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CLASSIFICATION:

EXHIBIT R-2, RDT&E Budget Item Justification						DATE: FEBRUARY 2006		
APPROPRIATION/BUDGET ACTIVITY RESEARCH DEVELOPMENT TEST & EVALUATION, NA'Engineering & Manufacturing				R-1 ITEM NOMENCLATURE 0604910N Navy IT DEV / MOD				
COST (\$ in Millions)		FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Total PE0604910N Cost		0.660	0.705	0.000	0.000	0.000	0.000	0.000
2902 Smart Card Program		0.660	0.705	0.000	0.000	0.000	0.000	0.000
Quantity of RDT&E Articles	Not Applicable							

(U) A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:

The Department of the Navy e-Business Operations Office is chartered to provide leading edge enabling technologies to Sailors and Marines through the use of a single multi-functional Smart Card, now referred to as the Common Access Card (CAC). Investigation of new technologies will be accomplished through interface proofs of concept demonstrating new Smart Card related technologies associated with the wireless industry, other industry standard operating systems, and biometric technology. Pilot demonstrations will also be conducted to identify and provide seed money for the development of software applications supporting functional requirements across the DoN. The goal of these projects will be to apply Smart Card Technology to streamlined processes enhancing cost effectiveness and improving operational readiness and quality of life.

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APPROPRIATION/BUDGET ACTIVITY RDT&E, N / BA-5				PROJECT NUMBER AND NAME 2902 Smart Card Program				
COST (\$ in Millions)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Project Cost	0.000	0.660	0.705	0.000	0.000	0.000	0.000	0.000
RDT&E Articles Qty	Not Applicable							
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B. Accomplishments/Planned Program																			
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<p>For FY05, pilot candidate submission and evaluation is not completed, but CAC pilot funding could be used in 3 principal areas: 1) To support the Contractor Verification System (CVS)--Phase 2, which automates the DD Form 1172 process to better control and validate the issuance of CACs to contractor personnel. 2) To support DON efforts to implement the CAC and Biometrics Roadmap document (DMDC, April 2004). 3) Take next steps beyond our previous CAC access control pilots to prototype solutions to piggybacking and personnel accountability issues, in support of the contactless module expected to be added to the next-generation CAC.</p>																			
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<p>FY 06 funding will be used to initiate 2-3 pilot projects to add functionality and utility to the CAC to enhance cost effectiveness and improve operational readiness and quality of life.</p>																			

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<p>E. ACQUISITION STRATEGY:</p> <p>The milestone for all years is the completion of proof of concept initiatives for the benefit of the Department of Navy. In each of the fiscal years approximately 2-3 projects will be executed.</p>																														