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Exhibit R-2, RDT&E Budget Item Justification: PB 2022 Office of the Secretary Of Defense **Date:** May 2021

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 2020	FY 2021	FY 2022 Base	FY 2022 OCO	FY 2022 Total	FY 2023	FY 2024	FY 2025	FY 2026	Cost To Complete	Total Cost
Total Program Element	226.419	36.801	28.524	51.513	-	51.513	-	-	-	-	-	-
329: <i>Advanced Innovative Analysis and Concepts</i>	226.419	36.801	28.524	51.513	-	51.513	-	-	-	-	-	-

Note

In FY 2022, funds were re-aligned from PE 0603291D8Z since both program elements fund the same efforts.

A. Mission Description and Budget Item Justification

The Strategic Capabilities Office (SCO) conducts analysis to identify and accelerate the development, demonstration, and transition of game-changing capabilities to shape and counter emerging threats and 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, study, and analysis 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. This Program Element also supports the development of concept proposals for assessment by the Technical and Transition Cross Functional Teams established in accordance with the FY 2021 National Defense Authorization Act for full development under the Advanced Innovative Technologies Program Element. 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 2020	FY 2021	FY 2022 Base	FY 2022 OCO	FY 2022 Total
Previous President's Budget	37.645	36.524	37.788	-	37.788
Current President's Budget	36.801	28.524	51.513	-	51.513
Total Adjustments	-0.844	-8.000	13.725	-	13.725
• Congressional General Reductions	-	-8.000			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-0.006	-			
• SBIR/STTR Transfer	-0.838	-			
• Re-alignment from PE 0603291D8Z	-	-	13.725	-	13.725

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Exhibit R-2A, RDT&E Project Justification: PB 2022 Office of the Secretary Of Defense										Date: May 2021		
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 2020	FY 2021	FY 2022 Base	FY 2022 OCO	FY 2022 Total	FY 2023	FY 2024	FY 2025	FY 2026	Cost To Complete	Total Cost
329: <i>Advanced Innovative Analysis and Concepts</i>	226.419	36.801	28.524	51.513	-	51.513	-	-	-	-	-	-
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

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 new concepts. 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 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, study, and analysis 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 2020	FY 2021	FY 2022
Title: Innovative Analysis and Concept Generation	7.365	13.549	26.513
Description: The Strategic Capabilities Office conducts analysis, studies, demonstrations of integrated concepts and prototypes, component and subsystem maturation, and risk-reduction demonstrations in support of ongoing efforts to shape and counter emerging threats, and develops project proposals for prototyping under the Advanced Innovative Technologies Program Element. Due to the nature of these projects, specific applications and detailed plans are available at a higher classification level.			
FY 2021 Plans: Continue to innovate in partnership with Services Program Offices and CCMDs to identify game-changing uses of existing and mature systems and technologies.			
FY 2022 Plans: Continue to innovate in partnership with Services Program Offices and CCMDs to identify game-changing uses of existing and mature systems and technologies.			
FY 2021 to FY 2022 Increase/Decrease Statement:			

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B. Accomplishments/Planned Programs (\$ in Millions)		FY 2020	FY 2021	FY 2022
FY 2021 to FY 2022 increase is due to the transfer of FY 2022 and out-year funds from PE 0603291D8Z, since both program elements perform the same function.				
Title: Quick Win Projects		19.648	0.625	-
Description: With the establishment of level funding for the Strategic Capabilities Office, and the creation of the Cross Functional Teams to evaluate candidate concepts, the Advanced Innovation Analysis and Concepts Program Element will increase focus on analysis, risk reduction, and formulation for promising future concepts as part of a renewed focus on formulation and risk reduction.				
FY 2021 Plans: Complete Quick Win projects started in FY 2020.				
FY 2021 to FY 2022 Increase/Decrease Statement: FY 2021 to FY 2022 decrease is the result of elimination of a separate Quick Wins program line.				
Title: Formulation and Risk Reduction		9.788	14.350	25.000
Description: Subsequent to review and recommendation of project concepts by the new Technical and Transition Cross Functional Teams, the Strategic Capabilities Office performs engineering trade studies and conducts component tests to prepare selected projects to be ready to enter into full prototype development under the Advanced Innovative Technologies Program Element. Activities, such as proving component and subsystem maturity prior to integration in major systems, are intended to finalize key requirements to reduce technical risk during prototype development. Due to the nature of these projects, specific applications and detailed plans are available at a higher classification level.				
FY 2021 Plans: Conduct formulation and risk reduction for projects proposed to begin in FY 2022.				
FY 2022 Plans: Conduct formulation and risk reduction for projects proposed to begin in FY 2023.				
FY 2021 to FY 2022 Increase/Decrease Statement: The budget increase is required to support the larger number of projects budgeted to begin in FY 2023.				
Accomplishments/Planned Programs Subtotals		36.801	28.524	51.513
C. Other Program Funding Summary (\$ in Millions)				
N/A				

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

Remarks

D. Acquisition Strategy
N/A