EXHIBIT R-2, RDT&E Budget Item Justification						DATE: February 2008	
APPROPRIATION/BUDGET ACTIVITY REASEARCH DEVELOPMENT TEST & EVALUATION, NAVY / BA-4					R-1 ITEM NOMENCLATURE 0603739N, NAVY LOGISTIC PRODUCTIVITY		
COST ($ in Millions)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Total PE Cost	24.961	19.401	2.846	2.962	3.090	3.151	3.213
2920 Ordnance Management	3.567	.927					
2955 JEDMICS	2.558	2.476	2.846	2.962	3.090	3.151	3.213
9999 CONGRESSIONAL ADDS	18.836	15.998					

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

Ordnance Management 2920 Covers the conversion of Naval Operational Logistics Support Center (NOLSC) systems to the Ordnance Information Systems (OIS).

JEDMICS 2955 In FY85 Congress directed the Services and Defense Logistics Agency to permanently capture, manage and control engineering data in digital format so it would be available to support competitive spares re-procurement. The Joint Engineering Data Management Information & Control System (JEDMICS) program manages and controls 106,000,000 engineering images and has 25,000 authorized users responsible for over 70,000 user sessions per month. Over 2.5 million digital images are retrieved each month. New data and new users are added each month as DoD re-engineers its business processes to take advantage of digital data that is managed and controlled for corporate reuse. The JEDMICS system is deployed at 19 interoperable sites that service 600 locations worldwide. Data stored in JEDMICS is used for Logistics Support, Spares re-procurement, Weapons Systems procurement, Engineering, Maintenance, Distribution, Manufacturing, Air National Guard and Deployed Engineering Technical Services organizations. JEDMICS facilitates work process re-design since its brings the electronic drawings to the desktop, shop floor or flight line in real time eliminating walk, wait and slack time to retrieve drawings. Additionally, Administrative Lead Time, Repair Turn Around Time, ECP processing time, demilitarization time, and all cycle times dependent on engineering data have decreased with the real time availability of digital engineering data. JEDMICS also facilitates Electronic Commerce since it produces digital technical data packages that can be forwarded along with an electronic order. Funds are for Commercial Off The Shelf (COTS) test, evaluation and integration. JEDMICS development efforts are required to integrate and test COTS upgrades.

Congressional Adds 9999

EXHIBIT R-2, RDT&E Budget Item Justification	DATE: February 2008
APPROPRIATION/BUDGET ACTIVITY REASEARCH DEVELOPMENT TEST & EVALUATION, NAVY / BA-4	R-1 ITEM NOMENCLATURE 0603739N, NAVY LOGISTIC PRODUCTIVITY

B. PROGRAM CHANGE SUMMARY

Funding:	FY 2007	FY 2008	FY 2009
Previous President's Budget:	24.612	3.547	2.846
Current BES:	24.961	19.401	2.846
Total Adjustments	0.349	15.854	0.000
Summary of Adjustments			
Congressional Reductions			
Congressional Rescissions			
Congressional Undistributed Reductions	-0.537	-0.125	
Congressional Increases	1.882	16.100	
Economic Assumptions	0.004		
Miscellaneous Adjustments	-1.000	-0.121	
Subtotal	0.349	15.854	0.000

Schedule: Not Applicable

Technical: Not Applicable

EXHIBIT R-2a, RDT&E Project Justification			DATE: February 2008					
APPROPRIATION/BUDGET ACTIVITY **RDT&E, N / BA-4**	PROGRAM ELEMENT NUMBER AND NAM 0603739N Navy Logistic Productivity		PROJECT NUMBER AND NAME 2920 Ordnance Management					
COST ($ in Millions)		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Project Cost		3.567	.927					
RDT&E Articles Qty								

A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:

Naval Operational Logistics Support Center (NOLSC) systems conversion to the Ordnance Information Systems (OIS): The OIS is an umbrella concept that integrates approximately 12 different functions that are currently produced by "stove-pipe" systems. OIS is an integrated suite of tools that uses the latest available information technology and best commercial practices to provide timely, relevant and accurate ordnance information and global ordnance visibility. It integrates wholesale, retail, and unique ordnance decision support systems to facilitate global ordnance positioning and information sharing across the DoN ordnance community to maximize warfighter support. Without a robust ordnance information system, the Navy and Marine Corps Aviation's ability to prevail in combat is jeopardized. This degradation will increase exponentially in the joint environment and the RDT&E initiatives listed herein are designed to ensure maximum Information Technology (IT) capability.

CLASSIFICATION:

EXHIBIT R-2a, RDT&E Project Justification			DATE: February 2008
APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT NUMBER AND NAME	PROJECT NUMBER AND NAME	
RDT&E, N / BA-4	0603739N Navy Logistic Productivity	2920 Ordnance Management	

B. Accomplishments/Planned Program

Software Development and Training	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	3.567	.927	
RDT&E Articles Quantity			

NOLSC software development, training development, and configuration management for the following systems: PHS&T, Production / Industrial Base Support and Weapons Allocation Capability.

EXHIBIT R-2a, RDT&E Project Justification			DATE: February 2008
APPROPRIATION/BUDGET ACTIVITY RDT&E,N / BA-4	PROGRAM ELEMENT NUMBER AND NAME 0603739N, NAVY LOGISTIC PRODUCTIVITY	PROJECT NUMBER AND NAME 2955, JEDMICS	

COST ($ in Millions)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	
2955 JEDMICS	2.558	2.476	2.846	2.962	3.090	3.151	3.213	
RDT&E Articles Qty								

A. MISSION DESCRIPTION AND BUDGET ITEM

JUSTIFICATION: In FY85 Congress directed the Services and Defense Logistics Agency to permanently capture, manage and control engineering data in digital format so it would be available to support competitive spares re-procurement. The Joint Engineering Data Management Information & Control System (JEDMICS) program manages and controls 106,000,000 engineering images and has 25,000 authorized users responsible for over 70,000 user sessions per month. Over 2.5 million digital images are retrieved each month. New data and new users are added each month as DoD re-engineers its business processes to take advantage of digital data that is managed and controlled for corporate reuse. The JEDMICS system is deployed at 19 interoperable sites that service 600 locations worldwide. Data stored in JEDMICS is used for Logistics Support, Spares re-procurement, Weapons Systems procurement, Engineering, Maintenance, Distribution, Manufacturing, Air National Guard and Deployed Engineering Technical Services organizations. JEDMICS facilitates work process re-design since its brings the electronic drawings to the desktop, shop floor or flight line in real time eliminating walk, wait and slack time to retrieve drawings. Additionally, Administrative Lead Time, Repair Turn Around Time, ECP processing time, demilitarization time, and all cycle times dependent on engineering data have decreased with the real time availability of digital engineering data. JEDMICS also facilitates Electronic Commerce since it produces digital technical data packages that can be forwarded along with an electronic order. Funds are for Commercial Off The Shelf (COTS) test, evaluation and integration. JEDMICS development efforts are required to integrate and test COTS upgrades.

B. ACCOMPLISHMENTS / PLANNED PROGRAM:

JEDMICS Development	FY 2007	FY 2008	FY 2009
Accomplishments / Effort / Sub-total Cost	2.280	2.273	2.641
RDT&E Articles Qty			

Conduct development efforts associated with COTS obsolescence of the fully deployed COTS intensive JEDMICS system. Conduct COTS requirements definition, evaluation, integration and testing of annual baseline releases. Conduct technology insertion of the JEDMICS system that is required to protect the $21B digital data asset managed in JEDMICS.

JEDMICS Test	FY 2007	FY 2008	FY 2009
Accomplishments / Effort / Sub-total Cost	.045	.045	.045
RDT&E Articles Qty			

Conduct test and readiness reviews and functional performance tests on JEDMICS system.

JEDMICS Evaluation & Review	FY 2007	FY 2008	FY 2009
Accomplishments / Effort / Sub-total Cost	.233	.158	.160
RDT&E Articles Qty			

Conduct technical evaluations and configuration control reviews of JEDMICS system.

EXHIBIT R-2a, RDT&E Project Justification		DATE: February 2008
APPROPRIATION/BUDGET ACTIVITY RDT&E,N / BA-4	PROGRAM ELEMENT NUMBER AND NAME 0603739N, NAVY LOGISTIC PRODUCTIVITY	PROJECT NUMBER AND NAME 2955, JEDMICS

C. OTHER PROGRAM FUNDING SUMMARY: FY 2007 FY 2008 FY 2009 FY 2010 FY 2011 FY 2012 FY 2013 To Complete Total Cost
Not Applicable

D. ACQUISITION STRATEGY: Execution of sole-source negotiated requirements type contract for engineering, design, development and test efforts, Performance-based reviews conducted quarterly by the Project Management Office.

Exhibit R-3 Cost Analysis (page 1)									DATE: February 2008			
APPROPRIATION/BUDGET ACTIVITY RDT&E,N / BA-4		PROGRAM ELEMENT 0603739N, NAVY LOGISTIC PRODUCTIVITY				PROJECT NUMBER AND NAME 2955, JEDMICS						
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 2007 Cost	FY 2007 Award Date	FY 2008 Cost	FY 2008 Award Date	FY 2009 Cost	FY 2009 Award Date	Cost to Complete	Total Cost	Target Value of Contract
PRODUCT DEVELOPMENT												
SUBTOTAL PRODUCT DEVELOPMENT												
SUPPORT												
Software Development	VARIOUS	VARIOUS	10.469								10.469	
Software Development	SS-ID/REQ*	NORTHROP GRUMMAN INFORMATION TECHNOLOGY, MC LEAN, VA	2.602	2.280	Nov 2006	2.273	Nov 2007	2.641	Nov 2008	17.772	27.568	27.568
SUBTOTAL SUPPORT			13.071	2.280		2.273		2.641		17.772	38.037	

Remarks: Funds are for development efforts associated with Commercial Off The Shelf (COTS) obsolescence on the fully deployed COTS Intensive Joint Engineering Data Management Infomation & Control System (JEDMICS). Funds are for COTS evaulation, integration, and test and evaluation. The common baseline will be regained and obsolete COTS software and hardware will be replaced. Baseline releases will protect joint interoperability, upgrade operating systems for security patches and supportable versions, support integration to replace obsolete COTS, and upgrade the Oracle database to supportable versions.

* Sole Source Indefinate Delivery/Requirements Contract

TEST & EVALUATION												
Dev Test & Eval	VARIOUS	TBD	2.235	.045	Oct 2006	.045	Oct 2007	.045	Oct 2008	.180	2.550	
Dev Test & Eval	C-FFP	LOCKHEED MARTIN CORP, OWEGO, NY	.004								.004	.004
SUBTOTAL TEST & EVALUATION			2.239	.045		.045		.045		.180	2.554	

Remarks: Supports testing and evaluation of baseline releases in a user environment.

MANAGEMENT												
Government Eng Sup	VARIOUS	VARIOUS	.860	.184	Oct 2006	.108	Oct 2007	.109	Oct 2008	.661	1.922	
Program Mgmt Sup	WX	VARIOUS	.149	.005	Oct 2006	.005	Oct 2007	.005	Oct 2008	.036	.200	
Travel	VARIOUS	TBD	.153	.044	VARIOUS	.045	VARIOUS	.046	VARIOUS	.194	.482	
SUBTOTAL MANAGEMENT			1.162	.233		.158		.160		.891	2.604	

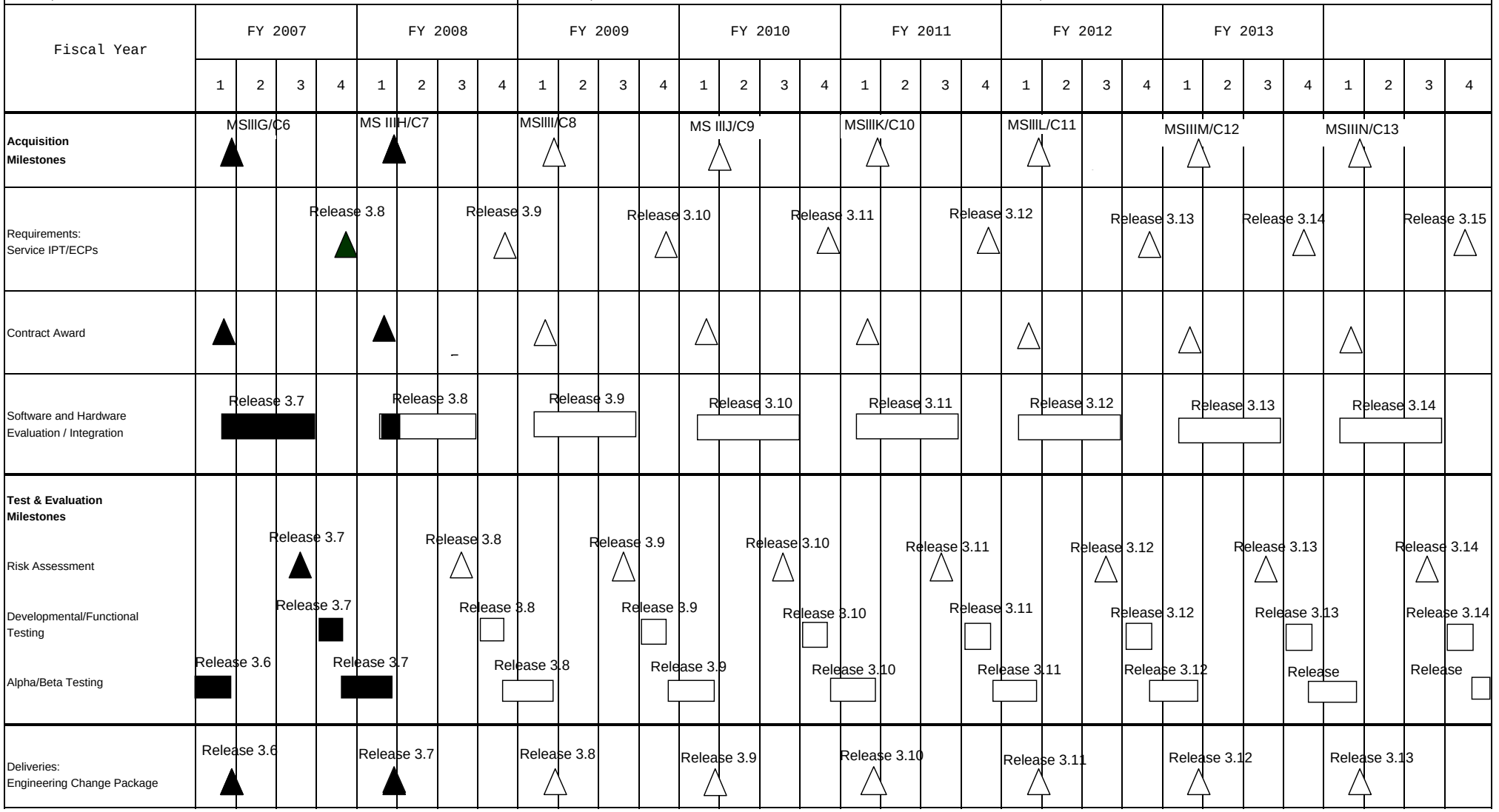
Remarks: Supports requirements management at the Prime Contractor location and program related travel by government employees.

Total Cost			16.472	2.558		2.476		2.846		18.843	43.195	

CLASSIFICATION:

EXHIBIT R4, Schedule Profile | DATE: February 2008

APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT NUMBER AND NAME	PROJECT NUMBER AND NAME
RDT&E,N / BA-4	0603739N, NAVY LOGISTIC PRODUCTIVITY	2955, JEDMICS



CLASSIFICATION:

Exhibit R-4a, Schedule Detail					DATE: February 2008			
APPROPRIATION/BUDGET ACTIVITY RDT&E,N / BA-4	PROGRAM ELEMENT 0603739N, NAVY LOGISTIC PRODUCTIVITY				PROJECT NUMBER AND NAME 2955, JEDMICS			
Schedule Profile	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	
Alpha/Beta Testing Release 3.6	1Q							
Engineering Change Package Release 3.6	1Q							
Milestone IIIG or C6 (MSIIIG/C6) Release 3.6	1Q							
Contract Award	1Q							
Software Hardware Evaluation/Integration Release 3.7	1Q-3Q							
Risk Assessment Release 3.7	3Q							
Developmental/Functional Testing Release 3.7	4Q							
Service IPT/ECPs Release 3.8	4Q							
Alpha/Beta Testing Release 3.7	4Q	1Q						
Engineering Change Package Release 3.7		1Q						
Milestone IIIH or C7 (MSIIIH/C7) Release 3.7		1Q						
Contract Award		1Q						
Software Hardware Evaluation/Integration Release 3.8		1Q-3Q						
Risk Assessment Release 3.8		3Q						
Developmental/Functional Testing Release 3.8		4Q						
Service IPT/ECPs Release 3.9		4Q						
Alpha/Beta Testing Release 3.8		4Q	1Q					
Engineering Change Package Release 3.8			1Q					
Milestone IIII or C8 (MSIIII/C8) Release 3.8			1Q					
Contract Award			1Q					
Software Hardware Evaluation/Integration Release 3.9			1Q-3Q					
Risk Assessment Release 3.9			3Q					
Developmental/Functional Testing Release 3.9			4Q					
Service IPT/ECPs Release 3.10			4Q					
Alpha/Beta Testing Release 3.9			4Q	1Q				
Engineering Change Package Release 3.9				1Q				
Milestone IIIJ or C9 (MSIIIJ/C9) Release 3.9				1Q				
Contract Award				1Q				
Software Hardware Evaluation/Integration Release 3.10				1Q-3Q				
Risk Assessment Release 3.10				3Q				
Developmental/Functional Testing Release 3.10				4Q				
Service IPT/ECPs Release 3.11				4Q				
Alpha/Beta Testing Release 3.10				4Q	1Q			
Engineering Change Package Release 3.10					1Q			

CLASSIFICATION:

Exhibit R-4a, Schedule Detail						DATE: February 2008		
APPROPRIATION/BUDGET ACTIVITY RDT&E,N / BA-4	PROGRAM ELEMENT 0603739N, NAVY LOGISTIC PRODUCTIVITY				PROJECT NUMBER AND NAME 2955, JEDMICS			
Schedule Profile	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	
Milestone IIIK or C10 (MSIIIK/C10) Release 3.10					1Q			
Contract Award					1Q			
Software Hardware Evaluation/Integration Release 3.11					1Q-3Q			
Risk Assessment Release 3.11					3Q			
Developmental/Functional Testing Release 3.11					4Q			
Service IPT/ECPs Release 3.12					4Q			
Alpha/Beta Testing Release 3.11					4Q	1Q		
Engineering Change Package Release 3.11						1Q		
Milestone IIIL or C11 (MSIIIL/C11) Release 3.11						1Q		
Contract Award						1Q		
Software Hardware Evaluation/Integration Release 3.12						1Q-3Q		
Risk Assessment Release 3.12						3Q		
Developmental/Functional Testing Release 3.12						4Q		
Service IPT/ECPs Release 3.13						4Q		
Alpha/Beta Testing Release 3.12						4Q	1Q	
Engineering Change Package Release 3.12							1Q	
Milestone IIIM or C12 (MSIIIM/C12) Release 3.12							1Q	
Contract Award							1Q	
Software Hardware Evaluation/Integration Release 3.13							1Q-3Q	
Risk Assessment Release 3.13							3Q	
Developmental/Functional Testing Release 3.13							4Q	
Service IPT/ECPs Release 3.14							4Q	
Alpha/Beta Testing Release 3.13							4Q	

EXHIBIT R-2a, RDT&E Project Justification							DATE: February 2008
APPROPRIATION/BUDGET ACTIVITY RDT&E,N / BA-4	PROGRAM ELEMENT NUMBER AND NAME 0603739N, NAVY LOGISTIC PRODUCTIVITY		PROJECT NUMBER AND NAME 9999, CONGRESSIONAL ADDS				

COST ($ in Millions)		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
CONGRESSIONAL ADDS		18.836	15.998					
RDT&E Articles Qty								

A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: CONGRESSIONAL ADDS

B. ACCOMPLISHMENTS / PLANNED PROGRAM:

9405C Fiber Optic Technology		FY 2007	FY 2008	FY 2009
Accomplishments / Effort / Sub-total Cost		1.068		
RDT&E Articles Qty				

Fiber Optic Components for Military Applications - The purpose of this add is to develop fiber optic components for military aerospace applications and to obliviate future maintenance and logistics problems through fiber optics/photonics.

9541C Infrared Sensors		FY 2007	FY 2008	FY 2009
Accomplishments / Effort / Sub-total Cost		3.157		
RDT&E Articles Qty				

Multi-color infrared sensors - A continuation of the FY06 Service Life Extension of Avionics Legacy Equipment with Guaranteed System (SEALEGS) program.

9599C Fiber Optic Technology		FY 2007	FY 2008	FY 2009
Accomplishments / Effort / Sub-total Cost		1.749		
RDT&E Articles Qty				

Fiber Optic Interconnect Technology - The purpose of this add is to develop low cost, high quality fiber optic interconnect technology for military aerospace applications and to obviate future maintenance and logistics problems through fiber optics/photonics.

9A13N Information Sharing		FY 2007	FY 2008	FY 2009
Accomplishments / Effort / Sub-total Cost		3.787		
RDT&E Articles Qty				

Defense Integrated Technical Data Center - This program will create an infrastructure with a set of applications to facilitate the sharing of weapons system product information between the members of the engineering and logistics communities to improve shipboard maintenance processes and sustain shipboard readiness. This will be accomplished by creating access within a single tool to critical technical (manuals, data packages, drawings, equipment configuration data, etc.) and supply (asset availability) information required to support the afloat maintenance process.

EXHIBIT R-2a, RDT&E Project Justification							DATE: February 2008
APPROPRIATION/BUDGET ACTIVITY RDT&E,N / BA-4	PROGRAM ELEMENT NUMBER AND NAME 0603739N, NAVY LOGISTIC PRODUCTIVITY		PROJECT NUMBER AND NAME 9999, CONGRESSIONAL ADDS				
COST ($ in Millions)		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
CONGRESSIONAL ADDS		18.836	15.998					
RDT&E Articles Qty								

9A16N High Density Power Electronics		FY 2007	FY 2008	FY 2009
Accomplishments / Effort / Sub-total Cost		1.408		
RDT&E Articles Qty				

High Density Power Electronics- The purpose of this add is to omplete the development of a prototype sonobuoy transmit module for evaluation of high power electronics based on state-of-the-art semiconductor materials , evaluate the developmental prototype sonobuoy systems and determine options for integration into the current market stream and support development of a plan for integration into that path to market.

9A18N Logistics Innovation		FY 2007	FY 2008	FY 2009
Accomplishments / Effort / Sub-total Cost		.971		
RDT&E Articles Qty				

FY 2007 Navy Operational Logistics Innovation - Congress appropriated and authorized $1.0M for Navy Operational Logistics Innovation (NOLI) in FY 2007. The NOLI initiative will be a catalyst for identification, development, and implementation of technology based solutions that meet strategic Navy needs. The Navy must develop command and control logistics functionalities that fully utilize sensors, identification technology and distance support capability to turn raw logistics and maintenance significant data into actionable information for the operational commanders. This will allow the Navy to integrate previously stove-piped functions and data sources to achieve the operational agility and reduced force structure envisioned in DoD Transformation.

9A19N Lead Free Circuits		FY 2007	FY 2008	FY 2009
Accomplishments / Effort / Sub-total Cost		1.262		
RDT&E Articles Qty				

FY 2007 - Reliability Testing of Lead Free Circuits/Components - As a result of European Council legislation which will immediately cause most manufacturers to use lead-free platings or alternative components on their manufactured components, there is a need for reliability research and product testing as it relates to the impact of this change on military hardware and relevant applications. In response to this need, a Reliability Research and Testing Program is proposed to address the product reliability problems that the military will face. A cornerstone of the program will be the development of a reliability testing laboratory within the Purdue Technology Center of Northwest Indiana. The development of this program and laboratory will assist in determining the impact of new material components and new processors on legacy military equipment of critical national importance.

9A20N Track Equipment		FY 2007	FY 2008	FY 2009
Accomplishments / Effort / Sub-total Cost		3.496		
RDT&E Articles Qty				

FY 2007 - Unique Identification Of Tangible Items - The UID Policy is an OSD mandate that will, once implemented, provide a means to track items from cradle to grave and provide the means to track the requirement footprint, streamline vendor payment via the Supply Chain, and provide procurement accountability.

EXHIBIT R-2a, RDT&E Project Justification							DATE: February 2008
APPROPRIATION/BUDGET ACTIVITY RDT&E,N / BA-4	PROGRAM ELEMENT NUMBER AND NAME 0603739N, NAVY LOGISTIC PRODUCTIVITY		PROJECT NUMBER AND NAME 9999, CONGRESSIONAL ADDS				

COST ($ in Millions)		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
CONGRESSIONAL ADDS		18.836	15.998					
RDT&E Articles Qty								

9B17N Advanced Lithography - Thin Film Masks		FY 2007	FY 2008	FY 2009
Accomplishments / Effort / Sub-total Cost		1.938		
RDT&E Articles Qty				

Advanced Lithography- The purpose of these funds is for the development of X-ray Lithography (XRL) / Collimated Plasma Lithography (CPL) mask materials/technology. Research was aimed at the 80nm node to improve upon the 90nm requirement. Improve the elements of the CPL System to match the 80nm requirements through Stepper stage modifications for increased resolution, and Point Source target chamber / BriteLight Laser package upgrades.

9999 Congressional Adds		FY 2007	FY 2008	FY 2009
Accomplishments / Effort / Sub-total Cost			15.998	
RDT&E Articles Qty				

Defense Integrated Technical Data Center - This program will create an infrastructure with a set of applications to facilitate the sharing of weapons system product information between the members of the engineering and logistics communities to improve shipboard maintenance processes and sustain shipboard readiness. This will be accomplished by creating access within a single tool to critical technical (manuals, data packages, drawings, equipment configuration data, etc.) and supply (asset availability) information required to support the afloat maintenance process.
National Item Identificiation Number - Purpose of this add is unknown
Unique Identification of Tangible Items - The UID Policy is an OSD mandate that will, once implemented, provide a means to track items from cradle to grave and provide the means to track the requirement footprint, streamline vendor payment via the Supply Chain, and provide procurement accountability.
Highly Integrated Optical Interconnect - Develop optical interconnects integrated into printed circuit boards typically used by the electronics industry. If successful, technology transition is targeted at replacing high density optical backplanes.
Multi-color infrared sensors - A continuation of the FY06 Service Life Extension of Avionics Legacy Equipment with Guaranteed System (SEALEGS) program.