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Exhibit R-2, RDT&E Budget Item Justification: PB 2013 United States Special Operations Command	DATE: February 2012
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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)	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total	FY 2014	FY 2015	FY 2016	FY 2017	Cost To Complete	Total Cost
Total Program Element	18.953	14.475	8.573	-	8.573	5.917	-	-	-	0.000	47.918
S1684: <i>SOF Surface Craft Advanced Systems</i>	18.953	14.475	8.573	-	8.573	5.917	-	-	-	0.000	47.918

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 2011</u>	<u>FY 2012</u>	<u>FY 2013 Base</u>	<u>FY 2013 OCO</u>	<u>FY 2013 Total</u>
Previous President's Budget	2.933	14.475	2.165	-	2.165
Current President's Budget	18.953	14.475	8.573	-	8.573
Total Adjustments	16.020	-	6.408	-	6.408
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	0.490	-			
• SBIR/STTR Transfer	-0.470	-			
• Other Adjustment	16.000	-	6.408	-	6.408

Change Summary Explanation

Funding:

FY 2011: Net increase of \$16.020 million is due to a Congressional Add for the Combatant Craft Medium (CCM) (\$16.000 million), an economic assumption reduction (-\$0.490 million) and a transfer of funds to Small Business Innovative Research (-\$0.470 million).

FY 2012: None.

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APPROPRIATION/BUDGET ACTIVITY 0400: Research, Development, Test & Evaluation, Defense-Wide BA 7: Operational Systems Development	R-1 ITEM NOMENCLATURE PE 1160484BB: SOF Surface Craft	
<p>FY 2013: Increase of \$6.408 million supports engineering, manufacturing, development and test of the Combatant Craft Medium (CCM) (\$6.305 million) and an economic assumption increase (\$0.103 million).</p> <p>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 (GAO) October 2011 resulting in schedule delay.</p> <p>Technical: None.</p>		

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Exhibit R-2A, RDT&E Project Justification: PB 2013 United States Special Operations Command									DATE: February 2012		
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)	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total	FY 2014	FY 2015	FY 2016	FY 2017	Cost To Complete	Total Cost
S1684: SOF Surface Craft Advanced Systems	18.953	14.475	8.573	-	8.573	5.917	-	-	-	0.000	47.918
Quantity of RDT&E Articles											

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.

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

	FY 2011	FY 2012	FY 2013
Title: Combatant Craft Medium	18.953	13.620	8.573
FY 2011 Accomplishments: Completed source selection, awarded contracts, and initiated development of components and test articles (advanced prototypes).			
FY 2012 Plans: Build and test components and test articles.			
FY 2013 Plans:			

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B. Accomplishments/Planned Programs (\$ in Millions)				FY 2011	FY 2012	FY 2013
Completes build and contractor testing; delivers and conducts operational testing of test articles.						
Title: Combatant Craft Heavy				-	0.855	-
FY 2012 Plans: Conduct risk reduction activities, develop documentation for a replacement combatant craft and refine requirements.						
Accomplishments/Planned Programs Subtotals				18.953	14.475	8.573

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

<u>Line Item</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u> <u>Base</u>	<u>FY 2013</u> <u>OCO</u>	<u>FY 2013</u> <u>Total</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Cost To</u> <u>Complete</u>	<u>Total Cost</u>
• PROC1: <i>SOF COMBATANT CRAFT SYSTEMS</i>	8.260	70.899	42.348		42.348	43.860	50.085	23.097	23.170	87.852	349.571

D. Acquisition Strategy

- Combatant Craft Medium acquisition strategy is a competition using a two-phase source selection process. Phase I involves a Small Business Set-Aside competition for two or more companies to design, build and deliver test articles. Phase II selects 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/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.

E. Performance Metrics
N/A

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2013 United States Special Operations Command											DATE: February 2012			
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0400: Research, Development, Test & Evaluation, Defense-Wide BA 7: Operational Systems Development				PE 1160484BB: SOF Surface Craft				S1684: SOF Surface Craft Advanced Systems						
Product Development (\$ in Millions)				FY 2012		FY 2013 Base		FY 2013 OCO		FY 2013 Total				
Cost Category Item	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	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:Gulfprort, MS / Clackamas, OR	15.917	12.061	Sep 2012	3.833	Jul 2013	-		3.833	2.500	34.311		
Prior Year Funding	C/Various	Various:Various	19.514	-		-		-		-	0.000	19.514		
Subtotal			35.431	12.061		3.833		-		3.833	2.500	53.825		
Test and Evaluation (\$ in Millions)				FY 2012		FY 2013 Base		FY 2013 OCO		FY 2013 Total				
Cost Category Item	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	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	0.244	0.244	Aug 2012	3.340	Aug 2013	-		3.340	2.113	5.941		
Combatant Craft Heavy	WR	TBD:TBD	-	0.180	Jun 2012	-		-		-	0.000	0.180		
Prior Year Funding	C/Various	Various:Various	1.273	-		-		-		-	0.000	1.273		
Subtotal			1.517	0.424		3.340		-		3.340	2.113	7.394		
Management Services (\$ in Millions)				FY 2012		FY 2013 Base		FY 2013 OCO		FY 2013 Total				
Cost Category Item	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	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	3.378	0.220	Mar 2012	0.230	Mar 2013	-		0.230	0.230	4.058		
Combatant Craft Medium	C/Various	NSWC:Crane, IN	-	0.125	Mar 2012	0.150	Mar 2013	-		0.150	0.150	0.425		
Combatant Craft Medium	C/Various	Global Battlestaff & Program Support:MacDill AFB, FL	-	0.970	May 2012	1.020	May 2013	-		1.020	0.850	2.840		
Combatant Craft Heavy	C/Various	TBD:TBD	-	0.675	Mar 2012	-		-		-	0.000	0.675		
Prior Year Funding	C/Various	Various:Various	1.128	-		-		-		-	0.000	1.128		
Subtotal			4.506	1.990		1.400		-		1.400	1.230	9.126		

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			Total Prior Years Cost	FY 2012		FY 2013 Base		FY 2013 OCO		FY 2013 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals			41.454	14.475		8.573		-		8.573	5.843	70.345	

Remarks

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Exhibit R-4, RDT&E Schedule Profile: PB 2013 United States Special Operations Command			DATE: February 2012
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	FY 2011				FY 2012				FY 2013				FY 2014				FY 2015				FY 2016				FY 2017			
	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 2013 United States Special Operations Command			DATE: February 2012
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
<i>Combatant Craft Medium</i>				
Proposals, Source Selection & Contract Award	1	2011	4	2011
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	1	2014	4	2014
Operational Evaluation	1	2015	2	2015
Initial Operational Capability	2	2015	2	2015
<i>Combatant Craft Heavy</i>				
Risk Reduction Activities	3	2012	1	2013