

Exhibit R-2 RDT&E Budget Item Justification							Date: February 2005	
APPROPRIATION/BUDGET ACTIVITY RDT&E - Defense Wide/Budget Activity: 6				R-1 ITEM NOMENCLATURE Export License Control – PE:0605123D8Z				
<i>COST \$ In Millions</i>	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Total Program Element PE Cost	7.496	5.433	0	0	0	0	0	0
<b>(U) A. <u>Mission Description and Budget Item Justification</u></b>								
<p>(U) <b><u>BRIEF DESCRIPTION OF ELEMENT:</u></b> The program element supports the research design and acquisition of an automated system by the Director Policy Automation Services (PAS), Office of the Under Secretary of Defense for Policy (OUSDP), for export license processing and analysis. This program is a new start effort. The system will be integrated among all export license regulatory and reviewing agencies (Departments of Defense, Commerce, State and other agencies) and incorporate connectivity to industry license applicants. The system will improve the quality of the reviews that protect critical military capabilities and support defense cooperation with allies and friends and reduce review times to meet global marketplace demands.</p>								
<p>(U) <b><u>FY 2004 Accomplishments:</u></b></p> <ul style="list-style-type: none"> <li>• Completed the Beta system development and Beta testing</li> <li>• Completed Independent Verification and Validation</li> <li>• Completed User Acceptance Testing</li> <li>• Completed necessary security requirements and received authority to operate (ATO)</li> <li>• Completed Munitions data migration</li> <li>• Completed baseline system development and fielded USXPORTS for IOC</li> <li>• Completed one point release of USXPORTS with expanded capability</li> <li>• Completed documentation and training</li> </ul>								
<p>(U) <b><u>FY 2005 Accomplishments:</u></b></p> <ul style="list-style-type: none"> <li>• Completed system upgrade to include Dual Use functionality and fielded USXPORTS V2.0</li> <li>• Completed one point release of USXPORTS to optimize functionality and fielded USXPORTS V2.1</li> <li>• Completed update of documentation and training</li> </ul>								

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<p>(U) FY 2005 Plans:</p> <ul style="list-style-type: none"> <li>• Field enhanced version of USXPORTS <ul style="list-style-type: none"> <li>• Expand Service Components Requirements to include auto staffing</li> <li>• Expand assessment capability associated with the Policy Assessment Repository</li> <li>• Field infrastructure improvements</li> </ul> </li> </ul>																													
<p>(U) <b>B. <u>Program Change Summary</u></b></p> <table border="0"> <thead> <tr> <th></th> <th>FY 2004</th> <th>FY 2005</th> <th>FY 2006</th> <th>FY 2007</th> </tr> </thead> <tbody> <tr> <td>Previous President's Budget</td> <td>7.718</td> <td>5.882</td> <td>0</td> <td>0</td> </tr> <tr> <td>Current BES/President's Budget</td> <td>7.496</td> <td>5.433</td> <td>0</td> <td>0</td> </tr> <tr> <td>Total Adjustments</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>    Other Program Reductions</td> <td>-0.222</td> <td>-0.449</td> <td>0</td> <td>0</td> </tr> </tbody> </table>						FY 2004	FY 2005	FY 2006	FY 2007	Previous President's Budget	7.718	5.882	0	0	Current BES/President's Budget	7.496	5.433	0	0	Total Adjustments					Other Program Reductions	-0.222	-0.449	0	0
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(U) Schedule: Not Applicable																													
(U) Technical: Not Applicable																													
(U) <b>C. <u>Other Program Funding Summary</u></b> : None.																													
(U) <b>D. <u>Acquisition Strategy</u></b> : Continuation of existing contract with SRA International.																													
(U) <b>E. <u>Performance Metrics</u></b> : Protect National Security Interests, Facilitate the Export Licensing Process, Speed overall application to decision process, protect industry proprietary information and comply with CCA & GPEA.																													