RDT&E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)	DATE FBRRUARY 2008
APPROPRIATION / BUDGET ACTIVITY RDT&E, DEFENSE-WIDE / 7	R-1 ITEM NOMENCLATURE / PROJECT NO. PE 1160426BB Special Operations Advanced SEAL Delivery System Development/S0418

COST (Dollars in Millions)	FY07	FY08	FY09	FY10	FY11	FY12	FY13	Cost to Complete	Total Cost
PE1160426BB	31.616	19.772	7.090	1.488	1.487				84.118
S0418, Advanced SEAL Delivery System Dev	31.616	19.772	7.090	1.488	1.487				84.118

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). Specifically, this program element provides for the ASDS-1 Improvement Program with the goal of improving the performance to the required level and insertion of technologies to avoid obsolescence. The Improvement Program consists of integration, testing and installation of reliability improvements resulting from a series of critical system reviews. The improved performance of ASDS-1 will permit small, highly trained forces to conduct required operations to operate in denied areas controlled by a sophisticated threat that mandates SOF systems remain technologically superior to threat forces to ensure mission success.

B. Program Change Summary:

	FY07	FY08	FY09
Previous President Budget	31.616	20.292	7.100
Current President's Budget	31.616	19.772	7.090
Total Adjustments	0.000	-0.520	-0.010
Congressional Program Reductions		-0.129	
Congressional Increases			
Reprogrammings			
Other Program Adjustments			-0.010
SBIR Transfer		-0.391	

Funding:

FY07: No change.

FY08: Congressional reductions include Section 8097 (-\$0.033 million) and Section 8104 (-\$0.096 million). Other program adjustments include transfer to Small Business Innovative Research account (-\$0.387).

FY09: Decrease of (-\$0.10 million) is due to economic inflation adjustments.

Schedule: Updates Critical Systems Review (CSR) Phase II initiation to 1^{st} Qtr FY08 vs 4^{th} FY07 and extends CSR completion to 1^{st} Qtr FY09 vs 2^{nd} Qtr FY08.

Technical: None.

	Exhibit R-2a, RDT&E Project Justification	Date: FEBRUARY 2008
Appropriation/Budget Activity RDT&E BA # 7		Advanced SEAL Delivery System Development(ASDS)/Project S0418

Cost ($ in millions)	FY07	FY08	FY09	FY10	FY11	FY12	FY13
ASDS Development	31.616	19.772	7.090	1.488	1.487		
RDT&E Articles Quantity							

A. Mission Description and Budget Item Justification: This project 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). Specifically, this project provides for the ASDS-1 Improvement Program with the goal of improving the performance to the required level and insertion of technologies to avoid obsolescence. The Improvement Program consists of integration, testing and installation of reliability improvements resulting from a series of critical system reviews. The improved performance of ASDS-1 will permit small, highly trained forces to conduct required operations to operate in denied areas controlled by a sophisticated threat that mandates SOF systems remain technologically superior to threat forces to ensure mission success.

B. Accomplishments/Planned Program

	FY07	FY08	FY09
ASDS Development	31.616	19.772	7.090

FY07 Conducted concept studies, critical system reviews, technical peer reviews, and an Analysis of Alternatives. Developed and integrated reliability improvements (Engineering Change Proposals, obsolescence, technical insertion, builds) based on reviews.
FY08 Continues Improvement Program.
FY09 Address emergent Reliability and Safety Issues.

C. Other Program Funding Summary:

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	To Complete	Total Cost
ASDS PROC	12.578	10.549	5.760	5.911	6.117				494.831

D. Acquisition Strategy:

- Under Secretary of Defense, Acquisition, Technology and Logistics Acquisition Decision Memorandum (ADM) dated 06 April 2006 canceled the ASDS program because it was not ready to proceed and directed the establishment of an ASDS-1 Improvement Program with the goal of improving ASDS-1 performance to the required level, inserting technologies to avoid obsolescence, and assessing alternate materiel solutions for fulfilling remaining operational requirements.
- ADM signed on 22 June 2007 approved conduct of an Alternate Materiel Solutions Analysis in accordance with the Office for Program Analysis and Evaluation guidance dated 10 April 2007.

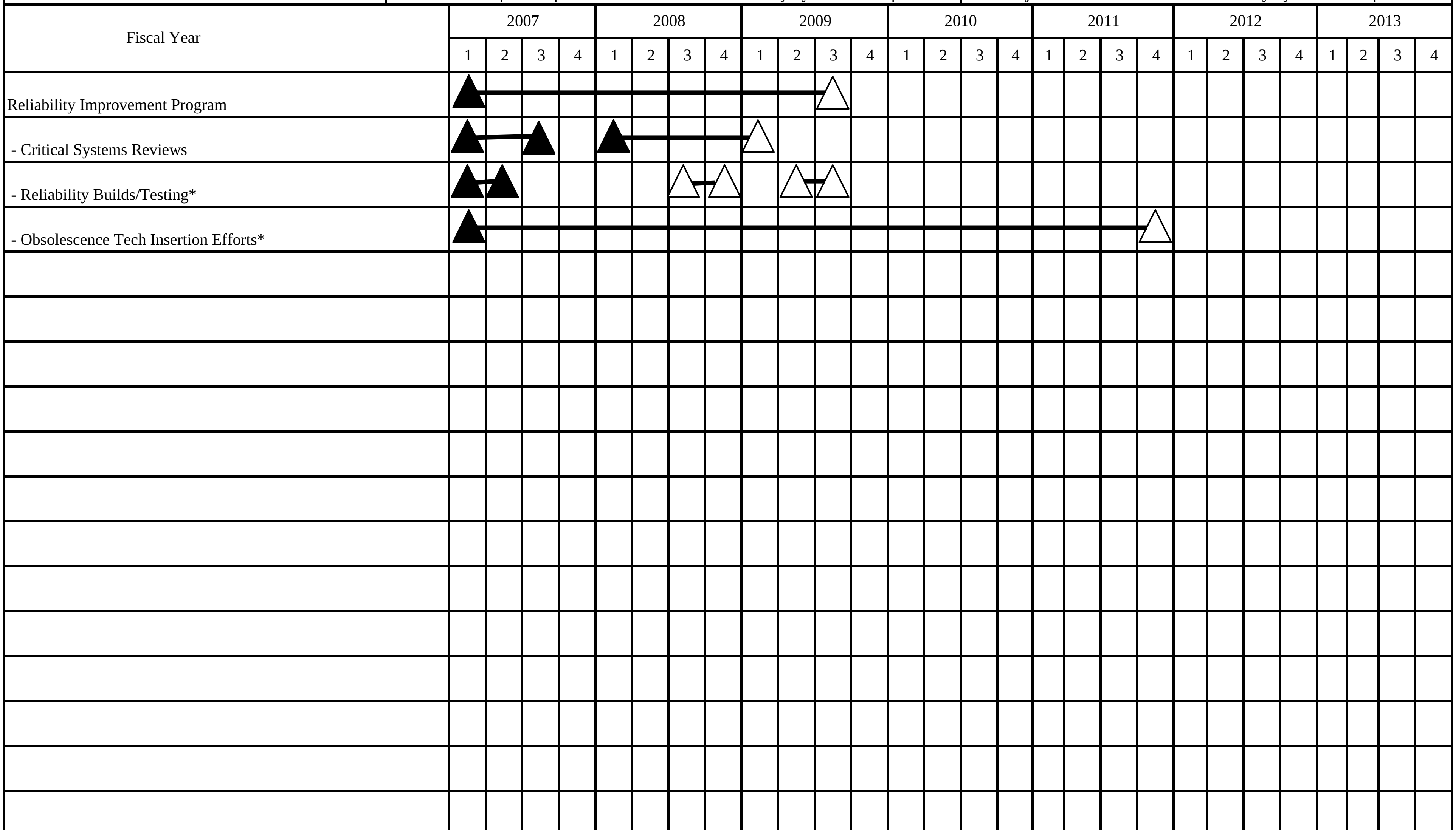
The ASDS Improvement Program is managed by Naval Sea Systems Command, PMS-399, SOF Undersea Mobility office. The Program Executive Officer Maritime at USSOCOM provides oversight. One system has been built to date. The program has been restructured to focus on improving the reliability of ASDS. In July 2007, after ASDS-1 had demonstrated the effectiveness of a number of significant reliability improvements, USSOCOM reissued its Fielding and Deployment Release.

Exhibit R-3 RDT&E Project Cost Analysis			DATE: FEBRUARY 2008
APPROPRIATION / BUDGET ACTIVITY RDT&E DEFENSE-WIDE / 7			Special Operations Tactical Systems Development/PE1160426BB Advanced SEAL Delivery System Development/S0418

Actual or Budget Value ($ in millions)

Cost Categories (Tailor to WBS, or System/Item Requirements)	Contract Method & Type	Performing Activity & Location	Total PYs Cost	Budget Cost FY07	Award Date FY07	Budget Cost FY08	Award Date FY08	Budget Cost FY09	Award Date FY09	To Complete	Total Program
Primary Hardware Dev											
ASDS	CPIF/C	Northrop-Grumman	310.026								310.026
ASDS	CPFF	Newport News Ship Yard, VA	8.605								8.605
ASDS P3I and Host Support	Various	Various	37.280								37.280
ASDS Reliability Improvements	CPFF/CPIF/CPAF	Various	22.110	31.616	Various	19.772	Various	7.090	Various		80.588
Subtotal Product Dev			378.021	31.616		19.772		7.090			436.499
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
Subtotal Management			14.085	0.000							14.085
Remarks:											
Total Cost			432.895	31.616		19.772		7.090		0.000	491.373
Remarks:											

Exhibit R-4, RDT&E Program Schedule Profile		Date: FEBRUARY 2008
Appropriation/Budget Activity RDT&E/7	Program Element Number and Name PE1160426BB/Special Operations Advanced SEAL Delivery System Development	Project Number and Name Project S0418/Advanced SEAL Delivery System Development



* Reliability Builds install reliability improvements resulting from the Critical Sytem Reviews. The reviews will address obsolescence and technical insertions.

Exhibit R-4a, RDT&E Program Schedule Detail					Date: FEBRUARY 2008			
Appropriation/Budget Activity RDT&E/7	Program Element Number and Name PE1160426BB/Special Operations Advanced Sea, Air, Land (SEAL) Delivery System Development				Project Number and Name Project S0418/Advanced SEAL Delivery System			
Schedule Profile		FY2007	2008	2009	2010	2011	2012	2013
Advanced SEAL Delivery System								
Reliability Improvement Program		1-4Q	1-4Q	1-3Q				
- Critical Systems Reviews		1-3Q	1-4Q	1Q				
- Reliability Builds/Testing (1-4)		1-2Q	3-4Q	2-3Q				
Obsolescence Tech Insertion Efforts		1-4Q	1-4Q	1-4Q	1-4Q	1-4Q		