

Exhibit R-2, RDT&E Budget Item Justification							Date: February 2003	
APPROPRIATION/BUDGET ACTIVITY RDT&E, Defense-Wide/RDT&E Management Support – BA6					R-1 ITEM NOMENCLATURE: Critical Technology Support 0605110BR			

Cost (\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Total 0605110BR Cost	3.2	1.9	1.9	2.0	2.0	2.0	2.0	2.0
Project BB – Small Business Innovative Research (SBIR)	0	.1	.1	.1	.1	.1	.1	.1
Project BL – Militarily Critical Technology Program	3.2	1.8	1.8	1.9	1.9	1.9	1.9	1.9

A. Mission Description and Budget Item Justification:

- The Military Critical Technology Program (MCTP) entails several facets--the most important is the Military Critical Technologies List (MCTL). The congressionally-mandated MCTL is the fundamental source document for identification of leading edge and current technologies which must be monitored and assessed worldwide for national security and nonproliferation control of weapons of mass destruction and advanced conventional weapons. The main efforts which encompass the MCTL are:
 - Continuous technical support to interdepartmental and international processes which develop multinational export control agreements on technologies of concern to DoD;
 - Worldwide technology capabilities assessments for the MCTL and other USG International critical technologies efforts;
 - Identification and determination of technical parameters for proposals for international control of weapons of mass destruction;
 - Technical assessments to support decisions on foreign ownership of US industrial assets and treaty compliance inspections;
 - Identification of foreign technologies of interest to the DoD and opportunities for international cooperative research and development;
 - Identification of Homeland Security and terrorism applications of militarily critical technologies.

Several of the activities performed by the MCTP include:

- Developing and publishing in both hard copy and electronic form (including Internet version, both restricted and public) various editions of the MCTL that describe the military and proliferation significance of various technologies;
- Monitoring and assessing dual-use and military technologies worldwide;
- Assisting in the development of proposals for negotiation in various multilateral export control regimes;
- Providing technical support for the review/revision of the U.S. Munitions List under the Defense Trade Security Initiative;
- Providing analytical support for Congressional reports.

These projects include funding for travel by DoD personnel in support of the management and technical objectives.

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- The Technology Security Assessment System (TSAS) is being designed and developed to provide the analytical tools necessary for policy analysts, case analysts, and technical/intelligence analysts within DTRA to glean trends and relationships from a variety of data resources to assist in policy development and in case review processes.

B. Program Change Summary:

(\$ in Millions)	FY 2002	FY 2003	FY 2004	FY 2005
Previous President's Budget	3.3	1.9	1.9	2.0
Current President's Budget	3.2	1.9	1.9	2.0
Total Adjustments	-.117			
Congressional program reductions	-.072			
Congressional rescissions				
Congressional increases				
Reprogrammings	-.045			
SBIR/STTR Transfer				

Change Summary Explanation:

- Changes between the previous President's Budget FY 2002 funded column and the current President's Budget FY 2002 column is due to a Congressional reduction of \$72K (undistributed/distributed fair share) per Public Law 107-117, SEC 8022 and 8032. Also included is a below threshold reprogramming in support of the Agency's Small Business Innovative Research Program.
- Changes between FY 2002 and FY 2003 reflect decreased funding due to the completion of the application development of the Technology Security Assessment System.

C. Other Program Funding Summary: see Exhibit R-2a

D. Acquisition Strategy: N/A

Exhibit R-2a, RDT&E Project Justification		Date: February 2003
APPROPRIATION/BUDGET ACTIVITY RDT&E, Defense-Wide/RDT&E Management Support – BA6		PROJECT NAME AND NUMBER: Project BB – Small Business Innovative Research
	0605110BR	

Cost (\$ in millions)	FY 2002	FY2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Project BB - Small Business Innovative Research (SBIR)	0	.1	.1	.1	.1	.1	.1	.1

A. Mission Description and Budget Item Justification:

- This project provides the means to:
 - Stimulate technological innovation in the private sector
 - Strengthen the role of small business in meeting DoD research and development needs
 - Foster and encourage participation of minority and disadvantaged businesses in technological innovation
 - Increase the commercial application of DoD supported research and development results.

These efforts are responsive to PL 106-554.

B. Accomplishments/Planned Program:

Cost (\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005
Small Business Innovative Research (SBIR)	0	.1	.1	.1

FY 2002 Accomplishments

- Support the Small Business Administration (SBA) National Direction by actively seeking small business contractors to perform innovative research.

FY 2003 Plans

- Support the Small Business Administration (SBA) National Direction by actively seeking small business contractors to perform innovative research.
- Execute Agency-approved SBIRs.

FY 2004 Plans

- Support the Small Business Administration (SBA) National Direction by actively seeking small business contractors to perform innovative research.
- Execute Agency-approved SBIRs.

C. Other Program Funding Summary: N/A

D. Acquisition Strategy: N/A

E. Major Performers : None

Exhibit R-2a, RDT&E Project Justification		Date: February 2003
APPROPRIATION/BUDGET ACTIVITY	PROJECT NAME AND NUMBER:	
RDT&E, Defense-Wide/RDT&E Management Support – BA6	0605110BR	Project BL – Militarily Critical Technologies Program

Cost (\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Project BL – Militarily Critical Technology Program	3.1	1.8	1.8	1.9	1.9	1.9	1.9	1.9

A. Mission Description and Budget Item Justification:

- MCTP provides critical data required to provide:
 - Support to the ongoing update of the Militarily Critical Technologies List (MCTL)
 - Technical support for review/revision for the U.S. Munitions List under the Defense Trade Security Initiative
 - Assessment of dual-use and military technology worldwide to support national security actions
 - Proposals for negotiations in various multinational export control regimes
 - Analytical support for various Congressional reports
 - Support for the National Security Presidential Directive (NSPD)-19 review process
 - Identification of Homeland Defense and terrorism applications of militarily critical technologies

B. Accomplishments/Planned Program:

Cost (\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005
Military Critical Technology Program	2.0	1.8	1.8	1.9

FY 2002 Accomplishments

- Developed and published in hard copy and electronic form (including restricted and public Internet sites) the remaining sections of developing critical technologies of the MCTL in data sheet format.
- Conducted senior level review of MCTL documents for releasability. Developed and implemented a restricted MCTL web site hosted by DTIC. Maintained public MCTL web site.
- Monitored and assessed dual use and military technologies worldwide and developed technology assessments.
- Assisted in the development of proposals for negotiations in Wassenaar Arrangement export control regime. Produced record of deliberations.
- Provided technical support for the review/revision of the U.S. Munitions Lists under the Defense Trade Security Initiative #17.

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FY 2003 Plans

- Develop and publish in both hard copy and electronic form updates to five sections of Weapons Systems Technologies the MCTL in data sheet format.
- Maintain public and restricted access MCTL web sites.
- Monitor and assess dual use and military technologies worldwide and develop technology assessments to support national security actions.
- Assist in the development of white papers and proposals for negotiations in multilateral export control regime. Provide on-site technical support at the Wassenaar Arrangement negotiations. Produce record of deliberations.
- Provide technical support for the DoD review/revision of the U.S. Munitions Lists Categories IV, VII, IX, X, and XIII under the Defense Trade Security Initiative #17 and Interagency review of Categories VI, XI, XII, XV, and XX.
- Provide analytical support for Congressional reports.
- Provide support for the NSDP-19 review process.
- Identify Homeland Defense applications of militarily critical technologies in MCTL updates.

FY 2004 Plans

- Develop and publish in both hard copy and electronic form updates to 10 sections of Weapons Systems Technologies of the MCTL in data sheet format.
- Maintain public and restricted access MCTL web sites.
- Monitor and assess dual use and military technologies worldwide and develop technology assessments to support national security actions.
- Assist in the development of proposals for negotiations in multilateral export control regime. Provide on-site technical support at the Wassenaar Arrangement negotiations. Produce record of deliberations.
- Provide technical support for the Interagency review/revision of the U.S. Munitions Lists Categories IV, VII, IX, X, and XIII under the Defense Trade Security Initiative #17.
- Provide analytical support for various Congressional reports.
- Identify Homeland Defense applications of militarily critical technologies.

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Cost (\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005
Technology Security Assessment System (TSAS)	1.2	0	0	0

FY 2002 Accomplishments

- Provided analytical tools with real-time access through secure infrastructure to glean trends and relationships from a variety of data resources to assist in policy development.

FY 2003 Plans

- None

FY 2004 Plans

- None

C. Other Program Funding Summary: N/A

D. Acquisition Strategy: N/A

E. Major Performers:

Military Critical Technology Program (MCTP)

- FY 2002 funding in the amount of \$1.757M was provided to the Washington Headquarters Service, who then placed the funding with the Institute of Defense Analyses (IDA), both of which are located in Virginia. The total award was broken out into two parts. The first award was for \$1M on March 27, 2002 with the second award of \$757K on July 15, 2002. The funding provided support for the Military Critical Technology Program (MCTP). IDA has created a structure of Technology Working Group (TWG) chaired largely by on-call consultants that assess technologies on a worldwide basis.