

Subject: Hurricane Related Ship Cost Adjustments	DoD Serial Number: FY 08-01 IR
Appropriation Title: Shipbuilding and Conversion, Navy, 06/10	Includes Transfer? No

Component Serial Number: FY 07-17 IR	<i>(Amounts in Thousands of Dollars)</i>							
	Program Base Reflecting Congressional Action		Program Previously Approved by Sec Def		Reprogramming Action		Revised Program	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Line Item	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
a	b	c	d	e	f	g	h	i

This internal reprogramming action realigns \$175.33 million within the Shipbuilding and Conversion, Navy 06/10, appropriation for proper execution. This action meets all administrative and legal requirements and none of the items have previously been denied by the Congress.

Part I transfers \$118.88 million within the Shipbuilding and Conversion, Navy 06/10, appropriation for proper execution pursuant to the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006, Public Law 109-148. This action does not change the purpose for which the funds were originally appropriated.

Part II transfers \$56.45 million within the Shipbuilding and Conversion, Navy 06/10, appropriation for proper execution pursuant to the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006, Public Law 109-234. This action does not change the purpose for which the funds were originally appropriated.

Part I

<u>Shipbuilding and Conversion, Navy, 06/10</u>	-
<u>Budget Activity 3: Amphibious Ships</u>	
LHD1	375,955
	+118,880
	257,075
	195,075

Explanation: Funds are required for the LHD 1 to finance labor rate increases and labor inefficiencies due to critical trade shortages, greater than normal employee turnover, and labor disruptions, and increases related to the consequences of hurricanes in the Gulf of Mexico during 2005.

<u>Budget Activity 5: Auxiliaries, Craft and Prior Year Program Costs</u>	
<u>Completion of Prior Year Shipbuilding Programs</u>	
	1,853,320
	-118,880
	1,972,200
	2,464,000

Explanation: This action transfers funds for the Completion of Prior Shipbuilding Programs to provide for labor rate increases and labor inefficiencies related to the consequences of hurricanes in the Gulf of Mexico during 2005.

Approved (Signature and Date) OCT 29 2007

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Part II

Shipbuilding and Conversion, Navy, 06/10

Budget Activity 3: Amphibious Ships

LPD 17	1	1,326,425	1	1,479,425	+33,750	1	1,513,175
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Explanation: Funds are required for the LPD 17 to finance labor rate increases and labor inefficiencies due to critical trade shortages, greater than normal employee turnover, labor disruptions, and profit and general and administrative overhead increases related to the consequences of hurricanes in the Gulf of Mexico during 2005.

LHD 1		195,075		257,075	+22,700		279,775
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Explanation: Funds are required for the LHD 1 to finance labor rate increases and labor inefficiencies due to critical trade shortages, greater than normal employee turnover, labor disruptions, and profit and general and administrative overhead increases related to the consequences of hurricanes in the Gulf of Mexico during 2005.

Budget Activity 5: Auxiliaries, Craft and Prior Year Program Costs

Completion of Prior Year Shipbuilding Programs

		2,464,000		1,972,200	-56,450		1,915,750
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Explanation: This action transfers funds for the Completion of Prior Shipbuilding Programs to provide for labor rate increases and labor inefficiencies related to the consequences of hurricanes in the Gulf of Mexico during 2005.