

EXHIBIT R-2, RDT&E Budget Item Justification						DATE: January 2007		
APPROPRIATION/BUDGET ACTIVITY <b>RESEARCH DEVELOPMENT TEST &amp; EVALUATION, N/Engineering &amp; Manufacturing</b>				R-1 ITEM NOMENCLATURE 0604910N Navy IT DEV / MOD				
COST (\$ in Millions)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Total PE0604910N Cost	0.685	0.000	0.000	0.000	0.000	0.000	0.000	0.000
2902 Smart Card Program	0.685	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Quantity of RDT&E Articles	<b>Not Applicable</b>							
<b>A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:</b>								
<p>The Smart Card , now referred to as the Common Access Card (CAC), provides leading edge technologies to Sailors and Marines through the use of a single multi-functional Smart Card, Investigation of new technologies will be accomplished through interface proofs of concept demonstrating new Smart Card related technologies associated with the wireless industry, other industry standard operating systems, and biometric technology. Pilot demonstrations will also be conducted to identify and provide seed money for the development of software applications supporting functional requirements across the DoN. The goal of these projects will be to apply Smart Card Technology to streamlined processes enhancing cost effectiveness and improving operational readiness and quality of life.</p>								
<b>B. Program Change Summary:</b>								
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>				
Previous President's Budget	705	000	000	000				
Current Budget	685	000	000	000				
Total Adjustments	-20	000	000	000				
Summary Of Adjustments:								
Congressional Program Reductions								
Congressional Rescissions								
Congressional Increases								
Reprogrammings								
SBIR/STTR Transfer	-20	000	000	000				
	-20							
<b>C. Other Program Funding Summary:</b>								
<b>D. Acquisition Strategy:</b>								
<b>E. Performance Metrics:</b>								