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Exhibit R-2, RDT&E Budget Item Justification: PB 2024 Office of the Secretary Of Defense **Date:** March 2023

| | |
|---|--|
| Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide I BA 3: Advanced Technology Development (ATD)</i> | R-1 Program Element (Number/Name) PE 0603289D8Z I <i>Advanced Innovative Analysis and Concepts</i> |
|---|--|

| COST (\$ in Millions) | Prior Years | FY 2022 | FY 2023 | FY 2024 Base | FY 2024 OCO | FY 2024 Total | FY 2025 | FY 2026 | FY 2027 | FY 2028 | Cost To Complete | Total Cost |
|---|-------------|---------|---------|--------------|-------------|---------------|---------|---------|---------|---------|------------------|------------|
| Total Program Element | 291.228 | 45.050 | 53.176 | 55.626 | - | 55.626 | 56.844 | 58.099 | 59.316 | 60.564 | Continuing | Continuing |
| 329: <i>Advanced Innovative Analysis and Concepts</i> | 291.228 | 45.050 | 53.176 | 55.626 | - | 55.626 | 56.844 | 58.099 | 59.316 | 60.564 | Continuing | Continuing |

Note

New Start (Y/N): No

A. Mission Description and Budget Item Justification

This program supports the Department's initiatives to Deter Aggression and Prevail in Conflict, Defend the Homeland, Build Sustainable and Long-Term Advantage, and Build a Resilient Joint Force and Defense Ecosystem.

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, the 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 National Defense Authorization Act (NDAA) for FY 2020 for 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.

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| Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide I BA 3: Advanced Technology Development (ATD)</i> | R-1 Program Element (Number/Name) PE 0603289D8Z I <i>Advanced Innovative Analysis and Concepts</i> |
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| B. Program Change Summary (\$ in Millions) | <u>FY 2022</u> | <u>FY 2023</u> | <u>FY 2024 Base</u> | <u>FY 2024 OCO</u> | <u>FY 2024 Total</u> |
|---|-----------------------|-----------------------|----------------------------|---------------------------|-----------------------------|
| Previous President's Budget | 46.351 | 53.890 | 55.371 | - | 55.371 |
| Current President's Budget | 45.050 | 53.176 | 55.626 | - | 55.626 |
| Total Adjustments | -1.301 | -0.714 | 0.255 | - | 0.255 |
| • Congressional General Reductions | - | -0.714 | | | |
| • Congressional Directed Reductions | - | - | | | |
| • Congressional Rescissions | - | - | | | |
| • Congressional Adds | - | - | | | |
| • Congressional Directed Transfers | - | - | | | |
| • Reprogrammings | - | - | | | |
| • SBIR/STTR Transfer | -1.294 | - | | | |
| • Program Adjustments | -0.007 | - | 0.255 | - | 0.255 |

Change Summary Explanation

The FY 2024 increase of \$0.255 is comprised of realignment of \$0.058 million to support departmental priorities and an economic assumption increase of \$0.313 million.

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| Exhibit R-2A, RDT&E Project Justification: PB 2024 Office of the Secretary Of Defense | | | | | | | | | | Date: March 2023 | | |
| 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 2022 | FY 2023 | FY 2024 Base | FY 2024 OCO | FY 2024 Total | FY 2025 | FY 2026 | FY 2027 | FY 2028 | Cost To Complete | Total Cost |
| 329: <i>Advanced Innovative Analysis and Concepts</i> | 291.228 | 45.050 | 53.176 | 55.626 | - | 55.626 | 56.844 | 58.099 | 59.316 | 60.564 | Continuing | Continuing |
| 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 2022 | FY 2023 | FY 2024 |
|---|----------------|----------------|----------------|
| Title: Innovative Analysis and Concept Generation | 24.230 | 29.041 | 30.081 |
| 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 2023 Plans: Continue to innovate in partnership with Services Program Offices and CCMDs to identify game-changing uses of existing and mature systems and technologies to prepare for presentation to the Cross Functional Teams. | | | |
| FY 2024 Plans: Continue to innovate in partnership with Services Program Offices and CCMDs to identify game-changing uses of existing and mature systems and technologies to prepare for presentation to the Cross Functional Teams. | | | |
| FY 2023 to FY 2024 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> |
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|---|----------------|----------------|----------------|
| B. Accomplishments/Planned Programs (\$ in Millions) | FY 2022 | FY 2023 | FY 2024 |
|---|----------------|----------------|----------------|

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| The increase of \$1.04 million will enable 1-2 additional studies to identify high-impact concepts for prototype development. | | | |
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|--|--------|--------|--------|
| Title: Formulation and Risk Reduction | 20.820 | 22.650 | 24.000 |
|--|--------|--------|--------|

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 2023 Plans:
Conduct formulation and risk reduction for five to six projects reviewed by the Cross Functional Teams and proposed to begin 6.4 work in FY 2024.

FY 2024 Plans:
Conduct formulation and risk reduction for five to six projects reviewed by the Cross Functional Teams and proposed to begin 6.4 work in FY 2025.

FY 2023 to FY 2024 Increase/Decrease Statement:
The increase of \$1.35 million will allow additional work for projects selected to enter Formulation in FY24 to be ready to enter Execution in FY 2025.

| | | | |
|---|---|-------|-------|
| Title: Small Business Innovative Research (SBIR)/Small Business Technology Transfer (STTR) | - | 1.485 | 1.545 |
|---|---|-------|-------|

Description: This project includes estimates of funds required for SBIR/STTR based upon planned extramural research and development spending. These funds are transferred to the SBIR/STTR programs in the year of execution. \$1.294 million was previously transferred to SBIR/STTR in FY22.

FY 2023 Plans:
Funding will be transferred to the Department's SBIR and STTR programs in the year of execution.

FY 2024 Plans:
Funding will be transferred to the Department's SBIR and STTR programs in the year of execution.

FY 2023 to FY 2024 Increase/Decrease Statement:
The increase of \$0.060 million is due to planned extramural research and development spending.

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| Accomplishments/Planned Programs Subtotals | 45.050 | 53.176 | 55.626 |
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C. Other Program Funding Summary (\$ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A