Exhibit R-2, RDT&E Budget Item Justification: PB 2024 Defense Counterintelligence and Security Agency	Date: March 2023
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide* / BA 7: *Operational Systems Development*	**R-1 Program Element (Number/Name)** PE 0604130V / *Enterprise Security System (ESS)*

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	156.626	5.355	14.749	42.482	-	42.482	41.823	37.232	44.574	45.524	Continuing	Continuing
000: *Enterprise Security System (ESS)*	156.626	5.355	14.749	42.482	-	42.482	41.823	37.232	44.574	45.524	Continuing	Continuing

A. Mission Description and Budget Item Justification

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 conduct oversight of all industrial security current capabilities to include the system of record for facilities clearance (FCL) information and industrial security oversight, 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 real time threat awareness and discovered non-compliance vulnerabilities once fully deployed to enhance field and headquarters communication on where security oversight, counterintelligence, and cyber threats need to be addressed. NISS is being designed to share common operational pictures of risk, vulnerability, and threat reporting across the entire NISP. Additionally, NISS will incorporate “pre award” FOCI analytics for all DoD contracts over $5.0 million threshold in support of Section 847 acquisition security reform efforts found in the FY 2020 National Defense Authorization Act (NDAA), impacting the Defense Industrial Base (DIB) comprised of more than 100,000 companies.

B. Program Change Summary ($ in Millions)	FY 2022	FY 2023	FY 2024 Base	FY 2024 OCO	FY 2024 Total
Previous President's Budget	5.355	0.000	0.000	-	0.000
Current President's Budget	5.355	14.749	42.482	-	42.482
Total Adjustments	0.000	14.749	42.482	-	42.482
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	0.000	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Correction to FY 2023 Budget Alignment	-	14.749	-	-	-
• Correction to FY 2024 Budget Alignment	-	-	42.482	-	42.482

Exhibit R-2A, RDT&E Project Justification: PB 2024 Defense Counterintelligence and Security Agency			Date: March 2023
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0604130V / *Enterprise Security System (ESS)*	Project (Number/Name) 000 / *Enterprise Security System (ESS)*	

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
000: *Enterprise Security System (ESS)*	156.626	5.355	14.749	42.482	-	42.482	41.823	37.232	44.574	45.524	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

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 conduct oversight of all industrial security current capabilities to include the system of record for facilities clearance (FCL) information and industrial security oversight, 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 real time threat awareness and discovered non-compliance vulnerabilities once fully deployed to enhance field and headquarters communication on where security oversight, counterintelligence, and cyber threats need to be addressed. NISS is being designed to share common operational pictures of risk, vulnerability, and threat reporting across the entire NISP. Additionally, NISS will incorporate “pre award” FOCI analytics for all DoD contracts over $5.0 million threshold in support of Section 847 acquisition security reform efforts found in the FY 2020 National Defense Authorization Act (NDAA), impacting the Defense Industrial Base (DIB) comprised of more than 100,000 companies.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2022	FY 2023	FY 2024
Title: National Industrial Security System (NISS)	5.355	14.749	42.482
Description: Provide 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 workflow for risk assessment and analytic capabilities. Support the continuous delivery of secure, automated, IT capabilities for the DCSA Industrial Security (IS) Directorate to enable entity vetting, risk identification and mitigation for cleared and uncleared industry operating in the Defense Industrial Base (DIB).			
FY 2023 Plans: Develop modifications for FY 2020 NDAA Section 847 requirements to apply Foreign Ownership, Control, and Influence (FOCI) analysis and determine beneficial ownership for all DoD contracts valued at $5 million or more within the Defense Industrial Base (DIB), comprised of more than 100,000 companies. Develop modifications to NISS for FCL, NCCS 2.0, while developing the			

Exhibit R-2A, RDT&E Project Justification: PB 2024 Defense Counterintelligence and Security Agency		Date: March 2023
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0604130V / *Enterprise Security System (ESS)*	**Project (Number/Name)** 000 / *Enterprise Security System (ESS)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2022	FY 2023	FY 2024
Common Operating System (COS) cloud environment ensuring the requirements under the current threat vector within the IS Directorate mission are met. ***FY 2024 Plans:*** Design, engineer, and implement improvements to NISS, field the Minimum Viable Product 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 source and enhanced 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 denouement 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. ***FY 2023 to FY 2024 Increase/Decrease Statement:*** The FY 2023 BA08 Software Pilot Program budget request was denied in the FY 2023 Omnibus Appropriation Act, and realigned back to BA07, which is included in this FY 2024 request. The FY 2024 will focus on building the capabilities of the IS Directorate’s technology suite, and includes requirements analysis, engineering and development support for NCCS 2.0, FY 2020 NDAA Sections 845 and 847 applications, and moving into the NISS cloud instance. Additionally, development of DCSA’s AI/ML capabilities will enable more efficient and effective agency-wide risk analysis for the DIB, comprised of more than 100,000 companies. These changes are necessary to manage the risk to oversee the totality of the NISP, implement FOCI analysis for the DIB, and enhance requirements for supporting infrastructure.			
Accomplishments/Planned Programs Subtotals	5.355	14.749	42.482

C. Other Program Funding Summary ($ in Millions)

N/A

Exhibit R-2A, RDT&E Project Justification: PB 2024 Defense Counterintelligence and Security Agency		Date: March 2023
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C. Other Program Funding Summary ($ in Millions)

Remarks

D. Acquisition Strategy

DCSA will use a variety of acquisition strategies such as Indefinite Delivery, Indefinite Quantity (IDIQ), Blanket Purchase Agreements (BPA), and multiple or single award contracts for the development of new applications, enhancement of other applications, and perform system integration with COTS and GOTS solutions and technology. These efforts will reduce the contract award process lead time and contract overhead, improve technical solutions, deployments, and deliver more effective and efficient automation projects for DCSA and the NISP community.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2024 Defense Counterintelligence and Security Agency			Date: March 2023
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0604130V / *Enterprise Security System (ESS)*	**Project (Number/Name)** 000 / *Enterprise Security System (ESS)*	

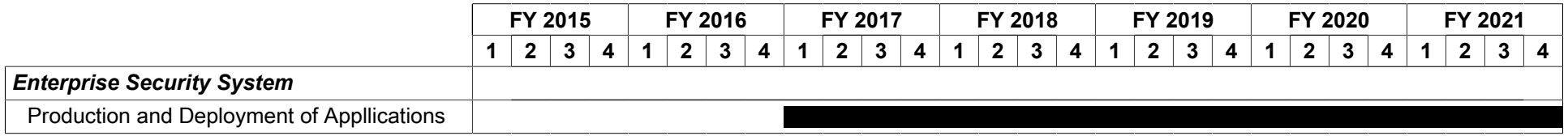
Product Development ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2022 Cost	FY 2022 Award Date	FY 2023 Cost	FY 2023 Award Date	FY 2024 Base Cost	FY 2024 Base Award Date	FY 2024 OCO Cost	FY 2024 OCO Award Date	FY 2024 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
NISS Development	C/TBD	TBD : TBD	136.340	4.615		14.749		42.482		-		42.482	Continuing	Continuing	-
NISS Development/ MilCloud	MIPR	DISA : Pensacola, FL	1.600	0.500		-		-		-		-	Continuing	Continuing	-
NCAISS Development	Option/ BPA	Deloitt : Arlington VA	3.740	-		-		-		-		-	Continuing	Continuing	-
NCCS Development	MIPR	DLA : Philadelphia, PA	4.512	-		-		-		-		-	Continuing	Continuing	-
SBIR/STTR	MIPR	AT&L : Arlington, VA	1.840	0.240	May 2021	-		-		-		-	Continuing	Continuing	-
ADX/JCITS	Option/ TBD	TBD : TBD	4.000	-		-		-		-		-	Continuing	Continuing	-
DISS Development	TBD	TBD : TBD	4.594	-		-		-		-		-	Continuing	Continuing	-
		Subtotal	156.626	5.355		14.749		42.482		-		42.482	Continuing	Continuing	N/A

	Prior Years	FY 2022 Cost	FY 2022 Award Date	FY 2023 Cost	FY 2023 Award Date	FY 2024 Base Cost	FY 2024 Base Award Date	FY 2024 OCO Cost	FY 2024 OCO Award Date	FY 2024 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	156.626	5.355		14.749		42.482		-		42.482	Continuing	Continuing	N/A

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2024 Defense Counterintelligence and Security Agency		Date: March 2023
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0604130V / *Enterprise Security System (ESS)*	**Project (Number/Name)** 000 / *Enterprise Security System (ESS)*



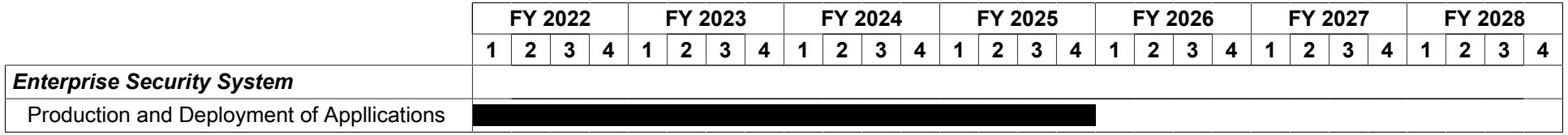


Exhibit R-4A, RDT&E Schedule Details: PB 2024 Defense Counterintelligence and Security Agency		Date: March 2023
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0604130V / *Enterprise Security System (ESS)*	**Project (Number/Name)** 000 / *Enterprise Security System (ESS)*

Schedule Details

	Start		End	
Events by Sub Project	**Quarter**	**Year**	**Quarter**	**Year**
Enterprise Security System				
Production and Deployment of Appllications	1	2017	4	2025