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**Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Army** **Date:** February 2016

<b>Appropriation/Budget Activity</b> 2040: <i>Research, Development, Test &amp; Evaluation, Army / BA 6: RDT&amp;E Management Support</i>					<b>R-1 Program Element (Number/Name)</b> PE 0605709A / <i>Exploitation of Foreign Items</i>							
<b>COST (\$ in Millions)</b>	<b>Prior Years</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Base</b>	<b>FY 2017 OCO</b>	<b>FY 2017 Total</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>Cost To Complete</b>	<b>Total Cost</b>
Total Program Element	-	8.418	10.396	12.415	-	12.415	12.624	12.980	13.212	13.437	-	-
C28: <i>Acq/Exploit Threat Items (MIP)</i>	-	8.418	10.396	12.415	-	12.415	12.624	12.980	13.212	13.437	-	-

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

Program provides for the acquisition, exploitation, and inventory of foreign ground materiel with potential advanced technology threats to US systems, as well as emerging and destructive threats such as cyber vulnerabilities, biometric systems, and evolving improvised explosive devices. The primary aim of the program is to maximize the efficiency of research and development for force and materiel development by reducing the uncertainties associated with these threats. The program also answers scientific and technical intelligence requirements, provides materiel for realistic testing and training, and aids in the development of countermeasures to threat systems, materiel, and technologies. Operations have increased the amount of captured threat materiel that require immediate exploitation to develop countermeasures and force protection measures for US forces. Acquisition and exploitation are executed according to Army Foreign Materiel Program (FMP) Plan prioritization and with the approval of the Army Deputy Chief of Staff for Intelligence (G2).

<b>B. Program Change Summary (\$ in Millions)</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Base</b>	<b>FY 2017 OCO</b>	<b>FY 2017 Total</b>
Previous President's Budget	7.015	10.396	7.664	-	7.664
Current President's Budget	8.418	10.396	12.415	-	12.415
Total Adjustments	1.403	0.000	4.751	-	4.751
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	1.403	-			
• SBIR/STTR Transfer	-	-			
• Adjustments to Budget Years	-	-	4.751	-	4.751

**Change Summary Explanation**

Increase in funding classified - Army will provide under separate cover.

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<b>Exhibit R-2A, RDT&amp;E Project Justification:</b> PB 2017 Army										<b>Date:</b> February 2016		
<b>Appropriation/Budget Activity</b> 2040 / 6					<b>R-1 Program Element (Number/Name)</b> PE 0605709A / <i>Exploitation of Foreign Items</i>				<b>Project (Number/Name)</b> C28 / <i>Acq/Exploit Threat Items (MIP)</i>			
<b>COST (\$ in Millions)</b>	<b>Prior Years</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Base</b>	<b>FY 2017 OCO</b>	<b>FY 2017 Total</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>Cost To Complete</b>	<b>Total Cost</b>
C28: <i>Acq/Exploit Threat Items (MIP)</i>	-	8.418	10.396	12.415	-	12.415	12.624	12.980	13.212	13.437	-	-
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

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

Program provides for the acquisition, exploitation, and inventory of foreign ground materiel with potential advanced technology threats to US systems, as well as emerging and destructive threats such as cyber vulnerabilities, biometric systems, and evolving improvised explosive devices. The primary aim of the program is to maximize the efficiency of research and development for force and materiel development by reducing the uncertainties associated with these threats. The program also answers scientific and technical intelligence requirements, provides materiel for realistic testing and training, and aids in the development of countermeasures to threat systems, materiel, and technologies. Operations have increased the amount of captured threat materiel that require immediate exploitation to develop countermeasures and force protection measures for US forces. Acquisition and exploitation are executed according to Army Foreign Materiel Program (FMP) Plan prioritization and with the approval of the Army Deputy Chief of Staff for Intelligence (G2).

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

	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Title:</b> Army Foreign Materiel Program (FMP) Acquisition	2.778	3.535	4.097
<b>Description:</b> Program provides for the acquisition of foreign ground materiel with potential advanced technology threats to US systems, as well as emerging and destructive threats such as cyber vulnerabilities, biometric systems, and evolving improvised explosive devices. The primary aim of the program is to maximize the efficiency of research and development for force and materiel development by reducing the uncertainties associated with these threats. The program also answers scientific and technical intelligence requirements, provides materiel for realistic testing and training, and aids in the development of countermeasures to threat systems, materiel, and technologies. Operations have increased the amount of captured threat materiel that require immediate exploitation to develop countermeasures and force protection measures for US forces. Acquisition and exploitation are executed according to Army Foreign Materiel Program (FMP) Plan prioritization and with the approval of the Army Deputy Chief of Staff for Intelligence (G2).			
<b>FY 2015 Accomplishments:</b> Continued to focus efforts on the acquisition of threat related foreign materiel systems and state-of-the-art technologies of military significance.			
<b>FY 2016 Plans:</b> Continues to focus efforts on the acquisition of threat related foreign materiel systems and state-of-the-art technologies of military significance.			
<b>FY 2017 Plans:</b>			

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<b>B. Accomplishments/Planned Programs (\$ in Millions)</b>		<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Will conduct Foreign Materiel Acquisition (FMA) of threat related foreign ground materiel systems and state-of-the-art technologies of military significance.				
<b>Title:</b> Army Foreign Materiel Program (FMP) Exploitation		5.640	6.861	8.318
<b>Description:</b> Program provides for the exploitation and inventory of foreign ground materiel with potential advanced technology threats to US systems, as well as emerging and destructive threats such as cyber vulnerabilities, biometric systems, and evolving improvised explosive devices. The primary aim of the program is to maximize the efficiency of research and development for force and materiel development by reducing the uncertainties associated with these threats. The program also answers scientific and technical intelligence requirements, provides materiel for realistic testing and training, and aids in the development of countermeasures to threat systems, materiel, and technologies. Operations have increased the amount of captured threat materiel that require immediate exploitation to develop countermeasures and force protection measures for US forces. Acquisition and exploitation are executed according to Army Foreign Materiel Program (FMP) Plan prioritization and with the approval of the Army Deputy Chief of Staff for Intelligence (G2).				
<b>FY 2015 Accomplishments:</b> Conducted Foreign Materiel Exploitation (FME) of threat related foreign ground materiel systems and state-of-the-art technologies of military significance.				
<b>FY 2016 Plans:</b> Conducts Foreign Materiel Exploitation (FME) of threat related foreign ground materiel systems and state-of-the-art technologies of military significance.				
<b>FY 2017 Plans:</b> Will conduct Foreign Materiel Exploitation (FME) of threat related foreign ground materiel systems and state-of-the-art technologies of military significance.				
<b>Accomplishments/Planned Programs Subtotals</b>		8.418	10.396	12.415
<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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