Exhibit R-2, RDT&E Budget Item Justification						Date: February 2004	
APPROPRIATION/BUDGET ACTIVITY RDT&E, Defense-wide/ Budget Activity 4					R-1 ITEM NOMENCLATURE Coalition Warfare 0603923D8Z		
COST ($ in Millions)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Total 0603923D Cost	6.545	5.882	5.886	5.852	5.849	5.850	5.877
Coalition Readiness Mgt. System	0.560	0.000	0.000	0.000	0.000	0.000	0.000
JTRS/Bowman Interoperability	0.600	0.000	0.000	0.000	0.000	0.000	0.000
Search and Rescue Info System	0.200	0.000	0.000	0.000	0.000	0.000	0.000
Coalition Wide Area Network-PACOM	1.900	0.000	0.000	0.000	0.000	0.000	0.000
Quiet Interlude	0.400	0.000	0.000	0.000	0.000	0.000	0.000
Coalition UAV Interoperability	1.000	0.000	0.000	0.000	0.000	0.000	0.000
Coalition Warfare Support	0.360	0.375	0.390	0.000	0.000	0.000	0.000
Quick-Win II – Interoperable Tactical Communications	0.200	0.200	0.000	0.000	0.000	0.000	0.000
Satellite Coalition Broadcast Environment	0.400	0.569	0.000	0.000	0.000	0.000	0.000
Battlefield Combat Identification	0.900	0.600	0.000	0.000	0.000	0.000	0.000
Blue Force Situational Awareness	0.025	0.375	0.450	0.000	0.000	0.000	0.000
Joint Threat Warning System	0.000	1.000	0.700	0.000	0.000	0.000	0.000
Mark XIIA Mode 5 IFF	0.000	0.855	0.675	0.000	0.000	0.000	0.000

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Subnet Relay	0.000	0.650	0.425	0.000	0.000	0.000	0.000
Coalition Shared Network Intelligence Environment/ACTD	0.000	0.120	0.200	0.000	0.000	0.000	0.000
ROK/U.S. Exercise Simulation Interoperability	0.000	0.075	0.200	0.000	0.000	0.000	0.000
Navigation Warfare Electronic Support w/Micro UAVs	0.000	0.500	0.600	0.000	0.000	0.000	0.000
US-UK Imagery	0.000	0.300	0.000	0.000	0.000	0.000	0.000
ICOG Task Force Project Support	0.000	0.203	0.120	0.000	0.000	0.000	0.000
Advanced Soldier Systems	0.000	0.000	0.550	0.000	0.000	0.000	0.000
Non-lethal Laser/Microwave	0.000	0.000	0.400	0.000	0.000	0.000	0.000
Force Protection	0.000	0.000	0.500	0.000	0.000	0.000	0.000
Coalition Exercises—Technical Enablers	0.000	0.000	0.326	0.000	0.000	0.000	0.000
Transformational C4ISR	0.000	0.000	0.350	0.000	0.000	0.000	0.000

A. Mission Description: The Coalition Warfare (CW) initiative brings added value to the Department's overall international cooperation strategy by providing resources for the U.S. portion of bilateral and multilateral development projects aimed at improving interoperability with allies and other likely coalition partners. Fighting the war on terrorism and coping with the new and emerging threat paradigms have highlighted coalition warfare issues on the radar screens of policy makers and senior leaders throughout the U.S. Government. Coalitions are the preferred means for addressing international crises, lending political legitimacy and providing resources that mitigate U.S. financial, materiel and personnel burdens (OPTEMPO). Interoperability gaps between and among coalition partners have compromised operational effectiveness and jeopardized force protection (e.g., fratricidal incidents). Cooperative efforts with likely coalition partners are needed to close interoperability gaps related to C4ISR, combat identification, logistics, weapon systems and training. Moreover, small investments early in the R&D process yield large dividends (e.g., Joint Strike

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Fighter). The OSD CW initiative encourages PMs and PEOs to involve friendly countries as well as Allies in cooperative development projects to the extent permitted by security considerations (classified data and critical technology), when such partnering is advantageous to the U.S. Government and necessary in terms of regional threat scenarios.

The CW initiative leverages foreign and other U.S. investment in ongoing projects by adding coalition-related enhancements that would otherwise not be realized. For example, recent tragedies linked to fratricide or friendly fire in OEF and OIF have brought on-going efforts in combat identification programs to the highest level of CW support and interest. CW is supporting the Coalition Combat Identification Advanced Concept Technology Demonstration (ACTD), as well as the Coalition Blue Force Situational Awareness ACTD, by providing the necessary financial support to both internationalize these projects and enhance their potentials for success. Both U.S. and foreign technologies and research may be applied to improve the end product.

The CW approach to cooperative RDA projects is consistent with OSD-articulated, preferred methodologies: spiral development and evolutionary acquisition (i.e., getting solution-oriented, threshold-capabilities into the hands of the coalition warfighter quickly). Projects benefiting from CW funding fall into one of two categories: those for which the CW funds no more than 50% of the coalition-directed portion, with foreign contributions making up the difference; and those involving CW funding of coalition-oriented features of U.S.-only projects. Priority is given, in both categories, to initiatives offering potential solutions to interoperability issues that can be leveraged across multiple Combatant Commands.

The Combatant Commands, Services, Defense Agencies, and OSD nominate candidate projects. OSD selects projects based on their compatibility with established CW criteria: meeting the needs and requirements specified by the warfighter, funding commitments of international partners, responsiveness to USD (AT&L) priorities for international armaments cooperation and goals of the Nov 02 NATO Prague Summit (capabilities-related commitments), potential for leveraging results across multiple Combatant Commands and potential risks related to security and controlled

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technology.

Prospective new-start projects are being evaluated in anticipation of action by a review board in May 2004.

B. Program Change Summary:	FY 2003	FY 2004	FY 2005
Previous President's Budget Submit	6.944	5.906	5.886
Current President's Budget Submit	6.545	5.822	5.886
Total Adjustments	-0.399	-0.084	0.000
Adjustments to Appropriated Value			
a. Congressionally Directed Undistributed Reduction	-0.326	-0.084	0.000
b. Rescission/Below-threshold Reprogramming, Inflation Adjustment	-0.056	0.000	0.000
c. Other (SBIR)	-0.017	0.000	0.000

C. Other Program Funding Summary   N/A

D. **Execution**

    For the execution year (CY), provide a list of funding recipients within the
    following categories:
        U.S. Army Communication and Electronics Command, New Jersey
        U.S. Navy Space and Naval Warfare Systems Center, San Diego, CA
        U.S. Naval Air Systems Command, Patuxent River, MD
        U.S. Strategic Command, Offutt Air Force Base, NB
        U.S. Special Operations Command, Tampa, FL