

**UNCLASSIFIED**

|                                                                       |                            |
|-----------------------------------------------------------------------|----------------------------|
| <b>Exhibit R-2, RDT&amp;E Budget Item Justification:</b> PB 2016 Navy | <b>Date:</b> February 2015 |
|-----------------------------------------------------------------------|----------------------------|

| <b>Appropriation/Budget Activity</b><br>1319: <i>Research, Development, Test &amp; Evaluation, Navy I BA 4: Advanced Component Development &amp; Prototypes (ACD&amp;P)</i> |                    |                |                |                     | <b>R-1 Program Element (Number/Name)</b><br>PE 0603734N I (U)CHALK CORAL |                      |                |                |                |                |                         |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------|----------------|---------------------|--------------------------------------------------------------------------|----------------------|----------------|----------------|----------------|----------------|-------------------------|-------------------|
| <b>COST (\$ in Millions)</b>                                                                                                                                                | <b>Prior Years</b> | <b>FY 2014</b> | <b>FY 2015</b> | <b>FY 2016 Base</b> | <b>FY 2016 OCO</b>                                                       | <b>FY 2016 Total</b> | <b>FY 2017</b> | <b>FY 2018</b> | <b>FY 2019</b> | <b>FY 2020</b> | <b>Cost To Complete</b> | <b>Total Cost</b> |
| Total Program Element                                                                                                                                                       | 0.000              | 121.021        | 176.301        | 182.771             | -                                                                        | 182.771              | 152.184        | 154.659        | 140.430        | 145.027        | Continuing              | Continuing        |
| 1804: <i>Chalk Coral</i>                                                                                                                                                    | 0.000              | 121.021        | 176.301        | 182.771             | -                                                                        | 182.771              | 152.184        | 154.659        | 140.430        | 145.027        | Continuing              | Continuing        |

**A. Mission Description and Budget Item Justification**

This program is reported in accordance with Title 10, United States Code, Section 119(a)(1) in the Special Access Program Annual Report to Congress.

| <b>B. Program Change Summary (\$ in Millions)</b> | <b>FY 2014</b> | <b>FY 2015</b> | <b>FY 2016 Base</b> | <b>FY 2016 OCO</b> | <b>FY 2016 Total</b> |
|---------------------------------------------------|----------------|----------------|---------------------|--------------------|----------------------|
| Previous President's Budget                       | 124.451        | 176.301        | 214.394             | -                  | 214.394              |
| Current President's Budget                        | 121.021        | 176.301        | 182.771             | -                  | 182.771              |
| Total Adjustments                                 | -3.430         | -              | -31.623             | -                  | -31.623              |
| • Congressional General Reductions                | -              | -              |                     |                    |                      |
| • Congressional Directed Reductions               | -              | -              |                     |                    |                      |
| • Congressional Rescissions                       | -              | -              |                     |                    |                      |
| • Congressional Adds                              | -              | -              |                     |                    |                      |
| • Congressional Directed Transfers                | -              | -              |                     |                    |                      |
| • Reprogrammings                                  | -1.710         | -              |                     |                    |                      |
| • SBIR/STTR Transfer                              | -1.720         | -              |                     |                    |                      |
| • Program Adjustments                             | -              | -              | 1.660               | -                  | 1.660                |
| • Rate/Misc Adjustments                           | -              | -              | -33.283             | -                  | -33.283              |