

UNCLASSIFIED

ARMY RDT&E BUDGET ITEM JUSTIFICATION (R-2 Exhibit)	DATE February 1999
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BUDGET ACTIVITY 6 - Management and Support	PE NUMBER AND TITLE 0605709A Exploitation of Foreign Items
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COST (<i>In Thousands</i>)	FY1998 Actual	FY 1999 Estimate	FY 2000 Estimate	FY 2001 Estimate	FY 2002 Estimate	FY 2003 Estimate	FY2004 Estimate	FY2005 Estimate	Cost to Complete	Total Cost
Total Program Element (PE) Cost	7277	4004	4143	3605	3538	3515	3659	3635	Continuing	Continuing
D650 Exploitation of Foreign Items	3135	0	0	0	0	0	0	0	0	3135
DC28 Acquisition/Exploitation of Threat Items	4142	4004	4143	3605	3538	3515	3659	3635	Continuing	Continuing

A. Mission Description and Budget Item Justification: This is a continuing project for acquisition and exploitation of foreign materiel to support force and materiel development, scientific and technical intelligence needs, operations and training. Primary program objectives are to reduce research and development times for U.S. systems by analyzing innovations and technology in foreign materiel, and to make research and development more efficient by reducing uncertainties concerning potential advanced technology threats to U.S. systems. The program also serves to develop counter measures and to support operational commanders with items for training the force. This program enables the Army to conserve research and development funds and man-hours, enhance and improve U.S. designs, and provide realistic testing and training. These projects fund foreign materiel acquisitions and exploitations in support of the U.S. Army testing, training and intelligence.

B. Program Change Summary	FY 1998	FY 1999	FY 2000	FY 2001
Previous President's Budget (FY 1999 PB)	7523	4031	3918	3794
Appropriated Value	7762	4031		
Adjustments to Appropriated Value				
a. Congressional General Reductions	-239	-27		
b. SBIR / STTR	-185			
c. Omnibus or Other Above Threshold Reductions	-61			
d. Below Threshold Reprogramming				
e. Rescissions				
Adjustments to Budget Years Since FY 1999 PB			+225	-189
Current Budget Submit (FY 2000/2001 PB)	7277	4004	4143	3605

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BUDGET ACTIVITY 6 - Management and Support				PE NUMBER AND TITLE 0605709A Exploitation of Foreign Items				PROJECT D650		
COST <i>(In Thousands)</i>	FY1998 Actual	FY 1999 Estimate	FY 2000 Estimate	FY 2001 Estimate	FY 2002 Estimate	FY 2003 Estimate	FY2004 Estimate	FY2005 Estimate	Cost to Complete	Total Cost
D650 Exploitation of Foreign Items	3135	0	0	0	0	0	0	0	0	3135
<p>Mission Description and Justification: Project D650 - Exploitation/Evaluation of Foreign Items: This project affords the Army's research and development (R&D) community an opportunity to acquire and exploit/evaluate worldwide leading edge technologies. This exploitation/evaluation of foreign technological capabilities is required in order to prevent technological surprise, eliminate or compress the R&D time cycle, contribute to R&D cost avoidance, enhance U.S. system and program designs, and to explore non-developmental items.</p> <p>FY 1998 Accomplishments:</p> <ul style="list-style-type: none"> • 1300 Continued on-going project evaluations and exploitations identified prior to FY 1998. • 1100 Planned new start FY 1998 acquisitions of 24 projects. • 735 Planned new start FY 1998 evaluations and exploitations of foreign materiel and /or technologies. <p>Total 3135</p> <p>FY 1999 Planned Program: Project is not funded in FY 1999.</p> <p>FY 2000 Planned Program: Project is not funded in FY 2000.</p> <p>FY 2001 Planned Program: Project is not funded in FY 2001.</p>										
Project D650			<i>Page 2 of 3 Pages</i>			Exhibit R-2A (PE 0605709A)				

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BUDGET ACTIVITY 6 - Management and Support				PE NUMBER AND TITLE 0605709A Exploitation of Foreign Items					PROJECT DC28	
<i>COST (In Thousands)</i>	FY1998 Actual	FY 1999 Estimate	FY 2000 Estimate	FY 2001 Estimate	FY 2002 Estimate	FY 2003 Estimate	FY2004 Estimate	FY2005 Estimate	Cost to Complete	Total Cost
DC28 Acquisition/Exploitation of Threat Items	4142	4004	4143	3605	3538	3515	3659	3635	Continuing	Continuing
<p>Mission Description and Justification: Project DC28 - Acquisition/Exploitation of Threat Items: This is a continuing project for acquisition and exploitation of foreign materiel constituting potential advanced technology threats to U.S. systems. The primary aim of this project is to maximize the efficiency of research and development for force and materiel development by reducing the uncertainties concerning these threats. The project also answers general scientific and technical intelligence requirements, aids in the development of countermeasures to threat materiel and threat technology, and provides materiel for realistic testing and training. Acquisitions and exploitations are executed according to an Army Foreign Materiel Review Board and with the approval of the Army Deputy Chief of Staff for Intelligence (DCSINT).</p> <p>FY 1998 Accomplishments:</p> <ul style="list-style-type: none"> • 565 Acquired threat systems identified and prioritized in the FY 1998 Army Foreign Materiel Program (FMP) Five Year Plan. • 2577 Initiated, continued or completed exploitation projects on ground systems of Army interest identified in the FY 1998 Army FMP Exploitation Plan. • 1000 Initiated, continued or completed exploitation projects on missile systems of Army interest identified in the FY 1998 Army FMP Exploitation Plan. <p>Total 4142</p> <p>FY 1999 Planned Program:</p> <ul style="list-style-type: none"> • 900 Acquire threat systems identified and prioritized in the FY 1999 Army Foreign Materiel Program (FMP) Five Year Plan. • 2098 Initiate, continue, or complete exploitation projects on ground systems of Army interest identified in the FY 1999 Army FMP Exploitation Plan. • 900 Initiate, continue, or complete exploitation projects on missile systems of Army interest identified in the FY 1999 Army FMP Exploitation Plan. • 106 Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) Programs <p>Total 4004</p> <p>FY 2000 Planned Program:</p> <ul style="list-style-type: none"> • 800 Acquire threat systems identified and prioritized in the FY 2000 Army Foreign Materiel Program (FMP) Five Year Plan. • 2400 Initiate, continue, or complete exploitation projects on ground systems of Army interest identified in the FY 2000 Army FMP Exploitation Plan. • 943 Initiate, continue, or complete exploitation projects on missile systems of Army interest identified in the FY 2000 Army FMP Exploitation Plan. <p>Total 4143</p> <p>FY 2001 Planned Program:</p> <ul style="list-style-type: none"> • 600 Acquire threat systems identified and prioritized in the FY 2001 Army Foreign Materiel Program (FMP) Five Year Plan. • 2258 Initiate, continue, or complete exploitation projects on ground systems of Army interest identified in the FY 2001 Army FMP Exploitation Plan. • 747 Initiate, continue, or complete exploitation projects on missile systems of Army interest identified in the FY 2001 Army FMP Exploitation Plan. 										
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Total 3605

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