

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification						Date: February 2005		
APPROPRIATION/BUDGET ACTIVITY RDT&E: Defense-Wide/BA 6				R-1 ITEM NOMENCLATURE: PE: 0603835D8Z Transformation Initiatives Program (TIP)				
COST (\$ in Millions)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Total PE Cost	0	0	10.152	10.203	10.537	10.314	10.538	10.829

(U) A. Mission Description and Budget Item Justification:

This new program is intended for exclusive use by Combatant Commanders to pursue unforeseen, but potentially high-payoff joint transformation initiatives/ opportunities during the year of execution. Transformation initiatives will be submitted by the Combatant Commanders and reviewed and either approved or disapproved by the Director for Force Transformation. Transformation initiatives or opportunities are intended to yield transformational effects such as major leaps in military capabilities. Transformation initiatives/ opportunities are expected to be time-critical and present themselves as opportunities to co-evolve operating concepts and technologies in contingencies, joint operations, exercises or experiments. Such effects are expected to occur during transformational discovery, innovation, and exploration through the execution of operational concepts and technologies, prototyping, experimentation, and war gaming. Funds will only be made available to Combatant Commanders and will only be approved by the Director for Force Transformation. Funding for this program will provide a modest means to gain the direct and active participation of the Combatant Commanders in the transformation process. It will provide a mechanism to fund transformation projects initiated by the Combatant Commanders during the year of execution permitting real-time preparation and testing of novel technologies or concepts that, if proven, will add to a force's capability in a significant way. In general, this program is expected to enhance:

- Combatant commanders ability to quickly pursue unforeseen, but potentially high-payoff, joint transformation initiatives during the year of execution.
- Inclusion of the combatant commands in the transformation process by funding initiatives that are time-critical and present themselves as opportunities to co-evolve operating concepts and technologies in contingencies, joint operations, exercises or experiments.
- Increased infusion of transformational ideas into the transformation process.
- Increased experimentation of transformational ideas using operator/warfighter expertise and organizations.

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification		Date: February 2005		
APPROPRIATION/BUDGET ACTIVITY		R-1 ITEM NOMENCLATURE:		
RDT&E: Defense-Wide/BA 6		PE: 0603835D8Z Transformation Initiatives Program (TIP)		
(U) B. Program Change Summary:				
	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Previous President's Budget:	0.0	9.977	9.921	9.935
Current BES:	0.0	9.977	10.152	10.203
Total Adjustments:	0.0	-9.977	0.231	0.268
Congressional program reductions:	0.0	-9.977	0.0	0.0
Congressional rescissions:	0.0	0.0	0.0	0.0
Congressional increases:	0.0	0.0	0.0	0.0
Reprogrammings:	0.0	0.0	0.0	0.0
SBIR/STTR Transfer:	0.0	0.0	0.0	0.0
Other Adjustments:			0.231	0.268
(U) C. Other Program Funding Summary: Not Applicable.				
(U) D. Acquisition Strategy. Not Applicable.				
(U) E. Performance Metrics: This is a new start; therefore there are no performance metrics to permit an assessment. However, an Office of the Secretary of Defense Memorandum will be in place that establishes a reporting process that will assess the outcome of each project in relation to the goals and objectives that were initially stated and were the basis on which the project is approved by the Director, Office of Force Transformation (OFT). All projects will be closely associated with the transformation goals of the Department, and will reflect capability gaps identified through reports, such as the Strategic Transformation Appraisal that the Director, OFT delivers to the Secretary of Defense annually.				