

OSD RDT&E BUDGET ITEM JUSTIFICATION (R2 Exhibit)

May 2009

APPROPRIATION/ BUDGET ACTIVITY RDTE, Defense Wide BA# 6		PE NUMBER AND TITLE 0605110D8Z - Militarily Critical Technology Program						
COST (\$ in Millions)	FY 2008 Actual	FY 2009 Estimate	FY 2010 Estimate					
P110 Militarily Critical Technology Program	3.673	3.985	4.914					

A. Mission Description and Budget Item Justification:

The Militarily Critical Technologies Program (MCTP) provides the development and implementation of DoD technology security policies on international transfers of defense related goods, services, and technologies:

(1) Export Control Program: Provides an ongoing assessment and analysis of goods and technologies. Determines significant advances in the development, production, and use of military capabilities of potential adversaries. Determines goods and technologies being developed worldwide with potential to significantly enhance or degrade U.S. military capabilities in the future. Identified in the Export Administration Act of 1979 and extended by Presidential Directive to review militarily critical goods and technologies and to consider worldwide technology capabilities. Comprised of two sets of documents:

- a). Militarily Critical Technologies List (MCTL): congressionally mandated source document for identification of leading edge and current technologies monitored worldwide for national security, nonproliferation control of weapons of mass destruction, and advanced conventional weapons.
- b). Developing Science & Technologies List (DSTL): describes military and proliferation significance of future technologies.

Specific activities include:

- Develop and publish in electronic form (including Internet version, both restricted and public) various editions of the Militarily Critical Technologies List (MCTL) and Developing Science and Technologies List (DSTL) documents that describe the military and proliferation significance of various technologies
- Monitor and assess dual-use and military technologies worldwide
- Assist in the development of proposals for negotiation in various multilateral export control regimes
- Provide technical support for the review/revision of the U.S. Munitions List under the Defense Trade Security Initiative
- Provide analytical support for Congressional reports
- 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 Defense and terrorism applications of militarily critical technologies

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(2) The DoD Damage Assessment Management Office (DAMO) Program: The DAMO Program coordinates the conduct of assessments involving the loss of Controlled Unclassified Information (CUI) resulting from the illicit exfiltration of technical data maintained on unclassified DoD networks and unclassified networks managed by the Defense Industrial Base (DIB). The DAMO identifies and categorizes the impact of the loss of technical information contained on the affected systems, organizes and coordinate the assessments with the affected DoD component and the affected DIB partner, prepares interim and final assessment reports, and establishes a process to appropriately share collected information with all affected components and DIB members. The DAMO provides a triage of data and technical assessments based on the Militarily Critical Technology List (MCTL) and coordinates assessments and information across the Services/Programs. The DAMO establishes policy and procedures for conducting damage assessments applicable to all DoD components in concert with FAR and DFAR procedures pertaining to contracts with the DIB.

Specific activities include:

- Coordination with DIB partners, Defense Cyber Crime Center (DC3), Services, DoD agencies, Counterintelligence/Law Enforcement Agencies, and Service Acquisition Executives (SAES) to protect critical technologies from foreign exploitation.
- Establish and organize the DAMO to be the centralized office for coordinating damage assessments relating to CUI.
- Develop and publish DoD policy guidance regarding the conduct of Damage Assessments for all DoD components to implement relating to CUI.
- Develop, coordinate, implement and update CONOPs and procedures as required.
- Provide technical expertise and analyses in assessing the impact of data lost as a result of the exfiltration
- Develop and implement the DAMO library of assessments maintaining damage assessment reports and ensuring access is available to all with a "need to know" for analytical purposes.

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<u>B. Program Change Summary</u>	FY 2008	FY 2009	FY 2010	FY 2011
Previous President's Budget (FY 2008/2009)	3.987	4.007	4.007	
Current BES/President's Budget (FY 2010)	3.673	3.985	4.914	
Total Adjustments	-0.314	-0.022	0.907	
Congressional Program Reductions				
Congressional Rescissions				
Congressional Increases		-0.022		
Reprogrammings	-0.200			
SBIR/STTR Transfer	-0.106			
Other	-0.008		0.907	

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:

The Militarily Critical Technologies Program (MCTP) identifies critical technologies and informs export control processes to protect critical information from potential adversaries. Increased funding in FY10-FY15 equates into participation in damage assessments of the loss of Controlled Unclassified Information (CUI) resulting from the exfiltration of technical data to the Defense Industrial Base (DIB).

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APPROPRIATION/ BUDGET ACTIVITY RDTE, Defense Wide BA# 6		PE NUMBER AND TITLE 0605110D8Z - Militarily Critical Technology Program				PROJECT P110	
COST (\$ in Millions)	FY 2008 Actual	FY 2009 Estimate	FY 2010 Estimate				
P110 Militarily Critical Technology Program	3.673	3.985	4.914				

A. Mission Description and Budget Item Justification:

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(1) Export Control Program: Provides an ongoing assessment and analysis of goods and technologies. Determines significant advances in the development, production, and use of military capabilities of potential adversaries. Determines goods and technologies being developed worldwide with potential to significantly enhance or degrade U.S. military capabilities in the future. Identified in the Export Administration Act of 1979 and extended by Presidential Directive to review militarily critical goods and technologies and to consider worldwide technology capabilities. Comprised of two sets of documents:

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Specific activities include:

- Develop and publish in electronic form (including Internet version, both restricted and public) various editions of the Militarily Critical Technologies List (MCTL) and Developing Science and Technologies List (DSTL) documents that describe the military and proliferation significance of various technologies
- Monitor and assess dual-use and military technologies worldwide
- Assist in the development of proposals for negotiation in various multilateral export control regimes
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Specific activities include:

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- Develop and publish DoD policy guidance regarding the conduct of Damage Assessments for all DoD components to implement relating to CUI.
- Develop, coordinate, implement and update CONOPs and procedures as required..
- Provide technical expertise and analyses in assessing the impact of data lost as a result of the exfiltration
- Develop and implement the DAMO library of assessments maintaining damage assessment reports and ensuring access is available to all with a "need to know" for analytical purposes.

B. Accomplishments/Planned Program:

<u>Accomplishments/Planned Program Title:</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Militarily Critical Technology Program	3.673	3.985	4.914

FY 2008 Accomplishments:

- Implemented MCTL re-engineering plan
- Implemented a commercial search engine to provide improved MCTL access and usability. Developed collaborative tools for the MCTL Technology Working Group (TWG) members. Developed MCTL prototype for the Department of Commerce and end users. Roll-out of these enhancements completed 2Q FY 2008. A revised search capability will be extended to the public MCTL web site in FY 2009
- Continued meetings of the MCTL Community Advisory Board (CAB) with key Service and Agency stakeholders as part of outreach to MCTL customers and users
- Provided detailed technical proposal inputs to Wassenaar Arrangement (WA) negotiation team. TWG Chairpersons have been formally invited to give technical support at the WA Plenary held annually in Vienna, Austria
- Initiated the staffing of a DoD Instruction outlining policy, procedures, and responsibilities to maintain the MCTL The MCTL Instruction was formally issued in 1Q FY 2009
- Provided MCTL program status to DoD Inspector General/Government Accountability Office and Departments of Commerce and State

FY 2009/2010 Plans:

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(1) Export Control Program:

- Conduct MCTL annual update and reviews.
- Continue to strengthen outreach to Services, and U.S. Departments of State and Commerce to exchange technical information through the Community Advisory Board (CAB) process, as well as technical representation on multilateral export control panels.
- Improve and expand the focus of the DSTL effort to represent a broader global research watch.

(2) Damage Assessment Management Office (DAMO Program):

- Coordination with DIB partners, Defense Cyber Crime Center (DC3), Services, DoD agencies, Counterintelligence/Law Enforcement Agencies, and Service Acquisition Executives (SAES) to protect critical technologies from foreign exploitation.
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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.