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Exhibit R-2, RDT&E Budget Item Justification						Date: February 2008	
Appropriation/Budget Activity RDT&E, Dw BA 07			R-1 Item Nomenclature: Critical Infrastructure Protection (CIP), 0305125D8Z				
Cost (\$ in millions)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Total PE Cost	14.068	12.587	12.700	12.892	13.033	13.238	13.433
Critical Infrastructure Protection (CIP), P125	14.068	12.587	12.700	12.892	13.033	13.238	13.433
A. Mission Description and Budget Item Justification:							
<p>Homeland Security Presidential Directive 7 (HSPD-7), <i>Critical Infrastructure Identification, Prioritization, and Protection</i>, December 17, 2003, assigns two sets of responsibilities to the Department of Defense (DoD). First, as a Federal Department and related specifically to DoD mission critical infrastructure, DoD has the responsibility to “identify, prioritize, and coordinate the protection of critical infrastructure and key resources in order to prevent, deter, and mitigate the effects of deliberate efforts to destroy, incapacitate, or exploit them.” Second, HSPD-7 designates DoD as the Sector Specific Agency (SSA) for the Defense Industrial Base (DIB). The Defense Industrial Base (DIB) is the DoD, the U.S. Government, and private sector worldwide industrial complex with capabilities to perform research and development, design, produce, and maintain military weapon systems, subsystems, components, or parts to meet military requirements. As the SSA for the DIB, DoD is responsible for collaborating with all relevant organizations, conducting or facilitating vulnerability assessments, and encouraging risk management strategies to protect against attacks on the DIB.</p> <p>HSPD-7 focuses on the national plan to secure critical infrastructure. Subsequent documents and strategies issued by DoD have expanded on this baseline to detail DoD critical infrastructure protection (CIP) efforts. The June 2005 <i>Strategy for Homeland Defense and Civil Support</i> identifies preparedness and protection of Defense Critical Infrastructure as one of the core capabilities to achieve mission assurance.</p> <p>The cornerstone of DoD’s approach to CIP is DoD Directive (DoDD) 3020.40, <i>Defense Critical Infrastructure Program (DCIP)</i>, signed by the Deputy Secretary of Defense in August 2005, which assigns the roles and responsibilities for implementing the DCIP. The Defense Critical Infrastructure Program (DCIP), as defined in DoDD 3020.40, is a DoD risk management program that seeks to ensure the availability of networked assets critical to DoD missions. Activities include the identification, assessment, and security enhancement of assets essential for executing the National Military Strategy.</p>							

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<p>The DCIP is a DoD-wide effort, involving components from the Office of the Secretary of Defense (OSD), the Joint Staff, the Combatant Commands (COCOMs), the Military Departments and Services, the Defense Agencies and Field Activities, the National Guard Bureau, and the Defense Infrastructure Sector Leads. These DoD components and officials must work together, form partnerships, and integrate activities in order to accomplish the DCIP responsibilities identified in DoDD 3020.40.</p> <p>The immense scope of infrastructures and the interdependent nature of their environment necessitate a comprehensive risk management effort. Providing complete assurance of every Defense Critical Infrastructure Asset in an all-hazards environment from all conceivable hazards is not feasible. Therefore, DoD will apply risk management practices on Defense Critical Infrastructure.</p> <p>Risk management practices are applied by first performing a risk assessment to understand (1) what assets are critical to DoD missions, (2) identifying vulnerabilities to those assets, and (3) identifying threats and hazards to those assets.</p> <p>Decision makers use the results of the risk assessments to determine a risk response. This response may include applying resources to fix identified vulnerabilities, change tactics or procedures, provide asset redundancy, or accept the identified risk. The risk management approach will support the prioritization of scarce resources across DoD and focus resources on these assets critical to DoD missions. From an infrastructure protection perspective, this approach enables the achievement of warfighter operational goals through assured continuity of combat support and core Defense business processes, and assists in the restoration of capabilities should a disruption occur.</p>		

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B. Program Change Summary:									
	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>						
Previous President's Budget	13.643	12.667	12.731						
Current Budget Estimates Submission	14.068	12.587	12.700						
Total Adjustments	0.425	-0.080	-0.031						
Congressional program reductions	-0.027	-0.080	0						
Congressional increases	0	0	0						
Reprogrammings	0	0	0						
SIBR/STTR Transfer	0	0	0						
Other	0.452		-0.031						
Change Summary Explanation:									
1. FY 2007 funding total does not include \$15.7 million received in GWOT supplemental. The \$15.700 million GWOT supplemental is currently displayed in PE 0603225D8Z (\$0.144 million), PE 0603923D8Z (\$0.163 million), PE 0605799D8Z (\$3.409 million), and PE 1001018D8Z (\$11.449 million).									
2. FY 2008 funding totals do not include \$9.0 million in pending request for current FY2008 GWOT requirements.									
C. Other Program Funding Summary: N/A									
	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>To Complete</u>	<u>Total Cost</u>
O&M, DW (PE0902198D8Z)	29.867	18.997	18.853	19.022	18.629	19.033	19.335	Continues	Continues
D. Acquisition Strategy: N/A									
E. Performance Metrics: N/A									

Exhibit R-2a, RDT&E Project Justification		Date: February 2008
Appropriation/Budget Activity	Project Name and Number	

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RDT&E, Dw BA 07			Critical Infrastructure Protection (CIP), P125				
Cost (\$ in millions)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Critical Infrastructure Protection (CIP), P125	14.068	12.587	12.700	12.892	13.033	13.238	13.433
RDT&E Articles Quantity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<p>A. Mission Description and Budget Item Justification:</p> <p>The Defense Critical Infrastructure Program (DCIP) is a Department of Defense (DOD) risk management program that seeks to ensure the availability of networked assets critical to DOD missions, to include DOD and non-DOD, domestic and foreign infrastructures essential to planning, mobilizing, deploying, executing, and sustaining United States military operations on a global basis. Through identifying Defense Critical Assets, assessing them to determine vulnerabilities, incorporating specific threat and hazard information and analysis, and visually displaying relevant infrastructure data and analysis, DOD will be positioned to make risk management decisions to ensure the appropriate infrastructure is available, when needed, to support DOD missions.</p> <p>Specifically, Combatant Commands (COCOMs) are responsible for identifying the mission capability requirements and coordinating with the Military Departments, Defense Agencies, DOD Field Activities, and Defense Sector Lead Agents to identify and assess Defense Critical Assets. As asset owners and capability providers, the Secretaries of the Military Departments and the Directors of Defense Agencies and DOD Field Activities, coordinate with the COCOMs to identify and prioritize the assets required to support mission-essential functions. Asset owners will also assess identified Defense Critical Assets to identify vulnerabilities and apply appropriate remediation and mitigation measures. The Defense Sector Lead Agents are responsible for identifying the specific functions, systems, assets (DOD and non-DOD owned), and interdependencies within the Defense Sector infrastructure networks supporting the identified critical missions.</p> <p>Each Defense Sector Lead Agent, as identified in DODD3020.40.DOD, represents one of ten (10) functional areas that provide support to the Combatant Commanders and asset owners. These functional areas are as follows: defense industrial base (DIB); financial services; global information grid (GIG); health affairs; intelligence, surveillance, and reconnaissance (ISR); logistics; personnel; public works; space; and transportation.</p>							

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In addition, DCIP manages specific analytic efforts in the identification and maintenance of specific inter- and intra-dependencies DoD has on the foundational commercial infrastructure networks supporting the identified critical missions. Specific analytic efforts are focused within six (6) commercial infrastructure areas: energy (electric power, natural gas); chemicals; transportation; telecommunications; water; and petroleum, oil, lubricants (POL).

B. Accomplishments/Planned Program

	FY 2007	FY 2008	FY 2009
Accomplishment/Effort/Subtotal Cost	2.956	1.542	1.500
RDT&E Articles Quantity	0	0	0

DCIP Strategic Partnerships and Enabling Technologies

FY2007: The program has:

- Established web services for remaining Defense Sector databases, Combatant Command, and Military Service databases for visualization of assets in KDAS/Palanterra visualization tool to create a DCIP COP.
- Ingested information from National Labs on consequence assessment and predictive analysis tool suites to support pre-planning and positioning of defense assets.
- Developed capabilities to identify and provide risk management for critical infrastructure system vulnerabilities as a result of cyber based attacks

FY 2008: The program will:

- Develop, leverage, maintain, and enhance tools and data sets based on requirements derived from the DCIP community and the output of assessments performed on Defense Industrial Base (DIB) assets.
- Develop protocols and standards to ensure interoperability of Homeland Security Information Network Components and DCIP COP for a HLS/HLD COP and situational awareness.

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FY 2009: The program will:

- Develop, leverage, maintain, and enhance tools and data sets based on requirements derived from the DCIP community and the output of assessments performed on Defense Industrial Base (DIB) assets.

B. Accomplishments/Planned Program

	FY 2007	FY 2008	FY 2009
Accomplishment/Effort/Subtotal Cost	11.112	11.125	11.231
RDT&E Articles Quantity	0	0	0

DCIP Strategic Partnerships and Enabling Technologies

FY2007: The program has:

- Coordinated a DCIP DOD Instruction (DODI), leveraging the DCIP DODI IPT, and previously published IIG and lessons learned as the baseline (currently in 106 process)
- Published the DOD criticality methodology to identify defense critical assets
- Conducted and maintained commercial infrastructure intra- and inter-dependency analysis on 20 DOD critical assets contained on the COCOM Integrated Priority List (IPL)
- The DCIP Risk Assessment Handbook was broken down in to 3 component parts for individual distribution. The Infrastructure Resiliency Guide (published), the Critical Asset Identification Process (in formal staff coordination), and the Remediation Planning Guide (in formal staff coordination)

FY 2008: The program will:

- Conduct and maintain commercial infrastructure intra- and inter-dependency analysis on a minimum of 25 DOD critical assets contained on the COCOM Integrated Priority List (IPL)
- Incorporate DOD DCIP assessment training curriculum into established DOD education and training programs
- Apply risk management methodology to all identified critical assets

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- Develop a prioritization methodology to substantiate investment in risk management recommendations
- Perform trend analysis and develop remediation and mitigation options for addressing risks identified as part of the assessment process.
- Develop a prioritization methodology to substantiate investment in risk management recommendations
- Provide technical analysis and recommendations on infrastructure networks, points of service, interdependencies, and priority restoration for pre-event and post-event analysis for manmade or natural disaster incidents, and intelligence relating to possible terrorist threats.

FY 2009: The program will:

- Provide technical analysis and recommendations on infrastructure networks, points of service, interdependencies, and priority restoration for pre-event and post-event analysis for manmade or natural disaster incidents, and intelligence relating to possible terrorist threats.
- Conduct and maintain commercial infrastructure intra- and inter-dependency analysis on a minimum of 20 DOD critical assets contained on the COCOM Integrated Priority List (IPL)
- Apply risk management methodology to all identified critical assets
- Perform trend analysis and develop remediation and mitigation options for addressing risks identified as part of the assessment process.

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C. Other Program Funding Summary: DCIP O&M funding is allocated to the Military Services, the Defense Sectors/Defense Agencies, and to OSD DCIP as the Sector Specific Agency (SSA) for the Defense Industrial Base (DIB). O&M funding will be used by these organizations to identify critical assets supporting DoD missions using the standard methodology developed through DCIP, assessing these identified critical assets to identify critical infrastructure support, and the performance of risk management activities associated with these assessed assets.

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>To</u> <u>Complete</u>	<u>Total</u> <u>Cost</u>
O&M, DW (PE0902198D8Z)	20.567	18.997	20.053	20.322	19.829	20.233	20.635	Continuing	140.636

D. Acquisition Strategy: N/A

E. Major Performers: N/A