Exhibit R-2, RDT&E Budget Item Justification							Date: February 2004	
Appropriation/Budget Activity RDT&E/Budget Activity 3				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	15.336	19.691	13.171	9.942	2.879	2.943

A. Mission Description and Budget Item Justification:
Beginning in FY 2004, PE-0604774D8Z was transferred from DoD Human Resource (DHRA) PE-0605803S**.**

In June 2002, DoD Directive 7730.65 established the Defense Readiness Reporting System (DRRS). This directive mandates the implementation of a capabilities-based, adaptive, near real-time readiness reporting system for the Department of Defense. When complete, the Defense Readiness Reporting System will transform the way readiness is measured and reported for U.S. military forces. DRRS provides a mission-focused framework for evaluating, in near real time, the capabilities of our military forces to carry out assigned tasks. DRRS fuses mission readiness assessments with rapid planning tools, providing the ability to create and modify war planning in a matter of hours/days. This capability is critical to enable to the Department of Defense to respond to rapidly changing threats and world events.

DRRS is composed of two parts: The Enhanced Status of Resources and Training System (ESORTS), which describes the current force status; and the Plans Assessment Tool Suite (PATS) which provides a suite of war planning and assessment tools to highlight the operational implications of readiness and force structure deficiencies. DRRS transforms unit readiness measurement by providing a status of a unit's mission essential tasks to defined output standards. For the first time, DRRS will enable readiness to be measured on expected military outputs, and not simply a measure of "inputs" or available resources. DRRS does allow for the "traditional" resource measures in the areas of personnel, equipment, training, and sustainment by using web services technologies. This technology allows for automatic, real-time queries into authoritative functional data sources. Likewise, the DRRS tool suite will assist commanders, the Joint Staff, and DoD users with tools to facilitate rapid assessments. These tools are not only capable of assessing potential deficiencies for a given scenario (using formal or ad hoc "plans"), but also provide a mechanism to alter war plans and identify mitigation options. By merging readiness analyses and rapid planning tools, DRRS allows the Department to identify accurately readiness concerns and quickly develop plans to mitigate those risks.

This transformation presents a number of technical and management challenges. DRRS utilizes the latest information technologies to achieve a global readiness network. This network supports distributed, collaborative, and 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 leverages current data systems. DRRS uses net-centric technology including intelligent software agents, dynamic databases, semantic middleware, and publish/subscribe concepts; and will provide a logically uniform view into the multiple databases and information sources. This allows the DoD to dramatically expand the range of readiness information and queries in DRRS, and provides the military user with a set of high-speed scenario-oriented tools to support ad hoc queries and drilldown. Hence, DRRS can condense the readiness assessment timescales from weeks and months into hours and days by facilitating planning and assessment.

B. Program Change Summary: None

	FY 03	FY 04	FY 05	FY06
Previous President's Budget	.000	18.575	19.739	13.209
Current FY 2005 President's Budget	*	15.336	19.961	13.171
Total Adjustments		15.336	19.961	13.171
Congressional program reductions	none	3.00	NA	NA
Congressional rescissions				
Congressional increases		none		
Reprogrammings		none		
SBIR/STTR Transfer				
Other		15.336	19.961	13.171

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

C. Other Program Funding Summary: None.

Acquisition Strategy. DRRS is being developed with a spiral acquisition strategy over four years. In FY2003, a competitive contract was awarded for development of the basic DRRS concept, network infrastructure and services, and software prototypes for spiral I, as well as the project work and software requirements for Spiral II. The FY 2004 effort includes the initial operational release of DRRS tools to the Combatant Command user in U.S. PACOM. Subsequent development spirals will expand both the functionality of the software suite and the number of supported DRRS users and organizations. This represents a logical and deliberate path toward the full fielding and Defense wide implementation of the DRRS by FY 2007. The DRRS acquisition strategy also includes shared development efforts with other DoD partners that leverage off of existing information systems and development efforts to address common requirements. These include efforts with the Navy on DRRS-N, the Army on the Strategic Readiness System, the Joint Chiefs of Staff on both the Global Force Management and Adaptive Planning Initiative, and the Joint Forces Command on enhanced deployment planning and assessment. This strategy allows for a quick turn, responsive DRRS development and early user utility.

	Exhibit R-2a, RDT&E Project Justification						Date: February 2004	
Appropriation/Budget Activity RDT&E. Defense-wide BA 3				PE 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
	*	*	15.336	19.691	13.171	9.942	2.879	2.943

(U) *In FY 2004, PE-0604774D8Z was transferred from DoD Human Resource (DHRA) PE-0605803S.

In June 2002, the DoD Directive 7730.65 established the Defense Readiness Reporting System. This mandates the implementation of a capabilities-based, adaptive, near real-time readiness reporting system for Department of Defense. When complete, the Defense Readiness Reporting System will transform the way readiness is measure and reported for our military forces. DRRS provides a mission-focused framework for evaluating, in near real time, the capabilities of our military forces to carry out assigned tasks. DRRS fuses mission readiness assessments with rapid planning tools, providing the ability to create and modify war planning in a matter of weeks. This capability is critical to enable to the Department of Defense to respond to rapidly changing threats and world events. Lessons learned from Operations Enduring Freedom and Iraqi Freedom again reinforced the need for rapid planning and risk assessment to support changing conditions in the theater of operations. The availability of key ports, launch points, and air bases for U.S. troops, as well as the potential contribution of coalition partners and allies, were key variables in understanding the readiness and risk to U.S. military forces. DRRS enables a near real time readiness assessment and provides a suite of tools for exploring risk mitigation options.

DRRS transforms unit readiness measurement by providing a status of a unit's mission essential tasks to defined output standards. For the first time, DRRS will enable readiness to be measured on expected military outputs, and not simply a measure of "inputs" or available resources. DRRS does allow for the "traditional" resource measures in the areas of personnel, equipment, training, ordnance, and sustainment by using web services technologies. This technology allows for automatic, real-time queries into authoritative data sources. The DRRS tool suite will assist commanders, the Joint Staff, and DoD users in not only scenario risk analysis, but also in analyzing the risk to the overall National Military Strategy. These tools are designed to facilitate rapid assessments, and are not only capable of assessing potential deficiencies for a given scenario (using formal or ad hoc "plans"), but also provide a mechanism to alter war plans and identify mitigation options. By merging readiness analyses and rapid planning tools, DRRS provides the Department to identify accurately readiness concerns and quickly develop plans to mitigate those risks.

This transformation presents a number of technical and management challenges. DRRS utilizes the latest information technologies to achieve a global readiness network. This network supports distributed, collaborative, and 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 leverages current data systems. DRRS uses net-centric technology including intelligent software agents, dynamic databases, semantic middleware, and publish/subscribe concepts; and will provide a logically uniform view into the multiple databases and information sources. This allows the DoD to dramatically expand the range of readiness information and queries in DRRS, and provides the military user with a set of high-speed scenario-oriented tools to support ad hoc queries and drilldown. Hence, DRRS can

condense the readiness assessment timescales from weeks and months into hours and days by facilitating planning and assessment.
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B. Accomplishments/Planned Program

Defense Readiness Reporting System		FY 2002	FY 2003	FY 2004	FY 2005
Accomplishment/ Effort/Subtotal Cost		*	*	15.339	19.691
RDT&E Articles Quantity *(as applicable)					

(U) FY 2003 Accomplishments:* PE-0604774D8Z was transferred from DoD Human Resource (DHRA) PE-0605803S starting in FY 2004.

(U) FY 2004 Plans: Finished Spiral I effort to include: development of DRRS concept of operations; completion of data model and the Readiness Data Mark-up Language (RDML); initial unit mapping of capabilities to Mission Essential Tasks and output standards; development of the ESORTS (1.0) operational prototype; incorporation of CFAST into the DRRS plan analysis tool suite; establishment of the DRRS web portal and net-centric web services; and web-enabling resource datasets from selected personnel, readiness, and equipment systems. Other efforts included joint integration with data and models from other DoD entities, such as the Navy, Army, Joint Chiefs of Staff, Joint Forces Command (JFCOM), and Pacific Command (PACOM). In sum, the FY2004 effort provides an initial operational capability for DRRS tools at Pacific Command.

(U) 2005 Plans:. In FY 2005, DRRS will undertake the Spiral II development effort. This effort adds considerable increases to the functionality of the software, and expands the use of DRRS tools to more DoD organizations. Increased functionality for spiral II includes data and metrics for DoD installations, spare parts inventories, transportation assets; and war fighting models/outcomes. The effort will expand the number of web-service enabled data systems for equipment, personnel, training, ordnance, and units, and will continue the mission essential tasks development effort. For the PACOM DRRS application, all PACOM units will be targeted for reporting by mission essential tasks and output standards. The DRRS network infrastructure capabilities and software support will be expanded to include two more Combatant Commands and combat support agencies, and user-training products will be developed and applied to enable effective application of DRRS by DoD components.