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

<b>Appropriation/Budget Activity</b> 0400: <i>Research, Development, Test &amp; Evaluation, Defense-Wide I BA 3: Advanced Technology Development (ATD)</i>	<b>R-1 Program Element (Number/Name)</b> PE 0603291D8Z / <i>Advanced Innovative Analysis &amp; Concepts - MHA</i>
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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	28.256	14.339	14.703	0.000	-	0.000	-	-	-	-	-	-
251: <i>SCO Operational Costs</i>	28.256	14.339	14.703	0.000	-	0.000	-	-	-	-	-	-

**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, studies, 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>B. Program Change Summary (\$ in Millions)</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022 Base</b>	<b>FY 2022 OCO</b>	<b>FY 2022 Total</b>
Previous President's Budget	14.668	14.703	14.209	-	14.209
Current President's Budget	14.339	14.703	0.000	-	0.000
Total Adjustments	-0.329	0.000	-14.209	-	-14.209
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Realigned Funding to PE 0603289D8Z	-	-	-14.209	-	-14.209
• Program Adjustment	-0.329	-	-	-	-

**Change Summary Explanation**

Funds have been transferred to PE 0603289D8Z in FY 2022.

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

<b>Appropriation/Budget Activity</b> 0400 / 3	<b>R-1 Program Element (Number/Name)</b> PE 0603291D8Z / <i>Advanced Innovative Analysis &amp; Concepts - MHA</i>	<b>Project (Number/Name)</b> 251 / <i>SCO Operational Costs</i>
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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
251: <i>SCO Operational Costs</i>	28.256	14.339	14.703	0.000	-	0.000	-	-	-	-	-	-
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-	-	-

**Note**

Funds were transferred to PE 0603289D8Z in FY 2022.

**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, studies, 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. Accomplishments/Planned Programs (\$ in Millions)**

	FY 2020	FY 2021	FY 2022
<b>Title:</b> SCO Operational Costs - MHA	14.339	14.703	-
<p><b>Description:</b> 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.</p> <p>The Advanced Innovative Analysis and Concepts Program Element supports development, studies, analysis of integrated concepts and prototypes, analysis in support of ongoing efforts to shape and counter emerging threats, cross-Service and cross-</p>			

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<b>Exhibit R-2A, RDT&amp;E Project Justification:</b> PB 2022 Office of the Secretary Of Defense		<b>Date:</b> May 2021		
<b>Appropriation/Budget Activity</b> 0400 / 3	<b>R-1 Program Element (Number/Name)</b> PE 0603291D8Z / <i>Advanced Innovative Analysis &amp; Concepts - MHA</i>	<b>Project (Number/Name)</b> 251 / <i>SCO Operational Costs</i>		
<b>B. Accomplishments/Planned Programs (\$ in Millions)</b>		<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<p>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.</p> <p><b><i>FY 2021 Plans:</i></b> This budget request supports development, studies, 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.</p> <p><b><i>FY 2021 to FY 2022 Increase/Decrease Statement:</i></b> Funding is realigned to PE 0603289D8Z, since both program elements fund the same efforts.</p>				
<b>Accomplishments/Planned Programs Subtotals</b>		14.339	14.703	-
<b>C. Other Program Funding Summary (\$ in Millions)</b>				
N/A				
<b>Remarks</b>				
<b>D. Acquisition Strategy</b>				
N/A				