

**UNCLASSIFIED
FY 2003 BUDGET REVIEW**

RDT&E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)	DATE: FEBRUARY 2002								
APPROPRIATION/BUDGET ACTIVITY: RTD&E, Defense-Wide/Budget Activity 3	Program Element: 0603712S Logistics R&D Technology Demonstration								
COST (MILLIONS)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	COST TO COMP	TOTAL
TOTAL PROGRAM ELEMENT	51.690	84.043	25.451	27.735	28.689	30.332	31.430	Cont	Cont
#1: Material Acquisition: Electronics	9.865	9.441	9.898	10.340	10.401	10.508	10.588	Cont	Cont
#2: Advanced Logistics Support	1.582	-----	-----	-----	-----	-----	-----	-----	1.582
#3: Intelligent Demand Manager	1.717	-----	-----	-----	-----	-----	-----	-----	1.717
#4: Computer to Computer Negotiations	2.305	2.986	3.662	3.809	3.025	3.227	2.819	Cont	Cont
#5: Pay Per Use Logistics System	1.443	2.372	1.796	2.485	2.070	2.148	1.946	Cont	Cont
#6: Aging Aircraft Sustainment Tech/Air Logistics/ Corrosion Prevention Control & Info Distribution	5.303	5.126	4.498	5.175	5.408	5.503	5.594	Cont	Cont
#7: Virtual Reality Medical Assembly	1.945	1.315	0.607	2.456	3.001	3.002	1.989	Cont	Cont
#8: Diminishing Manufacturing Source Data (DMS)	-----	0.994	-----	-----	-----	-----	-----	-----	0.994
#9: On Demand Manufacturing/CATT	2.972	2.782	-----	-----	-----	-----	-----	-----	5.754
#10: Competitive Sustainment (CS)	2.972	1.987	4.990	3.470	4.784	5.944	8.494	-----	32.641
#11: Defense Microelectronics Activities	21.586	57.040	-----	-----	-----	-----	-----	-----	78.626
<p>A. Mission Description & Budget Item Justification: The DoD logistics vision calls for providing flexible, cost effective and prompt materiel support, logistics information and services, achieving the leanest possible infrastructure and the employment of the best commercial and government sources and practices. The DLA Logistics R&D program will develop and demonstrate high risk, high payoff technology that will provide a significantly higher level of support at lower costs, than would be otherwise attainable. The DLA program is a key part of the DARPA/DLA Advanced Logistics Program. Focused Logistics is one of the five basic tenants of Joint Vision 2010. The DLA logistics R&D program contributes directly to achieving JV 2010's vision of logistics "support in hours or days versus weeks." The objective of the Advanced Logistics Program is a collaborative environment that will allow the Operations community (J3) and Logistics planning community (J4), TRANSCOM, and DLA to seamlessly interact on operations planning and execution of wartime operations. In addition, DLA will use the same system in peacetime to significantly reduce Logistics Response Time and reduce the cost of DLA operations while maintaining readiness.</p>									

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<p>#1 MATERIAL ACQUISITIONS: ELECTRONICS: Funds continued enhancement of Generalized Emulation of Microcircuits effort and continue the Advanced Microcircuit Emulation (AME) which started in FY 1997. Program reduces weapons system support costs by providing an alternative to circuit board redesigns and lifetime buys. To date, GEM has delivered 50,000 microcircuits of over 140 different types affecting more than 170 different weapon systems. It has eliminated 226 backorder lines.</p> <p>#2 ADVANCED TECHNOLOGY LOGISTICS SUPPORT NETWORK (ATSN): Effort develops a total logistics approach to applying advanced decision supports to center's goals well into the new century. Emphasis on cost-effective resourcing for wartime needs, customer choices, and fast, predictable deliveries.</p> <p>#3 INTELLIGENT DEMAND MANAGER: Demonstrated improved wholesale supply availability attained from real time tracking of spares consumption at the lowest level of the supply system by developing advanced data mining and data visualization technologies.</p> <p>#4 COMPUTER TO COMPUTER NEGOTIATIONS: Improve timely response to DLA customer requirements by identifying gaps in the supply-chain systems between DLA and the Services. Develop interfaces that will allow cross-organizational computer-to-computer 'negotiations' to facilitate decision-making process. The system will be a 'bolt-on' to DLA's upcoming BSM systems.</p> <p>#5 PAY PER USE LOGISTICS SYSTEM: Supplement the core Business System Modernization (BSM) applications through dynamic access to, utilization of, and payment for services of commercial Application Service Providers (ASP), especially during emergency and wartime operations.</p> <p>#6 AGING AIRCRAFT SUSTAINMENT TECHNOLOGY: Aging systems take progressively more time and money to maintain. This program develops, tests and transfers cost effective logistics support technologies on such systems as B-52, KC-135, and C-130 and other aircraft and related systems that remain in use well beyond their design life. Congressional adds for Air Logistics and the Corrosion Prevention Control and Information Distribution projects are also funded here.</p> <p>#7 VIRTUAL MEDICAL ASSEMBLY: Improve DLA's ability to tailor medical assemblages to specific missions by using agent technology to simulate demand patterns and interdependencies. The system will use "bottoms-up" demand generation in conjunction with DLA business processes to rapidly and accurately source, assemble and distribute medical assemblages.</p> <p>#8 DIMINISHING MANUFACTURING SOURCE DATA (DMS): With continually aging weapon systems, the military has demonstrated the need for a centralized approach to the solution of DMS and obsolete parts problems. By creating and maintaining a data warehouse of parts across all services and weapon systems, a large cost savings will be recognized by alleviating the duplication of similar services in individual weapon and support system programs.</p> <p>#9 ON DEMAND MANUFACTURING/CATT: This program has established a network of suppliers and technology for long lead-time, difficult to procure, weapons systems spares. FY 2000 was the final year of the ODM program. Congressional support continues CATT.</p>	

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<p>#10 COMPETITIVE SUSTAINMENT: This was a congressional add through FY 2002, which recognized the need to make a substantial reduction to the cost of support for aging weapon systems. It has been included in the P.B. request for FY 2003.</p> <p>#11 DEFENSE MICROELECTRONICS ACTIVITY: This was added by Congress to evaluate the feasibility and practicality of some candidate solutions to the technological challenges of emerging DoD microcircuit obsolescence for broad classes of microelectronics components that are strategically important to DoD.</p>	

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#1: MATERIAL ACQUISITION: ELECTRONICS		9.865	9.441	9.898	10.340	10.401	10.508	10.588	Cont	Cont
<p>A. Mission Description and Justification</p> <p>Develop a capability to emulate most obsolete digital integrated circuits (ICs) in the federal catalog using a single, flexible manufacturing line. DoD has estimated that \$2.9B is spent every five years in redesigning circuit card assemblies. Much of these redesigns are driven by IC obsolescence. The commercial suppliers of ICs typically terminate production lines every 18 months, moving on to the next generation of ICs. Because DoD maintains weapons systems much longer than 3 years, this creates an obsolescence problem that can only be overcome through buying excessive inventories of parts before the production lines close or redesigning the next higher assembly to eliminate the obsolete part. DLA, as the manager of 88% of the IC supply class, must have a capability to manufacture these devices. This project develops this capability and will expand it to succeeding generations of obsolete ICs through the Advanced Microcircuit Emulation program.</p> <p>(U) Program Accomplishments and Plans:</p> <p>(U) FY 2001 Accomplishments: Development and demonstration of microcircuits supplied to numerous systems, including: C-17, AV-8 (Harrier), B-52, F-15, F-16, Multiple Launch Rocket System, UYK-44, Joint Surveillance Target Attack Radar System (STARS), Phalanx, distributors, and Defense Supply Center Columbus (DSCC) (various systems). Continued Application Specific Integrated Circuits (ASIC) emulation with F-15, A-10, and Boeing. Next generation emulation array (200K) in fabrication. Inserted advanced Mixed Signal device into Joint STARS. Achieved Mil Quality certification (MIL-PRF-38535) for first AME fabrication process. New High Speed process demonstrated through production of microcircuits.</p> <p>(U) FY 2002 Plans: Low Rate Initial Production (LRIP) 200K ASIC emulation array. Design advanced (High Performance) 200K emulation array. LRIP High Speed Process. Continual cost reduction for ASIC emulation.</p> <p>(U) FY 2003 Plans: Design 400K ASIC emulation array. LRIP advanced 200K emulation array. Continual cost reduction for ASIC emulation.</p>										

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B. Program Change Summary:									
	COST IN MILLIONS								
	FY 2001	FY 2002	FY 2003						
Previous President's Budget Submission	9.865	9.500	9.917						
Adjustment to Appropriated Value	-----	-0.059	-0.019						
Congressional Rescission	-----	-----	-----						
Defense Emergency Response Fund (DERF)	-----	-----	-----						
Current Budget Submission	9.865	9.441	9.898						
Change Summary Explanation: FY 2002 and FY 2003 reflect agency TOA program priorities; and Section 8123, Business Processes Reform/management efficiencies applied in FY 2002 (-\$0.059 million); and adjustments in FY 2003. FY 2003 (-\$0.019 million). The Semiconductor Industry Association's Roadmap was used for definition of the program requirements. There has been an eight-year industry acceleration of microcircuit technology (actual vs. roadmap) from the time when the Advanced Microcircuit Emulation Program was planned. MAE resources allow emulation technology to keep pace with the more rapid technology obsolescence of today's marketplace. The resulting emulation ability will support DSCC and the weapon systems for microcircuits that are not otherwise procurable. Both the percentage of PRs filled and Weapon System readiness levels will increase.									
C. Other Program Funding Summary: No funding dependencies on other programs. No related programs.									
D. Schedule Profile: The AME Program will eliminate the need to redesign in many cases by producing a form, fit, and function "drop-in" replacement for the old microcircuits using current technology. The Generalized Emulation of Microcircuits (GEM) Production Program addresses the microcircuits built in the 1960s-1970s. The AME Program addresses the 1980s and early 1990s devices.									
	FY 2001	FY 2002	FY 2003	FY 2004					
Quarters	1234	1234	1234	1234					
Mixed Signal Joint STARS Insertion	X								
High Voltage C-17 insertion	X								
High Speed Emulation Demonstration	X								
200K Emulation Array in fabrication	X								
Design Advanced 200K Emulation Array		X							
LRIP 200K Emulation Array		X							
Design 400 K Emulation Array					X				
LRIP Advanced 200K Emulation Array					X				
Advanced Emulation Process Demonstration								XX	
Cost Reduction for ASIC Emulation	XXXX	XXXX	XXXX					XXXX	

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#2: ADVANCED TECHNOLOGY LOGISTICS SUPPORT NETWORK	1.582	-----	-----	-----	-----	-----	-----	-----	1.582
<p>A. Mission Description and Justification</p> <p>Advanced Technology Logistics Support Network (ATSN) initiative is designed to assure the warfighter that readiness is achievable with increasing reliance on commercial inventories and continued government inventory draw down. Its focus is to demonstrate a readiness decision support system prototype that can assist logisticians in assessing our capability to support peace and wartime requirements. It will develop and utilize direct electronic access to commercial and government asset positions and commercial and government demand history and usage projections. Algorithms will be developed to predict the state of readiness achievable for peacetime or contingency plans, given commercial and government assets and commercial and government usage history and projections. Feedback mechanisms will be developed for contingency re-planning. Feedback mechanisms will also be developed to communicate revised readiness models which will aid in stock level decisions and changes to contractual arrangements with commercial sources to address shortfalls in the state of readiness.</p> <p>The ATSN program has far reaching applicability in allowing DLA and its customers to fully capitalize on the many emerging logistics related information technology advancements. The program will bring this advanced technology to both peacetime customer support and mobilization support. These new technologies are critical elements to the achievement of DLA's programmed out-year savings in conjunction with implementation of reengineering initiatives and acquisition reform.</p> <p>(U) Program Accomplishments and Plans: (U) FY 2001 Accomplishments: Develop production model for readiness decision support. Develop the capability to estimate commercial capability to support emergency needs for all medical pharmaceutical surgical, and equipment items. Expand coverage and readiness models to other commodities. Develop concept of operations, requirements specification for subsistence and industrial commodities. (U) FY 2002 Plans: N/A (U) FY 2003 Plans: N/A</p>									

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<p>A. Mission Description and Justification</p> <p>The use of artificial intelligence for managing items has been explored in the past, but changes in information technology environment and data availability could significantly increase the potential to better manage items and anticipate demands from customers. This will most likely have a significant benefit for the management of Numerical Stock Objective items.</p> <p>(U) Program Accomplishments and Plans: (U) FY 2001 Accomplishments: - Demonstrated improved wholesale supply availability attained from real time tracking of spares consumption at the lowest level of the supply system by developing advanced data mining and data visualization technologies. - Analyzed tools (Starlight and Data Mining) and researched how can we exploit these technologies to identify relationships that can be used to more accurately project demand--especially on new systems entering the inventory or on proven systems where unforecasted demand may occur due to aging weapon systems. Used simulation models such as PARIS to evaluate alternate scenarios, cost trade-offs, and inventory management policy decisions. Project results shared with other LOG R&D programs and inventory control points. (U) FY 2002 Plans: N/A (U) FY 2003 Plans: N/A</p> <p>B. Program Change Summary:</p> <table border="0" data-bbox="163 1023 1470 1218"> <thead> <tr> <th></th> <th colspan="3">COST IN MILLIONS</th> </tr> <tr> <th></th> <th>FY 2001</th> <th>FY 2002</th> <th>FY 2003</th> </tr> </thead> <tbody> <tr> <td>Previous President's Budget Submission</td> <td>1.717</td> <td>-----</td> <td>-----</td> </tr> <tr> <td>Adjustment to Appropriated Value</td> <td>-----</td> <td>-----</td> <td>-----</td> </tr> <tr> <td>Congressional Rescission</td> <td>-----</td> <td>-----</td> <td>-----</td> </tr> <tr> <td>Defense Emergency Response Fund (DERF)</td> <td>-----</td> <td>-----</td> <td>-----</td> </tr> <tr> <td>Current Budget Submission</td> <td>1.717</td> <td>-----</td> <td>-----</td> </tr> </tbody> </table> <p>Change Summary Explanation: N/A</p>											COST IN MILLIONS				FY 2001	FY 2002	FY 2003	Previous President's Budget Submission	1.717	-----	-----	Adjustment to Appropriated Value	-----	-----	-----	Congressional Rescission	-----	-----	-----	Defense Emergency Response Fund (DERF)	-----	-----	-----	Current Budget Submission	1.717	-----	-----
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<p>C. Other Program Funding Summary: No funding dependencies.</p> <p>D. Schedule Profile:</p> <table border="0" data-bbox="163 630 1925 764"> <tr> <td></td> <td align="center">FY 2001</td> <td align="center">FY 2002</td> <td align="center">FY 2003</td> </tr> <tr> <td> Quarters</td> <td align="center">1234</td> <td align="center">1234</td> <td align="center">1234</td> </tr> <tr> <td>Awards for concept studies</td> <td></td> <td align="center">N/A</td> <td align="center">N/A</td> </tr> <tr> <td>Awards for prototype development</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Prototype development</td> <td align="center">XXXX</td> <td></td> <td></td> </tr> </table>											FY 2001	FY 2002	FY 2003	Quarters	1234	1234	1234	Awards for concept studies		N/A	N/A	Awards for prototype development				Prototype development	XXXX		
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COST (MILLIONS)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	COST TO COMP	TOTAL
#4: COMPUTER TO COMPUTER NEGOTIATIONS	2.305	2.986	3.662	3.809	3.025	3.227	2.819	Cont	Cont
<p>A. Mission Description and Justification</p> <p>Problem Statement: Current DLA/Service systems are unable to allow accurate visibilities to respond to the rapidly changing requirements. Cross-organizational system interfaces are needed for the supply chain decision-making process. The re-engineering effort under BSM does provide for eventual solution, however there are immediate needs to identify areas of gaps and develop interfaces, such as the integration of Service ERP system to the DLA Depot inventory system (DSS), where the BSM long-term solution will not meet the existing compelling needs.</p> <p>Approach: The purpose of this activity is to capture supply-chain-wide visibilities and to use knowledge based intelligent workflow technologies to develop system interfaces that support the establishment of automated business processes and transactions between the Services and DLA.</p> <p>(U) Program Accomplishments and Plans: (U) FY 2001 Accomplishments: Initiated the R&D development towards the expansion of computer software agent to agent negotiation techniques utilizing the ALP architecture in support of DLA application in classes I(Subsistence) and VIII(Medical) supply support plans. (U) FY 2002 Plans: US Army Medical Materiel Agency (USAMMA) and Defense Supply Center Philadelphia, Medical (DSCP-M) need to develop a shared systems interface for demand forecasting and achievement of medical set assembly goals in FY02. A prototype will be developed to mitigate the long lead-times and static nature in medical assembly processes and address gaps in the current legacy ERP systems at DLA and USAMMA. This prototype will be developed and implemented in coordination with ongoing BSM goals and objectives. (U) FY 2003 Plans: Finalize the USAMMA prototype to a production system. Expand scope by assessing gaps and evaluating feasibility for applications in other DLA managed commodities.</p> <p>Rationale for Investment: Development of this interface will enable the identification of gaps and improvements to USAMMA/DLA's current assembly/kitting processes as well as development of new just-in-time capabilities. Improvements developed and lessons learned are to be applied to other DLA commodities and business areas. The current re-engineering effort under BSM provides for conversion of the DSS system to SAP applications. Therefore, the USAMMA initiative to provide links to and from their SAP ERP system with DSS is significant in that the linkage process could become a model for the similar BSM implementation of SAP. Since DSCP - specifically the Clothing and Textile and Subsistence Directorates - will need to ensure that the organic capability is built into the SAP implementation to link to outside "systems", the USAMMA experience will be a valuable asset to successful BSM implementation.</p>									

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#4: COMPUTER TO COMPUTER NEGOTIATIONS	2.305	2.986	3.662	3.809	3.025	3.227	2.819	Cont	Cont
B. Program Change Summary:									
		FY 01	FY 02	FY 03					
Previous President's Budget Submission		2.305	3.005	3.668					
Adjustment to Appropriated Value		-----	-0.019	-0.006					
Congressional Rescission		-----	-----	-----					
Defense Emergency Response Fund (DERF)		-----	-----	-----					
Current Budget Submission		2.305	2.986	3.662					
Change Summary Explanation: FY 2002 and FY 2003 reflect Section 8123, Business Processes Reform/Management efficiencies (-\$0.019 million) n FY 2002; and adjustments in FY 2003 (-\$0.006).									
C. Other Program Funding Summary: No funding dependencies.									
D. Schedule Profile:									
		FY 01	FY 02	FY 03		FY 04			
Quarters		1234	1234	1234		1234			
Analyze USAMMA Requirements			X						
Awards for USAMMA Prototype Development			X						
USAMMA System Development			XXX						
Enhance for Finalize Production System				XXX					
Assess Gaps and Evaluate Feasibility for Expanded Scope					XX				
Develop & Implement for other DLA/DSCP managed commodities					X		XXXX		

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#5: PAY PER USE LOGISTICS SYSTEM	1.443	2.372	1.796	2.485	2.070	2.148	1.946	Cont	Cont
<p>A. Mission Description and Justification</p> <p>The emergence of complex networked computer systems promises to enhance DoD Logistics functions with new sources of information and services. Our vendor communities are developing rich sources of commodity information and information services. Functions that are currently done by government personnel and contractors might be better done on a "pay-per-use" basis by these new sources. For example, in times of conflict, the number of transactions processed by DLA systems do not increase greatly, but the number of items purchased does. The job of finding adequate sources and product equivalents is still labor intensive. Access to web-based information sources would improve procurement efficiency and the readiness of our customers.</p> <p>There are two basic issues that must be solved if we are to make use of these new capabilities. First, there must be a level of trust and assurance established with our commercial partners. This program will develop ways of automating information assurance relationships, especially in an environment that might be under attack. Second, the richness of information that is exchange must be increased. Use of human cognitive engineering will be used to support the functions of our knowledge workers to increase their efficiency while improving the quality of the services provided.</p> <p>(U) Program Accomplishments and Plans: (U) FY 2001 Accomplishments: N/A (U) FY 2002 Plans: Initial awards will be made for concept studies. The concepts will be evaluated and prototypes will begin to be developed. Explore using the Advanced Logistics Program (ALP) technology to allow for interoperability between existing DLA applications. (U) FY 2003 Plans: Continue prototype developments from FY 2001. Develop experiments for interoperability with ERP application in business systems modernization.</p>									

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#6: AGING AIRCRAFT SUSTAINMENT TECH/AIR LOGISTICS/CORROSION PREVENTION CONTROL & INFO DISTRIBUTION	5.303	5.126	4.498	5.175	5.408	5.503	5.594	Cont	Cont																												
<p>A. Mission Description and Justification:</p> <p>Weapon systems, particularly aircraft, are staying in the inventory much longer than originally anticipated. For example, the KC-135 had a 40 year design life and is now planning to stay in service for 86 years. Similar life extensions also apply to the B-52 and the C-130. The result is often aircraft parts, that were never planned to be replaced, have to be procured and placed on the airplane. Unfortunately, the technical data, manufacturing processes and supplier base that originally provided these items are no longer available. These circumstances lead to unacceptably long logistics response times and increased costs.</p> <p>A completely new strategy is needed to address this problem. Immediate focus is parts availability for the warfighters. This must encompass not only the design associated with re-engineering the item but also manufacturing techniques that can produce very low quantity items in a cost effective manner. A partnership among the DoD, manufacturing industries and academia has proven most effective in addressing the problem. Past models have shown that lead-times can be reduced from 273 days to 97 days for complex parts, new suppliers can be added to the base, and costs significantly reduced.</p> <p>Air Logistics and Corrosion Prevention Control & Information Distribution are congressional adds. Program requirements have not yet been defined.</p> <p>(U) Program Accomplishments and Plans: (U) FY 2001 Accomplishments: Development of Aging Aircraft Program Management Plan (PMP). Identification of DoD key players focused on Aging Aircraft. (U) FY 2002 Plans: Identify/implement Aging Aircraft projects based on PMP. (U) FY 2003 Plans: Continue identification and implementation of Aging Aircraft projects based on PMP.</p> <p>B. Program Change Summary:</p> <table style="margin-left: auto; margin-right: auto; border: none;"> <thead> <tr> <th style="text-align: left;"></th> <th colspan="3" style="text-align: center;">COST IN MILLIONS</th> </tr> <tr> <th style="text-align: left;"></th> <th style="text-align: center;">FY 2001</th> <th style="text-align: center;">FY 2002</th> <th style="text-align: center;">FY 2003</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Previous President's Budget Submission</td> <td style="text-align: center;">5.303</td> <td style="text-align: center;">4.158</td> <td style="text-align: center;">4.508</td> </tr> <tr> <td style="text-align: left;">Adjustment to Appropriated Value</td> <td style="text-align: center;">-----</td> <td style="text-align: center;">+0.968</td> <td style="text-align: center;">-0.010</td> </tr> <tr> <td style="text-align: left;">Congressional Rescission</td> <td style="text-align: center;">-----</td> <td style="text-align: center;">-----</td> <td style="text-align: center;">-----</td> </tr> <tr> <td style="text-align: left;">Defense Emergency Response Fund (DERF)</td> <td style="text-align: center;">-----</td> <td style="text-align: center;">-----</td> <td style="text-align: center;">-----</td> </tr> <tr> <td style="text-align: left;">Current Budget Submission</td> <td style="text-align: center;">5.303</td> <td style="text-align: center;">5.126</td> <td style="text-align: center;">4.498</td> </tr> </tbody> </table>											COST IN MILLIONS				FY 2001	FY 2002	FY 2003	Previous President's Budget Submission	5.303	4.158	4.508	Adjustment to Appropriated Value	-----	+0.968	-0.010	Congressional Rescission	-----	-----	-----	Defense Emergency Response Fund (DERF)	-----	-----	-----	Current Budget Submission	5.303	5.126	4.498
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#6: AGING AIRCRAFT SUSTAINMENT TECH/AIR LOGISTICS/CORROSION PREVENTION CONTROL & INFO DISTRIBUTION	5.303	5.126	4.498	5.175	5.408	5.503	5.594	Cont	Cont
<p>Change Summary Explanation: FY 2001 funding for this program reflects AAST (\$4.015 million) and congressional adds for Air Logistics (\$0.297 million) and Corrosion Prevention Control and Information Distribution (\$0.991 million) programs. FY 2002 reflects (+\$1.0 million) in congressionally added funds for Corrosion Prevention Control and Info Distribution; and Section 8123, Business Processes Reform/Management efficiencies adjustments (-\$0.032 million). FY 2003 reflects adjustments (-\$0.010 million).</p> <p>C. Other Program Funding Summary: No funding dependencies.</p> <p>D. Schedule Profile:</p>									
	FY 2001	FY 2002	FY 2003						
Quarters	1234	1234	1234						
AGING AIRCRAFT SUSTAINMENT TECHNOLOGY									
Formulate BAA Announcement									
Open BAA	XXXX								
Awards for concept development	X								
Awards for prototype development	XXXX								
Prototype Development	XXXX		XXXX						
Technology demonstration projects	XXXX		XXXX		XXXX				
AIR LOGISTICS									
Commercial Business Daily (CBD) Announcement					X		N/A		N/A
Award	X								
Performance	XX								
CORROSION PREVENTION CONTROL & INFO DISTRIBUTION									
CBD Announcement	X		N/A		N/A				
Award	X								
Performance	XX								

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COST (MILLIONS)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	COST TO COMP	TOTAL																												
#7: VIRTUAL REALITY MEDICAL ASSEMBLY	1.945	1.315	0.607	2.456	3.001	3.002	1.989	Cont	Cont																												
<p>A. Mission Description and Justification:</p> <p>Defense Logistics Agency (DLA) has the responsibility to procure Medical Assemblies for the Services. These Medical Assemblies are complex in nature and change frequently to accommodate new types of form, fit, function, and utility. This program will attempt to utilize technology to reduce lead times, to reduce the logistics footprint, and to reduce overall assembly life-cycle costs.</p> <p>This effort began in FY 2001 with Joint Application Development (JAD) sessions to formalize requirements. Market analysis will be performed to identify the most appropriate virtual reality technology to employ, and detailed system specifications will be created. In FY 2002, a prototype of first-aid kits will be developed. In addition, formal requirements will be developed for a more complex medical assembly. In FY 2003, the first-aid kit assembly will be made ready for a production environment, the more complex medical assembly will be prototyped, and commercial data interfaces will be established. In FY 2004, DLA will prototype an entire field hospital assembly and will look to apply the technology to other processes within DLA. In FY 2005, DLA plans for full-scale production and demonstrations.</p> <p>(U) Program Accomplishments and Plans: (U) FY 2001 Accomplishments: N/A (U) FY 2002 Plans: Completed concept study for the Virtual Medical Assembly application and developed prototype. (U) FY 2003 Plans: Validate the functionality of the prototype. Evaluate the expansion of requirements for the use of additional technologies, as funds allow.</p> <p>B. Program Change Summary: N/A</p> <table border="0" data-bbox="163 1136 1470 1331"> <thead> <tr> <th></th> <th colspan="3">COST IN MILLIONS</th> </tr> <tr> <th></th> <th>FY 2001</th> <th>FY 2002</th> <th>FY 2003</th> </tr> </thead> <tbody> <tr> <td>Previous President's Budget Submission</td> <td>1.945</td> <td>1.323</td> <td>1.611</td> </tr> <tr> <td>Adjustment to Appropriated Value</td> <td>-----</td> <td>-0.008</td> <td>-1.004</td> </tr> <tr> <td>Congressional Rescission</td> <td>-----</td> <td>-----</td> <td>-----</td> </tr> <tr> <td>Defense Emergency Response Fund (DERF)</td> <td>-----</td> <td>-----</td> <td>-----</td> </tr> <tr> <td>Current Budget Submission</td> <td>1.945</td> <td>1.315</td> <td>0.607</td> </tr> </tbody> </table> <p>Change Summary Explanation: FY 2002 reflects Section 8123, Business Processes Reform/Management efficiencies (-\$0.008 million). FY 2003 reflects \$1.0 million in TOA returned to the Department to support higher priorities; and adjustments (-\$0.004 million).</p>											COST IN MILLIONS				FY 2001	FY 2002	FY 2003	Previous President's Budget Submission	1.945	1.323	1.611	Adjustment to Appropriated Value	-----	-0.008	-1.004	Congressional Rescission	-----	-----	-----	Defense Emergency Response Fund (DERF)	-----	-----	-----	Current Budget Submission	1.945	1.315	0.607
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COST (MILLIONS)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	COST TO COMP	TOTAL
#7: VIRTUAL REALITY MEDICAL ASSEMBLY	1.945	1.315	0.607	2.456	3.001	3.002	1.989	Cont	Cont
C. Other Program Funding Summary: No funding dependencies.									
D. Schedule Profile: Quarters Formulate the BAA announcement Open the BAA Awards for concept studies Awards for prototype development Prototype development	FY 2001 1234	FY 2002 1234	FY 2003 X XXX XXXX						

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COST (MILLIONS)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	COST TO COMP	TOTAL																								
#8: DIMINISHING MANUFACTURING SOURCE DATA (DMS)	-----	0.994	-----	-----	-----	-----	-----	-----	0.994																								
<p>A. Mission Description and Justification: As aircraft, ships, and other vehicles are being expected to operate much longer than originally designed, the supply of parts for these systems has become a significant problem. When systems and components can no longer be obtained they are called diminishing manufacturing source (DMS) problems. Throughout the military, there are literally hundreds of independent operations attempting to solve steadily worsening DMS problems. Because these operations are very "stove-piped" in their existence, they do not share information across weapon systems, even though many of the parts are common. The only method to decrease this ever expanding cost to solve DMS problems would be to have a central repository of part solutions, shared across all weapon systems and all services. In order to create a central repository of military parts, a very large data warehouse will need to be created and populated with solutions to these DMS part problems.</p> <p>(U) Program Achievements and Plans:</p> <p>(U) FY 2001 Accomplishments: N/A (U) FY 2002 Plans: In this initial year, the shell of the data warehouse will be put together and integrated with other existing DMS databases, to avoid duplication. (U) FY 2003 Plans: N/A</p> <p>B. Program Change Summary: N/A</p> <table border="0" data-bbox="163 1036 1486 1198"> <thead> <tr> <th></th> <th colspan="3">COST IN MILLIONS</th> </tr> <tr> <th></th> <th>FY 2001</th> <th>FY 2002</th> <th>FY 2003</th> </tr> </thead> <tbody> <tr> <td>Previous President's Budget Submission</td> <td>-----</td> <td>-----</td> <td>-----</td> </tr> <tr> <td>Adjustment to Appropriated Value</td> <td>-----</td> <td>0.994</td> <td>-----</td> </tr> <tr> <td>Defense Emergency Response Fund (DERF)</td> <td>-----</td> <td>-----</td> <td>-----</td> </tr> <tr> <td>Current Budget Submission</td> <td>-----</td> <td>0.994</td> <td>-----</td> </tr> </tbody> </table> <p>Change Summary Explanation: FY 2002 reflects congressionally added funds (+\$1.0 million) and adjustments per Section 8123, Business Processes Reform/Management efficiencies (-\$0.006 million).</p> <p>C. Other Program Funding Summary: None</p> <p>D. Schedule Profile: N/A</p>											COST IN MILLIONS				FY 2001	FY 2002	FY 2003	Previous President's Budget Submission	-----	-----	-----	Adjustment to Appropriated Value	-----	0.994	-----	Defense Emergency Response Fund (DERF)	-----	-----	-----	Current Budget Submission	-----	0.994	-----
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COST (MILLIONS)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	COST TO COMP	TOTAL																												
#9: ON DEMAND MANUFACTURING/CATT	2.972	2.782	-----	-----	-----	-----	-----	-----	5.754																												
<p>A. Mission Description and Justification:</p> <p>This initiative is necessary to identify and establish commercial manufacturing capabilities so that DLA Centers can acquire parts as they are needed (on demand) rather than investing in excessive stock, or risking non-availability of essential parts when needed. Contracting relationships will be established to obtain small quantities of military unique items of low demand, with significantly lower costs and greatly improved response time. This is an effort to use private sector manufacturers, in addition to all other measures to obtain parts quickly. CATT establishes a network of companies to produce parts in a very short production lead-time with minimum administration.</p> <p>(U) Program Achievements and Plans: (U) FY 2001 Accomplishments: Continue capacity field tools for ODM division support. (U) FY 2002 Plans: N/A (U) FY 2003 Plans: N/A</p> <p>B. Program Change Summary: N/A</p> <table border="0" data-bbox="163 1006 1501 1201"> <thead> <tr> <th></th> <th colspan="3">COST IN MILLIONS</th> </tr> <tr> <th></th> <th>FY 2001</th> <th>FY 2002</th> <th>FY 2003</th> </tr> </thead> <tbody> <tr> <td>Previous President's Budget Submission</td> <td>2.972</td> <td>-----</td> <td>-----</td> </tr> <tr> <td>Adjustments to Appropriated Value</td> <td>-----</td> <td>+2.782</td> <td>-----</td> </tr> <tr> <td>Congressional Rescission</td> <td>-----</td> <td>-----</td> <td>-----</td> </tr> <tr> <td>Defense Emergency Response Fund (DERF)</td> <td>-----</td> <td>-----</td> <td>-----</td> </tr> <tr> <td>Current Budget Submission</td> <td>2.972</td> <td>+2.782</td> <td>-----</td> </tr> </tbody> </table> <p>Change Summary Explanation: FY 2001 reflects congressionally added funds for this program (+\$3.0 million) and (-\$0.028 million) to reflect a pro-rata share of congressional adjustments. FY 2002 reflects congressionally added funds (+\$2.8 million) and adjustments per Section 8123, Business Reform/Management efficiencies (-\$0.018 million).</p>											COST IN MILLIONS				FY 2001	FY 2002	FY 2003	Previous President's Budget Submission	2.972	-----	-----	Adjustments to Appropriated Value	-----	+2.782	-----	Congressional Rescission	-----	-----	-----	Defense Emergency Response Fund (DERF)	-----	-----	-----	Current Budget Submission	2.972	+2.782	-----
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COST (MILLIONS)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	COST TO COMP	TOTAL
#9: ON DEMAND MANUFACTURING/CATT	2.972	2.782	-----	-----	-----	-----	-----	-----	5.754
C. Other Program Funding Summary: None									
D. Schedule Profile:									
Quarters	FY 2001 1234	FY 2002 1234	FY 2003 1234						
Continue work at centers to develop contractual vehicles with industry			N/A	N/A					
Establish Commercial ODM on EMALL	XXXX								
Establish Public Manufacturing ODM on EMALL	XXXX								
Implementation	XXXX								

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COST (MILLIONS)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	COST TO COMP	TOTAL																												
#10: COMPETITIVE SUSTAINMENT (CS)	2.972	1.987	4.990	3.470	4.784	5.944	8.494	-----	32.641																												
A. Mission Description and Justification:																																					
<p>Competitive Sustainment (CS) was added by Congress in FY 2000 in recognition of the need to make a substantial reduction to the cost of support for aging weapon systems. A competitive source selection process was conducted for a manager of an industry coalition to conduct the work. The project conducts industry/Government pilots in the following five areas: 1) effective supply partnerships; 2) significant improvement in quality and access to technical data; 3) a streamlined maintenance process; 4) upgrade strategies for increased reliability and 5) innovative training. The goals are to reduce total costs of spares/replacements, cut the time from requirement to delivery for supplies and cut repair cycle.</p> <p>(U) Program Accomplishments and Plans: (U) FY 2001 Accomplishments: Competitive Contract awarded and pilot projects initiated. (U) FY 2002 Plans: Complete a strategic investment plan, complete initial pilots and develop new pilot activities. (U) FY 2003 Plans: Complete pilots initiated in FY 2001 and begin transition into production systems/business practices.</p>																																					
B. Program Change Summary:																																					
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	COST IN MILLIONS																																				
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Defense Emergency Response Fund (DERF)	-----	-----	-----																																		
Current Budget Submission	2.972	1.987	4.990																																		
C. Other Program funding Summary: Coordinated with Army and Air Force Sustainment programs with no funding dependencies from other Agencies. A complementary program exists in PE 070811S to address unique Sustainment manufacturing problems.																																					
D. Scheduled Profile:																																					
		FY 2001	FY 2002	FY 2003																																	
	Quarters	1234	1234	1234																																	
	CBD announcement		N/A	N/A																																	
	Award																																				
	Performance	XXXX																																			

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COST (MILLIONS)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	COST TO COMP	TOTAL
#11: DEFENSE MICROELECTRONICS ACTIVITY	21.586	57.040	-----	-----	-----	-----	-----	-----	78.626
A. Mission Description and Justification:									
<p>DMEA's mission is to leverage advanced technologies to extend the life of weapon systems, to solve operational problems (e.g., reliability and maintainability) and to address diminishing manufacturing sources. The DMEA provides technical and application engineering support for the implementation of advanced microelectronics research technologies from design through assembly and installation. The DMEA manages an organic capability to support these strategically important technologies within the DoD. These advanced technologies are translated into solutions for military needs. DMEA's RDT&E program is comprised of a mix of studies, investigations, planning efforts, developments, fabrications, and the insertions of solutions. Applies to all DoD systems using electronics e.g., F-22, B-2, AWACS, F-16, F-15, F-14, GPS, USQ-113, JAST, EA-6B, M-65, AN/TSC-93B, and AN/GSC-49 (V).</p>									
(U) Program Accomplishments and Plans:									
<p>(U) FY 2001 Accomplishments: Continued development of a viable method to deposit ultra-pure silicon, which is the fundamental material for microelectronics and semiconductor devices. Continued to develop methods for replacing highly complex microcircuits using VHDL, modern synthesis tools, programmable cores, and silicon foundry resources to achieve FFF replacements while minimizing design methodologies and processes to emulate digital logic, analog, mixed signal and power microelectronic components. Continued to develop a digital electronic warfare (EW) receiver to replace the existing F-22 analog technology EW receiver. Began developing the Ultra-Low Power Battlefield Sensor Communication System (ULBPSCS) (\$3.950 million); F-22 Digital EW Product Improvement (4.955 million); Silicon-Based Nanostructures (2.476 million); Complementary Metal Oxide Semiconductor Retrofits (2.476 million); Gate Array Reverse Engineering (1.983 million); Multiple Soft Core Integration (2.972 million); Systems Simulation of Electronically Compressed Function (2.774 million); Ultra-Low Power Battlefield Sensor Communication System (3.950 million).</p>									
<p>(U) FY 2002 Plans: Continue development of a viable method to deposit ultra-pure silicon in production-scale quantities. Continue to develop methods for replacing highly complex microcircuits using VHDL, modern synthesis tools, programmable cores, and silicon foundry resources to achieve FFF replacements while minimizing design methodologies and processes to emulate digital logic, analog, mixed signal, radiation hardened, and power microelectronic components. Begin to systematically clarify the feasibility of applying nanoscience and technology to defense requirements. Continue to develop a digital electronic warfare (EW) receiver to replace the existing F-22 analog technology EW receiver. Begin "productizing" spray cooling technology and insert the technology in Cross-Platform Migrations. Begin to resolve thermal issues in very high density electronics and advanced electronics packaging. Continue to develop an Ultra-low Power Battlefield Sensor Communication System (ULBPSCS).</p>									

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Silicon-28 Program (\$1.987 million), Sub-micron CMOS and CMOS/SOS Lithography (\$2.385 million), Strategic Radiation Hardened Microelectronics (\$2.286 million), Center for Nanoscience Innovation (\$8.447 million), Electronic Digital Warfare (\$2.484 million), Optimizing Electronics for Advanced Controlled Environment Systems (\$4.969 million), Spray Cooling Migration Program (\$7.652 million), Ultra-low Power Battlefield Sensor Communication System (ULBPSCS) (\$26.830 million).									

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#11: DEFENSE MICROELECTRONICS ACTIVITY	21.586	57.040	-----	-----	-----	-----	-----	-----	78.626																								
(U) FY 2003 Plans: N/A																																	
B. Program Change Summary: FY 2001 funding reflects a \$17.8 million congressional add (-\$0.164 million) to reflect pro rata share of congressional adjustments and +\$3.950 million per transfer of ULPBSCS funds from DOD, WHS to DLA. FY 2002 reflects additional congressionally added funds: (+\$47.400 million for several electronic/related projects), and Section 8123 Business Processes Reform/Management efficiencies (-\$0.360 million).																																	
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Defense Emergency Response Fund (DERF)	-----	-----	-----																														
Current Budget Submission	21.586	57.040	-----																														
C. Other Program Funding Summary: No funding dependencies on other programs.																																	
D. Schedule Profile:																																	
		FY 2001	FY 2002	FY 2003																													
	Quarters	1234	1234	1234																													
	Ultra-pure Silicon Methodology	XX																															
	Programmable Core Solution Sets	XXXX																															
	CMOS 5-Volt Process Replacement	XXX	XXX																														
	Gate Array Reverse Engineering	XXX	XX																														
	Multiple Soft Core Integration	XX	XXX																														
	Simulation of Electronically Compressed Function	X	XXX																														

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#11: DEFENSE MICROELECTRONICS ACTIVITY	21.586	57.040	-----	-----	-----	-----	-----	-----	78.626

D. Schedule Profile: (Continued)

	FY 2001	FY 2002	FY 2003
Quarters	1234	1234	1234
Silicon-based Nanostructures (Si-28)	XXX	XXXX	
Sub-micron CMOS and CMOS/SOS Lithography		XX	XXX
Strategic Radiation Hardened Microelectronics		XX	XXX
Center for Nanoscience Innovation		XX	XXXX
F-22 Digital EW Product Improvement	XXXX	XXXX	
Optimizing Elec. for Adv. Controlled Environment Systems		XX	XXXX
Spray Cooling Migration Program		XX	XXXX
Ultra-Low Power Battlefield Sensor Communication System	X	XXXX	XXX