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Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Navy **Date:** February 2016

Appropriation/Budget Activity 1319: Research, Development, Test & Evaluation, Navy / BA 7: Operational Systems Development	R-1 Program Element (Number/Name) PE 0305233N / RQ-7 UAV
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COST (\$ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
Total Program Element	21.689	0.851	0.688	0.716	-	0.716	0.956	0.812	0.830	0.846	Continuing	Continuing
9C84: MCTUAS	21.689	0.851	0.688	0.716	-	0.716	0.956	0.812	0.830	0.846	Continuing	Continuing

A. Mission Description and Budget Item Justification

This Marine Corps Tactical Unmanned Aircraft System project supports the fielded RQ-7B Shadow Unmanned Aircraft System (UAS) by conducting research, development, test and evaluation for improvement of the RQ-7 UAS capabilities in Reconnaissance, Surveillance and Target Acquisition, Intelligence, Battle Damage Assessment, Laser Designation and Force Protection. The RQ-7B Shadow UAS provides critical battlefield intelligence and targeting information in the rapid cycle time required for success at the tactical level.

RQ-7B Shadow UAS are acquired through the United States Army (US Army) UAS Program Office to fulfill United States Marine Corps (USMC) UAS requirements. In order to optimize interoperability, maintainability, and capability with minimal cost, the USMC and US Army plan to develop additional capabilities for the common RQ-7 system to include the fuselage, flight and mission electrical and electronic systems, propulsion system, communications system, expeditionary footprint, and capability payloads. These funds represent the USMC share of the combined joint development cost through Program Management Office UAS and the RQ-7 USMC specific development efforts of the NAVAIR 5.1 UAV Test Directorate.

This program is funded under OPERATIONAL SYSTEMS DEVELOPMENT because it includes development efforts to upgrade systems that have been fielded or have received approval for full-rate production and anticipate funding in the current or subsequent fiscal year.

B. Program Change Summary (\$ in Millions)	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Previous President's Budget	0.851	0.688	0.858	-	0.858
Current President's Budget	0.851	0.688	0.716	-	0.716
Total Adjustments	0.000	0.000	-0.142	-	-0.142
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Rate/Misc Adjustments	0.000	0.000	-0.142	-	-0.142

Change Summary Explanation

The FY 2017 funding request was reduced by \$0.107M to account for the availability of prior year execution balances.

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<p>Decrease in RQ-7 UAV by \$0.035M as required for the Department of the Navy to comply with the Bipartisan Budget Act of 2015.</p> <p>Schedule: Not applicable. Technical: Not applicable.</p>		

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Exhibit R-2A, RDT&E Project Justification: PB 2017 Navy										Date: February 2016		
Appropriation/Budget Activity 1319 / 7					R-1 Program Element (Number/Name) PE 0305233N / RQ-7 UAV				Project (Number/Name) 9C84 / MCTUAS			
COST (\$ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
9C84: MCTUAS	21.689	0.851	0.688	0.716	-	0.716	0.956	0.812	0.830	0.846	Continuing	Continuing
Quantity of RDT&E Articles		-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

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RQ-7B Shadow UAS are acquired through the United States Army (US Army) UAS Program Office to fulfill United States Marine Corps (USMC) UAS requirements. In order to optimize interoperability, maintainability, and capability with minimal cost, the USMC and US Army plan to develop additional capabilities for the common RQ-7 system to include the fuselage, flight and mission electrical and electronic systems, propulsion system, communications system, expeditionary footprint, and capability payloads. These funds represent the USMC share of the combined joint development cost through Program Management Office UAS and the RQ-7 USMC specific development efforts of the NAVAIR 5.1 UAV Test Directorate.

B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)

	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Title: MCTUAS Development Support	0.851	0.688	0.716	0.000	0.716
Articles:	-	-	-	-	-
Description: Joint development efforts with US Army RQ-7 Shadow Program, for common RQ-7 block upgrades, United States Marine Corps specific development efforts at the joint and Navy unique levels required for continued improvement and interoperability.					
FY 2015 Accomplishments: Development of RQ-7Bv2 Software Release 4/5 initiative in support of Problem/Change Report corrections and Information Assurance efforts for Intelligence Surveillance Reconnaissance Systems.					
FY 2016 Plans: Funding continues development for ongoing initiatives and will initiate development efforts for improvements to Intelligence Surveillance Reconnaissance systems, external payloads, communications systems, digital interoperability initiative, and propulsion systems.					
FY 2017 Base Plans:					

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Appropriation/Budget Activity 1319 / 7	R-1 Program Element (Number/Name) PE 0305233N / RQ-7 UAV	Project (Number/Name) 9C84 / MCTUAS
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B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Funding continues development for ongoing initiatives and will initiate development efforts for improvements to Intelligence Surveillance Reconnaissance systems, external payloads, communications systems, digital interoperability initiative, propulsion systems, and expeditionary footprint. <i>FY 2017 OCO Plans:</i> N/A					
Accomplishments/Planned Programs Subtotals	0.851	0.688	0.716	0.000	0.716

C. Other Program Funding Summary (\$ in Millions)											
<u>Line Item</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017 Base</u>	<u>FY 2017 OCO</u>	<u>FY 2017 Total</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>Cost To Complete</u>	<u>Total Cost</u>
• APN/0589: RQ-7 UAV	0.000	3.773	3.534	-	3.534	0.000	0.000	0.000	0.000	0.000	100.843

Remarks

D. Acquisition Strategy
Sole source engineering development services contract with Textron Systems Unmanned System (formerly Aircraft Armament Incorporated) through United States Army Program Management Unmanned Aircraft Systems and United States Marine Corps (USMC) unique capability development efforts of the Navy Unmanned Aircraft System (UAS) Test Squadron.

E. Performance Metrics
Attainment of targeted development effort upgrades improving operational capability of the RQ-7 UAS USMC Tactical UAS.

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Navy **Date:** February 2016

Appropriation/Budget Activity 1319 / 7	R-1 Program Element (Number/Name) PE 0305233N / RQ-7 UAV	Project (Number/Name) 9C84 / MCTUAS
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Product Development (\$ in Millions)				FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
Prior year Prod Dev no longer funded in the FYDP	Various	Various : Various	14.650	0.000		0.000		0.000		-		0.000	0.000	14.650	-
Subtotal			14.650	0.000		0.000		0.000		-		0.000	0.000	14.650	-

Support (\$ in Millions)				FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
Joint Development Efforts	Various	Various : Various	4.289	0.851	Jun 2015	0.688	Nov 2015	0.716	Jun 2017	-		0.716	Continuing	Continuing	Continuing
Prior year Support no longer funded in the FYDP	Various	Various : Various	0.715	0.000		0.000		0.000		-		0.000	0.000	0.715	-
Subtotal			5.004	0.851		0.688		0.716		-		0.716	-	-	-

Test and Evaluation (\$ in Millions)				FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
Prior year T&E no longer funded in the FYDP	Various	Various : Various	2.035	0.000		0.000		0.000		-		0.000	0.000	2.035	-
Subtotal			2.035	0.000		0.000		0.000		-		0.000	0.000	2.035	-

	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals		21.689	0.851	0.688	0.716	0.716	-	-	-

Remarks

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Exhibit R-4, RDT&E Schedule Profile: PB 2017 Navy **Date:** February 2016

Appropriation/Budget Activity 1319 / 7	R-1 Program Element (Number/Name) PE 0305233N / RQ-7 UAV	Project (Number/Name) 9C84 / MCTUAS
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RQ-7	FY 2015				FY 2016				FY 2017				FY 2018				FY 2019				FY 2020				FY 2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Product Development	Joint Development Efforts																											
Test and Evaluation																												

2017DON - 0305233N - 9C84

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Exhibit R-4A, RDT&E Schedule Details: PB 2017 Navy **Date:** February 2016

Appropriation/Budget Activity 1319 / 7	R-1 Program Element (Number/Name) PE 0305233N / RQ-7 UAV	Project (Number/Name) 9C84 / MCTUAS
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Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
RQ-7				
Product Development: Joint and USMC Unique Development Efforts	1	2015	4	2021

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