

UNCLASSIFIED

ARMY RDT&E BUDGET ITEM JUSTIFICATION (R-2 Exhibit)	DATE February 1999
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BUDGET ACTIVITY 2 - Applied Research	PE NUMBER AND TITLE 0602805A Dual Use Applications Program	PROJECT A105
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COST (<i>In Thousands</i>)	FY1998 Actual	FY 1999 Estimate	FY 2000 Estimate	FY 2001 Estimate	FY 2002 Estimate	FY 2003 Estimate	FY2004 Estimate	FY2005 Estimate	Cost to Complete	Total Cost
A105 Dual Use Application Program	0	9935	18222	18217	18120	18175	18548	18926	Continuing	Continuing

A. Mission Description and Justification: The goal of the Dual-Use Applications Program (DUAP) is to provide an incentive for Army agencies to exploit new ways of doing business with the private sector in the development of technologies having both military and commercial applications. This PE provides matching funds to those invested by the sponsoring agencies on projects proposed by the private sector. Private sector partners propose projects for which they are willing to invest at least half of the cost (i.e., $\geq 50\%$). The sponsoring agency then provides half of the government cost ($\leq 25\%$), with the remainder coming from this PE ($\leq 25\%$). The cost-sharing by industry is intended to demonstrate their willingness to share in the development costs for items having substantive commercial applications. The cost sharing from this PE is intended to incentivize Army agencies to participate in the dual-use effort and to exploit new instruments (i.e., Other Transactions) for partnering with the private sector. The program exploits dual-use opportunities in a number of areas of significant interest to the Army, including automotive, rotorcraft, communications, sensors, medical, construction, environmental, food, clothing, and logistics technologies. This program provides significant savings to the Army, both in terms of initial development costs and, due to the parallel commercial products, reduced costs for end items. Work in this program element is consistent with the Army Science and Technology Master Plan (ASTMP), the Army Modernization Plan, and Force XXI. This program is overseen by the Office of the Secretary of Defense (OSD) Dual-Use Steering Committee and is managed primarily by the Office of the Deputy Assistant Secretary for Research and Technology. Prior to FY1999, DUAP was funded by DARPA.

FY 1998 Accomplishments: Program funded by a Defense Advanced Research Projects Agency (DARPA) PE.

FY 1999 Planned Program:

- 9672 - Provide up to 25% of funding for dual-use technology projects proposed by industry to meet Congressionally mandated goal of 7% of Army 6.2 funding being allocated to support dual use technology development. Focus areas for Army topics in FY99 are: Affordable Sensor Technology; Aircraft Sustainment; Fuel Efficiency and Advanced Propulsion Technology; Information Systems and Technology; and Medical Technologies.
- 263 - Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) Programs
- Total 9935

FY 2000 Planned Program:

- 18222 - Provide up to 25% of funding for dual-use technology projects proposed by industry to meet Congressionally mandated goal of 10% of Army 6.2 funding being allocated to support dual-use technology development. Specific projects to be supported in FY00 will be identified by June 1999.
- Total 18222

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FY 2001 Planned Program:

- 18217 - Provide up to 25% of funding for dual-use technology projects proposed by industry to meet Congressionally mandated goal of 15% of Army 6.2 funding being allocated to support dual use technology development. Specific projects to be supported in FY01 will be identified by June 2000.

Total 18217

B. Program Change Summary	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
Previous President's Budget (FY 1999 PB)	0	20000	18700	18750
Appropriated Value		10000		
Adjustments to Appropriated Value				
a. Congressional General Reductions		-65		
b. SBIR / STTR				
c. Omnibus or Other Above Threshold Reduction				
d. Below Threshold Reprogramming				
e. Rescissions				
Adjustments to Budget Years Since FY 1999 PB			-478	-533
Current Budget Submit (FY 2000/2001 PB)	0	9935	18222	18217

Change Summary Explanation; Funding – FY 1999 – Program reduced by Congress (-10000).