UNDER SECRETARY OF DEFENSE
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RESEARCH
AND ENGINEERING

24 JUN 2025

The Honorable Mike D. Rogers
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Section 865 of the National Defense Authorization Act for Fiscal Year (FY) 2022 (Public Law 117-81) requires the Secretaries of the Military Departments and the Under Secretary of Defense for Research and Engineering to submit an annual report on Department of Defense unfunded priorities of the Small Business Innovation Research and Small Business Technology Transfer (SBIR/STTR). The enclosed report fulfills this statutory obligation and highlights unfunded priorities for FY 2026 that the Department determines to be of high priority to the warfighter.

Your interest in critical SBIR/STTR unfunded priorities is appreciated. I am sending identical letters to the other congressional defense committees and submitting this report to the Secretary of Defense and Chairman of the Joint Chiefs of Staff.

Sincerely,

Emil Michael

Enclosure:
As stated

cc:
The Honorable Adam Smith
Ranking Member

U.S. Department of Defense Unfunded Priorities for the Small Business Innovation Research and Small Business Technology Transfer Programs for Fiscal Year 2026

Report to Congress on Section 865 of the National Defense Authorization Act for Fiscal Year 2022 (Public Law 117–81)

Office of the Under Secretary of Defense for Research and Engineering

June 2025

The estimated cost of this report for the Department of Defense is approximately $18,000 for Fiscal Years 2024-2025. This includes $0.00 in expenses and $18,000 in Department of Defense labor. Generated on December 3, 2024. RefID: 3-CC0CEBD

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Table of Contents

1. Executive Summary

Section 865 of the National Defense Authorization Act for Fiscal Year (FY) 2022 (Public Law 117–81) requires the Secretaries of the Military Departments and the Under Secretary of Defense for Research and Engineering (USD(R&E)) to submit an annual report (through FY 2032) to the Secretary of Defense, the Chairman of the Joint Chiefs of Staff (CJCS), and the congressional defense committees on unfunded Department of Defense (DoD) priorities related to Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) (SBIR/STTR) projects. Each annual report is required to identify up to five unfunded priority projects that represent critical innovative technology that could be matured further and to provide the following information on each project:

(1) A summary description of the unfunded priority project, including the desired objectives if the project were to be funded (in whole or in part);

(2) the additional amount of funds recommended to achieve the priority project's objectives; and

(3) account information about the project, including, as applicable, line-item number, project element (PE) number, or sub-activity group.

The Office of the USD(R&E) (OUSD(R&E)), the Secretary of Defense Component responsible for overseeing the DoD SBIR/STTR programs, collected high-priority SBIR/STTR projects unfunded in FY 2026 from the Military Departments that participate in the SBIR/STTR programs. One unfunded priority project was submitted by OUSD(R&E), and five unfunded priority projects were submitted by the Department of the Army. The Department of the Navy and the Department of the Air Force did not submit any unfunded priority projects for FY 2026. There were no submissions from the Defense Agencies.

An "unfunded priority," as defined in section 865(c)(1), is a specific project related to an effort that was successfully funded under Phase II of the SBIR or STTR program that:

(1) is not funded in the President's Budget;

(2) has the potential to advance U.S. national security capabilities; provide either new technologies, processes, or novel applications of existing technologies or processes that enable alternatives to existing programs; and provide future cost savings; and

(3) would have been recommended for funding in the President's Budget if additional resources had been available to fund the program, activity, or mission requirement; or

if the program, activity, or mission requirement emerged before formulation of the President's Budget.

2. Table of Unfunded Priorities by DoD Entity

The OUSD(R&E) submitted one unfunded priority project, and the Department of the Army submitted five unfunded priority projects. These projects are listed in priority order (within the OUSD(R&E) and the Department of the Army, respectively) and are priority technologies available through a SBIR/STTR performer (see Table 1).

Table 1. SBIR/STTR Unfunded Priorities for FY26

Department or Defense Entity	Project Title	Unfunded Priority Summary Description	Objectives to be achieved if funded (in whole or in part)	Recommended Additional Funds	Account Information
Defense SBIR/STTR Program Office	**Comprehensive Training Program for Contracting Officers on SBIR Phase III Direct Awards**	This project will fund final development and implementation of a comprehensive training program for contracting officers, program managers, and other members of the acquisition workforce who plan for and execute SBIR/STTR Phase I, Phase II, and Phase III Direct Awards.	- Provide standardized and current training materials, checklists, templates, guidebooks, and other resources that are integrated into training hosted on the Defense Acquisition University and other cost-effective platforms. - Increase effectiveness in issuance of Phase III Direct Awards. - Increase opportunities for small businesses to contribute to defense innovation and transition technology.	$3,000,000	Research, Development, Testing, and Evaluation (RDT&E) PE: 0605790D8Z
Department of the Army	**Army Expeditionary Technology Search (xTechSearch) Dual-Use Technologies Applicable to Army Modernization Priority Areas**	This project develops and integrates robotic expeditionary repair systems for smooth-bore and rifled bore artillery.	- Finalize, validate, and demonstrate two prototype robotic systems for cannon artillery expeditionary repair capable of extending cannon life by 50 percent.	$5,000,000	RDT&E PE: 0605502A

Department or Defense Entity	Project Title	Unfunded Priority Summary Description	Objectives to be achieved if funded (in whole or in part)	Recommended Additional Funds	Account Information
Department of the Army	**xTechSearch Dual-Use Technology to Solve Challenging Army Problems**	A processing suite for validating and strengthening artificial intelligence (AI)-based signal classifiers. Identifies adversarial attacks' presence and improves AI-based signal classifiers' robustness against these attacks, thereby increasing confidence in signal identification and classification. Uses a combination of techniques, including complementary classifiers, adversarial input detection techniques, novel approaches for removing adversarial perturbations from the data, as well as adversarial training of signal classifiers. Radically improves the robustness and confidence of AI-based signal classifiers for a wide range of Army and commercial applications to enable AI-based signal intelligence (SIGINT) classifiers' transition from the laboratory to the field.	- Customize SIGINT classifiers processing. - Integrate into field programmable gate-array hardware on objective platforms. - Demonstrate laboratory and field-based risk reduction in relevant environments located at government facilities. - Develop Phase III technology transition and commercialization plans.	$3,200,000	RDT&E PE: 0605502A

Department or Defense Entity	Project Title	Unfunded Priority Summary Description	Objectives to be achieved if funded (in whole or in part)	Recommended Additional Funds	Account Information
Department of the Army	**Linchpin Tactical AI**	This project matures and enhances the capabilities developed under a Direct to Phase II award for an initial prototype to deploy and update AI models that adapt to adversaries, run AI systems faster with less power, and secure AI models from adversarial machine learning (ML) and exploitations.	- Prototype maturation, and test and evaluation against representative deployment environments. - Enhance model compression and acceleration. - Implement advanced model optimization techniques. - Design framework that optimizes AI models for different hardware computing environments. - Incorporate adversarial AI defense mechanisms to protect AI models against malicious attacks. - Implement encryption techniques and secure data transmission protocols to prevent unauthorized access, data tampering, and bad data injection.	$5,000,000	RDT&E PE: 0605502A

Department or Defense Entity	Project Title	Unfunded Priority Summary Description	Objectives to be achieved if funded (in whole or in part)	Recommended Additional Funds	Account Information
Department of the Army	**Natural Language Processing+**	This project enhances natural language processing capabilities developed under a Phase II sequential award to extract all entities identified in the Army Intelligence Data Platform.	- Implement state-of-the-art named entity recognition techniques, such as deep learning models and context-aware algorithms, to accurately identify and classify entities within unstructured text data. - Train context-aware algorithms to disambiguate entities with multiple meanings to ensure accurate extraction and reduce false positives. - Incorporate language-specific models and transformer-based architectures to handle colloquial language, slang, and regional dialects to ensure broad coverage and applicability. - Design a scalable and efficient architecture to handle large volumes of unstructured text data to enable real-time entity extraction and analysis. - Develop a modular and customizable system that can be easily adapted to various domains, industries, and languages to ensure broad applicability and versatility. - Ensure seamless integration with existing structured and semi-structured text data processing systems to enable a holistic approach to entity extraction and management.	$5,000,000	RDT&E PE: 0605502A
Department of the Army	**Automated AI Framework**	This project develops an AI/ML framework in the research and development cycle to accelerate development and deployment of tailored AI/ML solutions for various military and commercial market use cases. The project further facilitates rapid software creation for Army applications, regardless of use case.	- Synchronize with U.S. Army's Project Linchpin pipeline and architecture within the Program Executive Office simulation, training and instrumentation domain. - Further develop and implement an AI framework for live synthetic training environment use.	$3,400,000	RDT&E PE: 0605502A