

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification					Date: February 2004				
Appropriation/Budget Activity RDT&E, Defense Wide/BA 3					R-1 Item Nomenclature: Defense TechLink Program PE0603942D8Z				
Cost (\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	
Total PE Cost	0	0	3.547	1.934	2.248	2.246	2.240	2.248	
<p>(U) A. Mission Description and Budget Item Justification: Defense TechLink is a critical element in the Department's technology transfer, transition, and acquisition activities. Its three-fold mission is (1) integration of advanced commercial-sector technologies into DoD systems, particularly from nontraditional defense contractors; (2) spin-off of DoD-developed technologies to the commercial sector to make these technologies more affordable for military acquisition; and (3) establishment of collaborative R&D projects with the private sector for cost-sharing of new dual-use technology development. Congress provided plus-ups for four years and the FY 2003 Senate Appropriations Committee report states, "The Committee continues its support for the Defense TechLink program and strongly encourages the Department of Defense to include funding for this program in its fiscal year 2004 budget submission. Defense TechLink has been highly successful at helping the Department transfer its technologies to U.S. companies, making these technologies available for both military and commercial applications. The Department is urged to make the Defense TechLink program a permanent part of its technology transfer, transition, and acquisition activities." TechLink is highly cost-effective and has provided a return on the investment to DoD of 3:1 on funds expended to date. This efficiently run organization currently accounts for 15 per cent of all DoD patent license agreements (PLAs) and has brokered nearly 80 cooperative research and development agreements (CRADAs) and other R&D partnerships involving innovative companies new to DOD. The Congressional Record for November 18, 2003, page S15056, has a statement from Senator Burns (R-MT) commending TechLink for its outstanding achievements.</p> <p>(U) 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)</p>									

UNCLASSIFIED

R-1 Shopping List Item No. 55

Page 1 of 5

	FY 2003	FY 2004	FY 2005	FY 2006
Previous President's Budget	N/A	2.000	1.936	2.248
Current FY 2005 President's Budget	N/A	3.547	1.936	2.248
Total Adjustments		+1.547	-0.002	
Congressional program reductions				
Congressional rescissions		-0.053		
Congressional increases		+1.600		
Reprogrammings				
SBIR/STTR Transfer				
Other			-0.002	

(U) C. Other Program Funding Summary: None

RDT&E Budget Item Justification Sheet (R-2a Exhibit)							Date: February 2004		
Appropriation/Budget Activity RDT&E, Defense Wide/BA-3				R-1 Item Nomenclature Defense TechLink Program: PE 0603942D8Z					
Cost (\$ in Millions)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Cost to Complete	Total Cost
TechLink	0	3.547	1.934	2.248	2.246	2.240	2.248	Continue	Continue

A. Mission Description and Budget Item Justification

BRIEF DESCRIPTION OF ELEMENT: Defense TechLink is a critical element in the Department's technology transfer, transition, and acquisition activities. Its three-fold mission is (1) integration of advanced commercial-sector technologies into DoD systems, particularly from nontraditional defense contractors; (2) spin-off of DoD-developed technologies to the commercial sector to make these technologies more affordable for military acquisition; and (3) establishment of collaborative R&D projects with the private sector for cost-sharing of new dual-use technology development. Congress provided plus-ups in each of four years preceding FY 2004 for TechLink. The FY 2003 Senate Appropriations Committee report states, "The Committee continues its support for the Defense TechLink program and strongly encourages the Department of Defense to include funding for this program in its fiscal year 2004 budget submission. Defense TechLink has been highly successful at helping the Department transfer its technologies to U.S. companies, making these technologies available for both military and commercial applications. The Department is urged to make the Defense TechLink program a permanent part of its technology transfer, transition, and acquisition activities." TechLink is highly cost-effective and has provided a return on the investment to DoD of 3:1 on funds expended to date. This efficiently run organization currently accounts for 15 per cent of all DoD patent license agreements (PLAs) and has brokered nearly 80 cooperative research and development agreements (CRADAs) and other R&D partnerships involving innovative companies new to DOD.

B. Program Plans - FY 2004 Through FY 2005:

	FY 2003	FY2004	FY 2005
Marketing of DoD Technologies	N/A	2.627	1.344

FY 2004 Plans: Undertake active marketing of DoD-developed technologies to United States companies to establish Patent License Agreements to commercialize these technologies for both civilian and military applications. The multiple objectives of this technology marketing activity are: (1) to accelerate the transition of DoD-developed technologies to the warfighter; (2) to lower the cost of DoD technology acquisition by developing a larger commercial market for dual-use technologies; (3) to provide a return of revenue to DoD labs from commercial spin-off of DoD-developed technologies; and (4) to fulfill DoD's Congressionally mandated technology transfer directives (\$1.08 million).

The congressional add of \$1.6M is for a Technology Venture Center in Montana and in Alaska to provide an entrepreneurial training/virtual business incubator. These funds will be used to provide specific start-up support to those companies initially licensing or taking to market technology developed in DoD and now available for commercialization. Efforts will be made to ensure the commercial products using the DoD developed technologies are made available to DoD buyers/programs. (\$1.547M)

FY 2005 Plans: Continue active marketing of DoD-developed technologies to US companies to establish Patent License Agreements to commercialize these technologies for both civilian and military applications. The multiple objectives of this technology marketing activity are to (1) accelerate the transition of DoD-developed technologies to the warfighter; (2) lower the cost of DoD technology acquisition by developing a larger commercial market for dual-use technologies; (3) provide a return of revenue to DoD labs from commercial spin-off of defense technologies; and (4) fulfill DoD's Congressionally mandated technology transfer directives (\$1.344 million).

	FY 2003	FY 2004	FY 2005
Dual Use Technology Deployment		0.56	0.56

FY 2004 Plans: Actively promote and broker Cooperative Research and Development Agreements (CRADAs) between DoD labs and industry for development of technology with both commercial and military applications. This activity will particularly focus on nontraditional defense contractors and is intended (1) to help lower the expense of new

defense-related technology development through cost-sharing with industry, and (2) to help DoD benefit from private-sector technology investments and innovations (\$0.56 million).

FY 2005 Plans: Continue to actively promote and broker Cooperative Research and Development Agreements (CRADAs) between DoD labs and industry for development of technology with both commercial and military applications. This activity will particularly focus on nontraditional defense contractors and is intended (1) to help lower the expense of new defense-related technology development through cost-sharing with industry, and (2) to help DoD benefit from private-sector technology investments and innovations (\$0.56 million).

	FY 2003	FY 2004	FY 2005
Spin-On of Advanced Commercial-Sector Technologies	N/A	0.36	0.30

FY 2004 Plans: Actively promote the DoD Small Business Innovation Research (SBIR) (focus on Phase III contracts) and Independent Research and Development (IR&D) programs to companies in the Northwestern United States in order to help DoD identify, fund, acquire, and integrate private-sector innovations and advanced commercial technologies into DoD systems. (\$0.36). (Total \$2 million).

FY 2005 Plans: Continue active promotion of the DoD Small Business Innovation Research (SBIR) (focus on Phase II contracts) and Independent Research and Development (IR&D) programs to companies in the Northwestern United States in order to help DoD identify, fund, acquire, and integrate private-sector innovations and advanced commercial technologies into DoD systems (\$0.36 million). (Total \$2 million).

C. Other Program Funding Summary: N/A

D. Acquisition Strategy: N/A

E. Major Performers: N/A.