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**Exhibit P-40, Budget Line Item Justification:** PB 2015 Navy **Date:** March 2014

**Appropriation / Budget Activity / Budget Sub Activity:**  
1507N: Weapons Procurement, Navy / BA 04: Other Weapons / BSA 2: Modification of Guns And Gun Mounts

**P-1 Line Item Number / Title:**  
4206 / Coast Guard Weapons

**ID Code** (A=Service Ready, B=Not Service Ready) : A **Program Elements for Code B Items:** **Other Related Program Elements:**

Resource Summary	Prior Years	FY 2013	FY 2014	FY 2015 Base	FY 2015 OCO#	FY 2015 Total	FY 2016	FY 2017	FY 2018	FY 2019	To Complete	Total
Procurement Quantity (Units in Each)	-	-	-	-	-	-	-	-	-	-	-	-
Gross/Weapon System Cost (\$ in Millions)	44.389	17.482	6.783	18.948	-	18.948	19.342	19.611	19.974	20.382	355.017	521.928
Less PY Advance Procurement (\$ in Millions)	-	-	-	-	-	-	-	-	-	-	-	-
Net Procurement (P1) (\$ in Millions)	44.389	17.482	6.783	18.948	-	18.948	19.342	19.611	19.974	20.382	355.017	521.928
Plus CY Advance Procurement (\$ in Millions)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Obligation Authority (\$ in Millions)</b>	<b>44.389</b>	<b>17.482</b>	<b>6.783</b>	<b>18.948</b>	<b>-</b>	<b>18.948</b>	<b>19.342</b>	<b>19.611</b>	<b>19.974</b>	<b>20.382</b>	<b>355.017</b>	<b>521.928</b>

*(The following Resource Summary rows are for informational purposes only. The corresponding budget requests are documented elsewhere.)*

Initial Spares (\$ in Millions)	-	0.142	0.340	0.050	-	0.050	0.044	0.023	0.028	-	-	0.627
Flyaway Unit Cost (\$ in Dollars)	-	-	-	-	-	-	-	-	-	-	-	-
Gross/Weapon System Unit Cost (\$ in Dollars)	-	-	-	-	-	-	-	-	-	-	-	-

# The FY 2015 OCO Request will be submitted at a later date.

**Description:**

The Coast Guard Weapons line funds the Coast Guard combat system suite for the United States Coast Guard (USCG) cutters under the Coast Guard surface asset acquisition program. Under inter-service agreement (delineated in OPNAVINST 4000.79B), DON plans, programs, and budgets for specific Navy military equipment, systems and logistic support requirements for USCG units to ensure the USCG is prepared to execute naval warfare tasks in consonance with United States Navy (USN) units. Ship construction and installation costs are funded under the Department of Homeland Security appropriation.

The combat systems and weapons suite will be aligned with future naval ship building programs to support commonality among the two service's systems and meet national fleet objectives. The combat system suite must be compliment and integrate with navy combat systems. The suite is an appropriate balance of equipment to ensure the USCG is prepared to accomplish the assigned naval warfare tasks in concert with USN units. The surface asset acquisition program combat suites include the following:

[P5 / CG002 MK 110 Hardware]: Provides the MK 110 gun to engage surface threats, independently or in cooperation with other forces, achieving mission kill on high-speed coastal patrol craft beyond small and intermediate caliber gunfire effective range. Includes equipment procurement and recurring engineering for WMSL in accordance with OPNAVINST 4000.79B and the Naval Operational Capabilities (NOC) document.

[P5 / CG003 MK 160]: Provides MK 160 Mod 12 Gun Computer System, including equipment procurement and recurring engineering, for the WMSL Class to plan and direct surface threat engagements including the capability to fire warning shots, disabling fire and achieve mission kill against these threats in accordance with National Fleet Policy, OPNAVINST 4000.79B, and the NOC.

[P5 / CG004 MK 38 MOD 2]: Provides the MK 38 Mod 2/3 Machine Gun System, including equipment procurement and recurring engineering, to plan and engage surface threats, achieving missions kill on high speed patrol craft beyond minor caliber gunfire effective range on the Fast Response Cutter (FRC) in accordance with OPNAVINST 4000.79B and the NOC. The MK38 is the main gun of the FRC. The unit cost increase in FY2015 is attributed to the procurement of the MK38 Mod 3 (vice Mod 2) which permits greater effective range, greater range of elevation to engage air targets, and improved Toplite electro-optical (EO) system..

[P5 / CG005 COMBAT SYSTEM INTEGRATION]: Ensure successful integration and system interoperability of Navy type equipment that affects the combat system of USCG cutters.

[P5 / CGDMS DIMINISHING MANUFACTURING SOURCES]: To address Diminishing Manufacturing Sources (DMS) issues.

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**Exhibit P-40, Budget Line Item Justification:** PB 2015 Navy **Date:** March 2014

**Appropriation / Budget Activity / Budget Sub Activity:** 1507N: Weapons Procurement, Navy / BA 04: Other Weapons / BSA 2: Modification of Guns And Gun Mounts **P-1 Line Item Number / Title:** 4206 / Coast Guard Weapons

**ID Code** (A=Service Ready, B=Not Service Ready) : A **Program Elements for Code B Items:** **Other Related Program Elements:**

Exhibits Schedule		ID CD	Prior Years			FY 2013			FY 2014			FY 2015 Base			FY 2015 OCO			FY 2015 Total		
Title*	Exhibits		Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)
Item - 1 / Coast Guard Weapons	P-5		-	-	44.389	-	-	17.482	-	-	6.783	-	-	18.948	-	-	-	-	-	18.948
<b>Total Gross/Weapon System Cost</b>			-	-	<b>44.389</b>	-	-	<b>17.482</b>	-	-	<b>6.783</b>	-	-	<b>18.948</b>	-	-	-	-	-	<b>18.948</b>

\*For Items, Title represents the Item Number / Title [DODIC].

Note: Totals in this Exhibit P-40 set may not be exact or add due to rounding.

**Justification:**  
 In FY14, the department delayed procurements to better align with ship availability for installations. The program increase in FY15 is due to the department continuing procurements.

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<b>Exhibit P-5, Cost Analysis: PB 2015 Navy</b>					<b>Date:</b> March 2014			
<b>Appropriation / Budget Activity / Budget Sub Activity:</b> 1507N / 04 / 2			<b>P-1 Line Item Number / Title:</b> 4206 / Coast Guard Weapons			<b>Item Number / Title [DODIC]:</b> 1 / Coast Guard Weapons		

Resource Summary	Prior Years	FY 2013	FY 2014	FY 2015 Base	FY 2015 OCO <sup>#</sup>	FY 2015 Total
Procurement Quantity (Units in Each)	-	-	-	-	-	-
Gross/Weapon System Cost (\$ in Millions)	44.389	17.482	6.783	18.948	-	18.948
Less PY Advance Procurement (\$ in Millions)	-	-	-	-	-	-
Net Procurement (P1) (\$ in Millions)	44.389	17.482	6.783	18.948	-	18.948
Plus CY Advance Procurement (\$ in Millions)	-	-	-	-	-	-
<b>Total Obligation Authority (\$ in Millions)</b>	<b>44.389</b>	<b>17.482</b>	<b>6.783</b>	<b>18.948</b>	<b>-</b>	<b>18.948</b>

*(The following Resource Summary rows are for informational purposes only. The corresponding budget requests are documented elsewhere.)*

Initial Spares (\$ in Millions)	-	0.142	0.340	0.050	-	0.050
Gross/Weapon System Unit Cost (\$ in Dollars)	-	-	-	-	-	-

<sup>#</sup> The FY 2015 OCO Request will be submitted at a later date.

Cost Elements	ID CD	Prior Years			FY 2013			FY 2014			FY 2015 Base			FY 2015 OCO			FY 2015 Total		
		Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)
Hardware - CG002 MK 110 Hardware Cost																			
Recurring Cost																			
1.1.1) 57MM GUN		7,716K	2	15.431	8,600K	1	8.600	-	-	-	8,930K	1	8.930	-	-	-	8,930K	1	8.930
1.1.2) ILS SUPPORT		-	-	5.744	-	-	1.811	-	-	1.671	-	-	1.678	-	-	-	-	-	1.678
<i>Subtotal: Recurring Cost</i>		-	-	21.175	-	-	10.411	-	-	1.671	-	-	10.608	-	-	-	-	-	10.608
<i>Subtotal: Hardware - CG002 MK 110 Hardware Cost</i>		-	-	21.175	-	-	10.411	-	-	1.671	-	-	10.608	-	-	-	-	-	10.608

Hardware - CG003 MK 160 Cost																			
Recurring Cost																			
2.1.1) SYSTEM ENGINEERING SUPPORT		-	-	0.474	-	-	0.204	-	-	-	-	-	0.212	-	-	-	-	-	0.212
2.1.2) PRODUCTION SUPPORT		-	-	1.763	-	-	0.487	-	-	0.497	-	-	0.507	-	-	-	-	-	0.507
2.1.3) DATA		-	-	-	-	-	0.444	-	-	0.025	-	-	-	-	-	-	-	-	-
2.1.4) SOFTWARE & TEST SUPPORT		-	-	0.132	-	-	0.490	-	-	0.155	-	-	0.279	-	-	-	-	-	0.279
2.1.5) GUN COMPUTER SYSTEM		1,882K	1	1.882	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.6) Ancillary Equipment		-	-	0.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Subtotal: Recurring Cost</i>		-	-	4.251	-	-	1.625	-	-	0.677	-	-	0.998	-	-	-	-	-	0.998
<i>Subtotal: Hardware - CG003 MK 160 Cost</i>		-	-	4.251	-	-	1.625	-	-	0.677	-	-	0.998	-	-	-	-	-	0.998

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**Exhibit P-5, Cost Analysis: PB 2015 Navy** **Date:** March 2014

**Appropriation / Budget Activity / Budget Sub Activity:** 1507N / 04 / 2 **P-1 Line Item Number / Title:** 4206 / Coast Guard Weapons **Item Number / Title [DODIC]:** 1 / Coast Guard Weapons

Cost Elements	ID CD	Prior Years			FY 2013			FY 2014			FY 2015 Base			FY 2015 OCO			FY 2015 Total		
		Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$)	Qty (Each)	Total Cost (\$ M)
Hardware - CG004 MK 38 MOD 2 Cost																			
Recurring Cost																			
3.1.1) MACHINE GUN SYSTEM EQUIPMENT <sup>(1)</sup>		731,450.00	20	14.629	1,099K	4	4.396	1,183K	3	3.549	1,398K	4	5.592	-	-	-	1,398K	4	5.592
3.1.2) ILS SUPPORT		-	-	2.566	-	-	0.787	-	-	0.463	-	-	0.803	-	-	-	-	-	0.803
<i>Subtotal: Recurring Cost</i>		-	-	17.195	-	-	5.183	-	-	4.012	-	-	6.395	-	-	-	-	-	6.395
<i>Subtotal: Hardware - CG004 MK 38 MOD 2 Cost</i>		-	-	17.195	-	-	5.183	-	-	4.012	-	-	6.395	-	-	-	-	-	6.395
Support - CG005 COMBAT SYSTEM INTEGRATION Cost																			
4.1) CSI		-	-	1.768	-	-	0.263	-	-	0.423	-	-	0.947	-	-	-	-	-	0.947
<i>Subtotal: Support - CG005 COMBAT SYSTEM INTEGRATION Cost</i>		-	-	1.768	-	-	0.263	-	-	0.423	-	-	0.947	-	-	-	-	-	0.947
Support - CGDMS DIMINISHING MANUFACTURING SOURCES Cost																			
5.1) DMS		-	-	0.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Subtotal: Support - CGDMS DIMINISHING MANUFACTURING SOURCES Cost</i>		-	-	0.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Gross/Weapon System Cost</b>		-	-	<b>44.389</b>	-	-	<b>17.482</b>	-	-	<b>6.783</b>	-	-	<b>18.948</b>	-	-	-	-	-	<b>18.948</b>

**Footnotes:**

<sup>(1)</sup> The FY2015 MK38 unit cost increase is attributed to the procurement of the MK38 Mod 3 (vice Mod 2).