



THE SECRETARY OF THE NAVY
WASHINGTON DC 20350-1000

April 26, 2016

MEMORANDUM FOR ASSISTANT SECRETARY OF THE NAVY (RESEARCH,
DEVELOPMENT AND ACQUISITION)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL
MANAGEMENT AND COMPTROLLER)
CHIEF OF NAVAL OPERATIONS
COMMANDANT OF THE MARINE CORPS

SUBJECT: Innovation Funding within the Naval Research and Development
Establishment

The Naval Warfare Centers, Systems Centers and Naval Research Laboratory, also known as the Naval Research and Development Establishment (NR&DE), provides innovative technological breakthroughs to address Fleet Forces identified gaps and/or innovative operational concepts. The NR&DE uses the working capital fund (WCF), which offers many benefits, but in some cases limit resources and/or funding authority. This potentially leads to cases where funding of innovative ideas and concepts are not pursued if not clearly tied to an existing demand (i.e., a customer-funded requirement).

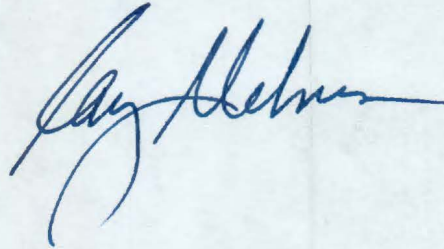
The Department of the Navy (DON) must optimize the use of available funds to develop new technologies, engineer innovations, and introduce game changing capabilities within the NR&DE. Public Law 110-417 (FY 2009 National Defense Authorization Act, Section 219), and its amendments, have provided means to increase research funding. Additionally, the proposed dedicated funding line for rapid prototype development, experimentation and demonstration, managed by Deputy Assistant Secretary of the Navy for Research, Development, Test and Evaluation (DASN (RDT&E)) will provide another means for the NR&DE to investigate and understand the technical-cost dimensions of innovative warfighter solutions and capabilities. To increase the ability of the NR&DE to independently explore, manage, and execute new ideas, processes, and technologies, Assistant Secretary of the Navy (Research, Development and Acquisition) (ASN (RD&A)) shall examine the following:

- The current use and impact of existing Section 219 of PL 110-417 (NDAA FY 2009) authorities in order to assess if it is spurring innovation within the NR&DE or if reprioritization or augmentation is required.
- Identify opportunities to increase and accelerate prototyping and experimentation within the NR&DE.

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- Identify and propose alternatives to current acquisition policies and procedures that potentially impede effective use of Section 219 of PL 110-417 (NDAA FY 2009).

The ASN (RD&A) will provide a detailed plan of action and milestones to the Under Secretary of the Navy within 90 days of this memo.



cc:

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