

DEPARTMENT OF THE NAVY
FISCAL YEAR (FY) 2008/2009
BUDGET ESTIMATES



JUSTIFICATION OF ESTIMATES
FEBRUARY 2007

NATIONAL DEFENSE SEALIFT FUND

Department of Defense Appropriations Act, 2007

National Defense Sealift Fund

For National Defense Sealift Fund programs, projects, and activities, and for expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744), and for the necessary expenses to maintain and preserve a U.S.-flag merchant fleet to serve the national security needs of the United States, \$1,071,932,000, to remain available until expended: *Provided*, That none of the funds provided in this paragraph shall be used to award a new contract that provides for the acquisition of any of the following major components unless such components are manufactured in the United States: auxiliary equipment, including pumps, for all shipboard services; propulsion system components (that is; engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes: *Provided further*, That the exercise of an option in a contract awarded through the obligation of previously appropriated funds shall not be considered to be the award of a new contract: *Provided further*, That the Secretary of the military department responsible for such procurement may waive the restrictions in the first proviso on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.

"In accordance with the President's Management Agenda, Budget and Performance Integration initiative, this program has been assessed using the Program Assessment Rating Tool (PART). Remarks regarding program performance and plans for performance improvement can be located at the Expectmore.gov website."

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FY 2008/2009 President's Budget
February 2007

NATIONAL DEFENSE SEALIFT FUND

Summary Narrative:

The request for \$1,079.1 million in FY 2008 for NDSF includes \$456.1million for the procurement of 1 T-AKE and \$96.6 million for research and development associated with the Strategic Sealift Technology Development Program. The request also includes \$246.3 million for costs associated with the operation, maintenance and alterations of Department of Defense (DoD) mobilization assets, such as Fast Sealift Ships (FSS), Large Medium Speed Roll-on/Roll-off (LMSR) vessels, Fleet Hospital Ships (T-AH), and shipping and tanker contingency contracts. These contracts addresses mobility capacity by requiring companies to provide ships upon demand with set readiness requirements. Increased LMSR funding commencing in FY2008 is to maintain four Army LMSR vessels in a 30-day Reduced Operating Status (ROS). There is \$228.4 million in FY2008 for costs associated with the maintenance of the National Defense Reserve Fleet (NDRF), which includes the Ready Reserve Fleet (RRF).

The importance of our strategic mobility was revalidated with the 2005 Mobility Capabilities Study. Based upon this review and ship configurations, a total of 19 pre-positioning/ surge ships are required. Subsequent review of Ready Reserve Force requirements indicated that 11 lower priority ships could be downgraded to the NDRF by the end of FY2006 and an additional 6 ships downgraded between FY 2008 - FY 2010. The RRF submission maintains reliable and cost effective service to the Combatant Commanders, enables the priority RRF ships to reach a 50-year service life with the extended service life program, makes sealift capacity and capability improvements and uses tanker and shipping contingency contracts to cover moderate risk.

The NDSF funds the operation, maintenance, and support (O&S) of current strategic sealift assets. These operations, other than RRF vessels, are funded on a reimbursable basis to the NDSF Appropriation. The individual Defense components order these services from the NDSF via a funded Economy Act Order. The NDSF purchases these O&S services by issuing reimbursable orders to the Navy Working Capital Fund (NWCF).

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NATIONAL DEFENSE SEALIFT FUND

Supplemental Exhibits Index

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**NDSF SUMMARY FINANCIAL DATA
FY 2008/2009 President's Budget**

February 2007

The following exhibits provide summary financial management information and supporting data.

(TOA \$ Millions)									
<i>NDSF Budget Activity</i>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	Total Program
<i>Programs: (Claimant/Executor):</i>									
Strategic Ship Acquisition : (NDSF BA 1) (NAVSEA/NAVSEA)	609.0	531.3	507.7	1,685.6	2,619.2	3,746.8	1,016.8	2,077.2	12,793.7
LMSR (BLI 010000)	0.0	0.0	0.0	104.0	986.0	983.3	998.7	0.0	3,072.0
MPF (F) (BLI 011000)	0.0	0.0	0.0	0.0	1,098.7	1,342.8	0.0	1,133.2	3,574.7
T-AKE (BLI 012000)	598.6*	453.2	456.1	481.2	503.5	523.1	0.0	0.0	2,417.1
MPF MLP (BLI 0401)	0.0	0.0	0.0	1,054.6	0.0	879.9	0.0	925.5	2,860.0
Post Delivery & Outfittings (BLI 5000)	10.4	78.1	51.6	45.8	31.0	17.7	18.1	18.5	271.2
DoD Mobilization Assets (NDSF BA 2) (FSA/MSC)	418.4	214.7	246.3	290.9	325.1	342.1	342.5	386.3	2,566.4
- National Defense Sealift Vessel (020000)	0.0	0.0	6.5	6.5	13.5	13.5	15.6	15.5	71.1
- FSS Maint (BLI 021000)	56.8	62.0	77.5	79.8	81.5	74.1	71.8	81.5	585.0
- LMSR Maint (BLI 022000)	79.5	85.3	116.9	116.5	122.5	140.3	128.5	124.1	913.7
- DOD Mob. Alts (BLI 023000)	261.5	38.9	21.6	65.5	76.6	89.4	92.6	139.4	785.5
- T-AH Maint (BLI 025000)	20.6	28.5	23.9	22.6	31.0	24.7	34.0	25.8	211.1
Sealift R&D: (NAVSEA) (NDSF BA 4)	71.6	108.1	96.6	68.7	45.5	40.5	37.7	37.6	506.4
- NAVSEA R & D (BLI 090000)	71.6	108.1	96.6	68.7	45.5	40.5	37.7	37.6	506.4
NDRF / RRF O&M (BLI 050000) (NDSF BA 5) (FSA/MARAD)	202.4	213.6	228.4	226.9	225.3	249.8	254.3	259.5	1,860.2
Numbers may not add to totals due to rounding. *Reflects prior year actual update of unobligated balances.									
	1,301.4	1,067.8	1,079.1	2,272.2	3,215.2	4,379.2	1,651.3	2,760.5	17,726.7

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BUDGET ITEM JUSTIFICATION SHEET (P-40) FY 2008/FY 2009 PRESIDENT'S BUDGET (\$M)										DATE: February 2007	
APPROPRIATION/BUDGET ACTIVITY/BUDGET LINE ITEM NATIONAL DEFENSE SEALIFT FUND/BA-1/BLI 0100										P-1 ITEM NOMENCLATURE Strategic Sealift Acquisition - MPF(F) LMSR	
	PRIOR YEAR	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	TO COMPLETE	TOTAL PROGRAM
QUANTITY	0	0	0	0	0	1	1	1	0	0	3
End Cost	0.0	0.0	0.0	0.0	0.0	1,090.0	983.4	998.7	0.0	0.0	3,072.0
Less Advance Procurement	0.0	0.0	0.0	0.0	0.0	104.0	0.0	0.0	0.0	0.0	104.0
Less Escalation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Full Funding TOA	0.0	0.0	0.0	0.0	0.0	986.0	983.4	998.7	0.0	0.0	2,968.0
Plus Advance Procurement	0.0	0.0	0.0	0.0	104.0	0.0	0.0	0.0	0.0	0.0	104.0
Total Obligational Authority	0.0	0.0	0.0	0.0	104.0	986.0	983.4	998.7	0.0	0.0	3,072.0
Plus Outfitting and Post Delivery	0.0	0.0	0.0	0.0	0.0	1.9	0.0	0.0	0.0	124.1	126.0
Plus Escalation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	104.0	987.9	983.4	998.7	0.0	124.1	3,198.0
Unit Cost (Ave. End Cost)	0.0	0.0	0.0	0.0	0.0	1,090.0	983.4	998.7	0.0	0.0	1,024.0

MISSION:
 Maritime Prepositioning Force (Future) (MPF(F)) - Large Medium Speed Roll On Roll Off (LMSR) - Principal transport of the Marine Expeditionary Brigade (MEB) surface battalion rolling stock and their selective offload in the SEABASE.
 The MPF(F) Squadron will be part of the transformational SEABASING capability as defined in the SEABASING Joint Integrating Concept (JIC). MPF(F) will provide the nation rapid response force capability in anti-access or area denial environments. MPF(F) will also provide the Combatant Commanders (COCOMs) with a credible, affordable flexible deterrent option. MPF(F) prepositioned assets and associated aircraft, personnel, logistic chains, and surface and air connectors will provide for rapid force closure and support forcible entry employment when coupled with a Carrier and/or Expeditionary Strike Group (CSG/ESG). The new construction includes:

(2) Landing Helicopter Assault Replacement (LHA(R))	(1) Landing Helicopter (LHD)
(3) Modified Large Medium Speed Roll On Roll Off (LMSR)	(3) Combat Logistic Force (CLF) T-AKE ships
(3) Mobile Landing Platforms (MLP)	

<u>Characteristics:</u>	<u>Production Status</u>		<u>MPF(F)</u>	<u>MPF(F)</u>	<u>MPF(F)</u>
<u>Hull</u>	Nominal Requirements	<u>Contract Plans</u>	<u>LMSR</u>	<u>LMSR</u>	<u>LMSR</u>
Length overall	286.0m	Award Planned (Month)	1001	1101	1201
Beam	32.2m	Months to Complete	Mar-10	Mar-11	Mar-12
Displacement	57,139 mton	a) Award to Delivery	54	54	54
Draft		b) Construction Start to Delivery	44	41	41
Sustained Speed	24 knots	Commissioning Date	TBD	TBD	TBD
		Completion of Fitting-Out	Nov-14	Nov-15	Nov-16
<u>Armament:</u>	TBD	<u>Major Electronics:</u>	TBD	TBD	TBD

DD Form 2454, JUL 88

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Exhibit P-10, Advance Procurement Requirements Analysis (Page 1 - Funding)								Date: February 2007					
Appropriation (Treasury)Code/CC/BA/BSA/Item Control Number 4557/National Defense Sealift Fund/BA 01/BLI 0100								P-1 Line Item Nomenclature MPF(F) LMSR					
Weapon System MPF(F) LMSR FY10 Construction								Interval Between Systems					
(\$ in Millions)													
	PLT	When Rdg	Prior Years	PY FY06	CY FY07	BY1 FY08	BY2 FY09	BY3 FY10	BY4 FY11	BY5 FY12	BY6 FY13	To Complete	Total
End Item Qty													
Plans (Design)			0.0				104.0						104.0
Basic			0.0				0.0						0.0
Other Support			0.0				0.0						0.0
HM&E			0.0				0.0						0.0
Electronics			0.0				0.0						0.0
Ordnance			0.0				0.0						0.0
Total AP			0.0				104.0						104.0
Advance procurement funding is required to support an efficient MPF(F) LMSR construction schedule.													

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Exhibit P-10, Advance Procurement Requirements Analysis (Page 2 - Budget Justification)										Date: February 2007					
Appropriation (Treasury)Code/CC/BA/BSA/Item Control Number 4557/National Defense Sealift Fund/BA 01/BLI 0100					Weapon System MPF(F) LMSR FY10 Construction					P-1 Line Item Nomenclature MPF(F) LMSR					
(TOA, \$ in Millions)															
	PLT	QPA	Unit Cost	BY1 FY06 Qty	FY06 Contract Forecast Date	FY06 Total Cost Request	BY2 FY07 Qty	FY07 Contract Forecast Date	FY07 Total Cost Request	BY2 FY08 Qty	FY08 Contract Forecast Date	FY08 Total Cost Request	BY2 FY09 Qty	FY09 Contract Forecast Date	FY09 Total Cost Request
End Item						N/A			N/A			N/A			
Plans (Design)														Mar-09	104.0
Basic															
Other Engineer															
HM&E															
Electronics															
Ordnance															
Total AP															104.0
Description:															
Funding in FY 2009 is required to fund long lead efforts critical to supporting an FY 2010 contract award.															

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P-5 EXHIBIT
FY 2008/2009 President's Budget
February 2007

WEAPON SYSTEM COST ANALYSIS EXHIBIT (P-5)

APPROPRIATION: NATIONAL DEFENSE SEALIFT FUND

BUDGET ACTIVITY: BA-1
BUDGET LINE ITEM: 0100

P-1 ITEM NOMENCLATURE: MPF(F) LMSR

SUBHEAD: TBD

ELEMENT OF COST	FY 2009	
	QTY	TOT COST
PLAN COSTS		0
BASIC CONSTRUCTION	0	0
CHANGE ORDERS		0
ELECTRONICS		0
PROPULSION EQUIPMENT		0
HM&E		0
OTHER COST		0
ORDNANCE		0
ESCALATION		0
TOTAL SHIP ESTIMATE		0
ADVANCE PROCUREMENT for FY10		104,020
NET P-1 LINE ITEM		104,020

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CLASSIFICATION: UNCLASSIFIED

BUDGET ITEM JUSTIFICATION SHEET (P-40) FY 2008/FY 2009 PRESIDENT'S BUDGET (\$M)										DATE: February 2007	
APPROPRIATION/BUDGET ACTIVITY/BUDGET LINE ITEM NATIONAL DEFENSE SEALIFT FUND/BA-1/BLI 0120/5000										P-1 ITEM NOMENCLATURE T-AKE	
	PRIOR YEARS	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	To Complete	Total Program
QUANTITY	8	1	1	1	1	1	1	0.0	0.0	0	14
End Cost	3,080.2	386.3	453.2	456.1	481.2	503.5	523.1	0.0	0.0	0.0	5,883.7
Less Advanced Procurement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Full Funding TOA	3,080.2	386.3	453.2	456.1	481.2	503.5	523.1	0.0	0.0	0.0	5,883.7
Plus Advance Procurement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Obligational Authority	3,080.2	386.3	453.2	456.1	481.2	503.5	523.1	0.0	0.0	0.0	5,883.6
Plus Outfitting and Post Delivery	85.3	10.4	78.1	51.6	39.8	29.1	17.7	18.1	18.5	54.3	402.9
Total	3,165.5	396.7	531.3	507.7	521.0	532.7	540.8	18.1	18.5	54.3	6,286.5
Unit Cost (Ave. End Cost)	385.0	386.3	453.2	456.1	481.2	503.5	523.1	0.0	0.0	0.0	420.3

MISSION:

The Dry Cargo/Ammunition Ship (T-AKE) Acquisition Program will replace the aging fleet of refrigerated cargo and food stores ships (designated AFS Class) and ammunition ships (designated AE Class) in the Navy's Combat Logistics Force (CLF). The primary mission of the T-AKE is to provide a steady stream of ammunition, spare parts and provisions (dry, refrigerated and frozen) to naval forces at sea in its role as a shuttle ship.

Beginning in FY 2009, the remaining three ships will be the Maritime Pre-positioned Force (Future) (MPF(F)) T-AKEs. The Navy has determined that a family of ships that meets the MPF(F) squadron requirements and leverages existing production lines and designs is the desired acquisition approach. The T-AKE configuration meets the requirements for the sustainment cargo with selective offload and complies with the acquisition approach.

<u>Characteristics:</u>	<u>T-AKE</u>	<u>Production Status</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>
	<u>DESIGN</u>		<u>T-AKE 9</u>	<u>T-AKE 10</u>	<u>T-AKE 11</u>	<u>MPF(F)</u>	<u>MPF(F)</u>	<u>MPF(F)</u>
			<u>T-AKE 1</u>	<u>T-AKE 2</u>	<u>T-AKE 3</u>			
Hull	DESIGN	Contract Plans						
Length overall	689 FT	Award Planned (Month)	Jan 06	May 07	Jan 08	Jan 09	Jan 10	Jan 11
Beam	106 FT	Months to Complete						
Displacement	40,539 LT	a) Award to Delivery	40	35	40	40	40	40
Draft	29.9 FT	b) Construction Start to Delivery	19	20	20	20	20	20
		Commissioning Date	May-09	Mar 10	Apr 11	Apr 12	Apr 13	Apr 14
		Completion of Fitting-Out	Jul-09	May 10	Jun 11	Jun 12	Jun 13	Jun 14

Armament: N/A

Major Electronics:

GCCS-M	Battle Force E-Mail
ISNS	ADNS
DMR	DMS
NTCSS/SUADPS	INMARSAT
NAVMACS/SMS	Fleet Broadcast
IFF	TVT
Military GPS	TVS
RCS Turnkey	

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P-5 Exhibit
 FY 2008/FY 2009 President's Budget
 February 2007

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 CLASSIFICATION

WEAPON SYSTEM COST ANALYSIS EXHIBIT (P-5)

APPROPRIATION: NATIONAL DEFENSE SEALIFT FUND

BUDGET ACTIVITY: BA-1	P-1 ITEM NOMENCLATURE: T-AKE	SUBHEAD: FY00 8010	FY02 8D10	FY04 1F10
BUDGET LINE ITEM: 0120		FY01 8110	FY03 8E10	

ELEMENT OF COST	FY 2001		FY 2002		FY 2003		FY 2004	
	QTY	TOT COST						
PLAN COSTS	1	0	1	0	1	0	2	0
BASIC CONST/CONVERSION		331,378		301,577		303,603		623,551
CHANGE ORDERS		10,441		8,500		8,400		16,900
ELECTRONICS		15,990		15,476		15,188		35,768
PROPULSION EQUIPMENT		0		0		0		0
HM&E		12,113		7,988		13,996		22,641
OTHER COST		178		1,059		1,038		3,106
ORDNANCE		0		0		0		0
ESCALATION		0		0		0		0
TOTAL SHIP ESTIMATE		370,100		334,600		342,225		701,966
POST DELIVERY/OUTFITTING		0		0		11,895		12,948
FY00 - FY05 NDSF ADJUSTMENTS		12,261		(22,439)		(32,140)		(5,079)
FMB Deferral								2,321
NET P-1 LINE ITEM		357,839		357,039		386,260		722,314

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P-5 Exhibit
 FY 2008/FY 2009 President's Budget
 February 2007

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 CLASSIFICATION

WEAPON SYSTEM COST ANALYSIS (P-5)

APPROPRIATION: NATIONAL DEFENSE SEALIFT FUND

BUDGET ACTIVITY: BA-1	SUBHEAD: FY05 1G10	FY07 1J10
BUDGET LINE ITEM: 0120	FY06 1H10	

ELEMENT OF COST	FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	
	QTY	TOT COST								
PLAN COSTS	2	0	1	0	1	0	1	0	1	0
BASIC CONST/CONVERSION		635,605		348,239		414,657		420,099		437,494
CHANGE ORDERS		17,200		9,300		9,600		8,640		9,998
ELECTRONICS		33,427		17,105		16,864		15,178		18,388
PROPULSION EQUIPMENT		0		0		0		0		0
HM&E		24,471		7,378		10,739		10,893		13,173
OTHER COST		1,735		4,320		1,365		1,300		2,107
ORDNANCE		0		0		0		0		0
ESCALATION		0		0		0		0		0
TOTAL SHIP ESTIMATE		712,438		386,342		453,225		456,110		481,160
POST DELIVERY/OUTFITTING		53,534		0 1/		0		0		0
FY00 - FY05 NDSF ADJUSTMENTS		(1,800)								
NET P-1 LINE ITEM		767,772		386,342		453,225		456,110		481,160

Notes:

1/ NDSF Outfitting and Post Delivery established under BLI 5000 starting in FY06

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NATIONAL DEFENSE SEALIFT FUND
Analysis of Ship Cost Estimates - Basic/Escalation

Ship Type: **TAKE**

<u>I. Design Schedule</u>	<u>Start</u>	<u>Complete</u>
Functional Design	OCT 2001	FEB 2003
Transitional Design	AUG 2002	DEC 2004
Issue Date for TOR	N/A	N/A
Detail Design	APR 2003	JAN 2005

II. Classification of Cost Estimates

CLASS C

<u>III. Basic Construction/Conversion</u>	FY01 <u>(T-AKE 2)</u>	FY02 <u>(T-AKE 3)</u>	FY03 <u>(T-AKE 4)</u>	FY04 <u>(T-AKE 5/6)</u>	FY05 <u>(T-AKE 7/8)</u>	FY06 <u>(T-AKE 9)</u>	FY07 <u>(T-AKE 10)</u>	FY08 <u>(T-AKE 11)</u>
a. RFP Response Date	SEPT 2000	SEPT 2000	SEPT 2000	SEPT 2000	SEPT 2000	SEPT 2000	OCT 2006	OCT 2006
b. Award Date	OCT 2001	JUL 2002	JUL 2003	JAN 2004	JAN 2005	JAN 2006	MAY 2007	JAN 2008
c. Contract Type	FPI	FPI	FPI	FPI	FPI	FPI	TBD	TBD

<u>IV. Escalation</u>	FY01 <u>(T-AKE 2)</u>	FY02 <u>(T-AKE 3)</u>	FY03 <u>(T-AKE 4)</u>	FY04 <u>(T-AKE 5/6)</u>	FY05 <u>(T-AKE 7/8)</u>	FY06 <u>(T-AKE 9)</u>	FY07 <u>(T-AKE 10)</u>	FY08 <u>(T-AKE 11)</u>
Base Date 2000	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED

Ship Type: **MPF(F) TAKE**

<u>I. Design Schedule</u>	<u>Start</u>	<u>Complete</u>
Functional Design	TBD	TBD
Transitional Design	TBD	TBD
Issue Date for TOR	N/A	N/A
Detail Design	TBD	TBD

II. Classification of Cost Estimates

CLASS C

<u>III. Basic Construction/Conversion</u>	FY09 <u>MPF(F) T-AKE 1</u>	FY10 <u>MPF(F) T-AKE 2</u>	FY11 <u>MPF(F) T-AKE 3</u>
a. RFP Response Date	OCT 2006	OCT 2006	OCT 2006
b. Award Date	JAN 2009	JAN 2010	JAN 2011
c. Contract Type	TBD	TBD	TBD

<u>IV. Escalation</u>	FY09 <u>MPF(F) T-AKE 1</u>	FY 10 <u>MPF(F) T-AKE 2</u>	FY 11 <u>MPF(F) T-AKE 3</u>
Base Date 2008	TBD	TBD	TBD

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CLASSIFICATION

P-8A Exhibit
FY 2008/FY 2009 President's Budget
February 2007

NATIONAL DEFENSE SEALIFT FUND
Analysis of Ship Cost Estimates - Major Equipment
(Dollars in Thousands)

Ship Type: T-AKE	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	Total
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>
Electronics										
A. ISNS	2,457	2,527	2,537	5,634	5,349	2,880	2,627	2,595	3,143	29,749
B. DMR	3,742	3,742	3,742	7,076	6,970	3,880	3,882	3,506	4,246	40,784
C. NTCSS/SUADPS	327	327	327	1,005	788	350	351	311	377	4,163
D. NAVMACS/SMS	348	348	348	710	718	380	373	337	409	3,971
E. GCCSM Terminal	297	292	292	579	569	122	310	116	141	2,718
F. Radiant Mercury	135	70	59	-	-	-	-	-	-	264
G. INFOSEC/Information	275	255	255	665	579	285	291	245	297	3,147
H. Intrusion Detection/ Embedded Firewall	-	-	-	696	696	-	-	-	-	1,392 0
I. Battle Force E-Mail	43	43	43	190	190	65	59	53	65	751
J. INMARSAT HSD	41	41	41	90	92	55	57	52	63	532
K. Fleet Broadcast	97	97	97	250	258	111	110	99	120	1,239
L. Tactical Variant Switch	769	769	769	1,781	1,748	910	884	799	968	9,397
M. TVT	205	205	205	560	502	230	221	200	243	2,571
N. ADNS	290	290	290	726	740	330	306	276	335	3,583
O. Military GPS	385	355	355	950	790	460	401	335	406	4,437
P. Headquarters Coordination	813	803	803	1,440	1,360	880	838	743	900	8,580
Q. RCS Turnkey	5,127	4,692	4,405	10,190	9,000	5,487	5,108	4,566	5,530	54,105
R. HF Ale				1,392	1,336					2,728
S. Misc Electronics	<u>639</u>	<u>620</u>	<u>620</u>	<u>1,834</u>	<u>1,742</u>	<u>680</u>	<u>1,046</u>	<u>945</u>	<u>1,145</u>	9,271
Total Electronics	15,990	15,476	15,188	35,768	33,427	17,105	16,864	15,178	18,388	183,382

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P-8A Exhibit
FY 2008/FY 2009 President's Budget
February 2007

NATIONAL DEFENSE SEALIFT FUND
Analysis of Ship Cost Estimates - Major Equipment
(Dollars in Thousands)

Ship Type: T-AKE	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	Total
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>
HM&E										
A. HM&E Test & Instrumentation	7	707	1,207	2,591	2,396	837	1,300	1,229	1,458	11,732
B. HM&E Engineering Services	11,349	6,086	11,417	15,819	20,102	5,638	8,439	8,403	10,219	97,472
C. SUPSHIP Material/Services	7	445	622	2,731	873	600	600	630	747	7,255
D. Logistics Support Services	<u>750</u>	<u>750</u>	<u>750</u>	<u>1,500</u>	<u>1,100</u>	<u>303</u>	<u>400</u>	<u>631</u>	<u>749</u>	6,933
Total HM&E	12,113	7,988	13,996	22,641	24,471	7,378	10,739	10,893	13,173	123,392

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P-8A Exhibit
FY 2008/FY 2009 President's Budget
February 2007

NATIONAL DEFENSE SEALIFT FUND
Analysis of Ship Cost Estimates - Major Equipment
(Dollars in Thousands)

Ship Type: T-AKE	FY01 Total <u>Cost</u>	FY02 Total <u>Cost</u>	FY03 Total <u>Cost</u>	FY04 Total <u>Cost</u>	FY05 Total <u>Cost</u>	FY06 Total <u>Cost</u>	FY07 Total <u>Cost</u>	FY08 Total <u>Cost</u>	FY09 Total <u>Cost</u>	Total <u>Cost</u>
Other										
A. Reliability/Maintainability	0	0	0	85	3	0	0	0	0	88
B. Program Support	104	661	538	2,240	1,263	3,925	1,015	1,000	1,577	12,323
C. Travel/Training	74	398	388	781	469	395	350	300	530	3,685
D. Logistics Support	<u>0</u>	<u>0</u>	<u>112</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	112
Total Other	178	1,059	1,038	3,106	1,735	4,320	1,365	1,300	2,107	16,208

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P-27 Exhibit
FY 2008/FY 2009 President's Budget
February 2007

NATIONAL DEFENSE SEALIFT FUND SHIP PRODUCTION SCHEDULE

SHIP TYPE: T-AKE	SHIPBUILDER	FISCAL YEAR AUTHORIZED	CONTRACT AWARD	START OF CONSTRUCTION	DELIVERY DATE*
T-AKE 2	NASSCO	2001	Oct-01	Sep-04	Dec-05
T-AKE 3	NASSCO	2002	Jul-02	Sep-05	May-06
T-AKE 4	NASSCO	2003	Jul-03	Jan-06	Dec-06
T-AKE 5	NASSCO	2004	Jan-04	Jun-06	May-07
T-AKE 6	NASSCO	2004	Jan-04	Oct-06	Jul-07
T-AKE 7	NASSCO	2005	Jan-05	Mar-07	May-08
T-AKE 8	NASSCO	2005	Jan-05	Jun-07	Jul-08
T-AKE 9	NASSCO	2006	Jan-06	Oct-07	May-09
T-AKE 0701	NASSCO	2007	May-07	Aug-08	Mar-10
T-AKE 0801	NASSCO	2008	Jan-08	Sep-09	Apr-11
MPF(F) TAKE 0901	NASSCO	2009	Jan-09	Sep-10	Apr-12
MPF(F) TAKE 1001	NASSCO	2010	Jan-10	Sep-11	Apr-13
MPF(F) TAKE 1101	NASSCO	2011	Jan-11	Sep-12	Apr-14

NASSCO- National Steel and Shipbuilding Company; Ca.

* Dates shown are contract delivery dates for T-AKE 1-9. Planned Delivery dates from NASSCO: T-AKE 1 delivered 20 Jun 06; T-AKE 2 - Feb-07; T-AKE 3 - Jun 07; T-AKE 4 - Nov 07; T-AKE 5 - Apr 08; T-AKE 6 - Oct 08; T-AKE 7 - Apr 09; T-AKE 8 - Sep 09; T-AKE 9 - Feb 10
FY2007-2011 ship delivery dates are planned dates only.

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P-5 EXHIBIT
FY 2008/2009 President's Budget
February 2007

WEAPON SYSTEM COST ANALYSIS EXHIBIT (P-5)

APPROPRIATION: NATIONAL DEFENSE SEALIFT FUND

BUDGET ACTIVITY: BA-1
BUDGET LINE ITEM: 0401

P-1 ITEM NOMENCLATURE: MPF(F) MLP

SUBHEAD: TBD

ELEMENT OF COST	QTY	FY 2009
		TOT COST
PLAN COSTS		161,411
BASIC CONST/CONVERSION	1	766,723
CHANGE ORDERS		76,000
ELECTRONICS		24,000
PROPULSION EQUIPMENT		0
HM&E		24,000
OTHER COST		2,500
ORDNANCE		0
ESCALATION		0
TOTAL SHIP ESTIMATE		1,054,634
NET P-1 LINE ITEM		1,054,634

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P-27 Exhibit
FY 2008/2009 President's Budget
February 2007

NATIONAL DEFENSE SEALIFT FUND SHIP PRODUCTION SCHEDULE

SHIP TYPE	SHIPBUILDER	FISCAL YEAR AUTHORIZED	CONTRACT AWARD	START OF CONSTRUCTION	DELIVERY DATE
MPF(F) MLP 0901	TBD	2009	Mar-09	Oct-11	Oct-14
MPF(F) MLP 1101	TBD	2011	Mar-11	Oct-12	Sep-15
MPF(F) MLP 1301	TBD	2013	Mar-13	Oct-14	Sep-17

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BUDGET ITEM JUSTIFICATION SHEET (P-40) FY 2008 President Budget (\$M)								DATE: February 2007			
APPROPRIATION/BUDGET ACTIVITY/BUDGET LINE ITEM NATIONAL DEFENSE SEALIFT FUND/BA-1/BLI 5000								P-1 ITEM NOMENCLATURE NDSF POST DELIVERY AND OUTFITTING			
	PRIOR YEARS	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	TO COMPLETE	TOTAL PROGRAM
QUANTITY	0	0	0	0	0	0	0	0	0	0	0
End Cost	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less Advanced Procurement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less Escalation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Full Funding TOA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus Advance Procurement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Obligational Authority	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus Outfitting and Post Delivery	47.8	10.4	78.1	51.6	45.8	31.0	17.7	18.1	18.5	493.4	812.5
Plus Escalation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	47.8	10.4	78.1	51.6	45.8	31.0	17.7	18.1	18.5	493.4	812.5
Unit Cost (Ave. End Cost)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MISSION:											
NDSF BLI 5000 established supporting Post Delivery and Outfitting requirements for T-AKE and MPF(F) squadron ship programs. See NDSF P29/P30 for detail breakout.											
Outfitting funds are used to acquire on board repair parts, other secondary items, equipment, recreation items, precommissioning crew support and general use consumables furnished to the shipbuilder or the fitting-out activity to fill the ship's initial allowances as defined by the baseline Coordinated Shipboard Allowance List (COSAL). The program also budgets for contractor-furnished spares, lead-time away from delivery. The program ensures operational readiness of ships undergoing new construction. It ensures these ships receive full allowances of spare parts and equipment which are vitally required to support the shipboard maintenance process; ensures ships are equipped with operating space items (tools, test equipment, damage control), personnel safety and survivability commodities for successful completion builder sea trials; supports shipboard maintenance and therefore achieving the OPNAV-directed Supply Readiness goals for material on board ship at delivery.											
Post Delivery funding covers the fixing of government-responsible items which were believed to have been complete to standard and/or operable at delivery. It is essential to deliver to the Fleet complete ships, free from both contractor and government responsible deficiencies, capable of supporting the Navy's mission from the first day of service. The Post Shakedown Availability (PSA) is a shipyard availability assigned to commence after delivery. It is during this time that Acceptance and Final Contract Trials deficiencies will be corrected. The purpose of the PSA is to accomplish correction of new construction deficiencies found during the shakedown period which are authorized; correction of other contractor and government responsible deficiencies previously authorized; and accomplishment of other improvements or class items as authorized. Funding is used for corrections authorized by the Ship Program Manager as a result of builders' trials (pre-delivery), acceptance or underway trials, final contract trials, trial board items, and correction of production-related defects or deficiencies which develop during the Post Delivery period.											
		FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13		
Outfitting (BLI 500020)	0.000	60.904	36.634	33.050	23.520	10.181	12.851	18.474			
Post Delivery (BLI 500030)	<u>10.381</u>	<u>17.156</u>	<u>14.990</u>	<u>12.772</u>	<u>7.499</u>	<u>7.496</u>	<u>5.287</u>	<u>0.000</u>			
	10.381	78.060	51.624	45.822	31.019	17.677	18.138	18.474			

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FY 2008 PRESIDENT BUDGET (\$M)

Exhibit P-29, NATIONAL DEFENSE SEALIFT FUND (NDSF) OUTFITTING COSTS							DATE: February 2007				
APPROPRIATION/BUDGET ACTIVITY/BUDGET LINE ITEM							P-1 ITEM NOMENCLATURE				
NATIONAL DEFENSE SEALIFT FUND/BA-1/BLI 5000							NDSF OUTFITTING				
SHIP TYPE	HULL NO	PROG YEAR	DEL DATE	CFO DATE	PRIOR YEARS	FY 2006	FY 2007	FY 2008	FY 2009	CTC OF	TOTAL
T-AKE	0002	01	Dec-05	Feb-06	20.083	0.000	0.000	0.000	0.000	0.000	20.083
T-AKE	0003	02	May-06	Jul-06	18.193	0.000	0.000	0.000	0.000	0.000	18.193
T-AKE	0004	03	Dec-06	Feb-07	7.281	0.000	11.446	0.000	0.000	0.000	18.727
T-AKE	0005	04	May-07	Jun-07	2.289	0.000	15.587	0.911	0.000	0.000	18.787
T-AKE	0006	04	Jul-07	Sep-07	0.000	0.000	16.966	2.300	0.000	0.000	19.266
T-AKE	0007	05	May-08	Jun-08	0.000	0.000	16.905	2.309	0.648	0.000	19.862
T-AKE	0008	05	Jul-08	Sep-08	0.000	0.000	0.000	15.434	5.144	0.000	20.578
T-AKE	0009	06	May-09	Jun-09	0.000	0.000	0.000	15.680	5.228	0.000	20.908
T-AKE	0701	07	Mar-10	May-10	0.000	0.000	0.000	0.000	16.030	5.343	21.373
T-AKE	0801	08	Apr-11	Jun-11	0.000	0.000	0.000	0.000	0.000	21.732	21.732
T-AKE Total					47.846	0.000	60.904	36.634	27.050	27.075	199.509
MPF(F) T-AKE	0901	09	Apr-12	Jun-12	0.000	0.000	0.000	0.000	0.000	22.323	22.323
MPF(F) T-AKE	1001	10	Apr-13	Jun-13	0.000	0.000	0.000	0.000	0.000	22.656	22.656
MPF(F) T-AKE	1101	11	Apr-14	Jun-14	0.000	0.000	0.000	0.000	0.000	23.062	23.062
MPF(F) MLP	0901	09	Oct-14	Dec-14	0.000	0.000	0.000	0.000	6.000	30.000	36.000
MPF(F) MLP	1101	11	Sep-15	Nov-15	0.000	0.000	0.000	0.000	0.000	26.000	26.000
MPF(F) MLP	1301	13	Sep-17	Nov-17	0.000	0.000	0.000	0.000	0.000	27.000	27.000
MPF(F) LMSR	1001	10	Sep-14	Nov-14	0.000	0.000	0.000	0.000	0.000	36.000	36.000
MPF(F) LMSR	1101	11	Sep-15	Nov-15	0.000	0.000	0.000	0.000	0.000	27.000	27.000
MPF(F) LMSR	1201	12	Sep-16	Nov-16	0.000	0.000	0.000	0.000	0.000	27.000	27.000
MPF(F) LHA(R)	1001	10	Sep-15	Nov-15	0.000	0.000	0.000	0.000	0.000	68.246	68.246
MPF(F) LHA(R)	1301	13	Sep-18	Nov-18	0.000	0.000	0.000	0.000	0.000	74.575	74.575
MPF(F) Total					0.000	0.000	0.000	0.000	6.000	383.862	389.862
NDSF Outfitting Total					47.846	0.000	60.904	36.634	33.050	410.937	589.371

COMMENTS
 BLI 5000 established for Outfitting of NDSF ships beginning FY06.
 T-AKE 1/T-AKE 2 outfitting is fully funded from construction dollars under BLI 0120.
 T-AKE 3/T-AKE 4 outfitting is partially funded with mix of construction dollars under BLI 0120 and new BLI 5000.
 Planned Delivery dates from NASSCO: T-AKE 1 delivered 20 Jun 06; T-AKE 2 - Feb-07; T-AKE 3 - Jun 07; T-AKE 4 - Nov 07; T-AKE 5 - Apr 08;
 T-AKE 6 - Oct 08; T-AKE 7 - Apr 09; T-AKE 8 - Sep 09; T-AKE 9 - Feb 10

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FY 2008 PRESIDENT BUDGET (\$M)

Exhibit P-30, NATIONAL DEFENSE SEALIFT FUND (NDSF) POST DELIVERY COSTS								DATE: February 2007			
APPROPRIATION/BUDGET ACTIVITY/BUDGET LINE ITEM								P-1 ITEM NOMENCLATURE			
NATIONAL DEFENSE SEALIFT FUND/BA-1/BLI 5000								NDSF POST DELIVERY			
SHIP TYPE	HULL NO	PROG YEAR	DEL DATE	CFO DATE	PRIOR YEARS	FY 2006	FY 2007	FY 2008	FY 2009	CTC PD	TOTAL
T-AKE	0002	01	Dec-05	Feb-06	0.000	8.000	0.000	0.000	0.000	0.000	8.000
T-AKE	0003	02	May-06	Jul-06	0.000	2.381	5.200	0.000	0.000	0.000	7.581
T-AKE	0004	03	Dec-06	Feb-07	0.000	0.000	7.500	0.000	0.000	0.000	7.500
T-AKE	0005	04	May-07	Jun-07	0.000	0.000	2.228	5.272	0.000	0.000	7.500
T-AKE	0006	04	Jul-07	Sep-07	0.000	0.000	2.228	5.272	0.000	0.000	7.500
T-AKE	0007	05	May-08	Jun-08	0.000	0.000	0.000	2.223	5.277	0.000	7.500
T-AKE	0008	05	Jul-08	Sep-08	0.000	0.000	0.000	2.223	5.277	0.000	7.500
T-AKE	0009	06	May-09	Jun-09	0.000	0.000	0.000	0.000	2.218	5.282	7.500
T-AKE	0701	07	Mar-10	May-10	0.000	0.000	0.000	0.000	0.000	7.500	7.500
T-AKE	0801	08	Apr-11	Jun-11	0.000	0.000	0.000	0.000	0.000	7.500	7.500
T-AKE Total					0.000	10.381	17.156	14.990	12.772	20.282	75.581
MPF(F) T-AKE	0901	09	Apr-12	Jun-12	0.000	0.000	0.000	0.000	0.000	7.500	7.500
MPF(F) T-AKE	1001	10	Apr-13	Jun-13	0.000	0.000	0.000	0.000	0.000	7.500	7.500
MPF(F) T-AKE	1101	11	Apr-14	Jun-14	0.000	0.000	0.000	0.000	0.000	7.500	7.500
MPF(F) MLP	0901	09	Oct-14	Dec-14	0.000	0.000	0.000	0.000	0.000	12.000	12.000
MPF(F) MLP	1101	11	Sep-15	Nov-15	0.000	0.000	0.000	0.000	0.000	12.000	12.000
MPF(F) MLP	1301	13	Sep-17	Nov-17	0.000	0.000	0.000	0.000	0.000	12.000	12.000
MPF(F) LMSR	1001	10	Sep-14	Nov-14	0.000	0.000	0.000	0.000	0.000	12.000	12.000
MPF(F) LMSR	1101	11	Sep-15	Nov-15	0.000	0.000	0.000	0.000	0.000	12.000	12.000
MPF(F) LMSR	1201	12	Sep-16	Nov-16	0.000	0.000	0.000	0.000	0.000	12.000	12.000
MPF(F) LHA(R)	1001	10	Sep-15	Nov-15	0.000	0.000	0.000	0.000	0.000	26.000	26.000
MPF(F) LHA(R)	1301	13	Sep-18	Nov-18	0.000	0.000	0.000	0.000	0.000	27.000	27.000
MPF(F) Total					0.000	0.000	0.000	0.000	0.000	147.500	147.500
NDSF Post Delivery Total					0.000	10.381	17.156	14.990	12.772	167.782	223.081
NDSF Outfitting and Post Delivery Total					47.846	10.381	78.060	51.624	45.822	578.719	812.452
COMMENTS											
BLI 5000 established for Post Delivery of NDSF ships beginning in FY06. Planned Delivery dates from NASSCO: T-AKE 1 delivered 20 Jun 06; T-AKE 2 - Feb-07; T-AKE 3 - Jun 07; T-AKE 4 - Nov 07; T-AKE 5 - Apr 08 T-AKE 6 - Oct 08; T-AKE 7 - Apr 09; T-AKE 8 - Sep 09; T-AKE 9 - Feb 11											

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NATIONAL DEFENSE SEALIFT FUND
Exhibit P-40
FY 2008/2009 President's Budget

NDSF
February 2007
BA-2
BLI 020000

National Defense Sealift Vessels
(\$Millions)

<u>National Defense Sealift</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Total National Defense Sealift	0.0	0.0	6.5	6.5
Outyear Costs	<u>FY 2010</u> 13.5	<u>FY 2011</u> 13.5	<u>FY 2012</u> 15.6	<u>FY 2013</u> 15.5

Justification:

This line item funds shipping and tanker contingency contracts. The contracts would require companies to provide ships to fulfill RO/RO and tanker capacity requirements upon demand at preset readiness requirements. Navy and USTRANSCOM review of Ready Reserve Force (RRF) requirements following the 2005 Mobility Capabilities Study determined that 11 lower priority ships could be downgraded to the National Defense Reserve Fleet (NDRF) by the end of FY2006. An additional 6 ships were determined to be downgraded to the NDRF from FY2008 through FY 2010. These reductions increase risk by creating a 300,000 sq-ft Roll-On/ Roll-Off (RO/RO) and 90,000 barrel petroleum capacity shortfall. This risk was addressed by including funding for shipping and tanker contingency contracts.

This effort was not appropriate for NDSF BA-05, which only funds RRF requirements. Therefore, FY2008-13 funding for the contracts was realigned to this budget line item in BA-02, which funds sealift operations and maintenance requirements.

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NATIONAL DEFENSE SEALIFT FUND
Exhibit P-40
FY 2008/2009 President's Budget

NDSF
February 2007
BA-2
BLI 021000

Fast Sealift Ships (FSS)
(\$Millions)

<u>FSS</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Total FSS	56.8	62.0	77.5	79.8
Outyear Costs	<u>FY 2010</u> 81.5	<u>FY 2011</u> 74.1	<u>FY 2012</u> 71.8	<u>FY 2013</u> 81.5

Justification:

Fast Sealift Ships are roll-on/roll-off and lift-on/lift-off ships equipped with on-board cranes and self-contained ramps which enable the ships to off-load onto lighterage while anchored at sea or in ports where shore facilities for unloading equipment are unavailable. The vessels are specially suited to transport heavy or bulky unit equipment such as tanks, large wheeled vehicles and helicopters.

Eight FSS are maintained in a 4-day Reduced Operating Status (ROS-4) as recommended by the OSD published Mobility Requirements Study (MRS) and the MRS Bottom-Up Review Update (MRS BURU). These ships provide the initial surge sealift capacity required to transport the lead combat forces from CONUS to a given area of operations and satisfy time critical warfighting requirements. The criteria for each readiness status was also specified in the MRS (i.e. Outporting, Sea/Dock Trials, Maintenance). ROS-4 ships have a cadre crew assigned, are outported at a layberth, and undergo annual sea trials, periodic dock trials, and required periodic regulatory drydockings/inspections.

The NDSF direct funded costs reflected here provide only for ROS costs. When ships are activated to Full Operating Status (FOS) at the request of a user customer (e.g., CFFC/PACFLT), the user pays for the additional expenses, such as fuel and additional crew, on a reimbursable basis.

Funding increases in FY 2008 - FY 2010 are for increased costs for ship maintenance and repairs.

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NATIONAL DEFENSE SEALIFT FUND
Exhibit P-40
FY 2008/2009 President's Budget

NDSF
February 2007
BA-2
BLI 022000

Large Medium Speed RO/RO (LMSR)
(\$Millions)

<u>LMSR</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Total, LMSR	79.5	85.3	116.9	116.5
	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Outyears Cost	122.5	140.3	128.5	124.1

Justification:

Large, Medium-speed, Roll-on/Roll-off Ships, or LMSRs, can carry an entire U.S. Army Task Force, including 58 tanks, 48 other track vehicles, plus more than 900 trucks and other wheeled vehicles. The ship carries vehicles and equipment to support humanitarian missions, as well as combat missions. These ships have a cargo carrying capacity of more than 380,000 square feet, equivalent to almost eight football fields. In addition, LMSRs have a slewing stern ramp and a removable ramp which services two side ports making it easy to drive vehicles on and off the ship. Interior ramps between decks ease traffic flow once cargo is loaded aboard ship. Two 110-ton single pedestal twin cranes make it possible to load and unload cargo where shoreside infrastructure is limited or nonexistent. A commercial helicopter deck was added for emergency, daytime landing.

Eleven LMSRs are maintained in a 4-day Reduced Operating Status (ROS-4) as recommended by the OSD published Mobility Requirements Study (MRS) and the MRS Bottom-Up Review Update (MRS BURU). These ships provide the initial surge sealift capacity required to transport the lead combat forces from CONUS to a given area of operations and satisfy time critical warfighting requirements. The criteria for each readiness status was also specified in the MRS (i.e. Outporting, Sea/Dock Trials, Maintenance). ROS-4 ships have a cadre crew assigned, outported at a layberth, and undergo annual sea trials, periodic dock trials, and required periodic regulatory drydockings/inspections.

Four additional LMSRs, formerly in prepositioning status for the Army, are maintained in a ROS-30 status beginning in FY2008.

Besides the additional four LMSRs, funding increases in FY 2008 and FY 2009 are for ship maintenance, repairs, and fuel for these vessels.

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NATIONAL DEFENSE SEALIFT FUND

Exhibit P-40

FY 2008/2009 President's Budget

NDSF

February 2007

BA-2

BLI 023000

DOD Strategic Vessel Modernization (\$Millions)

<u>Modernization</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
MPS Lease Buyout	249.7	35.1	0.0	0.0
T-AOE-6 Modernization	11.8	1.9	12.4	65.1
MPS Shipalt for INLS integration/T-Alts		1.9	9.2	0.4
Total, Modernization	261.5	38.9	21.6	65.5
	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
MPS Lease Buyout	0.0	0.0	0.0	0.0
T-AOE-6 Modernization	63.0	61.0	62.4	63.6
MPS Shipalt for INLS integration/T-Alts	2.6	4.2	4.3	4.4
Heavy UnRep	11.0	24.2	25.9	71.3
Outyear Costs, Totals	76.6	89.4	92.6	139.3

Justification:

General: Vessel modernization replaces obsolete equipment and responds to emergent fleet and COCOM requirements. Requirements are prioritized annually and fiscal resources are allocated to complete the most important safety and operational requirements when resources become available.

Maritime Positioning Ship (MPS) Buyout: Three leased MPS ships were purchased in FY 2006 and one leased MPS ship was purchased in FY 2007.

T-AOE Civilian Crew Modifications (CivMod) are required to accommodate civilian mariner crews for the former AOE-6 class ships transferred to Military Sealift Command (MSC). In FY 2008, \$12.4M is budgeted for design efforts and to procure long-lead items required during execution. Increase in funding in FY 2009 funds the CivMod conversion availability for USNS SUPPLY.

MPS ShipAlts are required to prepare the current MPS force for the introduction of the Improved Navy Lighterage System (INLS).

Transportation Ship Alterations (T-Alts) are required for modernization and upgrades, primarily to Hull, Mechanical and Electrical (HM&E) systems.

Heavy Underway Replenishment (UNREP) capability provides a key enabler in sustaining the CVN21 Sortie Generation Rate (SGR) Key Performance Parameter (KPP). The CVN21 requirement for Heavy UNREP requires its installation on T-AKE and T-AOE 6 class platforms.

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NATIONAL DEFENSE SEALIFT FUND
Exhibit P-40
FY 2008/2009 President's Budget

NDSF
February 2007
BA-2
BLI 025000

Hospital Ships (T-AH)
(\$Millions)

<u>T-AH</u>		<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
	Total T-AH ROS Operations	20.6	28.5	23.9	22.6
	Outyear Cost	<u>FY 2010</u> 31.0	<u>FY 2011</u> 24.7	<u>FY 2012</u> 34.0	<u>FY 2013</u> 25.8

Justification:

Two T-AHs are maintained in a 5-day Reduced Operating Status (ROS-5) as required by Defense Planning Guidance and CINC OPLANS. These ships provide the critical initial surge field hospital capability to support warfighting, humanitarian, and Operations Other Than War. T-AH ships have a cadre crew assigned, are outported at a layberth, and undergo annual sea trials, periodic dock trials, and required periodic regulatory drydockings/inspections.

Funding supports the following areas:

- Crew costs -- CIVMAR wages & salaries.
- Maintenance & Repair -- daily maintenance and regulatory inspections, drydockings, and overhauls.
- Layberth -- berth lease, utilities, tugs, pilots, and in port fuel.
- Other costs -- ADP support, supplies, subsistence, spare parts, consumables, and NWCF profit/loss.

Funding increases in FY2010, and FY2012 are due to ship maintenance availabilities.

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EXHIBIT R-2, RDT&E Budget Item Justification					FY 2008/FY 2009 President's Budget (\$M)			DATE: February 2007	
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund/BA-4/BLI 090000					R-1 ITEM NOMENCLATURE PE 0408042N/National Defense Sealift Fund				
COST (\$ in Millions)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	
Total PE Cost	71.587	108.138	96.647	68.717	45.549	40.464	37.711	37.566	
3110 MPF(F) R&D	58.411	85.827	67.862	41.859	24.156	19.116	15.848	15.299	
3116 SEALIFT	4.905	5.866	6.189	6.202	6.278	6.448	6.659	6.752	
3117 OPLOG	8.271	16.445	22.596	20.656	15.115	14.900	15.204	15.515	

A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: This Program Element supports multiple NDSF R&D efforts under various project units. Project Unit efforts are as follows:

- (1) **Maritime Prepositioning Force (Future) - MPF(F) (3110)** - concept studies, preliminary, contract designs and technology development leading to detail design and construction award of ship systems that will provide a highly flexible, operational and logistics support capability to enable Expeditionary Maneuver Warfare concepts and to meet required operational capabilities with respect to Force Closure, Amphibious Task Force Integration, Sustainment and Reconstitution/Redeployment.
- (2) **Strategic Sealift Research and Development (3116)** - develops new concepts and technologies which can be applied to or will enable future strategic sealift, combat logistics force, and seabasing systems. The technologies include ship configuration concepts, equipments to increase cargo handling and cargo loading/unloading rates (including commercial and merchant ship systems), improved man/machine interfaces, improved structural configurations and materials, and Logistics-Over-the-Shore (LOTS) equipment and system improvements to enable LOTS operations to satisfy JFC sea state and operational requirements.
- (3) **Naval Operational Logistics Integration (OPLOG) (3117)** - develops enabling technologies for future and in-service afloat operational logistics and integrated supply systems; defines integrated combat logistics force and combatant logistics requirements; and provides a forum for cooperative initiatives of acquisition programs, program sponsors, engineering managers, the Navy science and technology community and fleet customers.

B. PROGRAM CHANGE SUMMARY:

Proj 3110					
Funding:		FY 2006	FY 2007	FY 2008	FY 2009
President's Budget 2007		58.413	86.163	65.596	46.208
President's Budget 2008		<u>58.411</u>	<u>85.827</u>	<u>67.862</u>	<u>41.859</u>
Total Adjustments		-0.002	-0.336	2.266	-4.349
 Programmatic Adjustments:					
Congressional Action		-0.003	-0.336	0	0
MPF(F) RDTEN Reduction		0	0	-16.200	-17.000
Transfer funding from LHA-7 to T-LHA		0	0	18.994	12.797
Other		<u>0.001</u>	<u>0</u>	<u>-0.528</u>	<u>-0.146</u>
Total Adjustment		-0.002	-0.336	2.266	-4.349

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CLASSIFICATION:

EXHIBIT R-2, RDT&E Budget Item Justification					FY 2008/FY 2009 President's Budget (\$M)			DATE: February 2007	
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund/BA-4/BLI 090000					R-1 ITEM NOMENCLATURE PE 0408042N/National Defense Sealift Fund				
COST (\$ in Millions)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	
Total PE Cost	71.587	108.138	96.647	68.717	45.549	40.464	37.711	37.566	
3110 MPF(F) R&D	58.411	85.827	67.862	41.859	24.156	19.116	15.848	15.299	
3116 SEALIFT	4.905	5.866	6.189	6.202	6.278	6.448	6.659	6.752	
3117 OPLOG	8.271	16.445	22.596	20.656	15.115	14.900	15.204	15.515	
B. PROGRAM CHANGE SUMMARY: (cont)									
Proj 3116									
Funding:	FY 2006	FY 2007	FY 2008	FY 2009					
President's Budget 2007	4.954	11.604	11.009	12.377					
President's Budget 2008	<u>4.905</u>	<u>5.866</u>	<u>6.189</u>	<u>6.202</u>					
Total Adjustments	-0.049	-5.738	-4.820	-6.175					
Programmatic Adjustments:									
Congressional Action	-0.049	-0.023	0	0					
Programmatic Adjustment	0	0	5.000	0					
Technical Adjustment (Transfer to OPLOG)	0	-5.715	-9.809	-6.174					
NWCF Rate Adjustment	0	0	-0.004	-0.006					
Other	<u>0</u>	<u>0</u>	<u>-0.007</u>	<u>0.005</u>					
Total Adjustment	-0.049	-5.738	-4.820	-6.175					
Proj 3117									
Funding:	FY 2006	FY 2007	FY 2008	FY 2009					
President's Budget 2007	8.261	10.794	12.814	14.464					
President's Budget 2008	<u>8.271</u>	<u>16.445</u>	<u>22.596</u>	<u>20.656</u>					
Total Adjustments	0.010	5.651	9.782	6.192					
Programmatic Adjustments:									
Congressional Action	-0.010	-0.064	0	0					
Technical Adjustment (Transfer from SEALIFT)	0	5.715	9.809	6.174					
Other	<u>0</u>	<u>0</u>	<u>-0.027</u>	<u>0.018</u>					
Total Adjustment	-0.010	5.651	9.782	6.192					

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EXHIBIT R-2a, RDT&E Project Justification					FY 2008/FY 2009 PRESIDENT's BUDGET (\$M)				DATE:
									February 2007
APPROPRIATION/BUDGET ACTIVITY		PROGRAM ELEMENT NUMBER AND NAME			PROJECT NUMBER AND NAME				
National Defense Sealift Fund/BA-4/BLI 090000		PE 0408042N/National Defense Sealift Fund			3110 MPF(F) R&D				
COST (\$ in Millions)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	
Project Cost	58.411	85.827	67.862	41.859	24.156	19.116	15.848	15.299	
RDT&E Articles Qty									
<p>A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: Maritime Prepositioning Force (Future) - MPF(F) (3110) - concept studies, preliminary, contract designs and technology development leading to detail design and construction award of ship systems that will provide a highly flexible, operational and logistics support capability to enable Expeditionary Maneuver Warfare and to meet required operational capabilities with respect to Force Closure, Assemble, Employment, Sustainment and Reconstitution/Redeployment.</p>									

R-1 SHOPPING LIST - Item No.

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CLASSIFICATION:

EXHIBIT R-2, RDT&E Budget Item Justification	FY 2008/FY 2009 President's Budget (\$M)	DATE: February 2007
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APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund, BA-4	PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund	PROJECT NUMBER AND NAME 3110 MPF(F) R&D
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B. Accomplishments/Planned Program

	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	19.700	16.000	5.300	1.000
RDT&E Articles Quantity				

Landing Platform (LP) Technologies: Develop and validate external surface craft interfaces including mobile landing platform (MLP) to permit at-sea arrival, assembly and deployment of forces and equipment. External interfaces maximize the use of ship volume for cargo stowage and handling, resulting in reduction in procurement and life cycle cost. Development team will include commercial design agents, equipment vendors and shipyards/fabricators.

FY06 – Continued surrogate MLP testing and accomplished fabrication and shipyard installation of components, including crane load pendulation control and improved ramp deployment system, and accomplished at-sea test of improved systems. Evaluated systems with various surface craft including LCAC and AAV in sea state 3 or higher. Deployed concept ramp between Heavy Lift Ship and dynamically positioned barge in calm water. Transferred vehicles and personnel across the ramp in calm water. Began certification studies to support weapon handling operations related to the ramp.

FY07 - Acquire a full scale vehicle and personnel transfer test ramp. Accomplish sub-scale ramp model testing and wave basin dynamic positioning model testing to validate ramp operations prior to full scale testing. Investigate deployable wingwall concept to improve MLP operability. Lease a barge via the Military Sealift Command (MSC) to act as the foundation for the vehicle and personnel transfer test ramp. Lease a heavy lift ship via MSC to support the test ramp/barge and act as a surrogate MLP during at sea tests. Continue system certification for weapon handling operations using the ramp.

FY08 - Install the vehicle transfer test ramp onto the barge and conduct initial calm water performance tests. Modify LMSR to permit the vehicle transfer test ramp to deploy to the LMSR side port platform. Install the barge with vehicle transfer ramp onto the leased heavy lift ship and perform full scale vehicle and personnel transfer progressively from calm water into sea state 3. Continue system certification of the ramp for weapon handling operations.

FY09 - Begin transitioning of Office of Naval Research (ONR) Seabasing Future Naval Capabilities (FNC) Science and Technology (S&T) funded technologies into MPF(F) program elements.

	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	4.065	25.514	7.522	4.000
RDT&E Articles Quantity				

Ship to Ship (STS) Technologies: Define and develop systems and validate ability of LMSRs, T-AKEs, float-on/float-off (MLP) ships and amphibious ships to transfer cargo and personnel at sea, by building on commercial-off-the-shelf technology used in the offshore oil industry. Evaluate dynamic positioning and intraship communication systems to facilitate ship-to-ship cargo transfer operations. Development team will include commercial design agents, equipment vendors and shipyards/fabricators.

FY06 - Designed, fabricated and installed fender and mooring systems on surrogate MPF(F) ships and conducted at-sea tests. Defined and developed cargo and personnel transfer systems and systems to enable intraship communication during operations. Installed dynamic positioning system on a barge and evaluated maneuvering operations in calm water near a heavy lift ship. Began certification process of proposed systems including DP for use during weapons handling operations.

FY07 - Continue at-sea testing using surrogate MPF(F) ships to demonstrate and validate dynamic positioning (DP) to position a surrogate MLP near an LMSR into sea state 3 to enable vehicle and personnel transfer system validation. Modify an LMSR to improve motion control; evaluate improved LMSR motions at-sea through sea state 3. Lease a heavy lift ship with dynamic positioning (DP) system and an LMSR via MSC. Accomplish at sea testing of DP system to enable vehicle and personnel transfer ramp to be deployed to the LMSR into sea state 3. Validate vehicle and personnel transfer system, intraship communication systems, and dynamic positioning system performance and operations and continue system certification for at-sea operations of weapons systems.

FY08 - Continue at-sea testing of STS systems including DP, finalize requirements, integrate MPF(F) surrogate ships and systems into Fleet, Marine Corps and Joint exercises. Continue system certification for weapon handling operations.

FY09 - Begin transitioning of Office of Naval Research (ONR) Seabasing Future Naval Capabilities (FNC) Science and Technology (S&T) funded technologies into MPF(F) program elements.

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CLASSIFICATION:

EXHIBIT R-2, RDT&E Budget Item Justification	FY 2008/FY 2009 President's Budget (\$M)	DATE: February 2007
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APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund, BA-4	PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund	PROJECT NUMBER AND NAME 3110 MPF(F) R&D
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B. Accomplishments/Planned Program

	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	3.000	7.000	2.200	3.459
RDT&E Articles Quantity				

Automated Cargo Handling (ACH): Define, develop and validate technologies and procedures to improve at-sea cargo handling to facilitate selective offload and expeditionary force assembly, employment, and sustainment. Investigation and testing of assembly processes, equipment, and personnel will be used to validate proposed procedures. Systems to be investigated include commercial loading and unloading systems for handling and stowage of joint intermodal modular container (JIMC) and pallets. Systems will be adapted and tested for at-sea use. Development team will include commercial design agents, equipment vendors and shipyards/fabricators.

FY06 - Demonstrated feasibility of at-sea vehicle assembly. Accomplished at-sea demonstration of ONR developed full scale automated stowage and retrieval system to handle JIMC and pallets. Began LMSR and MLP cargo handling and vehicle assembly system concept development. Conducted a series of tests to obtain timing data needed to accomplish modeling to validate achievable selective offload and sustainment rates. Began certification studies to support vehicle assembly weapon handling operations.

FY07 - Accomplish land based testing and shipboard installations by commercial vendors/shipyards and accomplish at-sea demonstrations. Continue certification studies to support vehicle assembly weapon handling operations.

FY08 - Continue development and testing of cargo handling systems and procedures to facilitate at-sea Marine Expeditionary Brigade assembly operations. Continue system certification for vehicle assembly weapon handling operations.

FY09 - Begin transitioning of Office of Naval Research (ONR) Seabasing Future Naval Capabilities (FNC) Science and Technology (S&T) funded technologies into MPF(F) program elements.

	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	2.750	0.813	0.000	0.000
RDT&E Articles Quantity				

Heavy Underway Replenishment (UNREP): Provide heavy UNREP system interface requirement definition for the MPF(F) squadron ships. Begin development of an upgraded Standard Tensioned Replenishment Alongside Method (STREAM) system (from 5,700 pounds to 12,000 pounds) to improve throughput rates for connected replenishment between ships at-sea. Development team will include commercial design agents, equipment vendors and shipyards/fabricators.

FY06 - Continue design and development of Heavy UNREP System prototype components including hauling winch, highline winch, transfer head, anti-slack device and high pressure air systems. Define heavy UNREP system interface requirements including structural loads, arrangement impacts, power and support services.

FY07 - Continue definition of Heavy UNREP system interface requirements in support of the MPF(F) Program.

	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	1.000	0.000	0.000	0.000
RDT&E Articles Quantity				

Blast Mitigation: Develop an energy resistant structural coating that will provide significant reduction in plating and structural damage resulting from blast effects.

FY06 - Leveraging and integrating ONR ACTD to develop and test coatings for enhanced blast resistance for hull and other structures.

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EXHIBIT R-2, RDT&E Budget Item Justification		FY 2008/FY 2009 President's Budget (\$M)			DATE: February 2007	
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund, BA-4	PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund	PROJECT NUMBER AND NAME 3110 MPF(F) R&D				
B. Accomplishments/Planned Program						
	FY06	FY07	FY08	FY09		
Accomplishments/Effort/Subtotal Cost	9.279	12.050	22.020	16.500		
RDT&E Articles Quantity						
<p>Primary Hardware Development (Mobile Landing Platform): Industry naval architecture, ship design and engineering support for the engineering and design development of the Mobile Landing Platform (MLP). FY06 – Begin development of MPF(F) MLP concept designs and performance specification for RFP package. Begin coordination with NOSSA, WSESRB, NAVAIR and SPAWAR regarding ordnance handling, aviation and C4I issues. FY07 - Award MLP shipyard contracts and begin preliminary design. Continue coordination with NOSSA, WSESRB, NAVAIR and SPAWAR. FY08 - Begin MLP contract design with shipyards. Continue coordination with NOSSA, WSESRB, NAVAIR and SPAWAR. FY09 - Complete contract design, evaluate shipyard submittals and award MLP detail design and construction contract.</p>						
	FY06	FY07	FY08	FY09		
Accomplishments/Effort/Subtotal Cost	7.300	8.450	14.500	6.500		
RDT&E Articles Quantity						
<p>Primary Hardware Development (MPF(F) Large Medium Speed Roll-on/Roll-off Ship (LMSR)): Industry naval architecture, ship design and engineering support for engineering and design development of the MPF(F) Large Medium Speed Roll-on/Roll-off (LMSR) Ship. FY06 – Begin development of MPF(F) LMSR concept designs and performance specification for RFP package. Begin coordination with NOSSA, WSESRB, NAVAIR and SPAWAR regarding ordnance handling, aviation and C4I issues. FY07 - Award MPF(F) LMSR shipyard contracts and begin preliminary design. Continue coordination with NOSSA, WSESRB, NAVAIR and SPAWAR. FY08 - Begin MPF(F) LMSR contract design with shipyards. Continue coordination with NOSSA, WSESRB, NAVAIR and SPAWAR. FY09 - Complete contract design, evaluate shipyard submittals and award MPF(F) LMSR Advanced Procurement contract.</p>						
	FY06	FY07	FY08	FY09		
Accomplishments/Effort/Subtotal Cost	0.000	0.000	4.900	4.900		
RDT&E Articles Quantity						
<p>Primary Hardware Development (MPF(F) LHA (R)): Industry naval architecture, ship design and engineering support for the engineering and design development of the MPF(F)LHA(R). FY08 - Initiate involvement with the LHA 6 Shipbuilder to begin contract design development for the MPF(F) LHA(R). FY09 - Continue involvement with the LHA 6 Shipbuilder on the contract design development for the MPF(F) LHA(R).</p>						

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EXHIBIT R-2, RDT&E Budget Item Justification		FY 2008/FY 2009 President's Budget (\$M)	DATE: February 2007	
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund, BA-4	PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund	PROJECT NUMBER AND NAME 3110 MPF(F) R&D		
B. Accomplishments/Planned Program				
	FY06	FY07	FY08	FY09
Accomplishments/Effort/Subtotal Cost	0.700	1.800	0.500	0.000
RDT&E Articles Quantity				
<p>Primary Hardware Development (MPF(F) T-AKE): Industry naval architecture, ship design and engineering support the engineering and design development required for the T-AKE ships to be constructed for the MPF(F) Squadron.</p> <p>FY06 – Initiate Industry involvement with the existing Combat Logistics Force (CLF) T-AKE shipbuilder to assess design changes associated with the use of the MPF(F) T-AKE.</p> <p>FY07 – Continue to develop acquisition, test and evaluation and engineering documentation to support the MPF(F) T-AKE Program Review requirements.</p> <p>FY08 - Complete contract technical package update for the MPF(F) T-AKE in order to support construction contract award.</p>				
	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	10.617	13.700	10.920	5.500
RDT&E Articles Quantity				
<p>Engineering and Acquisition Support: Engineering integration and acquisition support including acquisition requirements definition, test and evaluation, Naval Ordnance Safety and Security Activity (NOSSA) and Weapon System Explosive Safety Review Board (WSESRB) support, NAVAIR aviation system support and SPAWAR C4I system support, Naval Surface Warfare Center (NSWC) engineering and acquisition milestone documentation development.</p> <p>FY06 – Continue concept design development for MPF(F) MLP, LMSR, T-AKE and LHA(R) ship designs. Continue to address ordnance, aviation and C4I system issues and develop test and evaluation plans and engineering documentation to support approval of MPF(F) Capabilities Development Document (CDD).</p> <p>FY07 - Review and provide engineering comments on preliminary design deliverables from shipyards for MPF(F) LMSR and MLP. Continue to address ordnance, aviation and C4I system issues and support test and evaluation requirements. Begin development of acquisition products to support MPF(F) MLP Milestone B.</p> <p>FY08 - Review and provide engineering comments on contract design deliverables for MPF(F) LMSR and MLP from shipyards. Begin review of contract design deliverables with MPF(F) LHA(R) shipbuilder. Prepare the MPF(F) MLP detail design and construction contract package and MPF(F) LMSR Advanced Procurements contract package. Continue to address ordnance, aviation and C4I system issues and support test and evaluation requirements. Complete documentation to support the MLP Milestone B.</p> <p>FY09 - Complete evaluation of MPF(F) MLP and LMSR contract design deliverables and accomplish source selection. Complete and award MPF(F) MLP detail design and construction contract and MPF(F) LMSR Advanced Procurement contract. Continue to address ordnance, aviation and C4I system issues and support test and evaluation requirements.</p>				
	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	0.000	0.500		
RDT&E Articles Quantity				
<p>Advanced Fire Fighting System: Adapt Navy standard and commercial advanced fire fighting systems for MPF(F) cargo, ordnance, fuel and RO/RO stowage and handling/operations areas.</p> <p>FY07 – Leverage and integrate lessons learned from current shipbuilding programs to develop designs. Conduct modeling and simulation to validate expected performance. Coordinate with WSESRB, NOSSA and NAVAIR.</p>				

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EXHIBIT R-2, RDT&E Budget Item Justification	FY 2008/FY 2009 President's Budget (\$M)	DATE: February 2007								
APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT NUMBER AND NAME	PROJECT NUMBER AND NAME								
National Defense Sealift Fund/BA-4	PE 0408042N/National Defense Sealift Fund	3110 MPF(F) R&D								
C. Other Program Funding Summary	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	To Complete	Total Cost
NDSF: (M\$)										
NDSF Line 0100, MPF LMSR Acquisition	0	0	0.0	104.0	986.0	983.4	998.7	0.0	0.0	3,072.0
NDSF Line 0110, MPF(Aviation) Acquisition	0	0	0.0	0.0	1,098.7	1,342.8	0.0	1,133.3	1,380.8	4,955.6
NDSF Line 0120, MPF T-AKE Acquisition	0	0	0.0	481.2	503.5	523.1	0.0	0.0	0.0	1,507.8
NDSF Line 0401, MPF MLP Acquisition	0	0	0.0	1,054.6	0.0	879.9	0.0	925.5	0.0	2,860.0
(U) Related RDT&E: Not Applicable										
D. Acquisition Strategy:										
<p>MPF(F) - The Navy has determined that the best approach to meet Naval MPF(F) requirements in support of the 2015 MEB is a squadron of 14 ships. These include: 2 MPF(F) LHA(R), 1 MPF(F) LHD, 3 MPF(F) T-AKE and 3 MPF(F) LMSR ships with 3 new design MPF(F) Mobile Landing Platforms (MLP) and 2 legacy Maritime Prepositioning Squadron Dense Pack ships. This selection includes two hot production lines, four existing designs and one new design which results in low cost and schedule risk and supports industrial base stability. Each procurement will either be competitively awarded or will be a follow-on to existing production lines, based on the most effective/efficient acquisition approach to the Government with consideration of existing industrial base stability.</p>										
E. Major Performers:										
Field Activities & Locations - Work Performed										
NSWC, Carderock, MD (NSWCCD) - Concept development and engineering support										
SPAWAR Systems Center, Charleston SC (SSC,C) - Concept development and engineering support										
NFESC Pt Hueneme CA - Engineering support										
NAVAIR Pax River, MD - Concept development and engineering support										
Military Sealift Command, DC - Lease and operate surrogate MPF(F) ships in support of at-sea demonstrations related to technology development.										
NSWC Panama City, FL - Concept development and engineering support										
Office of Naval Research, Arlington, VA (ONR) - Concept development and system technology development										
Contractors & Locations - Work Performed										
Computer Sciences Corporation (CSC), Washington, DC - Naval Architect, Ship Design and Engineering Support										
Northrop Grumman Ship Systems (NGSS), Avondale, LA and Pascagoula, MS - Naval Architect, Ship Design and Engineering Support										
General Dynamics, San Diego, CA (NASSCO) and Bath, ME - Naval Architect, Ship Design and Engineering Support										
Universities & Locations - Work Performed										
N/A										

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FY 2008/FY 2009 President's Budget (\$M)							DATE: February 2007					
Exhibit R-3 Cost Analysis (page 1)												
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT		PROJECT NUMBER AND NAME							
National Defense Sealift Fund/BA-4			PE 0408042N		3110 MPF(F) R&D							
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 07 Cost	FY 07 Award Date	FY 08 Cost	FY 08 Award Date	FY 09 Cost	FY 09 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Primary Hardware Development			8.100								8.100	
MLP (Note 1)	Various	Various	9.279	12.050	2Q	22.020	2Q	16.500	2Q		59.849	
MPF(F) LMSR (Note 1)	Various	Various	7.300	8.450	2Q	14.500	2Q	6.500	2Q	3.000	39.750	
MPF(F) LHA(R)	Various	Various	0.000	0.000		4.900	2Q	4.900	2Q		9.800	
MPF(F) T-AKE	Various	Various	0.700	1.800	2Q	0.500	2Q	0.000	2Q		3.000	
Ancillary Hardware Development											0.000	
LP Development			30.895							22.663	53.558	
At-sea demonstrations	WX	MSC		6.000	2Q	3.180	2Q	0.600	2Q		9.780	
At-sea demonstrations	WX	NSWCCD		2.000	2Q	1.060	2Q	0.200	2Q		3.260	
At-sea demonstrations	WX	ONR		1.000	2Q	0.530	2Q	0.100	2Q		1.630	
Engineering Design Support	MAC-CPFF	CSC		1.000	2Q	0.530	2Q	0.100	2Q		1.630	
Test Article Vehicle Transfer Sys	FFP	Note 2		6.000	2Q						6.000	
ACH Development			3.905							9.200	13.105	
At-sea demonstrations	WX	MSC		1.000	2Q	0.330	2Q	1.100	2Q		2.430	
At-sea demonstrations	WX	NSWCCD		3.500	2Q	1.100	2Q	1.759	2Q		6.359	
Engineering Design Support	MAC-CPFF	CSC		2.500	2Q	0.770	2Q	0.600	2Q		3.870	
STS Development			5.690							22.156	27.846	
At-sea demonstrations	WX	MSC		20.764	2Q	6.022	2Q	3.000	2Q		29.786	
At-sea demonstrations	WX	NSWCCD		2.200	2Q	0.700	2Q	0.500	2Q		3.400	
Engineering Design Support	MAC-CPFF	CSC		2.550	2Q	0.800	2Q	0.500	2Q		3.850	
Blast Mitigation	WX	ONR	1.000								1.000	
Heavy UNREP	WX	NFESC-Pt Hueneme	3.250	0.813	2Q						4.063	
Advanced Fire Fighting	WX	TBD		0.500	2Q						0.500	
Tooling											0.000	
GFE											0.000	
Award Fees											0.000	
Subtotal Product Development			70.119	72.127		56.942		36.359		57.019	292.566	

Remarks:
Note 1 - Fixed price competitive contracts are planned for Preliminary and Contract designs starting in FY 2007.
Note 2 - A firm fixed price competitive contract is planned in 2Q FY 2007 for the design and development of a vehicle transfer ramp for feasibility evaluation during the at-sea demo.

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Exhibit R-3 Cost Analysis (page 2)							February 2007					
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT PROJECT NUMBER AND NAME									
National Defense Sealift Fund/BA-4			PE 0408042N			3110 MPF(F) R&D						
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 07 Cost	FY 07 Award Date	FY 08 Cost	FY 08 Award Date	FY 09 Cost	FY 09 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Development Support											0.000	
Software Development											0.000	
Integrated Logistics Support											0.000	
Configuration Management											0.000	
Technical Data											0.000	
Studies & Analyses											0.000	
GFE											0.000	
Award Fees											0.000	
Subtotal Support			0.000	0.000		0.000		0.000		0.000	0.000	
Remarks:												

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Exhibit R-3 Cost Analysis (page 3)			PROGRAM ELEMENT				PROJECT NUMBER AND NAME					
APPROPRIATION/BUDGET ACTIVITY			PE 0408042N				3110 MPF(F) R&D					
National Defense Sealift Fund/BA-4												
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 07 Cost	FY 07 Award Date	FY 08 Cost	FY 08 Award Date	FY 09 Cost	FY 09 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Developmental Test & Evaluation												0.000
Operational Test & Evaluation												0.000
Live Fire Test & Evaluation												0.000
Test Assets												0.000
Tooling												0.000
GFE												0.000
Award Fees												0.000
Subtotal T&E			0.000	0.000		0.000		0.000		0.000	0.000	
Remarks:												
Government Engineering Support			12.155							11.000	23.155	
Engineering Integration and Design	WX	SSC,C		1.350	2Q	1.140	2Q	0.500	2Q		2.990	
Engineering Integration and Design	WX	NSWCCD		3.250	2Q	2.565	2Q	1.125	2Q		6.940	
Engineering Integration and Design	WX	NAVAIR		0.850	2Q	0.570	2Q	0.250	2Q		1.670	
Engineering Integration and Design	WX	Other (includes NOSSA, WSESRB, and OPTEVFOR)		1.750	2Q	1.425	2Q	0.625	2Q		3.800	
Program Management Support	MAC-CPFF	CSC	12.997	6.200	2Q	4.920	2Q	2.700	2Q	6.100	32.917	
Travel	PD	NAVSEA		0.300	1Q	0.300	1Q	0.300	1Q	0.300	1.200	
Transportation											0.000	
SBIR Assessment											0.000	
Subtotal Management			25.152	13.700		10.920		5.500		17.400	72.672	
Remarks:												
Total Cost			95.271	85.827		67.862		41.859		74.419	365.238	

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EXHIBIT R4, Schedule Profile		FY 2008/FY 2009 President's Budget (\$M)																								DATE: February 2007						
APPROPRIATION/BUDGET ACTIVITY										PROGRAM ELEMENT NUMBER AND NAME										PROJECT NUMBER AND NAME												
National Defense Sealift Fund/BA-4										PE 0408042N/National Defense Sealift Fund										3110 MPF(F) R&D												
Fiscal Year	2006				2007				2008				2009				2010				2011				2012				2013			
	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	1	2	3	4
Acquisition Milestones											Δ																					
Advance Procurement (AP) Contract Award																																
LMSR Variant														Δ																		
DD&C Contract Awards																																
T-AKE Lead														Δ																		
T-AKE 1st Follow																																
T-AKE 2nd Follow																																
MLP Lead																																
MLP 1st Follow																																
MLP 2nd Follow																																
LMSR Variant Lead																																
LMSR Variant 1st Follow																																
LMSR Variant 2nd Follow																																
LHA(R) Variant Lead																																
LHA(R) Variant 1st Follow																																

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Exhibit R-4a, Schedule Detail					FY 2008/FY 2009 President's Budget (\$M)				DATE: February 2007	
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund/BA-4		PROGRAM ELEMENT PE 0408042N			PROJECT NUMBER AND NAME 3110 MPF(F) R&D					
Schedule Profile		FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	
Milestone B - MPF(F) Squadron				2Q						
AP Contract Award - LMSR Variant Lead					2Q					
DD&C Contract Awards										
T-AKE Variant Lead					2Q					
MLP Lead Ship					2Q					
LMSR Variant Lead						2Q				
LHA(R) Variant Lead						2Q				

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EXHIBIT R-2a, RDT&E Project Justification					FY 2008/FY 2009 President's Budget (\$M)				DATE:
									February 2007
APPROPRIATION/BUDGET ACTIVITY		PROGRAM ELEMENT NUMBER AND NAME			PROJECT NUMBER AND NAME				
National Defense Sealift Fund/BA-4		PE 0408042N/National Defense Sealift Fund			3116 SEALIFT				
COST (\$ in Millions)		FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Project Cost		4.905	5.866	6.189	6.202	6.278	6.448	6.659	6.752
RDT&E Articles Qty									
<p>A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: Strategic Sealift Research and Development (3116) - develops new concepts and technologies which can be applied to or will enable future strategic sealift, combat logistics force, and Seabasing systems. The technologies include ship configuration concepts, equipments to increase cargo handling and cargo loading/unloading rates (including commercial and merchant ship systems), improved man/machine interfaces, improved structural configurations and materials, and Logistics-Over-the-Shore (LOTS) equipment and system improvements to enable LOTS operations to satisfy JFC sea state and operational requirements.</p>									

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EXHIBIT R-2, RDT&E Budget Item Justification			FY 2008/FY 2009 President's Budget (\$M)	Date: February 2007
APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT NUMBER AND NAME		PROJECT NUMBER AND NAME	
National Defense Sealift Fund/BA-4	PE 0408042N/National Defense Sealift Fund		3116 SEALIFT	
B. Accomplishments/Planned Program				
	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	1.271	1.764	1.412	1.461
RDT&E Articles Quantity				
<p>Sealift Concept Development - Develop Sealift and system concepts for future sealift missions, advanced strategic mobility concepts, sealift logistics modeling and analysis. Concept development includes future naval capabilities exploration via small business innovative technology development, tracking navy-wide R7D programs and benchmarking of best industry practices and capabilities to enhance future DOD Sealift.</p> <p>FY07 - Support the OPNAV N42 mission in continuing development of Sealift Decision Support Tools and subject matter expertise. Extend C4I Systems planning tool to seabasing scenarios supporting armed conflict asset support that involves two-theater operations. Conduct ABLTS replacement and FIE Studies for N42.</p> <p>FY08 - Support the OPNAV N42 mission in continuing development of Sealift Decision Support Tools and subject matter expertise. Extend C4I Systems planning tool to seabasing scenarios supporting armed conflict asset support. Develop R&D Technology development Roadmap.</p> <p>FY09 - N24 Analysis and Modeling support, Advanced Planning, Sealift Compendium, Technology Roadmap, SBIR tracking and guidance.</p>				
	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	0.946	1.388	0.000	0.000
RDT&E Articles Quantity				
<p>Ship to Ship/Lighter Interfaces - Testing and demonstrations of ship/lighter and ship/ship motion control, mooring and platform interface systems.</p> <p>FY06 - Initial concept development of the "Integrated Landing Platform", including craft interfaces, structural design, Finite Element Analyses (FEA), weights and stability calculations.</p> <p>FY07 - Detailed design and detailed concept development, preparation of RFP to industry to build prototype, prototype construction, simulation demonstration (dry run). Demonstration of ILP using LMSR deployed sideport ramp, data measurement, data distillation and reduction, final demonstration and technology report.</p> <p>FY08 - No Current R&D Tasks</p> <p>FY09 - No Current R&D Tasks</p>				
	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	0.125	0.150	0.156	0.025
RDT&E Articles Quantity				
<p>Planning Tools and C4I Systems - Validate/update Planning/Training Systems. Support the OPNAV N42 mission in continuing development of Sealift Decision Support tools.</p> <p>FY06 - Validate and update planning system tools. Specifically, develop and refine decision support tools for sealift force structure planning and throughput models for seabased cargo movement analysis.</p> <p>FY07 - Develop mobility requirement optimization model that considers mobility requirements in the 2020 timeframe.</p> <p>FY08 - Continue development of scenario-specific models. Develop operations impact study (student thesis)</p> <p>FY09 - Continue support at reduced level for NPS Operations Research students experience work at OPNAV N42.</p>				

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EXHIBIT R-2, RDT&E Budget Item Justification		FY 2008/FY 2009 President's Budget (\$M)	DATE: February 2007	
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund/BA-4	PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund	PROJECT NUMBER AND NAME 3116 SEALIFT		
B. Accomplishments/Planned Program				
	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	0.000	0.368	1.201	0.000
RDT&E Articles Quantity				
<p>MERSHIP Systems Development - Develop analysis and report on the feasibility of utilizing two of the current SL7 Class HSS vessels to support the USMC JHSS mission on an interim basis in support of SeaBasing Operations. FY06 - No R&D Tasks FY07 - Develop initial feasibility analysis in tandem with MSC FSS ship life extension program analysis. If the concept proves feasible, develop a detailed engineering concept and estimated costs for NAVSEA and N42 Sponsor review. FY08 - Development of existing ship conversions to satisfy future Sealift requirements vs. new construction. Development includes concept development, studies, vessel and systems concept development, system demonstrations and cost analyses.</p>				
	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	0.000	0.160	0.475	1.209
RDT&E Articles Quantity				
<p>Shipboard Crane Systems/Shipboard Cargo Systems - Shipboard crane and cargo systems (including ramp/platform interface) at-sea operations capability. development/testing/demonstration. FY06 - No R&D Tasks FY07 - Conduct survey of commercial capabilities and engineering concepts for personnel transfer from a JHSS cargo vessel to an LHA, or similar type vessel to prove the capability of transferring a large (1,000+) number of troops at sea when not relying on vertical airlift assets. FY08 - Develop active demonstration of technologies that prove viable for large scale at-sea personnel transfer including access to large platforms and personnel transfer technology. Demo may be at sea. FY09 - Develop active demonstration of technologies that prove viable for large scale at-sea personnel and cargo transfers including access to large platforms and cargo transfer technology. Demo may be at sea.</p>				
	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	2.563	2.036	2.945	3.507
RDT&E Articles Quantity				
<p>Sealift Ship Design Validation-Develop capability to validate future sealift ship designs in the areas of propulsion, structure, seakeeping, and hull designs to reduce the technical risks of ship sealift ship acquisition. Propulsion includes advanced and future water jet, podded propulsion, thrusters, and combination systems. Hull designs include monohull, catamaran, trimaran, and other displacement and non displacement hull variants. Structures include steel, aluminum and lightweight materials. FY06 - Develop technical data to verify powering prediction of waterjets, develop candidate integrated hull-propulsor configurations for submerged discharge waterjet-propelled sealift and naval seabasing type ships. Evaluate pod propulsion technology for high speed sealift. FY07 - Continue the development of design validation tasks including: verification of powering prediction with waterjets (refurbish model), Integrated hull and submerged discharge waterjet propulsion, (conduct analytic performance evaluation), and high speed hybrid pod propeller system evaluation (baseline powering tests). Initiate compliant structure concepts for overcoming wave slamming effects. FY08 - Complete verification of waterjet powering experiments and integrated discharge waterjet propulsion tasks. Continue high-speed hybrid pod evaluation(final design cavitation and maneuver tests). Continue overcoming wave slamming effects study(development of slam pressure reduction concepts and CFD modeling) FY09 - Complete outstanding three year design validation tasks initiated in FY06.</p>				

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EXHIBIT R-2, RDT&E Budget Item Justification							FY 2008/FY 2009 President's Budget (\$M)			DATE: February 2007
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund/BA-4			PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund				PROJECT NUMBER AND NAME 3116 SEALIFT			
C. Other Program Funding Summary	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	To Complete	Total Cost
Not applicable for SEALIFT R&D efforts.										
(U) Related RDT&E: Not Applicable										
D. Acquisition Strategy:										
Not applicable for SEALIFT R&D efforts.										
E. Major Performers:										
Field Activities & Locations - Work Performed										
NSWC, Carderock - Concept development										
NSWC, Panama City - Concept development										
NFESC Pt Hueneme - Concept development										
Contractors & Locations - Work Performed										
CSC, Washington, DC - Engineering Support										
Universities & Locations - Work Performed										

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Exhibit R-3 Cost Analysis (page 2)					FY 2008/FY 2009 President's Budget (\$M)					DATE: February 2007		
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT		PROJECT NUMBER AND NAME							
National Defense Sealift Fund/BA-4			PE 0408042N		3116 SEALIFT							
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 07 Cost	FY 07 Award Date	FY 08 Cost	FY 08 Award Date	FY 09 Cost	FY 09 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Primary Hardware Development											0.000	
Ancillary Hardware Development											0.000	
Aircraft Integration											0.000	
Ship Integration											0.000	
Ship Suitability											0.000	
Systems Engineering											0.000	
Training Development											0.000	
Licenses											0.000	
Tooling											0.000	
GFE											0.000	
Award Fees											0.000	
Sealift Concept Development	Various	NAVFAC, Port Hueneme										
Ship to Ship/Lighter Interface	Various	CSC/Subcontractors-Wash DC	1.271	1.764	1Q	1.412	1Q	1.461	1Q	Continuing	Continuing	
Planning Tools and C4I	Various	CSC/Subcontractors-Wash DC	0.946	1.388	1Q	0.000	1Q	0.000	1Q	0.000	2.334	
MERSHIP Systems Development	Various	Navy Post Grad School, RI	0.125	0.150	1Q	0.156	1Q	0.025	1Q	0.000	0.456	
Shipboard Crane Systems	Various	CSC/Subcontractors-Wash DC	0.000	0.368	1Q	1.201	1Q	0.000	1Q	0.000	1.569	
Sealift Ship Design Validation	Various	NSWCCD, CSC-Wash DC	0.000	0.160	1Q	0.475	1Q	1.209	1Q	0.000	1.844	
Subtotal Product Development		NSWCCD	2.563	2.036	1Q	2.945	1Q	3.507	1Q	Continuing	Continuing	
			4.905	5.866		6.189		6.202		0.000	23.162	
Development Support											0.000	
Software Development											0.000	
Integrated Logistics Support											0.000	
Configuration Management											0.000	
Technical Data											0.000	
Studies & Analyses											0.000	
GFE											0.000	
Award Fees											0.000	
Subtotal Support			0.000	0.000		0.000		0.000		0.000	0.000	

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Exhibit R-3 Cost Analysis (page 2)							DATE: February 2007					
FY 2008/FY 2009 President's Budget (\$M)												
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT				PROJECT NUMBER AND NAME					
National Defense Sealift Fund/BA-4			PE 0408042N/National Defense Sealift Fund				3116 SEALIFT					
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 07 Cost	FY 07 Award Date	FY 08 Cost	FY 08 Award Date	FY 09 Cost	FY 09 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Developmental Test & Evaluation											0.000	
Operational Test & Evaluation											0.000	
Live Fire Test & Evaluation											0.000	
Test Assets											0.000	
Tooling											0.000	
GFE											0.000	
Award Fees											0.000	
Subtotal T&E			0.000	0.000		0.000		0.000		0.000	0.000	
Remarks:												
Contractor Engineering Support											0.000	
Government Engineering Support											0.000	
Program Management Support											0.000	
Travel											0.000	
Transportation											0.000	
SBIR Assessment											0.000	
Subtotal Management			0.000	0.000		0.000		0.000		0.000	0.000	
Remarks:												
Total Cost			4.905	5.866		6.189		6.202		Continuing	Continuing	
Remarks:												

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EXHIBIT R-2a, RDT&E Project Justification					FY 2008/FY 2009 President's Budget (\$M)				DATE:	February 2007		
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund/BA-4/BLI 0900		PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund				PROJECT NUMBER AND NAME 3117 OPLOG						
COST (\$ in Millions)		FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013			
Project Cost		8.271	16.445	22.596	20.656	15.115	14.900	15.204	15.515			
RDT&E Articles Qty												
<p>A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: Naval Operational Logistics Integration (OPLOG) (3117)- develops enabling technologies for future and in-service afloat operational logistics and integrated supply systems; defines integrated combat logistics force and combatant logistics requirements; and conducts cooperative initiatives with acquisition programs, program sponsors, engineering managers, the Navy science and technology community and Fleet customers. OPLOG develops integrated, cross-platform (i.e. applicable to more than one ship class / type) operational logistics technologies and capabilities as well as draft acquisition and operations policy ensuring future Naval systems leverage emerging logistic capabilities and technologies.</p> <p>This project provides a foundation for the transition of science & technology initiatives (such as the Office of Naval Research (ONR) Seabasing Future Naval Capabilities ((FNC)) and other enabling concepts to the acquisition community. Technology development is necessary to mitigate technological and operational risk before ship acquisition programs accept new technologies. This project resources continued research and development of appropriate technologies with applicability to multiple acquisition programs and defines and matures performance and interface requirements for those technologies. The operational logistics family of systems touches all aspects of Seapower 21 yet logistics capability and system interfaces are typically left to individual acquisition programs to develop and resolve. As Seabasing and the Sea Base continue to gain resolution this project will provide technologies focused toward the development of integrated Joint logistics capabilities.</p> <p>This project will develop improved shipboard replenishment, transfer, and handling systems and components as well as asset visibility and container standardization technologies. This integrated suite of capabilities will enable multiple ship types to leverage technologies common across DoD (Joint) and commercial transportation networks and provide a more affordable, mission capable force.</p>												

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EXHIBIT R-2, RDT&E Budget Item Justification	FY 2008/FY 2009 President's Budget (\$M)	DATE: February 2007
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APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund, BA-4	PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund	PROJECT NUMBER AND NAME 3117 OPLOG
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B. Accomplishments/Planned Program

	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	2.000	8.500	13.078	10.750
RDT&E Articles Quantity				

Advanced Replenishment Systems: Develop integrated shipboard underway replenishment (UNREP) concepts and systems that provide improved refueling and resupply capability across all Navy ship types and sizes; facilitating emerging missions including Seabasing, Heavy UNREP, small combatant UNREP, interface definition and system/component interoperability.

FY06 - Continue Heavy Underway Replenishment (Heavy UNREP) development efforts including Rigging Winch, sliding padeye, and control system development and fabrication. Initiate concept development of advanced UNREP features including all-electric systems (replacing workload-intensive electro-hydraulic-pneumatic systems) and powered Connected Replenishment (CONREP) trolley. Continue development of CONREP wireless ranging and communication technologies and requirements development for lower tension small ship, boat, and craft underway replenishment.

FY07 - Continue Heavy UNREP development including sliding padeye testing and logistics support, installation or RAM tensioner prototype, fabrication of highline/spanwire winch and sliding block prototypes. Conduct scale demonstration of all-electric and powered CONREP trolley systems. Fabricate and demonstrate wireless ranging prototype. Conduct concept development and initiate fabrication of lower tension UNREP capability.

FY08 - Continue Heavy UNREP development including rigging and hauling winches and anti-slack device prototypes. Conduct Heavy UNREP land-based test site installations and system checks and initiate component shock testing and detailed logistics support. Conduct integration design and testing of all-electric and powered trolley prototype. Begin installation of first increment Heavy UNREP technologies aboard CLF (and other) ship as appropriate. Conduct at-sea testing of CONREP wireless ranging prototype. Conduct at-sea demonstration of improved lower tension UNREP technologies. Conduct integration studies for transitioning the Office of Naval Research (ONR) Seabasing Future Naval Capabilities (FNC) large vessel (LVI) lift-on/lift-off (LO/LO) capability.

FY09 - Conduct at-sea testing of Heavy UNREP, all-electric and powered CONREP trolley systems. Implement technology integration of Heavy UNREP and advanced replenishment sub-systems and components and complete Integrated Logistics Support (ILS) in preparation for ship installation(s). Continue low tension (small ship) unrep integration and demonstration efforts.

	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	1.852	2.480	1.425	0.855
RDT&E Articles Quantity				

Standard Containerization: Develop standardized, integrated packaging and containerization solutions consistent with improved replenishment systems, asset visibility and tracking systems and improved shipboard material handling architectures. Leverage and expand current intermodal (ISO) and legacy / emerging DOD material handling architectures such as the Joint Modular Intermodal Container (JMIC) and Joint Modular Intermodal Distribution System (JMIDS).

FY06 - Continue developmental testing of the JMIC consistent with Navy, Marine Corps, and other Joint tests. Update technical data package used as procurement baseline for JMIC demonstration articles for the Joint Modular Intermodal Delivery System (JMIDS) Joint Capabilities Technology Demonstration (JCTD). Initiate JMIDS transition planning, programming and budgeting activities per JCTD.

FY07 - Update JMIC technical data package (TDP) as necessary and develop "open" (eg: ISO) specification for JMIC. Conduct market research on commercial JMIC application and interface. Resource JMIDS JCTD Year 2 efforts including Military Utility Assessments (MUAs) and coordinate transition planning and operational testing. Leverage results from ongoing Common Naval Packaging operational evaluation efforts examining commercially-available standardized packaging. Continue development of packaging, handling, stowage, and transportation web-based tools for in-field retrograde operations. Continue development of standardized containerization concepts of operations for shipboard selective offload, asset visibility, and automated storage and handling.

FY08 - Complete development of "open" (eg: ISO) specification for JMIC leveraging results of JMIC commercialization. Resource JMIDS JCTD Year 3 efforts including Military Utility Assessments (MUAs) focused on Seabasing. Continue JMIDS transition planning and operational testing. Develop standardized containerization policy for future system acquisition and demonstrate lighter-weight JMIC containers.

FY09 - Resource JMIDS JCTD during final year of residual operational evaluation efforts. Continue JMIDS transition planning, finalize standardized containerization policy for future system acquisition

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CLASSIFICATION:

EXHIBIT R-2, RDT&E Budget Item Justification	FY 2008/FY 2009 President's Budget (\$M)	DATE: February 2007
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APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund, BA-4	PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund	PROJECT NUMBER AND NAME 3117 OPLOG
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B. Accomplishments/Planned Program

	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	0.800	1.100	1.865	1.925
RDT&E Articles Quantity				

Asset Visibility and Planning: Integrate asset information management systems with emerging logistics architectures to improve asset visibility throughout the DoN logistics cycle, focusing on shipboard applications and integration. Incorporate open architectures and standards-based technologies into ship platforms to comply with DoD RFID policy and shipboard certification requirements regarding emitting technologies.

FY06 - Initiate land-based pilot across Naval installations examining the effects of passive radio frequency identification (pRFID) technologies on standard loads of small caliber ammunition and ordnance. Quantify pilot results and develop test plan for afloat demonstration considering OP-4 and Hazards of Electro-magnetic Radiation to Ordnance (HERO), Personnel (HERP), and Fuel (HERF) and other shipboard requirements. Conduct comparative analysis between government-developed and commercially-available pRFID technologies in accordance with DoD RFID implementation directives. Continue spectrum analysis efforts and develop testing plan for quantifying pRFID complex cavity effects found aboard ship.

FY07 - Continue pRFID land- and sea-based technology pilots and integrate results with spectrum and cavity effects analysis. Develop integration and testing plan for pRFID technologies (and active RFID -- aRFID) with standardized containerization efforts in order to quantify In-Transit and Total Asset Visibility capability. Provide results to ongoing JMIDS JCTD (see previous section in OPLOG R2a).

FY08 - Conduct afloat pRFID spectrum and complex cavity analyses in context of shipboard in-transit visibility demonstration(s). Conduct comparative analysis with current / emerging optical and light-based technologies. Integrate and demonstrate asset visibility technologies in Naval standardized packaging beyond the scope of the JMIDS JCTD. Develop draft pRFID afloat implementation policy

FY09 - Conduct at-sea demonstration of integrated asset visibility and standardized packaging technologies aboard combat logistics force and surface combatant assets. Quantify asset visibility characteristics and efficiencies achieved via integrated packaging and asset visibility. Finalize recommendations, performance characteristics, and policy for near-term implementation including development of performance requirements expanding in-service afloat warehouse management systems.

	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	0.800	0.750	0.775	0.775
RDT&E Articles Quantity				

Logistics Architectures: Develop comprehensive, integrated afloat supply system architectures considering operational, system, and technical requirements and initiatives. Define system performance and interface requirements; draft future operational logistics capability acquisition guidelines and develop cost-versus-capability analyses for affordable technology development. Conduct concept assessment and integration studies examining OPLOG- and other-funded technology development efforts (eg: Office of Naval Research (ONR) Seabasing Future Naval Capabilities (FNC) Science and Technology (S&T) funded technologies.

FY06 - Conduct concept studies characterizing stowage density gains possible with standardized containerization (eg. Joint Modular Intermodal Container -- JMIC) and automated storage and retrieval systems providing selective offload. Conduct throughput analysis integrating selective offload capability with Heavy UNREP transfer rates. Conduct market analysis examining commercially-available standardized containers and industry standards with respect to packaging and containerization specifications. Develop requirements for naval expeditionary coastal warfare operational logistics.

FY07 - Continue standardized container research with academia and industry packaging experts to identify commercial features desirable in standardized containerization (eg: JMIC) to facilitate a standardized container not unique to DoD. Transition results to JMIDS JCTD transition and technical efforts. Coordinate transition of appropriate FNC projects to RDT&E budgets based on defensible transition to programs of record. Continue requirements development efforts for naval expeditionary coastal warfare operational logistics and identify interface development necessary to support via sea-based Fleet and Joint assets.

FY08 - Conduct integration analyses of commercially-developed and coalition partner-developed advanced replenishment technologies to quantify technology readiness and transition timelines. Continue coordinating transition of appropriate FNC projects to RDT&E budgets based on program transition opportunities and acquisition strategy/schedule. Develop naval expeditionary coastal warfare operational logistics technology development and demonstration plans.

FY09 - Coordinate Navy JMIDS JCTD transition planning, at-sea replenishment systems demonstration, and naval expeditionary coastal warfare operational logistics experimentation.

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CLASSIFICATION:

EXHIBIT R-2, RDT&E Budget Item Justification	FY 2008/FY 2009 President's Budget (\$M)	DATE: February 2007
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APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund, BA-4	PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund	PROJECT NUMBER AND NAME 3117 OPLOG
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B. Accomplishments/Planned Program

	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	0.560	0.559	0.758	0.703
RDT&E Articles Quantity				

Integrated Naval Logistics: Coordinate OPLOG technology development efforts with OPNAV N41 and US Marine Corps Naval Logistics Integration (NLI) initiatives aligning Navy and Marine Corps logistics systems and processes for Sea Based operations.

FY06 - Expand Navy repairable tracking software (ATAC) to include high-value USMC repairables. Expand baseline ATAC capability to include additional tracking system (eRMS) expanding USN-USMC integration globally, ashore, and afloat; integrating with Defense Logistics Agency (DLA) and consistent with interoperable Joint logistics. Conduct focused Common Naval Packaging pilot projects comparing commercially-available standardized containerization products and capturing best-practices for integration into JMIDS JCTD Military Utility Assessments (MUAs) during FY07+.

FY07 - Continue FY06 eRMS pilot efforts to integrate selected USN-USMC systems with enterprise resource architecture efforts (ERP, GCSS, etc). Develop test and evaluation demonstrations of Sense and Respond Logistics (S&RL) technologies afloat -- integrating with USMC ground vehicle health assessment and monitoring R&D efforts.

FY08 - Assess enterprise architecture efforts for integration with Total Asset Visibility capability. Conduct S&RL assessments on Total Asset Visibility afloat and plan demonstrations at sea. Initiate new-start FY08 NLI project(s) approved by flag-level NLI senior board.

FY09 - Conduct S&RL at-sea demonstration and quantify impacts on afloat Total Asset Visibility. Initiate new-start FY09 NLI project(s) approved by flag-level NLI senior board.

	FY 06	FY 07	FY 08	FY 09
Accomplishments/Effort/Subtotal Cost	2.259	3.056	4.695	5.648
RDT&E Articles Quantity				

Shipboard Material Transport: Develop improved shipboard equipment for vertical and horizontal material movement and subsequent stowage. Incorporate standardized containerization initiatives and future shipboard configurations / architectures and develop legacy (back-fit) capabilities as applicable. Transition ongoing S&T, and other appropriate initiatives into the acquisition community with focused technology demonstration(s) and operational test and evaluation

FY06 - Extend Office of Naval Research (ONR) Seabasing Future Naval Capabilities (FNC) Science and Technology (S&T) funded technologies beyond proof of concept in area of internal ship cargo handling/movement including Off-Center In-Line Omni-directional Wheel (OCiLOW) and automated warehousing. OCiLOW efforts extend base proof of principle effort to shipboard environment through marinization (corrosion protection, electro-magnetic effects, producibility and affordability). Automated warehouse efforts integrated Joint Modular Intermodal Container (JMIC) handling into automated storage and retrieval (asr) demonstrations, funded at-sea asr operational testing, and quantified ship motion, vibration, and electro-magnetic effects on asr prototype.

FY07 - Continue asr demonstration and evaluation efforts including ship impact analysis and failure modes and wear assessment after at-sea testing. Develop transition and integration analysis to determine suitability for transition to programs of record. Continue OCiLOW marinization efforts and demonstrate full-scale OCiLOW prototype. Develop detailed concept of operations for Compact Agile Material Mover (Camm) FNC project and integrate with ongoing weapons loader vehicle initiative for shipboard flight deck ordnance handling. Develop Camm/OCiLOW at-sea test and evaluation plan. Conduct requirements development and provide input for automated weapons assembly technologies scheduled as a FY08 Office of Naval Research (ONR) Seabasing Future Naval Capabilities (FNC) effort. Conduct requirements development and provide input for high rate vertical / horizontal material movement technologies including ship impact analysis and concept integration.

FY08 - Plan demonstration of fully-functional asr prototype aboard suitable logistics ship. Conduct Camm at-sea demonstration and evaluation. Conduct ship impact analysis and concept definition for at-sea automated weapons assembly. Integrate existing afloat warehouse management systems with asr prototype leveraging lessons-learned from in-service systems.

FY09 - Engineer demonstration of fully-functional asr prototype aboard suitable logistics ship. Develop and demonstrate Camm technical and operational architectures for cross-platform and cross-functional afloat application.

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EXHIBIT R-2, RDT&E Budget Item Justification								FY 2008/FY 2009 President's Budget (\$M)			DATE: February 2007
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund/BA-4			PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund					PROJECT NUMBER AND NAME 3117 OPLOG			
C. Other Program Funding Summary	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	To Complete	Total Cost	
Not Applicable											
(U) Related RDT&E: Not Applicable											
D. Acquisition Strategy:											
Not applicable for OPLOG R&D efforts.											
E. Major Performers:											
Field Activities & Locations - Work Performed											
NSWC, Carderock - Concept development and engineering support											
NSWC, Panama City - Technology development											
NSWC, Pt Hueneme - Technology development and engineering support											
NSWC, Indian Head - Concept development and engineering support											
NAVICP, Philadelphia - Engineering support											
SPAWAR Systems Center, Charleston, SC - Engineering support											
Office of Naval Research, Arlington, VA - Concept development and system technology development											
Contractors & Locations - Work Performed											
CSC, Washington, DC - Engineering Support											
Alion-JJMA, Washington, DC - Engineering Development											
SAIC, Mechanicsburg, PA - Policy Analysis											
AMSEC, San Diego, CA - Engineering Support											
Oldenburg, Rossville, MI -- Engineering Development											
SYS, Ventura, CA -- Engineering Development											
Markey, Ventura CA -- Fabrication											
Universities & Locations - Work Performed											
Univ of Texas - Technology development and engineering support											
University of Michigan - Concept development											

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Exhibit R-3 Cost Analysis							FY 2008/FY 2009 President's Budget (\$M)			DATE: February 2007		
APPROPRIATION/BUDGET ACTIVITY				PROGRAM ELEMENT		PROJECT NUMBER AND NAME						
National Defense Sealift Fund/BA-4				PE 0408042N		3117 OPLOG						
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 07 Cost	FY 07 Award Date	FY 08 Cost	FY 08 Award Date	FY 09 Cost	FY 09 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Primary Hardware Development	Various	Oldenburg Inc., Alion-JJMA, SYS, Markey Inc., Garrett Corp	1.950	2.600	various	5.623	various	4.365	various	Continuing	Continuing	
Ancillary Hardware Development	Various	AMSEC LLC, Markey, Rockwell Intl, Alion, SAIC, Alien Technologies	0.600	1.600	various	3.756	various	2.368	various	Continuing	Continuing	
Aircraft Integration											0.000	
Ship Integration	WX & RX	NSWC Carderock, Dahlgren, Port Hueneme; Oldenburg, Alion-JJMA	0.734	0.950	various	1.950	various	1.565	various	Continuing	Continuing	
Ship Suitability	WX & RX	NSWC Carderock, SPAWAR Charleston, Panama City	0.054	0.326	various	0.380	various	0.650	various	Continuing	Continuing	
Systems Engineering	WX & RX	NSWC Carderock, Port Hueneme; Oldenburg, Alion, SAIC, SYS, AMSEC	1.650	3.436	various	2.438	various	3.200	various	Continuing	Continuing	
Training Development											0.000	
Licenses											0.000	
Tooling											0.000	
GFE											0.000	
Award Fees											0.000	
Subtotal Product Development			4.988	8.912		14.147		12.148		Continuing	Continuing	
Remarks:												
Development Support	Various	Various Contractors		1.468	various	2.750		2.300		Continuing	Continuing	
Software Development				0.150		0.268		0.210			0.628	
Integrated Logistics Support				0.075	various	0.150	various	0.103			0.328	
Configuration Management				0.110	various	0.165	various	0.210			0.485	
Technical Data	WX & RX	NSWC Port Hueneme; Alion, SAIC, Markey	1.408	1.150	various	0.425	various	0.385		Continuing	Continuing	
Studies & Analyses	WX & RX	NSWC Carderock, Dahlgren; SAIC, CSC, Marine Design Dynamics, General Dynamics ATP	0.925	1.100	various	0.525	various	0.375		Continuing	Continuing	
GFE											0.000	
Award Fees											0.000	
Subtotal Support			2.333	4.053		4.283		3.583		Continuing	Continuing	
Remarks:												

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Exhibit R-3 Cost Analysis (page 2)			FY 2008/FY 2009 President's Budget (\$M)				DATE: February 2007						
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT		PROJECT NUMBER AND NAME								
National Defense Sealift Fund/BA-4			PE 0408042N		3117 OPLOG								
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	FY 08 Cost	FY 08 Award Date	FY 09 Cost	FY 09 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Developmental Test & Evaluation	Various	SYS, Markey, Alion	0.330		0.410		0.650		0.215		Continuing	Continuing	
Operational Test & Evaluation	Various	Oldenburg, Alion, SAIC	0.620		0.605		0.890		0.650		Continuing	Continuing	
Live Fire Test & Evaluation												0.000	
Test Assets												0.000	
Tooling					0.400							0.400	
GFE												0.000	
Award Fees												0.000	
Subtotal T&E			0.950		1.415		1.540		0.865		Continuing	Continuing	
Remarks:													
Contractor Engineering Support					1.750		2.150		3.300		Continuing	Continuing	
Government Engineering Support					0.315		0.476		0.760		Continuing	Continuing	
Program management Support												0.000	
Travel												0.000	
Transportation												0.000	
SBIR Assessment												0.000	
Subtotal Management			0.000		2.065		2.626		4.060		Continuing	Continuing	
Remarks:													
Total Cost			8.271		16.445		22.596		20.656		Continuing	Continuing	
Remarks:													

UNCLASSIFIED
NATIONAL DEFENSE SEALIFT FUND
Exhibit P-40
FY 2008/2009 President's Budget

NDSF
February 2007
BA-5
BLI 050000

Ready Reserve Force (RRF)
(\$Millions)

<u>RRF</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
O&M Forward Financing 1/	4.1	-4.1	0.0	0.0
M&R Maintenance and Repair, Activitations	170.2	176.7	196.5	193.6
OTHER:				
SDDC / USTC Enhancements	0.0	6.7	0.2	0.5
T-1 Tanker disposal	0.0	5.0	0.0	0.0
NDRF/Facilities, security	20.0	20.9	23.1	23.8
Logistics/ IT programs	8.1	8.4	8.6	9.0
Total, RRF	<u>202.4</u>	<u>213.6</u>	<u>228.4</u>	<u>226.9</u>
	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Outyear Costs	225.3	249.8	254.3	259.5

1/ \$4.1M of FY06 funds are forward financed to FY07

Justification:

The RRF Budget Review is based upon the conclusions of the 2005 Mobility Capabilities Study (MCS) and subsequent requirements review and determination by Navy and USTRANSCOM. The study and review indicated required readiness levels for the RRF ships. The funding level meets required readiness and allows the ships to activate in time to deliver cargo to a given area of operations and satisfy Combatant Commanders' critical warfighting requirements. Further joint review by Navy and USTRANSCOM indicated that 11 lower priority ships could be downgraded to the National Defense Reserve Fleet (NDRF) by the end of FY 2006. An additional six ships were determined to be downgraded to the NDRF across FY2008 through FY 2010. These reductions increase risk by creating a 300,000 sq ft RO/RO and 90,000 barrel petroleum capacity shortfalls. The risk is addressed with a cost saving approach to initiate a shipping contingency contract to qualified ship operating companies. The companies will provide the RO/RO capacity shortfall upon demand with set readiness requirements. A similar contingency contract program to be administered by Military Sealift Command (MSC), will provide the required tanker capacity to replace the 3 RRF T-1 tankers currently sited in Japan.

As part of the ongoing program review, two additional critical elements are addressed. The budget includes SDDC/ USTRANSCOM capability enhancements for specified RRF ships and maintenance to provide an extended service life program for aging priority ships. This submission supports RRF ships, employs alternative concepts of shipping and tanker contingency contracts to cover moderate risk, enables priority RRF ships to reach a 50-year service life, and makes sealift capacity and capability improvements while maintaining the reliable and cost effective service of the RRF to the Combatant Commanders.

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NATIONAL DEFENSE SEALIFT FUND
Exhibit P-5 SEALIFT COST ANALYSIS
FY 2008/2009 President's Budget

NDSF
February 2007

A. DATE: Jan-07		B. APPROPRIATION: National Defense Sealift Fund (NDSF) (AC #80)						C. ITEM NOMENCLATURE Budget Activity: Ready Reserve Force (RRF) (NDSF BA 5) Budget Line Item: Ready Reserve Force (RRF) (NDSF BLI 0500)						BA-5 BLI 050000				
		TOTAL COST IN THOUSANDS OF DOLLARS																
		FY 06		FY 07		FY 08		FY 09		FY 10		FY 11		FY 12		FY 13		
COST CODE	RRF COST CATEGORY (1)	IDENT CODE (2)	QTY (7)	TOTAL COST (8)	QTY (9)	TOTAL COST (10)	QTY (11)	TOTAL COST (12)	QTY (13)	TOTAL COST (14)	QTY (15)	TOTAL COST (16)	QTY (17)	TOTAL COST (18)	QTY (17)	TOTAL COST (18)	QTY (17)	TOTAL COST (18)
BLI #0500	Maintenance & Repair, activations Less JCS Exercise Savings			98,025 (5,000)		89,390 (5,000)		108,657 (5,000)		101,721 (5,000)		98,778 (5,000)		113,819 (5,000)		116,905 (5,000)		98,771 (5,000)
BLI #0500	ROS Crews/SM fees		39	76,007	39	75,798	39	75,980	38	79,362	35	80,174	35	81,294	35	83,977	35	86,332
BLI #0500	Outporting		42	18,138	39	16,558	39	16,816	38	17,591	35	17,104	35	17,561	35	16,491	35	16,851
BLI #0500	Logistics			8,122		8,427		8,593		9,021		9,191		9,352		9,517		9,687
BLI #0500	NDRF/Facilities & Security			20,037		20,851		23,101		23,749		24,177		24,396		20,930		21,917
BLI #0500	SDDC/USTC enhancements of RRF T-1 Disposal Capacity development alternatives			0		6,690 5,000		247		496		870		6,400 2,000		10,025 1,440		0 30,900
	Total, Maintenance & Ops program			215,329		217,714		228,394		226,940		225,294		249,822		254,285		259,458
	Forward Financing 05-06			(17,000)														
	Forward Financing 06-07			4,100		(4,100)												
	TOTAL, RRF (NDSF BA 5 BLI 0500)			202,429		213,614		228,394		226,940		225,294		249,822		254,285		259,458

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NATIONAL DEFENSE SEALIFT FUND
RRF READINESS STATUS
(Ship Quantity)

NDSF
February 2007
BA-5
BLI 050000

FY 2008/2009 President's Budget

READY RESERVE FORCE- SHIPS BY READINESS CATEGORY

Ship Type	2006	2007	2008	2009	2010	2011	2012	2013
BREAKBULK	<u>3</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
ROS-5	2	2	2	1	0	0	0	0
PREPO	1	1	1	1	1	1	1	1
RO/RO	<u>27</u>							
ROS-5	27	27	27	27	27	27	27	27
RRF-10								
HEAVYLIFT	<u>4</u>							
ROS-5	2	2	2	2	0	0	0	0
RRF-10	2	2	2	2	4	4	4	4
T-ACS	<u>6</u>							
ROS-5	6	6	6	6	6	6	6	6
RRF-10	0	0	0	0	0	0	0	0
RRF-20	0	0	0	0	0	0	0	0
TANKER	<u>3</u>	<u>0</u>						
RRF-10	3	0	0	0	0	0	0	0
OPDS-TANKER	<u>3</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
RRF-10	1	1	1	1	1	1	1	1
RRF-30	0	0	0	0	0	0	0	0
PREPO	2	1	1	0	0	0	0	0
T-AVB								
ROS-5	2	2	2	2	2	2	2	2
GRAND TOTALS	48	44	44	42	41	41	41	41

UNCLASSIFIED
NATIONAL DEFENSE SEALIFT FUND (NDSF)
REVENUE AND EXPENSES
(Dollars in Millions)
FY 2008/2009 President's Budget
NDSF Unfunded Reimbursable Programs

Revenue:	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Gross Sales:				
Operations	954.9	973.3	993.3	1,013.8
Depreciation Except Maj Const	0.0	0.0	0.0	0.0
Major Construction Depreciation	0.0	0.0	0.0	0.0
Total Gross Sales	954.9	973.3	993.3	1013.8
Other Income	0.0	0.0	0.0	0.0
 Total Income	 954.9	 973.3	 993.3	 1013.8
 Expenses:				
Prepositioning Ships	756.0	770.1	780.8	791.4
Surge Ships	198.9	203.2	212.5	222.4
 Total Expenses	 954.9	 973.3	 993.3	 1013.8
 Work in Progress Adjusted	 0.0	 0.0	 0.0	 0.0
Comp Work for Activity Reten Adj	0.0	0.0	0.0	0.0
Cost of Goods Sold	954.9	973.3	993.3	1013.8
 Operating Result	 954.9	 973.3	 993.3	 1013.8
 Less Capital Surchg Reservation	 0.0	 0.0	 0.0	 0.0
Plus Appropriations Affecting NOR/AOR	0.0	0.0	0.0	0.0
Other Changes Affecting NOR/AOR	0.0	0.0	0.0	0.0
Inventory Gains and Losses	0.0	0.0	0.0	0.0
Net Operating Result	0.0	0.0	0.0	0.0
 Transfers Not Affecting NOR/AOR	 0.0	 0.0	 0.0	 0.0
Prior Year and Other Adjustments	0.0	0.0	0.0	0.0
Other Inventory Adjustments	0.0	0.0	0.0	0.0
WRM Appropriations	0.0	0.0	0.0	0.0
Net Result	0.0	0.0	0.0	0.0

UNCLASSIFIED
REVENUE AND EXPENSES
(Dollars in Millions)
FY 2008/2009 President's Budget
NATIONAL DEFENSE SEALIFT FUND (NDSF)
NDSF Unfunded Reimbursable Programs

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
1. Orders from DoD Components:				
Navy	726.1	728.6	740.0	770.6
Army	147.0	147.4	151.9	144.9
Air Force	53.1	68.1	70.9	67.2
Defense Energy Support Center	28.6	29.2	30.5	31.1
2. Other Orders:				
Other Federal Agencies	0.0	0.0	0.0	0.0
Trust Fund	0.0	0.0	0.0	0.0
Non-Federal Agencies	0.0	0.0	0.0	0.0
3. Total Gross Orders	954.9	973.3	993.3	1013.8
4. Credits and Allowances:				
Discounts	0.0	0.0	0.0	0.0
Price Reductions	0.0	0.0	0.0	0.0
5. Change to Backlog	0.0	0.0	0.0	0.0
6. Total Gross Sales	954.9	973.3	993.3	1013.8

UNCLASSIFIED
FINANCIAL CONDITION
(Dollars in Millions)
FY 2008/2009 President's Budget
NATIONAL DEFENSE SEALIFT FUND (NDSF)
NDSF Direct Funded Programs

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Assets:				
Selected Assets:				
Fund Balance with Treasury	1,089.2	1,067.8	1,079.1	2,272.2
Reserve for Capital Purchases (memo)				
Accounts Receivable	0.0	0.0	0.0	0.0
Advances Made	0.0	0.0	0.0	0.0
Inventories	0.0	0.0	0.0	0.0
Other Assets	0.0	0.0	0.0	0.0
Deferred Capital Property	0.0	0.0	0.0	0.0
 Total Assets	 1,089.2	 1,067.8	 1,079.1	 2,272.2
Liabilities:	0.0	0.0	0.0	0.0
Selected Liabilities:				
Accounts Payable				
Accrued Liabilities	1,089.2	1,067.8	1,079.1	2,272.2
Advances Received	0.0	0.0	0.0	0.0
Unfunded	0.0	0.0	0.0	0.0
Liabilities	0.0	0.0	0.0	0.0
Other Liabilities	0.0	0.0	0.0	0.0
 Total Liabilities	 1,089.2	 1,067.8	 1,079.1	 2,272.2
Government Equity:				
Paid-in-Capital				
(Assets Capitalized less Liabilities Assumed)	0.0	0.0	0.0	0.0
Accumulated Operating Results	0.0	0.0	0.0	0.0
 Total Government Equity	 0.0	 0.0	 0.0	 0.0
 Total Liabilities and Equity	 1,089.2	 1,067.8	 1,079.1	 2,272.2

UNCLASSIFIED
REVENUE AND EXPENSES
(Dollars in Millions)
FY 2008/2009 OSD Budget
NATIONAL DEFENSE SEALIFT FUND (NDSF)
NDSF Direct Funded Programs

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Unobligated Authority Available, Beginning of Year				
New Authority:	1,089.2	1,067.8	1,079.1	2,272.2
New Construction/Conversion	396.7	531.3	507.7	1,685.6
DOD Mobilization Assets	418.4	214.7	246.3	290.9
RDT&E	71.6	108.1	96.6	68.7
NDRF Operations and Maintenance	202.4	213.6	228.4	226.9
Transfer to Other Accounts	0.0	0.0	0.0	0.0
Obligations (Total)	1,089.2	1,067.8	1,079.1	2,272.2
New Construction/Conversion	396.7	531.3	507.7	1,685.6
DOD Mobilization Assets	418.4	214.7	246.3	290.9
RDT&E	71.6	108.1	96.6	68.7
NDRF Operations and Maintenance	202.4	213.6	228.4	226.9
Unobligated Balance, End of Year	0.0	0.0	0.0	0.0
Outlays (Total):				
New Construction/Conversions				
RDT&E				
Unliquidated Obligations, EOY				
Financing of Capital Purchases:				
Direct Appropriation	1,089.2	1,067.8	1,079.1	2,272.2
Transferred from Other Accounts	0.0	0.0	0.0	0.0
Alliance Contributions	0.0	0.0	0.0	0.0