

Department of the Navy  
Operation and Maintenance, Navy  
1B4B Ship Maintenance  
FY 2005 President's Budget Submission  
Exhibit OP-5

**I. Description of Operations Financed:**

Financing within this program supports maintenance ranging from Overhauls (OH) to Restricted Technical Availabilities (RA/TA) performed at Naval Shipyards (public) or private shipyards. Ship overhauls restore the ship, including all operating systems which affect safety or current combat capability, to established performance standards. This includes the correction of all discrepancies found during pre-overhaul tests and inspections or developed from maintenance history analysis. RA/TA repairs include selected restricted availabilities, phased maintenance availabilities, emergent repairs, service craft overhauls, repairs, repairs during post-shakedown of new units, interim dry docking, battery renewals and various miscellaneous type repairs.

Intermediate Maintenance supports fleet maintenance performed by Navy personnel and civilians on tenders, repair ships, aircraft carriers, Shore Intermediate Maintenance Activities (SIMAs), Trident Refit Facilities (TRFs) and Naval Submarine Support Facility (NSSF) New London. The SIMA program funds the pay of civilian personnel, materials and day-to-day operations at the SIMAs. The Trident Refit Facilities provide industrial support for incremental overhaul and repair of Trident submarines and for the overhaul of equipment in the Trident Planned Equipment Replacement (TRIPER) Program. Naval Submarine Support Facility (NSSF) New London provides intermediate level maintenance, ordnance, and supply support to nuclear attack submarines, support vessels and service craft. In FY 2004, these activities are consolidated with Ship Depot Maintenance to reflect regionalization of ship maintenance activities.

**II. Force Structure Summary:**

The Ship Maintenance program supports 3 Overhauls and 68 RA/TA in FY 2003; 4 Overhauls and 86 RA/TA in FY 2004.

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**III. Financial Summary (\$ in Thousands):**

**A. Sub-Activity Group Total**

	FY 2003	Budget	FY 2004		FY 2005
	<u>Actuals</u>	<u>Request</u>	<u>Appropriation</u>	<u>Estimate</u>	<u>Estimate</u>
	4,618,123	3,567,545	3,507,260	3,494,890	3,910,439

**B. Reconciliation Summary**

	<b>Change</b>	<b>Change</b>
	<b><u>FY 2004/2004</u></b>	<b><u>FY 2004/2005</u></b>
Baseline Funding	3,567,545	3,494,890
Congressional Adjustments - Distributed	8,200	0
Congressional Adjustments - Undistributed	-28,485	0
Adjustments to Meet Congressional Intent	-7,100	0
Congressional Adjustments - General Provisions	-32,900	0
Subtotal Appropriation Amount	3,507,260	0
Across-the-board Reduction (Rescission)	0	0
Emergency Supplemental Carryover	11,790	0
FY 2004 Emergency Supplemental Appropriations Act (P.L. 108-106)	600,000	0
Program Changes (Current Year to Current Year)	-24,160	0
Subtotal Baseline Funding	4,094,890	0
Reprogrammings	0	0
Price Change	0	113,226
Functional Transfers	0	-33,443
Program Changes	0	335,766
Less: Emergency Supplemental Funding	-600,000	0
Normalized Current Estimate	3,494,890	0
Current Estimate	0	3,910,439

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**C. Reconciliation of Increases and Decreases**

<b>1. FY 2004 President Budget Request.</b>		<b>3,567,545</b>
<b>2. Congressional Adjustment (Distributed).</b>		<b>8,200</b>
a) Cruiser Modernization	8,200	
<b>3. Congressional Adjustment (Undistributed).</b>		<b>-28,485</b>
a) Southwest Asia Contingency Operations	-338	
b) Unobligated Balances	-28,147	
<b>4. Adjustment to meet Congressional Intent.</b>		<b>-7,100</b>
a) Apprentice, Engineering Technician-IMF Bangor	1,100	
b) Cruiser Modernization	-8,200	
<b>5. Congressional Adjustment (General Provision).</b>		<b>-32,900</b>
a) Section 8101: Reduce IT Development Cost Growth	-1,468	
b) Section 8105: Reduce Excess Funded Carryover	-4,000	
c) Section 8094: Management Improvements	-10,575	
d) Section 8126: Efficiencies/Revised Economic Assumptions	-16,857	
<b>6. FY 2004 Appropriated Amount.</b>		<b>3,507,260</b>
<b>7. Emergency Supplemental Funding Carryover.</b>		<b>11,790</b>
a) Uss Cole carryover funding	11,790	
<b>8. FY 2004 Emergency Supplemental Appropriations Act (P.L. 108-106).</b>		<b>600,000</b>
a) Supplemental funding for ship maintenance in support of contingency operations	600,000	
<b>9. Program Decreases FY 2004 (Functional Transfers).</b>		<b>-743</b>
a) Transfer of support for Navy Submarine Torpedo Facility Yorktown for contract technical services and production workers to perform engineering services in support of Mod 4, 5, and 6 torpedoes to Weapons Maintenance (1D4D).	-743	
<b>10. Program Increases FY 2004 (Technical Adjustments).</b>		<b>3,968</b>
a) Transfer of programs previously budgeted in Base Operations but determined not to fit the definition of the functional areas of the Base Operations model are realigned to the appropriate mission budget line. Programs realigned to Ship Maintenance include the Fleet Industrial Supply Center at Puget Sound Naval Shipyard and the crane management program.	3,968	
<b>11. Program Decreases FY 2004 (Technical Adjustments).</b>		<b>-26,960</b>

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a) Decrease reflects the realignment and consolidation of Federal Employees Compensation Act funding to Base Support (BSS1).	-26,960	
<b>12. Program Decreases FY 2004 (Emergent Requirements).</b>		<b>-425</b>
a) Decrease reflects refinement of Navy-Marine Corps Internet (NMCI) schedule and requirements.	-425	
<b>13. Baseline Funding (subtotal).</b>		<b>4,094,890</b>
<b>14. Revised FY 2004 Current Estimate.</b>		<b>4,094,890</b>
<b>15. Less: Emergency Supplemental Funding.</b>		<b>-600,000</b>
a) Removal of supplemental funding from the baseline	-600,000	
<b>16. Normalized Current Estimate for FY 2004.</b>		<b>3,494,890</b>
<b>17. FY 2005 Price Change.</b>		<b>113,226</b>
<b>18. FY 2005 Transfers In.</b>		<b>18,431</b>
a) Transfer of Ship Repair Facility (SRF) Yokosuka from Ship Depot Operations Support (1B5B).	18,304	
b) Transfer of Southwest Region Calibration Center from Intermediate Maintenance (1A3A).	127	
<b>19. FY 2005 Transfers Out.</b>		<b>-51,874</b>
a) Transfer of Navy-Marine Corps Internet (NMCI) funding from readiness accounts to Combat Support Forces (1C6C).	-51,874	
<b>20. Program Growth in FY 2005.</b>		<b>412,679</b>
a) Net increase in number and scope of scheduled ship availabilities.	412,679	
<b>21. One Time FY 2004 Costs.</b>		<b>-1,115</b>
a) Removes FY 2004 Congressional increase associated with Apprentice, Engineering Technican - IMF Bangor	-1,115	
<b>22. Program Decrease in FY 2005.</b>		<b>-75,798</b>
a) Reduced civilian personnel costs associated with one less workday in FY 2005.	-1,078	
b) Decrease in emergent repairs corresponding to decrease in ship operating months.	-74,720	
<b>23. FY 2005 Budget Request.</b>		<b>3,910,439</b>

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**IV. Performance Criteria and Evaluation Summary :**

Activity: Ship Maintenance

Activity Goal: To provide maintenance necessary to sustain the operational readiness of combat forces, to ensure the safe and efficient operation of weapon systems, to renovate assets (recapitalization), and to ensure equipment is at or above fully mission capable standards prior to any transfers from the Active to Reserve Components.

Description of Activity: Depot Maintenance programs fund the overhaul, repair, and maintenance of aircraft and other equipment. Depot Maintenance is performed at both public (DoD) and private (contractor) facilities.

	Prior Year (FY 2003)						Current Year (FY 2004)					Budget Year (FY 2005)	
	Budget		Actual Inductions		Completions		Budget		Estimated Inductions		Carry-In	Budget	
	Qty	(\$ in M)	Qty	(\$ in M)	Prior Yr	Cur Yr	Qty	(\$ in M)	Qty	(\$ in M)	Qty	Qty	(\$ in M)
Overhauls	3	394,096	4	540,522	3	0	4	428,250	3	374,226	4	4	689,742
Selected Restricted Availabilities	58	846,199	68	1,148,576	16	49	55	649,473	53	563,280	19	63	608,525
Planned Incremental Availabilities	3	462,192	3	651,736	2	1	2	356,667	2	350,086	2	2	399,608
Phased Maintenance Availabilities	22	415,334	27	594,919	6	20	11	184,607	13	220,557	7	21	289,854
Emergent Repair	n/a	357,941	n/a	305,509	n/a	n/a	n/a	311,239	n/a	324,933	n/a	n/a	265,830
Miscellaneous RA/TA	n/a	616,962	n/a	767,007	n/a	n/a	n/a	578,533	n/a	486,565	n/a	n/a	502,255
Continuous maintenance	n/a	218,654	n/a	406,040	n/a	n/a	n/a	309,083	n/a	342,380	n/a	n/a	353,456
Reimbursable overhead	n/a	46,995	n/a	77,272	n/a	n/a	n/a	268,200	n/a	311,562	n/a	n/a	233,589
Intermediate maintenance	n/a	97,693	n/a	126,542	n/a	n/a	n/a	481,493	n/a	521,301	n/a	n/a	567,580
<b>TOTAL</b>	<b>97</b>	<b>3,456,066</b>	<b>102</b>	<b>4,618,123</b>	<b>27</b>	<b>70</b>	<b>72</b>	<b>3,567,545</b>	<b>71</b>	<b>3,494,890</b>	<b>32</b>	<b>90</b>	<b>3,910,439</b>

Explanation of Performance Variances:

FY 2003

Increase in actual inductions and associated funding associated with cost of war and supplemental funding.

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**V. Personnel Summary :**

<b>End Strength</b>	<b>FY 2003 ES</b>	<b>FY 2004 ES</b>	<b>Change FY 2004 to FY 2005</b>	<b>FY 2005 ES</b>
Direct Hire, U.S.	3,020	10,034	821	10,855
Direct Hire, Foreign National	0	2	0	2
Indirect Hire, Foreign National	1,009	1,051	798	1,849
<b>TOTAL CIVPERS</b>	<b>4,029</b>	<b>11,087</b>	<b>1,619</b>	<b>12,706</b>
Enlisted (USN)	54	5835	-100	5735
Officers (USN)	4	191	-1	190
Full-time Active Reserve (USNR)	0	382	0	382
Full-time Active Reserve (USNR)	0	1	0	1
<b>TOTAL MILPERS</b>	<b>58</b>	<b>6,409</b>	<b>-101</b>	<b>6,308</b>
<b>Workyears</b>	<b>FY 2003 WY</b>	<b>FY 2004 WY</b>	<b>Change FY 2004 to FY 2005</b>	<b>FY 2005 WY</b>
Direct Hire, U.S.	2,952	9,811	797	10,608
Direct Hire, Foreign National	0	2	0	2
Indirect Hire, Foreign National	997	1,051	798	1,849
<b>TOTAL CIVPERS</b>	<b>3,949</b>	<b>10,864</b>	<b>1,595</b>	<b>12,459</b>
Enlisted (USN)	27	2944	2841	5785
Officers (USN)	2	97	93	190
Full-time Active Reserve (USNR)	0	191	191	382
Full-time Active Reserve (USNR)	0	0	1	1
<b>TOTAL MILPERS</b>	<b>29</b>	<b>3,232</b>	<b>3,126</b>	<b>6,358</b>

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**VI. Summary of Price and Program Growth (OP-32):**

	<b>FY-03 Program Total</b>	<b>FY-04 Price Growth</b>	<b>FY-04 Program Growth</b>	<b>FY-04 Program Total</b>	<b>FY-05 Price Growth</b>	<b>FY-05 Program Growth</b>	<b>FY-05 Program Total</b>
1B4B							
01 Civilian Personnel Compensation							
0101 Exec Gen & Spec Schedules	100,621	8,188	263,824	372,633	7,620	25,245	405,498
0103 Wage Board	138,828	14,083	262,799	415,710	6,858	23,455	446,023
0104 Foreign Nat'l Direct Hire (FNDH)	0	0	101	101	2	1	104
0107 Civ Voluntary Separation & Incentive Pay	5,029	3	-2,906	2,126	3	7,760	9,889
TOTAL 01 Civilian Personnel Compensation	244,478	22,274	523,818	790,570	14,483	56,461	861,514
03 Travel							
0308 Travel of Persons	4,934	65	7,475	12,474	176	4,200	16,850
TOTAL 03 Travel	4,934	65	7,475	12,474	176	4,200	16,850
04 WCF Supplies & Materials Purchases							
0401 DFSC Fuel	224	8	-222	10	0	0	10
0402 Military Dept WCF Fuel	9	2	24	35	1	-9	27
0411 Army Managed Purchases	0	0	1,093	1,093	-16	101	1,178
0412 Navy Managed Purchases	24,660	1,343	26,152	52,155	292	48,301	100,748
0415 DLA Managed Purchases	52,131	-1,511	34,973	85,593	770	20,805	107,168
0416 GSA Managed Supplies and Materials	19,295	251	4,176	23,722	332	9,916	33,970
TOTAL 04 WCF Supplies & Materials Purchases	96,319	93	66,196	162,608	1,379	79,114	243,101

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05 STOCK FUND EQUIPMENT							
0503 Navy WCF Equipment	9,975	542	14,593	25,110	5	8,098	33,213
0506 DLA WCF Equipment	0	0	1,099	1,099	10	6	1,115
0507 GSA Managed Equipment	0	0	17	17	0	0	17
TOTAL 05 STOCK FUND EQUIPMENT	9,975	542	15,709	26,226	15	8,104	34,345
06 Other WCF Purchases (Excl Transportation)							
0610 Naval Air Warfare Center	41,471	-953	-20,334	20,184	485	4,608	25,277
0611 Naval Surface Warfare Center	67,750	610	-26,276	42,084	464	1,689	44,237
0612 Naval Undersea Warfare Center	15,339	62	-4,864	10,537	284	9,913	20,734
0613 Naval Aviation Depots	11,612	268	-3,869	8,011	249	-158	8,102
0614 Spawar Systems Center	28,343	511	-8,685	20,169	283	1,430	21,882
0615 Navy Information Services	892	0	1,166	2,058	0	1,120	3,178
0620 Military Sealift Cmd - Fleet Aux Ships	2,500	0	-2,500	0	0	0	0
0630 Naval Research Laboratory	1,017	11	-1,010	18	1	0	19
0631 Naval Facilities Engineering Svc Center	0	0	10	10	1	0	11
0632 Naval Ordnance Facilities	302	0	-302	0	0	0	0
0633 Defense Publication & Printing Service	18	0	873	891	28	23	942
0634 Naval Public Works Ctr (Utilities)	964	-225	903	1,642	-13	4,328	5,957
0635 Naval Public Works Ctr (Other)	15,677	221	5,270	21,168	234	156	21,558
0637 Naval Shipyards	1,819,274	-65,493	-1,200,579	553,202	70,257	96,067	719,526
0679 Cost Reimbursable Purchases	0	0	266	266	4	0	270
TOTAL 06 Other WCF Purchases (Excl Transportation)	2,005,159	-64,988	-1,259,931	680,240	72,277	119,176	871,693

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	<b>FY-03 Program Total</b>	<b>FY-04 Price Growth</b>	<b>FY-04 Program Growth</b>	<b>FY-04 Program Total</b>	<b>FY-05 Price Growth</b>	<b>FY-05 Program Growth</b>	<b>FY-05 Program Total</b>
07 Transportation							
0771 Commercial Transportation	556	7	2,312	2,875	40	2,469	5,384
TOTAL 07 Transportation	556	7	2,312	2,875	40	2,469	5,384
09 OTHER PURCHASES							
0901 Foreign Nat'l Indirect Hire (FNIH)	19,902	1,665	-8,063	13,504	161	1,067	14,732
0913 PURCH UTIL (Non WCF)	0	0	3,511	3,511	50	1,151	4,712
0914 Purchased Communications (Non WCF)	6	1	695	702	10	1	713
0915 Rents	191	3	1,790	1,984	28	2,018	4,030
0917 Postal Services (USPS)	0	0	3	3	1	-1	3
0920 Supplies & Materials (Non WCF)	31,102	405	16,532	48,039	673	4,154	52,866
0921 Printing and Reproduction	16	1	302	319	4	302	625
0922 Equip Maintenance by Contract	4,136	54	4,247	8,437	119	2,846	11,402
0923 FAC maint by contract	1,750	23	137	1,910	27	150	2,087
0925 Equipment Purchases	660	9	3,287	3,956	43	7,137	11,136
0926 Other Overseas Purchases	0	0	621	621	0	0	621
0928 Ship Maintenance by Contract	1,909,720	24,826	-410,629	1,523,917	21,336	52,784	1,598,037
0930 Other Depot Maintenance (Non WCF)	212,337	2,761	-115,928	99,170	1,389	-2,061	98,498
0932 Mgt & Prof Support Services	389	5	8	402	6	7	415
0933 Studies, Analysis, and Eval	512	7	11	530	7	14	551
0937 Locally Purchased Fuel (Non-WCF)	0	0	185	185	7	162	354
0987 Other Intragovernmental Purchases	46,613	582	39,465	86,660	629	-34,644	52,645
0989 Other Contracts	29,361	381	-7,433	22,309	311	-2,911	19,709
0998 Other Costs	7	1	3,730	3,738	55	623	4,416

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TOTAL 09 OTHER PURCHASES	2,256,702	30,724	-467,529	1,819,897	24,856	32,799	1,877,552
Total 1B4B Ship Maintenance	4,618,123	-11,283	-1,111,950	3,494,890	113,226	302,323	3,910,439