Exhibit R-2, RDT&E Budget Item Justification: PB 2019 Operational Test and Evaluation, Defense											**Date:** February 2018	

Appropriation/Budget Activity					R-1 Program Element (Number/Name)							
0460: *Operational Test and Evaluation, Defense I* BA 6: *RDT&E Management Support*					PE 0605118OTE *I Operational Test and Evaluation (OT&E)*							

COST ($ in Millions)	Prior Years	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023	Cost To Complete	Total Cost
Total Program Element	76.838	80.772	83.503	85.685	-	85.685	86.498	88.327	90.191	89.517	Continuing	Continuing
000310: *OT&E*	76.838	80.772	83.503	85.685	-	85.685	86.498	88.327	90.191	89.517	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Director of Operational Test and Evaluation (DOT&E) was created by Congress in 1983. The Director is responsible under Title 10 for policy and procedures for all aspects of Operational Test and Evaluation (OT&E) within the Department of Defense (DoD). Particular focus is given to OT&E that supports major weapon system production decisions for acquisition programs included on the Office of Secretary of Defense Test and Evaluation Oversight List that is prepared and approved annually. Generally, there are about 300 programs on the oversight list including all Major Defense Acquisition Programs (MDAP) and Major Automated Information Systems (MAIS). MDAPs may not proceed beyond low-rate initial production (BLRIP) until OT&E of the program is complete. DOT&E is involved early in the planning phase of each program to ensure adequate testing is planned and executed. Key elements of DOT&E's oversight authority include:

- Approve component Test and Evaluation Master Plans (TEMPS).
- Approve component OT&E Test Plans (TPs).
- Oversee Military Department preparation and conduct of field operational tests; analysis and evaluation of the resultant test data; the assessment of the adequacy of the executed test and evaluation programs; and assessment of the operational effectiveness and suitability of the weapon systems.
- Report results of OT&E that supports BLRIP decisions to the Secretary of Defense and Congress, as well as providing an annual report summarizing all OT&E activities and the adequacy of test resources within DoD during the previous fiscal year.
- Review and make recommendations to the Secretary of Defense on all budgetary and financial matters related to OT&E, including operational test facilities, resources and ranges.

DOT&E also oversees and resources OT&E community efforts to plan and execute joint operational evaluations of information assurance and interoperability (IA and IOP) of fielded systems and networks during major Combatant Command (CCMD) and Service exercises, and reports the trends and findings in the annual report.

DOT&E is also involved in increasing the capacity to access realistically advanced cyber warfare capabilities to keep pace with heightened demand for their capabilities, advancing technologies and the growing cyber threat.

This Program Element includes funds to obtain Federally Funded Research and Development Center (FFRDC) support in performing the described tasks, travel funds to carry out oversight of the OT&E and IA and IOP programs, funds for Service teams performing information assurance and interoperability assessments during exercises, administrative support services, DFAS support, and engineering and technical support services related to the conduct of operational test and evaluation and exercise assessments.

Exhibit R-2, **RDT&E Budget Item Justification:** PB 2019 Operational Test and Evaluation, Defense			**Date:** February 2018		
Appropriation/Budget Activity 0460: *Operational Test and Evaluation, Defense I* BA 6: *RDT&E Management Support*			**R-1 Program Element (Number/Name)** PE 0605118OTE *I Operational Test and Evaluation (OT&E)*		

B. Program Change Summary ($ in Millions)	**FY 2017**	**FY 2018**	**FY 2019 Base**	**FY 2019 OCO**	**FY 2019 Total**
Previous President's Budget	80.772	83.503	85.397	-	85.397
Current President's Budget	80.772	83.503	85.685	-	85.685
Total Adjustments	0.000	0.000	0.288	-	0.288
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Pricing adjustment due to inflation	-	-	0.288	-	0.288

Change Summary Explanation

Pricing adjustment due to inflation

Exhibit R-2A, RDT&E Project Justification: PB 2019 Operational Test and Evaluation, Defense										Date: February 2018	

Appropriation/Budget Activity 0460 / 6				R-1 Program Element (Number/Name) PE 0605118OTE / Operational Test and Evaluation (OT&E)					Project (Number/Name) 000310 / OT&E		

COST ($ in Millions)	Prior Years	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023	Cost To Complete	Total Cost
000310: OT&E	76.838	80.772	83.503	85.685	-	85.685	86.498	88.327	90.191	89.517	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Director of Operational Test and Evaluation (DOT&E) was created by Congress in 1983. The Director is responsible under Title 10 for policy and procedures for all aspects of Operational Test and Evaluation (OT&E) within the Department of Defense (DoD). Particular focus is given to OT&E that supports major weapon system production decisions for acquisition programs included on the Office of Secretary of Defense Test and Evaluation Oversight List that is prepared and approved annually. Generally, there are about 300 programs on the oversight list including all Major Defense Acquisition Programs (MDAP) and Major Automated Information Systems (MAIS). MDAPs may not proceed beyond low-rate initial production (BLRIP) until OT&E of the program is complete. DOT&E is involved early in the planning phase of each program to ensure adequate testing is planned and executed. Key elements of DOT&E's oversight authority include:

- The approval of component Test and Evaluation Master Plans (TEMPS).
- The approval of component OT&E Test Plans (TPs).
- Oversight of Military Department preparation and conduct of field operational tests; analysis and evaluation of the resultant test data; the assessment of the adequacy of the executed test and evaluation programs; and assessment of the operational effectiveness and suitability of the weapon systems.
- Reporting results of OT&E that support BLRIP decisions to the Secretary of Defense and Congress, as well as providing an annual report summarizing all OT&E activities and the adequacy of test resources within DoD during the previous fiscal year.
- The review and make recommendations to the Secretary of Defense on all budgetary and financial matters related to OT&E, including operational test facilities, resources and ranges.

DOT&E also oversees and resources OT&E community efforts to plan and execute joint operational evaluations of information assurance and interoperability (IA and IOP) of fielded systems and networks during major Combatant Command (CCMD) and Service exercises, and reports the trends and findings in the annual report.

DOT&E is also involved in increasing the capacity to access realistically advanced cyber warfighting capabilities to keep pace with heightened demand for those capabilities, advancing technologies and the growing cyber threat.

This Program Element includes funds to obtain Federally Funded Research and Development Center (FFRDC) support in performing the described tasks, travel funds to carry out oversight of the OT&E and IA and IOP programs, funds for Service teams performing information assurance and interoperability assessments during exercises, administrative support services, DFAS support, and engineering and technical support services related to the conduct of operational test and evaluation and exercise assessments.

Exhibit R-2A, RDT&E Project Justification: PB 2019 Operational Test and Evaluation, Defense		Date: February 2018
Appropriation/Budget Activity 0460 / 6	**R-1 Program Element (Number/Name)** PE 0605118OTE / *Operational Test and Evaluation (OT&E)*	**Project (Number/Name)** 000310 / *OT&E*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2017	FY 2018	FY 2019
Title: Operational Test and Evaluation	80.772	83.503	85.685

FY 2018 Plans:
Operational Test and Evaluation Oversight

This effort is in direct support of the Director's Title 10 responsibilities and is a continuing effort. Funding for FY 2018 provides Operational Test and Evaluation inputs for Test and Evaluation Master Plans, Test Plans, System Acquisition Reports, Defense Acquisition Executive Summary Reports for those programs designated for oversight by DOT&E and OUSD(AT&L). Key elements of DOT&E oversight authority are identified in Calendar Year 2018 Office of the Secretary of Defense Test and Evaluation Oversight List.

Cybersecurity Evaluations

DOT&E plans to sponsor approximately 25 Combatant Command (CCMD) and Service cybersecurity assessments and Cyber readiness Campaigns (CRCs) in FY 2018, each including "Find-Fix-Verify" efforts as described above. DOT&E plans to continue working with the CCMDs and Services to develop multiyear plans for exercise cyber assessments and CRC events. These plans will focus on assessing the CCMD's or Service's ability to complete missions in a contested cyber environment. To support threat-representative assessments, and to facilitate improvement of DoD's cybersecurity posture, DOT&E will continue efforts with U.S. Cyber Command to establish a Global Persistent Cyber Opposition Force (PCO) capability with authorities to perform year-round and long-duration assessments of all CCMDs and Services. Primary objectives for DOT&E's assessments in FY 2018 include the portrayal of advanced nation-state cyber threats and the assessment of operational missions during realistic cyber attacks. DOT&E will assess Cyber Protection Teams when they participate during PCO, CRC, or exercise events. DOT&E will continue to develop techniques to efficiently and effectively assess offensive cyber capabilities, conduct timely evaluations of these capabilities, and fund joint assessments of Mode 5 Identification of Friend or Foe capabilities in support of acquisition programs. DOT&E will transmit critical findings to DoD leadership along with recommended actions to improve DoD's cybersecurity posture. FY 2018 evaluations will include trend analyses across prior year results, both within and across CCMDs.

FY 2019 Plans:
Operational Test and Evaluation Oversight
This effort is in direct support of the Director's Title 10 responsibilities and is a continuing effort. Funding for FY 2019 provides Operational Test and Evaluation inputs for Test and Evaluation Master Plans, Test Plans, System Acquisition Reports, Defense Acquisition Executive Summary Reports for those programs designated for oversight by DOT&E and OUSD(AT&L). Key elements of DOT&E oversight authority are identified in Calendar Year 2019 Office of the Secretary of Defense Test and Evaluation Oversight List.

Exhibit R-2A, **RDT&E Project Justification:** PB 2019 Operational Test and Evaluation, Defense		**Date:** February 2018
Appropriation/Budget Activity 0460 / 6	**R-1 Program Element (Number/Name)** PE 0605118OTE / *Operational Test and Evaluation (OT&E)*	**Project (Number/Name)** 000310 / *OT&E*

B. Accomplishments/Planned Programs ($ in Millions)	**FY 2017**	**FY 2018**	**FY 2019**
Cyber Evaluations OSD-mandated staff reductions planned for FY2019 will require DOT&E to reduce the number of planned assessments in FY2019 and beyond. Each assessment will continue to include "Find-Fix-Verify" efforts as described above. DOT&E plans to continue working with the CCMDs and Services to develop multiyear plans for exercise cyber assessments and CRC events. These plans will focus on assessing the CCMD's or Service's ability to complete missions and be resilient in a contested cyber environment. DOT&E will perform year-round and long-duration assessments of all CCMDs and Services with Global PCO authorities. Objectives for DOT&E assessments in FY 2019 will include the portrayal of advanced nation-state cyber threats and the assessment of operational missions during realistic cyber attacks, with supporting offensive fires and cyber-range events included in the evaluation. DOT&E will assess Cyber Protection Teams when they participate during PCO, CRC, or exercise events. DOT&E will continue assessments of offensive cyber capabilities, consider the development of a potential cyber variant of the Joint Munition Effectiveness Manual, and continue to fund joint assessments of Mode 5 Identification of Friend or Foe capabilities in support of acquisition programs. DOT&E will transmit critical findings to DoD leadership along with recommended actions to improve DoD's cybersecurity posture. FY 2019 evaluations will include trend analyses across prior year results, both within and across CCMDs. ***FY 2018 to FY 2019 Increase/Decrease Statement:*** The increase from FY 2018 to FY 2019 of $2.182 Million is consistent with yearly inflation increases of program cost.			
Accomplishments/Planned Programs Subtotals	80.772	83.503	85.685

C. Other Program Funding Summary ($ in Millions)
 N/A
Remarks

D. Acquisition Strategy
 N/A

E. Performance Metrics
 Performance Measure: Percentage of required operational test planning documents, assessments, and reports applicable to acquisition programs on the OSD Test and Evaluation Oversight List and other special interest programs/legacy systems that are completed and delivered to the appropriate decision makers on time.
 The on-time completion rate was computed on the basis of the number of required products that were submitted within established time standards relative to the total number of such products that fell due during the fiscal year. Products included in the measure include beyond low-rate initial production reports, Test Plans, and Test and Evaluation Master Plans for operational test and evaluation oversight as well as assessment plans, "quick look" reports, and final reports for the information assurance and interoperability testing associated with scheduled test events.

Operational Test and Evaluation, Defense

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