multiple data source integrations and enhanced processes for risk assessment and analytic capabilities. Support the continuous delivery of secure,			

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Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0604130V / <i>Enterprise Security System (ESS)</i>	Project (Number/Name) 000 / <i>Enterprise Security System (ESS)</i>

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2023	FY 2024	FY 2025
<p>automated, IT capabilities for the DCSA IS Directorate to enable entity vetting, risk identification and mitigation for cleared and uncleared industry operating in the Defense Industrial Base (DIB).</p> <p>FY 2024 Plans: Develop modifications for FY 2020 NDAA Section 847 requirements to apply FOCI analysis and determine beneficial ownership for DoD contracts valued at \$5 million or more within the DIB, comprised of more than 100,000 companies. Develop modifications to NISS and NCCS 2.0 to meet current and emerging mission needs, while developing the Common Operating System (COS) cloud environment ensuring the requirements under the current threat vector within the IS Directorate mission are met. In addition, as a parallel effort, establish a strategy and tactical implementation developing the data layer that will bridge centralized data and analytics platforms. The effort to bridge this data will move NISS and NISS cloud modernization effort (NISS Increment 2) closer to common business data and decision support analytics. Execute pilots and prototypes to inform development of NISS Increment 2 starting in FY 2025. This development includes collaboration with the Chief Digital and Artificial Intelligence Office (CDAO) to develop a Minimum Viable Product (MVP) to support a common FOCI data analysis between DCSA and CDAO for Supply Chain Risk Management (SCRM) Assessments, On-Demand Common Operating Picture of Risk and Continuous Vetting capabilities.</p> <p>FY 2025 Plans: Planning and re-engineering architecture of new workflows for changes to the internet protocol and firewall settings. Funding realigned to PE 0307609V.</p> <p>FY 2024 to FY 2025 Increase/Decrease Statement: The decrease from FY2024 to FY2025 reflects the realignment/transfer of funds to PE 0307609V.</p>			
Accomplishments/Planned Programs Subtotals	13.555	42.482	0.000

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

N/A

Remarks

D. Acquisition Strategy

DCSA will use a variety of acquisition strategies such as Indefinite Delivery, Indefinite Quantity (IDIQ), Blanket Purchase Agreements (BPA), and multiple or single award contracts for the development of new applications, enhancement of other applications, and perform system integration with COTS and GOTS solutions and technology. These efforts will reduce the contract award process lead time and contract overhead, improve technical solutions, deployments, and deliver more effective and efficient automation projects for DCSA and the NISP community.

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Exhibit R-4, RDT&E Schedule Profile: PB 2025 Defense Counterintelligence and Security Agency			Date: March 2024
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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

Enterprise Security System	
Production and Deployment of Applications	

FY 2023				FY 2024				FY 2025				FY 2026				FY 2027				FY 2028				FY 2029			
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

Enterprise Security System	
Production and Deployment of Applications	

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Exhibit R-4A, RDT&E Schedule Details: PB 2025 Defense Counterintelligence and Security Agency		Date: March 2024
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Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
<i>Enterprise Security System</i>				
Production and Deployment of Applications	1	2017	2	2025