

Exhibit R-2, RDT&E Budget Item Justification							Date: February 2003	
Appropriation/Budget Activity RDT&E.A BA # 7				R-1 Item Nomenclature: Program Element (PE) Name and Number TECHNOLOGY DEVELOPMENT PE 0305191D8Z				
Cost (\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Total PE Cost	4.738	225.849	249.152	106.598	92.326	58.758	61.768	63.210
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>Technology Development is a classified program. Program details are provided in the classified Congressional Justification Book. This program is funded under Budget Activity 7, Operational System Development because it supports intelligence efforts that involve engineering development.</p>								
<u>FY 2002 Accomplishments:</u>								
<ul style="list-style-type: none"> Mission Support (\$4.738 million) 								
<u>FY 2003 Plans:</u>								
<ul style="list-style-type: none"> Mission Support (\$225.849 million) 								
<u>FY 2004 Plans:</u>								
<ul style="list-style-type: none"> Mission Support (\$249.152 million) 								
<u>FY 2005 Plans:</u>								
<ul style="list-style-type: none"> Mission Support (\$106.598 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	40.000	35.554	36.878	39.043
Current BES/President's Budget	4.738	225.849	249.152	106.598
Total Adjustments	-35.262	190.295	212.274	67.555
Congressional reductions, Inflation Adjustment	-35.262	-2.034	-4.726	-2.455
Congressional rescissions				
Congressional increases		85.000	217.000	70.000
Undistributed reductions		-3.171		
DERF Add		110.500		

Change Summary Explanation:

FY 2002: Adjustments for FFRDC reductions (Section 8032) -35.000; Cross-cutting congressional adjustments (Section 8123) -.262

FY 2003: Non-pay purchase inflation adjustments -.2.034, Congressional increase 85.000 million, DERF Add 110.500 million, undistributed reduction -3.171 million.

FY 2004: Non-pay purchase inflation adjustments - 4.726. Congressional increase 217.000 million.

FY 2005: Non-pay purchase inflation adjustments -2.455. Congressional increase 70.000 million.

C. Other Program Funding Summary: N/A

D. Acquisition Strategy. N/A