

Exhibit R-2, RDT&E Budget Item Justification						Date February 2004	
Appropriation/Budget Activity RDT&E Defense-Wide, BA 6				R-1 Item Nomenclature: IT Rapid Acquisition PE 0303169D8Z			
Cost (\$ in millions)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Total PE Cost			19.958	19.955	19.940	20.043	20.100
<p><b>A. Mission Description and Budget Item Justification:</b>                      The Rapid Acquisition Incentives – Net Centricity (RAI-NC) program provides funding for Net Centric pilot initiatives that directly support and facilitate DoD Enterprise efforts to implement network centric IT. This project is consistent with the Department’s strategic goals to: reduce costs; improve efficiency; increase effectiveness by improving the efficiency and effectiveness of process redesign; business systems modernization; strategic sourcing; infrastructure reductions; and optimal-sized inventories. RAI-NC accelerates DoD efforts to implement a network centricity operational environment while providing a secure, flexible, reliable, affordable, integrated network to achieve high effectiveness in joint and combined operations; and to further ensure that information technology is used to maximize advantage at least cost. The scope of the Rapid Acquisition Incentives – Net Centricity project encompasses defense policies, processes, people, and systems that guide, perform or support all aspects of business processes within the Department. Successful implementation will result in more reliable, accurate and timely net centric management information upon which managers can make more effective business decisions in a timely manner for the Department. The DoD CIO maintains an overarching implementation plan that includes requirements, criteria, review and reporting as well as performance measures for providing the incentives to DoD Components. This program employs RDT&amp;E funds to plan, develop and oversee proof of concept pilot projects. Successful pilots will not be allowed to enter full deployment and operation without an Opportunity Analysis (business case) demonstrating the achieved goals and outcomes, in addition to Domain support and resourcing. This program is funded under BA-6, Management Support because it includes studies and analyses in support of R&amp;D efforts.</p> <p><b><u>Program Accomplishments and Plans:</u></b></p> <p>FY 2003 Accomplishments: N/A</p> <p>FY 2004 Plans: N/A</p> <p>FY 2005 Plans:</p> <ul style="list-style-type: none"> <li>• Evaluate 200 pilot proposals for FY 2006.</li> <li>• Select 20 pilots for funding in FY 2006.</li> <li>• Oversee pilots selected for FY 2005 execution using same process as above. Continue to provide oversight of FY2004</li> </ul>							

pilots reaching completion in FY 2005.

- Support DoD Domain Managers in operational deployment of those pilots successfully completing and approved Opportunity Analysis.
- Incorporate Net Centric Enterprise Services (NCES) into RAI-NC pilots and propose NCES operational requirements.
- Expand pilot support to Business Management Modernization Program (BMMP) and Horizontal Fusion (HF) initiatives.

**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 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Previous President's Budget			-
Current BES			19.958
Total Adjustments			19.958
Congressional program reductions			
Congressional rescissions			
Congressional increases			
Reprogrammings			19.958
DERF Adds			

Change Summary Explanation:

FY 2005: Transferred to ASD (NII) to implement restructuring of Defense Intelligence –19.958 million.

**C. Other Program Funding Summary: N/A**

**D. Acquisition Strategy: N/A**