

MEMORANDUM OF AGREEMENT BETWEEN
DIRSSP (SP20) AND COMNAVSEASYS COM (PMS 392/SP21)
REGARDING USS HENRY M. JACKSON (SSBN 730)
ENGINEERED REFUELING OVERHAUL (ERO)
ADVANCED PROCUREMENT (AP) FUNDING

Ref: PSNS & IMF Message R141520Z JUL 04 (SUBS) USS HENRY M JACKSON
ADVANCED PLANNING MITIGATION PLAN of 14 July 04

1. The purpose of this Memorandum of Agreement (MOA) is to document the agreement reached between CAPT Anthony Mullarky, NAVSEA PMS 392/SP21 and CAPT Terry Benedict, DIRSSP Technical Director (SP20) for the reallocation of \$5 million of FY 2004 SSBN SCN Advanced Planning (AP) funding between DIRSSP and NAVSEA PMS 392/SP21.
2. During review of the President's FY 2004 budget, Congress reduced FY 2004 SSBN AP for the USS HENRY M. JACKSON (SSBN 730) FY 2005 Engineered Refueling Overhaul (ERO)/D-5 Backfit, by \$25.2M. Internal Navy decision placed the entire mark on the ERO efforts.
3. In an attempt to keep SSBN 730 ERO planning progressing at a minimum level to mitigate schedule and cost impacts to the ERO, NAVSEA dropped Fast Start strategy, re-phased planning, significantly delayed procurement of material and halted all planning except for work required within the first 60 days of the ERO. After taking these migrating actions it was hoped that remaining FY 2003 SSBN AP funds would be sufficient to make it through FY04. However, even with these considerable mutations to the required execution plan there are insufficient funds to continue the SSBN 730 ERO planning efforts.
4. Via reference (a), PSNS & IMF notified NAVSEA that existing FY2003 funds would be expended by 30 July 2004. Without additional funding all planning efforts would stop and the SSBN 730 project team would be disbanded and work on SSBN 730 ERO would cease. These actions would have a dramatic negative impact on both cost and schedule of the SSBN 730 ERO and other availabilities in PSNS & IMF.
5. To defer some of the effects of the lack of SSBN 730 AP funding, DIRSSP (SP20) has agreed to forward \$5.0 million of FY 2004 SSBN 730 D-5 AP funding to Puget Sound Naval Shipyard in order to continue minimal SSBN 730 AP planning efforts on behalf of NAVSEA PMS 392/SP21. These funds will be forwarded to PSNS as an amendment to existing SSP SSBN 730 AP Project Order.
6. To provide these funds, DIRSSP was required to terminate an executed contract action and will incur a penalty in doing so, therefore PMS 392 agrees to return \$5.2 million of FY 2005 SSBN 731 AP SCN in order to restore funding to the DIRSSP. NAVSEA PMS 392/SP21 further agrees to provide this funding to DIRSSP in a manner determined by SSP. The funds are to be provided in the October 2004 timeframe or as early in 1st quarter FY 2005 as possible if the FY2005 budget is delayed.

Ser: MS 392C/0200
17 August 2004

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7. The undersigned parties agree to abide by the provisions outlined in this MOA.

A. J. Mullarky

CAPT A. J. Mullarky
Program Manager, Strategic and
Attack Submarines (PMS 392/SP21)
Naval Sea Systems Command

T. J. Benedict

CAPT T. J. Benedict 23 AUG 2004
Technical Director (SP20)
Strategic Systems Programs

OPTIONAL FORM 99 (7-90)

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To <u>Esaba</u>	From <u>Murphy</u>
Dept./Agency	Phone # <u>202 781 1295</u>
Fax # <u>202 764 2046</u>	Fax #

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