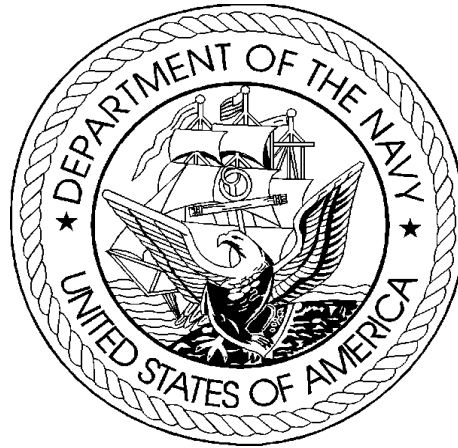


DEPARTMENT OF THE NAVY
FISCAL YEAR (FY) 2005
BUDGET ESTIMATES



JUSTIFICATION OF ESTIMATES
FEBRUARY 2004

NATIONAL DEFENSE SEALIFT FUND

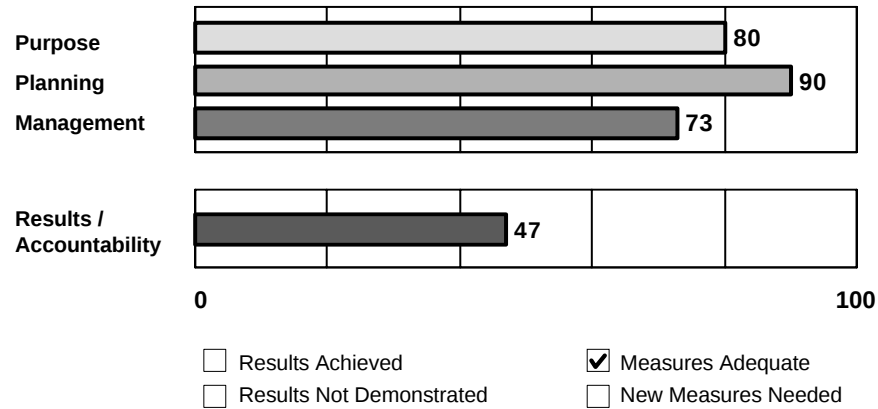
PROGRAM ASSESSMENT RATING TOOL (PART)

As part of a government-wide initiative to systematically assess Federal programs, the Department of Defense reviewed the performance of the Navy shipbuilding program and included the assessment in the FY 2004 Budget publication. This included all of the programs included in the Shipbuilding and Conversion, Navy account and the ship construction effort in BA-1 of the National Defense Sealift Fund. The review found that there is a rigorous requirements analysis, planning, and reporting structure in-place for major shipbuilding programs. However, the shipbuilding program is limited by industrial base, political, and budgetary pressures from building ships at an optimal, efficient rate to meet long-term goals. More effort is needed to ensure that shipbuilding decisions on individual programs are consistent with long-term fleet size and capability goals. For more specific information, please see the attached exhibit.

Program: Shipbuilding

Agency: Department of Defense--Military

Bureau: Procurement



Key Performance Measures

	Year	Target	Actual
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.	1999	<10%	12%
	2001	<10%	12%
	2002	<10%	
	2003	<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).	1999	22%	24%
	2001	57%	64%
	2002	>85%	
	2003		
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

***Rating:** Adequate

Program Type Capital Assets

Program Summary:

The shipbuilding program buys new ships and overhauls older ships for the Navy.

The assessment shows that the Navy's shipbuilding program has a clear purpose, which directly relates to the Navy's mission to defend the nation. The shipbuilding program is designed around long-term goals to maintain a specific fleet size and capability. For example, the Navy uses a baseline of 12 aircraft carriers as the minimum number needed to carry out required missions. Because of this goal, aircraft carriers are purchased at levels required to maintain this quantity. Additional findings include:

1. The Navy has specific cost, schedule, and performance goals for each shipbuilding program.
2. The Department of Defense conducts periodic reviews of programs at major milestones of development and uses a structured reporting regime to help monitor the status of ship development and cost, and construction schedule.
3. The shipbuilding program is limited by industrial base, political, and budgetary pressures that have prevented the Navy from building ships at an optimal, efficient rate to provide for the long term.
4. The Navy has experienced cost increases and schedule slips on some ship construction programs.
5. The unique attributes of each ship and the small procurement quantities within the shipbuilding program challenge the Navy from realizing efficiencies that could be achieved program-wide. Optimistic budget assumptions have exacerbated this problem.

In response to these findings the Administration will:

1. Improve the cost estimates for the shipbuilding program or, in some cases, fully budget to cost estimates.
2. Work to ensure that shipbuilding decisions are made with long term fleet size and capability goals in mind.
3. Institute program-wide goals rather than the ship specific goals that are currently used.

Program Funding Level (in millions of dollars)

* This assessments has not changed since publication in the FY 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

FY 2005 President's Budget
February 2004

NATIONAL DEFENSE SEALIFT FUND

Summary Narrative :

The request of \$1,269.3 million in FY 2005 funds the procurement, operations and maintenance, and related research and development of sealift assets utilized for propositioning, surge, and the Ready Reserve Force (RRF). 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 preposition/surge ships will be required to satisfy the MRS BURU requirements. The final LMSR ship was funded in FY1999. Construction is also underway on the last of three planned Maritime Propositioning Force Enhancement (MPF(E)) Ships for the Marine Corps. A 20th LMSR was funded in FY2000 to replace one LMSR taken up as MPF(E) number 3.

The NDSF budget request includes a request for \$768M for T-AKE procurement in FY 2005. The request also includes \$162.3 million for costs associated with the maintenance and alterations of Department of Defense (DoD) Mobilization Assets, such as Fast Sealift Ships (FSS), Large Medium Speed Roll-on/Roll-off (LMSR) vessels, Fleet Hospital ships (T-AH). The budget request includes \$34 million in FY 2005 for the continuation of research and development efforts for the Strategic Sealift Technology Development Program and \$83 million for development of a sea basing transformational platform MPF(F). \$221.5 million is requested in FY 2005 for costs associated with maintenance of the National Defense Reserve Fleet, which includes the Ready Reserve Force.

The NDSF also executes 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. Defense components budget for these orders in their operations budgets.

NATIONAL DEFENSE SEALIFT FUND

Supplemental Exhibits Index

<u>NDSF Budget Activities/Programs</u>	<u>Pages</u>
BA 1 Strategic Sealift Acquisition [MPF(F), T-AKE, T-AOE(X) ship construction]	4-13
BA 2 DOD Mobilization Assets [FSS Maintenance, LMSR Maintenance, Mobilization Alterations, T-AH Maintenance]	14-18
BA 4 Research and Development [National Defense Sealift Research and Development, MPF(F) lead ship construction]	19-23
BA 5 Ready Reserve Force [Operations and Maintenance of the NDSF to include the RRF]	24-26

NDSF SUMMARY FINANCIAL DATA**FY 2005 President's Budget****February 2004**

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

(TOA \$ Millions)								
NDSF Budget Activity	FY 2003	FY 2004	FY 2005	FY2006	FY2007	FY2008	FY2009	Total Program
<i>- Programs: (Claimant/Executor:</i>								
Strategic Ship Acquisition : (NDSF BA 1)	310.4	722.3	768.4	816.6	461.5	62.7	4,033.2	7,175.1
Strategic Sealift Acquisition	0.0	0.0	0.0	0.0	0.0	0.0	1,581.9	1,581.9
Other Sealift Acquisition Initi	0.0	0.0	0.0	0.0	0.0	0.0	2,418.5	2,418.5
T-AKE	310.4*	722.3	768.4	816.6	461.5	62.7	32.8	2,864.3
Dodd Mobilization Assets (NDSF BA 2)	272.8	123.9	162.4	844.5	138.2	157.3	209.2	1,908.4
- Other Mobilization Programs	11.3	0.0	0.0	0.0	0.0	0.0	0.0	11.3
- FSS Maint	59.1	46.0	58.8	49.8	49.0	50.1	51.1	363.9
- LMSR Maint	75.1	62.2	81.5	67.9	66.8	68.7	70.1	492.3
- DOD Mob. Alts	118.6	0.0	0.0	710.1	0.0	15.6	64.7	909.0
- T-AH Maint	8.8	15.6	22.1	16.7	22.4	22.9	23.3	131.9
Sealift R&D: (NDSF BA 4)	14.4	13.4	117.0	126.4	527.6	649.1	189.6	1,637.5
NDRF / RRF O&M (NDSF BA 5)	254.4	230.8	221.5	229.2	231.4	285.9	251.2	1,704.4
* Reflects \$75.8M PY actual update of unobligated balances								
Total	852.0	1,090.4	1,269.3	2,016.7	1,358.6	1,155.0	4,683.2	12,425.3

CLASSIFICATION: UNCLASSIFIED

BUDGET ITEM JUSTIFICATION SHEET (P-40) FY 2005 President's Budget (\$M)								DATE: February 2004																																															
APPROPRIATION/BUDGET ACTIVITY/BUDGET LINE ITEM NATIONAL DEFENSE SEALIFT FUND/BA-1/BLI 010000								P-1 ITEM NOMENCLATURE STRATEGIC SEALIFT ACQUISITION - T-AOE(X)																																															
	PRIOR YEAR	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	TO COMPLETE	TOTAL PROGRAM																																													
QUANTITY	0	0	0	0	0	0	0	2	2	4																																													
End Cost	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,581.9	1,631.4	3,213.3																																													
Less Advance Procurement	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																																													
Full Funding TOA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,581.9	1,631.4	3,213.3																																													
Plus Advance Procurement	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	1,581.9	1,631.4	3,213.3																																													
Plus Outfitting and Post Delivery	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0																																													
Plus Escalation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0																																													
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,581.9	1,631.4	3,213.3																																													
Unit Cost (Ave. End Cost)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	790.9	815.7	803.3																																													
MISSION:																																																							
T-AOE(X) Fast Combat Support Ship is to replace the current capability of the AOE 1 Class (Fast Combat Support Ship). T-AOE(X) will be a station ship for the carrier battlegroup capable of resupplying all expendable cargo and fuel and acting as the primary system between the slower single product ship of the combat logistics force.																																																							
<table border="0"> <tr> <td><u>Characteristics:</u></td> <td><u>Nominal Requirements</u></td> <td><u>Production Status</u></td> <td><u>TAOE(X) 0901</u></td> <td><u>TAOE(X) 0902</u></td> </tr> <tr> <td><u>Hull</u></td> <td></td> <td><u>Contract Plans</u></td> <td></td> <td></td> </tr> <tr> <td>Length overall</td> <td>754'-9"</td> <td>Award Planned (Month)</td> <td>Nov-09</td> <td>TBD</td> </tr> <tr> <td>Beam</td> <td>120'-8"</td> <td>Months to Complete</td> <td></td> <td></td> </tr> <tr> <td>Displacement</td> <td>54,455 LT</td> <td>a) Award to Delivery</td> <td>46</td> <td>TBD</td> </tr> <tr> <td>Draft</td> <td>37'-1"</td> <td>b) Construction Start to Delivery</td> <td>34</td> <td>TBD</td> </tr> <tr> <td></td> <td></td> <td>Commissioning Date</td> <td>TBD</td> <td>TBD</td> </tr> <tr> <td></td> <td></td> <td>Completion of Fitting-Out</td> <td>Sep-13</td> <td>TBD</td> </tr> <tr> <td><u>Armament:</u></td> <td>TBD</td> <td><u>Major Electronics:</u></td> <td>TBD</td> <td>TBD</td> </tr> </table>											<u>Characteristics:</u>	<u>Nominal Requirements</u>	<u>Production Status</u>	<u>TAOE(X) 0901</u>	<u>TAOE(X) 0902</u>	<u>Hull</u>		<u>Contract Plans</u>			Length overall	754'-9"	Award Planned (Month)	Nov-09	TBD	Beam	120'-8"	Months to Complete			Displacement	54,455 LT	a) Award to Delivery	46	TBD	Draft	37'-1"	b) Construction Start to Delivery	34	TBD			Commissioning Date	TBD	TBD			Completion of Fitting-Out	Sep-13	TBD	<u>Armament:</u>	TBD	<u>Major Electronics:</u>	TBD	TBD
<u>Characteristics:</u>	<u>Nominal Requirements</u>	<u>Production Status</u>	<u>TAOE(X) 0901</u>	<u>TAOE(X) 0902</u>																																																			
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		Commissioning Date	TBD	TBD																																																			
		Completion of Fitting-Out	Sep-13	TBD																																																			
<u>Armament:</u>	TBD	<u>Major Electronics:</u>	TBD	TBD																																																			

DD Form 2454, JUL 88

CLASSIFICATION: UNCLASSIFIED

BUDGET ITEM JUSTIFICATION SHEET (P-40) FY 2005 President's Budget (\$M)									DATE: February 2004	
APPROPRIATION/BUDGET ACTIVITY/BUDGET LINE ITEM NATIONAL DEFENSE SEALIFT FUND/BA-1/BLI 011000									P-1 ITEM NOMENCLATURE OTHER SEALIFT ACQUISITION - MPF(F)	
	PRIOR YEAR	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	TO COMPLETE	TOTAL PROGRAM
QUANTITY	0	0	0	0	0	0	0	2	TBD	2
End Cost	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,418.5	0.0	2,418.5
Less Advance Procurement	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
Full Funding TOA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,418.5	0.0	2,418.5
Plus Advance Procurement	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	2,418.5	0.0	2,418.5
Plus Outfitting and Post Delivery	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus Escalation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,418.5	0.0	2,418.5
Unit Cost (Ave. End Cost)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,209.3	0.0	1,209.3

MISSION:
The Maritime Prepositioning Force (Future) (MPF(F)) ship system 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. Lead MPF(F) Hull construction is incrementally funded beginning FY07 under NDSF R&D BLI 090000. Above ship profile reflects qty 2 for follow-on MPF(F) C2 Variant only. Cost to Complete is TBD pending AoA to determine remaining MPF(F) configuration and quantity.

<u>Characteristics:</u>		<u>Production Status</u>	
<u>Hull</u>		Contract Plans	
Length overall	TBD	Award Planned (Month)	TBD
Beam	TBD	Months to Complete	TBD
Displacement	TBD	a) Award to Delivery	
Draft	TBD	b) Construction Start to Delivery	
		Commissioning Date	TBD
		Completion of	
		Fitting-Out	TBD
<u>Armament:</u> N/A		<u>Major Electronics:</u>	TBD

DD Form 2454, JUL 88

CLASSIFICATION: UNCLASSIFIED

BUDGET ITEM JUSTIFICATION SHEET (P-40) FY 2005 PRESIDENT'S BUDGET									DATE: February 2004	
APPROPRIATION/BUDGET ACTIVITY/BUDGET LINE ITEM NATIONAL DEFENSE SEALIFT FUND/BA-1/BLI 012000									P-1 ITEM NOMENCLATURE T-AKE	
	PRIOR YEARS	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	TO COMPLETE	TOTAL PROGRAM
QUANTITY	3	1	2	2	2	1	0	0	0	11
End Cost	1,207.6	386.3	722.3	768.4	816.6	461.5	62.7	32.8	8.4	4,466.5
Less NDSF Transfer	73.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	73.3
Less FY00 SCN	9.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.4
Full Funding TOA	1,124.9	386.3	722.3	768.4	816.6	461.5	62.7	32.8	8.4	4,383.8
Plus Advance Procurement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Obligational Authority	1,124.9	386.3 *	722.3	768.4	816.6	461.5	62.7	32.8	8.4	3,997.5
Plus Outfitting and Post Delivery		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus Escalation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	1,124.9	0.0	722.3	768.4	816.6	461.5	62.7	32.8	8.4	3,997.5
Unit Cost (Ave. End Cost)	402.5	386.3	361.2	384.2	408.3	461.5	0.0	0.0	0.0	406.0

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.

Characteristics:		Production Status	FY03	FY04	FY04	FY05	FY05
			T-AKE 4	T-AKE 5	T-AKE 6	T-AKE 0601	T-AKE 0602
Hull	TAKE DESIGN	Contract Plans					
Length overall	689 FT	Award Planned (Month)	Jul 03	Jan 04	Jan 04	Jan 05	Jan 05
Beam	106 FT	Months to Complete					
Displacement	40,298 LT	a) Award to Delivery	47	42	48	40	40
Draft	29.9 FT	b) Construction Start to Delivery	21	19	18	18	18
		Commissioning Date	TBD	TBD	TBD	TBD	TBD
		Completion of					
		Fitting-Out	Aug 07	Jun 07	Sep 07	Jun 08	Sep 08
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 \$75.8M PY actual update of unobligated balances

UNCLASSIFIED
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P-5 EXHIBIT
FY 2005 President's Budget
February 2004

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	
BUDGET LINE ITEM: 012000						FY02 8D10		FY03 8E10	
ELEMENT OF COST	QTY	FY 2000 TOT COST	QTY	FY 2001 TOT COST	QTY	FY 2002 TOT COST	QTY	FY 2003 TOT COST	
PLAN COSTS	1	56,784	1	0	1	0	1	0	
BASIC CONST/CONVERSION		376,784		323,395		297,560		302,635	
CHANGE ORDERS		39,500		10,441		8,500		8,400	
ELECTRONICS		18,707		15,948		15,463		15,176	
PROPULSION EQUIPMENT		0		0		0		0	
HM&E		36,771		15,063		9,251		10,624	
OTHER COST		4,753		3,520		2,059		3,587	
ORDNANCE		1,701		1,733		1,767		1,803	
ESCALATION		0		0		0		0	
TOTAL SHIP ESTIMATE		535,000	1/	370,100		334,600		342,225	
POST DELIVERY/OUTFITTING		0		0		0		11,895	
FY00 - FY03 NDSF ADJUSTMENTS		46,097		12,261		(26,218)		(32,140)	
NET P-1 LINE ITEM		488,903	2/	357,839	2/	360,818	3/	386,260	

1/ Includes \$9.440 million HM&E in SCN and \$73.3 million reprogramming of LMSR assets.

2/ Prior Year Total: FY00 (488,903) + FY01(357,839) + FY02 (360,818) = 1,207,560

3/ Does not reflect \$75.8M PY actual update of unobligated balances

UNCLASSIFIED
CLASSIFICATION

WEAPON SYSTEM COST ANALYSIS EXHIBIT (P-5)

APPROPRIATION: NATIONAL DEFENSE SEALIFT FUND

BUDGET ACTIVITY: BA-1	P-1 ITEM NOMENCLATURE: T-AKE	SUBHEAD: FY04 1F10
BUDGET LINE ITEM: 012000		

ELEMENT OF COST	FY 2004		FY 2005	
	QTY	TOT COST	QTY	TOT COST
PLAN COSTS	2	0	2	0
BASIC CONST/CONVERSION		621,331		631,809
CHANGE ORDERS		16,900		17,200
ELECTRONICS		33,572		32,450
PROPULSION EQUIPMENT		0		0
HM&E		23,336		26,075
OTHER COST		3,106		1,734
ORDNANCE		3,721		3,799
ESCALATION		0		0
TOTAL SHIP ESTIMATE		701,966		713,067
POST DELIVERY/OUTFITTING		20,348		55,334
NET P-1 LINE ITEM		722,314		768,401

UNCLASSIFIED
CLASSIFICATION

P-5B EXHIBIT
FY 2005 President's Budget
February 2004

SHIPBUILDING AND CONVERSION, NAVY
Analysis of Ship Cost Estimates - Basic/Escalation

Ship Type: TAKE

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

II. Classification of Cost Estimates

CLASS C

<u>III. Basic Construction/Conversion</u>	<u>FY00 (T-AKE 1)</u>	<u>FY01 (T-AKE 2)</u>	<u>FY02 (T-AKE 3)</u>	<u>FY03 (T-AKE 4)</u>	<u>FY04 (T-AKE 5)</u>	<u>FY04 (T-AKE 6)</u>	<u>FY05 (0501)</u>	<u>FY05 (0502)</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 2004	JAN 2005	JAN 2005
c. Contract Type	FPI	FPI	FPI	FPI	FPI	FPI	FPI	FPI

<u>IV. Escalation</u>	<u>FY00 (0101)</u>	<u>FY01 (0101)</u>	<u>FY02 (0201)</u>	<u>FY03 (0301)</u>	<u>FY04 (0401)</u>	<u>FY04 (0402)</u>	<u>FY05 (0501)</u>	<u>FY05 (0502)</u>
Base Date 2000	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED	FORWARD PRICED

UNCLASSIFIED
CLASSIFICATION

P-8A Exhibit
FY 2005 President's Budget
February 2004

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	Total Cost
Electronics							
A. ISNS	3,114	2,774	2,774	2,774	5,812	5,708	22,955
B. DMR	3,982	3,742	3,742	3,742	8,251	8,206	31,664
C. NTCSS/SUADPS	501	320	320	320	814	726	3,001
D. NAVMACS/SMS	378	348	348	348	691	684	2,797
E. GCCSM Terminal	115	115	115	115	232	232	924
F. INFOSEC/Information	340	275	255	255	551	548	2,224
G. TV-DTS	-	-	-	-	-	-	0
H. Battle Force E-Mail	43	43	43	43	92	92	356
I. INMARSAT HSD	41	41	41	41	87	87	338
J. Fleet Broadcast	97	97	97	97	198	198	784
K. Tactical Variant Switch	849	769	769	769	1,579	1,574	6,309
L. TVT	245	205	205	205	505	496	1,861
M. ADNS	290	290	290	290	614	614	2,388
N. Military GPS	475	385	355	355	912	900	3,382
O. Headquarters Coordination	837	808	798	798	1,381	1,303	5,925
P. RCS Turnkey	6,405	5,127	4,692	4,405	10,019	9,590	40,238
Q. Misc Electronics	<u>995</u>	<u>610</u>	<u>620</u>	<u>620</u>	<u>1,834</u>	<u>1,492</u>	<u>6,171</u>
Total Electronics	18,707	15,948	15,463	15,176	33,572	32,450	131,316

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P-8A Exhibit
FY 2005 President's Budget
February 2004

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	Total Cost
HM&E							
A. HM&E Test & Instrumentation	15,723	1,207	1,231	1,256	2,591	2,646	24,654
B. HM&E Engineering Services	18,796	11,559	5,680	6,980	15,818	18,399	77,232
C. SUPSHIP Material/Services	<u>2,252</u>	<u>2,297</u>	<u>2,340</u>	<u>2,388</u>	<u>4,927</u>	<u>5,030</u>	<u>19,234</u>
Total HM&E	36,771	15,063	9,251	10,624	23,336	26,075	121,120

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P-8A Exhibit
FY 2005 President's Budget
February 2004

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	Total Cost
Other							
A. Reliability/Maintainability	113	117	117	117	234	234	932
B. Program Support	3,972	3,134	1,662	3,199	2,325	949	15,241
C. Travel/Training	<u>668</u>	<u>269</u>	<u>280</u>	<u>271</u>	<u>548</u>	<u>551</u>	<u>2,587</u>
Total Other	4,753	3,520	2,059	3,587	3,106	1,734	18,759

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P-27 Exhibit
FY 2005 President's Budget
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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	Jun 04	Dec-05
T-AKE 3	NASSCO	2002	Jul-02	Jan-05	May-06
T-AKE 4	NASSCO	2003	Jul-03	Sep-05	Dec-06
T-AKE 5	NASSCO	2004	Jan-04	Dec-05	May-07
T-AKE 6	NASSCO	2004	Jan-04	Jul-06	Jul-07
T-AKE 0501	NASSCO	2005	Jan-05	Dec-06	May-08
T-AKE 0502	NASSCO	2005	Jan-05	Jun-07	Jul-08
T-AKE 0601	NASSCO	2006	Jan-06	Oct-07	May-09
T-AKE 0602	NASSCO	2006	Jan-06	Mar-08	Aug-09
T-AKE 0701	NASSCO	2007	Jan-07	Sep-08	May-10

**NATIONAL DEFENSE SEALIFT FUND
Exhibit P-40
FY 2005 President's Budget**

**NDSF
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**Other DoD Mobilization Programs
(\$Millions)**

<u>Other DoD Mobilization Programs</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
USTRANSCOM MSC Cash Surcharge	11.29	0.00	0.00
otal, Other DoD Mobilization Programs	<u>11.29</u>	<u>0.00</u>	<u>0.00</u>
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Outyear Costs	0.0	0.0	0.0

Justification:

USTRANSCOM MSC Cash Surcharge: NDSF was directed to provide funds to MARAD for prior year services.
FY 2003 is the last year this surcharge occurred.

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<u>FSS</u>		<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Total FSS		59.1	46.0	58.7
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Outyear Costs	49.8	49.0	50.1	51.1

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 which 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.

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.

NATIONAL DEFENSE SEALIFT FUND

Exhibit P-40

FY 2005 President's Budget

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

<u>LMSR</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Total, LMSR	75.1	62.2	81.5
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Outyear Costs	67.9	66.8	68.7
		<u>FY 2009</u>	
		70.1	

Justification:

Fast Sealift Ship 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.

**NATIONAL DEFENSE SEALIFT FUND
Exhibit P-40
FY 2005 President's Budget**

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

<u>Modernization</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Hospital Ship (T-AH)	0.9	0.0	0.0
Maritime Prepositioning Ship (MPS)	1.8	0.0	0.0
Offshore Petroleum Discharge (OPDS)	2.5	0.0	0.0
MCM Cradles	0.0	0.0	0.0
T-5 tanker buyout	95.1	0.0	0.0
Other	18.3	0.0	0.0
Total, Modernization	118.6	0.0	0.0
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Outyear Costs, Totals	710.1	0.0	15.6
Maritime Prepositioning Ship (MPS) Buyout	710.1	0.0	0.0
T-AOE Civilian Crew Modifications	0.0	0.0	15.6
MCM Cradles	0.0	0.0	0.0

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.

T-5 tanker buyout: Until 2003, the Military Sealift Command chartered five T-5 tankers to transport fuel worldwide for the Defense Energy Support Center. In January of 2003 the Military Sealift Command exercised its purchase options on four of the five ships. The fifth ship could not be obtained. The four purchased ships will operate as Navy assets, with contract crews, through 2015 at which time they will be transferred to the Ready Reserve Force. The fifth ship will continue under charter until it is redelivered to its owners in September of 2005. If more lift capacity is needed at that time, a replacement ship will be chartered on a shorter term basis as requirements dictate. The purchase of the four T-5s in FY 2003 cost \$95.1 million, but will save the Department a net \$306 million over FY's 2003 through 2015 as compared to chartering them over the same period.

Maritime Prepositioning Ship (MPS) Buyout in FY 06 will result in a one time cost of \$711.5 million that fiscal year. This one time expense will execute the buyout of all 13 leased MPS ships in FY06 and incorporate savings from no longer making capital hire payments in FY06-09. Savings made in O&M,N appropriation FY 06 through FY 09.

T-AOE Civilian Crew Modifications in FY 08 will cost \$15.6 million and in FY 09 will cost \$64.6 million. Fund modifications required to accommodate civilian mariner crews for the former AOE-6 class ships transferred to MSC beginning in FY01.

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T-AH

Justification:

Notes:

Maintenance & Repair costs include daily maintenance and regulatory inspections, drydockings, and overhauls.

Other costs include ADP support, supplies, subsistence, spare parts, consumables, and NWCF profit/loss.

CLASSIFICATION:

EXHIBIT R-2, RDT&E Budget Item Justification						FY 2005 President's Budget (\$M)		DATE: February 2004	
APPROPRIATION/BUDGET ACTIVITY					R-1 ITEM NOMENCLATURE				
National Defense Sealift Fund/BA-4					BLI 090000/PE 0408042N/National Defense Sealift Fund				
COST (\$ in Millions)		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	
NDSF Research & Development Strategic Sealift, No. 090000									
Total PE Cost		14.363	13.433	117.031	126.431	527.616	649.139	189.646	
A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:									
Strategic Sealift is the capability to rapidly mobilize and deploy combat forces and sustainment to the theatre of operations. The Strategic Sealift Research and Development Program is a continuation of the Fast Sealift Technology Development Program established by Congress in FY 1990 and the Merchant Ship Naval Augmentation Program (MSNAP). The focus of the program is to develop 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 CINC sea state and operational requirements. This program develops prototype systems from service approved and commercially available technologies and components. The program transitions applicable product lines from the ONR managed Expeditionary Logistics Future Naval Capabilities initiative. These initiatives include Heavy UNREP, StrikeUp/Down, and Skin-to-Skin Material Transfer. The program heavily involves U.S. industry, shipyards, shipbuilding and cargo equipment regulatory bodies, the USCG and MARAD to assure that the potential benefits of these technologies are realized. The NDSF R&D line also includes Maritime Prepositioning Force (Future) (MPF(F)), T-AOE(X) and Naval Operations Logistics IPT. Prior program efforts produced: SEA State 3/JLOTS options study and related integrated R&D master plan, initial composite causeway concepts, shipboard crane operator assist systems, Auxiliary Crane Ship (T-ACS), Seashed Systems, Modular Cargo (MCDS) and Fuel (MFDS) Delivery Systems, Vertical Replenishment (VERTREP) deck, and several other Sealift Enhancement Features. Many Ready Reserve Force (RRF) ships have been improved by the program. Budget also includes MPF(F) C2 Variant lead hull contruction costs incrementally funded beginning FY 2007. Follow-on hulls (qty 2) remain funded under NDSF BLI 011000									

CLASSIFICATION:

EXHIBIT R-2, RDT&E Budget Item Justification		FY 2005 President's Budget (\$M)	DATE: February 2004
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund, BA-4	PROGRAM ELEMENT NUMBER AND NAME 0408042N/National Defense Sealift Fund	PROJECT NUMBER AND NAME 77772, NDSF Research and Development	

B. Accomplishments/Planned Program

	FY 03	FY 04	FY 05
Accomplishments/Effort/Subtotal Cost	2.887	2.005	2.407
RDT&E Articles Quantity			

SEALIFT CONCEPT AND DEVELOPMENT - Develop sealift ship and system concepts for future sealift missions, including Fast Sealift.

	FY 03	FY 04	FY 05
Accomplishments/Effort/Subtotal Cost	0.850	0.000	0.400
RDT&E Articles Quantity			

SHIP TO SHIP/LIGHTER INTERFACES - Testing and demonstration of ship/lighter and ship.ship motion control, mooring and platform interface systems.

	FY 03	FY 04	FY 05
Accomplishments/Effort/Subtotal Cost	0.050	0.000	0.150
RDT&E Articles Quantity			

PLANNING TOOLS AND C4I SYSTEMS - Validate/update Planning/Training Systems

	FY 03	FY 04	FY 05
Accomplishments/Effort/Subtotal Cost	1.050	0.950	0.500
RDT&E Articles Quantity			

MERSHIP SYSTEMS DEVELOPMENT - Development of systems for MERSHIP support of advanced operational concepts.

	FY 03	FY 04	FY 05
Accomplishments/Effort/Subtotal Cost	1.083	0.800	1.500
RDT&E Articles Quantity			

SHIPBOARD CRANE SYSTEMS - Shipboard crane systems at-sea operations capability development/testing/demonstration.

CLASSIFICATION:

EXHIBIT R-2, RDT&E Budget Item Justification		FY 2005 President's Budget (\$M)	DATE: February 2004
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund, BA-4	PROGRAM ELEMENT NUMBER AND NAME 0408042N/National Defense Sealift Fund	PROJECT NUMBER AND NAME 77772, NDSF Research and Development	

B. Accomplishments/Planned Program (Cont.)

	FY 03	FY 04	FY 05
Accomplishments/Effort/Subtotal Cost	0.000	1.560	8.543
RDT&E Articles Quantity			

NAVOPLOGIPT - Naval Operations Logistics IPT.

	FY 03	FY 04	FY 05
Accomplishments/Effort/Subtotal Cost	1.400	1.100	1.412
RDT&E Articles Quantity			

SHIPBOARD CARGO SYSTEMS - Development of shipboard cargo systems (including ramp/platform interface).

	FY 03	FY 04	FY 05
Accomplishments/Effort/Subtotal Cost	5.088	3.899	92.626
RDT&E Articles Quantity			

MPF(F) - MPF(F) concept development/Lead Hull R&D efforts.

	FY 03	FY 04	FY 05
Accomplishments/Effort/Subtotal Cost	1.955	3.119	9.493
RDT&E Articles Quantity			

T-AOE(X) - T-AOE(X) concept development.

CLASSIFICATION:

EXHIBIT R-2, RDT&E Budget Item Justification		FY 2005 President's Budget (\$M)	DATE: February 2004
APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT NUMBER AND NAME	PROJECT NUMBER AND NAME	
National Defense Sealift Fund, BA-4	0408042N/National Defense Sealift Fund	77772, NDSF Research and Development	
C. PROGRAM CHANGE SUMMARY:			
Funding:	FY 2003	FY 2004	FY 2005
President's Budget 2004	14.060	13.433	34.310
President's Budget 2005	14.363	13.433	117.031
Total Adjustments	0.303	0.000	82.721
Programmatic Adjustments			84.000
Miscellaneous adjustments	0.303		-1.279
Total Adjustment	0.303	0.000	82.721
Schedule:			
Not Applicable			
Technical:			
Not Applicable			

CLASSIFICATION:

EXHIBIT R-2, RDT&E Budget Item Justification		FY 2005 President's Budget (\$M)						DATE: February 2004	
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund/BA-4		PROGRAM ELEMENT NUMBER AND NAME 0408042N/National Defense Sealift Fund				PROJECT NUMBER AND NAME 77772 NDSF Research and Development			
D. Other Program Funding Summary	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	To Complete	Total Cost
NDSF:									
NDSF Line 010000, T-AOE(X)	0	0	0	0	0	0	1,581.855	1,631.400	3,213.255
NDSF Line 011000, MPF(F)	0	0	0	0	0	0	2,418.505	TBD	TBD
(U) Related RDT&E: Not Applicable									
E. Acquisition Strategy: T-AOE(X) and MPF(F) - Feasibility studies 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.									
F. Major Performers: Field Activities & Locations - Work Performed NSWC, Carderock - Concept development NSWC, Panama City - Concept development Center for Naval Analysis - Cost proposal Contractors & Locations - Work Performed CSC, Washington, DC - Engineering Support Universities & Locations - Work Performed									

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BUDGET ITEM JUSTIFICATION SHEET P-40							DATE: FEBRUARY 2004					
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund (NDSF) (AC #80) BA 5 - Ready Reserve Force							P-1 ITEM NOMENCLATURE BLI 0500 - Ready Reserve Force					
Program Element for Code B Items:							Other Related Program Elements					
	Prior Years	ID Code	FY	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	To Complete	Total
QUANTITY												
COST				\$254.4	\$230.8	\$221.5	\$229.2	\$231.4	\$285.9	\$251.2		\$1,704.4
SPARES COST												
Justification: 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 criteria for each readiness status was also specified in the MRS (i.e. Outporting, Sea/Dock Trials, Maintenance). These criteria determine the appropriate funding required for a given readiness level. Additional ships are maintained to provide tanker and troop ship support required for OPLAN and contingency execution. Current Strategic Sealift assets are insufficient to meet OPLAN/MRC requirements. - In FY2004, 8 RRF AFOE breakbulk ships will retire and services will rely on USMC transport via containers in other RRF AFOE ships. 21 RRF RO/RO ships will move from ROS-4 to ROS-5 status with negligible impact on closure profile. Remaining RRF ships will continue to be supported with balance of O&M,NDSF RRF funds. The implementation of the new readiness requirements were accelerated to FY04. - In FY 04 \$3.7 million was provided by Congress 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. have many of these same RRF ships continuing to provide sealift support in FY 2004. In FY 04 \$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 in FY 2004.												

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WEAPONS SYSTEM COST ANALYSIS P-5						Weapon System Sealift							DATE: FEBRUARY 2004		
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund (NDSF) (A) BA 5 - Ready Reserve Force						ID Code	P-1 ITEM NOMENCLATURE/SUBHEAD BLI 0500 - Ready Reserve Force								
COST CODE	ELEMENT OF COST	ID Code	TOTAL COST IN THOUSANDS OF DOLLARS												
			Prior Years	FY			FY 2003			FY 2004			FY 2005		
			Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
	Activations Less JCS Exercise Savings						7	var	7,820 (5,000)	27	var	14,598 (5,000)	42	var	18,460 (5,000)
	Maintenance and Repair								149,678			88,302			107,975
	ROS Crews/SM fees						44	var	53,035	44	var	62,842	44	var	65,578
	Outporting						46	var	23,522	46	var	20,965	46	var	16,935
	Special Maintance/Supply/Logistics								10,244			7,869			7,708
	NDRF/Facilities								6,617			6,279			6,678
	Fast Ship Initiative								8,500			6,500			0
	RRF Great Lakes Maritime Academy								0			3,700			0
	FY04 Supplemental RRF								0			24,000			0
	Total, Maintenance & Ops program								254,416			230,820			221,474

NATIONAL DEFENSE SEALIFT FUND
RRF READINESS STATUS
 (Ship Quantity)
 FY 2005 President's Budget
READY RESERVE FORCE- SHIPS BY READINESS CATEGORY

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Ship Type	2002	2003	2004	2005	2006	2007	2008	2009
BREAKBULK	<u>15</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
ROS-5	10	2	2	2	2	2	2	2
RRF-10	4	1	1	1	1	1	1	1
RRF-20	0	3	3	3	3	3	3	3
RRF-30	0	0	0	0	0	0	0	0
PREPO	1	1	1	1	1	1	1	1
RO/RO	<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	21	0	0	0	0	0	0	0
ROS-5	6	27	27	27	27	27	27	27
RRF-10	4	4	4	4	4	4	4	4
PREPO								
HEAVYLIFT	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
ROS-5	2	3	3	3	3	3	3	3
RRF-10	5	4	4	4	4	4	4	4
T-ACS	<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	5	5	5	5	5	5	5
ROS-5	4	4	4	4	4	4	4	4
RRF-10	0	0	1	1	1	1	1	1
PREPO	1	1	0	0	0	0	0	0
TANKER	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
RRF-10	3	3	3	3	3	3	3	3
RRF-20	2	2	2	2	2	2	2	2
OPDS-TANKER	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
ROS-5	1	1	1	1	1	1	1	1
RRF-10	1	1	1	1	1	1	1	1
RRF-30	0	0	0	0	0	0	0	0
PREPO	2	2	2	2	2	2	2	2
T-AVB								
ROS-5	2	2	2	2	2	2	2	2
TROOPSHIP								
RRF-10	2	2	2	2	2	2	2	2
GRAND TOTALS	76	68	68	68	68	68	68	68

NATIONAL DEFENSE SEALIFT FUND (NDSF)
REVENUE AND EXPENSES
(Dollars in Millions)
FY 2005 President's Budget
NDSF Unfunded Reimbursable Programs

Revenue:	<u>FY 2003</u> Actuals	<u>FY 2004</u>	<u>FY 2005</u>
Gross Sales:			
Operations	818.9	804.8	835.2
Depreciation Except Maj Const	0.0	0.0	0.0
Major Construction Depreciation	0.0	0.0	0.0
Total Gross Sales	818.9	804.8	835.2
Other Income	0.0	0.0	0.0
 Total Income	 818.9	 804.8	 835.2
 Expenses:			
Prepositioning Ships	583.8	640.2	664.9
Surge Ships	235.1	164.6	170.3
 Total Expenses	 818.9	 804.8	 835.2
 Work in Progress Adjusted	 0.0	 0.0	 0.0
Comp Work for Activity Reten Adj	0.0	0.0	0.0
Cost of Goods Sold	818.9	804.8	835.2
 Operating Result	 818.9	 804.8	 835.2
 Less Capital Surchg Reservation	 0.0	 0.0	 0.0
Plus Appropriations Affecting NOR/AOR	0.0	0.0	0.0
Other Changes Affecting NOR/AOR	0.0	0.0	0.0
Inventory Gains and Losses	0.0	0.0	0.0
Net Operating Result	0.0	0.0	0.0
 Transfers Not Affecting NOR/AOR	 0.0	 0.0	 0.0
Prior Year and Other Adjustments	0.0	0.0	0.0
Other Inventory Adjustments	0.0	0.0	0.0
WRM Appropriations	0.0	0.0	0.0
Net Result	0.0	0.0	0.0

REVENUE AND EXPENSES
(Dollars in Millions)
FY 2005 President's Budget
NATIONAL DEFENSE SEALIFT FUND (NDSF)
NDSF Unfunded Reimbursable Programs

	<u>FY 2003</u> Actuals	<u>FY 2004</u>	<u>FY 2005</u>
1. Orders from DoD Components:			
Navy	615.1	563.5	585.9
Army	138.4	164.6	170.3
Air Force	43.8	51.8	53.4
Defense Energy Support Center	21.6	24.9	25.6
Ogden Air Logistics Center	0.0	0.0	0.0
2. Other Orders:			
Other Federal Agencies	0.0	0.0	0.0
Trust Fund	0.0	0.0	0.0
Non-Federal Agencies	0.0	0.0	0.0
3. Total Gross Orders	818.9	804.8	835.2
4. Credits and Allowances:			
Discounts	0.0	0.0	0.0
Price Reductions	0.0	0.0	0.0
5. Change to Backlog	0.0	0.0	0.0
6. Total Gross Sales	818.9	804.8	835.2

REVENUE AND EXPENSES
(Dollars in Millions)
FY 2005 President's Budget
NATIONAL DEFENSE SEALIFT FUND (NDSF)
NDSF Unfunded Reimbursable Programs

	FY 2003 <u>Actual</u>	FY 2004 <u>MSGs</u>	FY 2005 <u>Estimate</u>	FY 2006 <u>Estimate</u>	FY 2007 <u>Estimate</u>	FY 2008 <u>Estimate</u>	FY 2009 <u>Estimate</u>
1. Orders from DoD Components:							
Navy	615.1	563.5	585.9	597.0	608.7	620.8	633.1
Army	138.4	164.6	170.3	175.4	180.7	186.1	191.7
Air Force	43.8	51.8	53.4	55.0	56.7	58.4	60.2
Defense Energy Support Center	21.6	24.9	25.6	26.4	27.2	28.0	28.8
Ogden Air Logistics Center	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. Total Gross Orders	818.9	804.8	835.2	853.8	873.3	893.3	913.8

REVENUE AND EXPENSES
(Dollars in Millions)
FY 2005 President's Budget
NATIONAL DEFENSE SEALIFT FUND (NDSF)
NDSF Direct Funded Programs

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Assets:			
Selected Assets:			
Fund Balance with Treasury	852.0	1,090.5	1,269.3
Reserve for Capital Purchases (memo)			
Accounts Receivable	0.0	0.0	0.0
Advances Made	0.0	0.0	0.0
Inventories	0.0	0.0	0.0
Other Assets	0.0	0.0	0.0
Deferred Capital Property	0.0	0.0	0.0
 Total Assets	 852.0 *	 1,090.5	 1,269.3
Liabilities:			
Selected Liabilities:			
Accounts Payable			
Accrued Liabilities	852.0	1,090.5	1,269.3
Advances Received	0.0	0.0	0.0
Unfunded	0.0	0.0	0.0
Liabilities	0.0	0.0	0.0
Other Liabilities	0.0	0.0	0.0
 Total Liabilities	 852.0	 1,090.5	 1,269.3
Government Equity:			
Paid-in-Capital			
(Assets Capitalized less Liabilities Assumed)	0.0	0.0	0.0
Accumulated Operating Results	0.0	0.0	0.0
 Total Government Equity	 0.0	 0.0	 0.0
 Total Liabilities and Equity	 852.0	 1,090.5	 1,269.3

* Reflects \$75.8M PY actual update of unobligated balances

REVENUE AND EXPENSES
(Dollars in Millions)
FY 2005 President's Budget
NATIONAL DEFENSE SEALIFT FUND (NDSF)
NDSF Direct Funded Programs

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Unobligated Authority Available, Beginning of Year			
New Authority:	852.0	1,090.5	1,269.3
New Construction/Conversion	310.4 *	722.3	768.4
DOD Mobilization Assets	272.8	123.9	162.3
RDT&E	14.4	13.4	117.0
NDRF Operations and Maintenance	254.4	230.8	221.5
Transfer to Other Accounts	0.0	0.0	0.0
Obligations (Total)	852.0	1,090.5	1,269.3
New Construction/Conversion	310.4 *	722.3	768.4
DOD Mobilization Assets	272.8	123.9	162.3
RDT&E	14.4	13.4	117.0
NDRF Operations and Maintenance	254.4	230.8	221.5
Unobligated Balance, End of Year			
Outlays (Total):			
New Construction/Conversions			
RDT&E			
Unliquidated Obligations, EOY			
Financing of Capital Purchases:			
Direct Appropriation	852.0	1,090.5	1,269.3
Transferred from Other Accounts	0.0	0.0	0.0
Alliance Contributions	0.0	0.0	0.0

* Reflects \$75.8M PY actual update of unobligated balances