

OSD RDT&E BUDGET ITEM JUSTIFICATION (R2 Exhibit)

February 2008

APPROPRIATION/ BUDGET ACTIVITY
RDTE, Defense Wide BA 03

PE NUMBER AND TITLE
0603942D8Z - Technology Transfer

COST (\$ in Millions)	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Total Program Element (PE) Cost	11.910	5.784	2.170	2.259	2.259	2.276	2.304
P343 Homeland Defense First Responders Technology Transfer	1.156						
P942 Technology Link	10.754	5.784	2.170	2.259	2.259	2.276	2.303

A. Mission Description and Budget Item Justification: Defense Technology Transfer was referred to in previous budgets as Defense Technology Link (TechLink). This program title change serves to distinguish the Technology Transfer program from one of the program's successful contractors, TechLink of Montana State University.

Defense Technology Transfer is an element in the Department's technology transfer, transition, and acquisition activities. Its three-fold mission is (1) integration of advanced commercial-sector technologies into DoD systems, particularly from nontraditional defense contractors; (2) spin-off of DoD-developed technologies to the commercial sector to make these technologies more affordable for military acquisition; and (3) establishment of collaborative R&D projects with the private sector for cost-sharing of new dual-use technology development.

Defense Technology Transfer has been highly successful at helping the Department transfer its technologies to U.S. companies, making these technologies available for both military and commercial applications.

Technology Transfer is highly cost-effective and has provided a return on the investment to DoD of 4:1 on funds expended to date. This efficiently run organization currently accounts for 30 percent of all DoD patent license agreements (PLAs) and has brokered over 350 Cooperative Research and Development Agreements (CRADAs) and other R&D partnerships involving innovative companies new to DoD. The Congressional Record for November 18, 2003, page S15056, has a statement from Senator Burns (R-MT) commending Technology Link for its outstanding achievements.

In FY 2006, the Defense Technology Transfer Program began assisting DOD's Homeland Defense Office on first responder initiatives. The Homeland Defense First Responder Technology Transfer Project enhances efficiency and cost effectiveness by leveraging off existing TechLink efforts to manage equipment and technology transfers to civilian communities and eliminate duplication of effort between Department of Defense parties involved in technology and equipment transfers to first responders. In FY 2008, the Homeland Defense First Responders Technology Transfer project has been transferred to PE 0305186D9Z under the auspices of the Assistant Secretary of Defense (Homeland Defense).

<u>B. Program Change Summary</u>	FY 2007	FY 2008	FY 2009
Previous President's Budget (FY 2008)	12.202	2.234	2.173
Current BES/President's Budget (FY 2009)	11.910	5.784	2.170
Total Adjustments	-0.292	3.550	-0.003

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Congressional Program Reductions					
Congressional Rescissions		-0.050			
Congressional Increases		3.600			
Reprogrammings					
SBIR/STTR Transfer					
Other	-0.292			-0.003	

Congressional increases provided: \$1600 for FirstLink; \$2000 for Springboard.

C. Other Program Funding Summary Not applicable for this item.

D. Acquisition Strategy Not applicable for this item.

E. Performance Metrics:

FY	Strategic Goals Supported	Existing Baseline	Planned Performance Improvement / Requirement Goal	Actual Performance Improvement	Planned Performance Metric / Methods of Measurement	Actual Performance Metric / Methods of Measurement
08						

Comment: For FY 2007, establish patent license agreements (PLAs) totaling 30% of all DOD PLAs and assist in the brokering of over 30 Cooperative Research and Development Agreements (CRADAs)
 For FY 2008, establish patent license agreements (PLAs) totaling 30% of all DOD PLAs and assist in the brokering of over 30 Cooperative Research and Development Agreements (CRADAs)
 For FY 2009, establish patent license agreements (PLAs) totaling 30% of all DOD PLAs and assist in the brokering of over 30 Cooperative Research and Development Agreements (CRADAs)

OSD RDT&E BUDGET ITEM JUSTIFICATION (R2a Exhibit)

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APPROPRIATION/ BUDGET ACTIVITY RDTE, Defense Wide BA 03		PE NUMBER AND TITLE 0603942D8Z - Technology Transfer					PROJECT P343	
COST (\$ in Millions)	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	
P343 Homeland Defense First Responders Technology Transfer	1.156							

A. Mission Description and Budget Item Justification: Leverages off existing technology transfer programs to meet the requirements of the FY 2003 National Defense Authorization Act, Section 1401. Meets the requirement to identify DoD technology items and equipment developed or being developed with the potential to enhance public safety and improve homeland defense. Evaluates technology items and procured equipment useful to first responders and facilitates technology items and equipment to Federal, State, and local first responders. Identifies and eliminates redundant and unnecessary research efforts while advancing high priority projects. Through participation in outreach programs, communicates with first responders and facilitates awareness of available technology items and equipment to support crisis responses. Monitors all DoD research and development activities to identify potential first responder applications; coordinates with other Federal Departments and Agencies to facilitate the transfer of technology from DoD to first responders; and assists in the transfer of technology and equipment for first responders.

Starting in FY08, this program has been transferred to PE 0305186D9Z under the auspices of the Assistant Secretary of Defense (Homeland Defense).

B. Accomplishments/Planned Program:

<u>Accomplishments/Planned Program Title:</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Homeland Defense First Responders Technology Transfer:	1.156		

FY 2007 Accomplishment: Actively worked with Federal, State, and local officials to identify and participate in outreach events and activities to communicate with first responders and facilitate awareness of available technology items and equipment to support homeland security and enhance public safety.

Meets the Congressional intent of the FY 2003 National Defense Authorization Act, Section 1401. Eliminates duplication of effort between DoD organizations involved in the transfer of equipment and technology to first responders. Identifies equipment with the potential to enhance public safety. Establishes an overarching government program to assure the efficient and effective transfer of technology equipment useful to first responders. Eliminates redundant and unnecessary efforts concerning equipment and technology transfer to first responders. Facilitates the transitions of high priority DoD projects from research through implementation of initial manufacturing. Communicates to first responders the availability of equipment and technology items to support homeland security.

C. Other Program Funding Summary Not applicable for this item.

D. Acquisition Strategy Not applicable for this item.

OSD RDT&E BUDGET ITEM JUSTIFICATION (R2a Exhibit)

February 2008

APPROPRIATION/ BUDGET ACTIVITY

RDTE, Defense Wide BA 03

PE NUMBER AND TITLE

0603942D8Z - Technology Transfer

PROJECT

P343

E. Major Performers Not applicable for this item.

OSD RDT&E BUDGET ITEM JUSTIFICATION (R2a Exhibit)

February 2008

APPROPRIATION/ BUDGET ACTIVITY RDTE, Defense Wide BA 03		PE NUMBER AND TITLE 0603942D8Z - Technology Transfer					PROJECT P942	
COST (\$ in Millions)	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	
P942 Technology Link	10.754	5.784	2.170	2.259	2.259	2.276	2.304	

A. Mission Description and Budget Item Justification: Defense Technology Transfer was referred to in previous budgets as Defense Technology Link (TechLink). This change serves to distinguish the Technology Transfer program from one of the program's successful contractors, TechLink of Montana State University.

Defense Technology Transfer is an element in the Department's technology transfer, transition, and acquisition activities. Its three-fold mission is (1) integration of advanced commercial-sector technologies into DoD systems, particularly from nontraditional defense contractors; (2) spin-off of DoD-developed technologies to the commercial sector to make these technologies more affordable for military acquisition; and (3) establishment of collaborative R&D projects with the private sector for cost-sharing of new dual-use technology development.

Defense Technology Transfer has been highly successful at helping the Department transfer its technologies to U.S. companies, making these technologies available for both military and commercial applications.

Technology Transfer is highly cost-effective with elements of T2 achieving Return on Investment (ROI) to DoD. For example, TechLink and has provided a ROI to DoD of 4:1 on funds expended to date. This efficiently run organization currently accounts for 30 percent of all DoD patent license agreements (PLAs) and has brokered over 350 Cooperative Research and Development Agreements (CRADAs) and other R&D partnerships involving innovative companies new to DoD. The Congressional Record for November 18, 2003, page S15056, has a statement from Senator Burns (R-MT) commending Technology Transfer for its outstanding achievements.

B. Accomplishments/Planned Program:

<u>Accomplishments/Planned Program Title:</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Marketing of DoD Technologies	1.415	1.340	1.310

FY 2007 Accomplishments: Actively marketed DoD-developed technologies to US companies to establish Patent License Agreements to commercialize these technologies for both civilian and military applications. The multiple objectives of this technology marketing activity are to (1) accelerate the transition of DoD-developed technologies to the warfighter; (2) lower the cost of DoD technology acquisition by developing a larger commercial market for dual-use technologies; (3) provide a return of revenue to DoD labs from commercial spin-off of defense technologies; and (4) fulfill DoD's Congressionally mandated technology transfer directives.

As an example, TechLink (Montana State University) facilitated a patent license agreement of a perimeter security and surveillance system developed by the Naval Undersea Warfare Center, Newport, Rhode Island. The Navy and their commercial partner are working to incorporate the Navy technology with the commercial partner's geographic information system software to pinpoint the location and interpretation of a remotely located acoustic event such as a human or animal footstep or movement of airborne or ground-based vehicles. The technology offers great promise for activities such as remote border security or perimeter protection of critical infrastructure.

OSD RDT&E BUDGET ITEM JUSTIFICATION (R2a Exhibit)

February 2008

APPROPRIATION/ BUDGET ACTIVITY RDTE, Defense Wide BA 03	PE NUMBER AND TITLE 0603942D8Z - Technology Transfer	PROJECT P942
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FY 2008/2009 Plan: Continue active marketing of DoD-developed technologies to US companies to establish Patent License Agreements to commercialize these technologies for both civilian and military applications. The multiple objectives of this technology marketing activity are to (1) accelerate the transition of DoD-developed technologies to the warfighter; (2) lower the cost of DoD technology acquisition by developing a larger commercial market for dual-use technologies; (3) provide a return of revenue to DoD labs from commercial spin-off of defense technologies; and (4) fulfill DoD's Congressionally mandated technology transfer directives.

<u>Accomplishments/Planned Program Title:</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Dual Use Technology Deployment	0.560	0.582	0.560

FY 2007 Accomplishments: Actively promoted and brokered Cooperative Research and Development Agreements (CRADAs) between DoD labs and industry for development of technology with both commercial and military applications. This activity will particularly focus on nontraditional defense contractors and is intended (1) to help lower the expense of new defense-related technology development through cost-sharing with industry, and (2) to help DoD benefit from private-sector technology investments and innovations. Continued to provide critical support to DoD labs by facilitating 30% of all of DoD's Patent License Agreements (PLAs) for the fiscal year. Also brokered over 35 new CRADAs between DoD labs and industry, thereby enabling DoD and industry to leverage technology development efforts by both parties.

FY 2008/2009 Plan: Continue to actively promote and broker Cooperative Research and Development Agreements (CRADAs) between DoD labs and industry for development of technology with both commercial and military applications. This activity will particularly focus on nontraditional defense contractors and is intended (1) to help lower the expense of new defense-related technology development through cost-sharing with industry, and (2) to help DoD benefit from private-sector technology investments and innovations.

<u>Accomplishments/Planned Program Title:</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Spin-On of Advanced Commercial-Sector Technologies	0.300	0.312	0.300

FY 2007 Accomplishments: Actively promoted the DoD Small Business Innovation Research (SBIR) (focus on Phase III contracts) and Independent Research and Development (IR&D) programs to companies in the Northwestern United States in order to help DoD identify, fund, acquire, and integrate private-sector innovations and advanced commercial technologies into DoD systems.

FY 2008/2009 Plan: Continue to actively promote the DoD Small Business Innovation Research (SBIR) (focus on Phase III contracts) and Independent Research and Development (IR&D) programs to companies in the Northwestern United States in order to help DoD identify, fund, acquire, and integrate private-sector innovations and advanced commercial technologies into DoD systems.

<u>Accomplishments/Planned Program Title:</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
TechLink Southeast (T2 Bridge) (Congressional Add)	1.000		

T2 Bridge is a congressionally added effort to facilitate technology transfer from the DoD laboratories to the commercial sector in the southeast U.S. The goal is to ensure commercial production of technology developed in DoD so it can be inserted into DoD items through the normal acquisition process. The partnership intermediary agreement was signed October 31, 2006.

FY 2007 Accomplishments: There are two key objectives: 1) foster collaboration activities between DoD, academia, and industry with emphasis on small business, and 2) facilitate a minimum of 10 partnerships between DoD laboratories and academia/private sector using technology transfer mechanisms such as, but not limited to, CRADAs, SBIRs, PLAs, educational partnership agreements, and contracts.

<u>Accomplishments/Planned Program Title:</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
FirstLink (Congressional Add)	1.450	1.600	

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PROJECT
P942

FirstLink - a congressionally added effort - is officially called the Department of Defense's National Center of Excellence for Commercialization and Technology Transfer for First Responder Technologies. The Congressional add in FY 2007 for this same effort was called "Technology Transfer IEE."

FY 2007 Accomplishments: FirstLink assessed user needs and priorities, collected and evaluated potential DoD technologies for first responder use, identified non-DoD technologies that address DoD and first responder needs, and created and executed a marketing plan for these technologies. Measures of success include technologies made available for first responder use.

FY 2008 Plan: Continue to actively assess user needs and priorities, collect and evaluate potential DoD technologies for first responder use, identify non-DoD technologies that address DoD and first responder needs, and create and execute a marketing plan for these technologies. Measures of success include technologies made available for first responder use.

Accomplishments/Planned Program Title:

Springboard (Congressional Add)

FY 2007

FY 2008

FY 2009

6.029

1.950

Spring Board is a congressionally added effort to facilitate technology transfer from the DoD laboratories to the commercial sector in Alaska. The goal is to ensure commercial production of technology developed in DoD so it can be inserted into DoD items through the normal acquisition process. (FY07 and FY08 Congressional add amounts are modified for appropriation general provisions, including FY08 Sec 8025(f), 8097, and 8104.)

There are two key objectives to meet this goal: 1) Foster collaboration activities between DoD, academia, and industry with emphasis on small business, and 2) Facilitate a minimum of seven partnerships between DoD laboratories and academia/private sector using technology transfer mechanisms such as, but not limited to, CRADAs, SBIRs, PLAs, educational partnership agreements, and contracts. The focus is on Alaska's emerging technology sectors.

FY 2007 Accomplishments: 1) fostered collaboration activities between DoD, academia, and industry with emphasis on small business, and 2) facilitated a minimum of seven partnerships between DoD laboratories and academia/private sector using technology transfer mechanisms such as, but not limited to, CRADAs, SBIRs, PLAs, educational partnership agreements, and contracts. Increased capability for all partnership intermediaries to share information and facilitate communication among/between DoD technology transfer activities.

FY 2008 Plan: continue to actively 1)foster collaboration activities between DoD, academia, and industry with emphasis on small business, and 2) facilitate a minimum of seven partnerships between DoD laboratories and academia/private sector using technology transfer mechanisms such as, but not limited to, CRADAs, SBIRs, PLAs, educational partnership agreements, and contracts. Increase capability for all partnership intermediaries to share information and facilitate communication among/between DoD technology transfer activities.

C. Other Program Funding Summary Not applicable for this item.

D. Acquisition Strategy Not applicable for this item.

E. Major Performers Not applicable for this item.