

EXHIBIT R-2, RDT&E Budget Item Justification	DATE: February 2005
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APPROPRIATION/BUDGET ACTIVITY RESEARCH DEVELOPMENT TEST & EVALUATION, NAVY / BA-6	R-1 ITEM NOMENCLATURE 0605863N - RDT&E,N Ship and Aircraft Support							
COST (\$ in Millions)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Total PE Cost	80.730	80.526	77.131	79.730	78.868	81.049	83.099	85.164
0354 - RDT&E Ships Support	15.356	11.014	9.624	8.733	8.637	9.736	8.836	12.325
0568 - RDT&E Aircraft Flight Hours	26.336	26.256	32.205	33.478	28.868	29.685	30.461	31.334
0569 - RDT&E Aircraft Support	29.904	32.334	28.166	29.055	32.518	32.484	34.418	31.879
2924 - RDT&E Self Defense Test Ship	9.134	10.922	7.136	8.464	8.845	9.144	9.384	9.626

A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:

This continuing program provides support for ships and aircraft required to accommodate Research, Development, Test and Evaluation (RDT&E) of new systems. The RDT&E ship and aircraft inventory is required to adequately test new and improved weapon systems, stay current with threats, and increase warfighting capability of the fleet. The program provides integrated logistics support for aircraft at selected field activities; provides depot-level rework of aircraft, engines, and components for the Navy inventory of RDT&E aircraft; and provides support for ships and aircraft bailed to contractors for Navy RDT&E projects. Costs covered under this element include aircrew training and proficiency, fuel, supplies, equipment, modification, repair, Aviation Depot Level Repairables (AVDLR), Special Flight Test Instrumentation Pool (SFTIP) equipment, overhaul of ships and aircraft, as well as organizational, intermediate, and depot maintenance of ships and aircraft in the Navy RDT&E inventory.

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APPROPRIATION/BUDGET ACTIVITY RDTE&E, N / BA-6		PROGRAM ELEMENT NUMBER AND NAME 0605863N - RDT&E,N Ship and Aircraft Support			PROJECT NUMBER AND NAME 0354 - RDT&E Ship Support			
COST (\$ in Millions)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Project Cost	15.356	11.014	9.624	8.733	8.637	9.736	8.836	12.325
RDT&E Articles Qty								

MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:

S0354, RDT&E Ships Support. This project provides for operation and maintenance of a platform used as Sea Based Test Site in support of the Navy Research, Development, Test and Evaluation (RDT&E) program. This project is for the USS DOLPHIN (AGSS-555). Testing aboard this platform reduces the number of fleet units required to support RDT&E efforts. A major cost of this project is regularly scheduled ship maintenance. The remainder of the funds are used for purchase of supplies and equipment, fuel and petroleum products, repairs, and supporting modifications. Most costs are fixed and are associated with simply having these platforms in the inventory. A lesser portion of the costs varies with the tempo and type of ship operations and provides for systems improvements and replacement planning. The nature of the operation os determined by the overall Navy/DoD R&D testing program.

USS DOLPHIN will support software upgrades testing of the MK50 and MK48 Advanced Capability (ADCAP) torpedoes, the "VA Class" Submarine Material Qualification Program, ONR Littoral Warfare Advanced Development (LWAD) Program, Improved Extended Echo Ranging (IEER), Advanced Extended Echo Ranging (AEER), Advanced Deployable System (ADS), Submarine Mast Detection Radar (SMDR), Laser Airborne System - Hyperspectral (LASH), Airborne Low Frequency Sonar (ALFS), Tripartied Technology Cooperation Program (TTCP) and the Advanced Sea /Air/Land (SEAL) Delivery Program. Mobile Inshore WARfare Unit Arrays and the Seabased Weapons and Tactics School (SWATS) are also frequently supported by USS DOLPHIN, USS DOLPHIN provides support for numerous undersea surveillance, sonar, weapons, communications and imaging programs.

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B. Accomplishments/Planned Program

	FY04	FY 05	FY 06	FY 07
USS DOLPHIN Ship Support				

	FY 04	FY 05	FY 06	FY 07
USS DOLPHIN Ship Support	15.356			

FY 2004 PLANS:
 The RAV/TAV started in FY 03 for repair and maintenance work which continues into FY 04 and depending on availability of material may complete in the 2nd qtr. of FY 05.

	FY 04	FY 05	FY 06	FY 07
USS DOLPHIN Ship Support		11.014		

FY 2005 PLANS:
 Plan to complete RAV 1-6 and repair TAV in 2nd qtr. FY 05. USS DOLPHIN plans on supporting MK48 ADCAP CBASS Torpedo, MK54 Torpedo (Shallow Water ASW Target-SWAT Program, Low Frequency Sonar, Advanced Deployable system (ADS) AN/SQQ-89 ASW Combat System. USS DOLPHIN plans on conducting periodic phased maintenance to maintain certification and procure material to support continued operations.

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B. Accomplishments/Planned Program (Cont.)

	FY 04	FY 05	FY 06	FY 07
USS DOLPHIN SHIP SUPPORT			9.624	

FY 2006 Plans:
Plan on conducting perodic maintenance and procurement of material for future RAV and to support continued operations.

	FY 04	FY 05	FY 06	FY 07
				8.733

FY 2007 Plans:
Plans To continue supporting Fleet Operations.

	FY 04	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost				
RDT&E Articles Quantity				

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APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT NUMBER AND NAME	PROJECT NUMBER AND NAME		
RDT&E, N / BA-6	0605863N - RDT&E,N Ship and Aircraft Support	0354 - RDT&E Ship Support		
C. PROGRAM CHANGE SUMMARY:				
Funding:	FY 2004	FY 2005	FY 2006	FY 2007
FY 2005 President's Budget	8.694	11.118	10.753	11.308
FY 2006/2007 President's Budget	15.356	11.014	9.624	8.733
Total Adjustments	6.662	-0.104	-1.129	-2.575
Summary of Adjustments				
Program Adjustments	6.564	-0.104	-1.129	-2.575
Schedule:				
Not Applicable				
Technical:				
Not Applicable				

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APPROPRIATION/BUDGET ACTIVITY RDT&E, N / BA-6		PROGRAM ELEMENT NUMBER AND NAME 0605863N - RDT&E,N Ship and Aircraft Support			PROJECT NUMBER AND NAME 0568 - RDT&E Aircraft Flight Hours			
COST (\$ in Millions)	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Project Cost	26.336	26.256	32.205	33.478	28.868	29.685	30.461	31.334
RDT&E Articles Qty								

A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:

RDT&E Aircraft Flight Hours. This non-acquisition project supports direct flight hour costs, including organizational and intermediate level maintenance, as well as associated consumables, including petroleum, oil, and lubricants (POL). These flight hours are used for post-maintenance test flights, aircrew training, and the accomplishment of pilot proficiency requirements (approximately 3 hours per pilot per month), in support of Research and Development programs at four Naval Air Systems Command/Naval Surface Warfare Center/Office of Naval Research (NAVAIR/NSWC/ONR) flight activities.

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B. Accomplishments/Planned Program

	FY04	FY05	FY06	FY07
Accomplishments/Effort/Subtotal Cost	26.336	26.256	32.205	33.478
RDT&E Articles Quantity				

Providing organizational and intermediate-level maintenance, supply and Petroleum, Oil and Lubricants (POL) in support of RDT&E aircraft operations. In FY04, we are currently meeting 86% of post-maintenance test flights, aircrew training, and proficiency flight hours requirements. Based on the budget control, FY05 plans are to provide 87% of these requirements; FY06 plans are to meet 86% of the requirements; and FY07 plans are to meet 79% of the requirements.

	FY04	FY05	FY06	FY07
Accomplishments/Effort/Subtotal Cost				
RDT&E Articles Quantity				

	FY04	FY05	FY06	FY07
Accomplishments/Effort/Subtotal Cost				
RDT&E Articles Quantity				

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APPROPRIATION/BUDGET ACTIVITY RDT&E, N / BA-6	PROGRAM ELEMENT NUMBER AND NAME 0605863N - RDT&E,N Ship and Aircraft Support	PROJECT NUMBER AND NAME 0568 - RDT&E Aircraft Flight Hours			
C. PROGRAM CHANGE SUMMARY:					
Funding:		FY2004	FY2005	FY2006	FY2007
FY 2005 President's Budget		27.732	26.501	27.874	27.469
FY 2006/2007 President's Budget		26.336	26.256	32.205	33.478
Total Adjustments		-1.396	-0.245	4.331	6.009
Summary of Adjustments					
Congressional undistributed reductions			-0.240		
Program Adjustments			-0.005	0.218	2.185
Economic Assumptions		-0.056		4.113	3.824
Reprogrammings		-1.340			
Subtotal		-1.396	-0.245	4.331	6.009
Schedule:					
Not Applicable.					
Technical:					
Not Applicable.					

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COST (\$ in Millions)	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Project Cost	29.904	32.334	28.166	29.055	32.518	32.484	34.418	31.879
RDT&E Articles Qty								

A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:

RDT&E Aircraft Support. This continuing project funds costs associated with Research, Development, Test and Evaluation (RDT&E) fixed and rotary wing aircraft which accommodate test and evaluation of aircraft/weapon systems. Testing aboard these platforms reduces the number of fleet units required to support RDT&E efforts. Included in these costs are Aviation Depot-Level Repairables (AVDLRs), which are spare and replacement aircraft parts and components. In FY 1998, AVDLR costs were reclassified as direct (customer-funded) costs, and a portion of the AVDLR funding to support customer programs were redistributed to customers. The remainder of AVDLR funding was retained in the account to support overhead maintenance related flight operations, aircrew training, and proficiency flight hours. This project also funds airframe Standard Depot Level Maintenance (SDLM), the Integrated Maintenance Concept (IMC) and Phased Depot Maintenance (PDM), in-service repairs, modifications, emergency repairs, and engine repair, as well as aircraft material condition and field inspections. Additionally, it funds Individual Material Readiness List (IMRL) tools and support equipment, modification of in-service aircraft, and other systems for application to and compatibility with RDT&E requirements. Special Flight Test Instrumentation Pool (SFTIP) equipment, shared by programs to reduce or eliminate procurement lead times and reduce costs, is also supported.

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B. Accomplishments/Planned Program

	FY2004	FY2005	FY2006	FY2007
Accomplishments/Effort/Subtotal Cost	28.508	30.888	27.171	28.042
RDT&E Articles Quantity				

Continuing the transition from ASPA/SDLM/MCAPP to the IMC/PDM program for depot maintenance requirements, while sustaining the following programs: AVDLR/IMRL, engine, in-service repair support and modifications of aircraft in the RDT&E inventory. Continuing operation and implementation of maintenance and material management programs at Naval Air Warfare Center activities. FY05-FY07 plans are to continue to support these requirements.

	FY2004	FY2005	FY2006	FY2007
Accomplishments/Effort/Subtotal Cost	0.828	1.190	0.995	1.013
RDT&E Articles Quantity				

Providing In-Service Repair (ISR) funds for emergent repair requirements to aircraft performing mission critical test and evaluation projects. FY05-FY07 plans are to continue to support these requirements.

	FY2004	FY2005	FY2006	FY2007
Accomplishments/Effort/Subtotal Cost	0.568	0.256	0.000	0.000
RDT&E Articles Quantity				

Providing support for Special Flight Test Instrumentation Pool (SFTIP) equipment, shared by programs to reduce or eliminate procurement lead times and costs to supported test programs, at NAVAIRWARCENACDIV Patuxent River, Maryland. The FY05-FY07 plans are to reduce this support and eventually cease funding the effort.

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C. PROGRAM CHANGE SUMMARY:					
Funding:		FY2004	FY2005	FY2006	FY2007
FY 2005 President's Budget		32.189	32.646	28.850	29.359
FY 2006/2007 President's Budget		29.904	32.334	28.166	29.055
Total Adjustments		-2.285	-0.312	-0.684	-0.304
Summary of Adjustments					
Congressional undistributed reductions			-0.305		
SBIR/STTR Transfer		-0.225			
Program Adjustments			-0.007	-0.412	-0.411
Economic Assumptions				-0.272	0.107
Reprogrammings		-2.060			
Subtotal		-2.285	-0.312	-0.684	-0.304
Schedule:					
Not Applicable					
Technical:					
Not Applicable.					

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COST (\$ in Millions)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Project Cost	9.134	10.922	7.136	8.464	8.845	9.144	9.384	9.626
RDT&E Articles Qty								

A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:

This project provides for the maintenance of Hull Mechanical and Electrical (HM&E) and installed Combat Systems of the Self-Defense Test Ship (SDTS) in support of the Navy Research, Development, Test and Evaluation (RDT&E) of ship self-defense systems. Testing aboard this ship reduces the number of fleet units required to support RDT&E efforts. SDTS provides the capability of safely testing self-defense weapon systems within their minimum range. A major cost of this project is regularly scheduled ship maintenance. The remainder of the funds are used for purchase of supplies and equipment, fuel and petroleum products, repairs and supporting services. Most costs are fixed and are associated with simply having this platform in the inventory.

Current and projected Anti-Ship Cruise Missile (ASCM) threats require self-defense weapons systems capable of adequately countering ASCMs into the year 2001 and beyond. The National Defense Authorization Act for FY87, section 910, "Testing of Certain Weapons Systems and Munitions," requires live-fire lethality testing of manned weapons systems. Operational and safety constraints limit realistic live-fire lethality testing with U.S. Navy ships and thus drive the requirement for having an afloat, unmanned, remotely controlled SDTS. SDTS plans call for testing PHALANX, Evolved Sea Sparrow Missile (ESSM), High Frequency Surface Wave Radar Advanced Technology Demonstration (ATD), the Rolling Airframe Missile (RAM), and future short-range Anti-Air Warfare systems against realistic threat presentation in an at-sea environment.

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B. Accomplishments/Planned Program

	FY 04	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	9.134	0.000	0.000	0.000
RDT&E Articles Quantity				

Self Defense Test Ship conducted live fire operations at NAVAIRWARCENWPNDIV Point Mugu, CA. Live Fire testing included the RAM Helo Anti-Surface mode and the ESSM. NAVSURFWARCENDIV Port Hueneme, CA planned, scheduled and performed HM&E maintenance onboard SDTS in support of Long Pulse High Power Microwaves (HPM) System testing.

	FY 04	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	0.000	10.922	0.000	0.000
RDT&E Articles Quantity				

Self Defense Test Ship (SDTS) will initiate the stripping of EDDG 31 (EX USS Decatur) and begin conversion efforts to EDD 964 (EX USS PAUL F FOSTER). NAVSURFWARCENDIV Port Hueneme, CA will plan, schedule and perform HM&E maintenance onboard SDTS in support of the conversion.

	FY 04	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	0.000	0.000	7.136	0.000
RDT&E Articles Quantity				

NAVSURFWARCENDIV Port Hueneme, CA will plan, schedule, and perform maintenance onboard EDD 964 and complete conversion of the Self Defense Test Ship (SDTS-R).

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B. Accomplishments/Planned Program				
	FY 04	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	0.000	0.000	0.000	8.464
RDT&E Articles Quantity				
<div style="border: 1px solid black; padding: 5px; min-height: 80px;"> Self Defense Test Ship conducted live fire operations at NAVAIRWARCENWPNDIV Point Mugu, CA. Live Fire testing included the RAM Helo Anti-Surface mode and the ESSM. NAVSURFWARCENDIV Port Hueneme, CA planned, scheduled and performed HM&E maintenance onboard SDTS in support of Long Pulse High Power Microwaves (HPM) System testing. NAVSURFWARCENDIV Port Hueneme, CA will plan, schedule, and perform maintenance onboard EDD 964 and complete conversion of the Self Defense Test Ship (SDTS-R). </div>				
	FY 04	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	0.000	0.000	0.000	0.000
RDT&E Articles Quantity				
<div style="border: 1px solid black; height: 60px; width: 100%;"></div>				
	FY 04	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	0.000	0.000	0.000	0.000
RDT&E Articles Quantity				
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C. PROGRAM CHANGE SUMMARY:					
Funding:		FY 2004	FY 2005	FY 2006	FY 2007
FY 2005 President's Budget		9.157	11.043	7.181	8.488
FY 2006/2007 President's Budget		9.134	10.922	7.136	8.464
Total Adjustments		-0.023	-0.121	-0.045	-0.024
Summary of Adjustments					
NAVSEA Civilian Personnel				-0.030	-0.050
Program Adjustments		-0.023	-0.121	-0.015	0.026
Subtotal		-0.023	-0.121	-0.045	-0.024
Schedule:					
Not Applicable					
Technical:					
Not Applicable					

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