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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 I BA 7: Operational Systems Development</i>	R-1 Program Element (Number/Name) PE 0307609V / <i>National Industrial Security System (NISS)</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	0.000	0.000	0.000	38.761	-	38.761	35.062	44.073	44.949	45.850	Continuing	Continuing
000: <i>National Industrial Security System (NISS)</i>	0.000	0.000	0.000	38.761	-	38.761	35.062	44.073	44.949	45.850	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	0.000	0.000	0.000	-	0.000
Current President's Budget	0.000	0.000	38.761	-	38.761
Total Adjustments	0.000	0.000	38.761	-	38.761
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Transfer from PE 0604130V	-	-	38.761	-	38.761

Change Summary Explanation

The increase from FY2024 reflects the transfer of funds from PE 0604130V.

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Appropriation/Budget Activity 0400 / 7					R-1 Program Element (Number/Name) PE 0307609V / <i>National Industrial Security System (NISS)</i>				Project (Number/Name) 000 / <i>National Industrial Security System (NISS)</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>National Industrial Security System (NISS)</i>	0.000	0.000	0.000	38.761	-	38.761	35.062	44.073	44.949	45.850	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

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

	FY 2023	FY 2024	FY 2025
Title: National Industrial Security System (NISS)	0.000	0.000	38.761
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, automated, IT			

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Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0307609V / <i>National Industrial Security System (NISS)</i>	Project (Number/Name) 000 / <i>National Industrial Security System (NISS)</i>

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2023	FY 2024	FY 2025
<p>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: N/A</p> <p>FY 2025 Plans: In support of the NISS Increment 2 plan, design, engineer, and implement improvements to NISS, field the MVP of NISS cloud modernization, and begin integration of NISS into the COS cloud environment. Develop Artificial Intelligence Machine Learning (AI/ML) enabled capabilities to support analytic requirements. Develop multi-domain data management for full risk picture (threat, vulnerability, impact). Enhance field oversight by providing an enhanced user interface for DCSA and Defense Security personnel working in support of the NISS and critical technology programs. Enhancements will provide enterprise views and links to critical supply chain data and be able to visualize how oversight, compliance, and counterintelligence reporting will affect ongoing classified program protection efforts. Planning and re-engineering architecture of new workflows for changes to the internet protocol and firewall settings for the flow of decisions from NIPR to SIPR for NISS. Manufacture data interfaces enabling interoperability between NISS and other government systems to reduce operational complexity and required additional support. Develop and pilot innovative technology to allow “continuous entity vetting” by using a mix of open and paid sources enhanced by classified intelligence to assess risks to the NISP companies and government data stored in 5,700 IT systems over which DCSA maintains security cognizance. Design, engineer, and implement the emerging NISS solution to support FY 2020 NDAA Section 847, for modernization of acquisition processes to ensure integrity of industrial base. The program's end concludes in the merger of all applications into a single NISS. Expand existing data sources to include data from the DoD Advancing Analytics (ADVANA) platform and incorporate other government data sources in the data architectures supporting national interest determinations and potential threat actor risk vectors.</p> <p>FY 2024 to FY 2025 Increase/Decrease Statement: The increase from FY2024 to FY2025 reflects the transfer of funds from PE 0604130V.</p>			
Accomplishments/Planned Programs Subtotals	0.000	0.000	38.761

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

N/A

Remarks

D. Acquisition Strategy

N/A

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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>National Industrial Security System (NISS)</i>				
Production and Deployment of Applications	4	2024	3	2026