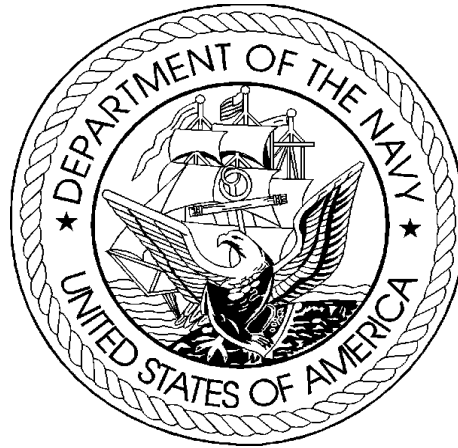


DEPARTMENT OF THE NAVY  
FISCAL YEAR (FY) 2006/FY 2007  
BUDGET ESTIMATES



JUSTIFICATION OF ESTIMATES  
FEBRUARY 2005

NATIONAL DEFENSE SEALIFT FUND

**Program:** Shipbuilding

**Rating:** Adequate

**Agency:** Department of Defense--Military

**Program Type:** Capital Assets and Service Acquisition

**Bureau:** Procurement

**Last Assessed:** 2 years ago

<b>Key Performance Measures from Latest PART</b>	<b>Year</b>	<b>Target</b>	<b>Actual</b>
Annual Measure: Percent change in acquisition costs for individual programs from established cost of the program. Results from Virginia Class attack submarine program shown as example; data from DoD's annual Selected Acquisition Reports. The Dec 2001 report represents a two-year period (1999-2001) due to the absence of a Dec 2000 report.	2002	<10%	24%
	2003	<10%	2%
	2005	<10%	
	2006	<10%	
Annual Measure: Percentage of ship construction complete Each ship under construction has a delivery date and construction schedule. At the end of each year, the Program Manager has a goal to have a percentage of the ship construction completed. The information provided is for the first Virginia Class submarine (SSN 774).	2002	81%	77%
	2003	92%	89%
	2005	96%	
	2006	99%	
Long-term Measure: Number of ships in the Fleet The Navy has a baseline level of ships that it should maintain. For example, the 2001 Quadrennial Defense Review set 55 attack submarines as the baseline force that the Navy should maintain. The information shown shows planned levels for attack submarines.	2000	55	56
	2005	55	54
	2009	55	60
	2012	55	60

<b>Recommended Follow-up Actions</b>	<b>Status</b>
Work to ensure that shipbuilding decisions are made with long term fleet size and capability goals in mind.	Action taken, but not completed
Improve the cost estimates for the shipbuilding program or, in some cases, fully budget to cost estimates.	Action taken, but not completed
Institute program-wide goals rather than the ship specific goals that are currently used.	Action taken, but not completed

**Update on Follow-up Actions:**

In the annual measure on completion of ship construction, the target percentages for 2005 and 2006 are based on the second Virginia Class submarine (SSN 775). The recommended follow-up actions will be undertaken in conjunction with the 2005 Quadrennial Defense Review.

**Program Funding Level (in millions of dollars)**

<b>2004 Actual</b>	<b>2005 Estimate</b>	<b>2006 Estimate</b>
11,989	11,384	9,354

**Fiscal Year 2006 Budget Estimates  
Budget Appendix Extract Language**

**NATIONAL DEFENSE SEALIFT FUND (NDSF)**

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, [\$1,204,626,000] \$1,648,504,000, 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].  
(*Department of Defense Appropriations Act, 2005.*)

FY 2006 President's Budget  
February 2005

## **NATIONAL DEFENSE SEALIFT FUND**

### ***Summary Narrative:***

The request of \$1,648.5 million in FY 2006 for NDSF funds the procurement of 1 T-AKE as well as the operations and maintenance and the related Research and Development of sealift assets utilized for prepositioning, surge and Ready Reserve Force (RRF) requirements established by the DoD Mobility Requirements Study (MRS) and the MRS Bottom Up Review Update (BURU). The importance of substantial enhancements to our strategic mobility was first identified in the 1991 MRS and was validated in the FY 1995 MRS BURU. Based upon ship configurations, a total of 19 prepositioning/surge ships will be required to satisfy the MRS BURU requirements.

The NDSF budget request includes \$103.1 million in FY 2006 for the continuation of research and development efforts (BA4) for the Strategic Sealift Technology Development Program. Furthermore, \$204.5 million is budgeted in FY 2006 for costs associated with maintenance of the National Defense Reserve Fleet, which includes the Ready Reserve Force (BA5). In addition, \$921.6 million is budgeted for costs associated with the maintenance and alterations of Department of Defense (DoD) Mobilization Assets (BA2), such as Fast Sealift Ships (FSS), Large Medium Speed Roll-on/Roll-off (LMSR) vessels and Fleet Hospital ships (T-AH). This funding also includes the buyout of 13 Maritime Prepositioning Ship (MPS) leases in FY 2006.

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).

## NATIONAL DEFENSE SEALIFT FUND

### Supplemental Exhibits Index

<b><u>NDSF Budget Activiites/Programs</u></b>	<b><u>Pages</u></b>
BA 1 Strategic Sealift Acquisition [ T-AKE ship construction]	4-14
BA 2 DOD Mobilization Assets [ FSS Maintenance, LMSR Maintenance, Mobilization Alterations, T-AH Maintenance]	15-18
BA 4 Research and Development [ National Defense Sealift Research and Development]	19-49
BA 5 Reasy Reserve Force [ Operations and Maintenance of the Ready Reserve Force]	50-52

**NDSF SUMMARY FINANCIAL DATA  
FY 06 President's Budget**

Feb 2005

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

( TOA \$ Millions)									
<b><i>NDSF Budget Activity</i></b>	<b><u>FY2004</u></b>	<b><u>FY2005</u></b>	<b><u>FY2006</u></b>	<b><u>FY2007</u></b>	<b><u>FY2008</u></b>	<b><u>FY2009</u></b>	<b><u>FY2010</u></b>	<b><u>FY2011</u></b>	<b><u>Total Program</u></b>
<b><i>- Programs: (Claimant/Executor)</i></b>									
Strategic Ship Acquisition : (NDSF BA 1) (NAVSEA/NAVSEA)	<b>621.4</b>	<b>768.4</b>	<b>419.3</b>	<b>519.5</b>	<b>856.4</b>	<b>2,959.4</b>	<b>2,516.5</b>	<b>5,144.4</b>	<b>13,805.4</b>
T-AOE(X) (BLI 010000)	0.0	0.0	0.0	0.0	152.1	1,129.4	1,051.4	2,078.8	<b>4,411.6</b>
MPF (F) (BLI 011000)	0.0	0.0	0.0	0.0	253.5	1,773.5	1,433.5	3,047.2	<b>6,507.6</b>
T-AKE (BLI 012000)	621.4*	768.4	380.1	440.4	387.3	0.0	0.0	0.0	<b>1,976.3</b>
Post Delivery & Outfittings (BLI 5000)	0.0	0.0	39.2	79.1	63.6	56.6	31.6	18.4	<b>288.4</b>
<b>DoD Mobilization Assets (NDSF BA 2) (FSA/MSC)</b>	<b>133.9</b>	<b>162.3</b>	<b>921.6</b>	<b>206.7</b>	<b>198.5</b>	<b>259.7</b>	<b>273.7</b>	<b>275.9</b>	<b>2,432.5</b>
- FSS Maint (BLI 021000)	46.0	58.7	56.9	72.9	68.6	72.1	78.3	80.1	<b>533.7</b>
- LMSR Maint (BLI 022000)	72.2	81.5	79.8	101.9	94.3	99.2	107.6	110.2	<b>746.7</b>
- DOD Mob. Alts (BLI 023000)	0.0	0.0	764.2	2.7	13.4	64.7	63.7	61.0	<b>969.8</b>
- T-AH Maint (BLI 025000)	15.6	22.1	20.8	29.1	22.2	23.8	24.1	24.6	<b>182.3</b>
<b>Sealift R&amp;D: (NAVSEA) (NDSF BA 4)</b>	<b>14.6</b>	<b>52.4</b>	<b>103.1</b>	<b>94.4</b>	<b>78.8</b>	<b>62.6</b>	<b>74.9</b>	<b>85.6</b>	<b>566.3</b>
- NAVSEA R & D (BLI 090000)	14.6	52.4	103.1	94.4	78.8	62.6	74.9	85.6	<b>566.3</b>
<b>NDRF / RRF O&amp;M (BLI 050000) (NDSF BA 5) (FSA/MARAD)</b>	<b>226.4</b>	<b>221.5</b>	<b>204.5</b>	<b>223.3</b>	<b>248.0</b>	<b>237.9</b>	<b>237.7</b>	<b>242.6</b>	<b>1,841.9</b>
* Reflects \$100.9M PY actual update of unobligated balances.									
	<b>996.2</b>	<b>1,204.6</b>	<b>1,648.5</b>	<b>1,043.9</b>	<b>1,381.8</b>	<b>3,519.6</b>	<b>3,102.9</b>	<b>5,748.5</b>	<b>18,646.0</b>

CLASSIFICATION: UNCLASSIFIED

BUDGET ITEM JUSTIFICATION SHEET (P-40) FY 2006/2007 PRESIDENT'S BUDGET (\$M)										DATE: February 2005	
APPROPRIATION/BUDGET ACTIVITY/BUDGET LINE ITEM NATIONAL DEFENSE SEALIFT FUND/BA-1/BLI 0120										P-1 ITEM NOMENCLATURE T-AKE	
	PRIOR YEAR	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	TO COMPLETE	TOTAL PROGRAM
QUANTITY	4	2	2	1	1	1	0	0	0	0	11
End Cost	1,593.8	722.3	768.4	380.1	440.4	387.3	0.0	0.0	0.0	0.0	4,292.4
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	1,593.8	722.3*	768.4	380.1	440.4	387.3	0.0	0.0	0.0	0.0	3,570.1
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	1,593.8	722.3	768.4	380.1	440.4	387.3	0.0	0.0	0.0	0.0	4,292.4
Plus Outfitting and Post Delivery	0.0	0.0	0.0	39.2	79.1	63.6	56.6	31.6	7.6	0.9	278.5
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	1,593.8	722.3	768.4	419.3	519.5	450.9	56.6	31.6	7.6	0.9	4,570.9
Unit Cost (Ave. End Cost)	398.5	361.2	384.2	380.1	440.4	387.3	0.0	0.0	0.0	0.0	415.5

**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.

<u>Characteristics:</u>	<u>TAKE</u>	<u>Production Status</u>	<u>FY05</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>
			<u>T-AKE 7</u>	<u>T-AKE 8</u>	<u>T-AKE 0601</u>	<u>T-AKE 0701</u>
<u>Hull</u>	<u>DESIGN</u>	Contract Plans				
Length overall	689 FT	Award Planned (Month)	Jan-05	Jan-05	Jan 06	Jan-07
Beam	106 FT	Months to Complete				
Displacement	40,539 LT	a) Award to Delivery	40	42	40	40
Draft	29.9 FT	b) Construction Start to Delivery	17	14	19	18
		Commissioning Date	TBD	TBD	TBD	TBD
		Completion of				
		Fitting-Out	Jul-08	Sep-08	Jul-09	Apr-10

Armament: N/A

Major Electronics:

HF/UHF/VHF Systems	SWAN/LAN
HSFB	ADNS
INMARSAT	DMS
GPS	INTEGRATED BRIDGE CONTROL SYSTEM
GMDSS	MACHINERY CONTROL SYSTEM
IFF	
SNAP	

\* Does not reflect \$100.9M actual update of unobligated balances.

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P-5 EXHIBIT  
FY 2006/2007 President's Budget  
February 2005

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 FY01 8110 FY04 1F10  
BUDGET LINE ITEM: 0120 FY02 8D10 FY03 8E10 FY05 1G10

ELEMENT OF COST	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004	
	QTY	TOT COST	QTY	TOT COST	QTY	TOT COST	QTY	TOT COST	QTY	TOT COST
PLAN COSTS	1	56,784	1	0	1	0	1	0	2	0
BASIC CONST/CONVERSION		409,130		331,378		301,577		303,603		623,551
CHANGE ORDERS		20,457		10,441		8,500		8,400		16,900
ELECTRONICS		18,707		15,948		15,463		15,176		33,572
PROPULSION EQUIPMENT		0		0		0		0		0
HM&E		28,754		11,913		8,001		11,459		24,837
OTHER COST		1,168		420		1,059		3,587		3,106
ORDNANCE		0		0		0		0		0
ESCALATION		0		0		0		0		0
TOTAL SHIP ESTIMATE		535,000		370,100		334,600		342,225		701,966
POST DELIVERY/OUTFITTING		0		0		0		11,895		20,348
FY00 - FY03 NDSF ADJUSTMENTS		46,097		12,261		(26,218)		(32,140)		0
NET P-1 LINE ITEM		488,903		357,839		360,818		386,260		722,314





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P-5B EXHIBIT  
FY 2006/2007 President's Budget  
February 2005

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

Ship Type: TAKE

I. Design Schedule

	<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

	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07
<u>III. Basic Construction/Conversion</u>	<u>(T-AKE 1)</u>	<u>(T-AKE 2)</u>	<u>(T-AKE 3)</u>	<u>(T-AKE 4)</u>	<u>(T-AKE 5/6)</u>	<u>(T-AKE 7/8)</u>	<u>(T-AKE 9)</u>	<u>(T-AKE 10)</u>
a. RFP Response Date	SEPT 2000	SEPT 2000	SEPT 2000	SEPT 2000	SEPT 2000	SEPT 2000	SEPT 2000	SEPT 2000
b. Award Date	OCT 2001	OCT 2001	JUL 2002	JUL 2003	JAN 2004	JAN 2005	JAN 2006	JAN 2007
c. Contract Type	FPI	FPI	FPI	FPI	FPI	FPI	FPI	FPI

	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07
<u>IV. Escalation</u>	<u>(T-AKE 1)</u>	<u>(T-AKE 2)</u>	<u>(T-AKE 3)</u>	<u>(T-AKE 4)</u>	<u>(T-AKE 5/6)</u>	<u>(T-AKE 7/8)</u>	<u>(T-AKE 9)</u>	<u>(T-AKE 10)</u>
Base Date      2000	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED

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

Ship Type: T-AKE New Construction Program	FY00 Total Cost	FY01 Total Cost	FY02 Total Cost	FY03 Total Cost	FY04 Total Cost	FY05 Total Cost	FY06 Total Cost	FY07 Total Cost	Total Cost
<b>Electronics</b>									
A. Integrated Ship's Network System(ISNS)	3,114	2,774	2,774	2,774	5,812	5,708	2,880	2,874	28,708
B. Digital Modular Radio (DMR)	3,982	3,742	3,742	3,742	8,251	8,206	3,880	3,882	39,425
C. NTCSS/SUADPS	501	320	320	320	814	726	350	344	3,695
D. NAVMACS/SMS	378	348	348	348	691	684	380	373	3,550
E. Global Command & Control System-Maritime	115	115	115	115	232	232	122	128	1,174
F. INFOSEC/Information	340	275	255	255	551	548	285	291	2,800
H. Battle Force E-Mail	43	43	43	43	92	92	65	59	480
I. Int. Maritime Satellite High Speed Data	41	41	41	41	87	87	55	57	450
J. Fleet Broadcast	97	97	97	97	198	198	111	110	1,005
K. Tactical Variant Switch	849	769	769	769	1,579	1,574	910	884	8,103
L. Tactical Voice Terminal (TVT)	245	205	205	205	505	496	230	221	2,312
M. Automated Digital Network System (ADNS)	290	290	290	290	614	614	330	306	3,024
N. Military GPS	475	385	355	355	912	900	460	401	4,243
O. Headquarters Coordination	837	808	798	798	1,381	1,303	880	833	7,638
P. Radio Communication System (RCS) Turnkey	6,405	5,127	4,692	4,405	10,019	9,590	5,487	5,056	50,781
Q. Misc Electronics	<u>995</u>	<u>610</u>	<u>620</u>	<u>620</u>	<u>1,834</u>	<u>1,492</u>	<u>680</u>	<u>1,046</u>	<u>7,897</u>
<b>Total Electronics</b>	<b>18,707</b>	<b>15,948</b>	<b>15,463</b>	<b>15,176</b>	<b>33,572</b>	<b>32,450</b>	<b>17,105</b>	<b>16,864</b>	<b>165,285</b>

NTCSS- Navy Tactical Command Support System  
 SUADPS- Shipboard Uniform Data Processing System  
 NAVMACS/SMS- Naval Modular Automated Communications System/Signal Messaging Solution

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P-8A Exhibit  
FY 2006/2007 President's Budget  
February 2005

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

Ship Type: T-AKE New Construction Program	FY00 Total Cost	FY01 Total Cost	FY02 Total Cost	FY03 Total Cost	FY04 Total Cost	FY05 Total Cost	FY06 Total Cost	FY07 Total Cost	Total Cost
HM&E									
A. HM&E Test & Instrumentation	5,653	7	707	1,207	2,591	2,646	1,337	1,365	15,513
B. HM&E Engineering Services	21,929	11,149	6,086	8,868	19,346	20,731	9,637	9,547	107,292
C. SUPSHIP Material/Services	290	7	458	634	1,400	1,600	1,100	700	6,189
D. Logistics Support Services	<u>882</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>1,500</u>	<u>1,100</u>	<u>703</u>	<u>701</u>	<u>7,136</u>
Total HM&E	28,754	11,913	8,001	11,459	24,837	26,077	12,777	12,313	136,130

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

Ship Type: T-AKE New Construction Program	FY00 Total Cost	FY01 Total Cost	FY02 Total Cost	FY03 Total Cost	FY04 Total Cost	FY05 Total Cost	FY06 Total cost	FY07 Total Cost	Total Cost
Other									
A. Reliability/Maintainability	0	0	0	0	0	0	0	0	0
B. Program Support	255	34	661	3,087	2,325	1,066	1,565	1,171	10,164
C. Travel/Training	754	386	398	388	781	669	395	394	4,165
D. Logistics Support	<u>159</u>	<u>0</u>	<u>0</u>	<u>112</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>271</u>
Total Other	1,168	420	1,059	3,587	3,106	1,735	1,960	1,565	14,600

UNCLASSIFIED  
CLASSIFICATION

P-27 Exhibit  
FY 2006/2007 President's Budget  
February 2005

NATIONAL DEFENSE SEALIFT FUND  
SHIP PRODUCTION SCHEDULE

SHIP TYPE	SHIPBUILDER	FISCAL YEAR AUTHORIZED	CONTRACT AWARD	START OF CONSTRUCTION	DELIVERY DATE
T-AKE 1	NASSCO	2000	Oct-01	Sep-03	May-05
T-AKE 2	NASSCO	2001	Oct-01	Aug-04	Dec-05
T-AKE 3	NASSCO	2002	Jul-02	Feb-05	May-06
T-AKE 4	NASSCO	2003	Jul-03	Sep-05	Dec-06
T-AKE 5	NASSCO	2004	Jan-04	Apr-06	May-07
T-AKE 6	NASSCO	2004	Jan-04	Aug-06	Jul-07
T-AKE 7	NASSCO	2005	Jan-05	Dec-06	May-08
T-AKE 8	NASSCO	2005	Jan-05	May-07	Jul-08
T-AKE 0601	NASSCO	2006	Jan-06	Oct-07	May-09
T-AKE 0701	NASSCO	2007	Jan-07	Aug-08	Feb-10

NASSCO- National Steel and Shipbuilding Company; (Ca)

CLASSIFICATION: UNCLASSIFIED

BUDGET ITEM JUSTIFICATION SHEET (P-40) FY 2006/2007 PRESIDENT'S BUDGET (\$M)									DATE: February 2005		
APPROPRIATION/BUDGET ACTIVITY/BUDGET LINE ITEM NATIONAL DEFENSE SEALIFT FUND/BA-1/BLI 5000									P-1 ITEM NOMENCLATURE NDSF POST DELIVERY AND OUTFITTING		
	PRIOR YEAR	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	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	0.0	0.0	0.0	39.2	79.1	63.6	56.6	31.6	18.4	433.2	721.6
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	39.2	79.1	63.6	56.6	31.6	18.4	432.9	721.4
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 was established to support Post Delivery and Outfitting requirements for T-AKE, T-AOE(X) and MPF(F) and future NDSF ship programs.

Outfitting funds are used to acquire on board repair parts, other secondary items, equipage, 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, conversion, and ship life extension program. It ensures these ships receive their full allowance 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 to achieve 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 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Outfitting (BLI 500020)	28,786	68,729	53,019	46,003	21,078	13,073
Post Delivery (BLI 500030)	10,400	10,400	10,544	10,554	10,565	5,287
	39,186	79,129	63,563	56,557	31,643	18,360

DD Form 2454, JUL 88

CLASSIFICATION: UNCLASSIFIED

Exhibit P-29, NATIONAL DEFENSE SEALIFT FUND (NDSF) OUTFITTING COSTS								DATE: February 2005							
APPROPRIATION/BUDGET ACTIVITY/BUDGET LINE ITEM								P-1 ITEM NOMENCLATURE							
NATIONAL DEFENSE SEALIFT FUND/BA-1/BLI 5000								NDSF POST DELIVERY AND OUTFITTING							
SHIP TYPE	HULL NO	PROG YEAR	DEL DATE	CFO DATE	PRIOR YEARS	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	TO COMPLETE	TOTAL
T-AKE	0001	00	May-05	Jul-05	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
T-AKE	0002	01	Dec-05	Feb-06	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
T-AKE	0003	02	May-06	Jul-06	0.000	0.000	0.000	3.670	1.833	0.000	0.000	0.000	0.000	0.000	5.503
T-AKE	0004	03	Dec-06	Feb-07	0.000	0.000	0.000	6.201	16.000	0.000	0.000	0.000	0.000	0.000	22.201
T-AKE	0005	04	May-07	Jun-07	0.000	0.000	0.000	9.915	15.300	1.544	0.000	0.000	0.000	0.000	26.759
T-AKE	0006	04	Jul-07	Sep-07	0.000	0.000	0.000	9.000	16.462	1.610	0.000	0.000	0.000	0.000	27.072
T-AKE	0501	05	May-08	Jun-08	0.000	0.000	0.000	0.000	9.511	14.815	3.086	0.000	0.000	0.000	27.412
T-AKE	0502	05	Jul-08	Sep-08	0.000	0.000	0.000	0.000	9.623	14.890	3.258	0.000	0.000	0.000	27.771
T-AKE	0601	06	May-09	Jun-09	0.000	0.000	0.000	0.000	0.000	10.080	14.857	3.111	0.000	0.000	28.048
T-AKE	0701	07	Feb-10	Apr-10	0.000	0.000	0.000	0.000	0.000	10.080	14.857	3.112	0.000	0.000	28.049
T-AKE	0801	08	Jan-11	Mar-11	0.000	0.000	0.000	0.000	0.000	0.000	9.945	14.855	2.289	0.895	27.984
				T-AKE Total	0.000	0.000	0.000	28.786	68.729	53.019	46.003	21.078	2.289	0.895	220.799
T-AOE(X)	0901	09	Feb-13	Apr-13	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.666	18.025	21.691
T-AOE(X)	1001	10	Aug-13	Oct-13	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	22.342	22.342
T-AOE(X)	1101	11	May-14	Jul-14	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	22.276	22.276
T-AOE(X)	1102	11	Nov-14	Jan-15	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	22.944	22.944
				T-AOE(X) Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.666	85.587	89.253
MPF(F)	0901	09	Dec-14	Feb-15	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.118	55.100	62.218
MPF(F)	1001	10	Jun-15	Aug-15	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	63.800	63.800
MPF(F)	1101	11	Dec-15	Feb-16	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	65.100	65.100
MPF(F)	1102	11	Apr-16	Jun-16	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	65.100	65.100
				MPF(F) Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.118	249.100	256.218
				NDSF Outfitting Total	0.000	0.000	0.000	28.786	68.729	53.019	46.003	21.078	13.073	335.582	566.269
<b>COMMENTS</b>															
BLI 5000 established for Outfitting of NDSF ships beginning FY06.															



CLASSIFICATION: UNCLASSIFIED

Exhibit P-30, NATIONAL DEFENSE SEALIFT FUND (NDSF) POST DELIVERY COSTS								DATE: February 2005							
APPROPRIATION/BUDGET ACTIVITY/BUDGET LINE ITEM								P-1 ITEM NOMENCLATURE							
NATIONAL DEFENSE SEALIFT FUND/BA-1/BLI 5000								NDSF POST DELIVERY AND OUTFITTING							
SHIP TYPE	HULL NO	PROG YEAR	DEL DATE	CFO DATE	PRIOR YEARS	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	TO COMPLETE	TOTAL
T-AKE	0001	00	May-05	Jul-05	0.000	0.000	0.000	5.200	0.000	0.000	0.000	0.000	0.000	0.000	5.200
T-AKE	0002	01	Dec-05	Feb-06	0.000	0.000	0.000	5.200	0.000	0.000	0.000	0.000	0.000	0.000	5.200
T-AKE	0003	02	May-06	Jul-06	0.000	0.000	0.000	0.000	5.200	0.000	0.000	0.000	0.000	0.000	5.200
T-AKE	0004	03	Dec-06	Feb-07	0.000	0.000	0.000	0.000	5.200	0.000	0.000	0.000	0.000	0.000	5.200
T-AKE	0005	04	May-07	Jun-07	0.000	0.000	0.000	0.000	0.000	5.272	0.000	0.000	0.000	0.000	5.272
T-AKE	0006	04	Jul-07	Sep-07	0.000	0.000	0.000	0.000	0.000	5.272	0.000	0.000	0.000	0.000	5.272
T-AKE	0501	05	May-08	Jun-08	0.000	0.000	0.000	0.000	0.000	0.000	5.277	0.000	0.000	0.000	5.277
T-AKE	0502	05	Jul-08	Sep-08	0.000	0.000	0.000	0.000	0.000	0.000	5.277	0.000	0.000	0.000	5.277
T-AKE	0601	06	May-09	Jun-09	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.282	0.000	0.000	5.282
T-AKE	0701	07	Feb-10	Apr-10	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.283	0.000	0.000	5.283
T-AKE	0801	08	Jan-11	Mar-11	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.287	0.000	0.000	5.287
T-AKE Total					0.000	0.000	0.000	10.400	10.400	10.544	10.554	10.565	5.287	0.000	57.750
T-AOE(X)	0901	09	Feb-13	Apr-13	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.000	12.000
T-AOE(X)	1001	10	Aug-13	Oct-13	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.400	12.400
T-AOE(X)	1101	11	Feb-14	Apr-14	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.400	12.400
T-AOE(X)	1102	11	Aug-14	Oct-14	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.772	12.772
T-AOE(X) Total					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	49.572	49.572
MPF(F)	0901	09	Dec-14	Feb-15	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.000	12.000
MPF(F)	1001	10	Jun-15	Aug-15	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.000	12.000
MPF(F)	1101	11	Dec-15	Feb-16	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.000	12.000
MPF(F)	1102	11	Apr-16	Jun-16	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.000	12.000
MPF(F) Total					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	48.000	48.000
NDSF Post Delivery Total					0.000	0.000	0.000	10.400	10.400	10.544	10.554	10.565	5.287	97.572	155.322
<b>COMMENTS</b>															
BLI 5000 established for Post Delivery of NDSF ships.															

EXHIBIT P-30, NDSF POST DELIVERY COSTS

**NATIONAL DEFENSE SEALIFT FUND  
Exhibit P-40  
FY 06 President's Budget**

**NDSF  
Feb 2005  
BA-2  
BLI 021000**

**Fast Sealift Ships (FSS)  
(\$Millions)**

<u><b>FSS</b></u>	<u><b>FY 2004</b></u>	<u><b>FY 2005</b></u>	<u><b>FY 2006</b></u>	<u><b>FY 2007</b></u>
Total FSS	46.0	58.7	56.9	72.9
Outyear Costs	<u><b>FY 2008</b></u> 68.6	<u><b>FY 2009</b></u> 72.1	<u><b>FY 2010</b></u> 78.3	<u><b>FY 2011</b></u> 80.1

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 maintenance and berthing costs. Whenever activated to Full Operating Status (FOS) at the request of a user customer (e.g., LANT/PAC Fleet), then the user pays for the additional expenses, such as fuel and additional crew, on a reimbursable basis.

Beginning in FY06 funding is budgeted for MSC Force Protection (FP). Additional peacetime requirements are intended to increase anti-terrorism and force protection measures currently incorporated to upgrade the current peacetime force protection requirements. MSC operations includes more combat logistics force protection for ships destined for areas of heightened security. For Fast Sealift Ships (FSS), additional Force Protection is provided in FY06 \$2.7M and FY07 \$2.9M.

**NATIONAL DEFENSE SEALIFT FUND  
Exhibit P-40  
FY 06 President's Budget**

**NDSF  
Feb 2005  
BA-2  
BLI 022000**

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

<u>LMSR</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Total, LMSR	72.2	81.5	79.8	101.9
	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Outyears Cost	94.3	99.2	107.6	110.2

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. The new construction vessels 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 will be 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. Cost data incrementally increases as ships are delivered to the fleet and undergo an initial post delivery crew familiarization/warranty maintenance period. All 11 surge LMSRs were delivered by 28 February 2002.

Beginning in FY06 funding is budgeted for MSC Force Protection (FP). Additional peacetime requirements are intended to increase anti-terrorism and force protection measures currently incorporated to upgrade the current peacetime force protection requirements. MSC operations includes more combat logistics force protection for ships destined for areas of heightened security. For Large Medium Speed RO/RO (LMSR), additional Force Protection is provided in FY06 \$5.1M and FY07 \$6.1M.

**NATIONAL DEFENSE SEALIFT FUND  
Exhibit P-40  
FY 06 President's Budget**

**NDSF  
Feb 2005  
BA-2  
BLI 023000**

**DOD Strategic Vessel Modernization  
(\$Millions)**

<u>Modernization</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
MPS Lease Buyout	0.0	0.0	749.8	0.0
MPS ShipAlts for INLS integration	0.0	0.0	0.0	0.7
T-AOE-6 Class CIVMODS	0.0	0.0	14.4	2.0
 Total, Modernization	<b>0.0</b>	<b>0.0</b>	<b>764.2</b>	<b>2.7</b>
	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
T-AOE Civilian Crew Modifications	12.1	63.0	63.0	61.0
MPS ShipAlts for INLS integration	1.3	1.7	0.7	0.0
Outyear Costs, Totals	<b>13.4</b>	<b>64.7</b>	<b>63.7</b>	<b>61.0</b>

Justification:

General: Fleet modernization replaced obsolete equipment and responded to emergent fleet requirements. Requirements are prioritized annually and fiscal resources are allocated to complete most important safety and operational requirements when resources become available.

**Maritime Prepositioning Ship (MPS) Buyout** in FY 06 will result in a one time cost of \$749.8 million that fiscal year. This one time expense will execute the buyout of all 13 leased MPS ships in FY06.

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

**T-AOE Civilian Crew Modifications** in FY 06 requires \$14.4 million to buy long lead materials for crew modification availabilities starting in FY09. The modifications are required to accommodate civilian mariner crews for the former AOE-6 class ships transferred to MSC beginning in FY01.

**NATIONAL DEFENSE SEALIFT FUND  
Exhibit P-40  
FY 06 President's Budget**

**NDSF  
Feb 2005  
BA-2  
BLI 025000**

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

<u>T-AH</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Crew Costs	4.49	4.58	4.58	4.68
Maintenance and Repair	4.92	10.87	9.99	17.72
Layberth	3.39	3.46	3.39	3.46
Other	2.85	3.20	2.85	3.29
Total T-AH ROS Operations	<b>15.65</b>	<b>22.11</b>	<b>20.81</b>	<b>29.15</b>
	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Outyear Cost	<b>22.17</b>	<b>23.78</b>	<b>24.11</b>	<b>24.55</b>

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.

Beginning in FY06 funding is budgeted for MSC Force Protection (FP). Additional peacetime requirements are intended to increase anti-terrorism and force protection measures currently incorporated to upgrade the current peacetime force protection requirements. MSC operations includes more combat logistics force protection for ships destined for areas of heightened security. For T-AH Maintenance, additional Force Protection is provided in FY06 \$0.4M and FY07 \$0.5M.

# UNCLASSIFIED

CLASSIFICATION:

EXHIBIT R-2, RDT&E Budget Item Justification					FY 2006/2007 PRESIDENT'S BUDGET			DATE: February 2005	
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund/BA-4/BLI 0900					R-1 ITEM NOMENCLATURE PE 0408042N/National Defense Sealift Fund				
COST (\$ in Millions)	FY 2004*	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	
Total PE Cost	13.433	52.405	103.057	94.357	78.783	62.640	74.889	85.598	
3110 MPF(F) R&D	3.899	28.000	66.301	66.332	20.380	12.532	12.807	13.089	
3116 SEALIFT	4.855	6.404	5.911	6.182	6.447	6.530	6.673	6.820	
3117 OPLOG	1.560	8.589	8.355	11.333	13.325	15.228	15.561	15.904	
3118 T-AOE(X)	3.119	9.412	22.490	10.510	3.550	4.846	0.000	0.000	
3119 HSS	0.000	0.000	0.000	0.000	35.081	23.504	39.848	49.785	

**A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:** This Program Element supports multiple NDSF R&D efforts.

**B. PROJECT UNIT EFFORTS are as follows:**

(1) **Maritime Prepositioning Force (Future) - MPF(F) (3110)** - concept studies and concept design in support 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 Operations Logistics (OPLOG) (3117)**- Naval Operations Logistics (OPLOG) (3117)- develops future operational logistics and afloat integrated supply systems for combat logistics forces and Fleet combatants; consolidates and integrates the logistics requirements and initiatives of acquisition programs to ensure cross-platform capabilities are fielded; and provides a forum for cooperative engagement among program sponsors, engineering managers, and fleet customers.

(4) **Fast Combat Support Ship - T-AOE(X) (3118)** - concept studies to replace the capability of the AOE 1 Class (Fast Combat Support Ship) and act as a station ship for the carrier strike group.

(5) **High Speed Ship (HSS) (3119)** - concept studies in support of ship systems that will reduce critical reliance on strategic airlift and serve as a strategic logistics connector.

\* Does not reflect \$1.15M actual update of unobligated balances.

# UNCLASSIFIED

**CLASSIFICATION:**

EXHIBIT R-2a, RDT&E Project Justification				<b>FY 2006/2007 PRESIDENT'S BUDGET</b>				DATE: <b>February 2005</b>	
APPROPRIATION/BUDGET ACTIVITY <b>National Defense Sealift Fund/BA-4/BLI 0900</b>		PROGRAM ELEMENT NUMBER AND NAME <b>PE 0408042N/National Defense Sealift Fund</b>				PROJECT NUMBER AND NAME <b>3110 MPF(F) R&amp;D</b>			
COST (\$ in Millions)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	
Project Cost	3.899	28.000	66.301	66.332	20.380	12.532	12.807	13.089	
RDT&E Articles Qty									
<p><b>A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:</b> Maritime Prepositioning Force (Future) - MPF(F) (3110) - concept studies and concept design in support 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.</p>									

# UNCLASSIFIED

**CLASSIFICATION:**

EXHIBIT R-2, RDT&E Budget Item Justification	<b>FY 2006/2007 PRESIDENT'S BUDGET</b>	<b>DATE:</b> <b>February 2005</b>
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APPROPRIATION/BUDGET ACTIVITY <b>National Defense Sealift Fund, BA-4</b>	PROGRAM ELEMENT NUMBER AND NAME <b>PE 0408042N/National Defense Sealift Fund</b>	PROJECT NUMBER AND NAME <b>3110 MPF(F) R&amp;D</b>
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**B. Accomplishments/Planned Program**

	FY 04	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	1.050	10.045	20.774	15.550
RDT&E Articles Quantity				

**Landing Platform (LP) Technologies:** Develop and validate external surface craft interfaces including integrated and mobile landing platforms (ILP/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.

**FY04** - Conducted full scale calm water ILP assembly and demo of LCAC interface and ship lift feasibility. Developed government/industry concepts of ILP, coupling and lift options and MLP concepts.

**FY05** - Continue industry ILP/MLP concept designs and fabricate/test ILP concept platform. Award ILP prototype design to industry/shipyard. Conduct at-sea MLP tests using commercially available ships.

**FY06** - Accomplish ILP prototype fabrication, shipyard installation and harbor tests. Develop ship interface control documentation and accomplish certification studies. Continue at-sea MLP interface validation.

**FY07** - Phase 1 prototype testing (in harbor and at-sea in a progressively increasing sea state); accomplish prototype lessons learned modifications. Update interface control documentation.

	FY 04	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	0.675	0.950	4.204	14.150
RDT&E Articles Quantity				

**Skin to Skin (STS):** Develop and validate MPF(F) ship replenishment at-sea using commercial containerhips, MLP, current lighterage and high speed vessels by building on commercial-off-the-shelf technology used in the tanker industry to offload super tankers at-sea. Development team will include commercial design agents, equipment vendors and shipyards/fabricators.

**FY04** - Conducted at-sea skin to skin test with MARAD crane ships (Oct 03). Investigated fendering, mooring and cargo transfer concepts.

**FY05** - Continue fendering, mooring and cargo transfer system designs based on commercially available products. Conduct initial evaluation with modeling and simulation. Demonstrate initial mooring/fendering and cargo/personnel transfer concepts in conjunction with at-sea MLP testing. Conduct cargo/fuel transfer technology assessment with commercial design agents and equipment vendors.

**FY06** - Design, fabricate and install test mooring system in a shipyard and conduct at-sea tests. Design cargo and personnel transfer system concepts.

**FY07** - Fabricate and accomplish at-sea test of advanced mooring system technologies. Continue cargo and personnel transfer system design/model tests.

Sub Total (Page)	1.725	10.995	24.978	29.700
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EXHIBIT R-2, RDT&E Budget Item Justification	<b>FY 2006/2007 PRESIDENT'S BUDGET</b>	DATE: <b>February 2005</b>
APPROPRIATION/BUDGET ACTIVITY <b>National Defense Sealift Fund, BA-4</b>	PROGRAM ELEMENT NUMBER AND NAME <b>PE 0408042N/National Defense Sealift Fund</b>	PROJECT NUMBER AND NAME <b>3110 MPF(F) R&amp;D</b>

**B. Accomplishments/Planned Program**

	FY 04	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	0.2	0.705	2.895	3.132
RDT&E Articles Quantity				

**Automated Cargo Handling (ACH):** Develop and validate technologies investment to perform system definition and validation with at-sea testing for the use of automated cargo handling systems, including commercial container loading and unloading to complement skin-to-skin replenishment of the MPF(F). Systems will improve cargo throughput while reducing manpower requirements. Development team will include commercial design agents, equipment vendors and shipyards/fabricators.

**FY04** - Conducted industry technology and ship system integration concept studies.

**FY05** - Continue system concept integration and throughput analysis for containerized and bulk cargo. Leverage and integrate ONR and MSC programs with industry and participate in fleet exercises to conduct cargo, container and vehicle movement and offload concept development.

**FY06** - Prototype cargo handling system design and ship integration by commercial vendors for phase 1 testing. Participate in fleet exercises for continued shipboard evaluation.

**FY07** - Phase 1 Prototype fabrication, land based testing and ship installation by commercial vendors/shipyards.

	FY 04	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost		0.500	2.751	5.000
RDT&E Articles Quantity				

**Heavy Underway Replenishment (UNREP):** Provides for the development of an upgraded Standard Replenishment Alongside Method system (from 5,700 pounds to 12,000 pounds). Leverage and integrate with other ship programs. Development team will include commercial design agents, equipment vendors and shipyards/fabricators.

**FY05** - Hauling and Highline winch prototype design and fabrication by commercial vendors.

**FY06** - Continue prototype sending system commercial fabrication.

**FY07** - Prototype land based tests. Demo ship interface analysis and installation design.

	FY 04	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost			1.000	
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.

Sub Total (Page)	0.200	1.205	6.646	8.132
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EXHIBIT R-2, RDT&E Budget Item Justification		<b>FY 2006/2007 PRESIDENT'S BUDGET</b>			DATE: <b>February 2005</b>	
APPROPRIATION/BUDGET ACTIVITY <b>National Defense Sealift Fund, BA-4</b>		PROGRAM ELEMENT NUMBER AND NAME <b>PE 0408042N/National Defense Sealift Fund</b>		PROJECT NUMBER AND NAME <b>3110 MPF(F) R&amp;D</b>		
<b>B. Accomplishments/Planned Program</b>						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost		3.100	9.100	9.500		
RDT&E Articles Quantity						
<p><b>Primary Hardware Development:</b> Shipbuilding Industry engineering and design support for MPF(F) ship system(s).  <b>FY05</b> – Initiate multiple contracts with Shipbuilding Industry to support MPF(F) design development in an integrated team environment.  <b>FY06</b> – Continue Shipbuilding Industry involvement to support the collaborative preliminary design of MPF(F).  <b>FY07</b> - Continue Shipbuilding Industry involvement in the completion of the preliminary design of MPF(F) and initiate competitive contract designs of MPF(F) with shipbuilders.</p>						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost	1.974	12.700	25.577	18.500		
RDT&E Articles Quantity						
<p><b>Engineering and Acquisition Support:</b> Engineering and program management effort including requirements and acquisition milestone documentation development, Government Agencies' engineering support, Contractor engineering support and travel for designing and integrating MPF(F) ship system(s) with technology development efforts.  <b>FY04</b> – Completed design requirement trade-off studies in support of post AoA activities and initiated ship design trade off studies to support Navy/USMC Executive Committee (EXCOMM) ship decisions. Initiated acquisition documentation to support the definition of MPF(F) requirements.  <b>FY05</b>- Continue ship design trade off studies to support Navy EXCOMM ship decisions. Continue to develop acquisition and design documentation to support MPF(F) requirements. Initiate preliminary design with shipbuilding industry.  <b>FY06</b> – Continue preliminary design with shipbuilding industry. Continue to develop acquisition and engineering documentation to support approval of MPF(F) Capabilities Development Document (CDD) and other Milestone B requirements.  <b>FY07</b> - Initiate competitive contract designs with shipbuilders. Continue to develop acquisition and engineering documentation to support Milestone B requirements.</p>						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost				0.500		
RDT&E Articles Quantity						
<p><b>Advanced Fire Fighting System:</b> Develop the application and integration of advanced fire fighting systems to MPF(F) cargo, container, ordnance, fuel and RO/RO stowage areas.  <b>FY07</b> – Leverage and integrate lessons learned from current shipbuilding programs to develop concept designs. Conduct modeling and simulation to validate expected performance.</p>						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost						
RDT&E Articles Quantity						
Sub Total (Page)	1.974	15.800	34.677	28.500		
Total	3.899	28.000	66.301	66.332		

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EXHIBIT R-2, RDT&E Budget Item Justification		FY 2006/2007 PRESIDENT'S BUDGET			DATE: <b>February 2005</b>	
APPROPRIATION/BUDGET ACTIVITY		PROGRAM ELEMENT NUMBER AND NAME		PROJECT NUMBER AND NAME		
<b>National Defense Sealift Fund, BA-4</b>		<b>PE 0408042N National Defense Sealift Fund</b>		<b>3110 MPF(F) R&amp;D</b>		
<b>C. PROGRAM CHANGE SUMMARY:</b>						
Funding:		<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	
President's Budget 2005		3.899	92.626	98.020	500.915	
President's Budget 2006		<u>3.899</u>	<u>28.000</u>	<u>66.301</u>	<u>66.332</u>	
Total Adjustments		0.000	-64.626	-31.719	-434.583	
Programmatic Adjustments:						
FY2005 Conference Impact on Shipbuilding		0.000	-64.626	0.000	-434.000	
PBD 602 Fuel Offset				-32.000	0.000	
Misc Minor Adjustments				<u>-0.719</u>	<u>-0.583</u>	
Total Adjustment		0.000	-64.626	-32.719	-434.583	
Schedule:						
Not Applicable						
Technical:						
Not Applicable						

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EXHIBIT R-2, RDT&E Budget Item Justification									<b>FY 2006/2007 PRESIDENT'S BUDGET</b>		<b>DATE:</b> February 2005
APPROPRIATION/BUDGET ACTIVITY <b>National Defense Sealift Fund/BA-4</b>			PROGRAM ELEMENT NUMBER AND NAME <b>PE 0408042N/National Defense Sealift Fund</b>					PROJECT NUMBER AND NAME <b>3110 MPF(F) R&amp;D</b>			
<b>D. Other Program Funding Summary</b>	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	To Complete	Total Cost	
NDSF: (M\$)											
NDSF Line 0110, MPF(F) Acquisition	0	0	0	0	253.5	1,773.5	1,433.5	3,047.2	34,033.0	40,540.7	
(U) Related RDT&E: Not Applicable											
<b>E. Acquisition Strategy:</b>											
MPF(F) - Feasibility studies and concept designs will be conducted to determine the best designs to meet new Navy requirements which can be applied to or will enable future strategic sealift, combat logistics force, and seabasing systems and to support performance specifications that will be competitively awarded.											
<b>F. Major Performers:</b>											
Field Activities & Locations - Work Performed											
NSWC, Carderock, MD - Concept development and engineering support											
NSWC, Panama City, FL - Concept development											
NFESC Pt Hueneme CA - Concept development											
SPAWAR Systems Center, Charleston SC - Concept development and engineering support											
NAVAIR Pax River, MD - Concept development and engineering support											
Office of Naval Research, Arlington, VA - Concept Development											
Contractors & Locations - Work Performed											
CSC, Washington, DC - Engineering Support											
Universities & Locations - Work Performed											

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CLASSIFICATION:

Exhibit R-3 Cost Analysis (page 2)										FY 2006/2007 PRESIDENT'S BUDGET					DATE:	
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT				PROJECT NUMBER AND NAME									
<b>RDT&amp;E, N / BA-4</b>			<b>PE 0408042N/National Defense Sealift Fund</b>				<b>3110 MPF(F) R&amp;D</b>									
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 04 Cost	FY 04 Award Date	FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	Cost to Complete	Total Cost	Target Value of Contract		
Primary Hardware Development	FFP	Various				3.100	3Q	9.100	1Q	9.500	1Q	0.000	21.700			
Ancillary Hardware Development													0.000			
LP Development	Various	Various		1.050	3Q	10.045	2Q	20.774	1Q	9.667	1Q	2.613	44.149			
ACH Development	Various	Various		0.200	3Q	0.705	2Q	2.895	2Q	9.015	1Q	8.275	21.090			
STS Development	Various	Various		0.675	3Q	0.950	2Q	4.204	1Q	14.150	1Q	13.120	33.099			
Blast Mitigation	WX	ONR		0.000		0.000		1.000	1Q				1.000			
Heavy UNREP	WX	NFESC-Pt Hueneme		0.000		0.500	2Q	2.751	1Q	5.000	1Q	7.400	15.651			
Advanced Fire Fighting	WX	TBD								0.500	2Q	1.500	2.000			
Tooling													0.000			
GFE													0.000			
Award Fees													0.000			
Subtotal Product Development			0.000	1.925		15.300		40.724		47.832		32.908	138.689			
<p><b>Remarks:</b>                      Landing Platform (LP) Technology development involves developing an external surface craft interface to reduce impact of surface craft interface on MPF(F) ship size.                      Automated Cargo Handling (ACH) development involves developing systems to permit containers, pallets and roll-on/roll-off (RO/RO) cargo to be handled at-sea to meet seabasing requirements.                      Skin-to Skin (STS) development will enable at-sea replenishment with containerships and other largo cargo ships.</p>																
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	0.000			
<p>Remarks:</p>																

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FY 2006/2007 PRESIDENT'S BUDGET										DATE: February 2005				
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT				PROJECT NUMBER AND NAME							
RDT&E, N / BA-4			PE 0408042N/National Defense Sealift Fund				3110 MPF(F) R&D							
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 04 Cost	FY 04 Award Date	FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 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	0.000	
Remarks:														
Contractor Engineering Support	MAC	CSC	2.600	0.803	1Q	5.000	1Q	11.000	1Q	7.300	1Q	8.500	35.203	
Government Engineering Support	WX	Various	1.588	0.750	1Q	4.400	1Q	11.177	1Q	7.800	1Q	7.000	32.715	
Program Management Support	MAC	CSC	0.873	0.421	1Q	3.200	1Q	3.300	1Q	3.300	1Q	10.000	21.094	
Travel	PD	NAVSEA				0.100	1Q	0.100	1Q	0.100	1Q	0.400	0.700	
Transportation													0.000	
SBIR Assessment													0.000	
Subtotal Management			5.061	1.974		12.700		25.577		18.500		25.900	89.712	
Remarks:														
Total Cost			5.061	3.899		28.000		66.301		66.332		58.808	228.401	
Remarks:														

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EXHIBIT R4, Schedule Profile		FY 2006/2007 PRESIDENT'S BUDGET																								DATE: February 2005										
APPROPRIATION/BUDGET ACTIVITY										PROGRAM ELEMENT NUMBER AND NAME										PROJECT NUMBER AND NAME																
<b>RDT&amp;E, N / BA-4/BLI 090000</b>										<b>PE 0408042N/National Defense Sealift Fund</b>										<b>3110 MPF(F) R&amp;D</b>																
Fiscal Year	2004				2005				2006				2007				2008				2009				2010				2011							
	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				
<b>Acquisition Milestones</b>																																				
Advance Procurement (AP) Contract Award-Lead																																				
DD&C Contract Award-Lead																																				
First Follow Ship																																				
Second Follow Ship																																				
Third Follow Ship																																				

\* Not required for Budget Activities 1, 2, 3, and 6

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Exhibit R-4a, Schedule Detail					<b>FY 2006/2007 PRESIDENT'S BUDGET</b>			DATE: <b>February 2005</b>	
<b>APPROPRIATION/BUDGET ACTIVITY</b> <b>RDT&amp;BA-4</b>		<b>PROGRAM ELEMENT</b> <b>PE 0408042N/National Defense Sealift Fund</b>			<b>PROJECT NUMBER AND NAME</b> <b>3110 MPF(F) R&amp;D</b>				
<b>Schedule Profile</b>		<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
AoA Completion		3Q							
Milestone B						2Q			
AP Contract Award						3Q			
DD&C Contract Award							1Q		



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EXHIBIT R-2a, RDT&E Project Justification				<b>FY 2006/2007 PRESIDENT'S BUDGET</b>				DATE: <b>February 2005</b>	
APPROPRIATION/BUDGET ACTIVITY <b>National Defense Sealift Fund/BA-4/BLI 0900</b>		PROGRAM ELEMENT NUMBER AND NAME <b>PE 0408042N/National Defense Sealift Fund</b>				PROJECT NUMBER AND NAME <b>3116 SEALIFT</b>			
COST (\$ in Millions)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	
Project Cost	4.855	6.404	5.911	6.182	6.447	6.530	6.673	6.820	
RDT&E Articles Qty									
<p><b>A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: Strategic Sealift Research and Development (3116)</b> - 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 Joint Forces Command (JFC) sea state and operational requirements.</p>									

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APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT NUMBER AND NAME	PROJECT NUMBER AND NAME				
<b>National Defense Sealift Fund/BA-4/BLI 0900</b>	<b>PE 0408042N/National Defense Sealift Fund</b>	<b>3116 SEALIFT</b>				
<b>B. Accomplishments/Planned Program</b>						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost	1.900	3.688	3.755	3.910		
RDT&E Articles Quantity						
<b>Sealift Concept Development</b> - Develop sealift and system concept for future sealift missions, including Fast Sealift						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost	1.190	0.866	1.000	1.070		
RDT&E Articles Quantity						
<b>Ship to Ship/Lighter Interfaces</b> - Testing and demonstrations of ship/lighter and ship/ship motion control, mooring and platform interface systems.						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost	0.060	0.050	0.100	0.100		
RDT&E Articles Quantity						
<b>Planning Tools and C4I Systems</b> - Validate/update Planning/Training Systems.						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost	0.300	0.000	0.056	0.072		
RDT&E Articles Quantity						
<b>MERSHIP Systems Development</b> - Development of systems for MERSHIP support of advanced operational concepts.						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost	1.405	1.800	1.000	1.030		
RDT&E Articles Quantity						
<b>Shipboard Crane Systems/Shipboard Cargo Systems</b> - Shipboard crane and cargo systems (including ramp/platform interface) at-sea operations capability development/testing/demonstration.						
Total	4.855	6.404	5.911	6.182		

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EXHIBIT R-2, RDT&E Budget Item Justification	FY 2006/2007 PRESIDENT'S BUDGET	DATE: <b>February 2005</b>								
APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT NUMBER AND NAME	PROJECT NUMBER AND NAME								
<b>National Defense Sealift Fund/BA-4/BLI 0900</b>	<b>PE 0408042N/National Defense Sealift Fund</b>	<b>3116 SEALIFT</b>								
<b>C. PROGRAM CHANGE SUMMARY:</b>										
Funding:	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>						
President's Budget 2005	4.855	6.447	5.855	6.110						
President's Budget 2006	<u>4.855</u>	<u>6.404</u>	<u>5.911</u>	<u>6.182</u>						
Total Adjustments	0.000	-0.043	0.056	0.072						
Programmatic Adjustments										
Misc Minor Adjustments	<u>0.000</u>	<u>-0.043</u>	<u>0.056</u>	<u>0.072</u>						
Total Adjustment	0.000	-0.043	0.056	0.072						
Schedule: Not Applicable										
Technical: Not Applicable										
<b>D. Other Program Funding Summary</b>	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	To Complete	Total Cost
Not applicable for SEALIFT R&D efforts.										
Related RDT&E: Not Applicable										
<b>E. Acquisition Strategy:</b>										
Not applicable for SEALIFT R&D efforts.										
<b>F. Major Performers:</b>										
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 2006/2007 PRESIDENT'S BUDGET							DATE:	
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT				PROJECT NUMBER AND NAME						February 2005		
RDT&E, N / BA-4			PE 0408042N/National Defense Sealift Fund				3116 SEALIFT								
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 04 Cost	FY 04 Award Date	FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	Cost to Complete	Total Cost	Target Value of Contract	
Sealift Concept Development	MAC	CSC				0.800	1Q						0.800		
Sealift Concept Development	WX	NSWC				1.975	1Q						1.975		
Seabase Interface Technology	WX	NSWC				1.800	1Q						1.800		
Seabase Interface Eng	MAC	CSC				0.866	1Q						0.866		
Heavy UNREP	WX	NSWC-PH				0.000	1Q						0.000		
Program Support	Various	Various				0.963	1Q						0.963		
													0.000		
													0.000		
													0.000		
GFE													0.000		
Award Fees													0.000		
Subtotal Product Development			0.000	0.000		6.404		0.000		0.000		0.000	6.404		
Remarks:															
Sealift Concept Development	WX	NSWC						3.755	1Q	3.910	1Q		7.665		
Ship to Ship/Lighter Interface	WX	NSWC						1.000	1Q	1.070	1Q		2.070		
Planning Tools and C4I	WX	NPGS						0.100	1Q	0.100	1Q		0.200		
MERSHIP Systems Development	MAC	CSC						0.056	1Q	0.072	1Q		0.128		
Shipboard Crane Systems	WX	NSWC						0.400	1Q	0.380	1Q		0.780		
Shipboard Cargo Systems	MAC	CSC						0.600	1Q	0.650	1Q		1.250		
GFE													0.000		
Award Fees													0.000		
Subtotal Support			0.000	0.000		0.000		5.911		6.182		0.000	5.911		
Remarks:															

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**CLASSIFICATION:**

FY 2006/2007 PRESIDENT'S BUDGET										DATE: February 2005				
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT				PROJECT NUMBER AND NAME							
<b>RD&amp;E, N / BA-4</b>			<b>PE 0408042N/National Defense Sealift Fund</b>				<b>3116 SEALIFT</b>							
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 04 Cost	FY 04 Award Date	FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Skin to skin	MAC	CSC		1.115	2Q								1.115	
Vacuum Mooring	WX	NSWC-PC		1.000	2Q								1.000	
Cranes & Fendering	WX	NSWC		2.175	2Q								2.175	
CLF Decision Support Tool	WX	NPGS		0.055	2Q								0.055	
Container Handling Demo	WX	MSC		0.345	2Q								0.345	
Program Support	MAC	N42		0.165	2Q								0.000	
Award Fees													0.000	
Subtotal T&E			0.000	4.855		0.000		0.000		0.000		0.000	4.855	
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	0.000	
Remarks:														
Total Cost			0.000	4.855		6.404		5.911		6.182		0.000	17.170	
Remarks:														

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**CLASSIFICATION:**

EXHIBIT R-2a, RDT&E Project Justification					FY 2006/2007 PRESIDENT'S BUDGET				DATE: <b>February 2005</b>			
APPROPRIATION/BUDGET ACTIVITY <b>National Defense Sealift Fund/BA-4/BLI 0900</b>			PROGRAM ELEMENT NUMBER AND NAME <b>PE 0408042N/National Defense Sealift Fund</b>					PROJECT NUMBER AND NAME <b>3117 OPLOG</b>				
COST (\$ in Millions)			FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011		
Project Cost			1.560	8.589	8.355	11.333	13.325	15.228	15.561	15.904		
RDT&E Articles Qty												
<p><b>A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: Naval Operational Logistics Integration (OPLOG) (3117)</b> - develops future operational logistics and afloat integrated supply systems; consolidates and integrates the logistics requirements and initiatives of acquisition programs; and conducts cooperative technology development among program sponsors, engineering managers, and fleet customers. OPLOG will develop integrated, cross-platform (i.e. applicable to more than one ship class / type) operational logistics technologies and capabilities as well as draft acquisition policy ensuring future Naval systems leverage emerging logistics capabilities and advanced technologies.</p> <p>This project provides a foundation for the transition of science &amp; technology initiatives (such as the ExLog Future Naval Capability (FNC)) and other 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 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 more resolution, this project will provide resources and focus toward the development of integrated logistics capabilities.</p> <p>This project will develop improved shipboard operational logistics systems and systems components as well as focused development of asset visibility and container standardization technologies. This integrated suite of capabilities will enable multiple ship types to leverage common technologies and provide a more affordable, mission capable force.</p>												

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**CLASSIFICATION:**

EXHIBIT R-2, RDT&E Budget Item Justification		<b>FY 2006/2007 PRESIDENT'S BUDGET</b>			<b>DATE:</b>	<b>February 2005</b>
APPROPRIATION/BUDGET ACTIVITY <b>National Defense Sealift Fund, BA-4</b>	PROGRAM ELEMENT NUMBER AND NAME <b>PE 0408042N/National Defense Sealift Fund</b>	PROJECT NUMBER AND NAME <b>3117 OPLOG</b>				
<b>B. Accomplishments/Planned Program</b>						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost						
RDT&E Articles Quantity	0.300	1.920	1.800	2.600		
<b>(U) Improved Replenishment Systems:</b> Develop integrated shipboard underway replenishment (UNREP) systems that provide refueling and resupply capability across all Navy ship types and sizes support technology refresh and facilitate emerging missions, including Seabasing. Develop UNREP system interface definitions to maximize operational interoperability.						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost						
RDT&E Articles Quantity	0.300	1.800	2.100	2.100		
<b>(U) Standardized Containerization:</b> 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.						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost						
RDT&E Articles Quantity	0.300	1.777	1.800	2.050		
<b>(U) Asset Visibility and Planning:</b> Integrate disparate asset information management systems with emerging material packaging, transfer, handling and stowage architectures to improve asset visibility throughout the DoN logistics cycle. Incorporate open architectures and standards-based technologies into existing and emerging ship platforms to comply with DoD RFID policy.						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost						
RDT&E Articles Quantity	0.263	0.900	0.826	1.000		
<b>(U) Logistics Architectures:</b> Develop comprehensive, integrated afloat supply system architectures considering operational, system, and technical requirements and initiatives. Articulate future system performance and interface requirements; draft future operational logistics capability acquisition guidelines.						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost						
RDT&E Articles Quantity	0.250	0.750	0.550	1.500		
<b>(U) Integrated Naval Logistics:</b> Coordinate OPLOG technology development efforts with OPNAV N41 Naval Logistics Integration (NLI) initiatives aligning Navy and Marine Corps logistics systems and processes for Sea Based operations.						
Subtotal	1.413	7.147	7.076	9.250		

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**CLASSIFICATION:**

EXHIBIT R-2, RDT&E Budget Item Justification	<b>FY 2006/2007 PRESIDENT'S BUDGET</b>	DATE:
		<b>February 2005</b>
APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT NUMBER AND NAME	PROJECT NUMBER AND NAME
<b>National Defense Sealift Fund, BA-4</b>	<b>PE 0408042N/National Defense Sealift Fund</b>	<b>3117 OPLOG</b>

**B. Accomplishments/Planned Program (Cont)**

	FY 04	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost				
RDT&E Articles Quantity	0.147	1.442	1.279	2.083

(U) **Shipboard Materiel Transport:** Develop improved shipboard equipment for vertical and horizontal materiel 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, initiatives into the acquisition community with focused technology demonstration(s) and operational test and evaluation.

Subtotal	0.147	1.442	1.279	2.083
Total	1.560	8.589	8.355	11.333

**C. PROGRAM CHANGE SUMMARY:**

	FY 2004	FY 2005	FY 2006	FY 2007
Funding:				
President's Budget 2005	1.560	8.647	8.276	11.202
President's Budget 2006	<u>1.560</u>	<u>8.589</u>	<u>8.355</u>	<u>11.333</u>
Total Adjustments	0.000	-0.058	0.079	0.131
Programmatic Adjustments:				
Misc Minor Adjustments	<u>0.000</u>	<u>-0.058</u>	<u>0.079</u>	<u>0.131</u>
Total Adjustment	0.000	0.000	0.079	0.131

Schedule: Not Applicable

Technical: Not Applicable



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**CLASSIFICATION:**

EXHIBIT R-2, RDT&E Budget Item Justification		FY 2006/2007 PRESIDENT'S BUDGET								DATE: February 2005	
APPROPRIATION/BUDGET ACTIVITY		PROGRAM ELEMENT NUMBER AND NAME						PROJECT NUMBER AND NAME			
National Defense Sealift Fund/BA-4		PE 0408042N/National Defense Sealift Fund						3117 OPLOG			
<b>D. Other Program Funding Summary</b>	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	To Complete	Total Cost	
NDSF: (M\$)											
NDSF Line 0100, T-AOE(X)	0	0	0	0	152.1	1,129.4	1,051.4	2,078.8	TBD	4,411.6	
NDSF Line 0110, MPF(F)	0	0	0	0	253.5	1,773.5	1,433.5	3,047.2	TBD	6,507.7	
<p>(U) Related RDT&amp;E: Not Applicable</p> <p><b>E. Acquisition Strategy:</b> Not applicable for OPLOG R&amp;D efforts.</p> <p><b>F. Major Performers:</b></p> <p>Field Activities &amp; Locations - Work Performed  NSWC, Carderock - Concept development  NSWC, Panama City - Concept development  NSWC, Pt Hueneme - Concept development  NSWC, Indian Head - Concept development  NAVICP, Philadelphia - Engineering support</p> <p>Contractors &amp; Locations - Work Performed  CSC, Washington, DC - Engineering Support  St. Onge, York, PA - Engineering Support  SAIC, Mechanicsburg, PA - Policy Analysis  SAMSYS, Durham, NC - Engineering Support</p> <p>Universities &amp; Locations - Work Performed</p>											

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CLASSIFICATION:

Exhibit R-3 Cost Analysis (page 2)										DATE: February 2005				
APPROPRIATION/BUDGET ACTIVITY				PROGRAM ELEMENT				PROJECT NUMBER AND NAME						
<b>RDT&amp;E, N / BA-4</b>				<b>PE 0408042N/National Defense Sealift Fund</b>				<b>3117 OPLOG</b>						
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 04 Cost	FY 04 Award Date	FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Primary Hardware Development	Various	Various Contractors		0.500	various	1.800	various	1.950	various	2.800	various	Continuing	Continuing	
Ancillary Hardware Development	Various	Various Contractors		0.100	various	0.700	various	0.614	various	0.846	various	Continuing	Continuing	
Aircraft Integration													0.000	
Ship Integration	WX & RX	Govt Labs & Activities & contractors		0.200		0.453	various	0.765	various	1.06	various	Continuing	Continuing	
Ship Suitability	WX & RX	Govt Labs & Activities & contractors		0.100		0.125	various	0.054	various	0.33	various	Continuing	Continuing	
Systems Engineering	WX & RX	Govt Labs & Activities & contractors		0.200	various	2.100	various	1.650	various	2.35	various	Continuing	Continuing	
Training Development													0.000	
Licenses													0.000	
Tooling													0.000	
GFE													0.000	
Award Fees													0.000	
Subtotal Product Development			0.000	1.100		5.178		5.033		7.383		0.000	11.311	
Remarks:														
Development Support	Various	Various Contractors			various		various		various		various	Continuing	Continuing	
Software Development													0.000	
Integrated Logistics Support													0.000	
Configuration Management													0.000	
Technical Data	WX & RX	Govt Labs & Activities & contractors		0.100	various	2.072	various	1.425	various	1.680	various	Continuing	Continuing	
Studies & Analyses	WX & RX	Govt Labs & Activities & contractors		0.360	various	1.100	various	0.925	various	1.100	various	Continuing	Continuing	
GFE													0.000	
Award Fees													0.000	
Subtotal Support			0.000	0.460		3.172		2.350		2.780		Continuing	Continuing	
Remarks:														

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**CLASSIFICATION:**

FY 2006/2007 PRESIDENT'S BUDGET										DATE: February 2005				
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT				PROJECT NUMBER AND NAME							
RDT&E, N / BA-4			PE 0408042N/National Defense Sealift Fund				3117 OPLOG							
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 04 Cost	FY 04 Award Date	FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Developmental Test & Evaluation	Various	Various Contractors				0.239		0.349		0.42		Continuing	Continuing	
Operational Test & Evaluation	Various	Various Contractors						0.623		0.75		Continuing	Continuing	
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		0.239		0.972		1.170		0.000	1.211	
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	0.000	
Remarks:														
Total Cost			0.000	1.560		8.589		8.355		11.333		Continuing	Continuing	
Remarks:														

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**CLASSIFICATION:**

EXHIBIT R-2a, RDT&E Project Justification				<b>FY 2006/2007 PRESIDENT'S BUDGET</b>				DATE: <b>February 2005</b>	
APPROPRIATION/BUDGET ACTIVITY <b>National Defense Sealift Fund/BA-4/BLI 0900</b>		PROGRAM ELEMENT NUMBER AND NAME <b>PE 0408042N/National Defense Sealift Fund</b>				PROJECT NUMBER AND NAME <b>3118 T-AOE(X)</b>			
COST (\$ in Millions)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	
Project Cost	3.119	9.412	22.490	10.510	3.550	4.846	0.000	0.000	
RDT&E Articles Qty									
<p><b>A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: Fast Combat Support Ship - T-AOE(X) (3118)</b> - The project consists of concept studies to replace the capability of the AOE 1 Class (Fast Combat Support Ship) and act as a station ship for the carrier strike group.</p>									

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**CLASSIFICATION:**

EXHIBIT R-2, RDT&E Budget Item Justification		<b>FY 2006/2007 PRESIDENT'S BUDGET</b>			<b>DATE:</b> <b>February 2005</b>	
<b>APPROPRIATION/BUDGET ACTIVITY</b> National Defense Sealift Fund, BA-4		<b>PROGRAM ELEMENT NUMBER AND NAME</b> PE 0408042N/National Defense Sealift Fund			<b>PROJECT NUMBER AND NAME</b> 3118 T-AOE(X)	
<b>B. Accomplishments/Planned Program</b>						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost	2.107	3.810	0.200	0.200		
RDT&E Articles Quantity						
<b>Design Studies/Engineering Efforts</b> - Initial Design and Cost Studies to support AoA effort and conduct feasibility study.						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost	0.512	4.602	1.405	1.175		
RDT&E Articles Quantity						
<b>Acquisition/Program Management Support</b> - Program management and acquisition milestone documentation development. This also includes logistics, risk management, T&E, acquisition, RFP development, requirement tracking, production, C4I, source selection, IDE support and travel.						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost	0.500					
RDT&E Articles Quantity						
<b>Analysis of Alternatives</b> - CNA effort to conduct AoA						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost			20.885	9.135		
RDT&E Articles Quantity						
<b>Preliminary/Contract Design</b> - Government/Contractor engineering efforts to support T-AOE(X) shipbuilder design. Also includes Government contracting efforts with shipyards.						
	FY 04	FY 05	FY 06	FY 07		
Accomplishments/Effort/Subtotal Cost		1.000				
RDT&E Articles Quantity						
<b>Heavy UNREP</b> - Support R&D efforts for Heavy UNREP efforts at Port Hueneme						
Total	3.119	9.412	22.490	10.510		

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**CLASSIFICATION:**

EXHIBIT R-2, RDT&E Budget Item Justification		FY 2006/2007 PRESIDENT'S BUDGET			DATE: <b>February 2005</b>
APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT NUMBER AND NAME	PROJECT NUMBER AND NAME			
<b>National Defense Sealift Fund/BA-4/BLI 0900</b>	<b>PE 0408042N/National Defense Sealift Fund</b>	<b>3118 T-AOE(X)</b>			
<b>C. PROGRAM CHANGE SUMMARY:</b>					
Funding:	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	
President's Budget 2005	3.119	9.493	14.280	9.389	
President's Budget 2006	<u>3.119</u>	<u>9.412</u>	<u>22.490</u>	<u>10.510</u>	
Total Adjustments	0.000	-0.081	8.210	1.121	
Programmatic Adjustments					
Realign R&D funding into projects	0.000	0.000	8.000	0.915	
Misc Minor Adjustments	<u>0.000</u>	<u>-0.081</u>	<u>0.210</u>	<u>0.206</u>	
Total Adjustment	0.000	-0.081	8.210	1.121	
Schedule:					
Not Applicable					
Technical:					
Not Applicable					

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**CLASSIFICATION:**

EXHIBIT R-2, RDT&E Budget Item Justification								<b>FY 2006/2007 PRESIDENT'S BUDGET</b>			<b>DATE:</b> February 2005	
APPROPRIATION/BUDGET ACTIVITY <b>National Defense Sealift Fund/BA-4</b>				PROGRAM ELEMENT NUMBER AND NAME <b>PE 0408042N/National Defense Sealift Fund</b>				PROJECT NUMBER AND NAME <b>3118 T-AOE(X)</b>				
<b>D. Other Program Funding Summary</b>	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	To Complete	Total Cost		
NDSF: (M\$)												
NDSF Line 0100, T-AOE(X) Procurement	0	0	0	0	152.1	1,129.4	1,051.4	2,078.8	N/A	4,411.6		
(U) Related RDT&E: Not Applicable												
<b>E. Acquisition Strategy:</b>												
T-AOE(X) - Feasibility studies will be conducted to determine the best designs to meet new Navy requirements that can be applied to or will enable future strategic sealift, combat logistics force, and seabasing systems and to support performance specifications that will be competitively awarded.												
<b>F. Major Performers:</b>												
Field Activities & Locations - Work Performed												
NSWC, Carderock - Concept development												
NSWC, Panama City - Concept development												
NFESC Pt Hueneme - Concept development												
SPAWAR Systems Center, Charleston, SC - Concept development and engineering support												
Contractors & Locations - Work Performed												
CSC, Washington, DC - Acquisition/Engineering Support												
JJMA, Washington, DC - Engineering Support												
CNA, Arlington, VA - AoA Effort												
Universities & Locations - Work Performed												

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**CLASSIFICATION:**

Exhibit R-3 Cost Analysis (page 2)							FY 2006/2007 PRESIDENT'S BUDGET							DATE:		February 2005	
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT				PROJECT NUMBER AND NAME										
RDT&E, N / BA-4			PE 0408042N/National Defense Sealift Fund				3118 T-AOE(X)										
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 04 Cost	FY 04 Award Date	FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	Cost to Complete	Total Cost	Target Value of Contract			
Primary Hardware Development													0.000				
Ancillary Hardware Development													0.000				
Heavy UNREP	WX	NFESC- Port Hueneme				1.000	1Q						1.000				
Ship Integration													0.000				
Ship Suitability													0.000				
Systems Engineering	FFP	Shipbuilders						14.885	1Q	5.035	1Q		19.920				
Training Development													0.000				
Licenses													0.000				
Tooling													0.000				
GFE													0.000				
Award Fees													0.000				
Subtotal Product Development			0.000	0.000		1.000		14.885		5.035		0.000	20.920				
Remarks:																	
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	0.000				
Remarks:																	



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**CLASSIFICATION:**

FY 2006/2007 PRESIDENT'S BUDGET										DATE: February 2005				
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT				PROJECT NUMBER AND NAME							
RDT&E, N / BA-4			PE 0408042N/National Defense Sealift Fund				3118 T-AOE(X)							
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 04 Cost	FY 04 Award Date	FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 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	0.000	
Remarks:														
Contractor Engineering Support	MAC	CSC/JJMA/Shipbuilders		1.407	1Q	2.740	1Q	4.100	1Q	2.100	1Q	2.660	13.007	
Government Engineering Support	WX	Various		1.200	1Q	1.150	1Q	2.100	1Q	2.200	1Q	2.800	9.450	
Program management Support	MAC	CSC/JJMA		0.510	1Q	4.472	1Q	1.355	1Q	1.125	1Q	2.836	10.298	
Travel	PD	NAVSEA		0.002	1Q	0.050	1Q	0.050	1Q	0.050	1Q	0.100	0.252	
Transportation													0.000	
SBIR Assessment													0.000	
Subtotal Management			0.000	3.119		8.412		7.605		5.475		8.396	33.007	
Remarks:														
Total Cost			0.000	3.119		9.412		22.490		10.510		8.396	53.927	
Remarks:														

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**CLASSIFICATION:**

EXHIBIT R4, Schedule Profile		FY 2006/2007 PRESIDENT'S BUDGET																								DATE: February 2005										
APPROPRIATION/BUDGET ACTIVITY										PROGRAM ELEMENT NUMBER AND NAME										PROJECT NUMBER AND NAME																
<b>RDT&amp;E, N / BA-4/BLI 090000</b>										<b>PE 0408042N/National Defense Sealift Fund</b>										<b>3118 T-AOE(X)</b>																
Fiscal Year	2004				2005				2006				2007				2008				2009				2010				2011							
	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				
<b>Acquisition Milestones</b>																																				
Milestone A							△																													
Milestone B																																				
Advanced Procurement																																				
Award Lead Production Design & Construction																																				

\* Not required for Budget Activities 1, 2, 3, and 6

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**CLASSIFICATION:**

Exhibit R-4a, Schedule Detail					<b>FY 2006/2007 PRESIDENT'S BUDGET</b>				DATE: <b>February 2005</b>	
APPROPRIATION/BUDGET ACTIVITY <b>RDT&amp;BA-4</b>			PROGRAM ELEMENT <b>PE 0408042N/National Defense Sealift Fund</b>			PROJECT NUMBER AND NAME <b>3118 T-AOE(X)</b>				
Schedule Profile			FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
AoA Completion				2Q						
Milestone A				3Q						
Milestone B							2Q			
Award Lead Ship Production Design & Construction								2Q		

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**CLASSIFICATION:**

EXHIBIT R-2a, RDT&E Project Justification					FY 2006/2007 PRESIDENT'S BUDGET				DATE: <b>February 2005</b>			
APPROPRIATION/BUDGET ACTIVITY <b>National Defense Sealift Fund/BA-4/BLI 0900</b>			PROGRAM ELEMENT NUMBER AND NAME <b>PE 0408042N/National Defense Sealift Fund</b>					PROJECT NUMBER AND NAME <b>3119 HSS</b>				
COST (\$ in Millions)			FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011		
Project Cost			0.000	0.000	0.000	0.000	35.081	23.504	39.848	49.785		
RDT&E Articles Qty												
<p><b>A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: High Speed Ship (HSS) (3119)</b> - This project consists of concept studies in support of a ship system that will reduce critical reliance on strategic airlift and serve as a strategic logistics connector. It includes feasibility studies and preliminary design studies for a high speed sealift ship to deliver strike aircraft to the sea base. The ship will provide an improved MEB force closure for the sea base by deploying troops, non-self deploying aircraft and other high demand/low density (HD/LD) items via rapid surface strategic lift directly to the sea base. Analysis developed during Joint Staff sponsored Advanced Mobility Concept Study also indicates that rapid surface lift can close larger forces faster than airlift in certain circumstances. Consequently the Intertheater Connector is envisioned to be a strategic sealift vessel capable of supporting closure of Marine Expeditionary Brigade, Army Stryker Brigade Combat Team (SBCT), Navy, Air Force or Special Operations Force (SOF) units. Employment could support entire conflict spectrum.</p>												

CLASSIFICATION:

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BUDGET ITEM JUSTIFICATION SHEET										DATE:		
P-40										February 2005		
APPROPRIATION/BUDGET ACTIVITY							P-1 ITEM NOMENCLATURE					
NATIONAL DEFENSE SEALIFT FUND/ BA5							READY RESERVE FORCE (RRF)					
Program Element for Code B Items:							Other Related Program Elements					
	Prior Years	ID Code	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	To Complete	Total
QUANTITY												
COST			\$226.4	\$221.5	\$204.4	\$223.3	\$248.0	\$237.9	\$237.7	\$242.6	cont.	cont.
SPARES COST (In Millions)												
<p>The RRF budget is based upon the conclusions of the OSD published Mobility Requirements Study (MRS) and the MRS Bottom-Up Review Update (MRS BURU). These studies specified a required readiness status for the RRF ships. This status allows the ships to activate in time to deliver cargo to a given area of operations and satisfy time critical warfighting requirements. The readiness status of the RRF ships (ROS-4, ROS-5 and ROS-10, 20) is an indicator of the maintenance regime required for the vessel to meet its readiness obligation. For example, only ROS-4 and ROS-5 ships have partial crew on-board, are berthed at output locations close to their loadport and have frequent sea trials (annual or bi-annual). Generally, RRF 10 and 20 day ships are kept in the three National Defense Reserve Fleet sites in deep lay-up and are sea trialed and dock trialed on a frequency to ensure that their Coast Guard Certificate of Inspection (COI) are maintained.</p> <p>Operation and Maintenance Funding (O&amp;M). The implementation of the new readiness requirements were accelerated to FY05 and 4th quarter FY04. From FY 2005 to FY 2006, nine lower priority RRF vessels (five RRF-20 day and four RRF-10 day) were downgraded to NDRF status and three ROS-5 T-ACS ships were downgraded to RRF-20 day status.</p> <p>In FY 2004, \$3.7 million was provided to complete the conversion of the merchant marine training ship STATE OF MICHIGAN for the Great Lakes Maritime Academy, Traverse City, MI. Funds were transferred to the Maritime Administration for execution. The STATE OF MICHIGAN is the former USNS PERSISTENT, a T-AGOS 1 class ocean surveillance vessel. The conversion project addresses infrastructure needs to increase the ships complement to 80 persons, and to convert former mission spaces for training purposes.</p> <p>In FY 2004, \$24 million was appropriated to fund required maintenance and repair actions of Ready Reserve Force (RRF) ships as a result of providing sealift support of OPERATIONS ENDURING FREEDOM and IRAQI FREEDOM. Forty RRF ships were activated and operated in this mission, and carried approximately 23% of DOD's military cargo. Current plans for US armed forces deployment and redeployment to/from IRAQ have many of these same RRF ships continuing to provide sealift support.</p>												

CLASSIFICATION:

**UNCLASSIFIED**

**NATIONAL DEFENSE SEALIFT FUND**  
**Exhibit P-5 SEALIFT COST ANALYSIS**  
**FY 06 President's Budget**

A. DATE: Feb 05		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				
ELEMENT OF COST		IDENT CODE	TOTAL COST IN THOUSANDS OF DOLLARS															
COST CODE	RRF COST CATEGORY (1)	(2)	FY 04		FY 05		FY 06		FY 07		FY 08		FY 09		FY 10		FY 11	
			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			94,711 (5,000)		120,714 (5,000)		97,562 (5,000)		113,152 (5,000)								
BLI #0500	ROS Crews/SM fees		44	61,842	41	61,347	42	68,083	42	70,313								
BLI #0500	Outporting		47	20,965	44	17,922	45	15,860	45	16,480								
BLI #0500	Logistics			7,869		7,500		7,450		7,470								
BLI #0500	NDRF/Facilities & Security			18,325		18,991		17,519		18,050								
BLI #0500	CAPE'F/OPDS/barge upgrades			0		0		3,000		2,800								
BLI #0500	RRF Great Lakes Maritime Academy			3,700		0		0		0								
BLI #0500	FY04 Supplemental RRF			24,000		0		0		0								
TOTAL, RRF (NDSF BA 5 BLI 0500)				226,412		221,474		204,474		223,265								

NATIONAL DEFENSE SEALIFT FUND (NDSF)  
 RRF READINESS STATUS  
 (Ship Quantity)

NDSF  
 Feb 2005  
 BA-5  
 BLI 050000

'FY 06 President's Budget

READY RESERVE FORCE- SHIPS BY READINESS CATEGORY

Ship Type	2004	2005	2006	2007	2008	2009	2010	2011
<b>BREAKBULK</b>	<u>7</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
ROS-5	2	2	2	2	2	2	2	2
RRF-10	1	0	0	0	0	0	0	0
RRF-20	3	0	0	0	0	0	0	0
RRF-30	0	0	0	0	0	0	0	0
PREPO	1	1	1	1	1	1	1	1
<b>RO/RO</b>	<u>31</u>	<u>31</u>	<u>31</u>	<u>31</u>	<u>31</u>	<u>31</u>	<u>31</u>	<u>31</u>
ROS-4	0	0	0	0	0	0	0	0
ROS-5	27	27	27	27	27	27	27	27
RRF-10	4	4	4	4	4	4	4	4
PREPO								
<b>HEAVYLIFT</b>	<u>7</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
ROS-5	3	3	3	3	3	3	3	3
RRF-10	4	3	3	3	3	3	3	3
<b>T-ACS</b>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
ROS-4	5	2	2	2	2	2	2	2
ROS-5	4	4	4	4	4	4	4	4
RRF-10	1	1	1	1	1	1	1	1
RRF-20	0	3	3	3	3	3	3	3
PREPO	0	0	0	0	0	0	0	0
<b>TANKER</b>	<u>5</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
RRF-10	3	3	3	3	3	3	3	3
RRF-20	2	0	0	0	0	0	0	0
<b>OPDS-TANKER</b>	<u>4</u>	<u>4</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
ROS-5	1	1	2	2	2	2	2	2
RRF-10	1	1	0	0	0	0	0	0
RRF-30	0	0	0	0	0	0	0	0
PREPO	2	2	1	0	0	0	0	0
<b>T-AVB</b>								
ROS-5	2	2	2	2	2	2	2	2
<b>TROOPSHIP</b>								
RRF-10	2	0	0	0	0	0	0	0
<b>GRAND TOTALS</b>	<b>68</b>	<b>59</b>	<b>58</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>57</b>

NATIONAL DEFENSE SEALIFT FUND (NDSF)  
REVENUE AND EXPENSES  
(Dollars in Millions)  
FY 2006 President's Budget  
NDSF Unfunded Reimbursable Programs

Revenue:	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Gross Sales:				
Operations	804.8	954.8	953.8	973.3
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	804.8	954.8	953.8	973.3
Other Income	0.0	0.0	0.0	0.0
 Total Income	 804.8	 954.8	 953.8	 973.3
 Expenses:				
Prepositioning Ships	640.2	811.6	810.7	827.3
Surge Ships	164.6	143.2	143.1	146.0
 Total Expenses	 804.8	 954.8	 953.8	 973.3
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	804.8	954.8	953.8	973.3
 Operating Result	 804.8	 954.8	 953.8	 973.3
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



REVENUE AND EXPENSES  
(Dollars in Millions)  
FY 2006 President's Budget  
NATIONAL DEFENSE SEALIFT FUND (NDSF)  
NDSF Unfunded Reimbursable Programs

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
1. Orders from DoD Components:				
Navy	549.4	716.2	715.4	730.0
Army	153.1	143.2	143.1	146.0
Air Force	69.1	66.8	66.8	68.1
Defense Energy Support Center	33.2	28.6	28.5	29.2
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	804.8	954.8	953.8	973.3
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	804.8	954.8	953.8	973.3

FINANCIAL CONDITION  
(Dollars in Millions)  
FY 2006 President's Budget  
NATIONAL DEFENSE SEALIFT FUND (NDSF)  
NDSF Direct Funded Programs

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Assets:				
Selected Assets:				
Fund Balance with Treasury	996.2	1,204.6	1,648.5	1,043.9
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	 996.2*	 1,204.6	 1,648.5	 1,043.9
Liabilities:				
Selected Liabilities:				
Accounts Payable				
Accrued Liabilities	996.2	1,204.6	1,648.5	1,043.9
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	 996.2	 1,204.6	 1,648.5	 1,043.9
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	 996.2	 1,204.6	 1,648.5	 1,043.9

\* Reflects \$100.9M PY actual update of unobligated balances.

FINANCIAL CONDITION  
(Dollars in Millions)  
FY 2006 President's Budget  
NATIONAL DEFENSE SEALIFT FUND (NDSF)  
NDSF Direct Funded Programs

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Unobligated Authority Available, Beginning of Year				
New Authority:	<b>996.2</b>	<b>1,204.6</b>	<b>1,648.5</b>	<b>1,043.9</b>
New Construction/Conversion	621.4*	768.4	419.3	519.5
DOD Mobilization Assets	133.9	162.3	921.6	206.7
RDT&E	14.6	52.4	103.1	94.4
NDRF Operations and Maintenance	226.4	221.5	204.5	223.3
Transfer to Other Accounts	0.0	0.0	0.0	0.0
Obligations (Total)	<b>996.2</b>	<b>1,204.6</b>	<b>1,648.5</b>	<b>1,043.9</b>
New Construction/Conversion	621.4*	768.4	419.3	519.5
DOD Mobilization Assets	133.9	162.3	921.6	206.7
RDT&E	14.6	52.4	103.1	94.4
NDRF Operations and Maintenance	226.4	221.5	204.5	223.3
Unobligated Balance, End of Year **				
Outlays (Total):				
New Construction/Conversions				
RDT&E				
Unliquidated Obligations, EOY				
Financing of Capital Purchases:				
Direct Appropriation	<b>996.2</b>	<b>1,204.6</b>	<b>1,648.5</b>	<b>1,043.9</b>
Transferred from Other Accounts	0.0	0.0	0.0	0.0
Alliance Contributions	0.0	0.0	0.0	0.0

\* Reflects \$100.9M PY actual updates of unobligated balances.