

DEPARTMENT OF THE NAVY
FISCAL YEAR (FY) 2016
BUDGET ESTIMATES



JUSTIFICATION OF ESTIMATES
FEBRUARY 2015

NATIONAL DEFENSE SEALIFT FUND

The estimated total cost for producing the Department of Navy budget justification material is approximately \$1,436,000 for the 2015 fiscal year.
This includes \$74,000 in supplies and \$1,362,000 in labor.

Department of Defense Appropriations Act, 2016

National Defense Sealift Fund

For National Defense Sealift Fund programs, projects, and activities, and for expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744), and for the necessary expenses to maintain and preserve a U.S.-flag merchant fleet to serve the national security needs of the United States, \$474,164,000, 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.

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Department of Defense
 FY 2016 President's Budget
 Exhibit O-1 FY 2016 President's Budget
 Total Obligational Authority
 (Dollars in Thousands)

Feb 2015

Appropriation Summary -----	FY 2014 (Base & OCO)	FY 2015 Base Enacted	FY 2015 OCO Enacted	FY 2015 Total Enacted	FY 2016 Base	FY 2016 OCO	FY 2016 Total
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Department of the Navy							
National Defense Sealift Fund	597,213	485,012		485,012	474,164		474,164
Total Department of the Navy	597,213	485,012		485,012	474,164		474,164
 Total Operation and Maintenance Title	 597,213	 485,012		 485,012	 474,164		 474,164

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Department of Defense
FY 2016 President's Budget
Exhibit O-1 FY 2016 President's Budget
Total Obligational Authority
(Dollars in Thousands)

Feb 2015

	FY 2014 (Base & OCO)	FY 2015 Base Enacted	FY 2015 OCO Enacted	FY 2015 Total Enacted	FY 2016 Base	FY 2016 OCO	FY 2016 Total	S e c
	-----	-----	-----	-----	-----	-----	-----	-
4557N National Defense Sealift Fund								
TOTAL, BA 01: Construction And Conversion	55,899	17,300		17,300	15,456		15,456	
TOTAL, BA 02: Operations, Maintenance And Lease	197,296	152,100		152,100	160,520		160,520	
TOTAL, BA 04: Research and Development	44,993	24,417		24,417	25,197		25,197	
TOTAL, BA 05: Ready Reserve Forces	299,025	291,195		291,195	272,991		272,991	
Total National Defense Sealift Fund	597,213	485,012		485,012	474,164		474,164	
Details:								
Budget Activity 01: Construction And Conversion								
Strategic Sealift Acquisition								
4557N 030 0401 MPF MLP	22,617							U
4557N 040 5000 Post Delivery and Outfitting	33,282	17,300		17,300	15,456		15,456	U
Total Strategic Sealift Acquisition	55,899	17,300		17,300	15,456		15,456	
Total, BA 01: Construction And Conversion	55,899	17,300		17,300	15,456		15,456	
Budget Activity 02: Operations, Maintenance And Lease								
Mobilization Preparedness								
4557N 060 0220 LG Med Spd Ro/Ro Maintenance	116,784	105,900		105,900	124,493		124,493	U
4557N 070 0230 DoD Mobilization Alterations	60,703	19,000		19,000	8,243		8,243	U
4557N 080 0250 TAH Maintenance	19,809	27,200		27,200	27,784		27,784	U
Total Mobilization Preparedness	197,296	152,100		152,100	160,520		160,520	
Total, BA 02: Operations, Maintenance And Lease	197,296	152,100		152,100	160,520		160,520	
Budget Activity 04: Research and Development								
Research And Development								
4557N 090 0900 Research And Development	44,993	24,417		24,417	25,197		25,197	U
Total Research And Development	44,993	24,417		24,417	25,197		25,197	
Total, BA 04: Research and Development	44,993	24,417		24,417	25,197		25,197	

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Department of Defense
FY 2016 President's Budget
Exhibit O-1 FY 2016 President's Budget
Total Obligational Authority
(Dollars in Thousands)

Feb 2015

	FY 2014 (Base & OCO)	FY 2015 Base Enacted	FY 2015 OCO Enacted	FY 2015 Total Enacted	FY 2016 Base	FY 2016 OCO	FY 2016 Total	S e c
	-----	-----	-----	-----	-----	-----	-----	-
4557N National Defense Sealift Fund								
Budget Activity 05: Ready Reserve Forces								
Ready Reserve and Prepositioning Force								
4557N 100 0500 Ready Reserve Force	299,025	291,195		291,195	272,991		272,991	U
Total Ready Reserve and Prepositioning Force	299,025	291,195		291,195	272,991		272,991	
Total, BA 05: Ready Reserve Forces	299,025	291,195		291,195	272,991		272,991	
Total National Defense Sealift Fund	597,213	485,012		485,012	474,164		474,164	

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**NDSF SUMMARY NARRATIVE
FY 2016 President's Budget Submission
February 2015**

The FY 2016 total budget submission for NDSF is \$474.2 million.

The request includes \$25.2 million for multiple research and development efforts and \$15.5 million for the outfitting and post delivery costs associated with the Mobile Landing Platform (MLP).

The submission includes \$160.5 million for costs associated with the operation and maintenance of Large Medium Speed Roll-on/Roll-off (LMSR) vessels, other common-user sealift vessels, and Fleet Hospital Ships (T-AH). There is \$273 million for costs associated with the maintenance of the National Defense Reserve Fleet (NDRF), which includes the Ready Reserve Force (RRF).

The submission includes \$8.2 million for DoD Mobilization Alterations which will fund Energy Conservation (ENCON) alterations to Military Sealift Command ships.

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 either the Transportation Working Capital Fund (TWCF) or the Navy Working Capital Fund (NWCF).

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NDSF INDEX
FY 2016 President's Submission
February 2015

NDSF BUDGET ACTIVITIES/PROGRAMS	PAGES
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NDSF BA 02: DoD Mobilization Assets (LMSR Maintenance, Mobilization Alterations, T-AH Maintenance)	7-9
NDSF BA 04: Sealift Research and Development	10-24
NDSF BA 05: Ready Reserve Force	25-27

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**NDSF SUMMARY FINANCIAL DATA
FY 2016 President's Budget Submission
February 2015**

TOA (\$M)								
	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>Total Program</u>
BA 01: Strategic Ship Acquisition	55.9	17.3	15.5	-	-	-	-	88.7
0401: MLP	22.6							
5000: Outfitting and Post Delivery	33.3	17.3	15.5	-	-	-	-	66.1
BA-02: DoD Mobilization Assets	197.3	152.1	160.5	143.6	131.0	145.8	148.7	1,079.0
0220: LMSR Maintenance	116.8	105.9	124.5	104.5	103.8	105.8	107.9	769.2
0230: DOD Mobilization Alterations	60.7	19.0	8.2	16.3	3.8	16.4	16.7	141.1
0250: T-AH Maintenance	19.8	27.2	27.8	22.9	23.4	23.6	24.1	168.8
NDSF BA 04: Sealift Research and Development	45.0	24.4	25.2	18.0	17.1	15.0	15.3	144.6
0900: Research and Development	45.0	24.4	25.2	18.0	17.1	15.0	15.3	159.9
NDSF BA-05: Ready Reserve Force	299.0	291.2	273.0	288.8	293.9	299.7	305.7	2,051.3
0500: Ready Reserve Force	299.0	291.2	273.0	288.8	293.9	299.7	305.7	2,051.3
TOTAL NDSF	597.2	485.0	474.2	450.4	442.0	460.5	469.7	3,363.7

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BUDGET ITEM JUSTIFICATION SHEET (P-40)								DATE: February 2015		
FY 2016 President's Budget										
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund/BA 1					P-1 LINE ITEM NOMENCLATURE					
					NDSF OUTFITTING AND POST DELIVERY (P-40)					
					BLI: 5000					
(Dollars in Millions)	PRIOR YR	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TO COMP	TOTAL PROG
Full Funding TOA-Outfitting	29.8	17.4	10.1	0.0	0.0	0.0	0.0	0.0	0.0	57.3
Full Funding TOA-Post Delivery	8.4	15.9	7.2	15.5	0.0	0.0	0.0	0.0	0.0	47.0
Total Obligational Authority	38.2	33.3	17.3	15.5	0.0	0.0	0.0	0.0	0.0	104.3
MISSION:										
<p>NDSF BLI 5000 established supporting Post Delivery and Outfitting requirements for MLP.</p> <p>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. It ensures these ships receive there full allowances of spare parts and equipment which are vitally required to support the shipboard maintenance process; ensures ships are equipped with operating space items (tools, test equipment, damage control), personnel safety and survivability commodities for successful completion builder sea trials; supports shipboard maintenance and therefore achieving the OPNAV-directed Supply Readiness goals for material on board ship at delivery.</p> <p>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.</p>										
Note:										
1) FY 2014 Reflects a congressional reduction of \$10.122 million for MLP3 Outfitting cost growth.										

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BUDGET ITEM JUSTIFICATION SHEET(P-29) FY 2016 President's Budget Cycle												DATE February 2015				
APPROPRIATION/BUDGET ACTIVITY								P-1 LINE ITEM NOMENCLATURE								
National Defense Sealift Fund/BA 1								NDSF OUTFITTING AND POST DELIVERY (P-29) BLI: 5000								
Ship Type	HULL NO	PROG YEAR	Contract Award	Start of Constr.	DEL DATE	CFO DATE	PSA START	PSA FINISH	OWLD	PRIOR YEARS	FY 2014	FY 2015	FY 2016	TO COMP	TOTAL	
MLP 1	1	11	MAY-11	JUN-11	MAY-13	AUG-13	FEB-15	APR-15	N/A	21,382	400	0	0	0	21,782	
MLP 2	2	11	MAY-11	APR-12	MAR-14	JUN-14	MAY-15	JUN-15	N/A	8,450	7,800	385	0	0	16,635	
MLP 3 AFSB	3	12	FEB-12	FEB-13	SEP-15	DEC-15	SEP-16	NOV-16	N/A	0	9,178	9,680	0	0	18,858	
MLP Total											29,832	17,378	10,065	0	0	57,275
Full Funding TOA-Outfitting Total											29,832	17,378	10,065	0	0	57,275
<p>Note: MLP AFSB 4 and AFSB 5 Outfitting efforts are funded in SCN BLI 5110.</p>																

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BUDGET ITEM JUSTIFICATION SHEET(P-30) FY 2016 President's Budget Cycle												DATE February 2015				
APPROPRIATION/BUDGET ACTIVITY								P-1 LINE ITEM NOMENCLATURE								
National Defense Sealift Fund/BA 1								NDSF OUTFITTING AND POST DELIVERY (P-30) BLI: 5000								
Ship Type	HULL NO	PROG YEAR	Contract Award	Start of Constr.	DEL DATE	CFO DATE	PSA START	PSA FINISH	OWLD	PRIOR YEARS	FY 2014	FY 2015	FY 2016	TO COMP	TOTAL	
MLP 1	1	11	MAY-11	JUN-11	MAY-13	AUG-13	FEB-15	APR-15	N/A	8,400	8,415	0	0	0	16,815	
MLP 2	2	11	MAY-11	APR-12	MAR-14	JUN-14	MAY-15	JUN-15	N/A	0	7,489	4,356	0	0	11,845	
MLP 3 AFSB	3	12	FEB-12	FEB-13	SEP-15	DEC-15	SEP-16	NOV-16	N/A	0	0	2,879	15,456	0	18,335	
MLP Total										8,400	15,904	7,235	15,456	0	46,995	
Full Funding TOA-Outfitting Total										29,832	17,378	10,065	0	0	57,275	
Full Funding TOA-Post Delivery Total										8,400	15,904	7,235	15,456	0	46,995	
Total Obligational Authority Total										38,232	33,282	17,300	15,456	0	104,270	
NET P-1 Total										38,232	33,282	17,300	15,456	0	104,270	
<p>Note: MLP AFSB 4 and AFSB 5 Post Delivery efforts are funded in SCN BLI 5110.</p>																

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**NATIONAL DEFENSE SEALIFT FUND
Exhibit P-40
FY 2016 President's Budget Submission**

**February 2015
BA 02
BLI 0220**

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

<u>LMSR</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Total, LMSR	116.8	105.9	124.5

Justification:

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

These ships provide the initial surge sealift capacity required to transport the lead combat forces from CONUS to a given area of operation and satisfy time-critical war fighting requirements. The criteria for each readiness status were also specified in the MRS (i.e., Outporting, Sea/Dock Trials, Maintenance). Reduced Operating Status (ROS) ships have a cadre crew assigned, are outported at a layberth, and undergo annual sea trials, periodic dock trials, and required periodic regulatory dry dockings/inspections.

The FY 2016 President's Budget request includes funding for a total of 14 ROS-5 common user sealift vessels (9 LMSRs plus 5 former Maritime Prepositioning Force (MPF) ships).

Narrative Explanation of Program Changes:

Changes in funding between FY 2014 and FY 2015 include: FY15 requirements forward financed with prior year funding (\$16M realigned from LI 0230 funds made available due to the change in the composition and number of MPSRONs) and an increase of \$5.1M attributable to cyclical changes in maintenance and repair based on regulatory schedule and Transportation Working Capital Fund (TWCF) pricing changes.

Increase in funding between FY 2015 and FY 2016 due to TWCF rate changes (+\$2.6M).

NATIONAL DEFENSE SEALIFT FUND
Exhibit P-40
FY 2016 President's Budget Submission

February 2015
BA 02
BLI 0230

DOD Strategic Vessel Modernization
(\$M)

<u>Modernization</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
High-Speed Ferries Transfer/Modification	16.4	6.0	0.0
T-AOE-6 Modernization	33.0	0.0	0.0
T-AH Permanent Helo Shelters	0.0	0.0	0.0
T-Alts	0.0	0.0	0.0
ENCON T-Alts	11.3	13.0	8.2
Total, Modernization	<u>60.7</u>	<u>19.0</u>	<u>8.2</u>

Justification:

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

ENCON T-Alts: Funds the investment in Energy Conservation (ENCON) efforts resulting in reduced energy costs for MSC ship operations in the operating accounts. Major efforts in FY 2016 include Intelligent HVAC, variable speed drives on engine room ventilation fans, lighting upgrades, and pump/motor efficiency improvements.

Narrative Explanation of Program Changes:

The reduction of between FY 2014 and FY 2015 is attributable to phasing of USNS GUAM modifications (-\$10.4M), which complete in FY 2016, completion of T-AOE Modernization in FY 2014 (-\$33.0M), and increase in support of Energy Alterations (+\$1.7M).

The change between FY 2015 and FY 2016 reflects a net decrease of \$10.8M due to completion of some initial ENCON alterations (-\$2.6M), rephasing of ENCON funding into FY 2018 and FY 2019 (-\$2.1M), and completion of High Speed Transport GUAM Transfer/Modification (-\$6.1M).

**NATIONAL DEFENSE SEALIFT FUND
Exhibit P-40
FY 2016 President's Budget Submission**

**February 2015
BA 02
BLI 0250**

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

<u>T-AH</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Total T-AH ROS Operations	19.8	27.2	27.8

Justification:

Two T-AHs are maintained in a five-day Reduced Operating Status (ROS-5) as required by Defense Planning Guidance and COCOM OPLANS. These ships provide the critical initial surge field hospital capability to support war fighting, 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 dry dockings/inspections.

Funding supports the following areas:

Crew costs -- CIVMAR wages & salaries.

Maintenance & Repair -- preventative maintenance, regulatory inspections, dry dockings, and overhauls.

Layberth -- berth lease, utilities, tugs, pilots, and in-port fuel.

Other costs -- ADP support, supplies, subsistence, spare parts, consumables, and NWCF AOR results.

Narrative Explanation of Program Changes:

Increase between FY 2014 and FY 2015 attributable to increased maintenance and repair (M&R) requirements on the USNS MERCY and USNS COMFORT. The increased M&R efforts will maintain both vessels in ROS-5 and in compliance with USCG and American Bureau of Shipping (ABS) Rules/Regulations.

Increase between FY 2015 and FY 2016 reflect NWCF rate increases (+0.6M)

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Exhibit R-2, RDT&E Budget Item Justification: PB16 2016 Navy						Date: February 2015	
Appropriation/Budget Activity			R-1 Program Element (Number/Name)				
RD TEN/BA 4			0408042N/National Defense Sealift Fund				
COST (\$ in Millions)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Total PE Cost	44.993	24.417	25.197	17.962	17.110	14.971	15.286
3110 / Maritime Prepositioning Force (Future)	18.681	8.454	1.768	0.793	0.482	0.000	0.000
3116 / Strategic Sealift Research & Development	6.288	0.000	5.502	5.523	5.773	5.898	6.017
3117 / Naval Operational Logistics Integration	20.024	15.963	17.927	11.646	10.855	9.073	9.269
A. MISSION DESCRIPTION:							
This Program Element supports multiple NDSF R&D efforts under various project units. Project Unit efforts are as follows:							
(1) Maritime Prepositioning Force (Future) - MPF(F) (3110) - Concept studies, preliminary, contract designs and technology development and testing leading to detail design, and construction award of ship systems for the initial operational capability milestone achievement 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, equipment 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 Commander (JFC) sea state and operational requirements.							
(3) Naval Operational Logistics Integration (OPLOG) (3117) - Develops enabling technologies for future and in-service afloat operational logistics and integrated supply force and combatant logistics requirements; and conducts cooperative initiatives with acquisition programs, program sponsors, engineering managers, the Navy science and technology community and Fleet customers. OPLOG develops integrated, cross-platform (i.e. applicable to more than one ship class/type) operational logistics and energy conservation technologies and capabilities as well as draft acquisition and operations policy ensuring future Naval systems leverage emerging logistic capabilities and technologies to provide operationally effective and energy efficient logistics delivery.							

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Exhibit R-2, RDT&E Budget Item Justification: PB16 2016 Navy			Date: February 2015
Appropriation/Budget Activity RDTEN/BA 4		R-1 Program Element (Number/Name) PE 0408042N/National Defense Sealift Fund	
B. Program Change Summary (\$ in Millions)	FY 2014	FY 2015	FY 2016
Previous President's Budget	44.993	0.000	0.000
Current President's Budget	44.993	24.417	25.197
Total Adjustments	0.000	24.417	25.197
Congressional Rescissions	0.000	0.000	0.000
Congressional Adjustments	0.000	24.417	0.000
SBIR/STTR/FTT Assessment	0.000	0.000	0.000
Program Adjustments	0.000	0.000	25.197
Rate/Misc Adjustments	0.000	0.000	0.000
Notes: PB16 reflects the reestablishment of the National Defense Sealift Fund (NDSF) appropriation.			

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CLASSIFICATION:		UNCLASSIFIED					
Exhibit R-2A, RDT&E Budget Item Justification: PB16 2016 Navy						Date: February 2015	
Appropriation/Budget Activity		PROGRAM ELEMENT NUMBER AND NAME				PROJECT NUMBER AND NAME	
RDTEN/BA 4		0408042N/NATIONAL DEFENSE SEALIFT FUND				3110/Maritime Prepositioning Force (Future)	
COST (In Millions)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Project Cost	18.681	8.454	1.768	0.793	0.482	0.000	0.000
RDT&E Articles Qty	0.000	0.000	0.000	0.000	0.000	0.000	0.000
A. Mission Description and Budget Item Justification:							
Maritime Prepositioning Force (Future) - MPF(F) (3110) - Concept studies, preliminary, contract designs and technology development and testing leading to detail design, and construction award of ship systems for the initial operational capability milestone achievement 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.							
Includes development, operational, and live fire testing for Mobile Landing Platform (MLP) and Afloat Forward Staging Base (AFSB) variant of the MLP.							
B. Accomplishments/Planned Programs (\$ in Millions):					FY2014	FY2015	FY2016
Title: Engineering and Acquisition Support					18.681	8.454	1.768
FY2014 Accomplishments:							
Continued tracking execution of Test and evaluation schedule to Test and Evaluation Master Plan (TEMP)							
- Completed DT&E Phase B2							
- Planned and executed Initial Operational Test and Evaluation (IOT&E)							
- Completed DDSAR for LFT&E							
- Completed Total Ship Survivability Trial (TSST)							
- Restarted engineering research on feasibility of transferring Office of Naval Research Technologies to MLP							
- Continued development of AFSB Developmental Test Program							
- Continued development of AFSB Operational Test Program							
- Continued development of AFSB Live Fire Test Program							
- Planned and completed R&D Landing Craft Utility (LCU) Interface Test with MLP							
- Performed IOT&E Craft Interface Test (CIT) with MLP							

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Exhibit R-2A, RDT&E Budget Item Justification: PB16 2016 Navy					Date: February 2015				
Appropriation/Budget Activity		PROGRAM ELEMENT NUMBER AND NAME		PROJECT NUMBER AND NAME					
RDTEN/BA 4		0408042N/NATIONAL DEFENSE SEALIFT FUND		3110/Maritime Prepositioning Force (Future)					
B. Accomplishments/Planned Programs (\$ in Millions):									
		FY2014	FY2015	FY2016					
FY2015 Plans: Continue tracking execution of Test and evaluation schedule to Test and Evaluation Master Plan (TEMP) <ul style="list-style-type: none"> - Continue Initial Operational Test and Evaluation (IOT&E) for MLP Core Capability Set (CCS) - Initiate IT&E Phase B2 for Afloat Forward Staging Base (AFSB) - Continue engineering research on feasibility of transferring Office of Naval Research Technologies to MLP - Continue execution of AFSB Developmental Test Program - Continue execution of AFSB Operational Test Program - Continue execution of AFSB Live Fire Test Program - Perform MLP Follow-On Operational Test & Evaluation (FOT&E) for MLP Core Capability Set (CCS) 									
FY2016 Plans: Continue tracking execution of Test and evaluation schedule to Test and Evaluation Master Plan (TEMP) <ul style="list-style-type: none"> - Continue IT&E Phase B2 for Afloat Forward Staging Base (AFSB) - Continue execution of AFSB Live Fire Test Program to include a Total Ship Survivability Trial (TSST) - Perform MLP Follow-On Operational Test & Evaluation (FOT&E) for MLP Core Capability Set (CCS) - Perform Initial Operational Test and Evaluation (IOT&E) for Afloat Forward Staging Base (AFSB) 									
Accomplishments/Planned Programs Subtotals		18.681	8.454	1.768					
C. Other Program Funding Summary (\$ in Millions):									
<u>Line Item</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>Cost to Complete</u>	<u>Total Cost</u>
NDSF/0401: MPF MLP Acquisition	22.617								1,562.633
SCN/3039: AFSB	579.300			661.276					1,240.576
NDSF/5000: MLP	33.282								71.514
Outfitting/Post Delivery									
Remarks									
D. Acquisition Strategy:									
To supplement the current maritime prepositioning force, and to provide in theater capability to support resupplying a Maritime Expeditionary Brigade, the Department is procuring 5 MLPs; 2 MLPs in FY11, 1 MLP modified to an MLP AFSB Variant configuration in FY12, 1 AFSB Variant in FY14, and 1 AFSB Variant in FY17.									
E. Performance Metrics:									
Annual Program Review									

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EXHIBIT R-3, RDT&E PROJECT COST ANALYSIS: PB 2016 Navy										Date: February 2015		
Appropriation/Budget Activity		Program Element (Number/Name)				Project (Number/Name)						
RDTEN/BA 4		0408042N/ NATIONAL DEFENSE SEALIFT FUND				3110 /Maritime Prepositioning Force (Future)						
Product Development (\$ in Millions)				FY 2014		FY 2015		FY 2016				
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost to Complete (\$000)	Total Cost (\$000)	Target Value of Contract
Engineering Development and Design	C/CPIF	CSC: Washington DC	0.000	2.956	Jan 2014	0.400	Jan 2015	0.000		0.000	3.356	
Subtotal Product Development			0.000	2.956		0.400		0.000		0.000	3.356	
Test and Evaluation (\$ in Millions)				FY 2014		FY 2015		FY 2016				
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost to Complete (\$000)	Total Cost (\$000)	Target Value of Contract
Operational Test & Evaluation	WR	MCOTEA/COTF:Various	0.000	3.800	Jan 2014	1.520	Jan 2015	0.584	Jan 2016	0.216	6.120	
Live Fire Test & Evaluation	WR	VARIOUS:Various	0.000	2.300	Jan 2014	0.600	Jan 2015	0.489	Jan 2016	0.561	3.950	
Developmental Test & Evaluation	WR	VARIOUS:Various	0.000	8.600	Jan 2014	5.550	Jan 2015	0.645	Jan 2016	0.000	14.795	
Subtotal Test and Evaluation			0.000	14.700		7.670		1.718		0.777	24.865	
Management Services (\$ in Millions)				FY 2014		FY 2015		FY 2016				
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost to Complete (\$000)	Total Cost (\$000)	Target Value of Contract
Program Management Support	CPIF	CSC:DC	0.000	0.775	Dec 2013	0.234	Dec 2014	0.000		0.423	1.432	
Travel	TO	VARIOUS:Various	0.000	0.250	Oct 2013	0.150	Oct 2014	0.050	Oct 2015	0.075	0.525	
Subtotal Management Services			0.000	1.025		0.384		0.050		0.498	1.957	
Total Cost			0.000	18.681		8.454		1.768		1.275	30.178	
Remarks:												

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EXHIBIT R-4 RDT&E Schedule Profile: PB 2016 Navy																								Date: February 2015							
Appropriation/Budget Activity				Program Element (Number/Name)																Project (Number/Name)											
RDTEN/BA 4				0408042N/ NATIONAL DEFENSE SEALIFT FUND																3110 /Maritime Prepositioning Force (Future)											
				FY 2014				FY 2015				FY 2016				FY 2017				FY 2018				FY 2019				FY 2020			
				1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
Schedule Profile																															
TESTING: CCS OT&E																															
TESTING: AFSB DT&E																															
TESTING: AFSB IT&E																															
TESTING: AFSB OT&E																															
TESTING: AFSB LFT&E																															

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EXHIBIT R-4A RDT&E Schedule Details: PB 2016 Navy				Date: February 2015
Appropriation/Budget Activity	Program Element (Number/Name)		Project (Number/Name)	
RDTEN/BA 4	0408042N/ NATIONAL DEFENSE SEALIFT FUND		3110 /Maritime Prepositioning Force (Future)	
		Start		End
		Quarter	Year	Quarter Year
Events by Sub Project				
TESTING: CCS OT&E		4	2015	4 2015
TESTING: AFSB DT&E		2	2015	4 2016
TESTING: AFSB IT&E		2	2015	4 2016
TESTING: AFSB OT&E		2	2015	1 2018
TESTING: AFSB LFT&E		2	2015	1 2017

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Exhibit R-2A, RDT&E Budget Item Justification: PB16 2016 Navy						Date: February 2015		
Appropriation/Budget Activity		PROGRAM ELEMENT NUMBER AND NAME				PROJECT NUMBER AND NAME		
RDTEN/BA 4		0408042N/NATIONAL DEFENSE SEALIFT FUND				3116/Strategic Sealift Research & Development		
COST (In Millions)	Prior Years	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Project Cost	47.041	6.288	0.000	5.502	5.523	5.773	5.898	6.017
RDT&E Articles Qty		0.000	0.000	0.000	0.000	0.000	0.000	0.000
A. Mission Description and Budget Item Justification: Strategic Sealift Research Development - Develops new concepts and technologies which can be applied to or will enable future strategic sealift and Seabasing systems. The technologies include ship configuration concepts, equipment 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.								
B. Accomplishments/Planned Programs (\$ in Millions):						FY2014	FY2015	FY2016
Title: Shipboard Crane Systems/Shipboard Cargo Systems						0.000	0.000	1.372
FY2014 Accomplishments: N/A FY2015 Plans: N/A FY2016 Plans: - Continue investigation and demonstration of shipboard crane/cargo systems improvements.								
Title: Sealift Concept Development FY2014 Accomplishments: - Continued providing Advanced Planning, Sealift Research, and Technology development and program guidance. FY2015 Plans: N/A FY2016 Plans: - Continue to provide Advanced Planning, Sealift Research, and Technology development and program guidance. Continue to develop Ship Cost Reduction Analysis.						0.804	0.000	1.430

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Exhibit R-2A, RDT&E Budget Item Justification: PB16 2016 Navy				Date: February 2015				
Appropriation/Budget Activity RDTEN/BA 4		PROGRAM ELEMENT NUMBER AND NAME 0408042N/NATIONAL DEFENSE SEALIFT FUND			PROJECT NUMBER AND NAME 3116/Strategic Sealift Research & Development			
B. Accomplishments/Planned Programs (\$ in Millions):								
Title: Lighter/HSV Seabase to Shore Cargo Transfer				FY2014	FY2015	FY2016		
FY2014 Accomplishments: - Continued transitions and development and test of transfer and interface systems for cargo movement ashore.				5.484	0.000	2.000		
FY2015 Plans: N/A								
FY2016 Plans: - Continue development of at-sea vehicle transfer capability. Continue to develop analysis of improved air operations for Ship-To-Shore logistics support from Sealift ships.								
Title: Advanced Tools				0.000	0.000	0.700		
FY2014 Accomplishments: N/A								
FY2015 Plans: N/A								
FY2016 Plans: - Initiate investigation and demonstration of individual and multiship motion measurement and prediction.								
Accomplishments/Planned Programs Subtotals				6.288	0.000	5.502		
C. Other Program Funding Summary (\$ in Millions):		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
RDTE,N PE 0603563N PROJ 3376: Strategic Sealift			5.593					
D. Acquisition Strategy:								
Not applicable for SEALIFT R&D efforts								
E. Performance Metrics								
Annual Program Review								

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EXHIBIT R-3, RDT&E PROJECT COST ANALYSIS: PB 2016 Navy									Date: February 2015			
Appropriation/Budget Activity			Program Element (Number/Name)					Project (Number/Name)				
RDTE/BA 4			0408042N/ NATIONAL DEFENSE SEALIFT FUND					3116/Strategic Sealift Research & Development				
Product Development (\$ in Millions)				FY 2014		FY 2015		FY 2016				
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost to Complete (\$000)	Total Cost (\$000)	Target Value of Contract
Sealift Concept Development	WR	VARIOUS:Various	0.000	0.804	Jan 2014	0.000		1.430	Jan 2016	Continuing	Continuing	Continuing
Shipboard Crane Systems	WR	VARIOUS:Various		0.000		0.000		1.372	Jan 2016	Continuing	Continuing	Continuing
Lighter/HSV Seabase to Shore Cargo Transfer	WR	VARIOUS:Various		5.484	Jan 2014	0.000		2.000	Jan 2016	Continuing	Continuing	Continuing
Advanced Tools	WR	VARIOUS:Various	0.000	0.000		0.000		0.700	Jan 2016	Continuing	Continuing	Continuing
Subtotal Product Development			0.000	6.288		0.000		5.502		-	-	-
Subtotal Test and Evaluation			0.000	0.000		0.000		0.000				
Subtotal Management Services			0.000	0.000		0.000		0.000				
Total Cost			0.000	6.288		0.000		5.502				
Remarks:												
FY2015 efforts are funded with RDTE,N PE 0603563N PROJ 3376: Strategic Sealift funds.												

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Exhibit R-2A, RDT&E Budget Item Justification: PB16 2016 Navy						Date: February 2015	
Appropriation/Budget Activity		PROGRAM ELEMENT NUMBER AND NAME			PROJECT NUMBER AND NAME		
RDTEN/BA 4		0408042N/NATIONAL DEFENSE SEALIFT FUND			3117/Naval Operational Logistics Integration		
COST (In Millions)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Project Cost	20.024	15.963	17.927	11.646	10.855	9.073	9.269
RDT&E Articles Qty	0.000	0.000	0.000	0.000	0.000	0.000	0.000

A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:

Project 3117 - Naval Operational Logistics Integration (OPLOG) - Develops enabling technologies for future and in-service afloat operational logistics and integrated supply systems; defines integrated combat logistics force and combatant logistics requirements; and conducts cooperative initiatives with acquisition programs, program sponsors, engineering managers, the Navy science and technology community and Fleet customers. OPLOG develops integrated, cross-platform (i.e. applicable to more than one ship class/type) operational logistics and energy conservation technologies and capabilities as well as draft acquisition and operations policy ensuring future Naval systems leverage emerging logistics capabilities and technologies to provide operationally effective and energy efficient logistics delivery.

Though the operational logistics family of systems touches all aspects of Naval presence and power projection, operational logistics capability and system interfaces typically have been left to individual acquisition programs to develop and resolve. Technology development is necessary to mitigate technological and operational risk before ship acquisition programs accept new technologies. This project provides a foundation for the transition and systems development of science & technology initiatives evolving from the Office of Naval Research (ONR) Power & Energy Future Naval Capabilities (FNC), Enterprise and Platform Enablers FNC, Seabasing FNC and from other enabling Government, industry and academia concepts to the acquisition community. Thus, this project resources continued research and development of appropriate technologies with applicability to multiple acquisition programs and defines and matures performance and interface requirements for those technologies. This project continues to identify, develop, integrate, demonstrate and transition logistics technologies to improve the cost effectiveness of Fleet at sea logistics delivery through outreach, coordination and collaboration with industry, academia, Fleet and Enterprise representatives.

This project will continue to develop improved shipboard replenishment, transfer, and handling systems and components as well as asset visibility and standardized packaging technologies. This project will include development of approaches to support Service goals for reduced energy consumption by the logistics Fleet. This integrated suite of developed capabilities will enable multiple ship types to leverage common technologies common across DoD (Joint) and commercial transportation networks providing a more affordable, energy efficient, mission capable force. This capabilities and system-of-systems approach will be applied to concept development of future auxiliary force architectures.

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Exhibit R-2A, RDT&E Budget Item Justification: PB16 2016 Navy			Date: February 2015	
Appropriation/Budget Activity RDTEN/BA 4		PROGRAM ELEMENT NUMBER AND NAME 0408042N/NATIONAL DEFENSE SEALIFT FUND		PROJECT NUMBER AND NAME 3117/Naval Operational Logistics Integration
B. Accomplishments/Planned Programs (\$ in Millions):				
Title: Advanced Replenishment Systems		FY2014	FY2015	FY2016
FY2014 Accomplishments: Continued land-based testing of Heavy E-STREAM station, updated ARCTIC heavy station to final configuration during post deployment availability. Completed all E-STREAM drawings needed for T-AO(X) RFP. Ordered ESTREAM fueling station prototype equipment for integration and testing at Port Hueneme. Ordered replenishment station winches. Developed E3 test plan for ESTREAM controls. FY2015 Plans: Accept, install and start testing of land-based prototype Electric-Standard Tensioned Replenishment Alongside Method (ESTREAM) fueling-at-sea station. Complete environmental and electromagnetic testing of ESTREAM replenishment at sea control cabinets and equipment. Develop designs for technology insertion into legacy CLF STREAM stations to keep them supportable and operational for existing ship lives. FY2016 Plans: Continue land-based testing of fueling station. Accept replenishment station equipment and plan for FY17 shipboard installation, testing and operation. Begin Detail design of hybrid STREAM system for legacy CLF ships. This involves purchase and testing of prototype components to modernize installed Navy Standard UNREP stations on T-AKEs with E-STREAM technologies.		10.165	6.700	8.370
Title: Logistics Architectures		0.000	1.050	0.050
FY2014 Accomplishments: N/A FY2015 Plans: Medical Payload sealift ship enhancements and interface development for emerging Medical Adaptive Force Package support. Conduct combat logistics force data collection and operational studies. FY2016 Plans: Conduct combat logistics force operational studies.				
Title: Shipboard Material Transport		0.000	0.200	0.250
FY2014 Accomplishments: N/A FY2015 Plans: Requirements analyses and alternatives development for JSF power module mover compatible with combat logistics force ships. FY2016 Plans: Coordinate with JSF and NAVAIR on modification and testing of candidate JSF power module mover.				

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Exhibit R-2A, RDT&E Budget Item Justification: PB16 2016 Navy						Date: February 2015	
Appropriation/Budget Activity RDTEN/BA 4		PROGRAM ELEMENT NUMBER AND NAME 0408042N/NATIONAL DEFENSE SEALIFT FUND			PROJECT NUMBER AND NAME 3117/Naval Operational Logistics Integration		
B. Accomplishments/Planned Programs (\$ in Millions):							
Title: Shipboard Energy Conservation				FY2014	FY2015	FY2016	
FY2014 Accomplishments: Continued energy management approach improvements, validation of energy savings from implementation of energy conservation measures, identification and evaluation of additional energy conservation concepts, transition of successful energy conservation measures to MSC and in coordination with other Navy energy conservation programs to leverage successful energy reduction approaches.				8.859	8.013	9.257	
FY2015 Plans: Continue energy management approach improvements, validation of energy savings from implementation of energy conservation measures, identification and evaluation of additional energy conservation concepts, transition of successful energy conservation measures to MSC and coordination with other Navy energy conservation programs to leverage successful energy reduction approaches.							
FY2016 Plans: Continue energy management approach improvements, validation of energy savings from implementation of energy conservation measures, identification and evaluation of additional energy conservation concepts, transition of successful energy conservation measures to MSC and coordination with other Navy energy conservation programs to leverage successful energy reduction approaches. Prototype purchase, installations, and testing planned for FY 2016.							
Title: Ship Concept Development				1.000	0.000	0.000	
FY2014 Accomplishments: T-ATS (X) program management support.							
FY2015 Plans: N/A							
FY2016 Plans: N/A							
Accomplishments/Planned Programs Subtotals				20.024	15.963	17.927	
C. Other Program Funding Summary (\$ in Millions):		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
N/A							
D. Acquisition Strategy: Not applicable for OPLOG R&D efforts							
E. Performance Metrics Annual Program Review							

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EXHIBIT R-3, RDT&E PROJECT COST ANALYSIS: PB 2016 Navy										Date: February 2015		
Appropriation/Budget Activity		Program Element (Number/Name)				Project (Number/Name)						
RDTEN/BA 4		0408042N/ NATIONAL DEFENSE SEALIFT FUND				3117 /Naval Operational Logistics Integration						
Product Development (\$ in Millions)				FY 2014		FY 2015		FY 2016				
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost to Complete (\$000)	Total Cost (\$000)	Target Value of Contract
Primary Hardware Development	Various	VARIOUS:Various	32.775	4.900	Jan 2014	4.833	Jan 2015	4.000	Jan 2016	Continuing	Continuing	Continuing
Ancillary Hardware Development	Various	VARIOUS:Various	17.688	2.942	Jan 2014	3.000	Jan 2015	5.000	Jan 2016	Continuing	Continuing	Continuing
Ship Integration	Various	VARIOUS:Various	11.191	1.028	Jan 2014	1.000	Jan 2015	2.000	Jan 2016	Continuing	Continuing	Continuing
Ship Suitability	Various	VARIOUS:Various	4.637	0.955	Jan 2014	1.500	Jan 2015	1.500	Jan 2016	Continuing	Continuing	Continuing
System Engineering	Various	VARIOUS:Various	17.629	3.900	Jan 2014	1.500	Jan 2015	1.500	Jan 2016	Continuing	Continuing	Continuing
Subtotal Product Development			83.920	13.725		11.833		14.000				
Support Cost (\$ in Millions)				FY 2014		FY 2015		FY 2016				
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost to Complete (\$000)	Total Cost (\$000)	Target Value of Contract
Development Support	Various	VARIOUS:Various	12.792	0.883	Jan 2014	0.450	Jan 2015	0.450	Jan 2016	Continuing	Continuing	Continuing
Software Development	Various	VARIOUS:Various	2.303	0.000		0.000		0.000		Continuing	Continuing	Continuing
Integrated Logistics Support	Various	VARIOUS:Various	1.158	0.217	Jan 2014	0.180	Jan 2015	0.180	Jan 2016	Continuing	Continuing	Continuing
Configuration Management	Various	VARIOUS:Various	1.761	0.220	Jan 2014	0.200	Jan 2015	0.300	Jan 2016	Continuing	Continuing	Continuing
Technical Data	Various	VARIOUS:Various	5.733	1.500	Jan 2014	0.400	Jan 2015	0.400	Jan 2016	Continuing	Continuing	Continuing
Studies & Analysis	Various	VARIOUS:Various	4.000	0.065	Jan 2014	0.300	Jan 2015	0.397	Jan 2016	Continuing	Continuing	Continuing
Subtotal Product Development			27.747	2.885		1.530		1.727				
Test and Evaluation (\$ in Millions)				FY 2014		FY 2015		FY 2016				
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost to Complete (\$000)	Total Cost (\$000)	Target Value of Contract
Developmental Test & Evaluation	Various	VARIOUS:Various	3.778	0.600	Jan 2014	1.500	Jan 2015	1.000	Jan 2016	Continuing	Continuing	Continuing
Operational Test & Evaluation	Various	VARIOUS:Various	6.700	0.960	Jan 2014	0.500	Jan 2015	0.500	Jan 2016	Continuing	Continuing	Continuing
Subtotal Test and Evaluation			10.478	1.560		2.000		1.500				
Remarks:												

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EXHIBIT R-3, RDT&E PROJECT COST ANALYSIS: PB 2016 Navy										Date: February 2015		
Appropriation/Budget Activity		Program Element (Number/Name)					Project (Number/Name)					
RDTEN/BA 4		0408042N/ NATIONAL DEFENSE SEALIFT FUND					3117 /Naval Operational Logistics Integration					
Management Services (\$ in Millions)				FY 2014		FY 2015		FY 2016				
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost to Complete (\$000)	Total Cost (\$000)	Target Value of Contract
Contractor Engineering Support	Various	VARIOUS:Various	11.770	0.754	Jan 2014	0.200	Jan 2015	0.200	Jan 2016	Continuing	Continuing	Continuing
Government Engineering Support	Various	VARIOUS:Various	4.281	0.600	Jan 2014	0.400	Jan 2015	0.500	Jan 2016	Continuing	Continuing	Continuing
Project/Acquisition Management	Various	VARIOUS:Various	0.780	0.500	Jan 2014		Jan 2015	0.000	Jan 2016	Continuing	Continuing	Continuing
Subtotal Management Services			16.831	1.854		0.600		0.700				
Total Cost			138.976	20.024		15.963		17.927				
Remarks:												

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NATIONAL DEFENSE SEALIFT FUND
Exhibit P-40
FY 2016 President's Budget Submission
Ready Reserve Force (RRF)
(\$M)

February 2015
BA 05
BLI 0500

<u>RRF/NDRF</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
TOTAL RRF	299.0	291.1	272.9
TOTAL BA-5	299.0	291.1	272.9

Justification:

The RRF Budget is based upon the conclusions of the 2005 Mobility Capabilities Requirements Study 2016 (MCRS) and subsequent requirements review and determination by Navy and USTRANSCOM. The current funding levels are expected to support readiness and allow the ships to activate in time to deliver cargo to a given area of operations and satisfy Combatant Commanders' critical war fighting requirements.

This funding continues the support of Extended Service Life (ESL) program for aging RRF priority ships, and funding Outyear Engineering Requirements Assessments (OERA) for eight FSS vessels (beginning in FY 2012). In addition funding provides for the T-5 Tranker conversion which replaces current OPDS vessel expected to retire to the NDRF at the end of FY17. Funding also maintains three fleet facilities that maintain/layberth National Defense Reserve Fleet vessels.

Narrative Explanation of Program Changes:

Between FY 2014 and FY 2015, the BA-05 total change is a net decrease of \$7.9M. Program increases are ROS Fees contract increase (+\$2.4M) based on collective bargaining agreement/consumer price index contract adjustments, increased fleet support costs for (+\$1.1M) for salary increases and cyclical fleet craft maintenance actions and increased logistics support (+\$.1M). TOTAL PROGRAM INCREASES (+\$3.6M). Program decreases are for reduced funding for T-5 Tanker conversion (-\$7.5M), and reduced Outporting for periodic dredging and per diem costs (-\$3.2M), program decreases for cyclical changes in maintenance and repair based on regulatory schedules (-\$.8M). TOTAL PROGRAM DECREASES (-\$11.5M).

Between FY 2015 and FY 2016, the BA-05 total change is a net decrease of \$18.2M. Program increases are ROS Fees contract increase (+\$2.7M) based on collective bargaining agreements/consumer price index contract adjustments and increased funding for T-5 Tanker conversion (+\$1.2M). TOTAL PROGRAM INCREASES (+\$3.9M). Program decreases of (-\$19.7M) for cyclical changes in maintenance and repair based on regulatory schedules, elimination of maintenance sea trials and associated fuel, significant reduction in extended service life (ESL), and decrease in administrative support. Also, decreases in logistics support (-\$.3M) for reduced effort, decrease of (-\$1.7M) in NDRF/Facilities for cyclical fleet craft maintenance and facility improvements, and outporting/security (-\$.4M) for vessel movements to another layberth facility. TOTAL PROGRAM DECREASES (-\$22.1M)

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NATIONAL DEFENSE SEALIFT FUND
Exhibit P-5 SEALIFT COST ANALYSIS
FY 2016 President's Budget Submission

February 2015
BA 05
BLI 5000

FY 2014 President's Budget Submission						
	B. APPROPRIATION: National Defense Sealift Fund		C. ITEM NOMENCLATURE Budget Activity: Ready Reserve Force (RRF) (NDSF BA 5) Budget Line Item: Ready Reserve Force (RRF) (NDSF BLI 0500)			
TOTAL COST IN THOUSANDS OF DOLLARS						
ELEMENT OF COST	FY14		FY15		FY16	
RRF COST CATEGORY	QTY	COST	QTY	COST	QTY	COST
Maintenance & Repair, sea trials, ESL, FSS OERA, & Program support Less JCS Exercise Savings		139,356 (5,000)		138,534 (5,000)		118,866 (5,000)
ROS Crews/SM fees	46	97,795	46	100,281	46	103,069
Outporting/Security	44	26,610	44	23,368	-	22,880
Logistics/IT Program Management		9,371		9,443		9,117
NDRF/Facilities & Security		21,573		22,742		21,018
SDDC/USTC enhancements of RRF		-		-		-
Beaumont Layberth Facility		-		-		-
Convert T5 Tanker to OPDS		9,320		1,827		3,041
Total, RRF Maintenance & Operations		299,025		291,195		272,991
Congressional Add: MARAD Ship Financing Guarantee Program		-		-		-
TOTAL, RRF (NDSF BA 5 BLI 0500)	-	299,025	-	291,195	-	272,991

February 2015
BA 05
BLI 0500

FY 2016 President's Budget Submission
READY RESERVE FORCE - SHIPS BY READINESS CATEGORY

Ship Type	2014	2015	2016
RO/RO	<u>35</u>	<u>35</u>	<u>35</u>
ROS-5	35	35	35
PREPO	0	0	0
HEAVYLIFT	<u>2</u>	<u>2</u>	<u>2</u>
ROS-5	2	2	2
RRF-10	0	0	0
T-ACS	<u>6</u>	<u>6</u>	<u>6</u>
ROS-5	6	6	6
OPDS-TANKER	<u>1</u>	<u>1</u>	<u>1</u>
RRF-10	1	1	1
PREPO	0	0	0
T-AVB	<u>2</u>	<u>2</u>	<u>2</u>
ROS-5	2	2	2
GRAND TOTAL	46	46	46

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