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Exhibit R-2, RDT&E Budget Item Justification: PB 2020 Office of the Secretary Of Defense **Date:** February 2019

| Appropriation/Budget Activity | | | | | R-1 Program Element (Number/Name) | | | | | | | |
|---|--------------------|----------------|----------------|---------------------|--|----------------------|----------------|----------------|----------------|----------------|-------------------------|-------------------|
| 0400: <i>Research, Development, Test & Evaluation, Defense-Wide I BA 3: Advanced Technology Development (ATD)</i> | | | | | PE 0603289D8Z I <i>Advanced Innovative Analysis and Concepts</i> | | | | | | | |
| COST (\$ in Millions) | Prior Years | FY 2018 | FY 2019 | FY 2020 Base | FY 2020 OCO | FY 2020 Total | FY 2021 | FY 2022 | FY 2023 | FY 2024 | Cost To Complete | Total Cost |
| Total Program Element | 153.312 | 36.763 | 37.178 | 37.645 | - | 37.645 | 38.478 | 39.582 | 39.558 | 40.350 | Continuing | Continuing |
| 329: <i>Advanced Innovative Analysis and Concepts</i> | 153.312 | 36.763 | 37.178 | 37.645 | - | 37.645 | 38.478 | 39.582 | 39.558 | 40.350 | Continuing | Continuing |

A. Mission Description and Budget Item Justification

The Strategic Capabilities Office (SCO) supports the National Defense Strategy by accelerating the development, demonstration, and transition of capabilities that increase the lethality of the Joint Force in contested environments. In a partnership endeavor across the Office of the Secretary of Defense (OSD), Joint Staff, Combatant Commands (CCMDs), the Services, the Intelligence Community (IC), and other U.S. Government agencies, SCO combines capability innovation with new concepts for warfighting that leverage new technology areas, including autonomy, artificial intelligence, and machine learning. SCO conducts projects on accelerated timelines, in all warfighting domains, at any classification or access level.

The Advanced Innovative Analysis and Concepts Program Element supports development, studies, analysis, and demonstration of integrated concepts and prototypes, analysis in support of ongoing efforts to shape and counter emerging threats, cross-Service and cross-Defense/Intelligence concepts, and red-teaming. Projects focus on proving component and subsystem maturity prior to integration in major systems, and may involve risk reduction initiatives. Due to the nature of these projects, specific applications and detailed plans are available at a higher classification level.

| B. Program Change Summary (\$ in Millions) | FY 2018 | FY 2019 | FY 2020 Base | FY 2020 OCO | FY 2020 Total |
|---|----------------|----------------|---------------------|--------------------|----------------------|
| Previous President's Budget | 36.763 | 37.263 | 37.645 | - | 37.645 |
| Current President's Budget | 36.763 | 37.178 | 37.645 | - | 37.645 |
| Total Adjustments | 0.000 | -0.085 | 0.000 | - | 0.000 |
| • Congressional General Reductions | - | - | | | |
| • Congressional Directed Reductions | - | - | | | |
| • Congressional Rescissions | - | - | | | |
| • Congressional Adds | - | - | | | |
| • Congressional Directed Transfers | - | - | | | |
| • Reprogrammings | - | - | | | |
| • SBIR/STTR Transfer | - | - | | | |
| • FFRDC Reduction Section 8024(f) | - | -0.085 | - | - | - |

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Exhibit R-2A, RDT&E Project Justification: PB 2020 Office of the Secretary Of Defense **Date:** February 2019

| | | | | | | | | | | | | |
|---|--------------------|----------------|----------------|---------------------|--|----------------------|----------------|----------------|--|----------------|-------------------------|-------------------|
| Appropriation/Budget Activity 0400 / 3 | | | | | R-1 Program Element (Number/Name) PE 0603289D8Z / <i>Advanced Innovative Analysis and Concepts</i> | | | | Project (Number/Name) 329 / <i>Advanced Innovative Analysis and Concepts</i> | | | |
| COST (\$ in Millions) | Prior Years | FY 2018 | FY 2019 | FY 2020 Base | FY 2020 OCO | FY 2020 Total | FY 2021 | FY 2022 | FY 2023 | FY 2024 | Cost To Complete | Total Cost |
| 329: <i>Advanced Innovative Analysis and Concepts</i> | 153.312 | 36.763 | 37.178 | 37.645 | - | 37.645 | 38.478 | 39.582 | 39.558 | 40.350 | Continuing | Continuing |

A. Mission Description and Budget Item Justification

The Strategic Capabilities Office (SCO) conducts analysis in support of ongoing efforts to shape and counter emerging threats, with special emphasis on: innovative and architecture-level concepts, cross-Service and cross-Defense/Intelligence concepts, red-teaming, and on a case-by-case basis, research and development projects to demonstrate concept. SCO identifies, analyzes, and accelerates the development, demonstration, and transition of selected capabilities to shape and counter emerging threats, and to improve U.S. security posture. In a partnership endeavor across the Office of the Secretary of Defense (OSD), Joint Staff, Combatant Commands (CCMDs), the Services, the Intelligence Community (IC), and other U.S. Government agencies, SCO combines capability innovation with concepts of operation and information management to develop novel, high-leverage approaches to address pressing national security challenges. SCO conducts projects on accelerated timelines, at any classification or access level.

The Advanced Innovative Analysis and Concepts Program Element supports development, studies, analysis, and demonstration of integrated concepts and prototypes, analysis in support of ongoing efforts to shape and counter emerging threats, cross-Service and cross-Defense/Intelligence concepts, and red-teaming. Projects focus on proving component and subsystem maturity prior to integration in major systems, and may involve risk reduction initiatives. Due to the nature of these projects, specific applications and detailed plans are available at a higher classification level.

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

| | | | |
|--|----------------|----------------|----------------|
| | FY 2018 | FY 2019 | FY 2020 |
| Title: High-Fidelity Analysis and Concept Generation | 36.763 | 22.553 | 21.465 |
| Description: The Strategic Capabilities Office (SCO) conducts analysis to identify and accelerate the development, demonstration, and transition of potentially game-changing capabilities to shape and counter emerging threats and improve U.S. security posture. All innovative concepts developed within SCO must first undergo a phase of thorough analysis before moving forward to become a project. Due to the nature of these projects, specific applications and detailed plans are available at a higher classification level. | | | |
| FY 2019 Plans: Continue to innovate in partnership with Services Program Offices and CCMDs to identify game-changing uses of existing systems and technologies. | | | |
| FY 2020 Plans: Continue to innovate in partnership with Services Program Offices and CCMDs to identify game-changing uses of existing systems and technologies. | | | |
| FY 2019 to FY 2020 Increase/Decrease Statement: | | | |

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| Appropriation/Budget Activity 0400 / 3 | R-1 Program Element (Number/Name) PE 0603289D8Z / <i>Advanced Innovative Analysis and Concepts</i> | Project (Number/Name) 329 / <i>Advanced Innovative Analysis and Concepts</i> |
|--|--|--|

| B. Accomplishments/Planned Programs (\$ in Millions) | FY 2018 | FY 2019 | FY 2020 |
|--|---------|---------|---------|
| FY 2019 to FY 2020 increase is the result of minor inflation rate adjustments. | | | |
| <p>Title: Quick Win Projects</p> <p>Description: The Strategic Capabilities Office (SCO) pursues rapid research and development projects and prototyping to deliver new capabilities to the warfighter swiftly (2 years or less), called a "Quick Win." For "Quick Wins," SCO identifies, analyzes, and accelerates the development, demonstration, and transition of selected capabilities to shape and counter emerging threats, and to improve U.S. security posture. Projects focus on proving component and subsystem maturity prior to integration in major systems, and may involve risk reduction initiatives. Due to the nature of these projects, specific applications and detailed plans are available at a higher classification level.</p> <p>FY 2019 Plans: Start FY 2019 Quick Win projects.</p> <p>FY 2020 Plans: Complete FY 2019 Quick Win projects, start FY 2020 Quick Win projects.</p> <p>FY 2019 to FY 2020 Increase/Decrease Statement: FY 2019 to FY 2020 increase is the result of minor inflation rate adjustments.</p> | 0.000 | 14.625 | 16.180 |
| Accomplishments/Planned Programs Subtotals | 36.763 | 37.178 | 37.645 |

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

Remarks

D. Acquisition Strategy
N/A

E. Performance Metrics
Performance metrics are specific to each Advanced Innovative Analysis and Concepts effort and include measures identified in the management approach, Statement of Work (SOW), and Period of Performance (POP). In addition, completions and successes are monitored against schedules and deliverables stated in the initiative's management approach. Due to the nature of these projects, specific applications and detailed plans are available at a higher classification level