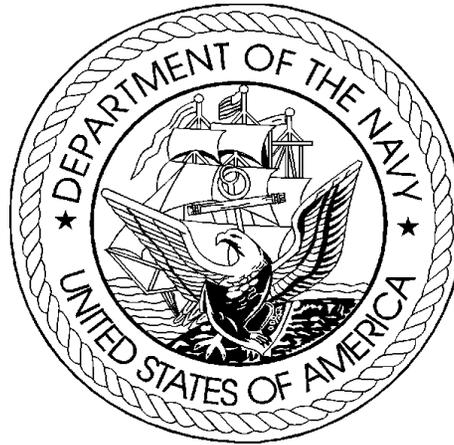


DEPARTMENT OF THE NAVY
FISCAL YEAR (FY) 2001
BUDGET ESTIMATES



JUSTIFICATION OF ESTIMATES
FEBRUARY 2000

NATIONAL DEFENSE SEALIFT FUND

FY 2001 President's Budget Submission
February 2000

NATIONAL DEFENSE SEALIFT FUND

Summary Narrative:

The request of \$388.2 million in FY 2001 funds the operations and maintenance and the related Research and Development of sealift assets utilized for prepositioning, surge and Ready Reserve Force (RRF) requirements established by the DoD Mobility Requirements Study (MRS) and the MRS Bottom Up Review Update (BURU). The importance of substantial enhancements to our strategic mobility was first identified in the 1991 MRS and was validated in the FY 1995 MRS BURU. Based upon ship configurations, a total of 19 prepositioning/surge ships will be required to satisfy the MRS BURU requirements. The final LMSR ship was funded in FY1999. Construction is also underway on the first two of three planned Maritime Prepositioning Force Enhancement (MPF(E)) Ships for the Marine Corps.

The NDSF budget request includes \$7.1 million in FY 2001 for the continuation of research and development efforts for the Strategic Sealift Technology Development Program. Furthermore, \$259 million is budgeted in FY 2001 for costs associated with maintenance of the National Defense Reserve Fleet, which includes the Ready Reserve Force. In addition, \$122.1 million is budgeted 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 and Fleet Hospital ships (T-AH).

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

NATIONAL DEFENSE SEALIFT FUND

Supplemental Exhibits Index

<u>NDSF Budget Activity/Programs</u>		<u>Pages</u>
Strategic Sealift Acquisition [LMSR New Construction/Conversion program]	BA 1	4-12
DoD Mobilization Assets [FSS Maint, LMSR Maint , Mobilization Alterations ,T-AH Maint]	BA 2	13-16
Research and Development [National Defense Sealift Research and Development]	BA 4	17-21
Ready Reserve Force [Operations and Maintenance of the NDRF to include the RRF]	BA 5	22-24

NDSF SUMMARY FINANCIAL DATA

FY 2001 President's Budget Submission

February-00

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

(QTY / TOA \$ Millions)

NDSF Budget Activity	Qty	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Qty	Total Program
- Programs:										
Strategic Ship Acquisition : (NDSF BA 1)	2.0	351.4	346.9	0.0	0.0	0.0	0.0	0.0	2.0	698.3
- LMSR	1	351.4	334.4	0.0	0.0	0.0	0.0	0.0	1	685.8
- Maritime Academy	1	0.0	12.5	0.0	0.0	0.0	0.0	0.0	1	12.5
										0.0
DoD Mobilization Assets (NDSF BA 2)		61.7	94.1	122.1	133.0	136.3	139.6	142.2		829.0
										0.0
- FSS Maint		46.9	46.3	46.9	47.6	48.6	49.8	50.7		336.8
- LMSR Maint		0.0	27.2	56.5	66.8	68.1	69.7	71.1		359.4
- DOD Mob. Alts		0.0	0.2	3.3	3.6	3.6	3.7	3.8		18.2
- T-AH Maint		14.8	20.4	15.4	15.0	16.0	16.4	16.6		114.6
										0.0
Sealift R&D: (NDSF BA 4)		6.9	3.8	7.1	7.2	7.4	7.5	7.6		47.5
										0.0
										0.0
NDRF / RRF O&M (NDSF BA 5)		260.0	256.8	259.0	251.6	257.3	262.1	267.1		1,813.9
Users O&M:(1)										
Total (2)		680.0	701.6	388.2	391.8	401.0	409.2	416.9		3,388.7

(1) Funded on a reimbursable basis. Customer funding is appropriated in user Service O&M accounts

(2) To make the total add properly, some numbers have been rounded - not to their exact individual amounts.

NATIONAL DEFENSE SEALIFT FUND (NDSF)
 SHIP PRODUCTION SCHEDULE

<u>Ship Type</u>	<u>Shipbuilder</u>	<u>Fiscal Yr Authorized</u>	<u>Contract Award</u>		<u>Start of Construction</u>	<u>Current Delivery Date</u>
TAKR 295	NASSCO	FY93	Jul-93	*	Jun-94	May-96
TAKR 296	Newport News	FY93	Jul-93	*	Oct-93	Aug-96
TAKR 297	NASSCO	FY93	Jul-93		May-95	Feb-97
TAKR 298	Newport News	FY93	Jul-93		Oct-93	May-97
TAKR 299	NASSCO	FY93	Jul-93		Oct-95	Nov-97
TAKR 300	Avondale	FY93	Sep-93	*	Jan-95	Nov-98
TAKR 301	Avondale	FY94	Sep-94		Oct-95	Aug-99
TAKR 302	Avondale	FY94	Sep-94		Sep-96	Mar-00
TAKR 303	Avondale	FY96	Dec-95		May-97	Jul-00
TAKR 304	Avondale	FY97	Nov-96		Nov-97	Jan-01
TAKR 305	Avondale	FY98	Nov-97		Aug-98	Jul-01
TAKR 306	Avondale	FY99	Dec-98		Jun-99	Jan-02
TAKR 310	NASSCO	FY93	Sep-93	*	Mar-96	Jun-98
TAKR 311	NASSCO	FY95	Oct-94		Jan-97	Dec-98
TAKR 312	NASSCO	FY95	Oct-94		Aug-97	Jul-99
TAKR 313	NASSCO	FY96	Jan-96		Mar-98	Jan-00
TAKR 314	NASSCO	FY97	Nov-96		Sep-98	May-00
TAKR 315	NASSCO	FY 97	May-97		Apr-99	Dec-00
TAKR 316	NASSCO	FY98	Nov-97		Nov-99	Jul-01
TAKR	TBD	FY00	TBD	*	TBD	TBD

* These were new contracts; all other ships were options to these contracts.
 Note: Dates in **bold** are actuals.

**UNCLASSIFIED
 FY2001 President's Budget
 Feb 2000**

NDSF BA 1 P-5 Exhibit Conversion/ Ship Buy

Contract Award Year	(\$ THOUSANDS)								
	FY93			FY93		FY93			GRAND TOTAL
	NASSCO LEAD	NASSCO FOLLOW	NASSCO FOLLOW	NEWPORT LEAD	NEWPORT FOLLOW	TOTAL LEAD	TOTAL FOLLOW		
1. PLANS	0	0	0	0	0	0	0	0	
2. BASIC	296,457	247,065	241,753	311,500	246,161	607,957	734,978	1,342,935	
3. CHANGE ORDERS	35,907	19,867	19,181	27,724	24,561	63,631	63,610	127,240	
4. ELECTRONICS	0	0	0	0	0	0	0	0	
5. PROPULSION	0	0	0	0	0	0	0	0	
6. HM&E	5,088	3,788	3,013	7,149	3,126	12,237	9,927	22,164	
7. OTHER	9,235	2,550	2,634	9,728	2,537	18,962	7,722	26,684	
8. ORDNANCE	0	0	0	0	0	0	0	0	
9. ESCALATION	0	0	0	0	0	0	0	0	
SUBTOTAL WEAPON SYSTEM END COST	346,686	273,270	266,581	356,101	276,386	702,787	816,237	1,519,024	
10. POST DELIVERY	4,000	2,500	2,500	2,800	1,600	6,800	6,600	13,400	
TOTAL WEAPON SYSTEM END COST	350,686	275,770	269,081	358,901	277,986	709,587	822,837	1,532,424	

Sep 97 NDSF Conversion Allocation	347,216	280,646	273,955	354,947	275,659	702,164	830,261	1,532,424
<u>Adjustments</u>								
Government Liability & Basic	3,172	(3,332)	(4,777)	0	0	3,172	(8,110)	(4,938)
Change Orders	288	(875)	277	3,176	3,028	3,464	2,430	5,894
HM&E	(25)	(539)	(299)	70	(519)	45	(1,356)	(1,311)
Other	35	(130)	(76)	608	(183)	642	(388)	254
Escalation	0	0	0	0	0	0	0	0
Post Delivery	0	0	0	100	0	100	0	100
Feb 2000 NDSF Conversion Allocation	350,686	275,770	269,081	358,901	277,986	709,587	822,837	1,532,424

NOTE: Program year of ship does not equate to the fiscal year (FY) funding.

UNCLASSIFIED
FY2001 President's Budget
Feb 2000
NDSF BA 1 P-8A Exhibit
NATIONAL DEFENSE SEALIFT FUND (NDSF)
Analysis of Ship Cost Estimates - Major Equipment
(Dollars in Thousands)

Ship Strategic Sealift Conversion Program	FY93 & Prior Total Cost
HM&E	
A. HM&E Test & Instrumentation	4,230
B. HM&E Engineering Services	7,142
C. SUPSHIP Material/Services	<u>10,792</u>
Total HM&E	22,164

NDSF BA-1
STRATEGIC SEALIFT- NEW CONSTRUCTION PROGRAM

P-1 ITEM NOMENCLATURE: NEW CONSTRUCTION PROGRAM

Naval Sea Systems Command (NAVSEA) Consolidated Strategic Sealift Construction Program Display

Contract Award Year	FY93 & Prior	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL PROGRAM	
CONSOLIDATED SHIP QUANTITY	2	2	2	2	3	2	1	1		0	0	15
(\$ THOUSANDS)												
1. PLANS	0	0	0	0	0	0	0	0	0	0	0	0
2. BASIC	608,006	478,482	471,468	463,358	719,295	464,852	264,031	273,399	0	0	0	3,742,890
3. CHANGE ORDERS	44,805	23,460	33,368	23,746	34,359	22,660	9,635	3,893	0	0	0	195,927
4. ELECTRONICS	0	0	0	0	0	0	0	0	0	0	0	0
5. PROPULSION	0	0	0	0	0	0	0	0	0	0	0	0
6. HM&E	23,021	10,600	10,600	10,400	15,600	10,400	4,700	5,200	0	0	0	90,521
7. OTHER	28,938	7,200	11,570	6,200	10,320	7,760	3,500	3,860	0	0	0	79,348
8. ORDNANCE	0	0	0	0	0	0	0	0	0	0	0	0
9. ESCALATION	64,199	54,687	55,359	59,918	79,856	76,128	1,413	14,556	0	0	0	406,116
SUBTOTAL	768,970	574,430	582,364	563,621	859,431	581,800	283,279	300,908	0	0	0	4,514,803
10. POST DELIVERY	8,080	7,000	7,000	7,000	10,500	7,000	3,156	3,500	0	0	0	53,236
Feb 2000 NDSF New Construction Allocation	777,050	581,430	589,364	570,621	869,931	588,800	286,435	304,408	0	0	0	4,568,039
FY98 funds for FY97 & FY99 hulls	0	0	0	0	(35,000)	70,000	(35,000)	0	0	0	0	0
Total	777,050	581,430	589,364	570,621	834,931	658,800	251,435	304,408	0	0	0	4,568,039

Sep 97 NDSF New Construction Allocation	770,075	572,075	614,179	580,364	881,264	590,119	300,400	0	0	0	0	4,308,476
Adjustment for Conversion Cost Growth	(27,300)	(25,900)	(10,800)	(22,900)	(13,100)		100,000	0	0	0	0	0
FY 99 payback to New Construction *	27,300	25,900	10,800	22,900	13,100		(100,000)	0	0	0	0	0
Adjustments for Completion of prior year ships	0	0	0	0	0	30,100	0	0	0	0	0	30,100
FY 98 payback to New Construction	0	0	0	0	0	(30,100)	0	0	0	0	0	(30,100)
<u>Adjustments</u>												
Government Liability & Basic	2,380	5,752	(24,457)	(9,091)	(44,667)	70,000	(35,000)	0	0	0	0	(35,084)
Change Orders	70	1,501	7,188	2,280	3,533	1,783	35	0	0	0	0	16,391
HM&E	0	0	0	0	0	0	0	0	0	0	0	0
Other	5,538	0	0	100	0	0	0	0	0	0	0	5,638
Escalation	(1,014)	2,102	(7,545)	(3,032)	(5,199)	(3,102)	(14,000)	0	0	0	0	(31,790)
Post Delivery	0	0	0	0	0	0	0	0	0	0	0	0
Total	777,050	581,430	589,364	570,621	834,931	658,800	251,435	0	0	0	0	4,263,631
FY98 funds for FY97 & FY99 hulls	0	0	0	0	35,000	(70,000)	35,000	0	0	0	0	0
15th New Construction	0	0	0	0	0	0	0	304,408	0	0	0	304,408
Feb 2000 NDSF New Construction Allocation	777,050	581,430	589,364	570,621	869,931	588,800	286,435	304,408	0	0	0	4,568,039

NOTE: Program year of ships does not equate to the fiscal year (FY) funding.

\$70M Advanced Procurement provided by Congress allocated as \$35M Advanced Procurement for FY99 ship and \$35M Compensation for DON FY97 Reprogramming.

* \$100M appropriated in FY99 allocated as payback to New Construction ships authorized in FY 1997 and prior.

This Sheet represents the sum of the next three pages.

UNCLASSIFIED

Feb 2000

NDSF BA1 P-5 Avondale New Construction

FY 2001 PRESIDENT'S BUDGET
 NATIONAL DEFENSE SEALIFT FUND (NDSF)
 NEW CONSTRUCTION PROGRAM AVONDALE
 EXHIBIT P-5

Feb 2000

NDSF BA-1
 STRATEGIC SEALIFT- NEW CONSTRUCTION PROGRAM

P-1 ITEM NOMENCLATURE: NEW CONSTRUCTION PROGRAM

Naval Sea Systems Command (NAVSEA) Avondale Program Strategic Sealift Construction Program Display

Contract Award Year	& Prior	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL PROGRAM
AVONDALE SHIP QUANTITY	1	2	0	1	1	1	1	0	0	0	7
(\$ THOUSANDS)											
1. PLANS	0	0	0	0	0	0	0	0	0	0	0
2. BASIC	305,369	478,482	0	238,282	236,685	236,043	264,031	0	0	0	1,758,893
3. CHANGE ORDERS	21,772	23,460	0	11,049	11,010	10,923	9,635	0	0	0	87,850
4. ELECTRONICS	0	0	0	0	0	0	0	0	0	0	0
5. PROPULSION	0	0	0	0	0	0	0	0	0	0	0
6. HM&E	13,921	10,600	0	5,200	5,200	5,200	4,700	0	0	0	44,821
7. OTHER	18,314	7,200	0	3,070	3,180	3,900	3,500	0	0	0	39,164
8. ORDNANCE	0	0	0	0	0	0	0	0	0	0	0
9. ESCALATION	31,291	54,687	0	30,384	33,084	36,390	1,413	0	0	0	187,249
SUBTOTAL	390,668	574,430	0	287,986	289,159	292,456	283,279	0	0	0	2,117,977
10. POST DELIVERY	4,040	7,000	0	3,500	3,500	3,500	3,156	0	0	0	24,696
Feb 2000 NDSF New Construction Allocation	394,708	581,430	0	291,486	292,659	295,956	286,435	0	0	0	2,142,673
FY98 funds for FY97 & FY99 hulls	0	0	0	0	0	35,000	(35,000)	0	0	0	0
Total	394,708	581,430	0	291,486	292,659	330,956	251,435	0	0	0	2,142,673

Sep 97 NDSF New Construction Allocation	383,218	572,075	0	288,414	292,700	298,040	300,400	0	0	0	2,134,847
Adjustment for Conversion Cost Growth	0	0	0	0	0	0	0	0	0	0	0
FY 99 payback to New Construction	0	0	0	0	0	0	0	0	0	0	0
Adjustments for Completion of prior year ships	0	0	0	0	0	0	0	0	0	0	0
FY 98 payback to New Construction	0	0	0	0	0	0	0	0	0	0	0
<u>Adjustments</u>											
Government Liability & Basic	6,333	5,752	0	2,168	(282)	35,000	(35,000)	0	0	0	13,971
Change Orders	35	1,501	0	35	35	35	35	0	0	0	1,677
HM&E	0	0	0	0	0	0	0	0	0	0	0
Other	2,914	0	0	100	0	0	0	0	0	0	3,014
Escalation	2,207	2,102	0	768	206	(2,119)	(14,000)	0	0	0	(10,836)
Post Delivery	0	0	0	0	0	0	0	0	0	0	0
Total	394,708	581,430	0	291,486	292,659	330,956	251,435	0	0	0	2,142,673
Advanced Procurement (FY98 funds for FY97 & FY99 hull)	0	0	0	0	0	(35,000)	35,000	0	0	0	0
Feb 2000 NDSF New Construction Allocation	394,708	581,430	0	291,486	292,659	295,956	286,435	0	0	0	2,142,673

NOTE: Program year of ships does not equate to the fiscal year (FY) funding.

* The numbers displayed in this table are also incorporated into the the sums shown on the preceding page.

UNCLASSIFIED

Feb 2000

NDSF BA1 P-5 NASSCO New Construction

FY 2001 PRESIDENT'S BUDGET
 NATIONAL DEFENSE SEALIFT FUND (NDSF)
 NEW CONSTRUCTION PROGRAM NASSCO
 EXHIBIT P-5

NDSF BA-1

STRATEGIC SEALIFT- NEW CONSTRUCTION PROGRAM

P-1 ITEM NOMENCLATURE: NEW CONSTRUCTION PROGRAM

Naval Sea Systems Command (NAVSEA) NASSCO Program Strategic Sealift Construction Program Display

Contract Award Year	FY93 & Prior	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL PROGRAM
NASSCO SHIP QUANTITY	1	0	2	1	2	1	0	0	0	0	7
(\$ THOUSANDS)											
1. PLANS	0	0	0	0	0	0	0	0	0	0	0
2. BASIC	302,636	0	471,468	225,075	482,610	228,809	0	0	0	0	1,710,599
3. CHANGE ORDERS	23,033	0	33,368	12,697	23,349	11,737	0	0	0	0	104,184
4. ELECTRONICS	0	0	0	0	0	0	0	0	0	0	0
5. PROPULSION	0	0	0	0	0	0	0	0	0	0	0
6. HM&E	9,100	0	10,600	5,200	10,400	5,200	0	0	0	0	40,500
7. OTHER	10,624	0	11,570	3,130	7,140	3,860	0	0	0	0	36,324
8. ORDNANCE	0	0	0	0	0	0	0	0	0	0	0
9. ESCALATION	32,908	0	55,359	29,534	46,772	39,738	0	0	0	0	204,311
SUBTOTAL	378,302	0	582,364	275,636	570,272	289,344	0	0	0	0	2,095,918
10. POST DELIVERY	4,040	0	7,000	3,500	7,000	3,500	0	0	0	0	25,040
Feb 2000 NDSF New Construction Allocation	382,342	0	589,364	279,136	577,272	292,844	0	0	0	0	2,120,958
FY98 funds for FY97 & FY99 hulls	0	0	0	0	(35,000)	35,000	0	0	0	0	0
Total	382,342	0	589,364	279,136	542,272	327,844	0	0	0	0	2,120,958
Sep 97 NDSF New Construction Allocation	386,857	0	614,179	291,950	588,564	292,079	0	0	0	0	2,173,628
Adjustment for Conversion Cost Growth	0	0	0	0	0	0	0	0	0	0	0
FY 99 payback to New Construction	0	0	0	0	0	0	0	0	0	0	0
Adjustments for Completion of prior year ships	0	0	0	0	0	0	0	0	0	0	0
FY 98 payback to New Construction	0	0	0	0	0	0	0	0	0	0	0
<u>Adjustments</u>											
Government Liability & Basic	(3,954)	0	(24,457)	(11,260)	(44,385)	35,000	0	0	0	0	(49,056)
Change Orders	35	0	7,188	2,245	3,498	1,748	0	0	0	0	14,715
HM&E	0	0	0	0	0	0	0	0	0	0	0
Other	2,624	0	0	0	0	0	0	0	0	0	2,624
Escalation	(3,221)	0	(7,545)	(3,800)	(5,405)	(983)	0	0	0	0	(20,954)
Post Delivery	0	0	0	0	0	0	0	0	0	0	0
Total	382,342	0	589,364	279,136	542,272	327,844	0	0	0	0	2,120,958
Compensation for DON FY 97 Reprogramming					35,000	(35,000)	0	0	0	0	0
Feb 2000 NDSF New Construction Allocation	382,342	0	589,364	279,136	577,272	292,844	0	0	0	0	2,120,958

NOTE: Program year of ships does not equate to the fiscal year (FY) funding.

* The numbers displayed in this table are also incorporated into the the sums shown on the consolidated table which precedes.

UNCLASSIFIED
 Feb 2000
 NDSF BA1 P-5 Estimated New Construction

FY 2001 PRESIDENT'S BUDGET
 NATIONAL DEFENSE SEALIFT FUND (NDSF)
 NEW CONSTRUCTION PROGRAM *Estimated*
 EXHIBIT P-5

NDSF BA-1
 STRATEGIC SEALIFT- NEW CONSTRUCTION PROGRAM

P-1 ITEM NOMENCLATURE: NEW CONSTRUCTION PROGRAM

Naval Sea Systems Command (NAVSEA) *Estimated* Program Strategic Sealift Construction Program Display

Contract Award Year	FY93 & Prior	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL PROGRAM
ESTIMATED SHIP QUANTITY	0	0	0	0	0	0	0	1	0	0	1
(\$ THOUSANDS)											
1. PLANS	0	0	0	0	0	0	0	0	0	0	0
2. BASIC	0	0	0	0	0	0	0	273,399	0	0	273,399
3. CHANGE ORDERS	0	0	0	0	0	0	0	3,893	0	0	3,893
4. ELECTRONICS	0	0	0	0	0	0	0	0	0	0	0
5. PROPULSION	0	0	0	0	0	0	0	0	0	0	0
6. HM&E	0	0	0	0	0	0	0	5,200	0	0	5,200
7. OTHER	0	0	0	0	0	0	0	3,860	0	0	3,860
8. ORDNANCE	0	0	0	0	0	0	0	0	0	0	0
9. ESCALATION	0	0	0	0	0	0	0	14,556	0	0	14,556
SUBTOTAL	0	0	0	0	0	0	0	300,908	0	0	300,908
10. POST DELIVERY	0	0	0	0	0	0	0	3,500	0	0	3,500
Feb 2000 NDSF New Construction Allocation	0	0	0	0	0	0	0	304,408	0	0	304,408

NOTE: Program year of ships does not equate to the fiscal year (FY) funding.

* The numbers displayed in this table are also incorporated into the the sums shown on the consolidated table which precedes.

UNCLASSIFIED
 Feb 2000
 NDSF BA 1 P8A Equipment

FY 2001 PRESIDENT'S BUDGET
 NATIONAL DEFENSE SEALIFT FUND (NDSF)
 Analysis of Ship Cost Estimates - Major Equipment
 EXHIBIT P-8A

NDSF BA-1
 STRATEGIC SEALIFT- NEW CONSTRUCTION PROGRAM

P-1 ITEM NOMENCLATURE: NEW CONSTRUCTION PROGRAM

Ship Cost Estimates Major Equipment HM&E	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00	Total
	& Prior Total Cost	Total Cost	All Years						
A. HM&E Test & Instrumentation	9,151	3,830	3,830	3,830	5,616	3,740	1,376	1,870	33,243
B. HM&E Engineering Services	11,913	5,331	5,368	5,105	7,723	5,065	2,658	2,670	45,833
C. SUPSHIP Material/Services	1,957	1,439	1,402	1,465	2,261	1,595	666	660	11,445
Total HM&E	23,021	10,600	10,600	10,400	15,600	10,400	4,700	5,200	90,521

NDSF
 Feb-00
 BA-1
 BLI 66818

**Exhibit P-40
 FY 2001 President's Budget
 RRF Troop Ship / Maritime Academy School Ship
 (\$M)**

<u>RRF</u>		<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
	Maintenance, Repair & Mod	12.50	0.00	0.00	0.00
Total		12.50	0.00	0.00	0.00
		<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
	Outyear Costs	0.00	0.00	0.00	0.00

Justification:

\$12,500,000 to convert an RRF sealift vessel into a training ship for the Massachusetts Maritime Academy. These funds would be used to convert an existing vessel in the Department of Defense Ready Reserve Force into a training ship for Academy's maritime cadet during peacetime which also serves as a Ready Reserve Force troop ship for use during national emergencies.

NDSF
 Feb 00
 BA-2
 BLI #0210

**Exhibit P-40
 FY 2001 President's Budget Estimate Submission**

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

<u>FSS</u>		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
Total FSS		46.87	46.28	46.87
	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Outyear Costs	47.62	48.62	49.78	50.69

Justification:

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

NDSF
 Feb 00
 BA-2
 BLI #0250

**Exhibit P-40
 FY 2001 President's Budget Estimate Submission**

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

<u>T-AH</u>		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
	Crew Costs	3.70	3.80	3.94
	Maintenance & Repair	4.34	10.15	4.84
	Layberth	2.75	2.90	2.96
	Other	4.04	3.57	3.69
Total T-AH		14.83	20.42	15.43
		<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
	Outyear Costs	14.95	15.99	16.37
				<u>FY 2005</u>
				16.66

Justification:

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

Notes:

Crew costs include wages & salaries.

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

Layberth Costs include berth lease, utilities, tugs, pilots, and inport fuel.

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

Exhibit R-2 Budget Item Justification
FY 2001 President's Budget Estimate Submission

RDT&E (NDSF BA 4)
February 2000

COST (\$ in Millions)		FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Cost to Complete	Total Cost
Total P.E. Cost										
NDSF Research & Development Strategic Sealift, No. 090000		6,870	3,784	7,053	7,178	7,336	7,474	7,643	Continuing	Continuing
Quantity of RDT&E Articles & cost										

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 1990 and the Merchant Ship Naval Augmentation Program (MSNAP). The program goal is to develop new concepts and technologies which can be applied to future strategic sealift ships, seabasing systems, other strategic sealift systems and merchant ship systems to enhance their operational capability and efficiency and reduce total life cycle cost (acquisition and operation).

The focus of the total program is the development and demonstration of Strategic Sealift and Seabasing systems. The technologies include ship configuration concepts, equipment to increase cargo loading and unloading rates (including merchant ship systems), improved man/machine interfaces, improved structural configurations and materials, and Logistics-Over-the-Shore (LOTS) equipment and system improvements to enable Joint Service LOTS (JLOTS) operations to satisfy CINC sea state and operational requirements. This program develops prototype systems from service approved and commercially available technologies and components. This 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.

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.

Exhibit R-2 Budget Item Justification
FY 2001 President's Budget Estimate Submission
PROGRAM ACCOMPLISHMENTS AND PLANS:

RDT&E (NDSF BA 4)
February 2000

1. FY 1999 ACCOMPLISHMENTS:

- (\$445K) Continue to develop sealift ship and system concepts and productivity for MPF (future), AAN and high speed sealift.
- (\$460K) Continue Seabasing concepts development
- (\$100K) Continue development/maintenance of Sea State 3 JLOTS system equipment baselines, options study, and integrated product team.
- (\$325K) Continue testing/evaluation and modification of advanced lighter simulator.
- (\$645K) Continue development of ship to ship to ship/lighter motion control, mooring and platform interface systems. Initiate S/S 3 interface system development.
- (\$70K) Continue development of seabased/mobile lighter command/control (LCC/MCCC) and planning systems.
- (\$817K) Initiate development of systems for MERSHIP support of advanced operational concepts. (Focus on develop and demo of improved mooring system for OPDS and summarize F/B breakwater system concept development and design.)
- (\$1,770K) Continue Crane/Cargo handling Sea State 3 capability development/demonstration.
- (\$675K) Continue shipboard cargo handling system development. (Includes LCAC/LASH Lift and SS3 RO/RO Ramp to platform interface development)
- (\$1,563K) Continue to support integrated advanced concept technology demonstration program for the Joint Modular Lighter System (JMLS).

2. FY 2000 PLAN:

- (\$570K) Continue to develop sealift ship and system concepts for future sealift missions including AAN and Fast Sealift.
- (\$378K) Continue Seabasing concepts development including MPF Future.
- (\$100K) Continue development/maintenance of Sea State 3 JLOTS system equipment baselines.
- (\$155K) Continue testing/evaluation and modification of advanced lighter simulator.
- (\$544K) Testing and demonstration of ship/lighter and ship/ship motion control, mooring and platform interface systems.
- (\$100K) Develop JLOTS Planning Systems.
- (\$190K) Continue development of systems for MERSHIP support of advanced operational concepts. (Complete OPDS IMS demo)
- (\$947K) Continue shipboard crane systems Sea State 3 capability development/testing/demonstration.
- (\$550K) Continue development of shipboard cargo systems. (including SS3 ramp/platform interface)
- (\$250K) Continue to support integrated advanced concept technology demonstration program for the Joint Modular Lighter System (JMLS).

Exhibit R-2 Budget Item Justification
FY 2001 President's Budget Estimate Submission
PROGRAM ACCOMPLISHMENTS AND PLANS:

RDT&E (NDSF BA 4)
February 2000

3. FY 2001 PLAN:

- (\$1350K) Continue to develop sealift ship and system concepts for future sealift missions including AAN and Fast Sealift.
- (\$970K) Continue Seabasing concepts development including MPF Future.
- (\$100K) Continue development/maintenance of Sea State 3 JLOTS system equipment baselines.
- (\$100K) Complete testing/evaluation and modification of advanced lighter simulator.
- (\$900K) Testing and demonstration of ship/lighter and ship/ship motion control, mooring and platform interface systems.
- (\$100K) Continue JLOTS Planning Systems.
- (\$1050K) Continue development of systems for MERSHIP support of advanced operational concepts.
- (\$933K) Continue shipboard crane systems Sea State 3 capability development/testing/demonstration.
- (\$1550K) Continue development of shipboard cargo systems. (including SS3 ramp/platform interface)

Exhibit R-2 Budget Item Justification (Continued)

RDT&E (NDSF BA 4)

FY 2001 President's Budget Estimate Submission

February 2000

B. Program Change Summary:

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
FY 2000 President's Budget	16,870	3,784	7,053
Adjustment to FY 1999/00 Appropriated Value	-10,000	0	0
Appropriated Value:	6,870	3,784	7,053
FY 2001 President's Budget Submit	6,870	3,784	7,053

Funding: Not applicable.

Schedule: Not applicable.

C. Other Program Funding Summary: Not applicable.

<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>To Complete</u>	<u>Total Cost</u>

D. Acquisition Strategy: Not applicable.

E. Schedule Profile: See Program Schedule on next page.

This program is a combination of many tasks some of which are ongoing and some yet to be initiated. These tasks focus on sealift ship design concepts, high speed sealift; seabasing concepts; and sea state 3 capable shipboard cranes, cargo handling systems and LOTS equipment interfaces including advanced materials applications. Funding distribution may be adjusted as tasks progress. The program is reported at the Program level. (The individual tasks are grouped into Technology areas the sum of which may exceed \$1 Million (See R2 bullets) but do not require individual R2a or R3.)

Exhibit R-2 Budget Item Justification (Continued)
FY 2001 President's Budget Estimate Submission
STRATEGIC SEALIFT R & D PROGRAM

RDT&E (NDSF BA 4)
 Feb 00

	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
Sealift Concept Development	445	570	1,350	2,050	2,650	2,950	3,393
MPF Seabasing Concept Development	460	725	970	1,028	1,238	1,224	900
SS3 JLOTS Baselines & JIPT Support	100	100	100	100	100	100	100
Advanced Lighter Simulator	325	155	100	0	0	0	0
Ship to Ship/Lighter Interface System	645	544	900	900	900	900	900
Planning Tools and C4I Systems	70	100	100	300	250	300	250
MERSHIP Systems Development	817	190	1,050	1,000	848	800	800
Shipboard Crane Systems	1,770	925	933	1,300	1,350	1,200	1,300
Shipboard Cargo Systems	675	475	1,550	500	0	0	0
JMLS ACTD	1,563	0	0	0	0	0	0
Total	6,870	3,784	7,053	7,178	7,336	7,474	7,643

FY 2001 Budget Submission			SEALIFT COST ANALYSIS EXHIBIT P-5					A. DATE: Feb 00							
B. APPROPRIATION/ BUDGET ACTIVITY NDSF/ BA 5 RRF			C. ITEM NOMENCLATURE NATIONAL DEFENSE SEALIFT FUND (NDSF) READY RESERVE FORCE (RRF)												
ELEMENT OF COST		IDENT CODE	TOTAL COST IN THOUSANDS OF DOLLARS												
			FY 99		FY 00		FY 01		FY 02		FY 03		FY 04		FY 05
COST CODE		QTY	TOTAL COST	QTY	TOTAL COST	QTY	TOTAL COST	QTY	TOTAL COST	QTY	TOTAL COST	QTY	TOTAL COST	QTY	TOTAL COST
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
MAINTENANCE & OPERATIONS															
Activations		24	10,319	40	13,152	52	20,970	44	16,438	52	20,766	44	18,527	52	22,317
Less JCS Exercise Savings			(20,556)		(5,000)		(5,000)		(5,000)		(5,000)		(5,000)		(5,000)
Maintenance and Repair			147,769		122,354		124,843		126,654		126,110		125,036		118,191
ROS Crews/SM fees		56	73,161	51	67,294	51	68,086	51	66,340	51	67,401	51	72,244	51	73,768
Outporting		65	19,039	57	16,358	57	17,189	57	20,764	57	14,826	57	18,130	57	16,311
Logistics			9,106		8,900		8,700		8,500		8,367		8,100		7,900
NDRF/Facilities			5,729		6,844		7,100		6,640		3,589		4,096		6,470
NDRF Scrap program			0		1,600		1,600		1,600		1,600		1,600		1,600
RRF Upgrades-RO/RO Expansion			25,000		9,750		9,750		4,762		7,856		14,585		10,718
CAPE'F'upgrades			0		15,609		5,775		4,922		7,305		0		0
T-AVB/RRF machinery upgr			1,800		0		0		0		4,454		4,822		14,801
Total, Maintenance & Ops program			271,367		256,861		259,013		251,620		257,274		262,140		267,076
Less carryover from FY 1998			(11,367)												
TOTAL, RRF			260,000		256,861		259,013		251,620		257,274		262,140		267,076

RRF READINESS STATUS

READY RESERVE FORCE- SHIPS BY READINESS CATEGORY

FY 2001 President's Budget Estimate Submission

Feb 00

<u>Ship Type</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
BREAKBULK	<u>29</u>	<u>29</u>	<u>28</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>
ROS-5	10	10	10	10	10	10	10
RRF-10	17	4	4	4	4	4	4
RRF-20							
RRF-30	1	14	13				
PREPO	1	1	1	1	1	1	1
 RO/RO	 <u>31</u>						
ROS-4	31	21	21	21	21	21	21
ROS-5		6	6	6	6	6	6
RRF-10		4	4	4	4	4	4
PREPO							
 HEAVYLIFT	 <u>7</u>						
ROS-5	2	2	2	2	2	2	2
RRF-10	5	5	5	5	5	5	5
 T-ACS	 <u>10</u>						
ROS-4	0	5	5	5	5	5	5
ROS-5	9	4	4	4	4	4	4
PREPO	1	1	1	1	1	1	1
 TANKER	 <u>5</u>						
RRF-10	3	3	3	3	3	3	3
RRF-20	2	2	2	2	2	2	2
 OPDS-TANKER	 <u>5</u>						
ROS-5	2	1	1	1	1	1	1
RRF-10		1	1	1	1	1	1
RRF-30	1	1	1	1	1	1	1
PREPO	2	2	2	2	2	2	2
 T-AVB							
ROS-5	2	2	2	2	2	2	2
 TROOPSHIP							
RRF-10	2	2					
 GRAND TOTALS	 91	 91	 88	 75	 75	 75	 75

Exhibit P-40

Feb 00

FY 2001 President's Budget Estimate Submission

Ready Reserve Force (RRF)
(\$M)

<u>RRF</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
O&M	231.6	214.2	229.1
Acquisition/NDF	0.0	0.0	0.0
RRF Ship Upgrades	25.0	25.4	12.5
Other			
NDRF/Facilities	5.7	8.4	8.7
Special Maintenance/ Supply Programs*	9.1	8.9	8.7
Army Lighterage	0.0	0.0	0.0
Carryover	-11.4	0.0	0.0
Total RRF	260.0	256.9	259.0

* = Special Maintenance/Supply programs including an inventory/validation system implementation, Logistics Support, and spare parts.

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Outyear Cost	251.6	257.3	262.1	267.1

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 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. This necessitates maintaining a higher level of readiness within the RRF until the new LMSRs are added to the surge fleet.

NATIONAL DEFENSE SEALIFT FUND (NDSF)
REVENUE AND EXPENSES
(Dollars in Millions)
FY 2001 President's Budget Estimate Submission

Feb 00

Revenue:	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
Gross Sales:			
Operations	658.0	768.4	804.8
Depreciation Except Maj Const	0.0	0.0	0.0
Major Construction Depreciation	0.0	0.0	0.0
Total Gross Sales	658.0	768.4	804.8
Other Income	0.0	0.0	0.0
 Total Income	 658.0	 768.4	 804.8
 Expenses:			
Prepositioning Ships	641.1	682.0	694.7
Surge Ships	16.9	86.4	110.1
 Total Expenses	 658.0	 768.4	 804.8
 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	658.0	768.4	804.8
 Operating Result	 0.0	 0.0	 0.0
 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 2001 President's Budget Estimate Submission
NATIONAL DEFENSE SEALIFT FUND (NDSF)

Feb 00

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
1. Orders from DoD Components:			
Navy	406.5	485.9	543.3
Army	188.1	213.4	194.0
Air Force	31.6	34.5	34.3
DLA	31.8	34.6	33.2
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	658.0	768.4	804.8
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	658.0	768.4	804.8

REVENUE AND EXPENSES
(Dollars in Millions)

Feb 00

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
Assets:			
Selected Assets:			
Fund Balance with Treasury	680.0	701.6	388.2
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	 680.0	 701.6	 388.2
Liabilities:			
Selected Liabilities:			
Accounts Payable			
Accrued Liabilities	680.0	701.6	388.2
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	 680.0	 701.6	 388.2
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	 680.0	 701.6	 388.2

REVENUE AND EXPENSES
(Dollars in Millions)
FY 2001 President's Budget Estimate Submission
NATIONAL DEFENSE SEALIFT FUND (NDSF)

Feb 00

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
Unobligated Authority Available, Beginning of Year			
New Authority:	680.0	701.6	388.2
New Construction/Conversion	351.4	334.4	0.0
DOD Mobilization Assets	61.7	94.0	122.1
RDT&E	6.9	3.8	7.1
NDRF Operations and Maintenance	260.0	256.9	259.0
Maritime Academy	0.0	12.5	0.0
Transfer to Other Accounts	0.0	0.0	0.0
Obligations (Total)	680.0	701.6	388.2
New Construction/Conversion	351.4	334.4	0.0
DOD Mobilization Assets	61.7	94.0	122.1
RDT&E	6.9	3.8	7.1
NDRF Operations and Maintenance	260.0	256.9	259.0
Maritime Academy	0.0	12.5	0.0
Unobligated Balance, End of Year	0.0	0.0	0.0
Outlays (Total):			
New Construction/Conversions			
RDT&E			
Unliquidated Obligations, EOY			
Financing of Capital Purchases:			
Direct Appropriation	680.0	701.6	388.2
Transferred from Other Accounts	0.0	0.0	0.0
Alliance Contributions	0.0	0.0	0.0