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<b>Exhibit R-2, RDT&amp;E Budget Item Justification:</b> PB 2013 Navy	<b>DATE:</b> February 2012
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<b>APPROPRIATION/BUDGET ACTIVITY</b> 1319: <i>Research, Development, Test &amp; Evaluation, Navy</i> BA 4: <i>Advanced Component Development &amp; Prototypes (ACD&amp;P)</i>	<b>R-1 ITEM NOMENCLATURE</b> PE 0603790N: <i>NATO Research and Deve</i>
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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	8.888	9.140	9.389	-	9.389	9.520	9.579	9.753	9.970	Continuing	Continuing
2293: <i>NATO Cooperative R &amp; D</i>	8.888	9.140	9.389	-	9.389	9.520	9.579	9.753	9.970	Continuing	Continuing

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

In accordance with Title 10 United States Code, Section 2350a, this Program Element (PE) provides funding for research and development (R&D) programs with approved allies under international agreements. These funds can only be applied to work efforts in the U.S., and the Under Secretary of Defense, Acquisition and Technology and Logistics (USD, AT&L) must approve each international agreement. The program provides funds for multiple projects under separately approved international agreements as well as funds that support the establishment of such agreements. Each international agreement is summarized in a separate Summary Statement of Intent (SSOI) that also states why the project serves to increase the defense capabilities of the U.S. The SSOI is used to obtain Project approval by the Department of the Navy and the Office of the Secretary of Defense.

This program historically does not meet established execution benchmarks. The North Atlantic Treaty Organization (NATO) R&D cooperative programs differ from other Research, Development, Test and Evaluation (RDT&E) programs because issuance of funding from this PE coincides with the signature of international agreements. These signatures occur throughout the fiscal year and often encounter unexpected delays during the staffing and negotiation phases of agreement processing prior to signature.

<b>B. Program Change Summary (\$ in Millions)</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013 Base</b>	<b>FY 2013 OCO</b>	<b>FY 2013 Total</b>
Previous President's Budget	9.196	9.140	9.456	-	9.456
Current President's Budget	8.888	9.140	9.389	-	9.389
Total Adjustments	-0.308	-	-0.067	-	-0.067
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.261	-			
• Program Adjustments	-	-	-0.022	-	-0.022
• Rate/Misc Adjustments	-	-	-0.045	-	-0.045
• Congressional General Reductions Adjustments	-0.047	-	-	-	-

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Exhibit R-2A, RDT&E Project Justification: PB 2013 Navy								DATE: February 2012			
APPROPRIATION/BUDGET ACTIVITY 1319: Research, Development, Test & Evaluation, Navy BA 4: Advanced Component Development & Prototypes (ACD&P)				R-1 ITEM NOMENCLATURE PE 0603790N: NATO Research and Deve				PROJECT 2293: NATO Cooperative R & D			
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
2293: NATO Cooperative R & D	8.888	9.140	9.389	-	9.389	9.520	9.579	9.753	9.970	Continuing	Continuing
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0		
A. Mission Description and Budget Item Justification											
In accordance with Title 10 U.S. Code Section 2350a, this project provides funding for research and development projects with approved allies under international agreements. These funds can only be applied to work efforts in the U.S., and the Office of Secretary of Defense must approve each international agreement. The program provides funds for multiple projects under separately approved international agreements as well as funds that support the establishment of such agreements. Each international agreement is summarized in a separate SSOI which also states why the project serves to increase the conventional defense capabilities of the U.S. The SSOI is used to obtain project approval by the Department of the Navy and the Office of the Secretary of Defense.											
B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)								FY 2011	FY 2012	FY 2013	
Title: NATO Cooperative R & D								8.888	9.140	9.389	
								Articles: 0	0	0	
FY 2011 Accomplishments:											
- Continued to plan and/or support approved cooperative projects.											
- Continued support for the Advanced Electromagnetic Silencing project between the U.S. and the United Kingdom (UK).											
- Continued support for the Advanced Radar Technology Integrated System Testbed (ARTIST) project between the U.S. and UK.											
- Continued support for the Coalition Distributed Engineering Plant Baseline Architecture (CDEP-BA) cooperative project between the U.S. and multiple nations.											
- Continued support for the Defensive Aids Suite/Next Generation Torpedo Defense cooperative project between the U.S. and the UK.											
- Continued support for Enhancing and Validating the Dynamic System Mechanics Advanced Simulation (DYSMAS) to meet Emerging Modeling and Simulation Changes cooperative project between the U.S. and Germany.											
- Continued support for the Submarine Hydrodynamics Maneuvering & Control cooperative project between the U.S. and the UK.											
- Continued support for the Submarine Sonar Telemetry cooperative project between the U.S. and the UK.											
- Continued support for Torpedo Guidance and Control; False Targets cooperative project between the U.S. and the UK.											
- Initiated support for the Coalition Network for Secure Information Sharing (CoNSIS) cooperative project between the U.S. and multiple nations.											
- Initiated support for the Medusa project between the U.S. and Japan.											
- Initiated support for the Submarine Composite Structures project between the U.S. and UK.											
- Initiated support for the Test, Planning, and execution project between the U.S. and multiple nations.											
- Completed support for the Defensive Aids Suite project between the U.S. and the UK.											

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<b>Exhibit R-2A, RDT&amp;E Project Justification:</b> PB 2013 Navy		<b>DATE:</b> February 2012	
<b>APPROPRIATION/BUDGET ACTIVITY</b> 1319: <i>Research, Development, Test &amp; Evaluation, Navy</i> BA 4: <i>Advanced Component Development &amp; Prototypes (ACD&amp;P)</i>	<b>R-1 ITEM NOMENCLATURE</b> PE 0603790N: <i>NATO Research and Deve</i>	<b>PROJECT</b> 2293: <i>NATO Cooperative R &amp; D</i>	
<b>B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)</b>		<b>FY 2011</b>	<b>FY 2012</b>
<ul style="list-style-type: none"> <li>- Completed support for the Failure Prediction of Composite and Hybrid Naval Structures (DYCOSS-3D) cooperative project between the U.S. and the Netherlands.</li> <li>- Completed support for the Maritime Missile Defense Modeling and Simulation Synthetic Interoperability Testing and Evaluation (SITE) cooperative project between the U.S. and multiple nations.</li> <li>- Completed support for the Submarine Communication Buoy project between the U.S. and the UK.</li> <li>- Completed support for the Surface Combatant Aluminum Structure Design cooperative project between the U.S., Finland and Germany.</li> <li>- Completed support for the Ultra Heavy-Lift Amphibious Connector (UHAC) project between the U.S. and Singapore.</li> <li>- Planned support for the Ice Capable Surface Combatant project between the U.S. and Finland.</li> <li>- Planned support for the Submarine Advanced Autopilot project between the U.S. and UK.</li> </ul> <p><b>FY 2012 Plans:</b></p> <ul style="list-style-type: none"> <li>- Continue to plan and/or support FY11 approved cooperative projects less those noted as completed above.</li> <li>- Plan support for the Alternate Material Propeller cooperative project between the U.S. and Australia.</li> <li>- Plan support for the Fiber Optic Mini Acoustic project between the U.S. and Australia.</li> <li>- Plan support for the Six Degrees of Freedom (6DOF) Amendment 1 cooperative project between the U.S. and Italy.</li> <li>- Plan support for the Submarine Very Low Frequency project between the U.S. and UK.</li> </ul> <p><b>FY 2013 Plans:</b></p> <ul style="list-style-type: none"> <li>- Continue to plan and/or support FY12 approved cooperative projects.</li> </ul>			
<b>Accomplishments/Planned Programs Subtotals</b>		8.888	9.140
<b>C. Other Program Funding Summary (\$ in Millions)</b> N/A			
<b>D. Acquisition Strategy</b> N/A			
<b>E. Performance Metrics</b> The intent of the North Atlantic Treaty Organization (NATO) cooperative R&D program is to provide "start-up" funds for projects seeking allied contributions into cooperative research and development projects with the U.S. The primary metric used in the program is foreign contributions into projects supported by the program. The performance goal is met if total foreign contributions into projects exceed total NATO cooperative R&D program funds by over 100%.			

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2013 Navy										DATE: February 2012			
APPROPRIATION/BUDGET ACTIVITY				R-1 ITEM NOMENCLATURE				PROJECT					
1319: Research, Development, Test & Evaluation, Navy BA 4: Advanced Component Development & Prototypes (ACD&P)				PE 0603790N: NATO Research and Deve				2293: NATO Cooperative R & D					
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
Developmental Test and Evaluation	C/FP	NAVSEA:Washington Navy Yard, DC	8.407	2.000	Sep 2012	1.800	Sep 2013	-		1.800	Continuing	Continuing	Continuing
Developmental Test and Evaluation	C/FP	NSWC:West Bethesda, MD	8.121	2.000	Sep 2012	2.400	Sep 2013	-		2.400	Continuing	Continuing	Continuing
Developmental Test and Evaluation	C/FP	NUWC:Newport, RI	1.002	-		0.750	Jun 2013	-		0.750	Continuing	Continuing	Continuing
Developmental Test and Evaluation	C/FP	SPAWAR:San Diego, CA	1.853	1.500	Sep 2012	1.000	Sep 2013	-		1.000	Continuing	Continuing	Continuing
Developmental Test and Evaluation	C/FP	NAVAIR:Patuxent River, MD	1.000	-		0.750	Apr 2013	-		0.750	Continuing	Continuing	Continuing
Developmental Test and Evaluation	C/FP	NRL:Washington, DC	0.900	0.700	Sep 2012	0.750	Sep 2013	-		0.750	Continuing	Continuing	Continuing
Developmental Test and Evaluation	C/FP	NAWC:Point Mugu, CA	2.500	2.000	Apr 2012	1.000	Apr 2013	-		1.000	Continuing	Continuing	Continuing
Developmental Test and Evaluation	C/FP	Miscellaneous:Philadelphia, PA	6.283	0.940	Sep 2012	0.939	Sep 2013	-		0.939	Continuing	Continuing	Continuing
Subtotal			30.066	9.140		9.389		-		9.389			
Support (\$ 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
ACQ Workforce Fund	Various	Various:Various	0.049	-		-		-		-	0.000	0.049	
Subtotal			0.049	-		-		-		-	0.000	0.049	
			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			30.115	9.140		9.389		-		9.389			
Remarks													

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Exhibit R-4, RDT&E Schedule Profile: PB 2013 Navy			DATE: February 2012		
APPROPRIATION/BUDGET ACTIVITY		R-1 ITEM NOMENCLATURE		PROJECT	
1319: Research, Development, Test & Evaluation, Navy		PE 0603790N: NATO Research and Deve		2293: NATO Cooperative R & D	
BA 4: Advanced Component Development & Prototypes (ACD&P)					

	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
Proj 2293																												
International Agreements																												

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<b>Exhibit R-4A, RDT&amp;E Schedule Details:</b> PB 2013 Navy			<b>DATE:</b> February 2012
<b>APPROPRIATION/BUDGET ACTIVITY</b> 1319: <i>Research, Development, Test &amp; Evaluation, Navy</i> BA 4: <i>Advanced Component Development &amp; Prototypes (ACD&amp;P)</i>	<b>R-1 ITEM NOMENCLATURE</b> PE 0603790N: <i>NATO Research and Deve</i>	<b>PROJECT</b> 2293: <i>NATO Cooperative R &amp; D</i>	

Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
<b>Proj 2293</b>				
International Agreements	1	2011	4	2017