

BUDGET ITEM JUSTIFICATION SHEET (P-40)							DATE:		
FY 05 President's Budget ESTIMATES (\$M)							February 2004		
APPROPRIATION/BUDGET ACTIVITY				P-1 ITEM NOMENCLATURE					
BA #2 OTHER WARSHIPS				SSN Engineered Refueling Overhauls (ERO) (BLI 211100)					
	Prior Years *	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	TO COMPLETE	TOTAL PROGRAM
QUANTITY	3	2	2	0	0	3	1	0	11
End Cost	674.8	506.9	449.6	-	-	745.5	272.7	-	2,649.6
Less Advance Procurement	58.8	80.0	3.1	-	-	91.6	54.4	-	287.9
Less FY 02 Appropriations for Prior Year Ships	16.2	-	-	-	-	-	-	-	16.2
Full Funding TOA	599.7	426.9	446.5	-	-	654.0	218.3	-	2,345.4
Plus Advance Procurement	217.5	62.7	10.3	19.4	80.6	46.1	-	-	436.5
Total Obligational Authority	817.2	489.6	456.7	19.4	80.6	700.0	218.3	-	2,781.9
Plus Outfitting and Post Delivery	1.5	3.5	2.9	4.0	4.6	3.9	8.3	0.3	17.4
Total	818.3	494.6	460.2	21.9	80.8	701.6	220.7	0.3	2,799.3
SSN Unit Cost (Ave. End Cost)	224.9	253.4	224.8	-	-	248.5	272.7	-	

* Prior Years controls do not reflect \$19.6M transferred to USS BUFFALO's FY 2002 ERO in the FY 2004 omnibus appropriations act.

SSN ERO: This funding provides for Engineered Refueling Overhauls of LOS ANGELES Class (SSN 688) Fast Attack Submarines. This is a major overhaul performed near the mid-point of the submarine's service life to re-capitalize the vessel and extend the useful life to maintain SSN submarine force levels. Work performed includes: refueling of the reactor; major propulsion plant and ship equipments are repaired or upgraded; obsolete equipments are replaced; limited alterations to provide for reliable operations during the remaining operational life of the submarines and the ship is re-certified for Unrestricted Operations (SUBSAFE URO). The unit cost reflects the refueling, repair and alterations mandays with the appropriate shipyard rate and material.

SSBN ERO: FY-04 congressional direction requires separate Budget Line Items (BLI) for SSN EROs & SSBN EROs starting with FY04. Prior to FY04, SSBN ERO and D-5 Backfit Advance Procurement (AP) for SSBN 730 & SSBN 731 refueling overhauls were funded in the 211100 BLI. Details of FY02 and FY03 AP funding for these availabilities are included in the attached AP exhibits. FY04 and outyear funding for these and future SSBN availabilities is submitted in the 211300 BLI.

FY 2004 - The \$3.1M in Advance Procurement is unique, non-recurring AP for rescheduled EROs. These sunk costs, not directly attributable to the two FY2004 EROs, are included in End Cost for accounting purposes only.

Characteristics:		Production Status	SSN 708	SSN 709	SSN 718
			FY07	FY07	FY07
SSN 688 Class Hulls		Contract Plans	Sep-05	May-05	Feb-05
Length Overall 360'		Award Planned (Month)	Sep-05	May-05	Feb-05
Displacement 6,900 TONS		Months to Complete			
		a) Award to Delivery	44	44	44
		b) Project Start to Delivery	24	24	24
		Commissioning Date	N/A	N/A	N/A
		Completion of Fitting Out	May-09	Jan-09	Oct-08

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 FY 2005 President's
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 Feb-04

APPROPRIATION: SHIPBUILDING AND CONVERSION, NAVY

SUBHEAD: 8234

BUDGET ACTIVITY : 2
 SUBMARINES

P-1 ITEM NOMENCLATURE: SUBMARINE REFUELING OVERHAUL (SSNs)

ELEMENT OF COST	FY01		FY02		FY03		FY04	
	QTY	TOTAL COST	QTY	TOTAL COST	QTY	TOTAL COST	QTY	TOTAL COST
PLAN COSTS		37,641 a/		82,663 a/		102,866		11,407
BASIC CONST/CONVERSION		197,546		351,752		392,149		432,253
CHANGE ORDERS		-		-		-		-
ELECTRONICS		-		-		-		-
PROPULSION EQUIPMENT		-		-		-		-
HULL, MECH & ELEC		-		-		-		-
OTHER COSTS		395		4,832		11,881		5,915
ORDNANCE		-		-		-		-
ESCALATION		-		-		-		-
TOTAL SHIP ESTIMATE	1	235,582 a/	2	439,247 a/b/	2	506,896	2	449,575
LESS: ADVANCE PROCUREMENT FY01		-		58,801		12,813		-
LESS: ADVANCE PROCUREMENT FY02						67,153		3,110 c/
LESS: FY 02 Appropriations for Prior Year Ships		16,248		-		-		-
NET P-1 LINE ITEM		219,334 a/		380,446 a/		426,930		446,465

a/ FY00 and prior year funding was not SCN and is not included in the End Cost.

b/ FY02 controls do not reflect \$19.6M transferred to USS BUFFALO's ERO in the FY 2004 omnibus appropriations act.

c/ FY 2004 - The \$3.1M in Advance Procurement is unique, non-recurring AP for rescheduled EROs. These sunk costs, not directly attributable to the two FY2004 EROs, are included in End Cost for accounting purposes only.

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SHIPBUILDING AND CONVERSION, NAVY
SHIP PRODUCTION SCHEDULE

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SHIP TYPE	INDUSTRIAL ACTIVITY	FISCAL YEAR AUTHORIZED	AWARD OF PROJECT	START OF PROJECT	DELIVERY DATE
SSN 706 ERO	PORTSMOUTH NAVAL SHIPYARD	FY 2001	Feb-00	Jul-01	Jul-03
SSN 713 ERO	PUGET SOUND NAVAL SHIPYARD	FY 2002	Feb-00	Oct-01	Aug-04
SSN 715 ERO	PEARL HARBOR NAVAL SHIPYARD & IMF	FY 2002	Oct-00	Jun-02	Aug-04
SSN 699 ERO	PORTSMOUTH NAVAL SHIPYARD	FY 2004	Oct-03	Sep-04	Sep-06
SSN 717 ERO	PEARL HARBOR NAVAL SHIPYARD & IMF	FY 2004	Oct-03	Sep-04	Sep-06

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FY 2005 President's
Budget Estimates
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SHIPBUILDING AND CONVERSION , NAVY
Analysis of Ship Cost Estimates - Major Equipment
(Dollars in Thousands)

Ship Type: Submarine Refueling Overhaul

OTHER

b. Major Items

Subtotal

c. Miscellaneous Other Support

TOTAL OTHER

	(1) FY 01 <u>TOT COST</u>	(2) FY 02 <u>TOT COST</u>	(2) FY 03 <u>TOT COST</u>	(2) FY 04 <u>TOT COST</u>
Subtotal	-	-	-	-
c. Miscellaneous Other Support	<u>395</u>	<u>4,832</u>	<u>11,881</u>	<u>5,915</u>
TOTAL OTHER	395	4,832	11,881	5,915

SHIPBUILDING AND CONVERSION, NAVY

Analysis of Ship Cost Estimates - Basic Escalation

Ship Type: Submarine Refueling Overhaul

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FY 2005 President's

Budget Estimates

Feb-04

I. Design Schedule Not Applicable to Refueling Overhauls

Issue Date for TLR N/A

Issue Date for TLS N/A

Preliminary Design N/A

Contract Design N/A

Request for Proposals N/A

Design Agent

II. Classification of Cost Estimate Class D - Budget Quality Estimate (Conversion/Modernization/ERO)

III. Basic Construction/Conversion SSN 699 SSN 717

A. Assumed Award Date Oct-03 Oct-03

B. Contract Type (and Share Line if applicable) FFP N/A

IV. Escalation Not Applicable to Refueling Overhauls

Escalation Termination Date N/A

Escalation Requirement N/A

Labor/Material Split N/A

Allowable Overhead Rate N/A

V. Other Basic (Reserves/Miscellaneous) Amount

None N/A