

|  |        |        |  |        |       |                       |       |  |                  |            |
|--|--------|--------|--|--------|-------|-----------------------|-------|--|------------------|------------|
| RDT&E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)        |        |        |  |        |       | DATE<br>FEBRUARY 2006 |       |  |                  |            |
| APPROPRIATION / BUDGET ACTIVITY<br>RDT&E, DEFENSE-WIDE / 7 |        |        | R-1 ITEM NOMENCLATURE / PROJECT NO.<br>PE 1160426BB Special Operations Advanced SEAL Delivery System Development/S0418 |        |       |                       |       |  |                  |            |
|  |        |        |  |        |       |                       |       |  |                  |            |
| COST (Dollars in Millions)                                 | FY05   | FY06   | FY07   | FY08   | FY09  | FY10                  | FY11  |  | Cost to Complete | Total Cost |
| PE1160426BB  | 22.889 | 31.888 | 32.452   | 20.292 | 7.100 | 5.072                 | 5.076 |  | Cont.            | Cont.      |
| S0418, Advanced SEAL Delivery System Development           | 22.889 | 31.888 | 32.452   | 20.292 | 7.100 | 5.072                 | 5.076 |  | Cont.            | Cont.      |

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

This program element provides for development, testing, and integration of specialized equipment for the Advanced SEAL Delivery System (ASDS) to meet the unique requirements of Special Operations Forces (SOF). Specialized equipment will permit small, highly trained forces to conduct required operations across the entire spectrum of conflict. These operations are generally conducted in harsh environments, for unspecified periods and in locations requiring small unit autonomy. SOF must infiltrate by land, sea, and air to conduct unconventional warfare, direct action, or deep reconnaissance operations in denied areas against insurgent units, terrorists, or highly sophisticated threat forces. The requirement to operate in denied areas controlled by a sophisticated threat mandates that SOF systems remain technologically superior to threat forces to ensure mission success.

**B. Program Change Summary:**

|                             |             |             |             |
|-----------------------------|-------------|-------------|-------------|
|                             | <u>FY05</u> | <u>FY06</u> | <u>FY07</u> |
| Previous President's Budget | 19.072      | 2.040       | 2.096       |
| Current President's Budget  | 22.889      | 31.888      | 32.452      |
| Total Adjustments           | 3.817       | 29.848      | 30.356      |
| Congressional Reductions    |             | -0.462      |             |
| Congressional Rescissions   |             |             |             |
| Congressional Increases     |             | 30.310      |             |
| Reprogrammings              | 3.817       |             | 30.356      |

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| APPROPRIATION / BUDGET ACTIVITY<br>RDT&E, DEFENSE-WIDE / 7  | R-1 ITEM NOMENCLATURE / PROJECT NO.<br>PE 1160426BB Special Operations Advanced SEAL Delivery System Development/S0418 |                       |
| <p>Funding:</p> <p>FY05<br/>Reflects a \$3.817M increase in the program for Acoustics Engineering Change Proposals.</p> <p>FY06<br/>Congressional reductions include (-\$0.322M) for global 1% reduction and (-\$0.140M) for Section 8125 reduction.<br/>Congressional increases include +\$21.160M for program restructure in support of the Reliability Improvement Project; +\$1.500M for High Speed Military Craft, and +\$7.650M for High Speed Military Demo.</p> <p>FY07<br/>Increased funds +\$0.452M for inflation rate changes and an increase of +\$29.904M for program restructure in support of the Reliability Improvement Project.</p> <p>Schedule/Technical: Milestone C was scheduled for first quarter FY06. In October 05, a propulsion system casualty occurred during follow-on test and evaluation. As a result, the ASDS program was restructured in November 05. The procurement of ASDS-2 and ASDS-3 was postponed in order to concentrate on reliability and technology improvements to ASDS-1. Funds were realigned to operate and sustain ASDS-1, improve reliability, address obsolescence through technology insertion, and conduct concept studies. Milestone C has been indefinitely postponed.</p> <p>Technical: None.</p> |  |                       |

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| Exhibit R-2a, RDT&E Project Justification     |   | Date: FEBRUARY 2006 |
| Appropriation/Budget Activity<br>RDT&E BA # 7 | Advanced SEAL Delivery System Development(ASDS)/Project S0418 |                     |

| Cost (\$ in millions)   | FY05   | FY06   | FY07   | FY08   | FY09  | FY10  | FY11  |
|-------------------------|--------|--------|--------|--------|-------|-------|-------|
| ASDS Development        | 22.889 | 31.888 | 32.452 | 20.292 | 7.100 | 5.072 | 5.076 |
| RDT&E Articles Quantity |        |        |        |        |       |       |       |

***As directed by Congress, a new program element was established beginning in FY 2005 for Special Operations Advanced SEAL Delivery Systems (ASDS) Development. FY 2005-2011 resources were moved from PE 1160404BB, project S0417, Underwater Systems Advanced Development.***

A. Mission Description and Budget Item Justification: This project funds the development of the ASDS. The ASDS is a one atmosphere submersible that will provide Naval Special Operations Forces with a new clandestine long range insertion capability required to conduct traditional SEAL missions ranging from reconnaissance to direct action in denied maritime environments. ASDS advantages over the current SEAL Delivery Vehicle, a wet submersible, include greatly increased range, increased payload and passenger capacity, state of the art sensors and communications, the ability to loiter in a target area, and protection of personnel from complex dive profiles and exposure to long cold water transit.

#### B. Accomplishments/Planned Program

|                    | FY05   | FY06   | FY07   |  |
|--------------------|--------|--------|--------|--|
| ASDS Development   | 22.889 | 22.868 | 32.432 |  |
| Congressional Adds |        | 9.020  |        |  |

FY05 Developed improvements to ASDS #1 to correct acoustic, reliability (included unexpected tail section redesign) and maintainability deficiencies.

FY06 The following efforts will be accomplished:

- Requirements Review/Concept Studies: Commence concept studies for future ASDS employment Concept of Operations.
- Critical System Review: Begin End-To-End Assessment, ASDS Reliability Action Panel Analyses, Detailed Critical System Review.
- Reliability Improvement Plan: Hydraulic Redesign (including Accumulator, Reservoir), Environmental Control Unit, Periscope, Battery Cables, Non Operation Compartment Cable Waterproofing.
- Obsolescence: Integrated Control and Display, Carbon Dioxide Sensor, Platform wide Diminished Manufacturing Sources review and correction.
- Technology Insertion: Acoustics Improvements, Syntactic Foam, Shock Upgrades, Thruster Motor, Hydro Analysis/Improvements.

Congressional adds for High Speed Military Craft and High Speed Military Demo included here will be moved to the appropriate RDT&E Program Element/Project upon approval of DD 1415.

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FY07 Concept studies, critical system review and reliability improvements.

C. Other Program Funding Summary:

|      | <u>FY05</u> | <u>FY06</u> | <u>FY07</u> | <u>FY08</u> | <u>FY09</u> | <u>FY10</u> | <u>FY11</u> | <u>To<br/>Complete</u> | <u>Total<br/>Cost</u> |
|------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------------|-----------------------|
| ASDS | 5.213       | 20.719      | 12.629      | 10.621      | 5.770       | 5.962       | 6.171       |                        | 67.085                |

D. Acquisition Strategy

- ASDS is an Acquisition Category 1D. The Program is managed by the Navy Program Management Office. The Program Executive Officer for Naval Systems at USSOCOM provides oversight, and the Milestone Decision Authority is the Under Secretary of Defense for Acquisition, Technology and Logistics. One prototype has been built to date. The program has been restructured to focus on improving reliability of ASDS before pursuing Milestone C.

|  |                              |                                |                      |   |                       |                        |                       |  |  |                |                  |
|--|------------------------------|--------------------------------|----------------------|---|-----------------------|------------------------|-----------------------|--|--|----------------|------------------|
| Exhibit R-3 COST ANALYSIS  |                              |                                |                      |   | DATE: FEBRUARY 2006   |                        |                       |  |  |                |                  |
| APPROPRIATION / BUDGET ACTIVITY                                    |                              |                                |                      | Special Operations Tactical Systems Development/PE1160426BB |                       |                        |                       |  |  |                |                  |
| RDT&E DEFENSE-WIDE / 7   |                              |                                |                      | Advanced SEAL Delivery System Development/S0418             |                       |                        |                       |  |  |                |                  |
| Actual or Budget Value (\$ in millions)                            |                              |                                |                      |   |                       |                        |                       |  |  |                |                  |
| Cost Categories<br>(Tailor to WBS, or System/Item<br>Requirements) | Contract<br>Method<br>& Type | Performing Activity & Location | Total<br>PYs<br>Cost | Budget<br>Cost<br>FY06                                      | Award<br>Date<br>FY06 | Budget<br>Cost<br>FY07 | Award<br>Date<br>FY07 |  |  | To<br>Complete | Total<br>Program |
| Primary Hardware Dev   |                              |                                |                      |   |                       |                        |                       |  |  |                |                  |
| ASDS   | CPIF/C                       | Northrop-Grumman               | 310.026              |   |                       |                        |                       |  |  | Cont.          | Cont.            |
| ASDS   | CPFF                         | Newport News Ship Yard, VA     | 8.605                |   |                       |                        |                       |  |  | Cont.          | Cont.            |
| ASDS P3I and Host Support  | Various                      | Various                        | 37.280               |   |                       |                        |                       |  |  | Cont.          | Cont.            |
| ASDS Reliability Improvements                                      | CPFF/CPIF/CPAF               |                                |                      | 22.868  | Various               | 32.452                 | Various               |  |  | Cont.          | Cont.            |
| Subtotal Product Dev   |                              |                                | 355.911              | 22.868  |                       | 32.452                 |                       |  |  | Cont.          | Cont.            |
| Remarks  |                              |                                |                      |   |                       |                        |                       |  |  |                |                  |
|  |                              |                                |                      |   |                       |                        |                       |  |  |                |                  |
| Technical Data   |                              |                                |                      |   |                       |                        |                       |  |  |                |                  |
| ASDS   | Various                      | Northrop-Grumman               | 10.894               |   |                       |                        |                       |  |  |                | 10.894           |
| Subtotal Supt.   |                              |                                | 10.894               |   |                       |                        |                       |  |  |                | 10.894           |
| Remarks  |                              |                                |                      |   |                       |                        |                       |  |  |                |                  |
|  |                              |                                |                      |   |                       |                        |                       |  |  |                |                  |
| Test & Evaluation  |                              |                                |                      |   |                       |                        |                       |  |  |                |                  |
| OT&E (ASDS)  | Various                      | OPTEVFOR, Norfolk, VA          | 6.285                |   |                       |                        |                       |  |  |                | 6.285            |
| Host Testing (ASDS)  | Various                      | NAVSEA, Washington Navy Yard   | 20.615               |   |                       |                        |                       |  |  |                | 20.615           |
| LFT&E (ASDS)   | Various                      | NAVSEA, Washington Navy Yard   | 2.995                |   |                       |                        |                       |  |  |                | 2.995            |
| Subtotal T&E   |                              |                                | 29.895               |   |                       |                        |                       |  |  |                | 29.895           |
| Remarks  |                              |                                |                      |   |                       |                        |                       |  |  |                |                  |
|  |                              |                                |                      |   |                       |                        |                       |  |  |                |                  |
| Management   |                              |                                |                      |   |                       |                        |                       |  |  |                |                  |
| Various (ASDS)   | Various                      | Various                        | 14.085               |   |                       |                        |                       |  |  |                | 14.085           |
| High Speed Military Craft  |                              |                                |                      | 1.479   |                       |                        |                       |  |  |                | 1.479            |
| High Speed Military Demonstration                                  |                              |                                |                      | 7.541   |                       |                        |                       |  |  |                | 7.541            |
| Subtotal Management  |                              |                                | 14.085               | 9.020   |                       |                        |                       |  |  |                | 23.105           |
| Remarks:   |                              |                                |                      |   |                       |                        |                       |  |  |                |                  |
|  |                              |                                |                      |   |                       |                        |                       |  |  |                |                  |
| Total Cost   |                              |                                | 410.785              | 31.888  |                       | 32.452                 |                       |  |  | Cont.          | Cont.            |
| Remarks:   |                              |                                |                      |   |                       |                        |                       |  |  |                |                  |
|  |                              |                                |                      |   |                       |                        |                       |  |  |                |                  |

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| Exhibit R-4, Schedule Profile | Date: FEBRUARY 2006 |
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|                               |                     |
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| Appropriation/Budget Activity<br>RDT&E/7 | Program Element Number and Name<br>PE1160426BB/Special Operations Advanced SEAL Delivery System Development | Project Number and Name<br>Project S0418/Advanced SEAL Delivery System Development |
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\* Reliability Builds 1-4 incorporate system improvements output from the Critical Sytem Reviews. The reviews will address obsolescence and technical insertions.

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