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<b>Exhibit R-2, RDT&amp;E Budget Item Justification:</b> PB 2016 Navy	<b>Date:</b> February 2015
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<b>Appropriation/Budget Activity</b> 1319: <i>Research, Development, Test &amp; Evaluation, Navy I BA 7: Operational Systems Development</i>					<b>R-1 Program Element (Number/Name)</b> PE 0604227N I <i>Harpoon Modifications</i>							
<b>COST (\$ in Millions)</b>	<b>Prior Years</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016 Base</b>	<b>FY 2016 OCO</b>	<b>FY 2016 Total</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>Cost To Complete</b>	<b>Total Cost</b>
Total Program Element	0.000	0.199	-	-	-	-	-	-	-	-	-	0.199
1843: <i>Harpoon Block III</i>	0.000	0.199	-	-	-	-	-	-	-	-	-	0.199

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

The MK607 containers are used to transport and store two (2) AGM-84 Harpoon missiles. Designed in the mid 1970s, it has an internal aluminum saddle, a steel cradle frame and fiberglass shell. Current design allows for moisture intrusion and provides marginal Insensitive Munitions (IM) performance.

This program is funded under OPERATIONAL SYSTEMS DEVELOPMENT because it includes development efforts to upgrade systems that have been fielded or have received approval for full rate production and anticipate funding in the current or subsequent fiscal year.

<b>B. Program Change Summary (\$ in Millions)</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016 Base</b>	<b>FY 2016 OCO</b>	<b>FY 2016 Total</b>
Previous President's Budget	0.699	-	-	-	-
Current President's Budget	0.199	-	-	-	-
Total Adjustments	-0.500	-	-	-	-
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Congressional Rescission Adjustments	-0.500	-	-	-	-

**Change Summary Explanation**

IM Testing completion has moved from 2QTR 2014 to 3QTR 2015 for the program to complete Thermal Analysis of the MK-706 Air Harpoon Container.

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<b>Exhibit R-2A, RDT&amp;E Project Justification:</b> PB 2016 Navy										<b>Date:</b> February 2015		
<b>Appropriation/Budget Activity</b> 1319 I 7					<b>R-1 Program Element (Number/Name)</b> PE 0604227N I Harpoon Modifications				<b>Project (Number/Name)</b> 1843 I Harpoon Block III			
<b>COST (\$ in Millions)</b>	<b>Prior Years</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016 Base</b>	<b>FY 2016 OCO</b>	<b>FY 2016 Total</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>Cost To Complete</b>	<b>Total Cost</b>
1843: Harpoon Block III	-	0.199	-	-	-	-	-	-	-	-	-	0.199
Quantity of RDT&E Articles		-	-	-	-	-	-	-	-	-		

**A. Mission Description and Budget Item Justification**  
The MK607 containers are used to transport and store two (2) AGM-84 Harpoon missiles. Designed in the mid 1970s, it has an internal aluminum saddle, a steel cradle frame and fiberglass shell. Current design allows for moisture intrusion and provides marginal Insensitive Munitions (IM) performance.

**B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)**

	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016 Base</b>	<b>FY 2016 OCO</b>	<b>FY 2016 Total</b>
<b>Title:</b> Air Harpoon Container	0.199	-	-	-	-
<b>Articles:</b>	-	-	-	-	-
<b>FY 2014 Accomplishments:</b> The Air Harpoon shipping container is being redesigned because the current container, MK-607, has experienced numerous instances of moisture intrusion which has damaged missiles beyond economical repair. FY14 funds are required to address cracking encountered during the original design testing. Funds are required to complete IM test of redesigned container, and post-test assessment of MIL-STD-901d Ship Shock compliance. Recent conventional ordnance deficiency report provides increased emphasis on the need to complete. The new design for the container will finish qualification testing in FY-15 at the field activities.					
<b>FY 2015 Plans:</b> N/A					
<b>FY 2016 Base Plans:</b> N/A					
<b>FY 2016 OCO Plans:</b> N/A					
<b>Accomplishments/Planned Programs Subtotals</b>	0.199	-	-	-	-

**C. Other Program Funding Summary (\$ in Millions)**  
N/A

**Remarks**

**D. Acquisition Strategy**  
Following the completion of the qualification testing a Firm Fixed Price contract will be competed to procure 250 containers starting FY16.

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Exhibit R-2A, RDT&E Project Justification: PB 2016 Navy		Date: February 2015
Appropriation/Budget Activity 1319 / 7	R-1 Program Element (Number/Name) PE 0604227N / Harpoon Modifications	Project (Number/Name) 1843 / Harpoon Block III

E. Performance Metrics  
N/A

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<b>Exhibit R-3, RDT&amp;E Project Cost Analysis:</b> PB 2016 Navy													<b>Date:</b> February 2015		
<b>Appropriation/Budget Activity</b> 1319 / 7						<b>R-1 Program Element (Number/Name)</b> PE 0604227N / Harpoon Modifications				<b>Project (Number/Name)</b> 1843 / Harpoon Block III					
<b>Support (\$ in Millions)</b>				<b>FY 2014</b>		<b>FY 2015</b>		<b>FY 2016 Base</b>		<b>FY 2016 OCO</b>		<b>FY 2016 Total</b>			
<b>Cost Category Item</b>	<b>Contract Method &amp; Type</b>	<b>Performing Activity &amp; Location</b>	<b>Prior Years</b>	<b>Cost</b>	<b>Award Date</b>	<b>Cost</b>	<b>Award Date</b>	<b>Cost</b>	<b>Award Date</b>	<b>Cost</b>	<b>Award Date</b>	<b>Cost</b>	<b>Cost To Complete</b>	<b>Total Cost</b>	<b>Target Value of Contract</b>
Government Support	WR	NAWCWD : CHINA LAKE	0.000	0.043	Jun 2014	-		-		-		-	-	0.043	-
Government Support	WR	NAWCAD : PATUXENT RIVER	0.000	-		-		-		-		-	-	-	-
Government Support	WR	NSWC : EARLE	0.000	0.156	Jun 2014	-		-		-		-	-	0.156	-
<b>Subtotal</b>			0.000	0.199		-		-		-		-	-	0.199	-
			<b>Prior Years</b>	<b>FY 2014</b>		<b>FY 2015</b>		<b>FY 2016 Base</b>		<b>FY 2016 OCO</b>		<b>FY 2016 Total</b>	<b>Cost To Complete</b>	<b>Total Cost</b>	<b>Target Value of Contract</b>
<b>Project Cost Totals</b>			0.000	0.199		-		-		-		-	-	0.199	-
<b>Remarks</b>															

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PE 0604227N: *Harpoon Modifications*  
Navy

R-1 Line #169

Appropriation/Budget Activity	R-1 Program Element (Number/Name)	Project (Number/Name)
1319 / 7	PE 0604227N / <i>Harpoon Modifications</i>	1843 / <i>Harpoon Block III</i>

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<b>Exhibit R-4A, RDT&amp;E Schedule Details:</b> PB 2016 Navy	<b>Date:</b> February 2015
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<b>Appropriation/Budget Activity</b> 1319 / 7	<b>R-1 Program Element (Number/Name)</b> PE 0604227N / <i>Harpoon Modifications</i>	<b>Project (Number/Name)</b> 1843 / <i>Harpoon Block III</i>
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Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
<i>Harpoon Block III</i>				
System Development: IM Testing	4	2014	3	2015