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Exhibit R-2, RDT&E Budget Item Justification: PB 2014 Navy	DATE: April 2013
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APPROPRIATION/BUDGET ACTIVITY 1319: <i>Research, Development, Test & Evaluation, Navy</i> BA 7: <i>Operational Systems Development</i>	R-1 ITEM NOMENCLATURE PE 0708730N: <i>Maritime Tech (MARITECH)</i>
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COST (\$ in Millions)	All Prior Years	FY 2012	FY 2013 [#]	FY 2014 Base	FY 2014 OCO ^{##}	FY 2014 Total	FY 2015	FY 2016	FY 2017	FY 2018	Cost To Complete	Total Cost
Total Program Element	0.000	3.923	5.000	4.998	-	4.998	5.000	5.000	5.000	5.000	Continuing	Continuing
2466: <i>NSRP ASE</i>	0.000	3.923	5.000	4.998	-	4.998	5.000	5.000	5.000	5.000	Continuing	Continuing

[#] FY 2013 Program is from the FY 2013 President's Budget, submitted February 2012

^{##} The FY 2014 OCO Request will be submitted at a later date

A. Mission Description and Budget Item Justification

The National Shipbuilding Research Program (NSRP) is an industry and enterprise wide research collaboration that seeks to reduce the Navy's shipbuilding and repair cost. The resulting technologies implemented in NSRP-ASE member shipyards, benefit both the shipyard and the US Navy.

<u>B. Program Change Summary (\$ in Millions)</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014 Base</u>	<u>FY 2014 OCO</u>	<u>FY 2014 Total</u>
Previous President's Budget	5.000	5.000	5.000	-	5.000
Current President's Budget	3.923	5.000	4.998	-	4.998
Total Adjustments	-1.077	0.000	-0.002	-	-0.002
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-0.980	0.000			
• SBIR/STTR Transfer	-0.097	0.000			
• Program Adjustments	0.000	0.000	0.000	-	0.000
• Rate/Misc Adjustments	0.000	0.000	-0.002	-	-0.002

Change Summary Explanation

FY12 SBIR Assessment -97K

LCS Early Deployment -980K

Technical: Not applicable.

Schedule: Not applicable.

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COST (\$ in Millions)	All Prior Years	FY 2012	FY 2013 [#]	FY 2014 Base	FY 2014 OCO ^{##}	FY 2014 Total	FY 2015	FY 2016	FY 2017	FY 2018	Cost To Complete	Total Cost
2466: NSRP ASE	0.000	3.923	5.000	4.998	-	4.998	5.000	5.000	5.000	5.000	Continuing	Continuing
Quantity of RDT&E Articles	0	0	0	0		0	0	0	0	0		
# FY 2013 Program is from the FY 2013 President's Budget, submitted February 2012												
## The FY 2014 OCO Request will be submitted at a later date												
A. Mission Description and Budget Item Justification												
NSRP ASE is a collaboration of U.S. shipyards working with the Navy customer to reduce the cost of building and repairing naval ships and improving shipbuilding industry productivity through advanced technology and processes. NSRP ASE is an innovative and proven approach to public/private cooperation to manage cost-shared R&D based on a national consensus Strategic Investment Plan. The Plan targets potential industry-wide technology and process solutions which are vetted by industry experts and builds upon the progress made over the previous years. The collaboration's organizational structure promotes teaming of industry, government and academia to achieve the continuous product and process improvements necessary for improved Navy ship affordability. Solutions include both leverage of best commercial practices and creation of industry-wide initiatives with aggressive technology transfer to, and buy-in by, multiple U.S. shipyards. Navy PEOs (Ships, Subs and Carriers) and NAVSEA are directly involved in NSRP. The Plan calls for matching government and industry investments over several years.												
B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)										FY 2012	FY 2013	FY 2014
Title: Technology Development Projects										3.923	5.000	4.998
										Articles: 0	0	0
Description: The NSRP is an ongoing Research and Development program. This program awards small research projects and large research projects to Improve Quality; (2) Reduce Total Ownership Costs; and, (3) Increase Energy Efficiency. These research projects have been known to produce technological advances in shipbuilding that once implemented have resulted in savings for the Navy.												
FY 2012 Accomplishments:												
(1) Completed technology development projects in the four major initiative areas (Ship Design Technologies, Ship Production Technologies, Business Process and Information Technologies, and Regulatory Compliance and Technology Transfer/Workforce Development) that will be competitively selected by industry subject matter experts and Navy stakeholders during GFY11, targeted the following priorities in Naval shipbuilding and repair: (1) Improved Quality; (2) Reduced Total Ownership Costs; and, (3) Increased Energy Efficiency. Projects selected were in the following areas:												
- Promotion of Modular Construction												
- Reduction of Re-work												
- Improving Production Engineering												
- Improving Specifications and Standards												

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B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)		FY 2012	FY 2013
- Improving Manufacturing Processes - Improving Production Planning - Data Exchange - Improving Safety & Health / Reducing Environmental Impacts - Education and Training - Total Ownership Cost (2) Continued technology transfer among the Navy, shipbuilding industry, academia, equipment and material suppliers and the R&D community FY 2013 Plans: (1) Complete technology development projects in the four major initiative areas (Ship Design and Material Technologies, Ship Production Technologies, Business Process and Information Systems, and Infrastructure and Support (Regulatory Compliance, Technology Transfer and Workforce Development)) that will be competitively selected by industry subject matter experts and Navy stakeholders during GFY12, targeting the following priorities in Naval shipbuilding and repair: (1) Improving Quality; (2) Reduction of Total Ownership Costs; and, (3) Increasing Energy Efficiency. It is anticipated that projects selected will continue to be focused in the following areas: - Promotion of Modular Construction - Reduction of Re-work - Improving Production Engineering - Improving Specifications and Standards - Improving Manufacturing Processes - Improving Production Planning - Data Exchange - Improving Safety & Health / Reducing Environmental Impacts - Education and Training - Total Ownership Cost (2) Continue technology transfer among the Navy, shipbuilding industry, academia, equipment and material suppliers and the R&D community FY 2014 Plans: (1) Complete technology development projects in the four major initiative areas (Ship Design and Material Technologies, Ship Production Technologies, Business Process and Information Systems, and Infrastructure and Support (Regulatory Compliance, Technology Transfer and Workforce Development)) that will be competitively selected by industry subject matter experts and Navy stakeholders during GFY12, targeting the following priorities in Naval shipbuilding and repair: (1) Improving Quality; (2) Reduction			

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B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)		FY 2012	FY 2013
of Total Ownership Costs; and, (3) Increasing Energy Efficiency. It is anticipated that projects selected will continue to be focused in the following areas: - Promotion of Modular Construction - Reduction of Re-work - Improving Production Engineering - Improving Specifications and Standards - Improving Manufacturing Processes - Improving Production Planning - Data Exchange - Improving Safety & Health / Reducing Environmental Impacts - Education and Training - Total Ownership Cost (2) Continue technology transfer among the Navy, shipbuilding industry, academia, equipment and material suppliers and the R&D community			
Accomplishments/Planned Programs Subtotals		3.923	5.000
C. Other Program Funding Summary (\$ in Millions)			
N/A			
Remarks			
D. Acquisition Strategy			
R&D projects have been solicited and awarded by an industry collaboration represented by the Executive Control Board (ECB) of the National Shipbuilding Research Program (NSRP). The Navy has entered into an agreement with the industry collaboration using "other transaction" authority pursuant to 10 U.S.C. 2371.			
E. Performance Metrics			
Quarterly reports and reviews			

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2014 Navy													DATE: April 2013		
APPROPRIATION/BUDGET ACTIVITY							R-1 ITEM NOMENCLATURE				PROJECT				
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Product Development (\$ in Millions)				FY 2012		FY 2013		FY 2014 Base		FY 2014 OCO		FY 2014 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	All Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Technology Development	Various	ECB NSRP:Not Specified	0.000	3.623	Dec 2011	4.700	Dec 2012	4.698	Dec 2013	-		4.698	Continuing	Continuing	Continuing
Subtotal			0.000	3.623		4.700		4.698		0.000		4.698			
Support (\$ in Millions)				FY 2012		FY 2013		FY 2014 Base		FY 2014 OCO		FY 2014 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	All Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Gov't Support Services	WR	NSWCCD:Not Specified	0.000	0.225	Mar 2012	0.225	Mar 2013	0.225	Mar 2014	-		0.225	Continuing	Continuing	Continuing
Contractor Support Services	Various	Various:Not Specified	0.000	0.075	Mar 2012	0.075	Mar 2013	0.075	Mar 2014	-		0.075	Continuing	Continuing	Continuing
Subtotal			0.000	0.300		0.300		0.300		0.000		0.300			
			All Prior Years	FY 2012		FY 2013		FY 2014 Base		FY 2014 OCO		FY 2014 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals			0.000	3.923		5.000		4.998		0.000		4.998			
Remarks															

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Exhibit R-4, RDT&E Schedule Profile: PB 2014 Navy																DATE: April 2013												
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1319: Research, Development, Test & Evaluation, Navy												PE 0708730N: Maritime Tech (MARITECH)								2466: NSRP ASE								
BA 7: Operational Systems Development																												
Proj 2466	FY 2012				FY 2013				FY 2014				FY 2015				FY 2016				FY 2017				FY 2018			
	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
	Ship Collaborative Framework Technologies																											

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Exhibit R-4A, RDT&E Schedule Details: PB 2014 Navy		DATE: April 2013
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Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
Proj 2466				
Ship Collaborative Framework Technologies	1	2012	4	2018