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

<b>Appropriation/Budget Activity</b> 0400: <i>Research, Development, Test &amp; Evaluation, Defense-Wide I BA 5: System Development &amp; Demonstration (SDD)</i>	<b>R-1 Program Element (Number/Name)</b> PE 0605022D8Z / <i>Defense Exportability Program</i>
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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	14.235	2.088	1.486	17.615	-	17.615	14.445	11.883	11.803	21.119	Continuing	Continuing
013: <i>Defense Exportability Features (DEF) Program</i>	14.235	2.088	1.486	17.615	-	17.615	14.445	11.883	11.803	21.119	Continuing	Continuing

**Note**

The increase in funds for the Defense Exportability Features (DEF) Program for FY20-24 reflects Department of Defense commitments to expand the application of exportability activities in acquisition programs, activities which closely align with the three priority lines of effort outlined in the 2018 National Defense Strategy: 1) increasing lethality, by building technology protection features into U.S. defense systems to maintain the U.S. competitive military edge; 2) strengthening alliances and partnerships, by deepening interoperability with coalition partners; and 3) improving business practices, by helping decrease costs for the DoD and foreign partners via greater economies of scale. By facilitating the export of U.S. defense systems, the DoD enhances the U.S. defense industrial base, strengthens the military capabilities of U.S. allies around the world, and increases coalition interoperability.

**A. Mission Description and Budget Item Justification**

The Defense Exportability Features (DEF) Program funds activities to support identification of major defense acquisition programs for possible export, and the planning for design and incorporation of exportability features during the research and development phases of these programs. Features include, but are not limited to, technology and engineering design activities such as capability differentials, anti-tamper, system assurance, and software assurance. Activities include the development of program protection strategies for the program; the design and incorporation of exportability features into the system; implementation of exportability requirements into contracts; and other research, development, test, and evaluation activities.

Defense exportability features play a critically important role in United States Government/DoD efforts to build partnership capacity. Funds support building joint and coalition environments by enabling the export of DoD systems to a wide range of partner nations, resulting in improved security and interoperability. In addition to the operational benefits, by providing these resources up front, the United States and partner nations will save significant resources by more efficiently designing and producing exportable U.S. systems.

Failure to consider export variant designs early in the acquisition process results in increased costs, delayed delivery, and higher risk of sensitive technology compromise due to ad-hoc sales later in production. Early development of export variants, including systems design approaches to integrate exportable anti-tamper protection and differential capability requirements to lower production costs, makes it possible to improve quality and timely deliveries to allies and friends, and may enhance US industry share of the global marketplace.

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<b>B. Program Change Summary (\$ in Millions)</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020 Base</b>	<b>FY 2020 OCO</b>	<b>FY 2020 Total</b>
Previous President's Budget	3.162	1.489	3.698	-	3.698
Current President's Budget	2.088	1.486	17.615	-	17.615
Total Adjustments	-1.074	-0.003	13.917	-	13.917
• Congressional General Reductions	-1.000	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.070	-			
• FFRDC	-0.004	-0.003	-	-	-
• Department's Realignment	-	-	13.917	-	13.917

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<b>Exhibit R-2A, RDT&amp;E Project Justification:</b> PB 2020 Office of the Secretary Of Defense										<b>Date:</b> February 2019		
<b>Appropriation/Budget Activity</b> 0400 / 5					<b>R-1 Program Element (Number/Name)</b> PE 0605022D8Z / Defense Exportability Program				<b>Project (Number/Name)</b> 013 / Defense Exportability Features (DEF) Program			
<b>COST (\$ in Millions)</b>	<b>Prior Years</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020 Base</b>	<b>FY 2020 OCO</b>	<b>FY 2020 Total</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>Cost To Complete</b>	<b>Total Cost</b>
013: Defense Exportability Features (DEF) Program	14.235	2.088	1.486	17.615	-	17.615	14.445	11.883	11.803	21.119	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

**A. Mission Description and Budget Item Justification**

The Defense Exportability Features (DEF) Program funds activities to support identification of major defense acquisition programs for possible export, and the planning for design and incorporation of exportability features during the research and development phases of these programs. Features include, but are not limited to, technology and engineering design activities such as capability differentials, anti-tamper, system assurance, and software assurance. Activities include the development of program protection strategies for the program; the design and incorporation of exportability features into the system; implementation of exportability requirements into contracts; and other research, development, test, and evaluation activities.

Defense exportability features play a critically important role in United States Government/DoD efforts to build partnership capacity. Funds support building joint and coalition environments by enabling the export of DoD systems to a wide range of partner nations, resulting in improved security and interoperability. In addition to the operational benefits, by providing these resources up front, the United States and partner nations will save significant resources by more efficiently designing and producing exportable U.S. systems.

Failure to consider export variant designs early in the acquisition process results in increased costs, delayed delivery, and higher risk of sensitive technology compromise due to ad-hoc sales later in production. Early development of export variants, including systems design approaches to integrate exportable anti-tamper protection and differential capability requirements to lower production costs, makes it possible to improve quality and timely deliveries to allies and friends, and may enhance US industry share of the global marketplace.

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

<b>Title:</b> Defense Exportability Features (DEF) Program	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
	2.088	1.486	17.615
<b>FY 2019 Plans:</b>			
Designated systems participating in the DEF Program in FY19 continue to define and implement DEF 'best practices' related to technology protection in the areas of system engineering, program management, and program protection measures. Failure to assess DEF considerations early in the acquisition process results in increased costs, delays in delivery, and higher risk of critical technology compromise. Funding decreases in FY 2019 compared to subsequent fiscal years, however, the Program anticipates supporting some of the Department's most important modernization efforts such as the Three Dimensional Expeditionary Long Range Radar (3DELRR) and Future Vertical Lift (FVL) programs, and the DEF Program has greater need from participating programs than there are available funds to disburse for FY2019.			
<b>FY 2020 Plans:</b>			

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<b>B. Accomplishments/Planned Programs (\$ in Millions)</b>		<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Guided by National Defense Strategy priority lines of effort, DEF Program efforts will expand funding support for priority acquisition programs with a view to building international partner capability, improved coalition interoperability, and improved readiness of U.S. and coalition forces.				
<b>FY 2019 to FY 2020 Increase/Decrease Statement:</b> FY 2019 to FY 2020 increase is driven by Departmental priorities to expanded exportability efforts to align with National Defense Strategy priority lines of effort: 1) increase lethality, 2) strengthen alliances and partnerships, 3) improve DoD business practices.				
<b>Accomplishments/Planned Programs Subtotals</b>		2.088	1.486	17.615
<b>C. Other Program Funding Summary (\$ in Millions)</b> N/A				
<b>Remarks</b>				
<b>D. Acquisition Strategy</b> N/A				
<b>E. Performance Metrics</b> N/A				

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**Exhibit R-3, RDT&E Project Cost Analysis:** PB 2020 Office of the Secretary Of Defense **Date:** February 2019

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Product Development (\$ in Millions)				FY 2018		FY 2019		FY 2020 Base		FY 2020 OCO		FY 2020 Total	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
DEF	TBD	Various : Various	14.235	2.088		1.486		17.615		-		17.615	Continuing	Continuing	-
<b>Subtotal</b>			14.235	2.088		1.486		17.615		-		17.615	Continuing	Continuing	N/A

**Remarks**  
 The increase in funds for the Defense Exportability Features (DEF) Program for FY20-24 reflects Department of Defense commitments to expand the application of exportability activities in acquisition programs, activities which closely align with the three priority lines of effort outlined in the 2018 National Defense Strategy: 1) increasing lethality, by building technology protection features into U.S. defense systems to maintain the U.S. competitive military edge; 2) strengthening alliances and partnerships, by deepening interoperability with coalition partners; and 3) improving business practices, by helping decrease costs for the DoD and foreign partners via greater economies of scale. By facilitating the export of U.S. defense systems, the DoD enhances the U.S. defense industrial base, strengthens the military capabilities of U.S. allies around the world, and increases coalition interoperability.

	Prior Years	FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total	Cost To Complete	Total Cost	Target Value of Contract
<b>Project Cost Totals</b>	14.235	2.088	1.486	17.615	-	17.615	Continuing	Continuing	N/A

**Remarks**  
 The increase in funds for the Defense Exportability Features (DEF) Program for FY20-24 reflects Department of Defense commitments to expand the application of exportability activities in acquisition programs, activities which closely align with the three priority lines of effort outlined in the 2018 National Defense Strategy: 1) increasing lethality, by building technology protection features into U.S. defense systems to maintain the U.S. competitive military edge; 2) strengthening alliances and partnerships, by deepening interoperability with coalition partners; and 3) improving business practices, by helping decrease costs for the DoD and foreign partners via greater economies of scale. By facilitating the export of U.S. defense systems, the DoD enhances the U.S. defense industrial base, strengthens the military capabilities of U.S. allies around the world, and increases coalition interoperability.

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<b>Exhibit R-4, RDT&amp;E Schedule Profile:</b> PB 2020 Office of the Secretary Of Defense		<b>Date:</b> February 2019
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# DEF Project Plan

<u>Project Plan</u>	10/1/2018	10/1/2019	10/1/2020	10/1/2021	10/1/2022	10/1/2023	10/1/2024
FY 2018 Project Execution							
FY 2019 Project Execution							
FY 2020 Project Execution							
FY 2021 Project Execution							
FY 2022 Project Execution							
FY 2023 Project Execution							
FY 2024 Project Execution							

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<b>Exhibit R-4A, RDT&amp;E Schedule Details:</b> PB 2020 Office of the Secretary Of Defense		<b>Date:</b> February 2019
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Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
<b><i>Defense Exportability Features (DEF)</i></b>				
FY 2018	1	2018	4	2019
FY 2019	1	2019	4	2020
FY 2020	1	2020	4	2021
FY 2021	1	2021	4	2022
FY 2022	1	2022	4	2023
FY 2023	1	2023	4	2024
FY 2024	1	2024	4	2024