Exhibit R-2, RDT&E Budget Item Justification							Date: February 2003	
Appropriation/Budget Activity RDT&E, Defense-Wide, Budget Activity 7				R-1 Item Nomenclature: C3I Intelligence Programs PE 0305190D8Z				
Cost ($ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Total PE Cost	11.684	106.779	149.851	210.237	211.514	214.384	225.436	229.615
Horizontal Fusion		57.108	146.951	207.136	208.414	212.884	222.242	226.350
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:

Brief Description and Budget Item Justification: This program element supports intelligence activities focused on the development, integration and assessment of systems or applications in support of non-traditional and contingency warfare. Resources will also support network-centric collaborative operations to improve situational awareness and operational-intelligence planning efforts. This program is funded under BA-6, Operational Systems Development, because it supports intelligence efforts that involve engineering development.

FY 2002 Accomplishment: ($11.684 million)

- Intelligence Missions Support
- Provided funding for the Miniaturized Wireless system to initiate a university-industry program to utilize advances in three-dimensional chip scale packaging and high temperature super-conducting transceiver performance, to reduce the size, weight, power consumption and cost of advanced wireless communication systems for covert military and intelligence operations. ($5.000 million)
- Designed and implemented DoD architecture repository with IOC- web-based running on SIPRNET
- Migrated GIG 1.0 and 2.0 data into the Data Repository
- Developing interface to POPKIN System Architect 2001 as enterprise architecture tool
- Initiated DoD Enterprise Architecture Tools for Enterprise Software Initiative

FY 2003 Plans: ($106.779 million)

- Supports intelligence information operations activities
  - Provides limited capability for the cataloging of specific foreign Computer Network Operations threats to DoD's command and control infrastructure.
  - Produce intelligence reports on computer network attacks against US systems.
  - Provide overall incident assessments analyzed within the context of operationally relevant information from affected commands.
  - Drive development of appropriate response options and detailed courses-of-action in defense of protected networks.

DERF Information Operations (IO-21, EW Improvements)
- Advance electronic attack capabilities to detect, isolate and attack selected C2 and information systems
- Advance technologies to derive targeting quality locations
- Advance testing and training to conduct EW test and evaluation, mission data software optimization, mission rehearsal
- Improve missile flyout models/simulations, post mission data processing, and integrating new threat systems with test range

DERF Information Operations (IO-14, PreConflict Management)
- Develops methods of anticipating potential conflicts and tools to determine effective courses of action
  - Identify potential alternatives that could preclude or reduce the likelihood of an event
  - Identify potential alternatives that could reduce the intensity and/or duration of potential conflict
- Develop a CONOPS for Interagency participation in conflict avoidance

DERF HDBT

- The DCI's Underground Facility Analysis Center (UFAC) mission is to identify, characterize, assess, and defeat Hard and Deeply Buried Targets (HDBT).
- These resources will be used to provide secure communication and collaboration services between and among the Defense Intelligence components (DIA, NIMA, NSA), DARPA, DTRA, CIA, and some private sector and academia partners to develop these targets.
- Develop new analytical, data mining, and target visualization tools to characterize targets.
- Develop new sources and methods of intelligence collection, research and analysis, and production.

- Augment traditional intelligence sources and methods with subject matter experts as required (e.g. micro tunneling, hydrologic engineering, spoil/tailing spectroscopy/hyper spectral analysis, etc.)

FY 2004 Plans: ($149.851 million)

- CENTRIX Support: Details are classified and are provided in the Congressional Justification Book.
- JTF-CNO Joint Threat Incident D/B
  - Continue cataloging of limited sets of foreign CNO specific threat information to DoD's command and control infrastructure, to include intentions and capabilities.
  - Continue production of intelligence reports on computer network attacks against US systems.
  - Continue to provide overall incident assessments analyzed within the context of operationally relevant information from affected commands.
  - Continues to drive development of appropriate response options and detailed courses-of-action in defense of protected networks.

FY 2005 Plans: ($210.237 million)

- CENTRIX Support: Details are classified and are provided in the Congressional Justification Book.
- JTF-CNO Joint Threat Incident D/B
  - Expand cataloging of foreign CNO specific threat information to DoD's command and control infrastructure, to include intentions and capabilities.
  - Continued production of intelligence reports on computer network attacks against US systems.
  - Continue to provide overall incident assessments analyzed within the context of operationally relevant information from affected commands.
  - Continues to drive development of appropriate response options and detailed courses-of-action in defense of protected networks.

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)

	FY 2002	FY 2003	FY 2004	FY 2005
Previous President's Budget	10.552	5.893	6.250	6.570
Current BES/President's Budget	11.684	106.779	149.851	210.237

Total Adjustments	1.132	100.886	143.601	203.666
Congressional program reductions				
Congressional rescissions, inflation adjustments	-.068			
Congressional increases	6.200	58.308	142.351	200.836
Reprogrammings	-5.000	-5.222	-5.350	-5.470
DERF adds		47.800	6.600	8.300

Change Summary Explanation:

FY 2002: Non-pay purchase inflation adjustments -.068; Congressional adds of 6.200 million, Congressional add of 5 million realigned to DLA.

FY 2003: Congressional adds 58.308 million; reprogrammed -5.222 million to PE 0605116D8Z, DERF Add 47.8 million.

FY 2004: Congressional adds 142.351 million; reprogrammed −5.350 million to PE 0605116D8Z, DERF adds 6.6 million.

FY 2005: Congressional adds 200.836 million; reprogrammed −5.470 million to PE 0605116D8Z; DERF add 8.3 million.

C. Other Program Funding Summary: N/A

D. Acquisition Strategy: N/A