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Exhibit R-2, RDT&E Budget Item Justification: PB 2014 United States Special Operations Command	DATE: April 2013
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APPROPRIATION/BUDGET ACTIVITY					R-1 ITEM NOMENCLATURE							
0400: <i>Research, Development, Test & Evaluation, Defense-Wide</i> BA 7: <i>Operational Systems Development</i>					PE 1160484BB: <i>SOF Surface Craft</i>							
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	41.008	13.817	8.573	0.000	-	0.000	0.000	0.000	0.000	0.000	0.000	63.398
S1684: <i>SOF Surface Craft Advanced Systems</i>	41.008	13.817	8.573	0.000	-	0.000	0.000	0.000	0.000	0.000	0.000	63.398

[#] 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

Note

Beginning in FY 2014 Program Element (PE) 1160484BB has been consolidated into SOCOM PE 1160483BB, SOF Underwater Systems.

A. Mission Description and Budget Item Justification

This program element provides for engineering & manufacturing development and operational systems development of light, medium, and heavy surface combatant craft and selected items of specialized equipment to meet the unique requirements of Special Operations Forces (SOF). This program element also provides for pre-acquisition activities (materiel solutions analysis, advanced component development & prototypes) to quickly respond to new requirements for surface craft and equipment, such as the light and heavy combatant crafts that are currently being studied in the Joint Capabilities Integration and Development System process. The craft capabilities and unique equipment provide small, highly trained forces the ability to successfully engage the enemy and conduct operations associated with SOF maritime missions.

B. Program Change Summary (\$ in Millions)	<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	14.475	8.573	5.917	-	5.917
Current President's Budget	13.817	8.573	0.000	-	0.000
Total Adjustments	-0.658	0.000	-5.917	-	-5.917
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.374	-			
• Other adjustments	-0.284	0.000	-5.917	-	-5.917

Change Summary Explanation

Funding:

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FY 2012: Net decrease of -\$0.658 million is due to reprogramming for higher command priorities (-\$0.284 million) and a transfer of funds to Small Business Innovative Research (-\$0.374 million). FY 2013: None. FY 2014: Decrease due to approved SOCOM PE consolidation (-\$5.917 million). Schedule: Contracts awarded for CCM to Oregon Iron Works (OIW), Clackamas, OR., and United States Marine, Inc, (USMI), Gulfport, MS, September 2011. Awards protested to Government Accountability Office October 2011 resulting in schedule delay. Protest was not resolved and stop work orders lifted until April 2012. Technical: None.		

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Exhibit R-2A, RDT&E Project Justification: PB 2014 United States Special Operations Command										DATE: April 2013		
APPROPRIATION/BUDGET ACTIVITY 0400: Research, Development, Test & Evaluation, Defense-Wide BA 7: Operational Systems Development					R-1 ITEM NOMENCLATURE PE 1160484BB: SOF Surface Craft				PROJECT S1684: SOF Surface Craft Advanced Systems			
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
S1684: SOF Surface Craft Advanced Systems	41.008	13.817	8.573	0.000	-	0.000	0.000	0.000	0.000	0.000	0.000	63.398
Quantity of RDT&E Articles												

[#] 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

This project provides for engineering and manufacturing development, and operational systems development of light, medium, and heavy surface combatant craft and selected items of specialized equipment to meet the unique requirements of Special Operations Forces (SOF). This project also provides for pre-acquisition activities (materiel solutions analysis, advanced component development and prototypes) to quickly respond to new requirements for surface craft and equipment, such as the light and heavy combatant crafts that are currently being studied in the Joint Capabilities Integration Development System process. The craft capabilities and unique equipment provide small, highly trained forces the ability to successfully engage the enemy and conduct clandestine operations associated with SOF maritime missions. Sub-projects include:

- The Combatant Craft Medium (CCM) sub-project provides a family of next generation combatant craft to replace the current rigid inflatable boat (RIB) and the MKV. One version of these craft will be a reconfigurable, multi-mission surface tactical mobility craft with a primary mission of insertion and extraction of SOF in a medium threat environment. It will incorporate additional performance capabilities above current platform capabilities such as shock mitigation, low observability, improved maneuverability and SOF warfighting capabilities required to operate in future threat environments. Other variants of craft will be developed to support foreign security assistance missions and operations in low or permissive threat environments. These variants are dependent on the threat environment, training requirement, or mission.
- The Combatant Craft Heavy (CCH) sub-project represents a family of solutions that will provide engineering support for design and specification of a development combatant craft for movement and maneuver of SOF personnel. Requirements include maneuverability, reduced detectability with enhanced shock mitigation, and human systems integration. Potential solution for Combatant Craft Heavy is the Sea, Air, and Land Teams Insertion, Observation and Neutralization (SEALION) that was developed as an advanced technology prototype by the United States Navy and may be modified and tested for transition to SOF operations. Additional studies may be performed to support analysis of SOF-peculiar needs for an Afloat Staging Base to command, control, sustain, launch and recover Joint SOF.
- The Next Generation Combat Craft Forward Looking Infrared Radar (CCFLIR) sub-project provides SOF with daylight, high resolution, and additional spectrum imaging capabilities to augment existing optical and radar sensors. Technology insertion is needed to enhance the detection, recognition, identification, and tracking of small and near surface targets and ships. This program is an FY 2014 new start.

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APPROPRIATION/BUDGET ACTIVITY 0400: <i>Research, Development, Test & Evaluation, Defense-Wide</i> BA 7: <i>Operational Systems Development</i>	R-1 ITEM NOMENCLATURE PE 1160484BB: <i>SOF Surface Craft</i>	PROJECT S1684: <i>SOF Surface Craft Advanced Systems</i>
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- The Next Generation Surface Systems (NGSRF) sub-project provides a rapid response capability to support SOF Combatant Craft Systems and subsystems. The NGSRF will explore solutions to support emerging requirements in support of SOF exercises and training for future missions. It provides technology refresh efforts to correct system deficiencies, improve asset life, and enhance mission capability through the means of feasibility studies, analyses of alternatives, pre-developmental risk reduction, and engineering analyses. Demonstrations and modifications may be made to support emerging capability enhancements such as but not limited to, weapons mounts, sensors, enhanced communications and navigation subsystems, and other minor modifications to craft in support of future missions. Solutions may be commercial-off-the-shelf (COTS) solutions, other agency solutions or new solutions. This program is an FY 2014 new start.

B. Accomplishments/Planned Programs (\$ in Millions)

	FY 2012	FY 2013	FY 2014
Title: Combatant Craft Medium (CCM)	12.962	8.573	0.000
FY 2012 Accomplishments: Initiated build and test components and test articles.			
FY 2013 Plans: Completes build and contractor testing; delivers and conducts operational testing of test articles.			
Title: Combatant Craft Heavy (CCH)	0.855	0.000	0.000
FY 2012 Accomplishments: Conducted risk reduction activities, develop documentation for a replacement combatant craft and refine requirements.			
Accomplishments/Planned Programs Subtotals	13.817	8.573	0.000

C. Other Program Funding Summary (\$ in Millions)

<u>Line Item</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u> <u>Base</u>	<u>FY 2014</u> <u>OCO</u>	<u>FY 2014</u> <u>Total</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Cost To</u> <u>Complete</u>	<u>Total Cost</u>
• PROC1: <i>SOF COMBATANT CRAFT SYSTEMS</i>	70.899	42.348	35.748		35.748	53.795	43.793	26.686	14.292	Continuing	Continuing

Remarks

D. Acquisition Strategy

- Combatant Craft Medium acquisition strategy is a competition using a two-phase source selection process. Phase I involved a Small Business Set-Aside competition for two companies to design, build and deliver test articles. Phase II will select a single company to provide a fully integrated baseline craft system for test and evaluation with options for production, engineering support and contractor logistic support. Acquisition strategies for other craft may be based on the rapid acquisition of available non-developmental commercial-off-the-shelf (COTS)/government-off-the-shelf craft.
- Combatant Craft Heavy acquisition strategy is to complete the initial planning and studies for the craft, which will be performed in-house with some support from other government agencies or existing contract services.

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• Next Generation Surface Systems and Subsystems to include the Combatant Craft Forward Looking Infrared Radar will explore the spectrum of acquisition strategies depending on selection of COTS solutions, modification of existing systems, or new competitive acquisitions. <u>E. Performance Metrics</u> N/A		

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2014 United States Special Operations Command												DATE: April 2013			
APPROPRIATION/BUDGET ACTIVITY						R-1 ITEM NOMENCLATURE				PROJECT					
0400: Research, Development, Test & Evaluation, Defense-Wide						PE 1160484BB: SOF Surface Craft				S1684: SOF Surface Craft Advanced Systems					
BA 7: Operational Systems Development															
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
Combatant Craft Medium	C/Various	USMI / OIW:Gulfport, MS / Clackamas, OR Various	15.917	11.138	Sep 2012	3.833	Jul 2013	-		-		-	0.000	30.888	
Combatant Craft Heavy	C/Various	Various:Various	-	0.675	Sep 2012	-		-		-		-	0.000	0.675	
Prior Year Funding	C/Various	Various:Various	19.514	-		-		-		-		-	0.000	19.514	
Subtotal			35.431	11.813		3.833		0.000		0.000		0.000	0.000	51.077	
Test and Evaluation (\$ 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
Combatant Craft Medium	MIPR	NSWC / TBD:Norfolk, VA / TBD	0.088	0.244		3.340	Aug 2013	-		-		-	0.000	3.672	
Combatant Craft Heavy	WR	TBD:TBD	-	0.180		-		-		-		-	0.000	0.180	
Prior Year Funding	C/Various	Various:Various	1.273	-		-		-		-		-	0.000	1.273	
Subtotal			1.361	0.424		3.340		0.000		0.000		0.000	0.000	5.125	
Management Services (\$ 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
Combatant Craft Medium	C/Various	NSWC,:Norfolk, VA	1.638	0.220		0.230	Mar 2013	-		-		-	0.000	2.088	
Combatant Craft Medium	C/Various	NSWC:Crane, IN	-	0.125		0.150	Mar 2013	-		-		-	0.000	0.275	
Combatant Craft Medium	C/Various	Global Battlestaff & Program Support:MacDill AFB, FL	1.450	1.235		1.020	May 2013	-		-		-	0.000	3.705	
Prior Year Funding	C/Various	Various:Various	1.128	-		-		-		-		-	0.000	1.128	
Subtotal			4.216	1.580		1.400		0.000		0.000		0.000	0.000	7.196	

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	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	41.008	13.817		8.573		0.000		0.000		0.000	0.000	63.398	

Remarks

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Exhibit R-4, RDT&E Schedule Profile: PB 2014 United States Special Operations Command			DATE: April 2013
APPROPRIATION/BUDGET ACTIVITY 0400: <i>Research, Development, Test & Evaluation, Defense-Wide</i> BA 7: <i>Operational Systems Development</i>		R-1 ITEM NOMENCLATURE PE 1160484BB: <i>SOF Surface Craft</i>	PROJECT S1684: <i>SOF Surface Craft Advanced Systems</i>

	FY 2012				FY 2013				FY 2014				FY 2015				FY 2016				FY 2017				FY 2018			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Combatant Craft Medium																												
Proposals, Source Selection & Contract Award																												
Build Competitive Prototypes																												
Developmental Test/Operational Test																												
Final Downselect																												
Low Rate Initial Production																												
Operational Evaluation																												
Initial Operational Capability																												
Combatant Craft Heavy																												
Risk Reduction Activities																												

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Exhibit R-4A, RDT&E Schedule Details: PB 2014 United States Special Operations Command			DATE: April 2013
APPROPRIATION/BUDGET ACTIVITY 0400: <i>Research, Development, Test & Evaluation, Defense-Wide</i> BA 7: <i>Operational Systems Development</i>	R-1 ITEM NOMENCLATURE PE 1160484BB: <i>SOF Surface Craft</i>	PROJECT S1684: <i>SOF Surface Craft Advanced Systems</i>	

Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
Combatant Craft Medium				
Proposals, Source Selection & Contract Award	1	2012	4	2012
Build Competitive Prototypes	1	2012	4	2013
Developmental Test/Operational Test	4	2013	1	2014
Final Downselect	3	2013	4	2013
Low Rate Initial Production	3	2014	2	2015
Operational Evaluation	2	2015	3	2015
Initial Operational Capability	4	2015	4	2015
Combatant Craft Heavy				
Risk Reduction Activities	3	2012	4	2013