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Exhibit R-2, RDT&E Budget Item Justification: PB 2024 Operational Test and Evaluation, Defense **Date:** March 2023

Appropriation/Budget Activity 0460: <i>Operational Test and Evaluation, Defense / BA 6: RDT&E Management Support</i>	R-1 Program Element (Number/Name) PE 0605118OTE / <i>Operational Test and Evaluation (OT&E)</i>
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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	113.133	105.394	133.579	169.544	-	169.544	184.985	200.615	223.288	251.093	Continuing	Continuing
000310: <i>OTE</i>	113.133	105.394	133.579	169.544	-	169.544	184.985	200.615	223.288	251.093	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Office of the Director, Operational Test and Evaluation (DOT&E) was created by Congress in 1983. The Director is prescribed, by authority of the Secretary of Defense, policies and procedures for the conduct of operational test and evaluation (OT&E) in the Department of Defense (DOD). The Director provides guidance to and consults with the Secretary of Defense, the Under Secretary of Defense for Acquisition and Sustainment, and the Under Secretary of Defense for Research and Engineering, and the Service Secretaries with respect to OT&E. DOT&E's oversight list fluctuates, but generally has around 235 programs, including Major Defense Acquisition Programs (MDAP) and programs from across each of the six adaptive acquisition pathways.

Programs identified as MDAPs for the purposes of test and evaluation 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:

- Approval of component Test and Evaluation Master Plans (TEMPs).
- 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; and assessment of the operational effectiveness, suitability, and survivability of the defense business and weapon systems.
- Reporting results of OT&E that support BLRIP decisions to the Secretary of Defense and Congress, and providing an annual report summarizing all OT&E activities and the adequacy of test resources within the DOD during the previous fiscal year.
- Review of DOD budgets and financial matters related to OT&E, and recommendations to the Secretary of Defense on all matters relating to operational test facilities and equipment.

DOT&E also oversees and resources OT&E community efforts to plan and execute joint cybersecurity assessments 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 assessing and increasing the capacity of realistically advanced cyber warfighting capabilities to keep pace with heightened demand, 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 cyber assessment programs, funds for Service teams performing information assurance and interoperability assessments during exercises, administrative support services, DFAS support, and engineering and technical support services.

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B. Program Change Summary (\$ in Millions)	FY 2022	FY 2023	FY 2024 Base	FY 2024 OCO	FY 2024 Total
Previous President's Budget	105.394	119.529	123.601	-	123.601
Current President's Budget	105.394	133.579	169.544	-	169.544
Total Adjustments	0.000	14.050	45.943	-	45.943
• Congressional General Reductions	-	-0.950			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	15.000			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Additional funding for MTA/Rapid Prototyping oversight	-	-	10.601	-	10.601
• Transformation of the T&E Enterprise Tools, Processes, and Workforce	-	-	35.342	-	35.342

Congressional Add Details (\$ in Millions, and Includes General Reductions)

Project: 000310: *OTE*

Congressional Add: *Browser plug-in security research*

Congressional Add: *Red Team Automation*

Congressional Add Subtotals for Project: 000310

Congressional Add Totals for all Projects

	FY 2022	FY 2023
	-	5.000
	-	10.000
Congressional Add Subtotals for Project: 000310	-	15.000
Congressional Add Totals for all Projects	-	15.000

Change Summary Explanation

Increased funding will provide the workforce capacity and talent required to leverage the department's modernization efforts by supporting the Congressional requirements for increased oversight and insight of test strategies for programs using section 804 middle tier acquisition authorities and/or rapid prototyping authorities. Funding will also support developing and implementing an enterprise-level T&E data management solution, integrates T&E in model-based system engineering, increases the use of credible digital twins in T&E, and provides support to the T&E enterprise workforce by identifying and tracking T&E workforce capabilities, establishing core T&E competencies, and supplying training and education resources across the department.

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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
000310: OTE	113.133	105.394	133.579	169.544	-	169.544	184.985	200.615	223.288	251.093	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

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- Approval of component Test and Evaluation Master Plans (TEMPs).
- 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; and assessment of the operational effectiveness, suitability, and survivability of the defense business and weapon systems.
- Reporting results of OT&E that support BLRIP decisions to the Secretary of Defense and Congress, and providing an annual report summarizing all OT&E activities and the adequacy of test resources within the DOD during the previous fiscal year.
- Review of DOD budgets and financial matters related to OT&E, and recommendations to the Secretary of Defense on all matters relating to operational test facilities and equipment.

DOT&E also oversees and resources OT&E community efforts to plan and execute joint cybersecurity assessments 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 assessing and increasing the capacity of realistically advanced cyber warfighting capabilities to keep pace with heightened demand, 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 cyber assessment programs, funds for Service teams performing information assurance and interoperability assessments during exercises, administrative support services, DFAS support, and engineering and technical support services.

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B. Accomplishments/Planned Programs (\$ in Millions)	FY 2022	FY 2023	FY 2024
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Title: Operational Test and Evaluation (OT&E)	105.394	118.579	169.544
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Description: OT&E Oversight

This effort is in direct support of the Director’s Title 10 responsibilities and is a continuing effort. Funding for FY 2023 provides OT&E inputs for TEMPs, TPs, System Acquisition Reports, and Defense Acquisition Executive Summary Reports for those programs designated for oversight by DOT&E. The key elements are identified in the DOD Instructions signed by the DOT&E and the Under Secretary of Defense for Research & Evaluation. This also includes funding for congressionally mandated test & evaluation (T&E) oversight of all Middle Tier of Acquisition programs and programs utilizing other accelerated acquisition authorities. This includes the development of independent T&E concepts for such programs; review of programs’ T&E strategies; observation of relevant test events to ensure compliance with TPs; independent data analysis; and development of reports to Secretary of Defense and Congress on all matters related to test adequacy and demonstrated operational effectiveness, suitability, and survivability of the defense business and weapon systems.

DOT&E also oversees and resources OT&E community efforts to plan and execute joint operational evaluations of information assurance (cyber survivability) and interoperability of fielded systems and networks during major CCMD and Service exercises. DOT&E reports the mission-focused trends and findings in the annual report, and provides a mission risk assessment each fiscal year. DOT&E also supports efforts to increase the capacity for assessments of advanced cyber warfighting capabilities, to keep pace with heightened demand for those capabilities, advancing technologies, and the growing cyber threat.

FY 2023 Plans:
Cyber Evaluations

DOT&E plans to sponsor approximately 50 CCMD and Service cybersecurity assessments and Cyber Readiness Campaign (CRC) events in FY 2023. Each assessment will continue to include “Find-Fix-Verify” efforts to facilitate the remediation of identified vulnerabilities and verify that solutions and mitigations improve warfighter mission assurance. 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 cyber-contested environment. DOT&E will perform year-round and long-duration assessments of six CCMDs and Services with Global PCO authorities. DOT&E will begin assessing AI and Machine-Learning technologies for cybersecurity as they are deployed to CCMDs. Objectives for DOT&E assessments in FY 2023 will include the portrayal of advanced cyber threats and the assessment of operational missions during realistic cyber attacks, with supporting offensive fires and cyber-range events included in the evaluation. Expanded table-top exercises and wargames to stress senior-leader decisions with advanced threats not suitable for exercises will also be performed. DOT&E will assess Cyber Protection Teams and Cyber Mission Teams when they participate during PCO, CRC,

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B. Accomplishments/Planned Programs (\$ in Millions)	FY 2022	FY 2023	FY 2024
<p>or exercise events. DOT&E will continue assessments of offensive cyber capabilities. DOT&E will continue expanded efforts on focused assessments in multiple additional mission and technology areas that are receiving extensive upgrades or becoming more prevalent in warfighter systems, including Nuclear Command, Control, and Communications (NC3); commercial clouds; AI and Machine-Learning technologies; and non-internet protocol platform cyber risks. DOT&E will transmit critical findings to DOD leadership and Congress along with recommended actions to improve DOD’s cybersecurity posture.</p> <p>FY 2024 Plans: DOT&E plans to sponsor approximately 60 CCMD and Service cybersecurity assessments and CRC events in FY 2024. Each assessment will continue to include “Find-Fix-Verify” efforts to facilitate the remediation of identified vulnerabilities and verify that solutions and mitigations improve warfighter mission assurance. 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 cyber-contested environment. DOT&E will perform year-round and long-duration assessments of all CCMDs and Services with Global PCO authorities. DOT&E will continue assessing Artificial Intelligence and Machine-Learning technologies for cybersecurity as they are deployed to CCMDs, and for their contribution to mission accomplishment and their potential increase of the cyber-attack surface. Objectives for DOT&E assessments in FY 2024 will include the portrayal of advanced cyber threats and the assessment of operational missions during realistic cyber attacks, with supporting offensive fires and cyber-range events included in the evaluation. Expanded table-top exercises and wargames to stress senior-leader decisions with advanced threats not suitable for exercises will also be performed. DOT&E will assess Cyber Protection Teams and Cyber Mission Teams when they participate during PCO, CRC, or exercise events. DOT&E will continue assessments of offensive cyber capabilities. DOT&E will continue expanded efforts on focused assessments in multiple additional mission and technology areas that are receiving extensive upgrades or becoming more prevalent in warfighter systems, including Nuclear Command, Control, and Communications (NC3); commercial clouds; AI and Machine-Learning technologies; and non-internet protocol platform cyber risks. DOT&E will transmit critical findings to DOD leadership and Congress along with recommended actions to improve DOD’s cybersecurity posture.</p> <p>FY 2023 to FY 2024 Increase/Decrease Statement: Increased funding will provide the workforce capacity and talent required to leverage the department's modernization efforts by supporting the Congressional requirements for increased oversight and insight of test strategies for programs using section 804 middle tier acquisition authorities and/or rapid prototyping authorities. Funding will also support developing and implementing an enterprise-level T&E data management solution, integrates T&E in model-based system engineering, increases the use of credible digital twins in T&E, and provides support to the T&E enterprise workforce by identifying and tracking T&E workforce capabilities, establishing core T&E competencies, and supplying training and education resources across the department.</p>			
Accomplishments/Planned Programs Subtotals	105.394	118.579	169.544

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	FY 2022	FY 2023
Congressional Add: Browser plug-in security research <i>FY 2023 Plans:</i> Congressional add funding supports continued development of cyber security research for defense browser plug-in capabilities.	-	5.000
Congressional Add: Red Team Automation <i>FY 2023 Plans:</i> Congressional add funding supports acquisition and employment of AI/autonomy for red teaming for the combatant commands.	-	10.000
Congressional Adds Subtotals	-	15.000

C. Other Program Funding Summary (\$ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A