

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: TECHNOLOGY DEVELOPMENT PE 0305191D8Z			
Cost (\$ in millions)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Total PE Cost	225.789	245.536					
<p><b>A. Mission Description and Budget Item Justification:</b></p> <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> <p><b><u>FY 2003 Accomplishments:</u></b></p> <ul style="list-style-type: none"> <li>Mission Support \$225.789 million</li> </ul> <p><b><u>FY 2004 Accomplishments:</u></b></p> <ul style="list-style-type: none"> <li>Mission Support \$245.536 million</li> </ul> <p><b><u>FY 2005 Plans:</u></b></p> <ul style="list-style-type: none"> <li>Not applicable</li> </ul>							

**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	120.458	249.152	106.598
Current BES/President's Budget	225.789	245.536	0
Total Adjustments	105.331	- 3.616	-106.598
Congressional program reductions	-3.231	- 3.616	
Congressional rescissions, inflation	-1.938		
Congressional increases			
Reprogrammings			
DERF Transfer	110.500		

**Change Summary Explanation:**

FY 2003: Non-pay purchase inflation adjustments -1.938; Congressional program reductions -3.231; DERF Transfer +110.500

FY 2004: Congressional program reductions -3.616

FY 2005: Program transferred to the Air Force

**C. Other Program Funding Summary:** Not Applicable

**D. Acquisition Strategy.** Not Applicable