NSF/OCE/IPS
Budget Projection
FY 2012-FY2022
Review of Assumptions

UNOLS FIC Meeting

June 2012

IPS Facilities Budget

Basic Assumptions:

- "Base Cost" to support current 20 vessel Fleet (ship and tech) = **$69M** (all agencies)
- Total IPS Fleet Budget = **$70M** (ship and tech)
- Science Sea Days in CY 2012:
  - Total (all agencies/other) = **3590**
  - Total NSF (64%) = **2298**

Base Cost is the cost to support all crew, technicians and maintenance READY to deploy, but ZERO science days at sea. No food, fuel, or foreign travel. This is the cost for the vessel to sit at the pier on "hot standby"

IPS Facilities Budget

Basic Assumptions (Cont'd):

- Science Sea Days in CY 2014 (*SIKULIAQ* & first OCRV on line)
  - Total = 3310
  - NSF (70%) = 2320
- Science Sea Days in CY 2018 (Both new OCRV's on line)
  - Total = 3290
  - NSF (70%) = 2300
- Science Sea Days in CY 2022 (Three new RCRV's on line)
  - Total = 2960
  - NSF (70%) =2070

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New Boundary Conditions:

- No NSF lay-up Funds for light schedules
- Manage IPS Facilities Total Cost going forward
- Average Days at Sea by Class:
  - Global = 250 (minimum sustainable = 200)
  - Ocean = 200 (minimum sustainable = 150)
  - Regional = 150 (minimum sustainable = 110)
  - Local = 90 (minimum sustainable = 50)

Minimum Sustainable Days is defined as "The number of Sea Days whereby the full time crew can be retained and all required maintenance conducted while keeping the daily rate reasonable and not requiring lay-up funds."

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Cost Control Scenario :

- Assumptions:
  - 3.75% IPS Budget Increase
  - 3.78% Annual Inflation Rate per OMB
  - 5% Fuel Cost Inflation
  - Fleet to 22, 21, & 17 in FY 14, 18, & 22 respectively
  - REDUCE science days at sea over time to minimum sustainable
- Result = Balanced Budget over time
  - FY14 = 2690 sea days, G=5, O=6, R=1, L=6
  - FY 18 = **2420** sea days, G= 5, O=6, R= 1, L= 6
  - FY 22 = **2960** sea days, **G=5, O=4 , R=4 , L=4**

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Conclusions:

- Actual Fuel cost inflation has significant effect
  - $5.70/gallon by FY22 (5% inflation) realistic?
  - 1% decrease in assumption equals $2M savings by FY 22
- Flat budget unsustainable even WITH complete elimination of other programs (Deep Submergence, equipment, pools, etc.)
- Option #1: Modest (3.75%) budget increase and more aggressive reductions
- Option #2: Healthy budget increase (5%) and current Fleet reductions: