TABLE 20.—*Percentage distribution of cost items, by ship type* [1]

Cost category	Submarine tender, AS	Amphibious transport, dock, LPD	Destroyer escort, DE	Fast combat support ship, AOE
1. Hard core:				
Lead costs	10	2	0	3
Basic construction or conversion	52	69	37	70
Change orders	3	3	5	6
Electronics GFM	2	5	17	1
Nonelectronics GFM	7	3	16	4
Post delivery	3	2	4	5
Other costs	0	1	0	0
Weapons GFM	19	1	7	(2)
Total	96	86	86	89
2. Projected growth:				
Future characteristics changes	1	2	7	1
Projected escalation	1	7	3	8
Electronics growth	(2)	2	0	(2)
Other growth	1	3	3	2
Weapons growth	1	(2)	1	(2)
Total	4	14	14	11
Total end cost	100	100	100	100

[1] Based on cost estimates per ship, derived from fiscal year 1963 data from P8-8a budget backup sheets.
[2] Less than 0.5 percent.

Additional detail on SCN budget categorization

SCN budget component outline:

1. Total hard core:
   - A. Basic construction.
   - B. Government-furnished materiel:
     - Nonelectronics.
     - Electronics.
     - Weapons.
2. Total projected growth:
   - A. Basic construction:
     - Projected escalation.
   - B. Government-furnished materiel:
     - Electronics growth.
     - Weapons growth.

Description of categories. Ship cost can be divided into the categories just shown in the budget component outline. Category 1 represents current price estimates of the planned ship type, given its present design characteristics. Category 2 is used to incorporate expected price increases over the period between funding and completion of the ships. This category attempts to provide for anticipated changes in ship characteristics, shipboard electronics, weapons, etc.

The P8–8a backup sheets contain cost summaries by ship type. Hard core (category 1) costs are divided into eight subcategories: Lead costs, basic construction or conversion, change orders, electronics GFM, nonelectronics GFM, post delivery, other costs, and weapons GFM. Total projected growth (category 2) was divided into future characteristics changes, projected escalation, electronics growth, other growth, and weapons growth. Table 20 presents examples of the type of cost categorization contained in the P8–8a exhibits.

Because prime product lists were given on a budget category basis, it was necessary to relate the cost classification given in the P8–8a to the four major budget categories. To accomplish this it was necessary to investigate the contents of the cost items shown in table 20. A brief description of each category follows.