Exhibit R-2, RDT&E Budget Item Justification: PB 2012 Office of Secretary Of Defense										DATE: February 2011	
APPROPRIATION/BUDGET ACTIVITY 0400: *Research, Development, Test & Evaluation, Defense-Wide* BA 6: *RDT&E Management Support*				R-1 ITEM NOMENCLATURE PE 0605110D8Z: *USD (A&T) Critical Technology Support*							
COST ($ in Millions)	**FY 2010**	**FY 2011**	**FY 2012 Base**	**FY 2012 OCO**	**FY 2012 Total**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**Cost To Complete**	**Total Cost**
Total Program Element	4.719	4.743	1.486	-	1.486	0.863	0.930	0.996	1.691	Continuing	Continuing
P110: *USD (A&T) Critical Technology Support*	4.719	4.743	1.486	-	1.486	0.863	0.930	0.996	1.691	Continuing	Continuing

A. Mission Description and Budget Item Justification

(1) Export Control Program:

The Militarily Critical Technologies Program (MCTP) provides the technical reference guidance in support of development and implementation of DoD technology security policies on international transfers of defense related goods, services, and technologies. The export control program provides an ongoing assessment and analysis of global goods and technologies. Determines significant advances in the development, production, and use of military capabilities by potential adversaries. Determines goods and technologies being developed worldwide with potential to significantly enhance or degrade U.S. military capabilities in the future. Identified in the Export Administration Act of 1979 and extended by Presidential Executive Order to review militarily critical goods and technologies and to consider worldwide technology capabilities. The Militarily Critical Technologies List (MCTL) is a congressionally mandated source document for identification of leading edge and current technologies monitored worldwide for national security, nonproliferation control of weapons of mass destruction, and advanced conventional weapons.

Specific activities include:
- Develop and publish in electronic form (including Internet version, both restricted and public) various editions of the MCTL document that describe the military and proliferation significance of various technologies.
- Monitor and assess dual-use and military technologies worldwide.
- Assist in the development of proposals for negotiation in various multilateral export control regimes.
- Limited worldwide technology capability assessments for the MCTL and other U.S. international critical technologies efforts.
- Identification and determination of technical parameters for proposals for international control of weapons of mass destruction.
- Identification of foreign technologies of interest to the DoD and opportunities for international cooperative research and development.

(2) The DoD Damage Assessment Management Office (DAMO) Program: The Defense Industrial Base (DIB) secures critical DoD programs and technology by protecting DoD unclassified information resident on and transiting DIB unclassified networks. This project further establishes the DoD DAMO to coordinate the conduct of assessments involving the loss of DoD information requiring controls resulting from the unauthorized access and/or exfiltration of technical data maintained on unclassified DIB networks. The DAMO identifies and categorizes the impact of the loss of acquisition information contained on the affected systems, organizes and coordinates the assessment reports with all affected components and DIB members, and establishes a process to appropriately share collected information with all affected parties. The DAMO establishes policy and procedures for conducting damage assessments applicable to all DoD components and in concert with Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation (DFAR) procedures pertaining to contracts with the DIB.

Specific activities include:

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- Coordination with DIB partners, Defense Cyber Crime Center (DC3), Military Departments, DoD Agencies, Counterintelligence/Law Enforcement Agencies, and Service Acquisition Executives (SAES) to assess impacts from information compromised.
- Establish and organize the DAMO as the centralized office for coordinating damage assessments relating to unauthorized access or loss of DoD information.
- Develop and publish DoD policy guidance regarding the conduct of Cyber Intrusion Damage Assessments for all DoD components to implement relating to DoD information on defense acquisition programs.
- Further develop, coordinate, implement and update the Concept of Operations (CONOPS) and operating procedures as required.
- Provide technical expertise and analyses in assessing the impact of data lost as a result of the unauthorized access and/or exfiltration.
- Develop and implement the DAMO library of assessments maintaining cyber intrusion damage assessment reports and ensure access is available to all with a “need-to-know” for analytical purposes.
- Develop a damage assessment ontology and data repository in order to provide analysis to identify trends in the targeting and compromise of defense program information.
- Conduct data triage and coordinate Inter-Service/Agency Integrated Product Teams to review compromised information provided to DoD by DIB partners under the DIB Cyber Security/Information Assurance (CS/IA) Framework Agreements.
- Document and publish the results of cyber intrusion damage assessments.
- Document, refine, and publish damage assessment processes in coordination with the DC3, Military Departments, and other Agencies/activities as appropriate.
- Provide an OUSD(AT&L) review and comment on cyber security related policy, directives, and instructions.
- Coordinate with the intelligence and counterintelligence communities in the reporting of cyber intrusions involving DoD acquisition information and the feedback needed to make use of the assessment findings.

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B. Program Change Summary ($ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total
Previous President's Budget	4.914	4.743	4.772	-	4.772
Current President's Budget	4.719	4.743	1.486	-	1.486
Total Adjustments	-0.195	-	-3.286	-	-3.286
• Congressional General Reductions		-			
• Congressional Directed Reductions		-			
• Congressional Rescissions	-	-			
• Congressional Adds		-			
• Congressional Directed Transfers		-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.148	-			
• Other Program Adjustments	-0.047	-	-	-	-
• Defense Efficiency - Baseline Review	-	-	-1.033	-	-1.033
• Defense Efficiency - Report, Studies, Boards and Commissions	-	-	-0.095	-	-0.095
• Defense Efficiency - Civilian Staffing Reduction	-	-	-0.750	-	-0.750
• Defense Efficiency – Contractor Staff Support	-	-	-1.403	-	-1.403
• Economic Assumptions	-	-	-0.005	-	-0.005

Change Summary Explanation

Defense Efficiency - Baseline Review. As part of the Department of Defense reform agenda, implements a zero-based review of the organization to align resources to the most critical priorities and eliminate lower priority functions.

Defense Efficiency - Report, Studies, Boards and Commissions. As part of the Department of Defense reform agenda, reflects a reduction in the number and cost of reports, studies, DoD Boards and DoD Commissions below the aggregate level reported in the previous budget submission.

Defense Efficiency – Civilian Staffing Reduction. As part of the Department of Defense reform agenda, eliminates civilian full-time equivalent positions to maintain, with limited exceptions, civilian staffing at the FY 2010 level.

Defense Efficiency – Contractor Staff Support. As part of the Department of Defense reform agenda, reduces funds below the aggregate level reported in the previous budget submission for contracts that augment staff functions.

Exhibit R-2A, RDT&E Project Justification: PB 2012 Office of Secretary Of Defense			DATE: February 2011
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COST ($ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
P110: *USD (A&T) Critical Technology Support*	4.719	4.743	1.486	-	1.486	0.863	0.930	0.996	1.691	Continuing	Continuing
Quantity of RDT&E Articles											

A. Mission Description and Budget Item Justification

(1) Export Control Program:

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- Document and publish the results of cyber intrusion damage assessments.
- Document, refine, and publish damage assessment processes in coordination with the DC3, Military Departments, and other Agencies/activities as appropriate.
- Provide an OUSD(AT&L) review and comment on cyber security related policy, directives, and instructions.
- Coordinate with the intelligence and counterintelligence communities in the reporting of cyber intrusions involving DoD acquisition information and the feedback needed to make use of the assessment findings.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
Title: Militarily Critical Technologies Program (MCTL)	4.719	4.743	1.486
FY 2010 Accomplishments: (1) Export Control Program: - Conducted MCTL annual update and reviews: Successfully supported United States Government (USG) delegation at Wassenaar Arrangement 2010 to adjust multilateral technology security controls. - Completed the first cycle of bilateral assessment studies (six) with Japan. - Continued to strengthen outreach to the Services and the U.S. Departments of State and Commerce to exchange technical information through the Community Advisory Board (CAB) process, as well as technical representation on multilateral export control panels. - Improved and expanded the focus of the DSTL effort to represent a broader global research watch. - Built definitions and a tiered approach to both the MCTL and DSTL processes. - Adapted the Wiki-based collaborative environment to evolving search engine requirements. (2) Damage Assessment Management Office (DAMO) Program:			

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B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
- Conducted two Damage Assessment Working Group (DAWG) Meetings with Government stakeholders and partner companies to refine processes, provide updates, and improve corporate understanding of the Damage Assessment (DA) process. - Initiated 39 damage assessment cases based on nominations from DoD-DIB Collaborative Information Sharing Environment (DCISE) closed three cases. - Participated in development of language for Federal Acquisition Regulation/Defense Federal Acquisition Regulation (FAR/DFAR) update on protecting unclassified defense information and inclusion of damage assessments. - Developed initial draft of Damage Assessment Ontology. - Coordinated with DC3 in the enhancement of analysis tools to improve the speed and effectiveness of data triage activities. - Continued work with DC3 programmers in development of a custom tool to assist DAMO in the triage and analysis of datasets. - Completed initial draft of DAMO Standard Operating Procedures (SOPs). Coordinated linkages with DC3 processes. - Conducted periodic meetings with Service leads to foster process and status discussions. - Established damage assessment linkage with the office of the National Counterintelligence Executive for cooperation in the conduct of damage assessments. - Coordinated with the Defense Acquisition University on the incorporation of a Cyber Intrusion track (including damage assessment discussions) for an Executive Program Management Course. - Participated in and provided a damage assessment update to the DIB Cyber Security/Information Assurance (CS/IA) Executive Committee.			
FY 2011 Plans: (1) Export Control Program: - Conduct MCTL annual update and reviews: Assist USG delegation to refine control criteria for microelectronics, bio-pharmaceutical items, and remote controlled vessels and vehicles. - Scope expansion of bilateral technology studies program to include the Republic of Korea and initiate robotics study with Japan. - Continue to strengthen outreach to the Services and the U.S. Departments of State and Commerce to exchange technical information through the Community Advisory Board (CAB) process, as well as technical representation on multilateral export control panels. - Improve and expand the focus of the DSTL effort to represent a broader global research watch. (2) Damage Assessment Management Office (DAMO) Program: - Finalize damage assessment ontology and implement a data repository to allow for trend analysis and data discovery. - Continue to conduct data triage and coordinate inter-Service/Agency Integrated Product Teams to review compromised information provided to DoD by DIB partners under the DIB CS/IA Framework Agreements. - Continue to document and publish the results of damage assessments.			

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B. Accomplishments/Planned Programs ($ in Millions)	FY 2010	FY 2011	FY 2012
- Continue coordination with DC3 in the refinement of custom analysis tools for improved data triage and analysis and development of a tracking system to maintain visibility into case status and progress. - Continue to document, refine, and publish damage assessment processes in coordination with the Defense Cyber Crime Center, the Military Departments, and other agencies/activities as appropriate. - Continue to provide an OUSD(AT&L) review and comment on cyber security related policy, directives, and instructions. - Continue coordination with the intelligence and counterintelligence communities in the reporting of cyber intrusions involving DoD acquisition information and the feedback needed to make use of the assessment findings. ***FY 2012 Plans:*** - Transition legacy data to Positive Control List. - Maintain technical interface to export technology security organizations and functions. - Migrate technical standard production to external activity.			
Accomplishments/Planned Programs Subtotals	4.719	4.743	1.486

C. Other Program Funding Summary ($ in Millions)

N/A

D. Acquisition Strategy

Not applicable for this item.

E. Performance Metrics

The indicator below allow the DoD to measure the success of the Critical Technology Support program element:

- Currency of the MCTL with perspectives of user community.