

**DEPARTMENT OF THE NAVY  
NAVY WORKING CAPITAL FUND (NWCF)  
FISCAL YEAR (FY) 2005 BUDGET ESTIMATES**

Navy Working Capital Fund (NWCF) activities have been key support elements behind the Department's overall warfighting and power projection capabilities and are projected to continue playing these important roles throughout the budget period. In FY 2003, the Depot Maintenance and Supply Management activity groups saw significant increases in demand for their goods and services in support of Operations Enduring Freedom and Iraqi Freedom. Total cost of goods and services was \$25.4 billion in FY 2003 while FY 2004 and FY 2005 figures are projected to be \$24.7 billion and \$24.5 billion, respectively.

NWCF activities perform a wide variety of functions. In addition to Depot Maintenance and Supply Management, the NWCF includes the Research & Development, Transportation, and Base Support activity groups. This makes the NWCF the most functionally diverse of the Department of Defense's working capital funds.

In the area of Supply Management, the Department continues to focus on delivering combat capability through optimum logistics support. Ensuring the right material is provided at the proper place, time, and cost is paramount to sustaining our warfighting units whether at peace or at war. To this end, the Department continues to pursue initiatives that will control costs and improve readiness. While we continue to address our aging weapon systems through modifications and new procurement, our older weapon systems combined with increased utilization rates have increased the cost of our spare parts. This is one of the reasons why the Department's request for material obligations remains high. In this regard, it is important to realize that since spare parts, in the aggregate, are but a single element within a complex and intricately balanced system necessary to keep weapon systems safe and operating at their optimal capability, the Department must also look at other contributing elements that influence cost. To attain data in other integrated logistics support elements, such as training and maintenance, more robust information systems are required. Accordingly, the Department continues to fund initiatives such as Enterprise Resource Planning. This initiative will provide the Department better tools to assess program growth and implement cost reducing procedures where appropriate. We are optimistic that these continuing efforts along with reducing weapon system age will stem the tide of spare part cost growth and allow the Department to provide our warfighters improved logistics support at a lower cost.

One of the Department's readiness initiatives that will improve our ability to respond logistically to impending threats is the capitalization of spare aircraft engines. The NWCF is an account that provides the Department the ability to react quickly to changing (or projected) customer demand patterns. By enabling the NWCF to order spare aircraft engines, while still using procurement funds to buy the asset off the shelf when available, the Department gains efficiencies and improves our readiness posture. Accordingly, this submission includes \$59 million in FY 2005 to order spare aircraft engines using the NWCF.

Lastly, this budget submission reflects a continuation of the Department's inventory augmentation efforts. Inventory augmentation finances the procurement of wholesale system stock necessary to

support new, modified or increasing numbers of weapons systems entering the Department's arsenal. It is this wholesale inventory upon which Fleet customers rely to meet afloat/ashore logistics response times planned in retail allowance models. Ensuring sufficient wholesale material is on hand is an essential element of the readiness equation. Additionally, financing the inventory augmentation via a direct appropriation is considered the most effective funding method since it does not excessively burden the customer rates and it allows the Department to capture total ownership more effectively since the funds are clearly tied to the support of the weapon system rather than being accounted for in the cost of operating the system. As a result of the lead times associated with ordering and delivering inventory augmentation material, the direct appropriation is normally required within two years after ordering; although in some cases the lead times may be slightly longer. Accordingly, a direct appropriation to the NWCF of \$65.4 million is requested in FY 2005 as the last installment for material ordered over the FY 2002-2003 timeframe, as depicted below:

<b>Inventory Augmentation</b>	(dollars in millions)			
	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Obligation Authority	98.5	137.5		
Direct Appropriation to the NWCF		40.2	130.4	65.4

As a continuation of the inventory augmentation initiative, obligation authority of \$114.7 million and \$86.0 million has been requested in FY 2004 and FY2005 respectively and a direct appropriation funding line has been programmed in the outyears to liquidate this expense as the material is delivered.

In the area of Transportation, the MSC rates for FY 2005 incorporate FY 2003 experience and revised projections for FY 2004 and FY 2005, including changes in operational status for MSC ships. Major operational changes include early decommissioning and deactivation of four AOE ships and associated upgrade of the reserve operating status of several Naval Fleet Auxiliary Force ships. In addition, the first T-AKE class ship begins operations in FY 2005.

In the Research and Development activity group, the Department of the Navy effort to consolidate installation management functions under the new Commander, Navy Installations (CNI) claimancy has caused a number of budget realignments across multiple activities. This means that functions like security, fire protection, facilities maintenance, utilities and family housing operations will no longer be provided using "in-house" resources at Naval Air Warfare Center (NAWC), Naval Surface Warfare Center (NSWC) and Naval Research Laboratory (NRL) sites. Through a combination of CNI regional organizations and newly established Public Works Center detachments, installation management functions will be delivered in a more efficient and consistent manner. Those services which the NAWC, NSWC and NRL organizations specifically use to perform their NWCF missions will be performed by CNI and the PWC detachments on a reimbursable basis.

Budget estimates for the Depot Maintenance - Ships area reflect the transition of the Puget Sound Naval Shipyard to mission funding on a two-year test basis beginning in FY 2004.

Department of the Navy NWCF activity groups are:

Supply Operations: Provides inventory management functions for shipboard, ground and aviation repairable and consumable items, management of overseas Fleet Industrial Supply Centers and miscellaneous support functions for ashore and Fleet commanders.

Depot Maintenance:

Shipyards: Consists of three active shipyards which perform functions such as logistics support for assigned ships and service craft, authorized work in connection with construction, overhaul, repair, alteration, drydocking and outfitting of ships and craft as assigned, and a variety of other services. The Department converted the Puget Sound Naval Shipyard from NWCF operation to mission funding in a two year pilot effort aimed at ensuring the success of the consolidation of depot and intermediate ship repair facilities in the Northwest region beginning in FY 2004.

Aviation Depots: Consists of three active Naval Air Depots (NADEPs), while another three have closed. The active NADEPs perform a host of functions including: repair of aircraft, engines and components; manufacture of specific parts and assemblies; maintenance, engineering and logistics support services for the Fleet; and numerous engineering and technical services.

Marine Corps Depots: Consists of one east coast and one west coast depot facility which perform inspection, repair, rebuild and modification of all types of ground combat and combat support equipment used by the Marine Corps and other Services.

Transportation: Military Sealift Command (MSC) operates service-unique Naval Fleet Auxiliary Force (NFAF) vessels, primarily civilian manned, which provide material support to the Fleet, Special Mission Ships (SMS) which provide unique seagoing platforms and Afloat Prepositioning Force (APF) ships which deploy advance material for strategic lifts. MSC manages these vessels from five area and three sub-area commands around the world.

Research and Development: Consists of the Naval Research Laboratory, the Naval Air Warfare Center, the Naval Surface Warfare Center, the Naval Undersea Warfare Center and the Space and Naval Warfare Systems Centers. These activities perform a wide range of research, development, test, evaluation, and engineering support functions.

Base Support: Consists of eight Public Works Centers (PWCs) and the Naval Facilities Engineering Service Center (NFESC). The PWCs provide utilities services, facilities maintenance, transportation support, engineering services and shore facilities planning support required by operating forces and other activities. NFESC, located in Port Hueneme, California, provides the Navy with specialized facilities engineering and technology support.

**Revenue:**

	(dollars in millions)		
	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Supply - Navy	6,553.4	5,826.1	5,585.1
Supply - Marine Corps	225.0	147.9	141.4
Depot Maintenance - Ships	2,750.6	1,733.6	1,532.3
Depot Maintenance - Aircraft	2,367.8	2,247.6	2,095.3
Depot Maintenance - Marine Corps	228.1	260.6	225.4
R&D - Air Warfare Center	2,229.8	2,261.1	2,154.4
R&D - Surface Warfare Center	3,583.2	3,270.5	3,245.1
R&D - Undersea Warfare Center	1,006.9	891.8	911.9
R&D - SPAWAR Systems Center	2,190.0	2,147.2	2,110.7
R&D - Naval Research Laboratory	576.1	595.2	597.9
Transportation - MSC	1,844.1	1,725.5	1,939.4
Base Support - PWC	1,484.9	1,655.0	1,675.4
Base Support - NFESC	99.8	58.1	59.7
Totals	25,139.7	22,820.2	22,274.0

**Cost: (Operating)**

Total obligations for Supply functions and cost of goods and services sold for industrial functions are as follows:

	(dollars in millions)		
	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Supply - Navy	7,082.8	7,623.2	7,606.0
Supply - Marine Corps	265.1	188.6	203.5
Depot Maintenance - Ships	2,664.7	1,800.9	1,535.1
Depot Maintenance - Aircraft	2,278.1	2,208.1	2,162.1
Depot Maintenance - Marine Corps	234.1	253.1	230.1
R&D - Air Warfare Center	2,212.2	2,253.6	2,137.5
R&D - Surface Warfare Center	3,569.7	3,268.8	3,266.8
R&D - Undersea Warfare Center	998.4	894.1	916.2
R&D - SPAWAR Systems Center	2,189.1	2,151.1	2,121.3
R&D - Naval Research Laboratory	570.9	594.7	608.0
Transportation - MSC	1,788.2	1,721.3	1,968.1
Base Support - PWC	1,480.8	1,637.4	1,672.8
Base Support - NFESC	98.4	58.2	58.0
Totals	25,432.4	24,653.2	24,485.3

**Net Operating Results:**

Revenue, excluding surcharge collections and extraordinary expenses, less the cost of goods and services sold to customers is as follows:

	(dollars in millions)		
	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Supply - Navy	(68.9)	(8.4)	(37.3)
Supply - Marine Corps	32.2	(21.6)	(26.6)
Depot Maintenance - Ships	78.8	(67.4)	(2.8)
Depot Maintenance - Aircraft	87.2	38.8	(67.4)
Depot Maintenance - Marine Corps	(5.4)	7.5	(4.7)
Ordnance (residual data)	0.3	-	-
R&D - Air Warfare Center	13.6	7.5	17.0
R&D - Surface Warfare Center	19.4	1.7	(21.7)
R&D - Undersea Warfare Center	8.5	(2.3)	(4.3)
R&D - SPAWAR Systems Center	(0.2)	(4.0)	(10.6)
R&D - Naval Research Laboratory	1.9	(3.8)	(13.9)
Transportation - MSC	55.8	4.2	(28.7)
Base Support - PWC	4.0	17.7	2.6
Base Support - NFESC	1.4	(0.1)	1.7
Totals	228.6	(30.2)	(196.7)

**Accumulated Operating Results (recoverable):**

	(dollars in millions)		
	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Supply - Navy	45.7	37.3	-
Supply - Marine Corps	48.2	26.6	-
Depot Maintenance - Ships	52.8	(14.5)	-
Depot Maintenance - Aircraft	18.6	67.4	-
Depot Maintenance - Marine Corps	(2.8)	4.7	-
Ordnance (residual data)	12.7	-	-
R&D - Air Warfare Center	(24.5)	(17.0)	-
R&D - Surface Warfare Center	20.0	21.7	-
R&D - Undersea Warfare Center	6.6	4.3	-
R&D - SPAWAR Systems Center	14.5	10.5	-
R&D - Naval Research Laboratory	17.7	13.9	-
Transportation - MSC	24.5	28.7	-
Base Support - PWC	(20.2)	(2.6)	-
Base Support - NFESC	(1.7)	(1.7)	-
Totals	212.1	179.3	-

**Workload:**

Workload projections for NWCF activities generally reflect the decline in Navy force structure and attendant support levels as well as those factors unique to each group. The table below displays year-to-year percentage changes in transportation ship days for MSC, changes in program costs for Base Support – PWC and changes in direct labor hours for all other industrial business areas. For supply, workload changes are indicated by gross sales.

	percent change	
	FY 2004	FY 2005
Supply - Navy	-5.7%	-2.1%
Supply - Marine Corps	-35.1%	-5.1%
Depot Maintenance - Ships	-43.0%	0.9%
Depot Maintenance - Aircraft	2.4%	-4.6%
Depot Maintenance - Marine Corps	9.8%	-12.2%
R&D - Air Warfare Center	-6.9%	-0.3%
R&D - Surface Warfare Center	-5.2%	0.0%
R&D - Undersea Warfare Center	-0.2%	1.1%
R&D - SPAWAR Systems Center	-4.1%	0.1%
R&D - Naval Research Laboratory	0.9%	-0.5%
Transportation - MSC	-2.1%	2.6%
Base Support - PWC	6.8%	0.9%
Base Support - NFESC	-8.2%	-0.6%

### Customer Rate Changes

Approved composite rate changes from FY 2003 to FY 2004 and proposed composite rate changes from FY 2004 to FY 2005 (designed to achieve an accumulated operating result of zero at the end of FY 2005) are as follows:

	(percent change)	
	<u>FY 2004</u>	<u>FY2005</u>
Supply:		
Navy - Aviation Consumables	7.9%	-3.3%
Navy - Shipboard Consumables	5.4%	-0.2%
Navy - Aviation Repairables	6.0%	3.9%
Navy - Shipboard Repairables	5.4%	-0.2%
Navy - Other	1.5%	2.4%
MARCORPS Repairables	-18.3%	5.9%
Depot Maintenance - Ships	-3.6%	12.7%
Depot Maintenance – Aircraft:	-2.4%	3.1%
Depot Maintenance - Marine Corps	7.4%	-2.5%
R&D - Air Warfare Center	-2.3%	2.4%
R&D - Surface Warfare Center	0.9%	1.1%
R&D - Undersea Warfare Center	0.4%	2.7%
R&D – SPAWAR Systems Center	1.8%	1.4%
R&D - Naval Research Laboratory	1.1%	2.3%
Transportation - MSC		
Fleet Auxiliary	1.7%	5.0%
Special Mission Ships	-6.1%	11.2%
Afloat Prepositioning Ships	-4.2%	10.0%
Base Support – PWC:		
East Coast Utilities	10.5%	-5.0%
East Coast – Other	-1.1%	2.4%
West Coast Utilities	-23.4%	-1.3%
West Coast - Other	1.7%	0.8%
Base Support - NFESC	1.5%	5.2%

**Unit Costs:**

Unit Cost is the method established to authorize and control costs. Unit cost goals allow activities to respond to workload changes in execution by encouraging reduced costs when workload declines and allowing appropriate increases in costs when their customers request additional services.

	<u>Unit Cost</u> <u>FY 2004</u>	<u>Unit Cost</u> <u>FY2005</u>
Supply - Navy (cost per unit of sales <sup>1</sup> ):		
Wholesale	0.99	1.04
Retail	0.99	1.00
Supply - Marine Corps (cost per unit of sales):		
Wholesale	1.11	1.22
Retail	1.01	1.05
Depot Maintenance-Ships (\$/Direct Labor Hour <sup>2</sup> )	72.44	74.26
Depot Maintenance - Aircraft (\$/Direct Labor Hour)	164.90	167.08
Depot Maintenance - Marine Corps (\$/Dir Labor Hr)	127.86	132.54
R&D-Air Warfare Center (\$/Direct Labor Hour <sup>2</sup> )	74.73	75.64
R&D-Surface Warfare Center (\$/Direct Labor Hour <sup>2</sup> )	80.49	80.56
R&D-Undersea Warfare Center (\$/Direct Labor Hour <sup>2</sup> )	83.67	85.75
R&D-SPAWAR SYSCEN (\$/Direct Labor Hour <sup>2</sup> )	83.60	86.11
R&D-Naval Research Lab (\$/ Direct Labor Hour <sup>2</sup> )	103.65	106.42
Transportation – MSC		
NFAF (\$/day)	37,349	41,107
SMS (\$/day)	22,976	24,433
APF (\$/day)	73,706	82,208
Base Support - PWC Cost of services	various	various
Base Support - NFESC (\$/Direct Labor Hour <sup>2</sup> )	82.83	83.35

<sup>1</sup> excludes inventory augmentation obligations

<sup>2</sup> includes direct labor plus overhead costs

**Treasury Cash Balance:**

	(\$ millions)	
	FY 2004	FY 2005
Beginning Cash Balance	1,827.7	900.8
Collections	22,944.5	22,380.5
Disbursements	23,357.6	22,449.1
Transfers	518.8	122.9
<b>Ending Cash Balance</b>	<b>900.8</b>	<b>709.3</b>

**Staffing:** Total civilian and military personnel employed at NWCF activities are as follows:

<u>Civilian End Strength</u>	(strength in whole numbers)		
	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Supply - Navy	5,672	5,477	5,477
Supply - Marine Corps	47	26	24
Depot Maintenance - Ships	19,881	11,434	11,691
Depot Maintenance - Aircraft	11,145	11,042	11,101
Depot Maintenance - Marine Corps	1,486	1,691	1,318
R&D - Air Warfare Center	11,483	9,716	9,721
R&D - Surface Warfare Center	16,998	15,099	15,162
R&D - Undersea Warfare Center	4,339	4,323	4,323
R&D - SPAWAR Systems Center	5,955	5,750	5,705
R&D - Naval Research Laboratory	2,664	2,618	2,618
Transportation - MSC	4,892	5,300	5,472
Base Support - PWC	7,566	8,670	8,372
Base Support - NFESC	361	331	326
Totals	92,489	81,477	81,310

<u>Civilian Workyears</u>	(workyears in whole numbers)		
	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Supply - Navy	6,061	5,756	5,477
Supply - Marine Corps	47	26	24
Depot Maintenance - Ships	19,247	11,474	11,396
Depot Maintenance - Aircraft	10,789	10,989	11,062
Depot Maintenance - Marine Corps	1,470	1,652	1,490
R&D - Air Warfare Center	11,293	9,652	9,664
R&D - Surface Warfare Center	16,607	14,871	14,876
R&D - Undersea Warfare Center	4,260	4,290	4,338
R&D - SPAWAR Systems Center	5,820	5,649	5,629
R&D - Naval Research Laboratory	2,564	2,511	2,511
Transportation - MSC	6,745	6,809	6,874
Base Support - PWC	7,500	8,660	8,373
Base Support - NFESC	355	327	322
Totals	92,758	82,666	82,036

<u>Military End Strength</u>	(strength in whole numbers)		
	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Supply - Navy	426	421	383
Supply - Marine Corps	-	-	-
Depot Maintenance - Ships	111	89	89
Depot Maintenance - Aircraft	101	126	124
Depot Maintenance - Marine Corps	15	12	12
R&D - Air Warfare Center	216	240	228
R&D - Surface Warfare Center	289	298	298
R&D - Undersea Warfare Center	32	48	49
R&D - SPAWAR Systems Center	78	101	101
R&D - Naval Research Laboratory	70	82	82
Transportation - MSC	562	623	610
Base Support - PWC	105	105	105
Base Support - NFESC	3	3	3
Totals	2,008	2,148	2,084

<u>Military Workyears</u>	(strength in whole numbers)		
	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Supply - Navy	428	423	402
Supply - Marine Corps	-	-	-
Depot Maintenance - Ships	110	80	73
Depot Maintenance - Aircraft	99	126	124
Depot Maintenance - Marine Corps	11	12	12
R&D - Air Warfare Center	169	158	169
R&D - Surface Warfare Center	282	262	261
R&D - Undersea Warfare Center	36	33	34
R&D - SPAWAR Systems Center	80	79	79
R&D - Naval Research Laboratory	73	73	70
Transportation - MSC	697	623	610
Base Support - PWC	105	105	105
Base Support - NFESC	3	3	3
Totals	2,093	1,977	1,942

**Performance Indicators:**

The NWCF's primary performance indicators are Net Operating Results and Unit Cost. Both are discussed in preceding sections. Non-financial performance indicators are specific to the types of work being performed by the various activity groups. They are discussed in the activity group summary narratives.

**Capital Purchase Program:**

	(dollars in millions)		
	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Supply - Navy	71.5	49.8	15.2
Supply - Marine Corps	-	-	-
Depot Maintenance - Ships	41.5	20.5	27.4
Depot Maintenance - Aircraft	50.9	41.8	31.5
Depot Maintenance - Marine Corps	2.8	3.9	4.2
R&D - Air Warfare Center	33.2	40.0	23.6
R&D - Surface Warfare Center	30.5	31.7	32.6
R&D - Undersea Warfare Center	18.7	19.0	19.5
R&D - SPAWAR Systems Center	10.6	8.6	7.1
R&D - Naval Research Laboratory	17.3	17.3	17.3
Transportation - MSC	13.6	13.1	15.2
Base Support - PWC	17.9	19.1	17.2
Base Support - NFESC	0.2	-	-
Totals	308.8	264.9	210.9

**The above capital investment program by major category is as follows:**

Equipment (Non-ADPE/Telecom)	106.7	91.6	110.5
ADPE and Telecommunications Equip	48.7	46.8	43.0
Software Development	124.3	90.6	26.4
Minor Construction	<u>29.1</u>	<u>35.9</u>	<u>31.0</u>
Totals	308.8	264.9	210.9

## Carryover Reconciliation

The NWCF uses a methodology to measure funded workload at its activities that crosses fiscal year boundaries (carryover) which is based on the specific outlay rates of the appropriations that customers send to NWCF activities. The tables below summarize carryover using the approved outlay-based methodology.

### Depot Maintenance - Ships

	\$ Millions		
	<u>FY 2003</u>	<u>FY 2004*</u>	<u>FY 2005*</u>
Net Carry-In	831.8	779.0	415.3
New Orders	3,267.7	1,038.1	1,535.7
Less Exclusions:			
FMS	-0.8	-0.1	-0.7
BRAC	-0.4	0.0	0.0
Other Federal Depts & Agencies	-5.2	-1.8	-1.5
Non-Fed and Others	-16.1	-6.3	-4.3
Orders for Carryover Calculation	<u>4,077.0</u>	<u>1,808.8</u>	<u>1,944.5</u>
Composite Outlay Rate	70.7%	72.7%	69.0%
Carryover Ceiling Rate	29.3%	27.3%	31.0%
<b>Carryover Ceiling</b>	<b>1,195.9</b>	<b>494.7</b>	<b>603.0</b>
Balance of Customer Orders at Year End	1,449.9	470.8	514.6
Less WIP	-26.1	-28.5	-28.6
Less Exclusions:			
FMS	-4.3	-1.3	-1.8
BRAC	-5.6	-8.2	-6.7
Other Federal Depts & Agencies	-7.0	-5.5	-5.2
Non-Fed and Others	-16.3	-12.0	-10.1
<b>Carryover Budget</b>	<b>1,390.6</b>	<b>415.3</b>	<b>462.2</b>

\*excludes Puget Sound NSY

Depot Maintenance - Aircraft

	\$ Millions		
	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
New Orders	2,415.2	1,868.5	1,990.2
Less Exclusions:			
FMS	-28.0	-21.3	-24.1
BRAC	0.0	0.0	0.0
Other Federal Depts & Agencies	-6.6	-5.7	-6.3
Non-Fed and Others	-14.6	-34.6	-45.7
Orders for Carryover Calculation	<u>2,366.0</u>	<u>1,806.9</u>	<u>1,914.2</u>
Composite Outlay Rate	74.5%	72.3%	72.3%
Carryover Ceiling Rate	25.5%	27.7%	27.7%
<b>Carryover Ceiling</b>	<b>603.2</b>	<b>500.0</b>	<b>529.3</b>
Balance of Customer Orders at Year End	1,153.1	774.0	669.0
Less WIP	-291.3	-232.5	-148.4
Less Exclusions:			
FMS	-24.4	-21.1	-27.0
BRAC	-11.1	-11.1	-11.1
Other Federal Depts & Agencies	-13.4	-11.5	-8.5
Non-Fed and Others	-5.0	-18.0	-34.2
<b>Carryover Budget</b>	<b>807.9</b>	<b>479.9</b>	<b>439.9</b>

Depot Maintenance – Marine Corps

	\$ Millions		
	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
New Orders	313.2	187.8	212.7
Less Exclusions:			
FMS	-4.7	-7.4	-0.5
BRAC	0.0	0.0	0.0
Other Federal Depts & Agencies	0.0	0.0	0.0
Non-Fed and Others	-0.4	-0.2	-0.2
Orders for Carryover Calculation	<u>308.0</u>	<u>180.2</u>	<u>212.0</u>
Composite Outlay Rate	64.3%	69.6%	64.2%
Carryover Ceiling Rate	35.7%	30.4%	35.8%
<b>Carryover Ceiling</b>	<b>109.9</b>	<b>54.7</b>	<b>75.9</b>
Balance of Customer Orders at Year End	133.9	61.1	48.4
Less WIP	-0.7	-0.7	-0.9
Less Exclusions:			
FMS	-3.8	-5.5	-1.7
BRAC	0.0	0.0	0.0
Other Federal Depts & Agencies	0.0	0.0	0.0
Non-Fed and Others	-0.2	-0.1	-0.1
<b>Carryover Budget</b>	<b>129.1</b>	<b>54.7</b>	<b>45.7</b>

Research & Development Activity Group

	\$ Millions		
	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
New Orders	10,552.5	8,552.9	8,833.6
Less Exclusions:			
Institutional MRTFB	-295.3	-289.9	-274.3
FMS	-297.8	-236.8	-220.9
BRAC	-0.4	-0.2	-0.2
Other Federal Depts & Agencies	-417.9	-226.4	-230.5
Non-Fed and Others	-138.7	-69.8	-60.0
Orders for Carryover Calculation	<u>9,402.4</u>	<u>7,729.7</u>	<u>8,047.7</u>
Composite Outlay Rate	58.7%	56.7%	57.2%
Carryover Ceiling Rate	41.3%	43.3%	42.8%
<b>Carryover Ceiling</b>	<b>3,883.0</b>	<b>3,344.6</b>	<b>3,444.3</b>
Balance of Customer Orders at Year End	4,812.5	4,199.6	4,013.1
Less WIP	-548.4	-552.3	-540.5
Less Exclusions:			
Institutional MRTFB	-66.0	-177.9	-180.2
FMS	-324.0	-327.4	-319.0
BRAC	-13.0	-10.2	-8.6
Other Federal Depts & Agencies	-289.3	-258.2	-220.6
Non-Fed and Others	-124.2	-138.7	-134.9
<b>Carryover Budget</b>	<b>3,447.7</b>	<b>2,734.8</b>	<b>2,609.3</b>