

CLASSIFICATION:

**UNCLASSIFIED**

EXHIBIT R-2, RDT&E Budget Item Justification							DATE:		
							<b>February 2002</b>		
APPROPRIATION/BUDGET ACTIVITY					R-1 ITEM NOMENCLATURE				
<b>RESEARCH DEVELOPMENT TEST &amp; EVALUATION, NAVY/BA 5</b>					<b>Standard Missile Improvements PE 0604366N Project K0439</b>				
COST (\$ in Millions)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Cost to Complete	Total Cost
Total PE Cost	0.525	13.984	16.288	33.241	41.143	13.350	1.484	CONT.	CONT.
Standard Missile Improvements/K0439	0.525	1.297	16.288	33.241	41.143	13.350	1.484	CONT.	CONT.
Standard Missile Improvements/K2639	0.000	12.687	0.000	0.000	0.000	0.000	0.000		
Quantity of RDT&E Articles									

A. Mission Description and Budget Item Justification:

Standard Missile (SM) fuze and guidance performance degrades when the target is in close proximity to the sea surface. The low altitude improvement program will improve performance against low and very low altitude targets. This capability is currently being developed for AEGIS ships. An effort is also underway to improve performance of the MK 45 Target Detecting Device (TDD) against advanced threats and replace the MK 45 MODs 9 and 11 in future production missiles (SM-2 BLOCK IIIB) . Funding for MK 45 MOD 12/14 TDD transition to production is funded by PE 0604366N. Other required MK 45 MOD 12/14 TDD efforts are paid for by Conventional Munitions, P.E. 0603609N, Project K1821. In FY03, in Project K0439, the Next Generation Seeker development project will commence. This project, which culminates in a Live Fire Demonstration in FY05-06, will develop a new Active Radio Frequency Seeker that improves Standard Missiles' performance in multiple missions.

Standard Missile-2 (SM-2) Block IIIB is the Navy's premiere AAW MR missile. Several improvements will allow this missile to counter emerging threats. Improvements in missile maneuverability, endgame fuzing, and computer processing will accomplish this upgrade task. In FY02, in Project K2639, the SM-2 BLK IIIB AAW Enhanced Capabilities Project, will make important performance improvements to the SM-2 BLK IIIB missile.

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APPROPRIATION/BUDGET ACTIVITY	R-1 ITEM NOMENCLATURE		
<b>RESEARCH DEVELOPMENT TEST &amp; EVALUATION, NAVY/BA 5</b>	<b>Standard Missile Improvements/PE 0604366N</b>		
B. Other Program Change Summary:			
	FY 2001	FY 2002	FY 2003
(U) FY 2002 President's Budget:	1.183	1.309	
(U) Appropriated Value:	1.194	14.109	
(U) Adjustments to FY 2001/2002 Appropriated Value/ FY 2002 President's Budget:	-0.669	-0.125	14.903
(U) FY 2003 Pres Budget Submit:	0.525	13.984	16.288
Funding:			
FY01 change due to pay Request for Equitable Adjustment to Standard Missile contractor (-0.600), Small Business Innovative Research (-0.032), other adjustments (-0.037).			
FY02 change due to Section 8123 Management Reform Initiative (-\$.125) .			
Schedule: N/A			
Technical: N/A			

R-1 SHOPPING LIST - Item No. 114 - 2 of 114 - 10

**UNCLASSIFIED**

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APPROPRIATION/BUDGET ACTIVITY <b>RESEARCH DEVELOPMENT TEST &amp; EVALUATION, NAVY/BA 5</b>					R-1 ITEM NOMENCLATURE <b>Standard Missile Improvements PE 0604366N Project K0439</b>				
COST (\$ in Millions)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Cost to Complete	Total Cost
Standard Missile Improvements/K0439	<b>0.525</b>	<b>1.297</b>	<b>16.288</b>	<b>33.241</b>	<b>41.143</b>	<b>13.350</b>	<b>1.484</b>	<b>CONT.</b>	<b>CONT.</b>
Quantity of RDT&E Articles									

A. Mission Description and Budget Item Justification:

Standard Missile (SM) fuze and guidance performance degrades when the target is in close proximity to the sea surface. The low altitude improvement program will improve performance against low and very low altitude targets. This capability is currently being developed for AEGIS ships. An effort is also underway to improve performance of the MK 45 Target Detecting Device (TDD) against advanced threats and replace the MK 45 MODs 9 and 11 in future production missiles (SM-2 BLOCK IIIB) . Funding for MK 45 MOD 12/14 TDD transition to production is funded by PE 0604366N. Other required MK 45 MOD 12/14 TDD efforts are paid for by Conventional Munitions, P.E. 0603609N, Project K1821. In FY03, in Project K0439, the Next Generation Seeker development project will commence. This project , which culminates in a Live Fire Demonstration in FY05-06, will develop a new Active Radio Frequency Seeker that improves Standard Missiles' performance in multiple missions.

(U) PROGRAM PLANS AND ACCOMPLISHMENTS:

1. (U) FY 2001 ACCOMPLISHMENTS:

- (U) (\$0.525) Completed critical design and development of MK 45 MOD 12/14 TDD hardware and software.

2. (U) FY 2002 PLAN:

- (U) (\$1.297) Continue MK 45 MOD 12/14 transition to production efforts

3. (U) FY 2003 PLAN:

- (U) (\$1.288) Continue MK 45 MOD 12/14 transition to production efforts
- (U) (\$15.000) Commence Next Generation Seeker development project.

**UNCLASSIFIED**

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EXHIBIT R-2, RDT&E Budget Item Justification		DATE: <b>February 2002</b>
APPROPRIATION/BUDGET ACTIVITY <b>RESEARCH DEVELOPMENT TEST &amp; EVALUATION, NAVY/BA 5</b>	R-1 ITEM NOMENCLATURE <b>Standard Missile Improvements/PE 0604366N PUK0439</b>	
<p>B. Other Program Funding Summary: Not applicable.</p> <p>C. Acquisition Strategy: Not applicable.</p> <p>D. Schedule Profile: Not applicable.</p>		

R-1 SHOPPING LIST - Item No. 114 - 4 of 114 - 10

**UNCLASSIFIED**

**UNCLASSIFIED**

CLASSIFICATION:

Exhibit R-3 Cost Analysis (page 1)								DATE: <b>February 2002</b>				
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT			PROJECT NAME AND NUMBER						
<b>RDT&amp;E, N/BA5</b>			<b>Standard Missile Improvements 0604366N</b>			Standard Missile Improvements K0439						
Cost Categories (Tailor to WBS, or System/Item Requirements)	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 01 Cost	FY 00 Award Date	FY 02 Cost	FY 02 Award Date	FY 03 Cost	FY 03 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Design and Analysis	WR	NSWC/Dahlgren	785.484								785.484	
	SS/CPAF	Raytheon	2.143	0.525	03/01	1.297	11/01	1.288	11/02	0.000	Continuing	
	TBD	Contractor	0.000					13.500	11/02	0.000	Continuing	
	WR	Chief of Naval Office	0.010							0.000	0.010	
	PD	Cruise Missiles Defense Prog	4.795							0.000	4.795	
	PR	JHU/APL	0.000					0.500	11/02	0.000	Continuing	
		NAWC China Lake	0.000					0.500	11/02	0.000	Continuing	
		WSMR	0.000					0.500	11/02	0.000	Continuing	
	WR	NSWC/PHD	0.030	0.000							0.030	
	WR	NSWC/IH	0.049	0.000							0.049	
<b>Subtotal Design and Analysis</b>			<b>792.511</b>	<b>0.525</b>		<b>1.297</b>		<b>16.288</b>		<b>Continuing</b>	<b>Continuing</b>	
Remarks:												
Development Support Equipment											0.000	
Software Development											0.000	
Training Development											0.000	
Integrated Logistics Support											0.000	
Configuration Management											0.000	
Technical Data											0.000	
GFE											0.000	
<b>Subtotal Support</b>			<b>0.000</b>	<b>0.000</b>		<b>0.000</b>		<b>0.000</b>		<b>0.000</b>	<b>0.000</b>	
Remarks:												

**UNCLASSIFIED**

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**UNCLASSIFIED**

Exhibit R-3 Cost Analysis (page 2)								DATE: <b>February 2002</b>				
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT			PROJECT NAME AND NUMBER						
<b>RD&amp;E, N/BA5</b>			<b>Standard Missile Improvements 0604366N</b>			<b>Standard Missile Improvements K0439</b>						
Cost Categories (Tailor to WBS, or System/Item Requirements)	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 01 Cost	FY 01 Award Date	FY 02 Cost	FY 02 Award Date	FY 03 Cost	FY 03 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Developmental Test & Evaluation											0.000	
Operational Test & Evaluation											0.000	
Tooling											0.000	
GFE											0.000	
Subtotal T&E			0.000	0.000		0.000		0.000		0.000	0.000	
Remarks:												
Contractor Engineering Support											0.000	
Government Engineering Support											0.000	
Program Management Support	FFP	Technatics	0.019								0.019	
Travel											0.000	
Labor (Research Personnel)											0.000	
Overhead											0.000	
Subtotal Management			0.019	0.000		0.000		0.000		0.000	0.019	
Remarks:												
Total Cost			792.530	0.525		1.297		16.288		Continuing	Continuing	
Remarks:												

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APPROPRIATION/BUDGET ACTIVITY <b>RESEARCH DEVELOPMENT TEST &amp; EVALUATION, NAVY/BA 5</b>					R-1 ITEM NOMENCLATURE <b>Standard Missile Improvements PE 0604366N Project K2639</b>					
COST (\$ in Millions)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Cost to Complete	Total Cost	
Standard Missile Improvements K2639		<b>12.687</b>							<b>12.687</b>	
Quantity of RDT&E Articles										

A. Mission Description and Budget Item Justification:

Standard Missile-2 (SM-2) Block IIIB is the Navy's premiere AAW MR missile. Several improvements will allow this missile to counter emerging threats. This effort provides modest near-term AAW enhancements to improve MR (SM-2 Block IIIB) missile performance against advanced Anti-Ship Cruise Missile (ASCM) threats, particularly high-speed maneuvering sea-skimming missiles. With the cancellation of SM-2 Block IVA ER, which was to have had robust performance against such threats, it is vital to rapidly develop a capability in an existing SM variant to handle these threats until the next ER variant can be fielded. Improvements in missile maneuverability, endgame fuzing, and computer processing will accomplish this upgrade task. In FY02, in Project K2639, the SM-2 BLK IIIB AAW Enhanced Capabilities Project, will make important performance improvements to the SM-2 BLK IIIB missile.

(U) PROGRAM PLANS AND ACCOMPLISHMENTS:

1. (U) FY 2001 ACCOMPLISHMENTS: N/A
2. (U) FY 2002 PLAN:
  - (U) (\$7.046) SM-2 Block IIIB EC Maneuverability Improvement
  - (U) (\$2.954) Missile Computer Upgrade
  - (U) (\$2.000) Optical Correlator Design
  - (U) (\$0.687) SM Improvement Definition
3. (U) FY 2003 PLAN: N/A

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<p>B. Other Program Funding Summary: Not applicable.</p> <p>C. Acquisition Strategy: Not applicable.</p> <p>D. Schedule Profile: Not applicable.</p>		

R-1 SHOPPING LIST - Item No. 114 - 8 of 114 - 10

**UNCLASSIFIED**

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Cost Categories (Tailor to WBS, or System/Item Requirements)	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 01 Cost	FY 01 Award Date	FY 02 Cost	FY 02 Award Date	FY 03 Cost	FY 03 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Design and Analysis	WR	NSWC/Dahlgren				1.836	03/02					
	SS/CPAF	Raytheon				4.202	05/02					
	PR	JHU/APL				2.595	03/02					
	PR	MIT/LL				0.100	03/02					
	WR	NSWC/PHD				0.200	03/02					
	WR	NSWC/IH				0.100	03/02					
Subtotal Product Development						9.033	03/02					
Remarks:												
Development Support Equipment		CPU Tech				2.954	03/02					
Subtotal Support						2.954	03/02					
Remarks:												

R-1 SHOPPING LIST - Item No. 114 - 9 of 114 - 10

**UNCLASSIFIED**

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<b>RDT&amp;E, N/BA5</b>			<b>Standard Missile Improvements 0604366N</b>			Standard Missile Improvements K2639						
Cost Categories (Tailor to WBS, or System/Item Requirements)	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 01 Cost	FY 01 Award Date	FY 02 Cost	FY 02 Award Date	FY 03 Cost	FY 03 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Developmental Test & Evaluation		JHU/APL				0.200						
		Contractor				0.200						
		PHD				0.100						
Subtotal T&E						0.500						
Remarks:												
Contractor Engineering Support						0.200						
Subtotal Management						0.200						
Remarks:												
Total Cost						12.687						
Remarks:												

R-1 SHOPPING LIST - Item No. 114 - 10 of 114 - 10

**UNCLASSIFIED**