

Exhibit R-2, RDT&E Budget Item Justification							Date: February 2003		
Appropriation/Budget Activity RDT&E, Defense-Wide, Budget Activity 6				R-1 Item Nomenclature: FOREIGN MATERIAL ACQUISITION & EXPLOITATION PE 0605117D8Z					
Cost (\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	
Total PE Cost	31.578	23.468	33.916	35.644	36.164	36.806	37.208	37.953	
Project A or Future Naval Capability Name/No./Subtotal Cost									
Project B or Future Naval Capability Name/No./Subtotal Cost									
Project C or Future Naval Capability Name/No./Subtotal Cost									
A. Mission Description and Budget Item Justification:									
<p><u>Brief Description and Budget Item Justification:</u> This program is involved in the acquisition and exploitation of foreign military equipment and military technology. The DoD Foreign Material Program acquires and exploits foreign materiel systems, subsystems, components, commercial items with military applications, and technologies as well as related technical and operational documents. The FY 2000 and out year program is a classified activity about which information is available to properly cleared and authorized personnel. This program supports acquisition and exploitation of foreign military equipment and military technology and therefore is funded under Budget Activity 6, RDT&E Management Support.</p> <p><u>FY 2002 Accomplishments:</u></p> <ul style="list-style-type: none"> • Mission Support \$31.578 million <p><u>FY 2003 Plans:</u></p> <ul style="list-style-type: none"> • Mission Support \$23.468 million <p><u>FY 2004 Plans:</u></p> <ul style="list-style-type: none"> • Mission Support \$33.916 million 									

FY 2005 Plans:

- Mission Support \$35.644 million

B. Program Change Summary: (Show total funding, schedule, and technical changes for the program element that have occurred since the previous President's Budget Submission)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Previous President's Budget	31.951	32.472	34.665	36.690
Current BES/President's Budget	31.578	23.468	33.916	35.644
Total Adjustments	-.373	-9.004	-.749	-1.046
Congressional program reductions	-.373	-1.104	-.749	-1.046
Congressional rescissions		-7.900		
Congressional increases				
Reprogrammings				
SBIR/STTR Transfer				

Program Change Summary

FY 2002: Adjustments for FFRDC reduction (section 8032) -.116 and cross-cutting congressional adjustments (section 8123) -.257 million.

FY 2003: Non-pay purchase inflation adjustments -.252 million, Undistributed reduction -.852 million, Specified reduction -7.900 million.

FY 2004: Non-pay purchase inflation adjustments -.749 million.

FY 2005: Non-pay purchase inflation adjustments -1.046 million.

C. Other Program Funding Summary: N/A

D. Acquisition Strategy: N/A