

2

DTIC FILE COPY

DEPARTMENT OF THE NAVY
JUSTIFICATION OF ESTIMATES
FY 1991 BUDGET ESTIMATES

AD-A219 526



SUBMITTED TO CONGRESS JANUARY 1990

PROCUREMENT

SHIPBUILDING AND
CONVERSION, NAVY

DTIC
LECTE
MAR 21 1990
E

DEPARTMENT OF THE NAVY
Availability for public release;
Distribution Unlimited

90 03 20 150

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..... 14

BUDGET ACTIVITY JUSTIFICATION:

 BUDGET ACTIVITY 1 - BALLISTIC MISSILE SHIPS..... 16

 BUDGET ACTIVITY 2 - OTHER WARSHIPS..... 17

 BUDGET ACTIVITY 3 - AMPHIBIOUS SHIPS..... 20

 BUDGET ACTIVITY 4 - MINE WARFARE AND PATROL SHIPS..... 22

 BUDGET ACTIVITY 5 - AUXILIARIES AND CRAFT..... 23

COMPARISON OF PROGRAM REQUIREMENTS AND FINANCING..... 29

STATEMENT OF WORK

Activity: A B C

U.S. Department of Justice

BY: _____

Distribution/Availability Code: _____

Dist: _____

Special: _____

A-1

STATEMENT "A" per Dianne Glaister
Navy Budget Office/NCBG-2
TELECON 3/21/90 VG



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 in interests herein, may be acquired, and construction prosecuted, thereon prior to approval of title as follows:

[TRIDENT ballistic missile submarine program, 1,132,800,000 and in addition, \$70,000,000 shall be derived by transfer from "TRIDENT ballistic missile submarine program, 1987/1991", \$10,000,000 shall be derived by transfer from "TRIDENT ballistic missile submarine program 1988/92", and \$20,000,000 shall be derived by transfer from TRIDENT ballistic missile submarine program 1989/93": Provided, That the amounts transferred shall be available only for the time period of the appropriation from which transferred: Provided further, That none of the funds may be obligated for advance procurement for the nineteenth Trident ballistic missile submarine until the Secretary of Defense has certified to the Committees on Armed Services and Appropriations, either that the procurement of TRIDENT ballistic missile submarines at a rate of one per year is consistent with the United States negotiating goals and United States policy on strategic arms reduction and that such production would not necessitate the retirement of ballistic missile submarines prior to the end of their thirty-year service life, or that the President will request an adjusted production profile for TRIDENT ballistic missile submarines in the fiscal year 1991 budget request which is consistent with the United States strategic arms reduction negotiating position and prevents the retirement of ballistic missile submarines prior to the end of their thirty-year service life

SSN-688 attack submarine program, \$753,300,000

SSN-21 attack submarine program \$614,800,000;

Aircraft carrier service life extension program, \$630,300,000;

ENTERPRISE refueling/modernization program, \$1,422,100,000;

DDG-51 destroyer program, \$3,500,000,000;

LHD-1 amphibious assault ship program, \$35,000,000;

LSD-41 dock landing ship cargo variant program, \$229,300,000;

MCM mine countermeasures program, \$341,500,000;

MHC coastal mine hunter program, \$197,600,000;

AO conversion program, \$35,700,000;

T-AGOS surveillance ship program, \$155,800,000;

AOE combat support ship program, \$356,400,000;

LCAC landing craft air cushion program, \$273,300,000;

Oceanographic ship program \$278,100,000;

Moored training ship demonstration program, \$220,000,000;
Sealift ship program, \$600,000,000;
For craft, outfitting, post delivery, and ship special support equipment, \$368,900,000;
Coast Guard icebreaker ship program, \$329,000,000;
Coast Guard patrol boat program, \$84,000,000;

In all: \$11,557,900] to remain available for obligation until September 30, [1994] 1997: Provided, That additional obligations may be incurred after September 30, [1994] 1997, for engineering services, test, 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 shipyard 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. 10 U.S.C. 5013, 5063, 7296, 7298; Department of Defense Appropriation Act, 1990; additional authorizing legislation to be provided.]

Shipbuilding and Conversion, Navy
 Program and Financing (in Thousands of dollars) FISCAL YEAR 1985

Identification code	Budget Plan (amounts for PROCUREMENT actions programmed)				Obligations		
	17-1611-0-1-051	1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.
Program by activities:							
Direct program:							
00.0101	Fleet ballistic missile ships				73,265		
00.0201	Other warships				511,379		
00.0301	Amphibious ships				5,963		
00.0401	Mine warfare and patrol ships				78,468		
00.0501	Auxiliaries, craft, and prior-year program				79,511	70,680	
10.0001	Total				748,586	70,680	
Financing:							
Offsetting collections from:							
14.0001	Non-federal sources(-)				4		
17.0001	Recovery of prior year obligations				-9,853		
21.4002	Unobligated balance available, start of year:						
21.4009	For completion of prior year budget plans				-1,236,790		
22.4001	Reprogramming from/to prior year budget plans		70,680				
23.4090	Unobligated balance transferred from other a		1,320		-99,000		1,320
25.0001	Reduction pursuant to P.L. 99-177 in unob ba				597,053		
42.2201	Unobligated balance lapsing						
	Budget authority (Transferred from other ac		72,000			72,000	

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

Identification code	17-1611-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)				Obligations
		1989 actual	1990 est.	1991 est.	1989 actual	
Program by activities:						
Direct program:						
00.0101	Fleet ballistic missile ships				47,917	175,343
00.0201	Other warships				281,464	432,923
00.0301	Amphibious ships				8,854	194,572
00.0401	Mine warfare and patrol ships				233,284	63,339
00.0501	Auxiliaries, craft, and prior-year program				75,845	135,346
10.0001	Total				647,364	1,001,523
Financing:						
17.0001	Recovery of prior year obligations				-20,704	
21.4002	Unobligated balance available, start of year:					
	For completion of prior year budget plans					
21.4003	Available to finance new budget plans				-1,633,591	-984,623
21.4009	Reprogramming from/to prior year budget plans					-22,309
22.4001	Unobligated balance transferred to other acc					3,600
23.4090	Reduction pursuant to P.L. 99-177 in unob ba					18,709
24.4002	Unobligated balance available, end of year:					
	For completion of prior year budget plans					
24.4003	Available to finance subsequent year budg				984,623	18,709
42.2201	Budget authority (Transferred from other ac				22,309	16,900
						16,900

Shipbuilding and Conversion, Navy
Program and Financing (in Thousands of dollars) FISCAL YEAR 1987

Identification code	17-1611-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations	
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.
Program by activities:						
Direct program:						
00.0101	Fleet ballistic missile ships			29,289	97,948	189,592
00.0201	Other warships			1,189,507	1,823	432,435
00.0501	Auxiliaries, craft, and prior-year program			105,200	156,866	124,308
00.9101	Total direct program			1,323,996	879,637	746,335
01.0101	Reimbursable program				70	
10.0001	Total			1,323,996	879,707	746,335
Financing:						
17.0001	Recovery of prior year obligations			-23,723		
21.4001	Unobligated balance available, start of year:					
21.4002	For completion of prior year budget plans					
21.4003	Available to finance new budget plans					
21.4009	Reprogramming from/to prior year budget plan	484,668	-270,874			
22.4001	Unobligated balance transferred to other acc	-756,100	78,500	-756,100	78,500	
23.4090	Reduction pursuant to P.L. 99-177 in unob ba		30,374		30,374	
24.4002	Unobligated balance available, end of year:					
24.4003	For completion of prior year budget plans	270,874		1,567,842	746,335	
25.0001	Available to finance subsequent year budget	558		270,874		
	Unobligated balance lapsing			558		
39.0001	Budget authority				-103,800	
41.2201	Budget authority:					
42.2201	Transferred to other accounts (unob bal)			-162,000		-162,000
	Transferred from other accounts (unob bal)			58,200		58,200
43.0001	Appropriation (adjusted)					
					-103,800	-103,800

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

Identification code	17-1611-0-1-051	Budget Plan (amounts for PROCUREMENT actions programed)				Obligations	
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.
Program by activities:							
Direct program:							
00.0101	Fleet ballistic missile ships		72,868		61,690		65,562
00.0201	Other warships		693,621		291,582		652,698
00.0301	Amphibious ships		79,717		26,970		52,567
00.0501	Auxiliaries, craft, and prior-year program		206,121		104,359		36,842
10.0001	Total		1,052,327		464,601		807,669
Financing:							
17.0001	Recovery of prior year obligations			-2,307			
	Unobligated balance available, start of year:						
21.4002	For completion of prior year budget plans		-3,524,050		-2,418,845		-1,934,244
21.4003	Available to finance new budget plans		-126,300		-55,185		
21.4009	Reprogramming from/to prior year budget plans		-55,185				
22.4001	Unobligated balance transferred to other acc		126,300		10,000		
23.4090	Reduction pursuant to P.L. 99-177 in unob ba			45,185			
	Unobligated balance available, end of year:						
24.4002	For completion of prior year budget plans		2,418,845		1,934,244		1,126,575
24.4003	Available to finance subsequent year budget		55,185		55,185		
39.0001	Budget authority						

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

Identification code	17-1611-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.
Program by activities:							
Direct program:							
00.0101	Fleet ballistic missile ships	1,217,190			1,002,527	131,789	82,874
00.0201	Other warships	5,840,361			4,024,144	578,756	485,068
00.0301	Amphibious ships	728,763			496,591	60,565	51,317
00.0401	Mine warfare and patrol ships	194,350			68,574	80,918	13,769
00.0501	Auxiliaries, craft, and prior-year program	1,859,470			1,434,272	211,903	140,740
10.0001	Total	9,840,134			7,026,108	1,063,931	773,768
Financing:							
Unobligated balance available, start of year:							
21.4002	For completion of prior year budget plans						
21.4003	Available to finance new budget plans		-71,446				-2,727,026
21.4009	Reprogramming from/to prior year budget plans		87,000				-71,446
22.4001	Unobligated balance transferred to other acc	-87,000					
23.4090	Reduction pursuant to P.L. 99-177 in unob ba	-349,200					
	Unobligated balance available, end of year:						
24.4002	For completion of prior year budget plans	71,446			2,727,026		1,750,095
24.4003	Available to finance subsequent year budget	98,470			71,446		976,327
25.0001	Unobligated balance lapsing		51,446		98,470		
39.0001	Budget authority	9,573,850	14,900		9,573,850	14,900	
Budget authority:							
40.0001	Appropriation	9,494,343			9,494,343		
40.0004	Reduction pursuant to P.L. 100-463	-16,893			-16,893		
41.0001	Transferred to other accounts(-)	-21,600			-21,600		
42.0001	Transferred from other accounts	118,000			118,000		
42.2201	Transferred from other accounts (unob bal		14,900				14,900
43.0001	Appropriation (adjusted)	9,573,850	14,900		9,573,850	14,900	

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 PROCUREMENT actions programmed)				Obligations	
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.
Program by activities:							
Direct program:							
00.0101	Fleet ballistic missile ships		1,214,741			787,062	133,625
00.0201	Other warships		6,838,299			4,835,307	762,902
00.0301	Amphibious ships		260,952			169,485	28,705
00.0401	Mine warfare and patrol ships		531,940			348,568	58,515
00.0501	Auxiliaries, craft, and prior-year program		2,173,501			1,462,987	228,391
10.0001	Total		11,019,433			7,603,409	1,212,138
Financing:							
Unobligated balance available, start of year:							
21.4002	For completion of prior year budget plans						
21.4003	Available to finance new budget plans						
22.4001	Unobligated balance transferred from other a		-100,000		-592,398	-100,000	-3,416,024
24.4002	For completion of prior year budget plans						
24.4003	Available to finance subsequent year budget		592,398			3,416,024	2,203,886
39.0001	Budget authority		11,511,831		-592,398	11,511,831	-592,398
Budget authority:							
Appropriation							
40.0001	Reduction pursuant to P.L. 101-165		11,557,900			11,557,900	
40.0090	Reduction pursuant to P.L. 99-177		-9,005			-9,005	
41.2201	Transferred to other accounts (unob bals)		-148,834			-148,834	
42.0001	Transferred from other accounts		13,300			13,300	
43.0001	Appropriation (adjusted)						
50.0001	Reappropriation		11,413,361		-592,398	11,413,361	-592,398
			98,470			98,470	

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

Identification code	17-1611-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)				Obligations	
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.
Program by activities:							
Direct program:							
00.0101	Fleet ballistic missile ships			1,387,629			882,689
00.0201	Other warships			7,165,071			5,119,722
00.0301	Amphibious ships			1,199,800			781,358
00.0401	Mine warfare and patrol ships			268,100			174,161
00.0501	Auxiliaries, craft, and prior-year program			1,174,600			766,758
10.0001	Total			11,195,200			7,724,688
Financing:							
24.4002	Unobligated balance available, end of year:						
	For completion of prior year budget plans						3,470,512
40.0001	Budget authority (Appropriation)			11,195,200			11,195,200

Shipbuilding and Conversion, Navy
Program and Financing (In Thousands of dollars) SUMMARY

Identification code	17-1611-O-1-051	Budget Plan (amounts for PROCUREMENT actions programed)				Obligations	
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.
Program by activities:							
Direct program:							
00.0101	Fleet ballistic missile ships	1,217,190	1,214,741	1,387,629	1,225,866	1,253,832	1,354,342
00.0201	Other warships	5,840,361	3,838,299	7,165,071	6,700,115	6,763,391	7,452,825
00.0301	Amphibious ships	728,763	260,952	1,199,800	591,125	451,592	913,947
00.0401	Mine warfare and patrol ships	194,350	531,940	268,100	380,326	492,825	246,445
00.0501	Auxiliaries, craft, and prior-year program	1,859,470	2,173,501	1,174,600	1,900,949	2,142,141	1,297,039
00.9101	Total direct program	9,840,134	11,019,433	11,195,200	10,798,381	11,103,781	11,264,598
01.0101	Reimbursable program					70	
10.0001	Total	9,840,134	11,019,433	11,195,200	10,798,381	11,103,851	11,264,598
Financing:							
Offsetting collections from:							
14.0001	Non-Federal sources(-)					4	
17.0001	Recovery of prior year obligations					-56,587	
Unobligated balance available, start of year:							
21.4002	For completion of prior year budget plans	-126,300	-419,814	-592,398	-8,777,878	-7,698,336	-7,846,698
21.4003	Available to finance new budget plans	-177,879	232,780		-126,300	-419,814	-592,398
21.4009	Reprogramming from/to prior year budget plan						
22.4001	Unobligated balance transferred from other a	-1,078,000	-60,000		-1,078,000	-60,000	
23.4090	Reduction pursuant to P.L. 99-177 in unob ba		147,034			147,034	
Unobligated balance available, end of year:							
24.4002	For completion of prior year budget plans	419,814	592,398		7,698,336	7,846,698	7,777,300
24.4003	Available to finance subsequent year budget	696,081			419,814	592,398	
25.0001	Unobligated balance lapsing				696,081		
39.0001	Budget authority	9,573,850	11,511,831	10,602,802	9,573,850	11,511,831	10,602,802
Budget authority:							
40.0001	Appropriation	9,494,343	11,557,900	11,195,200	9,494,343	11,557,900	11,195,200
40.0004	Reduction pursuant to P.L. 100-463	-16,893			-16,893		
40.0005	Reduction pursuant to P.L. 101-165		-9,005			-9,005	
40.0090	Reduction pursuant to P.L. 99-177		-148,834			-148,834	
41.0001	Transferred to other accounts(-)	-21,600			-21,600		
41.2201	Transferred to other accounts (unob bal)	118,000	-162,000	-592,398	118,000	-162,000	-592,398
42.0001	Transferred from other accounts		13,300			13,300	
42.2201	Transferred from other accounts (unob bal)		162,000			162,000	
43.0001	Appropriation (adjusted)	9,573,850	11,413,361	10,602,802	9,573,850	11,413,361	10,602,802
50.0001	Reappropriation		98,470			98,470	

Shipbuilding and Conversion, Navy
Program and Financing (in Thousands of dollars) SUMMARY

Identification code	17-1611-0-1-051	1989 actual	1990 est.	1991 est.
Relation of obligations to outlays:				
71.0001	Obligations incurred, net	10,798,385	11,103,851	11,264,598
72.4001	Obligated balance, start of year	29,686,342	30,211,391	30,265,642
74.4001	Obligated balance, end of year	-30,211,391	-30,265,642	-30,547,640
77.0001	Adjustments in expired accounts (net)	370,109		
78.0001	Adjustments in unexpired accounts	-56,587		
90.0001	Outlays	10,586,858	11,049,600	10,982,600

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

Identification code	17-1611-0-1-051	1989 actual	1990 est.	1991 est.
Direct obligations:				
Other services:				
125.003	Contracts	233,979	234,675	230,532
125.004	Other	223,806	224,471	220,508
131.001	Equipment	10,340,596	10,644,635	10,813,558
199.001	Total Direct obligations	10,798,381	11,103,781	11,264,598
Reimbursable obligations:				
231.001	Equipment		70	
299.001	Total Reimbursable obligations		70	
999.901	Total obligations	10,798,381	11,103,851	11,264,598

STATUS OF COMPLETION OF PRIOR YEAR
SHIPBUILDING PROGRAMS

	Uncompleted As of <u>31 Dec 1989</u>	To Be Completed in <u>FY 1990</u>	To Be Completed in <u>FY 1991</u>	To Be Completed in FY 1992 and <u>Subsequent Years</u>
FY 1983 and Prior Years				
Ships	1	0	0	1
New Construction	1	0	0	1
Conversion	0	0	0	0
FY 1984				
Ships	4	4	0	0
New Construction	4	4	0	0
Conversion	0	0	0	0
FY 1985				
Ships	16	5	8	3
New Construction	16	5	8	3
Conversion	0	0	0	0
FY 1986				
Ships	14	3	2	9
New Construction	13	2	2	9
Conversion	1	1	0	0
FY 1987				
Ships	18	2	5	11
New Construction	17	2	4	11
Conversion	1	0	1	0
FY 1988				
Ships	19	2	2	15
New Construction	15	0	0	15
Conversion	4	2	2	0
FY 1989				
Ships	22	0	1	21
New Construction	20	0	1	19
Conversion	2	0	0	2

	Uncompleted As of <u>31 Dec 1989</u>	To Be Completed in <u>FY 1990</u>	To Be Completed in <u>FY 1991</u>	To Be Completed in BY 1992 and <u>Subsequent Years</u>
FY 1990				
Ships	22	0	0	22
New Construction	18	0	0	18
Conversion	4	0	0	4

The FY 1991 request includes 15 new construction ships.

BUDGET ACTIVITY NO.1 - BALLISTIC MISSILE SHIPS

(\$ in Thousands)

FY 1991 Estimate	\$1,387,629
FY 1990 Estimate	\$1,214,741
FY 1989 Estimate	\$1,217,190

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>
1	\$1,214,741	
		<u>QTY</u>
		1
		<u>AMT</u>
		\$1,387,629

The FY 1990 budget provides full funding of \$1,115,416 for the seventeenth TRIDENT submarine plus advance procurement funds of \$99,325 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 \$1,244,629 for the eighteenth TRIDENT submarines plus advance procurement funds of \$40,000 and \$103,000 for long lead nuclear components for the nineteenth and twentieth submarines planned in FY 1992 and FY 1993, respectively.

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 10 year intervals between overhauls/refuelings, and a projected operating life of 30 years.

BUDGET ACTIVITY NO.2 - OTHER WARSHIPS

(\$ in Thousands)

FY 1991 Estimate	\$ 7,165,071
FY 1990 Estimate	\$ 6,838,299
FY 1989 Estimate	\$ 5,840,361

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)

<u>QTY</u>	<u>FY 1990</u>	<u>AMT</u>	<u>FY 1991</u>	<u>AMT</u>
1		\$732,875		-

(\$ in Thousands)

The FY 1990 budget provided an appropriation of full funding of \$732,875 for the construction of the last SSN-688 Class nuclear submarine. 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 marines. The FY 1989 and FY 1990 Improved SSN-688's incorporated a new Improved Propulsion Machinery Plant (IPMP).

SSN-21 CLASS NEW DESIGN SUBMARINE (NUCLEAR)

(\$ in Thousands)

<u>FY 1990</u>	<u>QTY</u>	<u>AMT</u>	<u>FY 1991</u>	<u>QTY</u>	<u>AMT</u>
	-	\$606,320		2	\$3,482,000

The FY 1990 budget includes \$606,320 of advance procurement funding for long lead HM&E and nuclear components for the FY 1991 and FY 1993 SEAWOLF Class Submarine program. The FY 1991 request includes \$2,342,900 in full funding for two SSN-21 Class Submarines and \$1,139,100 in advance procurement for long lead components for the FY 1993 SEAWOLF Class Submarine. The SSN-21 Class Submarine is intended to combat the rapidly increasing capabilities of Soviet submarine force into the 1990's and beyond. The SSN-21 will be quieter and incorporate a more advanced combat system (BSY-2) than presently employed on the improved SSN-688 class. One of the FY 1991 ships will be awarded to a second shipbuilder.

CV (SLEP) AIRCRAFT CARRIER

(\$ in Thousands)

<u>FY 1990</u>	<u>QTY</u>	<u>AMT</u>	<u>FY 1991</u>	<u>QTY</u>	<u>AMT</u>
	1	\$643,314		-	\$113,068

The FY 1990 budget provides \$643,314 in full funding for the CV-64 (CONSTELLATION) SLEP. The FY 1991 request provides \$113,068 in advance procurement for long lead materials for the CV-67 (KENNEDY) SLEP. 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 equipment, systems, and structure will be repaired or replaced as necessary. Duration of availability will be tailored to the scope of the work package.

ENTERPRISE REFUELING/MODERNIZATION

(\$ in Thousands)

<u>FY 1990</u>	<u>FY 1991</u>
<u>QTY</u>	<u>QTY</u>
<u>1</u>	<u> </u>
<u>AMT</u>	<u>AMT</u>
<u>\$1,404,083</u>	<u> </u>

The FY 1990 budget provides \$1,404,083 in full funding for USS ENTERPRISE (CVN65) nuclear refueling/modernization. There was \$465,300 appropriated in Operation and Maintenance, Navy, Other Procurement, Navy and Weapons Procurement, Navy in FY 1989 and prior years for advance planning and long leadtime material procurement when this ship was part of the Fleet Modernization Program. This request provides funds for a 32 month refueling availability at Newport News and a 12 month modernization availability at Norfolk Naval Shipyard.

DDG-51 GUIDED MISSILE DESTROYER

(\$ in Thousands)

<u>FY 1990</u>	<u>FY 1991</u>
<u>QTY</u>	<u>QTY</u>
<u>5</u>	<u>5</u>
<u>AMT</u>	<u>AMT</u>
<u>\$3,451,707</u>	<u>\$3,570,003</u>

Congressional action on the FY 1990/1991 amended budget request provided full funding (\$3,451,707) for five DDG-51 Guided Missile Destroyers. The FY 1991 budget requests full funding for five ships (\$3,566,403) and \$3,600 in advance procurement funds for continuation of the MK-45/MK-6 (Gun Mounts and Ammunition Hoists) multiyear procurement for the FY 1992 and FY 1994 programs. Congress approved execution of the shipbuilding portion of the program as a multiyear procurement for the FY 1990-91 timeframe. 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.

BUDGET ACTIVITY NO.3 - AMPHIBIOUS SHIPS

(\$ in Thousands)

FY 1991 Estimate	\$ 1,199,800
FY 1990 Estimate	\$ 260,952
FY 1989 Estimate	\$ 728,763

PURPOSE AND SCOPE

Budget Activity 3 provides for the construction and conversion of amphibious ships.

JUSTIFICATION OF FUNDS

The funds requested for appropriation for Budget Activity 3 include:

LHD-1 AMPHIBIOUS ASSAULT SHIP

(\$ in Thousands)

<u>FY 1990</u>	<u>QTY</u>	<u>AMT</u>	<u>FY 1991</u>	<u>AMT</u>
		\$34,557		\$959,800

The FY 1990 appropriation includes advance procurement funding of \$34,557 in support of the FY 1991 program. The FY 1991 request includes full funding of \$959,800 for procurement of the fifth LHD Amphibious Assault Ship. The shipbuilding portion of this program is to be executed as a multiyear procurement for the FY 1991/1993/1995 ships. LHD-1 is a multi-purpose amphibious assault ship which will transport elements of the landing force (personnel, vehicles, cargo and POL), landing craft (LCAC or conventional), VSTOL aircraft, and helicopters in support of amphibious assault operations. In a convertible role, the LHD will have the capability of deploying VSTOL aircraft and helicopters in secondary sea control and power projection missions. The LHD is required to augment current amphibious lift capacity, ultimately replacing LPH class ships in the 1990s.

LSD-41 LANDING SHIP DOCK (CARGO VARIANT)

(\$ in Thousands)

<u>FY 1990</u>	<u>FY 1991</u>
<u>QTY</u> 1	<u>QTY</u> 1
<u>AMT</u> \$226,395	<u>AMT</u> \$240,000

The FY 1990/1991 budget includes \$226,395 in FY 1990 and \$240,000 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 ships 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 Marine Expeditionary Force Assault Echelon and Marine Expeditionary Brigade Assault Echelon.

BUDGET ACTIVITY NO.4 - MINE WARFARE AND PATROL SHIPS

(\$ in Thousands)

FY 1990 Estimate	\$268,100
FY 1990 Estimate	\$531,940
FY 1989 Estimate	\$194,350

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>FY 1990</u>	<u>QTY</u>	<u>AMT</u>	<u>FY 1991</u>	<u>AMT</u>
	3	\$337,173		-

Appropriation of \$337,173 was provided in FY 1990 for the last three MCM ships. The MCM is a "state of the art technology" deep ocean 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>FY 1990</u>	<u>QTY</u>	<u>AMT</u>	<u>FY 1991</u>	<u>AMT</u>
	2	\$194,767		\$268,100

Appropriation of \$194,767 was provided for two Coastal Minehunter MHC ships in FY 1990. The FY 1991 request of \$268,100 is for three MHC ships. 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	\$1,174,600
FY 1990 Estimate	\$2,173,501
FY 1989 Estimate	\$1,859,470

PURPOSE AND SCOPE

Budget Activity 5 provides for the construction, conversion, and acquisition of auxiliary ship 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>FY 1990</u>	<u>QTY</u>	<u>AMT</u>	<u>FY 1991</u>	<u>AMT</u>
	1	\$35,248		-

The AO (JUMBO) conversion program is designed to increase the 120,000 barrel fuel capacity of existing AO-177 class ships to 150,000 barrels and to provide cargo ammunition capacity. The FY 1990 appropriation of \$35,248 provided for the last currently planned conversion. The mission of the AO(J) is to transport bulk petroleum, oil and lubricants (POL) and cargo ammunition 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>FY 1990</u>	<u>FY 1991</u>
<u>QTY</u> 1	<u>QTY</u> -
<u>AMT</u> \$153,826	<u>AMT</u> -

Congress appropriated \$153,826 in FY 1990 for one dual acoustic system SURTIASS TAGOS-23 hull designed with a SWATH (Small Waterplane Area Twin Hull) configuration. 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 SURTIASS system which collects, processes, and transmits acoustic data.

AOE FAST COMBAT SUPPORT SHIP

(\$ in Thousands)

<u>FY 1990</u>	<u>FY 1991</u>
<u>QTY</u> 1	<u>QTY</u> 1
<u>AMT</u> \$379,785	<u>AMT</u> \$398,200

Congress appropriated \$351,885 in FY 1990 for one AOE Fast Combat Support Ship. A DD 1415 prior approval reprogramming increase of \$27,900 is planned for the FY 1990 AOE to cover additional costs in the basic construction contract. An additional \$398,200 is requested for FY 1991 for one AOE. 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>FY 1990</u>	<u>FY 1991</u>
<u>QTY</u>	<u>QTY</u>
3	1
<u>AMT</u>	<u>AMT</u>
\$274,577	\$43,100

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. The AGOR ships are monohulls, while the TAGS include two hull-types: monohull and SWATH (Small Waterplane Area Twin Hull). The FY 1990 appropriation included \$274,577 for construction of one TAGS (MIZAR Replacement) and two TAGS(O) ocean surveying ships. The FY 1991 request of \$43,100 is for another TAGS(O) ocean surveying ship. The TAGS (MIZAR Replacement) is a large size monohull and the TAGS(O) is a medium size monohull.

MOORED TRAINING SHIP DEMONSTRATION (MISD)

(\$ in Thousands)

<u>FY 1990</u>	<u>FY 1991</u>
<u>QTY</u>	<u>QTY</u>
(1)	-
<u>AMT</u>	<u>AMT</u>
\$217,213	-

The Moored Training Ship (MTS) Program provides for the conversion of a retiring submarine into a training platform for use by Naval propulsion plant operators. The MTS 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 budget includes \$217,213 to fully fund the conversion of the submarine.

SERVICE CRAFT

(\$ in Thousands)

<u>FY 1990</u>	<u>FY 1991</u>
<u>QTY</u>	<u>QTY</u>
(22)	(8)
<u>AMT</u>	<u>AMT</u>
\$39,329	\$27,300

Appropriation of \$39,329 was provided in FY 1990 for fifteen open lighters (YC), conversion of one barracks craft (APL), two aircraft transportation lighters (YCV) and four floating cranes (YD); \$27,300 is requested in FY 1991 for three gasoline barges (YOGN), three floating workshops (YR), and two floating cranes (YD).

LANDING CRAFT

	(\$ in Thousands)	
	<u>FY 1990</u>	<u>FY 1991</u>
	<u>QTY</u> (10)	<u>QTY</u> (10)
	<u>AMT</u> \$11,157	<u>AMT</u> \$10,400

The FY 1990 appropriation includes \$11,157 for 10 aluminum LCM-8 craft. An additional \$10,400 is requested in FY 1991 for 10 aluminum LCM-8 craft.

LCAC LANDING CRAFT AIR CUSHION

	(\$ in Thousands)	
	<u>FY 1990</u>	<u>FY 1991</u>
	<u>QTY</u> (9)	<u>QTY</u> (12)
	<u>AMT</u> \$269,838	<u>AMT</u> \$267,900

The FY 1990 budget includes \$247,228 for full funding of twelve LCAC's and \$22,610 for advance procurement in support of the FY 1991 program. The FY 1991 request includes \$244,700 for full funding of twelve LCAC's and \$23,200 for advance procurement in support of the FY 1992 program. Advance procurement is required to maintain craft delivery schedules necessary to meet amphibious lift requirements. The shipbuilding portion of this program is a multiyear procurement for fiscal years 91-94. 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.

PATROL BOATS (SPECIAL OPERATIONS FORCES)

	(\$ in Thousands)	
	<u>FY 1990</u>	<u>FY 1991</u>
	<u>QTY</u> (9)	<u>QTY</u> -
	<u>AMT</u> \$97,222	<u>AMT</u> -0-

Reappropriation of \$97,227 was provided for procurement of 9 Coastal Patrol Boats (PBC) to support coastal patrol, surveillance, interdiction, and Naval Special Warfare operations. These patrol boats will partially replace the existing fleet (18) of aging MKIII Patrol Boats.

OUTFITTING

(\$ in Thousands)

<u>FY 1990</u>	<u>FY 1991</u>
<u>QTY</u>	<u>QTY</u>
<u>AMT</u>	<u>AMT</u>
\$177,762	\$231,100

The FY 1990/1991 appropriation request provides for outfitting material including spares, repair parts, and other material required to fill ships' initial allowance of storeroom and operating space items. Funds are budgeted incrementally on a lead-time away basis from each ship's projected completion of fitting out date.

POST DELIVERY

(\$ in Thousands)

<u>FY 1990</u>	<u>FY 1991</u>
<u>QTY</u>	<u>QTY</u>
<u>AMT</u>	<u>AMT</u>
\$99,903	\$154,500

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 identified during 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.

U.S. COAST GUARD ICEBREAKER (MAGB)

(\$ in Thousands)

<u>FY 1990</u>	<u>FY 1991</u>
<u>QTY</u>	<u>QTY</u>
<u>AMT</u>	<u>AMT</u>
1	
\$324,832	

Congress appropriated \$324,832 for one U.S. Coast Guard Auxiliary Gun (Ice)Breaker (MAGB). The MAGB will conduct icebreaking operations in any season in the Arctic and Antarctic in support of embarked scientists and researchers working in science and engineering disciplines. The Coast Guard will serve as the operator of this ship.

USCG PATROL BOATS

	(\$ in Thousands)	
	<u>FY 1990</u>	<u>FY 1991</u>
	<u>QTY</u> (12)	<u>QTY</u>
	<u>AMT</u> \$82,936	<u>AMT</u>

Appropriation of \$82,936 was provided in FY 1990 for procurement of twelve 110 foot Island Class patrol boats for the U.S. Coast Guard patrol boat program.

FIRST DESTINATION TRANSPORTATION

	(\$ in Thousands)	
	<u>FY 1990</u>	<u>FY 1991</u>
	<u>QTY</u>	<u>QTY</u>
	<u>AMT</u>	<u>AMT</u> \$5,800

The FY 1991 request includes \$5,800 for First Destination Transportation (FDT). FDT provides for the movement of newly procured equipment and material from the contractors' plant to the initial point of receipt of the Government. FDT was funded in the O&M,N appropriation prior to FY 1991.

SHIP SPECIAL SUPPORT EQUIPMENT

	(\$ in Thousands)	
	<u>FY 1990</u>	<u>FY 1991</u>
	<u>QTY</u>	<u>QTY</u>
	<u>AMT</u> \$9,873	<u>AMT</u> \$36,300

Classified. Details will be provided separately.

**COMPARISON OF FY 1989 PROGRAM REQUIREMENTS AS REFLECTED
IN FY 1990/91 AMENDED BUDGET WITH FY 1989 PROGRAM REQUIREMENTS AS
SHOWN IN FY 1991 BUDGET**

SUMMARY OF REQUIREMENTS (\$ IN THOUSANDS)		Increase (+) or Decrease (-)
Total Program Requirements Per 1990/91 Amended Budget	Total Program Requirements FY 1991 Budget	
Fleet Ballistic Missile	1,196,200	+ 20,990
Other Warships	5,786,483	+ 53,878
Amphibious Ships	733,100	- 4,337
Mine Warfare and Patrol Ships	196,700	- 2,350
Auxiliaries, Craft and PY Program Costs	1,969,167	-109,697
Total Fiscal Year Program	9,881,650	-41,516

**EXPLANATION BY BUDGET ACTIVITY
(\$ IN THOUSANDS)**

1. **FLEET BALLISTIC MISSILE SHIPS (\$+20,990)** - The FY 1991 budget submission reflects a transfer included in the FY 1990 Appropriation Act for the FY 1990 TRIDENT program (\$+20,000), application of a Gramm/Rudman/Hollings reduction (\$-4,010), and correction of a misapplication (\$+45,000) of the inflation indices in the TRIDENT program.
2. **OTHER WARSHIPS (\$+53,878)** - Gramm/Rudman/Hollings reduced Other Warships by a total of \$31,922. A proposed \$23,400 reduction to DDG to offset the FY 1989 civilian payraise was restored. The Navy corrected a misapplication of the inflation indices (\$-45,000) in the SSN-21 program. A DD 1415 prior approval reprogramming has been submitted requesting a transfer of \$178,800 for the SSN-21 program, partially offset in Budget Activity 2 by \$59,700 from SSN-688 and \$33,700 from DDG. An approved DD 1415 reprogramming increased the SSN-21 advance procurement by \$22,000.
3. **AMPHIBIOUS SHIPS (\$-4,337)** - LHD was reduced \$4,337 by Gramm/Rudman/Hollings.
4. **MINE WARFARE AND PATROL SHIPS (\$-2,350)** - MHC was reduced \$2,350 by Gramm/Rudman/Hollings.
5. **AUXILIARIES, CRAFT, AND PRIOR YEAR PROGRAM COSTS (\$-109,697)** - The FY 1991 budget submission reflects transfers included in the FY 1990 Appropriation Act for the TAGOS program (\$+27,000) and the Special Operations Forces Patrol Boats program (\$-98,470). An approved DD 1415 reprogramming transferred \$18,000 into the Service Craft line for a drug interdiction platform. Gramm/Rudman/Hollings reductions totaled \$8,827. Transfers of \$-39,500 and \$-7,900 have been requested from Outfitting and Post Delivery respectively, to partially offset the SSN-21 program increase.

COMPARISON OF FY 1990 PROGRAM REQUIREMENTS AS REFLECTED
IN FY 1990/91 AMENDED BUDGET WITH FY 1990 PROGRAM REQUIREMENTS AS
SHOWN IN FY 1991 BUDGET

SUMMARY OF REQUIREMENTS (\$ IN THOUSANDS)

	Total Program Per 1990/91 Requirements Amended Budget	Total Program Requirements Per 1991 Budget	Increase (+) or Decrease (-)
Fleet Ballistic Missile	1,277,800	1,214,741	- 63,059
Other Warships	5,875,000	6,838,299	+963,299
Amphibious Ships	264,300	260,952	- 3,348
Mine Warfare and Patrol Ships	461,800	531,940	+ 70,140
Auxiliaries, Craft and PY Program Costs	1,671,700	2,173,501	+501,801
Total Fiscal Year Program	9,550,600	11,019,433	+1,468,833

EXPLANATION BY BUDGET ACTIVITY
(\$ IN THOUSANDS)

1. FLEET BALLISTIC MISSILE SHIPS (\$-63,059) - Congressional action on the FY 1990 budget reduced TRIDENT full funding by \$105,000 but provided an offsetting transfer of \$100,000 and reduced the FY 1990 TRIDENT advance procurement request by \$40,000. In addition, an undistributed Congressional reduction for Contractor Travel and Consultant Services of \$2,471 and a Gramm/Rudman/Hollings reduction of \$15,588 were applied.
2. OTHER WARSHIPS (\$+963,299) - Congressional action on the FY 1990 budget transferred the CVN-65 nuclear refueling/modernization into the SCN appropriation (\$+1,422,100). Congress reduced, the SSN-688 program by \$53,000, advance procurement for SSN-21 class ships by \$202,000, full funding for DDG-51 ships by \$100,700, and deleted advance procurement for the FY 1993 CV SLEP program by (\$-20,900). In addition, an undistributed Congressional reduction for Contractor Travel and Consultant Services of \$6,200 and a Gramm/Rudman Hollings reduction of \$87,601 were applied. A DD 1415 reprogramming action is planned to fund increased varfighting capability improvements on the CV-64 service life extension program (\$+21,000). This reprogramming increase is partially offset by a reduction to the SSN-688 program (\$-9,400).
3. AMPHIBIOUS SHIPS (\$-3,348) - Reflects a Gramm/Rudman/Hollings reduction of \$3,348.

4. MINE WARFARE AND PATROL SHIPS (\$+70,140) - Congressional action on the FY 1990 budget added one additional MHC for \$77,300 for a total FY 1990 program of two ships. In addition, an undistributed Congressional reduction for Consultant Services of \$334 and a Gramm/Rudman Hollings reduction of \$6,826 were applied.

5. AUXILIARIES, CRAFT, AND PRIOR YEAR PROGRAM COSTS (\$501,801) - Congressional action on the FY 1990 budget added three LCAC (+\$54,000), a Fast Sealift Program (\$+600,000), one Coast Guard Icebreaker (\$+329,000), twelve Coast Guard Patrol Boats (\$+84,000), and reappropriated \$+98,470 for Patrol Boats (Special Operations Forces) to provide additional time for program execution. In addition Congressional reductions to Outfitting (\$13,300) and Post Delivery (\$24,200) requests and a Gramm/Rudman/Hollings reduction of \$35,471 were also applied. A DD 1415 reprogramming action is now planned for the AOE-8 (\$+27,900) which will partially be offset by reductions to Service Craft (\$-5,200), Outfitting (\$-12,000), and Post Delivery (\$-9,000). Funds for the Fast Sealift Program have been deferred and will be used to offset FY 1991 program requirements (\$-592,398).

COMPARISON OF FY 1989 FINANCING AS REFLECTED
IN FY 1990/91 AMENDED BUDGET WITH 1989 FINANCING AS
SHOWN IN FY 1991 BUDGET

(\$ IN THOUSANDS)

	Financing Per FY 1990/91 <u>Amended Budget</u>	Financing Per FY 1991 <u>Budget</u>	Increase (+) or Decrease (-)
Program Requirements (Total)	\$9,881,650	\$9,840,134	\$-41,516
Program Requirements (Service Account)	(\$9,881,650)	(\$9,840,134)	(\$-41,516)
Program Requirements (Reimbursable)	0	0	0
Less:			
Unobligated Balance Transferred From Other Accounts	\$ 349,200	\$ 421,300	\$+72,100
Plus:			
Unobligated Balance Transferred To Other Accounts	\$ 0	\$ 20,000	\$+20,000
Reduction Pursuant to P.L. 99-177	\$ 0	\$ 51,446	\$+51,446
Unobligated Balance Lapsing	\$ 0	\$ 98,470	\$+98,470
Appropriation (Adjusted)	\$9,532,450	\$9,588,750	\$+56,300

EXPLANATION OF CHANGES IN FINANCING

The Fiscal Year 1989 program has changed since the presentation of the FY 1990 budget as noted below:

1. Program Requirements. There has been a net increase to the appropriation (adjusted) of \$56,300. This net change is comprised of a net decrease of program requirements (\$-41,516) plus transfer of funds to other accounts (\$-20,000), Gramm/Rudman/Hollings reductions (\$-51,446), and the lapsing of the Special Operating Forces Patrol Boat program funding (\$-98,470) less approved transfers as part of the FY 1990 Appropriations Act (\$12,100), DD 1415 reprogramming transfers from other accounts (\$60,000),

**COMPARISON OF FY 1990 FINANCING AS REFLECTED
IN FY 1990 WITH 1990 FINANCING AS
SHOWN IN FY 1991 BUDGET**

(\$ IN THOUSANDS)

	Financing Per FY 1990 Budget	Financing Per FY 1991 Budget	Increase (+) or Decrease (-)
Program Requirements (Total)	\$9,550,600	\$11,019,433	\$+1,468,833
Program Requirements (Service Account)	(\$9,550,600)	(\$11,019,433)	(\$+1,468,833)
Program Requirements (Reimbursable)	0	0	0
Less:			
Unobligated Balance Transferred From Other Accounts	\$ 0	\$ 100,000	\$+100,000
Appropriation/Reappropriation (Adjusted)	\$9,550,600	\$10,919,433	\$+1,368,833

EXPLANATION OF CHANGES IN FINANCING

The Fiscal Year 1990 program has changed since the presentation of the FY 1990 budget as noted below:

1. Program Requirements. There has been a net increase to the appropriation/reappropriation (adjusted) of \$1,368,833. This net change is comprised of a gross increase of program requirements (\$+2,107,300) offset by adjustments for: Gramm-Rudman-Hollings (\$-148,834), undistributed reduction for consultant services and contractor travel (\$-9,005), transfer of Fast Sealift funds to finance other DOD FY 1991 programs (\$-592,398), a planned DD 1415 increase to the appropriation (\$+13,300), less a \$100,000 unobligated balance transfer from prior year programs to partially finance the FY 1990 TRIDENT, and an increase associated with a reappropriation for Special Operations Forces Patrol Boats (\$+98,470).