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Exhibit R-2, RDT&E Budget Item Justification: PB 2024 Washington Headquarters Services **Date:** March 2023

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide I BA 6: RDT&E Management Support</i>	R-1 Program Element (Number/Name) PE 0606589D8W I <i>Defense Digital Service (DDS) Development Support</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	12.919	6.218	0.000	0.000	-	0.000	0.000	0.000	0.000	-	Continuing	Continuing
281: <i>Defense Digital Service (DDS)</i>	12.919	6.218	0.000	0.000	-	0.000	0.000	0.000	0.000	-	Continuing	Continuing

Note

New start (Y/N): No

Effective February 1, 2022 the Department of Defense established the position of the Chief Digital and Artificial Intelligence Officer and the Office of the Chief Digital and Artificial Intelligence Officer (OCDAO), tasked with serving as the Department’s senior official, and a Principal Staff Assistant, responsible for strengthening and integrating data, artificial intelligence, and digital solutions. The transfer out supports the consolidation of the Department’s existing functional efforts in order to align manpower and funding resources under the OCDAO.

A. Mission Description and Budget Item Justification

Launched in November 2015, and formally chartered under DoD Directive 5105.87 in January 2017, Defense Digital Service (DDS) is charged with bringing the best available technology in an efficient way into the DoD. The DDS serves as an organization composed of commercially experienced software developers, software designers, product managers, and problem solvers within the DoD, who utilize best-in-class private sector practices, talent, and technology to transform the way digital services are delivered within the Department.

The DDS uses design and technology to improve government services, strengthen national defense, and care for military members and their families. For FY 2022, DDS will continue previous innovative efforts, leverage public and private sector initiatives, and pursue innovative solutions to transform technology and improve and expand modern digital services and capabilities across the Department.

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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	0.918	0.000	0.000	-	0.000
Current President's Budget	6.218	0.000	0.000	-	0.000
Total Adjustments	5.300	0.000	0.000	-	0.000
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	5.300	-			
• SBIR/STTR Transfer	-	-			

Change Summary Explanation

Starting in FY 2023, all funding is transferred to establishment of the Office of the Chief Digital and Artificial Intelligence Officer.

Effective February 1, 2022 the Department of Defense established the position of the Chief Digital and Artificial Intelligence Officer and the Office of the Chief Digital and Artificial Intelligence Officer (OCDAO), tasked with serving as the Department's senior official, and a Principal Staff Assistant, responsible for strengthening and integrating data, artificial intelligence, and digital solutions. The realignment in FY 2023 from DDS to CDAO supports the consolidation of the Department's existing functional efforts in order to align manpower and funding under the OCDAO.

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Exhibit R-2A, RDT&E Project Justification: PB 2024 Washington Headquarters Services										Date: March 2023		
Appropriation/Budget Activity 0400 / 6					R-1 Program Element (Number/Name) PE 0606589D8W / <i>Defense Digital Service (DDS) Development Support</i>				Project (Number/Name) 281 / <i>Defense Digital Service (DDS)</i>			
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
281: <i>Defense Digital Service (DDS)</i>	12.919	6.218	0.000	0.000	-	0.000	0.000	0.000	0.000	-	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

DDS builds software prototypes and implements proof-of-concept tests for key Department projects that support missions and long term goals of the Department to modernize its offensive and defensive technological capabilities. This funding will allow DDS to determine which private sector software development best practices and/or technology work best for the Department. DDS research and development is one of the Secretary of Defense's top priorities with the intent of advancing and modernizing technology, especially software systems, critical to the successful implementation of a variety of Department and war fighter missions. DDS requirements are driven by challenging technical problems identified by the Secretary of Defense where technology is failing the Department's mission and could impede the lethality and effectiveness of the war fighter. These technical problems vary in scope and complexity, but at a minimum, when resolved, have a positive impact on the war fighter's mission and capabilities. DDS involvement may be in the development of new code, product management, advising on code development processes and releases, and hacking or re-writing existing policies or processes that are antiquated or otherwise unnecessary. DDS engages on highly troubled projects to quickly implement fixes that ultimately reduce schedule slip, increase security, lower costs, improve user experiences, and accelerate performance.

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

	FY 2022	FY 2023	FY 2024
Title: Defense Digital Service (DDS)	6.218	0.000	-
<p>Description: DDS has provided services and tools that have improved and saved the lives of Service members and their families, and provided technological superiority in areas critical to national defense. DDS successfully completed the System for Automated Background Evaluation and Review prototype and continues counter-unmanned aerial systems (cUAS) work, as well as, the Hack the Pentagon program with multiple bug bounties including Hack the Air Force 5, Hack the Army 3, Hack the PFPA 2, Hack the Kessel Run, and a partnership with DARPA centered around hardware security. DDS continues to support cyber adversary detection and negation via multiple projects, including a domain name system security project. DDS has transitioned the MilMove/DP3 project to TRANSCOM and completed the Army Cyber Soldier training curriculum updates.</p> <p>FY 2023 Plans: The DDS plans on continuing its mission under the CDAO, tasked with serving as the Department's senior official, and a PSA, responsible for strengthening and integrating data, artificial intelligence, and digital solutions. The transfer in supports the consolidation of the Department's existing functional efforts in order to align manpower and funding resources under the CDAO. This extends to cyber warfare testing and development through digital service tools and capabilities across the Defense domain.</p> <p>FY 2023 to FY 2024 Increase/Decrease Statement:</p>			

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B. Accomplishments/Planned Programs (\$ in Millions)	FY 2022	FY 2023	FY 2024
Decrease reflects the complete realignment of DDS to the CDAO beginning in FY 2023.			
Accomplishments/Planned Programs Subtotals	6.218	0.000	-

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

<u>Line Item</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u> <u>Base</u>	<u>FY 2024</u> <u>OCO</u>	<u>FY 2024</u> <u>Total</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>Cost To</u> <u>Complete</u>	<u>Total Cost</u>
• O&M: BA 4, PE 0901589D8W	3.174	0.000	0.000	-	0.000	0.000	0.000	0.000	-	Continuing	Continuing

Remarks

D. Acquisition Strategy

N/A