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Exhibit R-2, RDT&E Budget Item Justification						Date: February 2004	
Appropriation/Budget Activity RDT&E, Defense-Wide, Budget Activity 7				R-1 Item Nomenclature: Defense Joint Counterintelligence Program PE 0305146D8Z			
Cost (\$ in millions)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Total PE Cost	66.500	30.312					
Counterintelligence Field Activity	66.500	12.744					
Joint Threat Incident Database	0	.830					
Horizontal Fusion	0	16.738					

A. Mission Description and Budget Item Justification: This program element includes resources that protect Defense critical technology, critical infrastructure, personnel, and operations from foreign intelligence service, terrorist, and other covert or clandestine threats.

B. Program Change Summary:

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>
Previous President's Budget	66.508	6.482	18.592
Current BES/President's Budget	66.500	30.312	0
Total Adjustments	-.008	23.830	-18.592
Congressional program reductions			
Congressional rescissions, inflation	-.008		
Congressional increases			
Reprogrammings		23.830	-18.592

Change Summary Explanation:

FY2003: Inflation adjustment -.008 million

FY2004: .830 million for Joint Threat Incident Database, \$16.738 million for Horizontal Fusion

FY2005: Transfer out to program element 0305199D8Z

C. Other Program Funding Summary: Not applicable

D. Acquisition Strategy: Not applicable

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Exhibit R-2a, RDT&E Project Justification							Date: February 2004
Appropriation/Budget Activity RDT&E,DW BA 7				Project Name and Number: Defense Joint Counterintelligence Program (PE 0305146DZ)			
Cost (\$ in millions)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Counterintelligence Field Activity (CIFA)	66.500	12.744	0.000	0.000	0.000	0.000	0.000
RDT&E Articles Quantity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<p>Mission Description and Budget Item Justification: The CIFA is a Defense Counterintelligence risk assessment activity that supports the protection of Defense critical technologies, critical information infrastructure, personnel, and operations from foreign intelligence service, terrorist, and other covert or clandestine threats. Functions include top-level horizontal CI threat, vulnerability and operational assessments in support of DoD CI elements identifying and neutralizing foreign intelligence espionage as well as DoD CI elements that are helping to protect forces and critical infrastructures. Because these missions are dependent on the latest technology this effort uses leading edge information technologies and data harvesting and storage capabilities to support tactical, operational, and strategic risk and threat assessments.</p>							
B. Accomplishments/Planned Program							
	FY 2003	FY 2004	FY 2005				
Accomplishment/ Effort/Subtotal Cost	66.500	12.744	0.000				
RDT&E Articles Quantity	N/A	N/A	N/A				
<p>FY 2003 Accomplishments:</p> <ul style="list-style-type: none"> - Fielded the Advanced Analytic Center, which consolidated lessons learned from the JCAG Analytic Center and spiral new technologies, capabilities, and data sources into an Advanced Information System. - Established the CI Operations Center in Colorado Springs, as a compliment to the Advanced Analytic Center and as a key support facility in case of emergency. - Continued support to FTTTF with additional and improved analytic and storage capabilities and infrastructure. - Continued Technology/Operations Beta site activities which provided the capability to assess, integrate, and test the applicability of commercial and government technologies that supported the CIFA mission, and provided to the analysts the ability to evaluate potential analytical tools and evolve analytical processes. - Provided support to the CI community in the areas of exploiting commercial data from 200 million container data, digitizing all CI and investigative files for exploitation (AFOSI), specialized analysis in regard to state-sponsored terrorism (JS/J2-CI), supporting FIS-related task force (FBI-DIA-OSI-NSA-NCIX-DoC-Army), WMD Asymmetric Threat Options Analysis (NCIS), suspicious reporting, law enforcement, and counterintelligence threat analyses (JS/J34 and HLS), DoD foreign visitor tracking system (Cornerstone), DoD offensive counterespionage operations analyses, and assisting in identification and definition of Critical 							

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National Assets.

FY 2004 Accomplishments:

- Design, develop, test, and field the CIFA Collaboration and Data Storage Center between and among the Defense Intelligence components, private sector, and academia partners.
- Continue to provide support to the CI community in the areas of exploiting commercial data from 200 million container data, digitizing all CI and investigative files for exploitation (AFOSI), specialized analysis in regard to state-sponsored terrorism (JS/J2-CI), supporting FIS-related task force (FBI-DIA-OSI-NSA-NCIX-DoC-Army), WMD Asymmetric Threat Options Analysis (NCIS), suspicious reporting, law enforcement, and counterintelligence threat analyses (JS/J34 and HLS), DoD foreign visitor tracking system (Cornerstone), DoD offensive counterespionage operations analyses, and assisting in identification and definition of Critical National Assets.

FY 2005 Plans: N/A

C. Other Program Funding Summary:

To

Total

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>
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<u>Complete</u>	<u>Cost</u>
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Not applicable

D. Acquisition Strategy. The JCAG program follows a Systems Development Life Cycle methodology using existing GSA and DoD contract vehicles to ensure schedule, budget, technology insertion and risk mitigation goals are met.

E. Major Performers:

- DoD Data Analysis and Engineering Contract, Harris Technical Services Corporation, Alexandria, VA, provides analysis of all source data and provides system design support to the data analysis function.
- Gray Hawk Systems, Inc., Alexandria, VA, provides Systems Engineering and Technical Assistance (SETA).
- SYtex Inc., Doylestown, PA, provides systems development and engineering support, and Threat Analysis support.
- Oracle Inc., Bethesda, MD, provides technical research, development, and test support.
- White Oak Technologies, Silver Spring, MD, provides data harvesting and extraction support
- MZM Inc., provides data acquisition and storage support
- UNISYS Inc., provides technical exploration and development support

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Horizontal Fusion	0	16.738	0.000	0.000	0.000	0.000	0.000
RDT&E Articles Quantity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<p>A. Mission Description and Budget Item Justification: The Horizontal Fusion program overcomes acknowledged limitations in Joint Force operations caused by the inability to rapidly adjust plans and tactics for situational awareness while taking advantage of the explosion in battlefield intelligence and information sources such as advanced sensor equipped UAVs, improved Special Reconnaissance capabilities and ongoing developments and deployment of digitized support systems. The HF portfolio breaks with the platform-centric operations in favor of a more effective net-centric approach that provides increased capability to the edge of the network. Horizontal Fusion provides Joint Force Commanders and their Battle Staffs with needed capabilities for increasing the speed of Command of widely dispersed Joint Forces to operate against a wide range of threats and to support new methods of war fighting – emphasizing more rapid and effective integration of operational intelligence planning by providing operators on the edge with the applications and data access to effectively achieve situational awareness without latency and ensure that the entire chain of command can simultaneously view events as the unfold. This portfolio promotes a shortened timeline to implement the Global Information Grid (GIG) architecture and addresses capabilities to enable time sensitive, net-centric collaborative operations among operational and selected elements of a Coalition/Joint Task Force by examining existing intelligence community and DoD programs to determine how quickly they can be extended to a net-centric operational environment, how well they can exchange services and operate effectively together, and the impact it will have on the advancement of decision support capabilities for the battle-field commander and Communities of Interest. The ability to “customize” the information space to support specific operational needs represents a major improvement over systems that rely on single viewpoint, information push. Most of the program’s objectives are achievable via integration of commercially available leading edge capabilities for collaboration, information fusion and mission rehearsal. While these capabilities are largely commercial in nature, the interoperability and information security challenges presented will require new approaches to large-scale integration. The HF portfolio represents a comprehensive solution and encompasses the selection, procurement, and deployment of leading edge commercial IT components (hardware and software), security services, procedures and training. The program synchronizes and integrated evaluated IT into selected programs of platforms identified for their Joint operational value and compatibility with the Global Information Grid architecture. The portfolio will maintain an alignment with the Services objectives, integration initiatives and requirements issues but maintain an approach that values finding feasible solutions to the problems of net-centric warfare.</p>							

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RDT&E Articles Quantity	N/A	N/A	N/A	N/A	N/A	N/A	N/A																			
<p>A. Mission Description and Budget Item Justification: Funds provide intelligence support efforts for the JTF-CNO Joint Threat Incident Database, which assists in the development of appropriate response options and detailed course of actions in defense of protected networks. Details are provided in the Congressional Justification Book.</p>																										
B. Accomplishments/Planned Program																										
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Accomplishment/ Effort/Subtotal Cost	0	.830	0.000																							
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<p>FY 2003 Accomplishments: Not applicable</p> <p>FY 2004 Accomplishments:</p> <ul style="list-style-type: none"> - Cataloged limited sets of foreign CNO specific threat information to DoD's command and control infrastructure, to include intentions and capabilities. - Produced intelligence reports on computer network attacks against US systems. - Provided overall incident assessments analyzed within the context of operationally relevant information from affected commands. - Drove development of appropriate response options and detailed courses of action in defense of protected networks. <p>FY 2005 Plans: Not applicable</p>																										
<p>C. Other Program Funding Summary:</p> <table border="0" style="width: 100%;"> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td align="right">To</td> <td align="right">Total</td> </tr> <tr> <td><u>FY02</u></td> <td><u>FY03</u></td> <td><u>FY04</u></td> <td><u>FY05</u></td> <td><u>FY06</u></td> <td><u>FY07</u></td> <td><u>FY08</u></td> <td><u>FY09</u></td> <td><u>Complete</u></td> <td><u>Cost</u></td> </tr> </table> <p>Not Applicable</p>															To	Total	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>Complete</u>	<u>Cost</u>
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<p>D. Acquisition Strategy. Not Applicable</p>																										
<p>E. Major Performers: Northrop Grumman/TASC, Lorton, VA.</p>																										