

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



JUSTIFICATION OF ESTIMATES  
FEBRUARY 2015

NATIONAL DEFENSE SEALIFT FUND

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

## Department of Defense Appropriations Act, 2016

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### National Defense Sealift Fund

For National Defense Sealift Fund programs, projects, and activities, and for expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744), and for the necessary expenses to maintain and preserve a U.S.-flag merchant fleet to serve the national security needs of the United States, \$474,164,000, to remain available until expended: *Provided*, That none of the funds provided in this paragraph shall be used to award a new contract that provides for the acquisition of any of the following major components unless such components are manufactured in the United States: auxiliary equipment, including pumps, for all shipboard services; propulsion system components (that is; engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes: *Provided further*, That the exercise of an option in a contract awarded through the obligation of previously appropriated funds shall not be considered to be the award of a new contract: *Provided further*, That the Secretary of the military department responsible for such procurement may waive the restrictions in the first proviso on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.

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

Feb 2015

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

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

Feb 2015

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

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

Feb 2015

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

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

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

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

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

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

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

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**NDSF INDEX**  
**FY 2016 President's Submission**  
**February 2015**

| <b>NDSF BUDGET ACTIVITIES/PROGRAMS</b>   | <b>PAGES</b> |
|--|--------------|
| <b>NDSF BA 01: Strategic Ship Acquisition</b><br>(MLP, Outfitting and Post Delivery)                         | 4-6          |
| <b>NDSF BA 02: DoD Mobilization Assets</b><br>(LMSR Maintenance, Mobilization Alterations, T-AH Maintenance) | 7-9          |
| <b>NDSF BA 04: Sealift Research and Development</b>  | 10-24        |
| <b>NDSF BA 05: Ready Reserve Force</b>   | 25-27        |

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

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

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|---|----------|---------|---------|---------|---|---------|---------|---------------------|---------|------------|
| <b>CLASSIFICATION: UNCLASSIFIED</b>   |          |         |         |         |   |         |         |                     |         |            |
| <b>BUDGET ITEM JUSTIFICATION SHEET (P-40)</b>   |          |         |         |         |   |         |         | DATE: February 2015 |         |            |
| <b>FY 2016 President's Budget</b>   |          |         |         |         |   |         |         |                     |         |            |
| <b>APPROPRIATION/BUDGET ACTIVITY</b><br><b>National Defense Sealift Fund/BA 1</b>   |          |         |         |         | <b>P-1 LINE ITEM NOMENCLATURE</b>               |         |         |                     |         |            |
|   |          |         |         |         | <b>NDSF OUTFITTING AND POST DELIVERY (P-40)</b> |         |         |                     |         |            |
|   |          |         |         |         | <b>BLI: 5000</b>                                |         |         |                     |         |            |
| (Dollars in Millions)   | PRIOR YR | FY 2014 | FY 2015 | FY 2016 | FY 2017   | FY 2018 | FY 2019 | FY 2020             | TO COMP | TOTAL PROG |
| Full Funding TOA-Outfitting   | 29.8     | 17.4    | 10.1    | 0.0     | 0.0   | 0.0     | 0.0     | 0.0                 | 0.0     | 57.3       |
| Full Funding TOA-Post Delivery  | 8.4      | 15.9    | 7.2     | 15.5    | 0.0   | 0.0     | 0.0     | 0.0                 | 0.0     | 47.0       |
| Total Obligational Authority  | 38.2     | 33.3    | 17.3    | 15.5    | 0.0   | 0.0     | 0.0     | 0.0                 | 0.0     | 104.3      |
| <b>MISSION:</b>   |          |         |         |         |   |         |         |                     |         |            |
| <p>NDSF BLI 5000 established supporting Post Delivery and Outfitting requirements for MLP.</p> <p>Outfitting funds are used to acquire on board repair parts, other secondary items, equipage, recreation items, precommissioning crew support and general use consumables furnished to the shipbuilder or the fitting-out activity to fill the ship's initial allowances as defined by the baseline Coordinated Shipboard Allowance List (COSAL). The program also budgets for contractor-furnished spares, lead-time away from delivery. The program ensures operational readiness of ships undergoing new construction. It ensures these ships receive there full allowances of spare parts and equipment which are vitally required to support the shipboard maintenance process; ensures ships are equipped with operating space items (tools, test equipment, damage control), personnel safety and survivability commodities for successful completion builder sea trials; supports shipboard maintenance and therefore achieving the OPNAV-directed Supply Readiness goals for material on board ship at delivery.</p> <p>Post Delivery funding covers the fixing of government-responsible items which were believed to have been complete to standard and/or operable at delivery. It is essential to deliver to the Fleet complete ships, free from both contractor and government responsible deficiencies, capable of supporting the Navy's mission from the first day of service. The Post Shakedown Availability (PSA) is a shipyard availability assigned to commence after delivery. It is during this time that Acceptance and Final Contract Trials deficiencies will be corrected. The purpose of the PSA is to accomplish correction of new construction deficiencies found during the shakedown period which are authorized; correction of other contractor and government responsible deficiencies previously authorized; and accomplishment of other improvements or class items as authorized. Funding is used for corrections authorized by the Ship Program Manager as a result of builders trials (pre-delivery), acceptance or underway trials, final contract trials, trial board items, and correction of production-related defects or deficiencies which develop during the Post Delivery period.</p> <p>Note:</p> <p>1) FY 2014 Reflects a congressional reduction of \$10.122 million for MLP3 Outfitting cost growth.</p> |          |         |         |         |   |         |         |                     |         |            |

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

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

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

**February 2015  
BA 02  
BLI 0220**

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

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

**Justification:**

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

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

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

**Narrative Explanation of Program Changes:**

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

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

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

**February 2015**  
**BA 02**  
**BLI 0230**

**DOD Strategic Vessel Modernization**  
**(\$M)**

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

**Justification:**

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

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

**Narrative Explanation of Program Changes:**

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

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



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

**February 2015  
BA 02  
BLI 0250**

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

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

**Justification:**

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

Funding supports the following areas:

Crew costs -- CIVMAR wages & salaries.

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

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

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

**Narrative Explanation of Program Changes:**

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

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

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| CLASSIFICATION:   |         | UNCLASSIFIED |   |         |         |                     |         |
| Exhibit R-2, RDT&E Budget Item Justification: PB16 2016 Navy  |         |              |   |         |         | Date: February 2015 |         |
| Appropriation/Budget Activity<br>RD TEN/BA 4  |         |              | R-1 Program Element (Number/Name)<br>0408042N/National Defense Sealift Fund |         |         |                     |         |
| COST (\$ in Millions)   | FY 2014 | FY 2015      | FY 2016   | FY 2017 | FY 2018 | FY 2019             | FY 2020 |
| Total PE Cost   | 44.993  | 24.417       | 25.197  | 17.962  | 17.110  | 14.971              | 15.286  |
| 3110 / Maritime Prepositioning Force (Future)   | 18.681  | 8.454        | 1.768   | 0.793   | 0.482   | 0.000               | 0.000   |
| 3116 / Strategic Sealift Research & Development   | 6.288   | 0.000        | 5.502   | 5.523   | 5.773   | 5.898               | 6.017   |
| 3117 / Naval Operational Logistics Integration  | 20.024  | 15.963       | 17.927  | 11.646  | 10.855  | 9.073               | 9.269   |
| A. MISSION DESCRIPTION:<br>This Program Element supports multiple NDSF R&D efforts under various project units. Project Unit efforts are as follows:<br><br>(1) Maritime Prepositioning Force (Future) - MPF(F) (3110) - Concept studies, preliminary, contract designs and technology development and testing leading to detail design, and construction award of ship systems for the initial operational capability milestone achievement that will provide a highly flexible, operational and logistics support capability to enable Expeditionary Maneuver Warfare concepts and to meet required operational capabilities with respect to Force Closure, Amphibious Task Force Integration, Sustainment and Reconstitution/Redeployment.<br><br>(2) Strategic Sealift Research and Development (3116) - Develops new concepts and technologies which can be applied to or will enable future Strategic Sealift, combat logistics force, and seabasing systems. The technologies include ship configuration concepts, equipment to increase cargo handling and cargo loading/unloading rates (including commercial and merchant ship systems), improved man/machine interfaces, improved structural configurations and materials, and Logistics-Over-the-Shore (LOTS) equipment and system improvements to enable LOTS operations to satisfy Joint Forces Commander (JFC) sea state and operational requirements.<br><br>(3) Naval Operational Logistics Integration (OPLOG) (3117) - Develops enabling technologies for future and in-service afloat operational logistics and integrated supply force and combatant logistics requirements; and conducts cooperative initiatives with acquisition programs, program sponsors, engineering managers, the Navy science and technology community and Fleet customers. OPLOG develops integrated, cross-platform (i.e. applicable to more than one ship class/type) operational logistics and energy conservation technologies and capabilities as well as draft acquisition and operations policy ensuring future Naval systems leverage emerging logistic capabilities and technologies to provide operationally effective and energy efficient logistics delivery. |         |              |   |         |         |                     |         |

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

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

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

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

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

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| EXHIBIT R-4A RDT&E Schedule Details: PB 2016 Navy |   |         |  | Date: February 2015 |
| Appropriation/Budget Activity                     | Program Element (Number/Name)           |         | Project (Number/Name)                        |                     |
| RDTEN/BA 4  | 0408042N/ NATIONAL DEFENSE SEALIFT FUND |         | 3110 /Maritime Prepositioning Force (Future) |                     |
|   |   |         |  |                     |
|   |   | Start   |  | End                 |
|   |   | Quarter | Year   | Quarter Year        |
| Events by Sub Project                             |   |         |  |                     |
| TESTING: CCS OT&E                                 |   | 4       | 2015   | 4 2015              |
| TESTING: AFSB DT&E                                |   | 2       | 2015   | 4 2016              |
| TESTING: AFSB IT&E                                |   | 2       | 2015   | 4 2016              |
| TESTING: AFSB OT&E                                |   | 2       | 2015   | 1 2018              |
| TESTING: AFSB LFT&E                               |   | 2       | 2015   | 1 2017              |
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| <b>Exhibit R-2A, RDT&amp;E Budget Item Justification:</b> PB16 2016 Navy  |                    |  |                |                |                | Date: February 2015                           |                |                |
| <b>Appropriation/Budget Activity</b>  |                    | <b>PROGRAM ELEMENT NUMBER AND NAME</b> |                |                |                | <b>PROJECT NUMBER AND NAME</b>                |                |                |
| RDTEN/BA 4  |                    | 0408042N/NATIONAL DEFENSE SEALIFT FUND |                |                |                | 3116/Strategic Sealift Research & Development |                |                |
| COST (In Millions)  | <b>Prior Years</b> | <b>FY 2014</b>                         | <b>FY 2015</b> | <b>FY 2016</b> | <b>FY 2017</b> | <b>FY 2018</b>                                | <b>FY 2019</b> | <b>FY 2020</b> |
| Project Cost  | 47.041             | 6.288                                  | 0.000          | 5.502          | 5.523          | 5.773   | 5.898          | 6.017          |
| RDT&E Articles Qty  |                    | 0.000                                  | 0.000          | 0.000          | 0.000          | 0.000   | 0.000          | 0.000          |
| <b>A. Mission Description and Budget Item Justification:</b><br>Strategic Sealift Research Development - Develops new concepts and technologies which can be applied to or will enable future strategic sealift and Seabasing systems. The technologies include ship configuration concepts, equipment to increase cargo handling and cargo loading/unloading rates (including commercial and merchant ship systems), improved man/machine interfaces, improved structural configurations and materials, and Logistics-Over-the Shore (LOTS) equipment and system improvements. |                    |  |                |                |                |   |                |                |
| <b>B. Accomplishments/Planned Programs (\$ in Millions):</b>  |                    |  |                |                |                | <b>FY2014</b>                                 | <b>FY2015</b>  | <b>FY2016</b>  |
| <b>Title:</b> Shipboard Crane Systems/Shipboard Cargo Systems   |                    |  |                |                |                | 0.000   | 0.000          | 1.372          |
| <b>FY2014 Accomplishments:</b><br>N/A<br><b>FY2015 Plans:</b><br>N/A<br><b>FY2016 Plans:</b><br>- Continue investigation and demonstration of shipboard crane/cargo systems improvements.   |                    |  |                |                |                |   |                |                |
| <b>Title:</b> Sealift Concept Development<br><br><b>FY2014 Accomplishments:</b><br>- Continued providing Advanced Planning, Sealift Research, and Technology development and program guidance.<br><b>FY2015 Plans:</b><br>N/A<br><b>FY2016 Plans:</b><br>- Continue to provide Advanced Planning, Sealift Research, and Technology development and program guidance.<br>Continue to develop Ship Cost Reduction Analysis.   |                    |  |                |                |                | 0.804   | 0.000          | 1.430          |

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

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

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

**A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:**

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

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

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

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| CLASSIFICATION:  |  | UNCLASSIFIED |  |  |
| Exhibit R-2A, RDT&E Budget Item Justification: PB16 2016 Navy  |  |              | Date: February 2015                          |  |
| Appropriation/Budget Activity  | PROGRAM ELEMENT NUMBER AND NAME        |              | PROJECT NUMBER AND NAME                      |  |
| RDTEN/BA 4   | 0408042N/NATIONAL DEFENSE SEALIFT FUND |              | 3117/Naval Operational Logistics Integration |  |
| B. Accomplishments/Planned Programs (\$ in Millions):  |  |              |  |  |
| Title: Advanced Replenishment Systems  | FY2014                                 | FY2015       | FY2016                                       |  |
| FY2014 Accomplishments:<br>Continued land-based testing of Heavy E-STREAM station, updated ARCTIC heavy station to final configuration during post deployment availability. Completed all E-STREAM drawings needed for T-AO(X) RFP. Ordered ESTREAM fueling station prototype equipment for integration and testing at Port Hueneme. Ordered replenishment station winches. Developed E3 test plan for ESTREAM controls.<br>FY2015 Plans:<br>Accept, install and start testing of land-based prototype Electric-Standard Tensioned Replenishment Alongside Method (ESTREAM) fueling-at-sea station. Complete environmental and electromagnetic testing of ESTREAM replenishment at sea control cabinets and equipment. Develop designs for technology insertion into legacy CLF STREAM stations to keep them supportable and operational for existing ship lives.<br>FY2016 Plans:<br>Continue land-based testing of fueling station. Accept replenishment station equipment and plan for FY17 shipboard installation, testing and operation. Begin Detail design of hybrid STREAM system for legacy CLF ships. This involves purchase and testing of prototype components to modernize installed Navy Standard UNREP stations on T-AKEs with E-STREAM technologies. | 10.165                                 | 6.700        | 8.370  |  |
| Title: Logistics Architectures   | FY2014                                 | FY2015       | FY2016                                       |  |
| FY2014 Accomplishments:<br>N/A<br>FY2015 Plans:<br>Medical Payload sealift ship enhancements and interface development for emerging Medical Adaptive Force Package support. Conduct combat logistics force data collection and operational studies.<br>FY2016 Plans:<br>Conduct combat logistics force operational studies.  | 0.000                                  | 1.050        | 0.050  |  |
| Title: Shipboard Material Transport  | FY2014                                 | FY2015       | FY2016                                       |  |
| FY2014 Accomplishments:<br>N/A<br>FY2015 Plans:<br>Requirements analyses and alternatives development for JSF power module mover compatible with combat logistics force ships.<br>FY2016 Plans:<br>Coordinate with JSF and NAVAIR on modification and testing of candidate JSF power module mover.   | 0.000                                  | 0.200        | 0.250  |  |
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| <b>CLASSIFICATION:</b>   |  | <b>UNCLASSIFIED</b>  |               |               |  |                            |               |               |
| <b>Exhibit R-2A, RDT&amp;E Budget Item Justification:</b> PB16 2016 Navy   |  |  |               |               |  | <b>Date:</b> February 2015 |               |               |
| <b>Appropriation/Budget Activity</b><br>RDTEN/BA 4   |  | <b>PROGRAM ELEMENT NUMBER AND NAME</b><br>0408042N/NATIONAL DEFENSE SEALIFT FUND |               |               | <b>PROJECT NUMBER AND NAME</b><br>3117/Naval Operational Logistics Integration |                            |               |               |
| <b>B. Accomplishments/Planned Programs (\$ in Millions):</b>   |  |  |               |               |  |                            |               |               |
| <b>Title:</b> Shipboard Energy Conservation  |  |  |               | <b>FY2014</b> | <b>FY2015</b>  | <b>FY2016</b>              |               |               |
| <b>FY2014 Accomplishments:</b><br>Continued energy management approach improvements, validation of energy savings from implementation of energy conservation measures, identification and evaluation of additional energy conservation concepts, transition of successful energy conservation measures to MSC and in coordination with other Navy energy conservation programs to leverage successful energy reduction approaches.   |  |  |               | 8.859         | 8.013  | 9.257                      |               |               |
| <b>FY2015 Plans:</b><br>Continue energy management approach improvements, validation of energy savings from implementation of energy conservation measures, identification and evaluation of additional energy conservation concepts, transition of successful energy conservation measures to MSC and coordination with other Navy energy conservation programs to leverage successful energy reduction approaches.   |  |  |               |               |  |                            |               |               |
| <b>FY2016 Plans:</b><br>Continue energy management approach improvements, validation of energy savings from implementation of energy conservation measures, identification and evaluation of additional energy conservation concepts, transition of successful energy conservation measures to MSC and coordination with other Navy energy conservation programs to leverage successful energy reduction approaches. Prototype purchase, installations, and testing planned for FY 2016. |  |  |               |               |  |                            |               |               |
| <b>Title:</b> Ship Concept Development   |  |  |               | 1.000         | 0.000  | 0.000                      |               |               |
| <b>FY2014 Accomplishments:</b><br>T-ATS (X) program management support.  |  |  |               |               |  |                            |               |               |
| <b>FY2015 Plans:</b><br>N/A  |  |  |               |               |  |                            |               |               |
| <b>FY2016 Plans:</b><br>N/A  |  |  |               |               |  |                            |               |               |
| <b>Accomplishments/Planned Programs Subtotals</b>  |  |  |               | <b>20.024</b> | <b>15.963</b>  | <b>17.927</b>              |               |               |
| <b>C. Other Program Funding Summary (\$ in Millions):</b>  |  | <b>FY2014</b>  | <b>FY2015</b> | <b>FY2016</b> | <b>FY2017</b>  | <b>FY2018</b>              | <b>FY2019</b> | <b>FY2020</b> |
| N/A  |  |  |               |               |  |                            |               |               |
| <b>D. Acquisition Strategy:</b><br>Not applicable for OPLOG R&D efforts  |  |  |               |               |  |                            |               |               |
| <b>E. Performance Metrics</b><br>Annual Program Review   |  |  |               |               |  |                            |               |               |

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

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



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

**February 2015**  
**BA 05**  
**BLI 0500**

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

**Justification:**

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

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

**Narrative Explanation of Program Changes:**

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

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

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

February 2015  
**BA 05**  
**BLI 5000**

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

February 2015  
BA 05  
BLI 0500

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

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

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