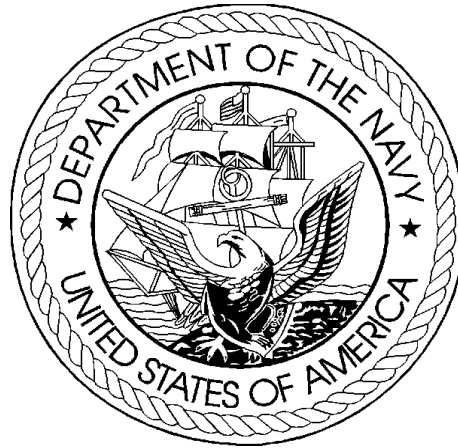


DEPARTMENT OF THE NAVY
FISCAL YEAR (FY) 2007
BUDGET ESTIMATES SUBMISSION



JUSTIFICATION OF ESTIMATES
FEBRUARY 2006

NATIONAL DEFENSE SEALIFT FUND

**Fiscal Year 2007 Budget Estimates
Budget Appendix Extract Language**

NATIONAL DEFENSE SEALIFT FUND

For National Defense Sealift Fund programs, projects, and activities, and for expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744), and for the necessary expenses to maintain and preserve a U.S.-flag merchant fleet to serve the national security needs of the United States, \$1,071,932,000, to remain available until expended: *Provided*, That none of the funds provided in this paragraph shall be used to award a new contract that provides for the acquisition of any of the following major components unless such components are manufactured in the United States: auxiliary equipment, including pumps, for all shipboard services; propulsion system components (that is; engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes: *Provided further*, That the exercise of an option in a contract awarded through the obligation of previously appropriated funds shall not be considered to be the award of a new contract: *Provided further*, That the Secretary of the military department responsible for such procurement may waive the restrictions in the first proviso on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes. (Department of Defense Appropriations Act, 2006.)



PROGRAM

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PROGRAM ASSESSMENT

Navy Shipbuilding

The Navy shipbuilding program buys new ships and overhauls existing ships. New ships are built at six privately-owned shipyards. Overhauls of existing ships are performed at both privately-owned and publicly-owned shipyards. The Navy currently has 280 ships in the fleet.

PERFORMING

Adequate

- **The Navy has specific cost, schedule, and performance goals for each shipbuilding program.** The Navy conducts periodic reviews of programs at major milestones of development and uses a structured reporting regime to help monitor the status of ship cost, schedule, and performance.
- **Shipbuilding program performance is often hindered by industrial base, political, and budgetary pressures.** The 2001 Quadrennial Defense Review contains a requirement for 310 ships in the Navy's fleet. However, given planned decommissionings, the Navy's five-year build plan of six to 13 ships annually will not meet the 310 ship requirement.
- **The Navy has experienced cost increases and schedule slips on some ship construction programs, although overall performance is adequate.** For example, the first Virginia Class submarine was only 89 percent complete in FY 2003 when the target was 92 percent. In addition, the cost of the first Virginia class submarine increased by 24 percent in FY 2002.

We are taking the following actions to improve the performance of the program:

- Reviewing the long-term Navy fleet size requirement as part of the Department of Defense's 2005 Quadrennial Defense Review.
- Improving cost estimates for shipbuilding programs or, in some cases, fully budgeting to cost estimates.
- Ensuring that shipbuilding decisions are made with long-term fleet size and capability goals in mind.

- [Details and Current Status of this program assessment.](#)



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PROGRAM ASSESSMENT

Marine Corps Expeditionary Warfare

Expeditionary warfare is the temporary use of Marine Corps force in foreign countries. The expeditionary warfare program consists of specific investment programs for aviation assets, amphibious ships, weapons systems, equipment, vehicles, ammunition, and research and development.

NOT PERFORMING

Results Not Demonstrated

- **The Department of Defense has not set long-term performance measures to guide program management and budgeting for expeditionary warfare.** It does not have program measures that assess the most important aspects of expeditionary warfare and its strategic goals.
- **The Department of Defense will review the Marine Corps' lift requirements, both sea and air, and other expeditionary warfare capabilities as part of its 2005 Quadrennial Defense Review.**
- **Marine Corps expeditionary warfare fulfills a distinct role in the national defense.** While both the Army and Marine Corps constitute the Nation's land forces, each force provides unique and complementary capabilities for carrying out military missions. Maritime-based Marines provide a swift and effective means of responding to crises.

We are taking the following actions to improve the performance of the program:

- Developing a limited number of meaningful, long-term performance measures for the expeditionary warfare program.
- [Details and Current Status of this program assessment.](#)
- [How all Federal programs are assessed.](#)
- [Learn more about Marine Corps Expeditionary Warfare.](#)

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FY 2007 President's Budget
February 2006

NATIONAL DEFENSE SEALIFT FUND

Summary Narrative :

The request of \$1,071.9 million in FY 2007 for NDSF includes \$455.0 million for the procurement of 1 T-AKE and \$108.6 million for research and development associated with Strategic Sealift Technology Development Program. The request also includes \$215.5 million for costs associated with the operation, maintenance and alterations of Department of Defense (DoD) mobilization assets, such as Fast Sealift Ships (FSS), Large Medium Speed Roll-on/Roll-off (LMSR) vessels and Fleet Hospital Ships (T-AH). There is \$214.5 million in FY 2007 for costs associated with maintenance of the National Defense Reserve Fleet, which includes the Ready Reserve Force (RRF).

The importance of substantial enhancements to our strategic mobility was first identified in the 1991 Mobility Requirements Study (MRS) and was validated in the FY 1995 MRS Bottom Up Review Update (BURU). Based upon these reviews and ship configurations, a total of 19 prepositioning/surge ships will be required to satisfy the MRS BURU requirements.

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

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NATIONAL DEFENSE SEALIFT FUND

Supplemental Exhibits Index

<u>NDSF Budget Activities/Programs</u>	<u>Pages</u>
BA 1 Strategic Sealift Acquisition [T-AKE ship construction]	4-14
BA 2 DOD Mobilization Assets [FSS Maintenance, LMSR Maintenance, Mobilization Alterations, T-AH Maintenance]	15-18
BA 4 Research and Development [National Defense Sealift Research and Development]	19-41
BA 5 Ready Reserve Force [Operations and Maintenance of the Ready Reserve Force]	42-44

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NDSF SUMMARY FINANCIAL DATA FY 07 President's Budget

February 2006

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

(TOA \$ Millions)								
NDSF Budget Activity								
- Programs: (Claimant/Executor):	<u>FY 2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>Total Program</u>
Strategic Ship Acquisition : (NDSF BA 1) (NAVSEA/NAVSEA)	639.0	387.9	533.4	499.2	1,650.9	1,453.5	3,588.0	8,751.9
LMSR (BLI 010000)	0.0	0.0	0.0	0.0	134.0	998.1	1,005.4	2,137.5
MPF (F) (BLI 011000)	0.0	0.0	0.0	0.0	0.0	0.0	1,241.5	1,241.5
T-AKE (BLI 012000)	639.0*	377.6	455.0	436.1	406.2	424.5	443.6	2,543.0
MPF MLP (BLI 0401)	0.0	0.0	0.0	0.0	1,054.6	0.0	879.9	1,934.5
Post Delivery & Outfittings (BLI 5000)	0.0	10.2	78.4	63.1	56.0	31.0	17.7	256.4
DoD Mobilization Assets (NDSF BA 2) (FSA/MSC)	185.6	415.6	215.5	248.4	304.2	298.3	349.8	2,017.5
- FSS Maint (BLI 021000)	68.6	56.5	62.3	68.9	72.4	78.6	80.5	487.9
- LMSR Maint (BLI 022000)	94.9	79.3	85.6	94.7	99.6	108.1	110.7	672.9
- DOD Mob. Alts (BLI 023000)	0.0	259.1	39.0	63.3	109.1	88.2	133.4	692.2
- T-AH Maint (BLI 025000)	22.1	20.7	28.6	21.5	23.0	23.4	25.1	164.5
Sealift R&D: (NAVSEA) (NDSF BA 4)	52.4	71.6	108.6	123.2	95.3	80.0	86.3	617.3
- NAVSEA R & D (BLI 090000)	52.4	71.6	108.6	123.2	95.3	80.0	86.3	617.3
NDRF / RRF O&M (BLI 050000) (NDSF BA 5) (FSA/MARAD)	230.3	203.1	214.5	234.9	233.4	238.8	263.3	1,618.3
* Reflects prior year actual update of unobligated balances.								
	1,107.3	1,078.2	1,071.9	1,105.7	2,283.9	2,070.6	4,287.4	13,005.0

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BUDGET ITEM JUSTIFICATION SHEET (P-40) FY 2007 PREISDENT'S BUDGET (\$M)									DATE: February 2006	
APPROPRIATION/BUDGET ACTIVITY/BUDGET LINE ITEM NATIONAL DEFENSE SEALIFT FUND/BA-1/BLI 0120									P-1 ITEM NOMENCLATURE T-AKE	
	PRIOR YEARS	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	TO COMPLETE	TOTAL PROGRAM
QUANTITY	6	2	1	1	1	1	1	1	0	14
End Cost	2312.4	767.8	377.6	455.0	400.0	442.2	424.5	443.6	0.0	5,623.0
Less Advanced Procurement	0	0.0	0.0	0.0	0.0	36.0	0.0	0.0	0.0	36.0
Full Funding TOA	2312.4	767.8	377.6	455.0	400.0	406.2	424.5	443.6	0.0	5,587.0
Plus Advance Procurement	0	0.0	0.0	0.0	36.2	0.0	0.0	0.0	0.0	36.2
Total Obligational Authority	2312.4	767.8	377.6	455.0	436.1	406.2	424.5	443.6	0.0	5,623.2
Plus Outfitting and Post Delivery	0	0.0	10.2	78.4	63.1	56.0	31.0	17.7	459.9	716.3
Total	2312.4	767.8	387.9	533.4	499.2	462.2	455.5	461.2	459.9	6,339.5
Unit Cost (Ave. End Cost)	385.4	383.9	377.6	455.0	400.0	442.2	424.5	443.6		401.6

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

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

Characteristics:	T-AKE	Production Status	<u>FY05</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>
			<u>T-AKE 7</u>	<u>T-AKE 8</u>	<u>T-AKE 9</u>	<u>T-AKE 10</u>	<u>T-AKE 11</u>	<u>T-AKE 1</u>	<u>T-AKE 2</u>	<u>T-AKE 3</u>
<u>Hull</u>	<u>DESIGN</u>	Contract Plans								
Length overall	689 FT	Award Planned (Month)	Jan-05	Jan-05	Jan 06	TBD	TBD	TBD	TBD	TBD
Beam	106 FT	Months to Complete								
Displacement	40,539 LT	a) Award to Delivery	40	42	40	TBD	TBD	TBD	TBD	TBD
Draft	29.9 FT	b) Construction Start	17	14	19	TBD	TBD	TBD	TBD	TBD
		to Delivery								
		Commissioning Date	May-08	Jul-08	May-09	TBD	TBD	TBD	TBD	TBD
		Completion of								
		Fitting-Out	Jul-08	Sep-08	Jul-09	TBD	TBD	TBD	TBD	TBD

Armament: N/A

<u>Major Electronics:</u>	
HF/UHF/VHF Systems	SWAN/LAN
HSFB	ADNS
INMARSAT	DMS
GPS	INTEGRATED BRIDGE CONTROL SYSTEM
GMDSS	MACHINERY CONTROL SYSTEM
IFF	SNAP

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

WEAPON SYSTEM COST ANALYSIS EXHIBIT (P-5)

APPROPRIATION: NATIONAL DEFENSE SEALIFT FUND

BUDGET ACTIVITY: BA-1	P-1 ITEM NOMENCLATURE: T-AKE	SUBHEAD:	FY00 8010	FY01 8110	FY04 1F10
BUDGET LINE ITEM: 0120			FY02 8D10	FY03 8E10	FY05 1G10

ELEMENT OF COST	QTY	FY 2000 TOT COST	QTY	FY 2001 TOT COST	QTY	FY 2002 TOT COST	QTY	FY 2003 TOT COST	QTY	FY 2004 TOT COST
PLAN COSTS	1	56,784	1	0	1	0	1	0	2	0
BASIC CONST/CONVERSION		412,230		331,378		301,577		303,603		623,551
CHANGE ORDERS		20,457		10,441		8,500		8,400		16,900
ELECTRONICS		18,707		15,948		15,463		15,176		33,572
PROPULSION EQUIPMENT		0		0		0		0		0
HM&E		28,754		11,913		8,001		11,459		24,837
OTHER COST		1,168		420		1,059		3,587		3,106
ORDNANCE		0		0		0		0		0
ESCALATION		0		0		0		0		0
TOTAL SHIP ESTIMATE		538,100	1/	370,100		334,600		342,225		701,966
POST DELIVERY/OUTFITTING		0		0		0		11,895		15,269
FY00 - FY05 NDSF ADJUSTMENTS		49,197		12,261		(22,439)		(32,140)		(5,079)
NET P-1 LINE ITEM		488,903		357,839		357,039		386,260		722,314

Notes:

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

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

WEAPON SYSTEM COST ANALYSIS EXHIBIT (P-5)

APPROPRIATION: NATIONAL DEFENSE SEALIFT FUND

BUDGET ACTIVITY:	BA-1	P-1 ITEM NOMENCLATURE: T-AKE	SUBHEAD: FY05 1G10
BUDGET LINE ITEM:	0120		FY06 1H10

ELEMENT OF COST	FY 2005		FY 2006		FY 2007	
	QTY	TOT COST	QTY	TOT COST	QTY	TOT COST
PLAN COSTS	2	0	1	0	1	0
BASIC CONST/CONVERSION		634,976		336,990		414,657
CHANGE ORDERS		17,200		9,300		9,600
ELECTRONICS		32,450		17,105		16,864
PROPULSION EQUIPMENT		0		0		0
HM&E		26,077		12,277		12,313
OTHER COST		1,735		1,960		1,565
ORDNANCE		0		0		0
ESCALATION		0		0		0
TOTAL SHIP ESTIMATE		712,438		377,632		454,999
POST DELIVERY/OUTFITTING		53,534		0 1/		0
FY00 - FY05 NDSF ADJUSTMENTS		(1,800)				
ADVANCED PROCUREMENT						
NET P-1 LINE ITEM		767,772		377,632		454,999

Notes:

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

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

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

Ship Type: **TAKE**

I. Design Schedule

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

II. Classification of Cost Estimates

CLASS C

III. Basic Construction/Conversion

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

IV. Escalation

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

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

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

Ship Type: T-AKE New Construction Program	FY00 Total Cost	FY01 Total Cost	FY02 Total Cost	FY03 Total Cost	FY04 Total Cost	FY05 Total Cost	FY06 Total Cost	FY07 Total Cost
Electronics								
A. ISNS	3,114	2,774	2,774	2,774	5,812	5,708	2,880	2,874
B. DMR	3,982	3,742	3,742	3,742	8,251	8,206	3,880	3,882
C. NTCSS/SUADPS	501	320	320	320	814	726	350	344
D. NAVMACS/SMS	378	348	348	348	691	684	380	373
E. GCCSM Terminal	115	115	115	115	232	232	122	128
F. INFOSEC/Information	340	275	255	255	551	548	285	291
G. TV-DTS	-	-	-	-	-	-	-	-
H. Battle Force E-Mail	43	43	43	43	92	92	65	59
I. INMARSAT HSD	41	41	41	41	87	87	55	57
J. Fleet Broadcast	97	97	97	97	198	198	111	110
K. Tactical Variant Switch	849	769	769	769	1,579	1,574	910	884
L. TVT	245	205	205	205	505	496	230	221
M. ADNS	290	290	290	290	614	614	330	306
N. Military GPS	475	385	355	355	912	900	460	401
O. Headquarters Coordination	837	808	798	798	1,381	1,303	880	833
P. RCS Turnkey	6,405	5,127	4,692	4,405	10,019	9,590	5,487	5,056
Q. Misc Electronics	<u>995</u>	<u>610</u>	<u>620</u>	<u>620</u>	<u>1,834</u>	<u>1,492</u>	<u>680</u>	<u>1,046</u>
Total Electronics	18,707	15,948	15,463	15,176	33,572	32,450	17,105	16,864

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

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

Ship Type: T-AKE New Construction Program	FY00 Total Cost	FY01 Total Cost	FY02 Total Cost	FY03 Total Cost	FY04 Total Cost	FY05 Total Cost	FY06 Total Cost	FY07 Total Cost
HM&E								
A. HM&E Test & Instrumentation	5,653	7	707	1,207	2,591	2,646	1,287	1,365
B. HM&E Engineering Services	21,929	11,149	6,086	8,868	19,346	20,731	9,255	9,547
C. SUPSHIP Material/Services	290	7	458	634	1,400	1,600	1,058	700
D. Logistics Support Services	<u>882</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>1,500</u>	<u>1,100</u>	<u>677</u>	<u>701</u>
Total HM&E	28,754	11,913	8,001	11,459	24,837	26,077	12,277	12,313

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

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

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

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

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-06
T-AKE 2	NASSCO	2001	Oct-01	Sep-04	Dec-06
T-AKE 3	NASSCO	2002	Jul-02	Sep-05	Mar-07
T-AKE 4	NASSCO	2003	Jul-03	Jan-06	Jun-07
T-AKE 5	NASSCO	2004	Jan-04	Jun-06	Nov-07
T-AKE 6	NASSCO	2004	Jan-04	Oct-06	Mar-08
T-AKE 7	NASSCO	2005	Jan-05	Mar-07	Aug-08
T-AKE 8	NASSCO	2005	Jan-05	Jun-07	Dec-08
T-AKE 9	NASSCO	2006	Jan-06	Oct-07	May-09
T-AKE 10	NASSCO	2007	Jan-07	TBD	TBD

NASSCO: National Steel and Shipbuilding Company, SanDiego, Ca.

*Delivery dates are planned dates, not contractual dates.

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BUDGET ITEM JUSTIFICATION SHEET (P-40) FY 2007 President Budget (\$M)								DATE: February 2006		
APPROPRIATION/BUDGET ACTIVITY/BUDGET LINE ITEM NATIONAL DEFENSE SEALIFT FUND/BA-1/BLI 5000								P-1 ITEM NOMENCLATURE NDSF POST DELIVERY AND OUTFITTING		
	PRIOR YEAR	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	TO COMPLETE	TOTAL PROGRAM
QUANTITY	0	0	0	0	0	0	0	0	0	0
End Cost	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less Advanced Procurement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	0.0	0.0	0.0
Plus Advance Procurement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Obligational Authority	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus Outfitting and Post Delivery	0.0	0.0	10.2	78.4	63.1	56.0	31.0	17.7	328.9	585.3
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	10.2	78.4	63.1	56.0	31.0	17.7	328.9	585.3
Unit Cost (Ave. End Cost)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

MISSION:
NDSF BLI 5000 established supporting Post Delivery and Outfitting requirements for T-AKE, MPF(F) and future NDSF ship programs.
COST TO COMPLETE ONLY INCLUDES SHIPS IN THE CURRENT FYDP BUDGET. See NDSF P29/P30 for detail breakout.

Outfitting funds are used to acquire on board repair parts, other secondary items, equipage, recreation items, precommissioning crew support and general use consumables furnished to the shipbuilder or the fitting-out activity to fill the ship's initial allowances as defined by the baseline Coordinated Shipboard Allowance List (COSAL). The program also budgets for contractor-furnished spares, lead-time away from delivery. The program ensures operational readiness of ships undergoing new construction, conversion and ship life extension program. It ensures these ships receive their full allowances of spare parts and equipment which are vitally required to support the shipboard maintenance process; ensures ships are equipped with operating space items (tools, test equipment, damage control), personnel safety and survivability commodities for successful completion builder sea trials; supports shipboard maintenance and therefore achieving the OPNAV-directed Supply Readiness goals for material on board ship at delivery.

Post Delivery funding covers the fixing of government-responsible items which were believed to have been complete to standard and/or operable at delivery. It is essential to deliver to the Fleet complete ships, free from both contractor and government responsible deficiencies, capable of supporting the Navy's mission from the first day of service. The Post Shakedown Availability (PSA) is a shipyard availability assigned to commence after delivery. It is during this time that Acceptance and Final Contract Trials deficiencies will be corrected. The purpose of the PSA is to accomplish correction of new construction deficiencies found during the shakedown period which are authorized; correction of other contractor and government responsible deficiencies previously authorized; and accomplishment of other improvements or class items as authorized. Funding is used for corrections authorized by the Ship Program Manager as a result of builders' trials (pre-delivery), acceptance or underway trials, final contract trials, trial board items, and correction of production-related defects or deficiencies which develop during the Post Delivery period.

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Outfitting (BLI 500020)	0	61.210	48.083	41.047	18.233	12.382
Post Delivery (BLI 500030)	<u>10.227</u>	<u>17.156</u>	<u>14.990</u>	<u>14.989</u>	<u>12.778</u>	<u>5.287</u>
	10.227	78.366	63.073	56.036	31.011	17.669

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FY 2007 President's Budget (\$M)

Exhibit P-29, NATIONAL DEFENSE SEALIFT FUND (NDSF) OUTFITTING COSTS								DATE: February 2006						
APPROPRIATION/BUDGET ACTIVITY/BUDGET LINE ITEM								P-1 ITEM NOMENCLATURE						
NATIONAL DEFENSE SEALIFT FUND/BA-1/BLI 5000								NDSF OUTFITTING						
SHIP TYPE	HULL NO	PROG YEAR	DEL DATE	CFO DATE	PRIOR YEARS	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	TO COMPLETE	TOTAL
T-AKE	0001	00	May-05	Jul-05	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
T-AKE	0002	01	Dec-05	Feb-06	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
T-AKE	0003	02	May-06	Jul-06	0.000	0.000	0.000	1.833	0.000	0.000	0.000	0.000	0.000	1.833
T-AKE	0004	03	Dec-06	Feb-07	0.000	0.000	0.000	13.446	0.000	0.000	0.000	0.000	0.000	13.446
T-AKE	0005	04	May-07	Jun-07	0.000	0.000	0.000	12.818	1.544	0.000	0.000	0.000	0.000	14.362
T-AKE	0006	04	Jul-07	Sep-07	0.000	0.000	0.000	13.979	1.610	0.000	0.000	0.000	0.000	15.589
T-AKE	0007	05	May-08	Jun-08	0.000	0.000	0.000	9.511	12.592	3.086	0.000	0.000	0.000	25.189
T-AKE	0008	05	Jul-08	Sep-08	0.000	0.000	0.000	9.623	12.177	3.258	0.000	0.000	0.000	25.058
T-AKE	0601	06	May-09	Jun-09	0.000	0.000	0.000	0.000	10.080	12.379	3.111	0.000	0.000	25.570
T-AKE	0701	07	TBD	TBD	0.000	0.000	0.000	0.000	10.080	12.379	3.112	0.000	0.000	25.571
T-AKE	0801	08	TBD	TBD	0.000	0.000	0.000	0.000	0.000	9.945	12.010	2.289	0.895	25.139
T-AKE Total					0.000	0.000	0.000	61.210	48.083	41.047	18.233	2.289	0.895	171.757
MPF(F) T-AKE	0901	09	TBD	TBD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.093	13.000	23.093
MPF(F) T-AKE	1001	10	TBD	TBD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	18.000	18.000
MPF(F) T-AKE	1101	11	TBD	TBD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	18.000	18.000
MPF(F) MLP	0901	09	TBD	TBD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	25.000	25.000
MPF(F) MLP	1101	11	TBD	TBD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	27.000	27.000
MPF(F) LMSR	1001	10	TBD	TBD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	26.000	26.000
MPF(F) LMSR	1101	11	TBD	TBD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	27.000	27.000
MPF(F) LHA(R)	1101	11	TBD	TBD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	60.000	60.000
MPF(F) Total					0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.093	214.000	224.093
NDSF Outfitting Total					0.000	0.000	0.000	61.210	48.083	41.047	18.233	12.382	214.895	395.850
COMMENTS														
BLI 5000 established for Outfitting of NDSF ships beginning FY 2006.														

EXHIBIT P-29, NDSF OUTFITTING COSTS

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FY 2007 President's Budget (\$M)

Exhibit P-30, NATIONAL DEFENSE SEALIFT FUND (NDSF) POST DELIVERY COSTS								DATE: February 2006						
APPROPRIATION/BUDGET ACTIVITY/BUDGET LINE ITEM								P-1 ITEM NOMENCLATURE						
NATIONAL DEFENSE SEALIFT FUND/BA-1/BLI 5000								NDSF POST DELIVERY						
SHIP TYPE	HULL NO	PROG YEAR	DEL DATE	CFO DATE	PRIOR YEARS	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	TO COMPLETE	TOTAL
T-AKE	0001	00	May-05	Jul-05	0.000	0.000	5.100	0.000	0.000	0.000	0.000	0.000	0.000	5.100
T-AKE	0002	01	Dec-05	Feb-06	0.000	0.000	5.127	0.000	0.000	0.000	0.000	0.000	0.000	5.127
T-AKE	0003	02	May-06	Jul-06	0.000	0.000	0.000	5.200	0.000	0.000	0.000	0.000	0.000	5.200
T-AKE	0004	03	Dec-06	Feb-07	0.000	0.000	0.000	7.500	0.000	0.000	0.000	0.000	0.000	7.500
T-AKE	0005	04	May-07	Jun-07	0.000	0.000	0.000	2.228	5.272	0.000	0.000	0.000	0.000	7.500
T-AKE	0006	04	Jul-07	Sep-07	0.000	0.000	0.000	2.228	5.272	0.000	0.000	0.000	0.000	7.500
T-AKE	0007	05	May-08	Jun-08	0.000	0.000	0.000	0.000	2.223	5.277	0.000	0.000	0.000	7.500
T-AKE	0008	05	Jul-08	Sep-08	0.000	0.000	0.000	0.000	2.223	5.277	0.000	0.000	0.000	7.500
T-AKE	0601	06	May-09	Jun-09	0.000	0.000	0.000	0.000	0.000	2.218	5.282	0.000	0.000	7.500
T-AKE	0701	07	TBD	TBD	0.000	0.000	0.000	0.000	0.000	2.217	5.283	0.000	0.000	7.500
T-AKE	0801	08	TBD	TBD	0.000	0.000	0.000	0.000	0.000	0.000	2.213	5.287	0.000	7.500
T-AKE Total					0.000	0.000	10.227	17.156	14.990	14.989	12.778	5.287	0.000	75.427
MPF(F) T-AKE	0901	09	TBD	TBD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.000	12.000
MPF(F) T-AKE	1001	10	TBD	TBD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8.000	8.000
MPF(F) T-AKE	1101	11	TBD	TBD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8.000	8.000
MPF(F) MLP	0901	09	TBD	TBD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.000	12.000
MPF(F) MLP	1101	11	TBD	TBD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.000	12.000
MPF(F) LMSR	1001	10	TBD	TBD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.000	12.000
MPF(F) LMSR	1101	11	TBD	TBD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.000	12.000
MPF(F) LHA(R)	1101	11	TBD	TBD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	26.000	26.000
MPF(F) Total					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	102.000	102.000
NDSF Post Delivery Total					0.000	0.000	10.227	17.156	14.990	14.989	12.778	5.287	114.000	189.427
COMMENTS														
BLI 5000 established for Post Delivery of NDSF ships beginning in FY 2006.														

EXHIBIT P-30, NDSF POST DELIVERY COSTS

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February 2006
BA-2
BLI 021000

NATIONAL DEFENSE SEALIFT FUND Exhibit P-40 FY 07 President's Budget

Fast Sealift Ships (FSS) (\$Millions)

<u>FSS</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>		
Total FSS	68.6	56.5	62.3		
Outyear Costs	<u>FY 2008</u> 68.9	<u>FY 2009</u> 72.4	<u>FY 2010</u> 78.6	<u>FY 2011</u> 80.5	

Justification:

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

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

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

Beginning in FY 2006 funding is budgeted for Military Sealift Command (MSC) Force Protection (FP). Additional peacetime requirements are intended to increase anti-terrorism and force protection measures currently incorporated to upgrade the current peacetime force protection requirements. MSC operations include more combat logistics force protection for ships destined for areas of heightened security.

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NDSF
February 2006
BA-2
BLI 022000

NATIONAL DEFENSE SEALIFT FUND Exhibit P-40 FY 07 President's Budget

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

<u>LMSR</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>		
Total, LMSR	94.9	79.3	85.6		
Outyears Cost	<u>FY 2008</u> 94.7	<u>FY 2009</u> 99.6	<u>FY 2010</u> 108.1	<u>FY 2011</u> 110.7	

Justification:

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

Eleven LMSRs will be maintained in a 4-day Reduced Operating Status (ROS-4) as recommended by the OSD published Mobility Requirements Study (MRS) and the MRS Bottom-Up Review Update (MRS BURU). These ships provide the initial surge sealift capacity required to transport the lead combat forces from CONUS to a given area of operations and satisfy time critical warfighting requirements. The criteria for each readiness status was also specified in the MRS (i.e. Outporting, Sea/Dock Trials, Maintenance). ROS-4 ships have a cadre crew assigned, outported at a layberth, and undergo annual sea trials, periodic dock trials, and required periodic regulatory drydockings/inspections. Cost data incrementally increases as ships are delivered to the fleet and undergo an initial post delivery crew familiarization/warranty maintenance period. All 11 surge LMSRs were delivered by 28 February 2002.

Beginning in FY 2006 funding is budgeted for MSC Force Protection (FP). Additional peacetime requirements are intended to increase anti-terrorism and force protection measures currently incorporated to upgrade the current peacetime force protection requirements. MSC operations includes more combat logistics force protection for ships destined for areas of heightened security.

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NATIONAL DEFENSE SEALIFT FUND
Exhibit P-40
FY 07 President's Budget

NDSF
February 2006
BA-2
BLI 023000

DOD Strategic Vessel Modernization
(\$Millions)

<u>Modernization</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	
MPS Lease Buyout	0.0	247.3	35.1	
TAOE-6 Class Modernization	0.0	11.8	2.0	
Transportations Ship Alterations/MPS Shipalt for INLS Integration	0.0	0.0	1.9	
Total, Modernization	0.0	259.1	39.0	
	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
TAOE-6 Class Modernization	12.4	63.0	63.0	61.0
Transportations Ship Alterations/MPS Shipalt for INLS Integration	6.9	2.1	3.2	4.2
Heavy Underway Replenishment (UNREP)	44.0	44.0	22.0	68.2
Outyear Costs, Totals	63.3	109.1	88.2	133.4

Justification:

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

Maritime Prepositioning Ship (MPS) Buyout: Three leased MPS ships in FY 2006 and one leased MPS ship in FY 2007 will be purchased. Savings are realized by purchasing the MPS ships primarily by no longer making capital hire payments in FY 2006-FY 2011.

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

T-AOE Civilian Crew Modifications are required to accommodate civilian mariner crews for the former AOE-6 class ships transferred to MSC.

Heavy UNREP Capability: The increased throughput provided by Heavy UNREP is a key enabler in sustaining the CVN21 Sortie Generation Rate (SGR) Key Performance Parameter (KPP). The CVN 21 requirement for Heavy UNREP requires installation of this capability on T-AKE and T-AOE 6 platforms in lieu of T-AOE(X).

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February 2006
BA-2
BLI 025000

NATIONAL DEFENSE SEALIFT FUND
Exhibit P-40
FY 07 President's Budget

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

<u>T-AH</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>		
Total T-AH ROS Operations	22.1	20.7	28.6		
	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	
Outyear Cost	21.5	23.0	23.4	25.1	

Justification:

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

Funding supports the following areas:

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

Beginning in FY 2006 funding is budgeted for MSC Force Protection. Additional peacetime requirements are intended to increase anti-terrorism and FP measures currently incorporated to upgrade the current peacetime force protection requirements. MSC operations include more combat logistics force protection for ships destined for areas of heightened security.

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EXHIBIT R-2, RDT&E Budget Item Justification					FY 2007 President's Budget (\$M)			DATE: February 2006	
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund/BA-4/BLI 090000					R-1 ITEM NOMENCLATURE PE 0408042N/National Defense Sealift Fund				
COST (\$ in Millions)		FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	
Total PE Cost		52.405	71.628	108.561	123.155	95.328	79.975	86.275	
3110 MPF(F) R&D		28.000	58.413	86.163	65.596	46.208	21.263	18.061	
3116 SEALIFT		6.404	4.954	11.604	11.009	12.377	6.744	6.442	
3117 OPLOG		8.589	8.261	10.794	12.814	14.464	14.630	15.025	
3118 T-AOE(X)		9.412	0.000	0.000	0.000	0.000	0.000	0.000	
3119 JHSS		0.000	0.000	0.000	33.736	22.279	37.338	46.747	

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

B. PROJECT UNIT EFFORTS are as follows:

- (1) **Maritime Prepositioning Force (Future) - MPF(F) (3110)** - concept studies, preliminary, contract designs and technology development leading to detail design and construction award of ship systems that will provide a highly flexible, operational and logistics support capability to enable Expeditionary Maneuver Warfare concepts and to meet required operational capabilities with respect to Force Closure, Amphibious Task Force Integration, Sustainment and Reconstitution/Redeployment.
- (2) **Strategic Sealift Research and Development (3116)** - develops new concepts and technologies which can be applied to or will enable future strategic sealift, combat logistics force, and seabasing systems. The technologies include ship configuration concepts, equipments to increase cargo handling and cargo loading/unloading rates (including commercial and merchant ship systems), improved man/machine interfaces, improved structural configurations and materials, and Logistics-Over-the-Shore (LOTS) equipment and system improvements to enable LOTS operations to satisfy JFC sea state and operational requirements.
- (3) **Naval Operations Logistics (OPLOG) (3117)**- develops future operational logistics and afloat integrated supply systems; consolidates and integrates the logistics requirements and initiatives of acquisition programs; and provides a forum for cooperative engagement among program sponsors, engineering managers, and fleet customers.
- (4) **Fast Combat Support Ship - T-AOE(X) (3118)** - concept studies to replace the current capability of the AOE 1 Class (Fast Combat Support Ship) and act as a station ship for the carrier battle group.
- (5) **Joint High Speed Sealift (JHSS) (3119)** - concept studies in support of ship system that will reduce critical reliance on strategic airlift and serve as a strategic logistics connector.

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EXHIBIT R-2a, RDT&E Project Justification				FY 2007 President's Budget (\$M)			DATE:		
							February 2006		
APPROPRIATION/BUDGET ACTIVITY		PROGRAM ELEMENT NUMBER AND NAME			PROJECT NUMBER AND NAME				
National Defense Sealift Fund/BA-4/BLI 090000		PE 0408042N/National Defense Sealift Fund			3110 MPF(F) R&D				
COST (\$ in Millions)			FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Project Cost			28.000	58.413	86.163	65.596	46.208	21.263	18.061
RDT&E Articles Qty									
<p>A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: Maritime Prepositioning Force (Future) - MPF(F) (3110) - concept studies, preliminary, contract designs and technology development leading to detail design and construction award of ship systems that will provide a highly flexible, operational and logistics support capability to enable Expeditionary Maneuver Warfare concepts and to meet required operational capabilities with respect to Force Closure, Amphibious Task Force Integration, Sustainment and Reconstitution/Redeployment.</p>									

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EXHIBIT R-2, RDT&E Budget Item Justification	FY 2007 President's Budget (\$M)	DATE: February 2006
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund, BA-4	PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund	PROJECT NUMBER AND NAME 3110 MPF(F) R&D

B. Accomplishments/Planned Program

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	10.045	19.700	15.550
RDT&E Articles Quantity			

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

FY05 - Conducted at sea evaluation of commercial float-on/float-off ship; conducted full scale test of LCAC containment system for use on surrogate MLP. Conducted at-sea experiment with commercial float-on/float-off ship (surrogate MLP) and LMSR and demonstrated vehicle transfer from the LMSR to LCACs operating off the float-on/float-off ship.

FY06 - Continue surrogate MLP testing and accomplish fabrication, shipyard installation of components, including crane load pendulation control and integrated ramp systems, and perform at-sea test of improved systems. Evaluate systems with various surface craft including LCAC. Develop ship interface control documentation and begin certification studies to support weapon handling operations.

FY07 - Accomplish at-sea testing (in calm water and in progressively increasing sea states); document vehicle, personnel and cargo throughput rates between LMSR and LCAC, and other surface craft, operating on surrogate MLP. Update interface control documentation and continue system certification for weapon handling operations.

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	0.950	4.000	21.100
RDT&E Articles Quantity			

Skin to Skin (STS): Define and develop systems and validate ability of LMSRs, T-AKEs, float-on/float-off (MLP) ships and containerships to come together at-sea and transfer cargo and personnel, by building on commercial-off-the-shelf technology used in the tanker industry to offload super tankers at-sea. Evaluate dynamic positioning and intraship communication systems to facilitate skin-to-skin operations. Development team will include commercial design agents, equipment vendors and shipyards/fabricators.

FY05 - Developed mooring and fendering system and procedures and accomplished calm water and at-sea testing that successfully brought together an LMSR and a float-on/float-off ship, surrogate MLP, and enabled cargo and personnel to move between the LMSR and the float-on/float-off ship. Began development of fendering, mooring and cargo transfer system designs applicable for use on LMSR, T-AKE, MLP and containerships. Began assessment of using dynamic positioning systems to hold ships on station during cargo transfer operations. Accomplished model basin skin-to-skin test series to enable validation of modeling and simulation tools. Evaluated ship skin-to-skin operations using modeling and simulation.

FY06 - Investigate STS operations with LHD and LHA(R). Design, fabricate and install fender and mooring systems on surrogate MPF(F) ships and conduct a series of at-sea tests. Define and develop cargo and personnel transfer systems and systems to enable intraship communication during operations. Evaluate POL transfer between the MLP and other MPF(F) ships. Continue evaluation and accomplish at-sea testing of dynamic positioning systems. Begin certification process of proposed systems for weapons handling.

FY07 - Continue at-sea testing using surrogate MPF(F) ships to demonstrate and validate skin-to-skin cargo and personnel transfer systems in progressively higher sea states. Finalize cargo and personnel transfer systems, intraship communication systems, dynamic positioning requirements and continue system certification for at-sea operations of weapons systems.

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EXHIBIT R-2, RDT&E Budget Item Justification	FY 2007 President's Budget (\$M)	DATE:
		February 2006

APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund, BA-4	PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund	PROJECT NUMBER AND NAME 3110 MPF(F) R&D
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B. Accomplishments/Planned Program

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	0.705	3.064	12.200
RDT&E Articles Quantity			

Automated Cargo Handling (ACH): Define, develop and validate technologies to improve at-sea cargo handling to facilitate selective offload and expeditionary force sustainment. Systems will improve cargo throughput while reducing manpower requirements. Systems to be investigated include commercial container loading and unloading, container handling and stowage, joint intermodal modular container (JIMC) and pallet handling and stowage. Systems will be adapted for at-sea use. Development team will include commercial design agents, equipment vendors and shipyards/fabricators.

FY05 - Continued system concept integration and throughput analysis for containerized and bulk cargo. Leveraged and integrated ONR and MSC programs with industry.

FY06 - Accomplish ship modifications and at-sea demonstration of full scale automated stowage and retrieval system to handle JIMC and pallets. Begin prototype cargo handling system design and ship integration by commercial vendors. Obtain timing data and accomplish modeling to validate achievable selective offload and sustainment rates.

FY07 - Complete prototype automated cargo handling systems design and fabrication. Accomplish land based testing and shipboard installations by commercial vendors/shipyards and accomplish at-sea demonstrations. Develop ship interface control documentation and begin certification studies to support weapon handling operations.

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	0.500	2.751	0.813
RDT&E Articles Quantity			

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

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

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

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

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	0.000	1.000	0.000
RDT&E Articles Quantity			

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

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

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EXHIBIT R-2, RDT&E Budget Item Justification	FY 2007 President's Budget (\$M)	DATE: February 2006
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APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund, BA-4	PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund	PROJECT NUMBER AND NAME 3110 MPF(F) R&D
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B. Accomplishments/Planned Program

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	8.100	17.279	22.300
RDT&E Articles Quantity			

Primary Hardware Development: Industry naval architecture, ship design and engineering support for MPF(F) ship systems.
FY05 – Begin Preliminary Design with Industry for MPF(F) squadron ships including the T-AKE variant, LMSR variant and Mobile Landing Platform.
FY06 – Continue Industry involvement in support of the preliminary designs of MPF(F) design variants.
FY07 - Continue Industry involvement in the completion of the preliminary designs of MPF(F) design variants and initiate start-up of contract designs of MPF(F) design variants with shipbuilders.

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	7.700	10.619	13.700
RDT&E Articles Quantity			

Engineering and Acquisition Support: Engineering and acquisition support including acquisition requirements definition, test and evaluation and acquisition milestone documentation development, Government Agencies' engineering and acquisition support for designing and integrating MPF(F) ship squadron with technology development efforts.
FY05- Continued ship design trade off studies to support the Secretary of Navy ship squadron decision. Navy decision was to pursue a squadron composition of 2 LHA(R) variants, 1 LHD variant, 3 T-AKE variants and 3 LMSR variants with 3 new design Mobile Landing Platforms (MLP) and 2 legacy Maritime Prepositioning Squadron Dense Pack ships. Continue to develop acquisition and design documentation to support MPF(F) requirements. Initiate preliminary designs for the T-AKE Variant, LMSR Variant and MLP with Industry.
FY06 – Continue preliminary designs for all MPF(F) design variants. Continue to develop acquisition, test and evaluation and engineering documentation to support approval of MPF(F) Capabilities Development Document (CDD) and other Milestone B requirements.
FY07 - Execute and oversee contract designs with shipbuilders. Continue to develop acquisition, test and evaluation and engineering documentation to support Milestone B requirements.

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	0.000	0.000	0.500
RDT&E Articles Quantity			

Advanced Fire Fighting System: Adapt Navy standard and commercial advanced fire fighting systems for MPF(F) cargo, container, ordnance, fuel and RO/RO stowage areas.
FY07 – Leverage and integrate lessons learned from current shipbuilding programs to develop designs. Conduct modeling and simulation to validate expected performance.

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EXHIBIT R-2, RDT&E Budget Item Justification	FY 2007 President's Budget (\$M)	DATE: February 2006
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APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund, BA-4	PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund	PROJECT NUMBER AND NAME 3110 MPF(F) R&D
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C. PROGRAM CHANGE SUMMARY:

Funding:	FY 2005	FY 2006	FY 2007
FY06 President's Budget	28.000	66.301	66.332
FY07 President's Budget	<u>28.000</u>	<u>58.413</u>	<u>86.163</u>
Total Adjustments	0.000	-7.888	19.831
Summary of Adjustments:			
Programmatic Changes	0.000	0.000	19.981
Congressional Adjustment MPF(F)	0.000	-7.301	0.000
Other General Provisions	<u>0.000</u>	<u>-0.587</u>	<u>0.000</u>
 Total Adjustment	 0.000	 -7.888	 19.981

Schedule:
Not Applicable

Technical:
Not Applicable

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EXHIBIT R-2, RDT&E Budget Item Justification								FY 2007 President's Budget (\$M)		DATE: February 2006
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT NUMBER AND NAME					PROJECT NUMBER AND NAME		
National Defense Sealift Fund/BA-4			PE 0408042N/National Defense Sealift Fund					3110 MPF(F) R&D		

D. Other Program Funding Summary	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	To Complete	Total Cost
NDSF: (M\$)									
NDSF Line 0110, MPF (Aviation)	0	0	0	0.0	0.0	0.0	1,241.5	3,780.0	5,021.5
NDSF Line 0100, MPF LMSR	0	0	0	0.0	134.0	998.1	1,005.4	1,001.0	3,138.5
NDSF Line 0401, MPF MLP	0	0	0	0.0	1,054.6	0.0	879.9	866.0	2,800.5
NDSF Line 0120, MPF T-AKE	0	0	0	36.2	406.2	424.5	443.6	0.0	1,310.4

(U) Related RDT&E: Not Applicable

E. Acquisition Strategy:

MPF(F) - The Navy has determined that 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 will be a mix of design variants to existing platforms and the new design of a Mobile Landing Platform (MLP). The design variants are of the existing LHA(R), LHD, T-AKE and LMSR classes. Each procurement will either be competitively awarded or will be a follow-on to existing production lines, based on the most effective/efficient acquisition approach to the Government with consideration of existing Industrial Base stability. The MPF(F) Program is exploring sourcing the LHD from the active amphibious fleet.

F. Major Performers:

Field Activities & Locations - Work Performed

NSWC, Carderock, MD - Concept development and engineering support
 NSWC, Panama City, FL - Concept development and engineering support
 NFESC Pt Hueneme CA - Concept development and engineering support
 SPAWAR Systems Center, Charleston SC - Concept development and engineering support
 NAVAIR Pax River, MD - Concept development and engineering support
 Office of Naval Research, Arlington, VA - Concept development and system technology development

Contractors & Locations - Work Performed

CSC, Washington, DC - Naval Architect, Ship Design and Engineering Support
 Northrop Grumman Ship Systems, Avondale, LA and Pascagoula, MS - Naval Architect, Ship Design and Engineering Support
 General Dynamics, San Diego, CA and Bath, ME - Naval Architect, Ship Design and Engineering Support

Universities & Locations - Work Performed

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Exhibit R-3 Cost Analysis (page 1)			PROGRAM ELEMENT				PROJECT NUMBER AND NAME							
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT				PROJECT NUMBER AND NAME							
National Defense Sealift Fund/BA-4			PE 0408042N				3110 MPF(F) R&D							
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	FY 08 Cost	FY 08 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Primary Hardware Development	Various	Various		8.100	4Q	17.279	1Q	22.300	1Q	23.596	1Q	39.276	110.551	
Ancillary Hardware Development													0.000	
LP Development	Various	Various	1.050	10.045	2Q	19.700	1Q	15.550	1Q	10.001	1Q	3.649	59.995	
ACH Development	Various	Various	0.200	0.705	2Q	3.064	2Q	12.200	1Q	3.399	1Q	13.603	33.171	
STS Development	Various	Various	0.675	0.950	2Q	4.000	1Q	21.100	1Q	14.200	1Q	10.280	51.205	
Blast Mitigation	WX	ONR	0.000	0.000		1.000	1Q						1.000	
Heavy UNREP	WX	NFESC-Pt Hueneme	0.000	0.500	2Q	2.751	1Q	0.813	1Q	1.000	1Q	0.000	5.064	
Advanced Fire Fighting	WX	TBD						0.500	2Q	0.000	2Q	0.000	0.500	
Tooling													0.000	
GFE													0.000	
Award Fees													0.000	
Subtotal Product Development			1.925	20.300		47.794		72.463		52.196		66.808	261.486	
Remarks:														
Development Support													0.000	
Software Development													0.000	
Integrated Logistics Support													0.000	
Configuration Management													0.000	
Technical Data													0.000	
Studies & Analyses													0.000	
GFE													0.000	
Award Fees													0.000	
Subtotal Support			0.000	0.000		0.000		0.000		0.000		0.000	0.000	
Remarks:														

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FY 2007 President's Budget (\$M)										DATE: February 2006				
Exhibit R-3 Cost Analysis (page 2)			PROGRAM ELEMENT				PROJECT NUMBER AND NAME							
APPROPRIATION/BUDGET ACTIVITY			PE 0408042N				3110 MPF(F) R&D							
National Defense Sealift Fund/BA-4														
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	FY 08 Cost	FY 08 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Developmental Test & Evaluation													0.000	
Operational Test & Evaluation													0.000	
Live Fire Test & Evaluation													0.000	
Test Assets													0.000	
Tooling													0.000	
GFE													0.000	
Award Fees													0.000	
Subtotal T&E			0.000	0.000		0.000		0.000		0.000		0.000	0.000	
Remarks:														
Government Engineering Support	WX	Various	2.338	4.400	2Q	5.419	1Q	7.200	1Q	7.400	1Q	8.724	35.481	
Program Management Support	MAC	CSC	4.697	3.200	2Q	5.100	1Q	6.400	1Q	5.900	1Q	9.600	34.897	
Travel	PD	NAVSEA		0.100	2Q	0.100	1Q	0.100	1Q	0.100	1Q	0.400	0.800	
Transportation													0.000	
SBIR Assessment													0.000	
Subtotal Management			7.035	7.700		10.619		13.700		13.400		18.724	71.178	
Remarks:														
Total Cost			8.960	28.000		58.413		86.163		65.596		85.532	332.664	
Remarks:														

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EXHIBIT R4, Schedule Profile																FY 2007 President's Budget (\$M)																DATE: February 2006															
APPROPRIATION/BUDGET ACTIVITY																PROGRAM ELEMENT NUMBER AND NAME																PROJECT NUMBER AND NAME															
National Defense Sealift Fund/BA-4																PE 0408042N/National Defense Sealift Fund																3110 MPF(F) R&D															
Fiscal Year	2004				2005				2006				2007				2008				2009				2010				2011																		
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4															
Acquisition Milestones															?				?																												
Advance Procurement (AP) Contract Award																			?																												
T-AKE Variant																			?																												
LMSR Variant																							?																								
DD&C Contract Awards																																															
T-AKE Variant-Lead																							?																								
T-AKE Variant 1st Follow																											?																				
T-AKE Variant 2nd Follow																																			?												
MLP Lead																							?																								
MLP 1st Follow																																			?												
LMSR Variant Lead																											?																				
LMSR Variant 1st Follow																																			?												
LHA(R) Variant Lead																																			?												

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

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Exhibit R-4a, Schedule Detail					FY 2007 President's Budget (\$M)				DATE: February 2006	
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund/BA-4			PROGRAM ELEMENT PE 0408042N			PROJECT NUMBER AND NAME 3110 MPF(F) R&D				
Schedule Profile			FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
AoA Completion			3Q							
Milestone B - MPF(F) Squadron						3Q				
Milestone B - MLP							3Q			
AP Contract Award - T-AKE Variant Lead							3Q			
AP Contract Award - LMSR Variant Lead								1Q		
DD&C Contract Award										
T-AKE Variant Lead								1Q		
MLP								1Q		
LMSR Variant Lead									1Q	
LHA(R) Variant Lead										1Q

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EXHIBIT R-2a, RDT&E Project Justification				FY 2007 President's Budget (\$M)			DATE:		
							February 2006		
APPROPRIATION/BUDGET ACTIVITY		PROGRAM ELEMENT NUMBER AND NAME			PROJECT NUMBER AND NAME				
National Defense Sealift Fund/BA-4		PE 0408042N/National Defense Sealift Fund			3116 SEALIFT				
COST (\$ in Millions)			FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Project Cost			6.404	4.954	11.604	11.009	12.377	6.744	6.442
RDT&E Articles Qty									
<p>A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: Strategic Sealift Research and Development (3116) - develops new concepts and technologies which can be applied to or will enable future strategic sealift, combat logistics force, and seabasing systems. The technologies include ship configuration concepts, equipments to increase cargo handling and cargo loading/unloading rates (including commercial and merchant ship systems), improved man/machine interfaces, improved structural configurations and materials, and Logistics-Over-the-Shore (LOTS) equipment and system improvements to enable LOTS operations to satisfy JFC sea state and operational requirements.</p>									

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APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund/BA-4	PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund	PROJECT NUMBER AND NAME 3116 SEALIFT
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B. Accomplishments/Planned Program

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	3.688	1.230	1.300
RDT&E Articles Quantity			

Sealift Concept Development - Develop sealift and system concept for future sealift missions, including Fast Sealift.

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	0.866	1.000	2.000
RDT&E Articles Quantity			

Ship to Ship/Lighter Interfaces - Testing and demonstrations of ship/lighter and ship/ship motion control, mooring and platform interface systems.

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	0.050	0.125	0.125
RDT&E Articles Quantity			

Planning Tools and C4I Systems - Validate/update Planning/Training Systems.

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	0.000	2.599	2.617
RDT&E Articles Quantity			

MERSHIP Systems Development - Development of systems for MERSHIP support of advanced operational concepts.

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	1.800	0.000	0.000
RDT&E Articles Quantity			

Shipboard Crane Systems/Shipboard Cargo Systems - Shipboard crane and cargo systems (including ramp/platform interface) at-sea operations capability. development/testing/demonstration.

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	0.000	0.000	5.562
RDT&E Articles Quantity			

Heavy UNREP - Support R&D efforts for Heavy UNREP efforts at Port Hueneme

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EXHIBIT R-2, RDT&E Budget Item Justification	FY 2007 President's Budget (\$M)	DATE:		February 2006
APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT NUMBER AND NAME	PROJECT NUMBER AND NAME		
National Defense Sealift Fund/BA-4	PE 0408042N/National Defense Sealift Fund	3116 SEALIFT		

C. PROGRAM CHANGE SUMMARY:

Funding:	FY 2005	FY 2006	FY 2007
FY06 President's Budget	6.404	5.911	6.182
FY07 President's Budget	<u>6.404</u>	<u>4.954</u>	<u>11.604</u>
Total Adjustments	0.000	-0.957	5.422
 Summary of Adjustments:			
Programmatic changes	0.000	0.000	5.422
Congressional adjustment Sealift	<u>0.000</u>	<u>-0.957</u>	<u>0.000</u>
 Total Adjustment	 0.000	 -0.957	 5.422

Schedule:
 Not Applicable

Technical:
 Not Applicable

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Exhibit R-3 Cost Analysis (page 2)										FY 2007 President's Budget (\$M)					DATE:	
APPROPRIATION/BUDGET ACTIVITY										PROGRAM ELEMENT					PROJECT NUMBER AND NAME	
National Defense Sealift Fund/BA-4										PE 0408042N					3116 SEALIFT	
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 04 Cost	FY 04 Award Date	FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	Cost to Complete	Total Cost	Target Value of Contract		
Primary Hardware Development													0.000			
Ancillary Hardware Development													0.000			
Aircraft Integration													0.000			
Ship Integration													0.000			
Ship Suitability													0.000			
Systems Engineering													0.000			
Training Development													0.000			
Licenses													0.000			
Tooling													0.000			
GFE													0.000			
Award Fees													0.000			
Sealift Concept Development	Various	Various				3.957	1Q	1.230	1Q	1.300	1Q		6.487			
Ship to Ship/Lighter Interface	Various	Various				0.597	1Q	1.000	1Q	2.000	1Q		3.597			
Planning Tools and C4I	Various	Various				0.050	1Q	0.125	1Q	0.125	1Q		0.300			
MERSHIP Systems Development	Various	Various				0.000	1Q	2.599	1Q	2.617	1Q		5.216			
Shipboard Crane Systems	Various	Various				1.600	1Q	0.000	1Q	0.000	1Q		1.600			
Shipboard Cargo Systems	Various	Various				0.200	1Q	0.000	1Q	0.000	1Q		0.200			
Heavy UNREP	WX	NFESC-Pt Hueneme										5.562	5.562			
Subtotal Product Development			0.000	0.000		6.404		4.954		11.604		0.000	22.962			
Remarks:																
Development Support													0.000			
Software Development													0.000			
Integrated Logistics Support													0.000			
Configuration Management													0.000			
Technical Data													0.000			
Studies & Analyses													0.000			
GFE													0.000			
Award Fees													0.000			
Subtotal Support			0.000	0.000		0.000		0.000		0.000		0.000	0.000			
Remarks:																

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Exhibit R-3 Cost Analysis (page 2)								FY 2007 President's Budget (\$M)				DATE: February 2006			
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT				PROJECT NUMBER AND NAME								
National Defense Sealift Fund/BA-4			PE 0408042N				3116 SEALIFT								
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost			FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	Cost to Complete	Total Cost	Target Value of Contract	
Developmental Test & Evaluation													0.000		
Operational Test & Evaluation													0.000		
Live Fire Test & Evaluation													0.000		
Test Assets													0.000		
Tooling													0.000		
GFE													0.000		
Award Fees													0.000		
Subtotal T&E			0.000			0.000		0.000		0.000		0.000	0.000		
Remarks:															
Contractor Engineering Support													0.000		
Government Engineering Support													0.000		
Program management Support													0.000		
Travel													0.000		
Transportation													0.000		
SBIR Assessment													0.000		
Subtotal Management			0.000			0.000		0.000		0.000		0.000	0.000		
Remarks:															
Total Cost			0.000			6.404		4.954		11.604		0.000	22.962		
Remarks:															

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EXHIBIT R-2, RDT&E Budget Item Justification							FY 2007 President's Budget (\$M)			DATE: February 2006
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund/BA-4			PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund				PROJECT NUMBER AND NAME 3116 SEALIFT			
D. Other Program Funding Summary	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	To Complete	Total Cost	
Not applicable for SEALIFT R&D efforts.										
(U) Related RDT&E: Not Applicable										
E. Acquisition Strategy:										
Not applicable for SEALIFT R&D efforts.										
F. Major Performers:										
Field Activities & Locations - Work Performed										
NSWC, Carderock - Concept development										
NSWC, Panama City - Concept development										
NFESC Pt Hueneme - Concept development										
Contractors & Locations - Work Performed										
CSC, Washington, DC - Engineering Support										
Universities & Locations - Work Performed										

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EXHIBIT R-2a, RDT&E Project Justification				FY 2007 President's Budget (\$M)			DATE: February 2006	
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund/BA-4/BLI 0900		PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund			PROJECT NUMBER AND NAME 3117 OPLOG			
COST (\$ in Millions)		FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Project Cost		8.589	8.261	10.794	12.814	14.464	14.630	15.025
RDT&E Articles Qty								

A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: Naval Operational Logistics Integration (OPLOG) (3117) - develops future operational logistics and afloat integrated supply systems; consolidates and integrates the logistics requirements and initiatives of acquisition programs and conducts cooperative technology development among program sponsors, acquisition programs, engineering managers, and fleet customers. OPLOG develops integrated, cross-platform (i.e. applicable to more than one ship class / type) operational logistics technologies and capabilities as well as draft operational logistics capability acquisition guidelines ensuring future Naval systems leverage emerging logistics capabilities and advanced technologies.

This project provides a foundation for the transition of science and technology initiatives (such as the Sea Base FNC) and other concepts to the acquisition community. Technology development is necessary to mitigate technological and operational risk before ship acquisition programs accept new technologies. This project resources continued research and development of appropriate technologies with applicability to multiple acquisition programs and defines and matures performance and interface requirements for those technologies. The operational logistics family of systems touches all aspects of Seapower 21 yet logistics capability and system interfaces are typically left to individual acquisition programs to develop and resolve. As Seabasing and the Sea Base continue to gain more resolution this project will provide technologies focused toward the development of integrated Joint logistics capabilities.

This project will develop improved shipboard replenishment, transfer, and handling systems and components as well as focused development of asset visibility and container standardization technologies. This integrated suite of capabilities will enable multiple ship types to leverage technologies common across DoD (Joint) and commercial transportation networks and provide a more affordable, mission capable force.

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EXHIBIT R-2, RDT&E Budget Item Justification	FY 2007 President's Budget (\$M)	DATE: February 2006
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APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund, BA-4	PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund	PROJECT NUMBER AND NAME 3117 OPLOG
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B. Accomplishments/Planned Program

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost			
RDT&E Articles Quantity	1.920	2.000	2.500

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

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost			
RDT&E Articles Quantity	1.800	1.852	2.500

(U) **Standardized Containerization:** Develop standardized, integrated packaging and containerization solutions consistent with improved replenishment systems, asset visibility and tracking systems and improved shipboard material handling architectures. Leverage and expand current intermodal (ISO) and legacy / emerging DoD material handling architectures such as the JMIC.

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost			
RDT&E Articles Quantity	1.777	0.800	1.200

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

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost			
RDT&E Articles Quantity	0.900	0.800	0.750

(U) **Logistics Architectures:** Develop comprehensive, integrated afloat supply system architectures considering operational, system, and technical requirements and initiatives. Define system performance and interface requirements; draft future operational logistics capability acquisition guidelines and develop cost-versus-capability analyses for affordable technology development.

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost			
RDT&E Articles Quantity	0.750	0.550	0.744

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

	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost			
RDT&E Articles Quantity	1.442	2.259	3.100

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

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CLASSIFICATION:

EXHIBIT R-2, RDT&E Budget Item Justification		FY 2007 President's Budget (\$M)	DATE: February 2006
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund, BA-4	PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund	PROJECT NUMBER AND NAME 3117 OPLOG	

C. PROGRAM CHANGE SUMMARY:

Funding:	FY 2005	FY 2006	FY 2007
FY06 President's Budget	8.589	8.355	11.333
FY07 President's Budget	<u>8.589</u>	<u>8.261</u>	<u>10.794</u>
Total Adjustments	0.000	-0.094	-0.539
Summary of Adjustments:			
Congressional General Provision	0.000	-0.094	0.000
Programmatic Changes	<u>0.000</u>	<u>0.000</u>	<u>-0.539</u>
Total Adjustment	0.000	-0.094	-0.539

Schedule:
 Not Applicable

Technical:
 Not Applicable

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CLASSIFICATION:

EXHIBIT R-2, RDT&E Budget Item Justification							FY 2007 President's Budget (\$M)			DATE: February 2006
APPROPRIATION/BUDGET ACTIVITY National Defense Sealift Fund/BA-4			PROGRAM ELEMENT NUMBER AND NAME PE 0408042N/National Defense Sealift Fund				PROJECT NUMBER AND NAME 3117 OPLOG			
D. Other Program Funding Summary	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	To Complete	Total Cost	
Not Applicable										
(U) Related RDT&E: Not Applicable										
E. Acquisition Strategy:										
Not applicable for OPLOG R&D efforts.										
F. Major Performers:										
Field Activities & Locations - Work Performed										
NSWC, Carderock - Concept development										
NSWC, Panama City - Technology development										
NSWC, Pt Hueneme - Technology development										
NSWC, Indian Head - Concept development										
NAVICP, Philadelphia - Engineering support										
Contractors & Locations - Work Performed										
CSC, Washington, DC - Engineering Support										
St. Onge, York, PA - Engineering Support										
SAIC, Mechanicsburg, PA - Policy Analysis										
AMSEC, San Diego, CA - Engineering Support										
Universities & Locations - Work Performed										
MIT - Concept development										
University of Michigan - Technology development										

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CLASSIFICATION:

Exhibit R-3 Cost Analysis								FY 2007 President's Budget (\$M)				DATE:		February 2006	
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT			PROJECT NUMBER AND NAME									
National Defense Sealift Fund/BA-4			PE 0408042N			3117 OPLOG									
Cost Categories	Contract Method & Type	Performing Activity & Location	Total P Y s Cost			FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	Cost to Complete	Total Cost	Target Value of Contract	
Primary Hardware Development	Various	Various Contractors				1.800	various	1.950	various	2.800	various	Continuing	Continuing		
Ancillary Hardware Development	Various	Various Contractors				0.700	various	0.600	various	0.830	various	Continuing	Continuing		
Aircraft Integration													0.000		
Ship Integration	WX & RX	Govt Labs & Activities & contractors				0.434	various	0.734	various	1.00	various	Continuing	Continuing		
Ship Suitability	WX & RX	Govt Labs & Activities & contractors				0.125	various	0.054	various	0.33	various	Continuing	Continuing		
Systems Engineering	WX & RX	Govt Labs & Activities & contractors				2.100	various	1.650	various	2.10	various	Continuing	Continuing		
Training Development													0.000		
Licenses													0.000		
Tooling													0.000		
GFE													0.000		
Award Fees													0.000		
Subtotal Product Development			0.000			5.159		4.988		7.056		0.000	10.147		
Remarks:															
Development Support	Various	Various Contractors					various		various		various	Continuing	Continuing		
Software Development													0.000		
Integrated Logistics Support													0.000		
Configuration Management													0.000		
Technical Data	WX & RX	Govt Labs & Activities & contractors				2.100	various	1.408	various	1.468	various	Continuing	Continuing		
Studies & Analyses	WX & RX	Govt Labs & Activities & contractors				1.100	various	0.925	various	1.100	various	Continuing	Continuing		
GFE													0.000		
Award Fees													0.000		
Subtotal Support			0.000			3.200		2.333		2.568		Continuing	Continuing		
Remarks:															

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Exhibit R-3 Cost Analysis (page 2)								FY 2007 President's Budget (\$M)					DATE:	
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT			PROJECT NUMBER AND NAME								
National Defense Sealift Fund/BA-4			PE 0408042N			3117 OPLOG							February 2006	
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost			FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Developmental Test & Evaluation	Various	Various Contractors				0.230		0.330		0.42		Continuing	Continuing	
Operational Test & Evaluation	Various	Various Contractors						0.610		0.75		Continuing	Continuing	
Live Fire Test & Evaluation													0.000	
Test Assets													0.000	
Tooling													0.000	
GFE													0.000	
Award Fees													0.000	
Subtotal T&E			0.000			0.230		0.940		1.170		0.000	1.170	
Remarks:														
Contractor Engineering Support													0.000	
Government Engineering Support													0.000	
Program management Support													0.000	
Travel													0.000	
Transportation													0.000	
SBIR Assessment													0.000	
Subtotal Management			0.000			0.000		0.000		0.000		0.000	0.000	
Remarks:														
Total Cost			0.000			8.589		8.261		10.794		Continuing	Continuing	
Remarks:														

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**NATIONAL DEFENSE SEALIFT FUND
Exhibit P-40
FY 07 President's Budget**

**NDSF
February 2006
BA-5
BLI 050000**

**Ready Reserve Force (RRF)
(\$Millions)**

<u>RRF</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	
O&M	194.8	176.7	188.7	
RRF Ship Upgrades	0.0	1.0	0.5	
Other	19.0	20.0	19.2	
NDRF/Facilities				
Special Maintenance/ Supply Programs*				
Logistics	7.5	5.4	6.1	
FY05 GWOT Supplemental Appropriation	9.0	0.0	0.0	
Total, RRF	230.3	203.1	214.5	
	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Outyear Costs	234.9	233.4	338.8	263.3

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

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 readiness status of the RRF ships (ROS-4, ROS-5, RRF 10, RRF 20) is an indicator of the maintenance regimen required for the vessel to meet its readiness obligation. For example, only ROS-4 and ROS-5 ships have partial crews on-board, are berthed at outport locations close to their load ports and have frequent sea trials (annual or bi-annual). Generally, RRF 10 and 20 day ships are kept in three National Defense Reserve Fleet sites in deep lay-up and are seatrialed and docktried on a frequency to ensure that their Coast Guard Certificates of Inspection (COI) are maintained.

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**NATIONAL DEFENSE SEALIFT FUND
Exhibit P-5 SEALIFT COST ANALYSIS
FY 2007 President's Budget**

**NDSF
February 2006**

A. DATE: January 2006		B. APPROPRIATION: National Defense Sealift Fund (NDSF) (AC #80)		C. ITEM NOMENCLATURE Budget Activity: Ready Reserve Force (RRF) (NDSF BA 5) Budget Line Item: Ready Reserve Force (RRF) (NDSF BLI 0500)													BA-5 BLI 050000	
ELEMENT OF COST		IDENT CODE	TOTAL COST IN THOUSANDS OF DOLLARS															
COST CODE	RRF COST CATEGORY (1)	(2)	FY 05		FY 06		FY 07		FY 08		FY 09		FY 10		FY 11			
			QTY (9)	TOTAL COST (10)	QTY (11)	TOTAL COST (12)	QTY (13)	TOTAL COST (14)	QTY (15)	TOTAL COST (16)	QTY (17)	TOTAL COST (18)	QTY (17)	TOTAL COST (18)	QTY (17)	TOTAL COST (18)		
BLI 0500	Maintenance & Repair, activations Less JCS Exercise Savings			103,714 (5,000)		103,832 (5,000)		105,281 (5,000)		113,834 (5,000)		113,655 (5,000)		116,482 (5,000)		124,815 (5,000)		
BLI 0500	ROS Crews/SM fees		40	61,177	40	72,871	41	75,057	41	77,308	41	79,628	41	82,016	41	89,477		
BLI 0500	Outporting		43	17,922	43	17,862	41	17,344	41	17,954	41	18,811	41	17,950	41	23,400		
BLI 0500	Logistics			7,500		5,421		6,131		6,298		6,217		6,896		8,900		
BLI 0500	NDRF/Facilities & Security			18,991		20,037		19,237		19,500		19,129		19,450		21,230		
BLI 0500	CAPE'F/OPDS/barge upgrades			0		1,000		500		5,000		1,000		1,000		500		
BLI 0500	GWOT Supplemental			9,000		0		0		0		0		0		0		
	Total:			213,304		216,023		218,550		234,894		233,440		238,794		263,322		
	Forward Financing 05-06			17,000		(17,000)		0		0		0		0		0		
	Forward Financing 06-07					4,100		(4,100)										
	TOTAL, RRF (NDSF BA 5 BLI 0500)			230,304		203,123		214,450		234,894		233,440		238,794		263,322		

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NATIONAL DEFENSE SEALIFT FUND (NDSF)
RRF READINESS STATUS
(Ship Quantity)
FY07 President's Budget

NDSF
February 2006
BA-5
BLI 050000

READY RESERVE FORCE- SHIPS BY READINESS CATEGORY

Ship Type	2005	2006	2007	2008	2009	2010	2011
BREAKBULK	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
ROS-5	2	2	2	2	2	2	2
RRF-10	0	0	0	0	0	0	0
RRF-20	0	0	0	0	0	0	0
RRF-30	0	0	0	0	0	0	0
PREPO	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>
ROS-4	0	0	0	0	0	0	0
ROS-5	27	27	27	27	27	27	27
RRF-10	4	4	4	4	4	4	4
PREPO							
HEAVYLIFT	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
ROS-5	3	3	3	3	3	3	3
RRF-10	3	3	3	3	3	3	3
T-ACS	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
ROS-4	2	2	2	2	2	2	2
ROS-5	4	4	4	4	4	4	4
RRF-10	1	1	1	1	1	1	1
RRF-20	3	3	3	3	3	3	3
PREPO	0	0	0	0	0	0	0
TANKER	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
RRF-10	3	0	0	0	0	0	0
RRF-20	0	0	0	0	0	0	0
OPDS-TANKER	<u>3</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
ROS-5	0	0	1	1	1	1	1
RRF-10	1	1	1	1	1	1	1
RRF-30	0	0	0	0	0	0	0
PREPO	2	2	0	0	0	0	0
T-AVB							
ROS-5	2	2	2	2	2	2	2
TROOPSHIP							
RRF-10	0	0	0	0	0	0	0
GRAND TOTALS	58	55	54	54	54	54	54

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NATIONAL DEFENSE SEALIFT FUND (NDSF)

REVENUE AND EXPENSES

(Dollars in Millions)

FY 2007 President's Budget

NDSF Unfunded Reimbursable Programs

Revenue:	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Gross Sales:			
Operations	880.2	953.8	973.3
Depreciation Except Maj Const	0.0	0.0	0.0
Major Construction Depreciation	0.0	0.0	0.0
Total Gross Sales	880.2	953.8	973.3
Other Income	0.0	0.0	0.0
 Total Income	 880.2	 953.8	 973.3
 Expenses:			
Prepositioning Ships	684.3	754.9	771.4
Surge Ships	195.9	198.9	201.9
 Total Expenses	 880.2	 953.8	 973.3
 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	880.2	953.8	973.3
 Operating Result	 880.2	 953.8	 973.3
 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

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REVENUE AND EXPENSES
(Dollars in Millions)
FY 2007 President's Budget
NATIONAL DEFENSE SEALIFT FUND (NDSF)
NDSF Unfunded Reimbursable Programs

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
1. Orders from DoD Components:			
Navy	679.6	715.4	730.0
Army	118.8	143.1	146.0
Air Force	51.8	66.8	68.1
Defense Energy Support Center	30.0	28.5	29.2
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	880.2	953.8	973.3
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	880.2	953.8	973.3

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FINANCIAL CONDITION

(Dollars in Millions)

FY 2007 Pres Budget

NATIONAL DEFENSE SEALIFT FUND (NDSF)

NDSF Direct Funded Programs

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Assets:			
Selected Assets:			
Fund Balance with Treasury	1,107.3	1,078.2	1,071.9
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	 1,107.3	 1,078.2	 1,071.9
 Liabilities:	 <u>0.0</u>	 <u>0.0</u>	 <u>0.0</u>
Selected Liabilities:			
Accounts Payable			
Accrued Liabilities	1,107.3	1,078.2	1,071.9
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	 1,107.3	 1,078.2	 1,071.9
 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	 1,107.3	 1,078.2	 1,071.9

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REVENUE AND EXPENSES

(Dollars in Millions)

FY 2007 President's Budget

NATIONAL DEFENSE SEALIFT FUND (NDSF)

NDSF Direct Funded Programs

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Unobligated Authority Available, Beginning of Year			
New Authority:	1,107.3	1,078.2	1,071.9
New Construction/Conversion	639.0	387.9	533.4
DOD Mobilization Assets	185.6	415.6	215.5
RDT&E	52.4	71.6	108.6
NDRF Operations and Maintenance	230.3	203.1	214.5
Transfer to Other Accounts	0.0	0.0	0.0
Obligations (Total)	1,107.3	1,078.2	1,071.9
New Construction/Conversion	639.0	387.9	533.4
DOD Mobilization Assets	185.6	415.6	215.5
RDT&E	52.4	71.6	108.6
NDRF Operations and Maintenance	230.3	203.1	214.5
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	1,107.3	1,078.2	1,071.9
Transferred from Other Accounts	0.0	0.0	0.0
Alliance Contributions	0.0	0.0	0.0

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