

Exhibit R-2, RDT&E Budget Item Justification							Date: February 2003	
Appropriation/Budget Activity RDT&E/Budget Activity 6				R-1 Item Nomenclature: *PE-0604774D8Z Defense Readiness Reporting System				
Cost (\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Total PE Cost	0.000	0.00	18.575	19.738	13.209	9.959	2.880	2.940
<b>A. Mission Description and Budget Item Justification:</b>								
<b>Beginning in FY 2004, PE-0604774D8Z will be transferred from DoD Human Resource (DHRA) PE-0605803S.</b>								
This funding supports the development of the DRRS as a result of congressional direction to provide for an independent study of requirements for a comprehensive readiness reporting system of DoD.								
The current DoD Readiness reporting systems do not have the ability to provide near real-time measures and reports on the readiness of military forces and supporting infrastructure to meet missions and goals assigned by the Secretary of Defense.								
The transformation of readiness reporting into a new comprehensive readiness system presents a number of significant challenges. First, there are thousands of new potential reporting entities to include in DRRS, such as Active and Reserve component units, agencies, Combatant Commanders, installations, depots, ports, and major elements of the industrial base. These new entities must not only define and implement reporting based on specific readiness metrics, but they must make their readiness status continuously available in near-real-time to DRRS. Second, the current National Military Strategy makes substantially more complex demands on readiness reporting. Instead of basing readiness on traditional MTW-based scenarios, the NMS asks us to contemplate readiness for an entire range of operational forms, and to design DRRS to assess global readiness impact based on our integrated ability to project and sustain a mix of constructed forces in simultaneous engagements. Finally, target readiness assessment timescales for DRRS are severely compressed from multiple weeks and months into hours and days. For all these reasons, DRRS will require a new way of looking at reporting system development and implementation.								
The realization of DRRS will require integrating a host of key technologies in order to achieve an information system that will support massive-scale distributed, collaborative dynamic readiness reporting and continuous tool-based assessment. The primary technical goal is the creation of a high-reliability, secure integrated readiness data environment that will leverage and extend current readiness information systems. This system will be based on intelligent agents, dynamic databases, semantic middleware, and publish/subscribe concepts; and will provide a logically uniform view into the multiple databases and information sources that will feed DRRS. Crucially, through this type of advanced information environment, we will dramatically expand the range of readiness queries that DRRS will be able to handle. Coupled to this data environment will be a set of high-speed scenario-oriented tools that support ad hoc queries and drilldown, and an advanced workflow system that can assemble existing and new scenario and assessment tools into high-level task-specific query processes. These tools and tool suites will harness the power of the information environment to make possible the kind of quick-turnaround, excursion-driven readiness assessment that is at the heart of DRRS.								
<b>B. Program Change Summary:</b> None								
	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>				
Previous President's Budget	0.000	0.000	0.000	0.000				
Current FY 2004 President's Budget	0.000	0.000	18.575	19.738				
Total Adjustments			18.575	19.738				
Congressional program reductions		none						
Congressional rescissions								
Congressional increases		none						
Reprogrammings		none						
SBIR/STTR Transfer								
Other			18.575	19.738				

**Beginning in FY 2004, PE-0604774D8Z will be transferred from DoD Human Resource (DHRA) PE-0605803S**

**C. Other Program Funding Summary:** None.

**Acquisition Strategy.** DRRS is scheduled to be an ACTD. •The ACTD will identify and leverage emerging DARPA and other readiness reporting systems technology. •Define and develop agents and data requirements for existing and future key readiness processes. Incorporate and enhance revised reporting and assessment policy. And, integrate current Service and Agency RRS efforts