

Exhibit R-2, RDT&E Budget Item Justification				Date: February 2004				
Appropriation/Budget Activity RDT&E: Defense-Wide/BA 6 FY 2005 President's Budget				R-1 Item Nomenclature: Transformation Initiatives Program (TIP) <b>PE: 0603835D8Z</b>				
COST (\$ in Millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Total PE Cost	0	0	0	9.977	9.971	9.983	9.996	10.012
<b>(U) A. Mission Description and Budget Item Justification:</b>								
<p>This new program is intended for exclusive use by Combatant Commanders to pursue unforeseen, but potentially high-payoff joint transformation initiatives/ opportunities during the year of execution. Transformation initiatives will be submitted by the Combatant Commanders and reviewed and either approved or disapproved by the Director for Force Transformation. Transformation initiatives or opportunities are intended to yield transformational effects such as major leaps in military capabilities. Transformation initiatives/ opportunities are expected to be time-critical and present themselves as opportunities to co-evolve operating concepts and technologies in contingencies, joint operations, exercises or experiments. Such effects are expected to occur during transformational discovery, innovation, and exploration through the execution of operational concepts and technologies, prototyping, experimentation, and war gaming. Funds will only be made available to Combatant Commanders and will only be approved by the Director for Force Transformation.</p> <p><b>(U) PROGRAM PLANS</b></p> <p>(U) Funding for this program will provide a modest means to gain the direct and active participation of the Combatant Commanders in the transformation process. It will provide a mechanism to fund transformation projects initiated by the Combatant Commanders during the year of execution permitting real-time preparation and testing of novel technologies or concepts that, if proven, will add to a force's capability in a significant way. In general, this program is expected to enhance:</p> <ul style="list-style-type: none"> <li>• Combatant commanders ability to quickly pursue unforeseen, but potentially high-payoff, joint transformation initiatives during the year of execution.</li> <li>• Inclusion of the combatant commands in the transformation process by funding initiatives that are time-critical and present themselves as opportunities to co-evolve operating concepts and technologies in contingencies, joint operations, exercises or experiments.</li> <li>• Increased infusion of transformational ideas into the transformation process.</li> <li>• Increased experimentation of transformational ideas using operator/warfighter expertise and organizations.</li> </ul>								

**(U) B. Program Change Summary:**

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>
<b>Previous President's Budget</b>	0.0	0.0	0.0
Current President's Budget	0.0	0.0	9.977
Total Adjustments	0.0	0.0	9.977
a. Congressional program reductions	0.0	0.0	0.0
b. Congressional rescissions	0.0	0.0	0.0
c. Congressional increases	0.0	0.0	0.0
d. Reprogrammings	0.0	0.0	9.977
e. SBIR/STTR Transfer	0.0	0.0	0.0

**(U) Change Summary Explanation:**

**(U) Funding:** FY 2005 resources are to be used to initiate the Transformation Initiatives Program as directed by the SECDEF in the Transformation Planning Guidance in support of DoD Transformation Goals.

**(U) Schedule:** N/A

**(U) Technical:**

**(U) C. Other Program Funding Summary: N/A**

**(U) D. Acquisition Strategy. N/A**

**(U) E. Schedule Profile. N/A**