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Exhibit R-2, RDT&E Budget Item Justification: PB 2025 Operational Test and Evaluation, Defense **Date:** March 2024

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

| COST (\$ in Millions) | Prior Years | FY 2023 | FY 2024 | FY 2025 Base | FY 2025 OCO | FY 2025 Total | FY 2026 | FY 2027 | FY 2028 | FY 2029 | Cost To Complete | Total Cost |
|-----------------------|-------------|---------|---------|--------------|-------------|---------------|---------|---------|---------|---------|------------------|------------|
| Total Program Element | 218.527 | 133.579 | 169.544 | 136.226 | - | 136.226 | 137.281 | 137.812 | 140.701 | 143.250 | Continuing | Continuing |
| 000310: <i>OTE</i> | 218.527 | 133.579 | 169.544 | 136.226 | - | 136.226 | 137.281 | 137.812 | 140.701 | 143.250 | 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 for 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. DOT&E funded cyber assessments provide assistance for the remediation of mission-critical vulnerabilities as rapidly as possible.

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 2023 | FY 2024 | FY 2025 Base | FY 2025 OCO | FY 2025 Total |
|--|----------------|----------------|---------------------|--------------------|----------------------|
| Previous President's Budget | 118.579 | 169.544 | 182.195 | - | 182.195 |
| Current President's Budget | 133.579 | 169.544 | 136.226 | - | 136.226 |
| Total Adjustments | 15.000 | 0.000 | -45.969 | - | -45.969 |
| • Congressional General Reductions | - | - | | | |
| • Congressional Directed Reductions | - | - | | | |
| • Congressional Rescissions | - | - | | | |
| • Congressional Adds | 15.000 | - | | | |
| • Congressional Directed Transfers | - | - | | | |
| • Reprogrammings | - | - | | | |
| • SBIR/STTR Transfer | - | - | | | |
| • Transfer out: Funding from R-1 PE 0605118OTE to 0605814OTE | - | - | -43.445 | - | -43.445 |
| • Transfer out: Funding from R-1 PE 0605118OTE to 0605131OTE | - | - | -2.524 | - | -2.524 |

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 2023 | FY 2024 |
|--|----------------|----------------|
| | 5.000 | - |
| | 10.000 | - |
| | 15.000 | - |
| | 15.000 | - |

Change Summary Explanation

Transfer of funds from R-1 Program Element 0605118OTE to 0605131OTE (\$2.524M) and 0605814OTE (\$43.445M) for the better alignment of resource execution, and continuing efforts from prior year Congressional adds in test capability acceleration for areas of direct energy, hypersonic, space systems, targets, artificial intelligence/autonomous systems, and data management innovations.

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Exhibit R-2A, RDT&E Project Justification: PB 2025 Operational Test and Evaluation, Defense **Date:** March 2024

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

| COST (\$ in Millions) | Prior Years | FY 2023 | FY 2024 | FY 2025 Base | FY 2025 OCO | FY 2025 Total | FY 2026 | FY 2027 | FY 2028 | FY 2029 | Cost To Complete | Total Cost |
|----------------------------|-------------|---------|---------|--------------|-------------|---------------|---------|---------|---------|---------|------------------|------------|
| 000310: <i>OTE</i> | 218.527 | 133.579 | 169.544 | 136.226 | - | 136.226 | 137.281 | 137.812 | 140.701 | 143.250 | Continuing | Continuing |
| Quantity of RDT&E Articles | - | - | - | - | - | - | - | - | - | - | | |

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 for 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. DOT&E funded cyber assessments provide assistance for the remediation of mission-critical vulnerabilities as rapidly as possible.

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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| Exhibit R-2A, RDT&E Project Justification: PB 2025 Operational Test and Evaluation, Defense | | Date: March 2024 |
| Appropriation/Budget Activity 0460 / 6 | R-1 Program Element (Number/Name) PE 0605118OTE / <i>Operational Test and Evaluation (OT&E)</i> | Project (Number/Name) 000310 / OTE |

| B. Accomplishments/Planned Programs (\$ in Millions) | FY 2023 | FY 2024 | FY 2025 |
|--|----------------|----------------|----------------|
| <p>Title: Operational Test and Evaluation (OT&E)</p> <p>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 2024 and FY 2025 provides OT&E inputs for TEMPs, TPs, and System Acquisition Reports for those programs designated for oversight by DOT&E. The key elements are identified in the DoD instructions and manuals signed by the DOT&E and the Under Secretary of Defense for Research & Engineering. This also includes funding for congressionally mandated test and 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 the 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.</p> <p>Cyber Assessment 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. DOT&E-funded cyber assessments provide assistance for the remediation of mission-critical vulnerabilities as rapidly as possible.</p> <p>FY 2024 Plans: OT&E Oversight DOT&E plans to provide operational and/or live fire test and evaluation oversight for over 250 acquisition programs at various stages in their acquisition cycle. DOT&E must make plans to annually review and approve dozens of Test and Evaluation Master Plans (TEMPs), as well as T&E strategy reviews, concepts, training modules, to include many other congressional requested reports and memorandums. Funding for oversight also includes travel costs for the DOT&E workforce to be present at live fire events and to be integrated with the various service acquisition and weapon system capability events. To stay at the forefront of the T&E enterprise and leading contributor to advancement in the T&E community, the Director and staff must attend many conferences, trainings, and working group functions to stay informed on leading practices, develop improved testing methodologies, and implement lessons learned through updates to T&E policy and guidance to meet the T&E and acquisition demands of today and tomorrow. Current efforts include, among others, improved cybersecurity testing, software spectrum operations, modeling and simulation validation, and efficient test methodologies.</p> | 118.579 | 169.544 | 136.226 |

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

| | FY 2023 | FY 2024 | FY 2025 |
|---|---------|---------|---------|
| <p>Cyber Assessment 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 Cyber Readiness Campaign (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 Persistent Cyber Operations (PCO) authorities. DOT&E will continue assessing artificial intelligence (AI) and Machine-Learning technologies for cybersecurity as they are deployed to CCMDs, for their contribution to mission accomplishment, and their potential increase of the cyberattack surface. DOT&E will sponsor the acquisition of Red Team tools and tradecraft for these focused assessments.</p> <p>Objectives for DOT&E assessments in FY 2024 include improving portrayal of advanced cyber and electronic-warfare threats during exercises and the assessment of operational missions during realistic attacks. Expanded table-top exercises and wargames to stress senior-leader decisions with advanced threats not suitable for operational 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 focused assessments in mission and technology areas that are receiving extensive upgrades or becoming more prevalent in warfighter systems, including offensive cyber operations capabilities; Nuclear Command, Control, and Communications (NC3); commercial clouds; Joint Fires Networks; AI and machine-learning technologies, and non-internet protocol platforms. DOT&E will transmit critical findings to Congress and DoD leadership along with recommended actions to improve DoD’s cybersecurity posture.</p> <p>FY 2025 Plans: OT&E Oversight DOT&E plans to continue to provide operational and/or live fire test and evaluation oversight for over 230+ acquisition programs at various stages in their acquisition cycle. DOT&E plans to continue to meet the Title 10 responsibilities of oversight of the department’s continued acquisition and modernizations efforts, support to the services Combatant Commands (CCMDs), to the T&E enterprise and community, and continue to support the department on policy and modernization efforts to the T&E community and enterprise.</p> <p>Cyber Assessment DOT&E plans to sponsor approximately 70 CCMD and Service cyber assessment events in FY 2025. 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</p> | | | |

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| B. Accomplishments/Planned Programs (\$ in Millions) | FY 2023 | FY 2024 | FY 2025 |
|--|---------|---------|---------|
| <p>ability to complete missions and be resilient in a cyber-contested and realistic electronic-warfare environment. DOT&E will contribute to Red Team enhancements to enable the emulation of advanced, full-spectrum threats by DoD Red Teams. 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.</p> <p>DOT&E will continue focused assessments in mission and technology areas that are receiving extensive upgrades or becoming more prevalent in warfighter systems, including offensive cyber operations capabilities, NC3, commercial clouds, Joint Fires Networks, AI and machine-learning technologies, and non-internet protocol platforms. DOT&E will transmit critical findings to Congress and DoD leadership along with recommended actions to improve DoD’s cybersecurity posture.</p> <p>FY 2024 to FY 2025 Increase/Decrease Statement: Decrease reflects a transfer of funds from R-1 Program Element 0605118OTE to 0605131OTE (\$2.524M) and 0605814OTE (\$43.445M) for the better alignment of resource execution, and continuing efforts from prior year Congressional adds in test capability acceleration for areas of direct energy, hypersonic, space systems, targets, artificial intelligence/autonomous systems, and data management innovations.</p> | | | |
| Accomplishments/Planned Programs Subtotals | 118.579 | 169.544 | 136.226 |

| | FY 2023 | FY 2024 |
|--|---------|---------|
| <p>Congressional Add: Browser plug-in security research</p> <p>FY 2023 Accomplishments: Congressional add funding supported continued development of cybersecurity research for defense browser plug-in capabilities. DOT&E sponsored approximately 50 CCMD and Service cyber assessments and CRC events in FY 2023. Each assessment included “Find-Fix-Verify” efforts to facilitate the remediation of identified vulnerabilities and verify that solutions and mitigations improve warfighter mission assurance. As is customary, most DOT&E assessments found existing problems or vulnerabilities that could impact critical DOD missions, and assessment reporting raised these issues to leadership who could direct remediation efforts. Examples of such results for FY 2023 include findings regarding Zero Trust, credential management and compromise, unencrypted communications used by military aircraft, and multiple network cybersecurity issues brought to light during warfighter mission-rehearsal exercises. In most of these cases, DOD leadership responded rapidly and effectively to remedy identified problems.</p> | 5.000 | - |
| <p>Congressional Add: Red Team Automation</p> <p>FY 2023 Accomplishments: DOT&E performed a survey of national labs, FFRDCs, academic organizations, Red Teams, and commercial organizations to identify available tools that could enhance current red team</p> | 10.000 | - |

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| | | |
|--|----------------|----------------|
| | FY 2023 | FY 2024 |
| operations. The survey also requested identification of capabilities that are in development, and which could be available in the next 12 months, capabilities that could assist red teams in assessments of AI-enabled technologies, and AI-enablers that could enhance red team tools and tradecraft. Capabilities that show promise in these three categories will be assessed during range and lab demonstrations in the first and second quarter of FY 2024, and acquisition decisions will be made following completion of an over-arching assessment of available capabilities. Deployment of automation enhancements to red teams should begin during the second quarter of FY 2024, and more advanced capabilities and AI-enablers should follow in the third and fourth quarters of FY 2024. | | |
| Congressional Adds Subtotals | 15.000 | - |

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

N/A

Remarks

D. Acquisition Strategy

N/A