

1

DEPARTMENT OF THE NAVY  
JUSTIFICATION OF ESTIMATES  
FY 1990/1991 BIENNIAL BUDGET



DTIC  
SELECTE  
FEB 23 1989  
S D &

AD-A204 808

SUBMITTED TO CONGRESS JANUARY 1989

DISTRIBUTION STATEMENTS  
Approved for public release  
Distribution is unlimited

PROCUREMENT

SHIPBUILDING AND CONVERSION,  
NAVY

00 2 22 090

DEPARTMENT OF THE NAVY  
SHIPBUILDING AND CONVERSION, NAVY

JUSTIFICATION OF ESTIMATES FOR FISCAL YEARS 1990/91

TABLE OF CONTENTS

INDEX.....1

BUDGET APPENDIX EXTRACT,.....2

STATUS OF COMPLETION OF PRIOR YEAR SHIPBUILDING PROGRAM,.....13

BUDGET ACTIVITY JUSTIFICATIONS:--

    BUDGET ACTIVITY 1 - BALLISTIC MISSILE SHIPS,.....14

    BUDGET ACTIVITY 2 - OTHER WARSHIPS,.....15

    BUDGET ACTIVITY 3 - AMPHIBIOUS SHIPS,.....18

    BUDGET ACTIVITY 4 - MINE WARFARE AND PATROL SHIPS,.....20

    BUDGET ACTIVITY 5 - AUXILIARIES AND CRAFT,.....21

COMPARISON OF PROGRAM REQUIREMENTS AND FINANCING.....26

*1 - 1989 data out of 1989*



Accession for	
NTIS REPORT	<input checked="" type="checkbox"/>
DTIC	<input type="checkbox"/>
Unannounced	<input type="checkbox"/>
Justification	<input type="checkbox"/>
By	
Date	
Post	

**A-1**

SHIPBUILDING AND CONVERSION, NAVY

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title [, as follows: TRIDENT ballistic missile submarine program, \$1,261,100,000; SSN-688 attack submarine program, \$1,365,100,000; SSN-21 attack submarine program, \$1,488,000,000; Aircraft carrier service life extension program, \$62,743,000; DDG-51 destroyer program, \$2,062,200,000; LHD-1 amphibious assault ship program, \$737,500,000; MHC coastal mine hunter program, \$197,200,000; T-AO fleet oiler program, \$689,900,000: Provided, That the Navy shall first execute the remaining options for the low bidder's current contract: Provided further, That the remaining funds may not be obligated or expended until the Secretary of the Navy conducts an independent assessment of the shipbuilding mobilization base and determines whether or not the remaining three T-AO fleet oilers should be awarded to a second source shipyard and submits for approval to the Committees on Appropriations its T-AO fleet oiler procurement strategy; AO conversion program, \$84,900,000; T-AGOS surveillance ship program, \$159,600,000; AOE combat support ship program, \$363,900,000; LCAC landing craft air cushion program, \$306,600,000; For outfitting, and post delivery, \$276,800,000; In all: \$9,055,543,000] \$10,419,600,000, to remain available for obligation until September 30, [1993] 1996: Provided, That additional obligations may be incurred after September 30, [1993] 1996, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction [: Provided further, That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign shipyards for the construction of major components of the hull or superstructure of such vessel: Provided further, That none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards]. Further, for the foregoing purposes, \$9,765,400,000, to become available for obligation on October 1, 1990, and to remain available for obligation until September 30, 1997: Provided, That additional obligations may be incurred after September 30, 1997, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stages of ship construction. None of the funds herein appropriated for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign shipyards for the construction of major components of the hull or superstructure of such vessel: Provided, That none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards. (10 U.S.C. 5013, 5063, 7296, 7298; Department of Defense Appropriations Act, 1989; additional authorizing legislation to be proposed.)

Shiphobuilding and Conversion, Navy  
 Program and Financing (in Thousands of Dollars) FISCAL YEAR 1985

Budget Plan Amounts for Procurement  
 Actions Programmed

Classification code	17 1611 0 1 051	1988 actual	1989 est	1990 est	1991 est	1988 actual	1989 est	1990 est	1991 est
Program by activities:									
Direct program:									
00 0101	Fleet ballistic missile ships					35,821	137,074		
00 0201	Other warships					304,609	909,917		
00 0301	Ambitious ships					7,468	35,156		
00 0401	Mine warfare and patrol ships					15,460	95,794		
00 0501	Auxiliaries, craft, and prior year program costs					61,147	157,845		
00 9101	Total direct program					424,505	1,335,786		
01 0101	Reimbursable program								
10 0001	Total					424,505	1,335,786		
Financing:									
17 0001	Recovery of prior year obligations								
21 4002	Unobligated balance available, start of year:					22,416			
21 4003	For completion of prior year budget plans					1,638,879	-1,236,790		
21 4007	Available to finance new budget plans					-94,600			
22 4001	Reprogramming from/to prior year budget plans	-94,600	99,000						
22 4001	Unobligated balance transferred from other accounts ( )		99,000						
24 4007	Unobligated balance available, end of year:								
	For completion of prior year budget plans					1,736,790			
40 0017	Budget authority (Appropriation rescinded) ( )					94,600			

Shipbuilding and Conversion, Navy  
 Program and Financing (in thousands of dollars) FISCAL YEAR 1986

Justification Code	17 1611 0 1-051	Budget Plan (amounts for procurement actions programmed)						
		1988 actual	1989 est.	1990 est.	1991 est.	1988 actual	1989 est.	1990 est.
<i>Program by activities:</i>								
<i>Object program:</i>								
0101	Fleet ballistic missile ships		58,718	118,607		25,219	58,718	118,607
0201	Other warships		267,959	717,731		295,376	267,959	717,731
0301	Amphibious ships		48,530	98,028		32,202	48,530	98,028
0401	Mine warfare and patrol ships		59,948	121,091		17,545	59,948	121,091
0501	Auxiliaries, craft, and prior-year program costs		47,345	95,634		91,806	47,345	95,634
10 0001	Total		482,500	1,151,091		462,148	482,500	1,151,091
<i>Financing:</i>								
17 0001	Recovery of prior year obligations					-3,275		
21 4002	Unobligated balance available, start of year:							
21 4002	For completion of prior year budget plans					-2,092,485	-1,633,591	-1,151,091
21 4003	Available to finance new budget plans	-20,000				-20,000		
24 4002	Unobligated balance available, end of year:							
24 4002	For completion of prior year budget plans					1,633,591	1,151,091	
40 0017	Budget authority (appropriation rescinded) (	-20,000				-20,000		



Shipbuilding and Conversion, Navy  
 Program and Financing (in Thousands of Dollars) FISCAL YEAR 1988

Budget Plan (amounts for PROCUREMENT actions program)

Identification code	17 1611 0 1 051	1988 actual	1989 est.	1990 est.	1991 est.	1988 actual	1989 est.	1990 est.	1991 est.	1990 est.	1991 est.
Program by activities:											
Direct program											
00 0001	Fleet ballistic missile ships	1,750,800				968,446	67,716			56,877	65
00 0301	Other warships	17,895,455				10,379,838	16,934			481,075	641
00 0301	Amphibious ships	1,010,900				711,038	50,802			53,578	52
00 0501	Auxiliaries, craft, and prior-year program costs	708,300				392,783	33,870			37,551	36
00 0001	Total	15,975,655				12,451,605	169,342			639,076	798
Financing											
01 4002	Unobligated balance available, start of year:										
01 4003	For completion of prior year budget plans										
21 4001	Available to finance new budget plans		126,300								
21 4001	Unobligated balance transferred to other accounts		126,300								
24 4002	Unobligated balance available, end of year:										
24 4003	For completion of prior year budget plans	126,300				3,524,050	3,354,708			2,715,682	1,916
24 4003	Available to finance subsequent year budget plans					126,300					
02 0001	Budget authority	16,101,955				16,101,955					
Budget authority:											
40 0001	Appropriation	16,155,355				16,155,355					
41 0001	Transferred to other accounts(-)	-53,400				-53,400					
42 0001	Appropriation (adjusted)	16,101,955				16,101,955					

Shipbuilding and Conversion, Navy  
 Program and Financing (in thousands of dollars) FISCAL YEAR 1989

Budget Plan (amounts for PROCUREMENT actions programmed)

Identification code	1988 actual	1989 est	1990 est	1991 est	Budget plan		
					1988 actual	1989 est	1990 est
<b>Program by activities</b>							
<b>Direct program</b>							
00 0101 Fleet ballistic missile ships		7,196,200			849,280	96,315	63
00 0201 Other warships		5,786,483			3,673,912	779,644	490
00 0301 Amphibious ships		733,700			520,028	59,254	38
00 0401 Mine warfare and patrol ships		196,700			139,490	15,918	10
00 0501 Auxiliaries, craft, and prior year program costs		1,969,167			1,290,363	135,851	88
10 0001 Total		9,881,650			6,422,073	1,086,982	691
<b>Financing</b>							
1002 Unobligated balance available, start of year:							
For completion of prior year budget plans		349,700			349,700		2,371
Unobligated balance transferred from other accounts ( )							
40 4002 For completion of prior year budget plans					3,458,577	2,371,595	1,679
19 0001 Budget authority		9,532,450			9,532,450		
<b>Budget authority</b>							
40 0001 Appropriation		9,494,343			9,494,343		
40 0004 Reduction pursuant to p ( 100 463		16,893			16,893		
41 0001 Transferred to other accounts ( )		45,000			45,000		
41 0001 Transferred from other accounts		100,000			100,000		
43 0001 Appropriation (adjusted)		9,532,450			9,532,450		

Shipbuilding and Conversion, Navy  
 Program and Financing (in thousands of dollars) FISCAL YEAR 1990

Identification code	17 1611 0 1 051	Budget Plan (amounts for PROUREMENT actions programmed)					Obligations		
		1988 actual	1989 est	1990 est	1991 est	1988 actual	1989 est	1990 est	1991 est
Program by activities:									
Direct program:									
00 0101			1,228,600				871,741		94
00 0201			6,638,200				3,596,902		870
00 0301			229,300				162,692		18
00 0401			571,800				396,692		50
00 0501			1,751,700				1,344,663		157
00 0000			10,419,600				6,772,740		1,146
Financing:									
21 4002									-3,646
74 4002							3,646,860		7,500
40 0001			10,419,600				10,419,600		

Shipbuilding and Conversion, Navy  
 Program and Financing (in thousands of dollars) FISCAL YEAR 1991

Budget Plan (amounts for PROGRAM ELEMENT actions programmed)

Identification code	17 1611-0 1-051	1988 actual	1989 est	1990 est	1991 est	1988 actual	1989 est	1990 est	1991 est
Program by activities:									
Direct program									
00 0101	Fleet ballistic missile ships				1,754,500				1970
00 0201	Other warships				6,843,200				4,080
00 0301	Amphibious ships				768,500				190
00 0401	Mine warfare and patrol ships				214,900				157
00 0501	Auxiliaries, craft, and prior year program costs				1,184,300				834
00 0001	Total				9,765,400				6,347
Financing									
24 4002	Unobligated balance available, end of year								3,417
40 0001	For completion of prior year budget plans								9,765
	Budget authority (Appropriation)				9,765,400				

Supporting and conversion Navy Program and Funding (in thousands of dollars) Summary

Classification Code	Budget (in thousands of dollars)									
	1988 actual	1989 est	1990 est	1991 est	1988 actual	1989 est	1990 est	1991 est	1990 est	1991 est
Program by activities										
Direct program										
00 000	1,260,800	1,196,700	1,228,600	1,254,500	1,124,614	1,191,035	1,202,541	1,202,541	1,191,035	1,202,541
00 001	12,995,955	5,786,493	6,638,200	6,843,200	12,187,777	1,211,713	6,404,941	6,404,941	1,211,713	7,218
00 002	1,070,900	713,700	679,700	668,500	833,993	554,516	373,552	373,552	554,516	300
00 003	708,500	1,969,167	1,751,700	1,184,300	830,517	1,645,887	1,675,676	1,675,676	1,645,887	1,241
00 040	15,975,655	9,881,650	10,419,600	9,765,400	15,047,689	9,712,311	10,190,417	10,190,417	9,712,311	10,281
00 910										
00 910	15,975,655	9,881,650	10,419,600	9,765,400	15,047,689	9,712,417	10,190,417	10,190,417	9,712,417	10,281
00 000										
00 000										
Financing										
Offsetting collections from										
11 000										
14 000										
17 000										
21 400	432,300	126,300			8,442,876	8,777,878	9,802,211	9,802,211	8,777,878	10,031
21 400	636,963	855,100			432,300	126,300			126,300	
22 400	28,000	1,078,000			28,000	1,078,000			1,078,000	
24 400	126,300				8,777,878	9,802,211	10,031,394	10,031,394	9,802,211	9,515
25 000	789,263				126,300	789,263			126,300	
19 000	15,849,955	9,532,450	10,419,600	9,765,400	15,849,955	9,532,450	10,419,600	10,419,600	9,532,450	9,765
40 000										
40 000	16,155,355	9,494,343	10,419,600	9,765,400	16,155,355	9,494,343	10,419,600	10,419,600	9,494,343	9,765
40 001	404,300	16,893			404,300	16,893			16,893	
41 000	53,400	45,000			53,400	45,000			45,000	
42 000		100,000				100,000				
43 000	15,697,655	9,532,450	10,419,600	9,765,400	15,697,655	9,532,450	10,419,600	10,419,600	9,532,450	9,765
50 000	152,300				152,300				152,300	
Relation of obligations to outlays:										
71 000										
72 400					15,047,926	9,712,417	10,190,417	10,190,417	9,712,417	10,281
74 400					23,277,192	29,686,342	28,858,959	28,374	29,686,342	28,374
77 000					29,686,342	28,858,959	28,374,876	28,374,876	28,858,959	27,714
78 000					283,200				283,200	
					-44,237				-44,237	
90 000					8,877,739	10,539,800	10,674,500	10,674,500	10,539,800	10,947

Shipbuilding and Conversion, Navy  
 Total Classification in Thousands of Dollars - SUMMARY

Classification Code	1988 Actual	1989 Est.	1990 Est.
Direct obligations:			
001 001 Contracts	311,049	211,179	239,079
320 004 Other	316,001	223,806	228,471
331 001 Equipment	14,400,639	9,254,558	9,711,271
999 001 Total Direct obligations	15,047,689	9,712,343	10,190,417
Reimbursable obligations:			
331 003 Equipment		74	74
999 003 Total Reimbursable obligations		74	74
999 901 Total obligations	15,047,689	9,712,417	10,190,417

Shipbuilding and Conversion, Navy  
 Object Classification (in Thousands of dollars)

REPORT 20  
 09 Jan 89  
 PAGE 82  
 TPGE 25

Identification code	17 1611-0-1-051	1988 actual	1989 est.	1990 est.	1991 est.
Direct obligations:					
125 003	Contracts	331,049	233,979	234,675	230,532
125 004	Other	316,001	223,806	224,471	220,508
131 001	Equipment	14,400,639	9,254,558	9,731,271	9,830,382
199 001	Total Direct obligations	15,047,689	9,712,343	10,190,417	10,281,422
Reimbursable obligations:					
231 001	Equipment		74		
299 001	Total Reimbursable obligations		74		
999 901	Total obligations	15,047,689	9,712,417	10,190,417	10,281,422

STATUS OF COMPLETION OF PRIOR YEAR  
SHIPBUILDING PROGRAMS

	<u>Uncompleted Through 31 Dec 1988</u>	<u>To Be Completed in FY 1989</u>	<u>To Be Completed in FY 1990</u>	<u>To Be Completed in FY 1991 and Subsequent Years</u>
FY 1983 and Prior Years				
Ships	5	2	2	1
New Construction	5	2	2	1
Conversion	0	0	0	0
FY 1984				
Ships	11	6	5	0
New Construction	11	6	5	0
Conversion	0	0	0	0
FY 1985				
Ships	19	4	7	8
New Construction	19	4	7	8
Conversion	0	0	0	0
FY 1986				
Ships	18	2	6	10
New Construction	17	2	5	10
Conversion	1	0	1	0
FY 1987				
Ships	22	6	3	13
New Construction	19	4	3	12
Conversion	3	2	0	1
FY 1988				
Ships	19	0	2	17
New Construction	15	0	0	15
Conversion	4	0	2	2
FY 1989				
Ships	22	0	0	22
New Construction	20	0	0	20
Conversion	2	0	0	2

The appropriation for FY 1990 will provide for 20 new construction ships and 2 conversions. The FY 1991 request includes 14 new construction ships.

BUDGET ACTIVITY NO.1 - BALLISTIC MISSILE SHIPS

(\$ in Thousands)

FY 1991 Estimate  
FY 1990 Estimate  
FY 1989 Estimate  
FY 1988 Estimate

\$1,254,500  
\$1,228,600  
\$1,196,200  
\$1,260,800

PURPOSE AND SCOPE

Budget Activity 1 provides for the new construction of ballistic missile ships and supporting vessels and the conversion of existing ships to specialized configurations required to meet strategic objectives.

JUSTIFICATION OF FUNDS

The funds requested for appropriation for Budget Activity 1 include:

TRIDENT SSBN (NUCLEAR)

<u>QTY</u>	<u>AMT</u>	<u>FY 1991</u>	<u>AMT</u>
<u>1</u>	<u>\$1,228,600</u>		<u>\$1,254,500</u>

(\$ in Thousands)

The FY 1990 request provides full funding of \$1,137,200 for the seventeenth TRIDENT submarine plus advance procurement funds of \$91,400 for the procurement of critical long lead nuclear components for the nineteenth submarine planned in FY 1992. The FY 1991 request provides full funding of \$1,199,400 for the eighteenth TRIDENT submarine plus advance procurement funds of \$55,100 for long lead nuclear components for the twentieth submarine planned in FY 1993. The TRIDENT mission is to provide an undersea strategic missile system in order to ensure that the U.S. continues to maintain a credible, survivable deterrent independent of foreseeable threats. TRIDENT submarines are highly survivable due to the incorporation of the latest state of the art in submarine quietness, mobility, and self-defense. Each has an integrated radio room designed to provide communication links in a hostile electromagnetic environment and carries the latest in submarine defense systems. Other features include a 70-day patrol period, a 25-day turnaround period between patrols, not less than 9 year intervals between overhauls/refuelings, and a projected operating life of 30 years. It should be noted that the FY 1990 and FY 1991 advance procurements are understated by \$49,200 and \$87,900, respectively, due to a misapplication of inflation indicies. An offsetting adjustment has also been reflected in Budget Activity 2 (SSN-21).

BUDGET ACTIVITY NO. 2 - OTHER WARSHIPS

(\$ in Thousands)

FY 1991 Estimate	\$ 6,843,200
FY 1990 Estimate	\$ 6,638,200
FY 1989 Estimate	\$ 5,786,483
FY 1988 Estimate	\$12,995,455

PURPOSE AND SCOPE

Budget Activity 2 provides for construction, conversion, modernization or service life extension of major warships other than ballistic missile ships.

JUSTIFICATION OF FUNDS

The funds requested for appropriation for Budget Activity 2 include:

SSN-688 CLASS SUBMARINE (NUCLEAR)

(\$ in Thousands)

<u>QTY</u>	<u>FY 1990</u>	<u>AMT</u>	<u>QTY</u>	<u>FY 1991</u>	<u>AMT</u>
2		\$1,520,300	-		-

The FY 1990 request provides full funding of \$1,520,300 for the construction of the last two SSN-688 Class nuclear submarines. The mission of the LOS ANGELES Class nuclear attack submarine is to destroy enemy ships, primarily submarines. It is a key element in our multi-type warfare forces. These submarines are capable of operating for long periods of time in waters under enemy air and surface control and are necessary to counter the new classes of Soviet high speed submarines. A new Improved Propulsion Machinery Plant (IPMP) and the Wide Aperture Array is planned for the FY 1989 program.

SSN-21 CLASS NEW DESIGN SUBMARINE (NUCLEAR)

(\$ in Thousands)

	<u>FY 1990</u>	<u>FY 1991</u>
QTY	<u>          </u>	<u>          </u>
AMT	<u>\$866,000</u>	<u>\$3,161,900</u>

The FY 1990 request includes \$866,000 of advance procurement funding for long lead HM&E and nuclear components for the FY 1991 and FY 1992 programs. The FY 1991 request includes \$2,011,700 in full funding for two SSN-21 Class Submarines and \$1,150,200 advance procurement for long lead components for the FY 1992 and 1993 programs. The SSN-21 Class Submarine is intended to combat the rapidly increasing capabilities of the Soviet submarine force into the 1990's and beyond. The SSN-21 will be quieter and incorporate a more advanced combat system (BSY-2) then presently employed on the improved SSN-688 class. One of the two FY 1991 ships will be awarded to a second shipbuilder. It should be noted that the FY 1990 and FY 1991 advance procurements are overstated by \$49,200 and \$87,900, respectively, due to a misapplication of inflation indices. An offsetting adjustment has been reflected in Budget Activity 1 (TRIDENT).

CV (SLEP) AIRCRAFT CARRIER

(\$ in Thousands)

	<u>FY 1990</u>	<u>FY 1991</u>
QTY	<u>          1</u>	<u>          -</u>
AMT	<u>\$651,200</u>	<u>\$ 76,600</u>

The FY 1990 request provides \$630,300 in full funding for the CV-64 (CONSTELLATION) SLEP and \$20,900 in advance procurement for long lead material for the CV-67 (USS KENNEDY) SLEP. The FY 1991 request provides \$76,600 in advance procurement for long lead materials for the CV-67. The Aircraft Carrier SLEP will extend the life of conventionally powered big deck aircraft carriers from 30 years to a total of 45 years. The SLEP will be accomplished through an availability in which equipments, systems, and structure will be repaired or replaced as necessary. Duration of availability will be tailored to the scope of the work package.

DDG-51 GUIDED MISSILE DESTROYER

(\$ in Thousands)

	<u>FY 1990</u>		<u>FY 1991</u>
	<u>QTY</u>		<u>QTY</u>
	5		5
		<u>AMT</u>	<u>AMT</u>
		\$3,600,700	\$3,604,700

The FY 1990/1991 request provides full funding for five DDG-51 Guided Missile Destroyers in both FY 1990 (\$3,600,700) and FY 1991 (\$3,600,800). The shipbuilding portion of the program is to be executed as a multiyear procurement for the FY 1990 - 94 timeframe. The FY 1991 request also includes \$3,900 of advance procurement funds to continue the MK-45 / MK-6 (Gun Mounts and Ammunition Hoists) multiyear procurement. The DDG-51 will have a combat system which has the capability to perform simultaneous missions in Anti-Air, Strike, Anti-Surface, and Anti-Submarine warfare areas. The DDG-51 will operate offensively and defensively as units of Carrier Battle Groups, Surface Action Groups, and in support of Underway Replenishment Groups and the Marine Amphibious Task Forces. The DDG-51 Class design provides outstanding combat capability and survivability while meeting procurement and life cycle support cost constraints.



LSD-41 LANDING SHIP DOCK (CARGO VARIANT)

(\$ in Thousands)

	<u>FY 1990</u>		<u>FY 1991</u>	
	<u>QTY</u>		<u>QTY</u>	<u>AMT</u>
	<u>1</u>		<u>1</u>	<u>\$232,700</u>
				<u>\$229,300</u>

The FY 1990/1991 request includes \$229,300 in FY 1990 and \$232,700 in FY 1991 to fully fund one LSD-41 Class Dock Landing/(Cargo Variant) Ship each year. The LSD (CV) will transport and launch amphibious craft and vehicles with their crews and embarked personnel in amphibious assault operations. It will also provide limited docking and repair services for conventional landing craft and Air Cushion Landing Craft (LCAC). The ship will differ from the LSD-41 in that it will have two less LCAC and additional cargo capacity. LSD (CV) class ships are required in order to make up a cargo capacity shortfall and contribute to the lift requirement of a MAF (AE) and MAB (AE).

BUDGET ACTIVITY NO.4 - MINE WARFARE AND PATROL SHIPS

(\$ in Thousands)

FY 1991 Estimate	\$214,900
FY 1990 Estimate	\$571,800
FY 1989 Estimate	\$196,700
FY 1988 Estimate	\$ -0-

PURPOSE AND SCOPE

Budget Activity 4 provides for the construction and conversion of ships with minesweeping capability, as well as patrol and escort ships.

JUSTIFICATION OF FUNDS

The funds requested for appropriation for Budget Activity 4 include:

MCM MINE COUNTERMEASURES

(\$ in Thousands)

<u>QTY</u>	<u>AMT</u>	<u>FY 1991</u>	<u>AMT</u>
3	\$341,500		-

Appropriation of \$341,500 is requested in FY 1990 for the last three MCM ships. The MCM is a "state of the art technology" mine countermeasures ship which will replace the aging MSO 422/508 class ocean minesweeper fleet. The MCM clears/neutralizes mines from the ocean bottom and water volume.

MHC COASTAL MINE HUNTER

(\$ in Thousands)

<u>QTY</u>	<u>AMT</u>	<u>FY 1991</u>	<u>AMT</u>
3	\$230,300		\$214,900

Appropriation of \$230,300 is requested for three MHC ships each in FY 1990 and FY 1991. The MHC is a new class of coastal minehunting ships which will conduct mine neutralization, hunting, and sweeping operations in the U.S. harbor and coastal environment.

BUDGET ACTIVITY NO.5 - AUXILIARIES, CRAFT, AND PRIOR YEAR PROGRAM COSTS

(\$ in Thousands)

FY 1991 Estimate	\$1,184,300
FY 1990 Estimate	\$1,751,700
FY 1989 Estimate	\$1,969,167
FY 1988 Estimate	\$ 708,500

PURPOSE AND SCOPE

Budget Activity 5 provides for the construction, conversion and acquisition of auxiliary ships and craft, as well as other costs such as outfitting, post delivery, cost growth, and escalation on prior year shipbuilding programs when required.

JUSTIFICATION OF FUNDS

The funds requested for appropriation for Budget Activity 5 include:

AO(J) FLEET OILER (JUMBO)

(\$ in Thousands)

<u>QTY</u>	<u>FY 1990</u>	<u>AMT</u>	<u>QTY</u>	<u>FY 1991</u>	<u>AMT</u>
1		\$35,700	-		-

The AO (JUMBO) conversion program is designed to increase the 120,000 barrel fuel capacity of existing AO-177 class ships to 180,000 barrels. The FY 1990 request of \$35,700 provides for the last currently planned conversion. The mission of the AO(J) is to transport bulk petroleum, oil and lubricants (POL) from shore depots to AOE's, AOR's, TAO's, and other ships. In addition, the AO(J) is intended to receive and deliver, by connected replenishment, fleet freight, mail, and personnel.

TAGOS OCEAN SURVEILLANCE SHIP

(\$ in Thousands)

<u>QTY</u>	<u>FY 1990</u>	<u>AMT</u>	<u>QTY</u>	<u>FY 1991</u>	<u>AMT</u>
<u>1</u>		<u>\$155,800</u>	<u>1</u>		<u>1</u>

Appropriation of \$155,800 is requested in FY 1990 for one TAGOS hull designed with the SWATH-23 (Small Water Plane Area Twin Hull) configuration. The FY 1989 program was based on the smaller SWATH-19 design. TAGOS ships will be used as a unit of the Military Sealift Command to support the towed arrays and data processing/transmitting equipments of the SURTASS system which collects, processes, and transmits acoustic data.

AOE FAST COMBAT SUPPORT SHIP

(\$ in Thousands)

<u>QTY</u>	<u>FY 1990</u>	<u>AMT</u>	<u>QTY</u>	<u>FY 1991</u>	<u>AMT</u>
<u>1</u>		<u>\$356,400</u>	<u>1</u>		<u>\$357,700</u>

The FY 1990/1991 appropriation request includes \$356,400 in FY 1990 and \$357,700 in FY 1991 for one AOE Fast Combat Support Ship each year. The AOE will deliver on-station munitions, bulk POL, and dry and frozen provisions to battle groups underway in hostile environments. The multi-product AOE significantly extends the endurance of the Battle Group for combat operations.

OCEANOGRAPHIC RESEARCH SHIP

(\$ in Thousands)

<u>QTY</u>	<u>FY 1990</u>	<u>AMT</u>	<u>QTY</u>	<u>FY 1991</u>	<u>AMT</u>
<u>3</u>		<u>\$278,100</u>	<u>1</u>		<u>\$41,900</u>

The Oceanographic Research Ship program provides for two separate missions: ocean research, performed by AGOR class ships, and ocean survey, performed by TAGS class ships. Both AGOR and TAGS classes include two hull-types, monohull and SWATH (Small Waterplane Area Twin Hull). The FY 1990 request includes \$278,100 for construction of one TAGS MIZAR Replacement and two TAGS(O) ocean surveying ships. The FY 1991 request of \$41,900 is for one TAGS(O) ocean surveying ship. The TAGS is a large monohull and the TAGS(O) is a medium monohull.

MOORED TRAINING SHIP DEMONSTRATION (MTSD)

(\$ in Thousands)

<u>QTY</u>	<u>FY 1990</u>	<u>AMT</u>	<u>FY 1991</u>	<u>AMT</u>
1		\$220,000		-

The Moored Training Ship Demonstration Program provides for the conversion of a retiring submarine into a training platform for use by Naval propulsion plant operators. The MTSD concept is the most efficient means to maintain the standards of the Naval Nuclear Propulsion Program and to ensure sufficient operating reactors will be available for training future plant operators. The FY 1990 request includes \$220,000 to fully fund the conversion of one submarine.

SERVICE CRAFT

(\$ in Thousands)

<u>QTY</u>	<u>FY 1990</u>	<u>AMT</u>	<u>FY 1991</u>	<u>AMT</u>
-		\$45,100		\$78,600

Appropriation of \$45,100 is requested in FY 1990 for fifteen open lighters (YC), one barracks craft (APL), two aircraft transportation lighters (YCV) and four floating cranes (YD); \$78,600 is requested in FY 1991 for twelve covered lighters (YFN), six gasoline barges (YOGN), one repair berthing and messing barge (YRBM), nine water barges (YWN), five floating workshops (YR), and five floating cranes (YD).

LANDING CRAFT

(\$ in Thousands)

<u>QTY</u>	<u>FY 1990</u>	<u>AMT</u>	<u>FY 1991</u>	<u>AMT</u>
-		\$11,300		\$10,000

The FY 1990/1991 appropriation request includes \$11,300 in FY 1990 and \$10,000 in FY 1991 for 10 aluminum LCM-8 craft in each year.

LCAC LANDING CRAFT AIR CUSHION

(\$ in Thousands)

	<u>FY 1990</u>	<u>FY 1991</u>
<u>QTY</u>	<u>9</u>	<u>12</u>
<u>AMT</u>	<u>\$219,300</u>	<u>\$284,000</u>

The FY 1990 request includes \$196,400 for full funding of nine LCACs and \$22,900 for advance procurement in support of the FY 1991 program. The FY 1991 request includes \$255,900 for full funding of twelve LCACs and \$28,100 for advance procurement in support of the FY 1993 program. Advance procurement is required to maintain craft delivery schedules necessary to meet amphibious lift requirements. The Landing Craft Air Cushion (LCAC) is a fully amphibious air cushion vehicle capable of operating from existing and planned well deck ships. The LCAC transports weapon systems, equipment, cargo, and personnel of the assault elements of the Marine Air/Ground Task Force both from ship to shore and across the beach.

OUTFITTING

(\$ in Thousands)

	<u>FY 1990</u>	<u>FY 1991</u>
<u>QTY</u>	<u>-</u>	<u>-</u>
<u>AMT</u>	<u>\$260,500</u>	<u>\$220,000</u>

The FY 1990/1991 appropriation request provides for outfitting material consisting of government furnished spares, repair parts, and other material required to fill ships' initial allowance of storeroom and operating space items.

POST DELIVERY

(\$ in Thousands)

	<u>FY 1990</u>	<u>FY 1991</u>
<u>QTY</u>	<u>-</u>	<u>-</u>
<u>AMT</u>	<u>\$159,500</u>	<u>\$156,900</u>

The FY 1990/1991 appropriation request provides post delivery costs for design, planning, government furnished material, and related labor costs required to correct ship deficiencies defined during acceptance and shakedown trials. It is limited to the work which can be accomplished within the SCN funding availability period. All funds required for correction of deficiencies for a particular ship are budgeted in the first fiscal year in which funding is required.

SHIP SPECIAL SUPPORT EQUIPMENT

(\$ in Thousands)

	<u>FY 1990</u>	<u>FY 1991</u>
QTY	-	-
AMT	\$10,000	\$35,200

Details Classified.

COMPARISON OF FY 1988 PROGRAM REQUIREMENTS AS REFLECTED  
 IN FY 1989 BUDGET WITH FY 1988 PROGRAM REQUIREMENTS AS  
 SHOWN IN FY 1990 BUDGET

SUMMARY OF REQUIREMENTS (\$ IN THOUSANDS)

	Total Program Requirements Per 1989 Budget	Total Program Requirements Per 1990 Budget	Increase (+) or Decrease (-)
Fleet Ballistic Missile Ships	1,260,800	1,260,800	0
Other Warships	13,121,755	12,995,455	-126,300
Amphibious Ships	1,010,900	1,010,900	0
Mine Warfare and Patrol Ships	0	0	0
Auxiliaries, Craft and PY Program Costs	761,900	708,500	- 53,400
Reimbursable Program	1,133	0	- 1,133
Total Fiscal Year Program	16,156,488	15,975,655	-180,833

EXPLANATION BY BUDGET ACTIVITY  
 (\$ IN THOUSANDS)

1. FLEET BALLISTIC MISSILE SHIPS - No change.
2. OTHER WARSHIPS (\$-126,300) - The FY 1990 budget submission reflects transfers included in the FY 1989 Appropriation Act for the CVN program (\$-100,000) and the CG-47 program (\$-26,300).
3. AMPHIBIOUS SHIPS - No change.
4. MINE WARFARE AND PATROL SHIPS - No change.
5. AUXILIARIES, CRAFT, AND PRIOR YEAR PROGRAM COSTS (\$-53,400) - The FY 1990 budget submission reflects approved DD 1415 reprogramming reductions to LCAC advance procurement (-\$1,200), Outfitting (\$-8,800), and Strategic Sealift (\$-43,400) to offset requirement in other DOD appropriations (MFN, MPMC, O&M,N, O&M,DA).
6. REIMBURSABLE PROGRAM (\$-1,133) - Decrease to projected requirements.

COMPARISON OF FY 1989 PROGRAM REQUIREMENTS AS REFLECTED  
IN FY 1989 BUDGET WITH FY 1989 PROGRAM REQUIREMENTS AS  
SHOWN IN FY 1990 BUDGET

SUMMARY OF REQUIREMENTS (\$ IN THOUSANDS)

	Total Program Requirements Per 1989 Budget	Total Program Requirements Per 1990 Budget	Increase (+) or Decrease (-)
Fleet Ballistic Missile Ships	1,368,100	1,196,200	- 171,900
Other Warships	5,324,300	5,786,483	+ 462,183
Amphibious Ships	737,500	733,100	- 4,400
Mine Warfare and Patrol Ships	197,200	196,700	- 500
Auxiliaries, Craft and PY Program Costs	1,503,000	1,969,167	+ 466,167
Reimbursable Program	1,167	0	- 1,167
Total Fiscal Year Program	9,131,267	9,881,650	+ 750,383

EXPLANATION BY BUDGET ACTIVITY  
(\$ IN THOUSANDS)

1. FLEET BALLISTIC MISSILE SHIPS (\$-171,900) - Congressional action on the FY 1989 budget reduced TRIDENT full funding by \$107,000. Reductions were also applied to the TRIDENT program to offset the FY 1989 civilian pay raise (\$-19,400) and the NAVSEA effort to transition contractor services to in-house personnel (\$-500). Lastly, the TRIDENT advance procurement line reflects a \$45 million decrease due to a misapplication of inflation indicies. An offsetting adjustment has also been reflected in Budget Activity 2 (SSN-21).
2. OTHER WARSHIPS (\$+462,183) - Congressional action on the FY 1989 budget provided for one additional DDG (\$+710,000) offset by reductions to DDG advance procurement (\$-67,100), CV SLEP advance procurement (\$-72,657), and SSN-688 advance procurement (\$-128,500). Reductions were applied to the DDG program (\$-23,400) to offset the FY 1989 civilian pay raise and to the SSN-688 (\$-500) and DDG (\$-660) programs for the NAVSEA effort to transition contractor services to in-house personnel. Lastly, as indicated above in Budget Activity 1, the SSN-21 program reflects a \$45 million increase due to a misapplication of inflation indicies. An offsetting adjustment has also been reflected in Budget Activity 1 (TRIDENT).
3. AMPHIBIOUS SHIPS (\$-4,400) - Reductions were applied to the LHD program to offset the FY 1989 civilian pay raise (\$-800) and the NAVSEA effort to transition contractor services to in-house personnel (\$-3,600).
4. MINE WARFARE AND PATROL SHIPS (\$-500) - A reduction was applied to the MHC program to offset the NAVSEA effort to transition contractor services to in-house personnel (\$-500).

5. AUXILIARIES, CRAFT, AND PRIOR YEAR PROGRAM COSTS (+\$466,167) - Congressional action on the FY 1989 budget deleted the TAGS (SWATH) (\$-74,000) and provided three additional TAO fleet oilers (\$+405,000), six additional LCAC (\$+114,000), and establishment of a Special Operations Force line (\$+100,000). Congressional reductions were also applied to the Outfitting (\$-40,000), Post Delivery (\$-26,300), and AO(J) (\$-8,533) requests. Reductions were applied to the AO(J) program (\$-1,400) to offset the FY 1989 civilian pay raise and to the TAGOS (\$-700), AOE (\$-800), and LCAC (\$-1,100) programs for the NAVSEA effort to transition contractor services to in-house personnel.

6. REIMBURSABLE PROGRAM (\$-1,167) - Decrease to projected requirements.

COMPARISON OF FY 1988 FINANCING AS REFLECTED  
IN FY 1989 BUDGET WITH FY 1988 FINANCING AS  
SHOWN IN FY 1990 BUDGET

(\$ IN THOUSANDS)

	<u>Financing Per FY 1989 Budget</u>	<u>Financing Per FY 1990 Budget</u>	<u>Increase (+) or Decrease (-)</u>
Program Requirements (Total)	\$16,156,488	\$15,975,655	\$-180,833
Program Requirements (Service Account)	(\$16,155,355)	(\$15,975,655)	(\$-179,700)
Program Requirements (Reimbursable)	(\$1,133)	(0)	(\$-1,133)
Less: Anticipated Reimbursable	\$ 1,133	\$ 0	\$+ 1,133
Plus: Unobligated Balance Available to Finance Subsequent Year Budget	\$ 0	\$ 126,300	\$+126,300
Appropriation (Adjusted)	\$16,155,355	\$16,101,955	\$- 53,400

EXPLANATION OF CHANGES IN FINANCING

The Fiscal Year 1988 program has changed since the presentation of the FY 1989 budget as noted below:

1. Program Requirements. There has been a decrease of .....\$- 180,833  
     Service Account.....\$- 179,700  
     Reimbursable.....\$- 1,133
  
2. The program requirement change of \$-180,833 reflects the transfers of \$-126,300 included in the  
     FY 1989 Appropriation Act, DD 1415 reprogramming transfers to other accounts (\$-53,400), and deletion of the  
     reimbursable requirements (\$-1,133).

COMPARISON OF FY 1989 FINANCING AS REFLECTED  
IN FY 1989 BUDGET WITH FY 1989 FINANCING AS  
SHOWN IN FY 1990 BUDGET

(\$ IN THOUSANDS)

	Financing Per FY 1989 <u>Budget</u>	Financing Per FY 1990 <u>Budget</u>	Increase (+) or Decrease (-)
Program Requirements (Total)	\$ 9,131,267	\$ 9,881,650	\$+ 750,383
Program Requirements (Service Account)	(\$ 9,130,100)	(\$ 9,881,650)	(\$+ 751,550)
Program Requirements (Reimbursable)	(\$1,167)	0	(-1,167)
Less:			
Anticipated Reimbursable Unobligated Balance Transferred From Other Accounts	\$ 1,167	\$ 0	\$+ 1,167
Appropriation (Adjusted)	\$ 9,130,100	\$ 9,532,450	\$- 349,200
			\$+ 402,350

EXPLANATION OF CHANGES IN FINANCING

The Fiscal Year 1989 program has changed since the presentation of the FY 1988 budget as noted below:

1. Program requirements. There has been an increase of \$750,383 which reflects the approved appropriation rather than the amount requested for the Service Account (\$+751,550) offset by a reduction to the reimbursable account (\$-1,167). Also included within the Service Account is a \$349,200 transfer included in the FY 1989 Appropriation, Act for an additional DDG-51 destroyer.