


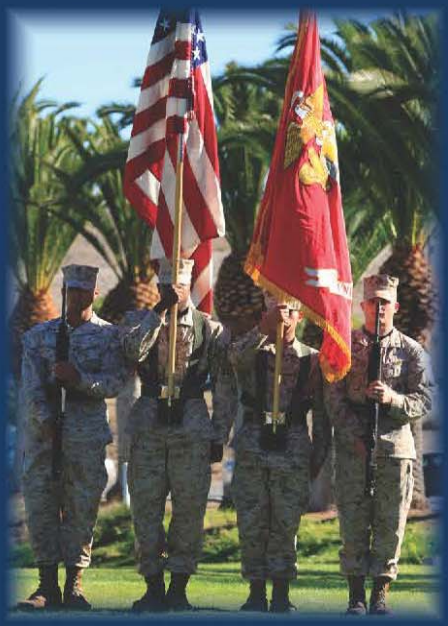

Highlights of the Department of the Navy FY 2015 Budget

Office of Budget - 2014








Highlights of the Department of the Navy FY 2015 Budget
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Note: All photographs in this document were obtained from the Department of the Navy's official website, http://www.navy.mil/, and the Marine Corps' official website, http://www.marines.mil/, and are available for public use.

The estimated cost of report or study for the Department of Defense is approximately $1,411,000 for the 2014 Fiscal Year. This includes $71,000 in expenses and $1,340,000 in DoD labor. Generated on 2014Feb26 RefID: F-5389FC0

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SECTION I – OVERVIEW

The United States is a maritime nation with major security and economic interests far from our shores. The United States Navy and Marine Corps team stand watch over those interests around the globe, operating forward where it matters when it matters. In today's changing and dangerous security environment, this team provides key capabilities to win our nation's wars, deter conflict, rapidly respond to crises and natural disasters, and ensure the maritime security on which our economy depends. The Navy/Marine Corps team is uniquely advantaged in executing these missions by the sovereign maneuver space of the sea, able to rapidly position for simultaneous and seamless operations on and below the seas, ashore, in the air and in space, across the range of military operations.

In a challenging fiscal environment, the Department of the Navy (DoN) Fiscal Year (FY) 2015 President's Budget (PB) supports the priorities of the President's Defense Strategic Guidance (DSG), as amplified by the Quadrennial Defense Review, and the Secretary of the Navy, Chief of Naval Operations (CNO) and Commandant of the Marine Corps focus areas. The Department prioritized investments to continue to send the best trained and equipped Marine Corps forces forward and to shape an overall naval force that provides: a credible, modern and survivable strategic deterrent; global forward presence of combat ready forces; the means – both capability and capacity - to defeat and deny adversaries; sustained or enhanced asymmetric capabilities; critical afloat and shore readiness; and preservation of a sufficient industrial base. Allocation of constrained resources to provide a balanced force aligned with the DSG is summarized in this book and detailed throughout the DoN budget.

This budget reflects a DoN Future Years Defense Program (FYDP) from 2015 to 2019 that is $38 billion less across the FYDP than the FY 2014 President's Budget request, increasing the risk for some missions specified in the Defense Strategic Guidance. Slowed capability delivery and challenges due to constrained funding and

expected high demand for naval forces are principle sources of the higher execution risk. The Marine Corps drawdown of Active Component end strength preserves readiness with reduced resources, but similarly increases risk and would result in an average peacetime deployed forward: Continental United States (CONUS) dwell ratio of 1:2 at an end strength of 175,000.

The FY 2015 budget includes construction of 44 ships across the FYDP, to include 14 Littoral Combat Ships (LCS) and steady production of destroyers and submarines, with 10 apiece being constructed through FY 2019. The shipbuilding FYDP construction program also includes one aircraft carrier, one amphibious warfare assault ship (LHA) replacement, four T-ATF(X) fleet ocean tugs, one afloat forward staging base platform, and three T-AO(X) fleet oilers.

The budget supports a balanced manned and unmanned aviation procurement plan of 470 aircraft over the FYDP. The first Marine Corps Short Takeoff Vertical Lift (STOVL) variant Joint Strike Fighter (JSF) squadron was established in 2013 and the Navy's carrier variant continues testing; 105 JSF aircraft are procured across the FYDP as JSF development and fielding accelerates. The Marine Corps also invests heavily in rotary wing aircraft, with the addition of 133 AH-1Z-1/UH-1Y helicopters and 64 MV-22 Ospreys. Investment in unmanned systems will bring the first Small Tactical Unmanned Aircraft System (STUAS) aircraft and MQ-4 Triton Unmanned Aircraft System to the Fleet with the procurement of 24 systems through FY 2019. Aviation investments are also made in airborne early warning aircraft (25 E-2D), multi-mission maritime aircraft (56 P-8A), multi-mission helicopters (29 MH-60R, 8 MH-60S), presidential helicopters (6 VXX), heavy lift helicopters (13 CH-53K), aerial refueling tankers (6 KC-130J), and logistics aircraft (1 C-40A).

The Navy and Marine Corps team maintain a presence where it matters when it matters with a fleet of 283 Battle Force Ships in FY 2015, reflecting the delivery of eight new ships and decommissioning of 13 ships. Cruisers (CGs) and dock landing ships (LSDs) will undergo an innovative modernization program that extends the service life of each beyond 40 years. The base budget provides funding for 45 underway days per quarter for deployed forces and 20 days per quarter for non-deployed forces; funds ship and aviation depot maintenance to 80 percent of the requirement; Navy/Marine Corps flying hours to a T-2.5/2.0 rating; and Marine Corps ground equipment maintenance to 83 percent of the requirement. Facility

sustainment levels are slightly less than the FY 2014 President's Budget, with Navy funded to 70 percent of the sustainment model and the Marine Corps funded to 75 percent.

As operations in Afghanistan wind down, the Marine Corps will continue to send the best trained and equipped forces forward, and begin to refocus on presence and crisis response. The PB 2015 FYDP profile draws down Marine Corps end strength to 175,000 by the end of FY 2017, from 182,700 in FY 2015. The Department expects to revisit the steady state end strength level in next year's budget. The Navy, meanwhile, maintains a nearly flat end strength profile from 323,600 in FY 2015 to 323,200 by the end of the FYDP, optimizing the level of Sailors trained for sea and shore duty requirements. The DoN budget slows the cost growth in military compensation, but it maintains a robust compensation and benefits program for our personnel and their families. Civilian personnel full-time equivalents of 215,014 in FY 2015 reflect a slight increase for shipyard workers and firefighters.

The budget provides investments in readiness and infrastructure that are key to the generation of combat ready forces at home, support our rebalance to the Asia-Pacific, and enable critical presence in the strategic maritime crossroads spanning the Middle East, Europe, Africa, Western Pacific, and South America.

QUADRENNIAL DEFENSE REVIEW

The 2014 Quadrennial Defense Review (QDR) builds upon the President's Defense Strategic Guidance, emphasizing protection of the homeland, global engagement, and projecting power with the ability to win decisively. These QDR priorities are supported across the full scope of the DoN budget submission, including investments in: sustaining today's sea-based strategic deterrent submarines, Trident D5 Life Extension, and nuclear command, control and communications; *Ohio* SSBN(X) Replacement Program; overall ship presence levels in 2020 the same as in last year's budget; and ongoing investments in asymmetric advantages spanning undersea warfare to strike.

The QDR also calls for rebalancing for the 21st Century, to include:

- Rebalancing for a broader spectrum of conflict – supported by DoN investments countering Anti-Access Area Denial challenges; maintaining our edge in science and technology with strong Research and Development investment; and emphasizing investments in undersea dominance, cyber, and in the Arctic.

- Rebalancing our presence and posture abroad – supported by increased forward deployed and forward stationed naval forces; introduction of the Optimized Fleet Response Plan; the rebalance to the Asia-Pacific; and sustaining ship deployment numbers across the FYDP.
- Rebalancing capability, capacity and readiness – supported with an innovative CG and LSD modernization program; sustained investments in ship and aircraft procurement and readiness; investments in cyber, missile defense, nuclear deterrence, space, precision strike and special operations; and investments in fleet manning, maintenance, and shore infrastructure.
- Rebalancing of tooth and tail – supported with a 20 percent management headquarters reduction; reducing administrative and headquarters costs; and reducing contracted services funding.

PEOPLE, PLATFORMS, POWER, AND PARTNERSHIPS

Four key factors sustain our warfighting advantage and global presence; these factors are the Secretary of the Navy's priority areas. Our People provide the critical asymmetric advantage in today's complex world. The DoN will continue to prioritize investments that ensure the proper training, readiness and mental and physical well-being of our Sailors and Marines. Platforms span the ships, aircraft, submarines, tactical vehicles and unmanned vehicles which provide the capability and capacity underpinning our global combat-ready presence. The budget supports fielding Navy and Marine Corps equipment at the best value, working with industry and procuring platforms through competition, multi-year buys and driving harder bargains for the taxpayer. Power and energy get our platforms where they need to be and keep them there. The DoN continues to make progress toward greater energy security, building on a long record of energy innovation from sail to coal to oil to nuclear and now to alternative fuels. Finally, the DoN's Partnership development initiatives, spanning exercises, actual operations, and broad leadership engagement have created a more interoperable force better prepared and more widely available to prevent and respond to crises.

DoN FINANCIAL STEWARDSHIP

The DoN continues to develop and expand the scope of its Business Transformation efforts. Business processes for acquiring services are being examined to reduce costs in three areas: Contractual Services, Better Buying Power in Procurement, and More Efficient Uses of Research and Development. Additionally, the DoN continues to reduce unobligated balances across all programs, achieve savings in military construction bids due to increased competiveness, and reduce headquarters staffs. Cost reductions in these areas are expected to produce FYDP savings of about $22 billion, as shown in Figure 1.

Figure 1 – Department of the Navy More Disciplined Use of Resources

(In Millions of Dollars)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FYDP
Contractual Services	-2,535	-3,143	-3,015	-3,366	-2,743	-14,802
Better Buying Power in Procurement	-445	-494	-532	-681	-616	-2,768
More Efficient Use of R&D	-124	-43	-22	-16	-17	-221
Unobligated Balances	-1,320	-285	-350	-269	-266	-2,490
MILCON Restructure & Delays	-805	21	296	-26	-68	-582
Headquarters Operational Reductions	-114	-171	-236	-312	-399	-1,233
TOTAL	**-5,343**	**-4,114**	**-3,859**	**-4,671**	**-4,109**	**-22,096**

DoN year-to-year spending for Contractual Services, adjusted for inflation, has grown by about $10 billion since 2000. Contractual services spending was reviewed first for savings by the acquisition community, with conscious decisions made to challenge stated requirements and to accept higher levels of risk in services spending before additional reductions were made in force structure, modernization, or readiness. The DoN FY 2015 budget reduces contractual spending in four principal areas: Knowledge Based Services; Research, Development, Test, and Evaluation; Equipment Related Services; and Communications Related Services. The other initiatives challenge DoN activities to look at where savings can be realized within programs through contracting, competition, or execution.

Given the current fiscal environment, the Department will continue to aggressively pursue opportunities to drive-down the cost of doing business. To this end, we are continually assessing existing business systems, evaluating dated organization structures, optimizing the force mix, and seeking bold ideas to maximize the use of taxpayer dollars. Our goal is to drive innovative enterprise transformation to reduce

spending on unnecessary overhead, so as to preserve critical naval capabilities, presence requirements, and operational readiness.

RESOURCE SUMMARY

Total Obligation Authority (TOA) for the FY 2015 DoN baseline budget is $148 billion. Figure 2 displays the DoN request in current year and constant year dollars to provide perspective on real buying power which declines after FY 2016. Over the FYDP the FY 2015 budget request declines $38 billion (in current year dollars) from the FY 2014 President's Budget levels. The Budget Control Act 2011 (BCA) levels would impose further fiscal constraints. Figure 3 displays the FY 2015 President's Budget request by Appropriation Title.

Figure 2 - DoN Topline Trends FY 2014 - FY 2019 (Dollars in Billions)

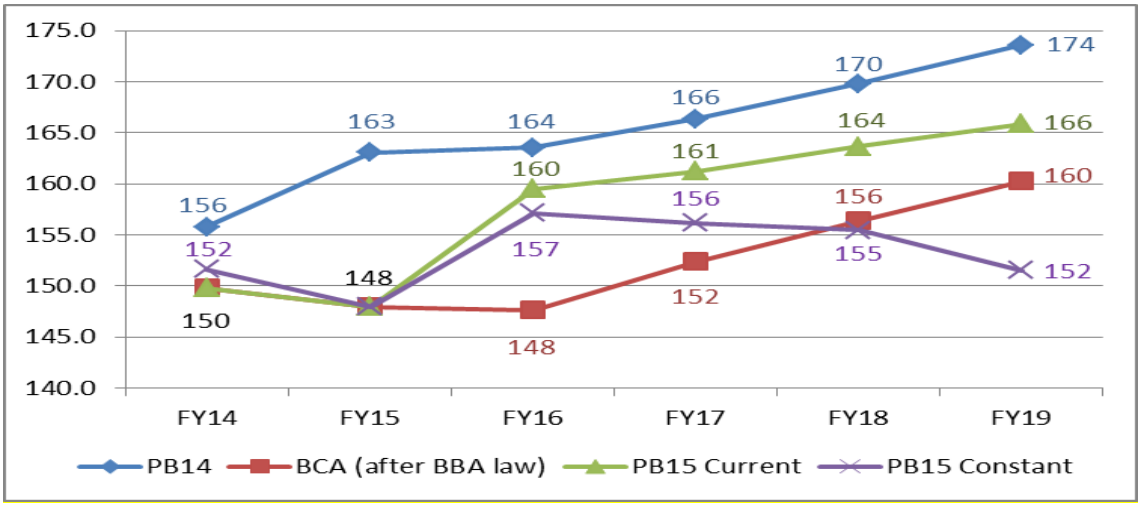

Figure 3 – FY 2015 DoN Budget by Appropriation Title ($148 Billion)

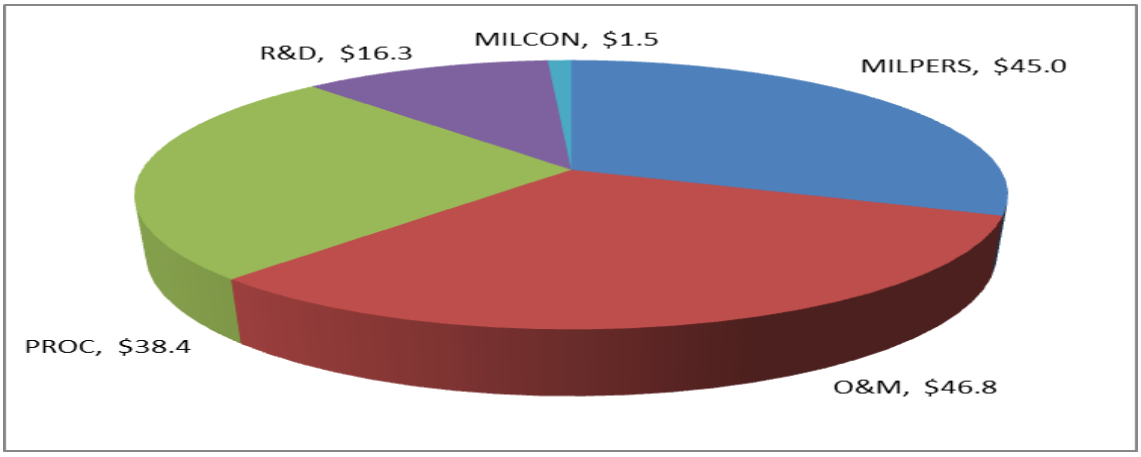

Figure 4 displays individual Department of the Navy appropriation estimates.

Figure 4 – Appropriation Summary, FY 2013- FY 2015

(In Millions of Dollars)	FY 2013	FY 2014	FY 2015
Military Personnel, Navy	26,315	27,202	27,489
Military Personnel, Marine Corps	12,460	12,756	12,919
Reserve Personnel, Navy	1,877	1,844	1,863
Reserve Personnel, Marine Corps	678	655	671
Health Accrual, Navy	1,397	1,298	1,181
Health Accrual, Marine Corps	798	742	673
Health Accrual, Navy Reserve	169	148	111
Health Accrual, Marine Corps Reserve	98	89	65
Operation and Maintenance, Navy	39,779	35,844	39,317
Operation and Maintenance, Marine Corps	6,219	5,390	5,909
Operation and Maintenance, Navy Reserve	1,139	1,158	1,007
Operation and Maintenance, Marine Corps Reserve	256	255	269
Environmental Restoration, Navy	-	316	277
Aircraft Procurement, Navy	16,486	16,443	13,074
Weapons Procurement, Navy	2,798	3,009	3,218
Shipbuilding and Conversion, Navy	15,080	15,231	14,401
Ship Maintenance, Operations, and Sustainment Fund	179	2,244	-
Other Procurement, Navy	5,500	5,573	5,976
Procurement, Marine Corps	1,313	1,241	983
Procurement of Ammunition, Navy & Marine Corps	628	549	772
Research, Development, Test, & Evaluation, Navy	15,507	14,946	16,266
National Defense Sealift Fund	683	597	-
Military Construction, Navy & Marine Corps	1,467	1,630	1,019
Military Construction, Naval Reserve	47	29	52
Family Housing Construction, Navy & Marine Corps	118	73	16
Family Housing Operations, Navy & Marine Corps	356	379	354
Base Realignment & Closure	246	145	95
SUBTOTAL	**151,593**	**149,787**	**147,977**
Overseas Contingency Operations	11,495	13,945	-
Other Supplemental	52	-	-
TOTAL	**163,140**	**163,732**	**147,977**
BY SERVICE			
Navy	**136,184**	**136,397**	**125,188**
Marine Corps	**28,875**	**27,335**	**22,789**

* The NDSF appropriation has been eliminated with funding realigned to SCN, RDTEN, and OMN beginning in FY 2015.

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SECTION II – PERSONNEL

OVERVIEW

America's naval forces are the finest in the world because of the quality, dedication and motivation of our Sailors, Marines and civilian workforce. The development and retention of quality personnel are vital to meeting the defense strategy goal to be a smaller and leaner yet agile, flexible, ready and technologically advanced all-volunteer force. The Department remains committed to providing the right person with the right skills, at the right time, and at the best value while ensuring the welfare of our Sailors, Marines, civilian personnel and their families.

MILITARY PERSONNEL

Active Navy Personnel

The FY 2015 Military Personnel, Navy (MPN) budget request resources critical programs that will continue to support Navy manpower, personnel, training, and education. Budgeted end strength in FY 2014/2015 is 323,600 and remains at that approximate level for much of the FYDP. We will manage our personnel strength to deliver an affordable, sustainable force that meets mission needs. To achieve this, Navy manpower programs are focused on maintaining the right number of Sailors to adequately man the Fleet, and to ensure that we have the Sailors available in the right positions to accomplish our mission. The programs work to provide the Fleets with the right Fit and Fill – Sailors with the right skills and experience level to do the most critical sea duty jobs.

As Navy continues to provide support to Sailors and their families, we seek to strike the right balance between Quality of Life and Quality of Work, to achieve the best Quality of Service (QOS). In the past decade, significant strides have been made to focus on Quality of Life factors such as: pay, leave, educational opportunities, access to quality health care, and a sense of financial security. Overall Department of Defense (DoD) military and civilian personnel costs have risen substantially above

inflation since 2001. Continued growth in pay and benefits in a fiscal era of declining real overall resources erodes readiness and modernization. The FY 2015 budget proposes to slow the growth of military pay and benefits. The proposed reforms in compensation include slowing the growth of military pay and basic allowance for housing. Additionally, lower commissary subsidies and changes to TRICARE are proposed to be phased in over time. These modest reforms will still provide robust compensation and benefits that honor our uniformed personnel and their families.

The Navy is applying a renewed focus to improving QOS, a wide ranging category to include job satisfaction, work enjoyment and a sense of pride in accomplishments. To that end, the Navy reinvested savings from compensation reform into QOS initiatives, financially rewarding Sailors at sea and incentivizing those with special skill sets to remain in the Navy, as well as ensuring our Sailors have the right tools and training to accomplish the Navy mission. The proposals include a 25 percent increase in career sea pay, an increase from $100 per month to $200 per month in career sea pay premium, and the reinstatement of high deployment allowance (HDA). The payment of HDA sends a tangible message to Sailors that the Navy recognizes the rigors and sacrifice of extended deployments.

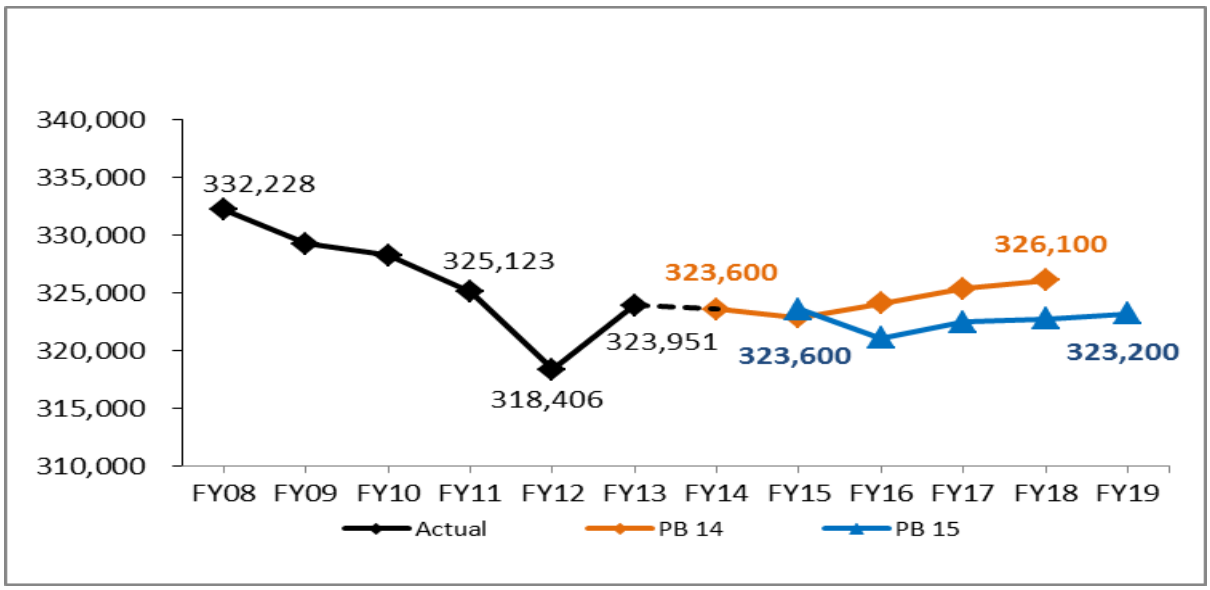
The Department remains committed to the continuation of support services for Sailors and their families by providing significant funding for programs such as Sexual Assault Prevention and Response (SAPR), Suicide Prevention and Operational Stress Control, Alcohol Abuse Prevention and Exceptional Family Member Programs. In June 2013, the Navy's 21st Century Sailor Office was newly established and is responsible for the integration of objectives for equal opportunity, Sailor personal and family readiness, physical readiness, alcohol and substance abuse prevention, suicide prevention, sexual harassment prevention, sexual assault prevention and response, hazing prevention, and transition assistance. Navy is committed – through smart, adaptive policies, vibrant programs, and pinpoint funding streams – to support fit, whole, and resilient Sailors and families, fully empowered to pursue their dreams through service to our nation.

Figure 5 displays active Navy end strength for FY 2013 through FY 2015 and Figure 6 provides information across the FYDP.

Figure 5 - Active Navy Personnel Strength

	FY 2013	FY 2014	FY 2015
Officers	53,580	53,400	53,311
Enlisted	265,901	265,878	266,008
Midshipmen	4,470	4,322	4,281
Total: Strength	**323,951**	**323,600**	**323,600**

Figure 6 – Active Navy End Strength Trend



To ensure we attract the best and brightest for our team, the Navy will align its human capital efforts to be: responsive to the Joint Warfighter; competitive for the best talent in the nation; diverse; a learning organization; and a leader in human resource solutions.

Recruiting Command continues to meet the manpower needs of the Navy in both quantity and quality as can be seen in Figure 7. The number of accessions is based on the total force requirement and can be adjusted during execution to meet changing force structure or fiscal requirements. Recruit quality in FY 2013 was 99 percent high school graduates, 84 percent test score category I-IIIA, and 8.74 percent with some college experience.

Figure 7 – Active Navy Accessions

	FY 2013	FY 2014	FY 2015
Enlisted Accessions	40,433	33,800	35,750
Percent High School Graduates	99%	95%	95%
Percent above average Armed Forces Qual Test	85%	70%	70%

Figure 8 – Navy Enlisted Reenlistment Rates

	FY 2013	FY 2014	FY 2015
Zone A (<6 years)	64%	60%	62%
Zone B (6 to 10 years)	70%	67%	67%
Zone C (10 to 14 years)	79%	78%	73%

Note: Strength Plans categorize reenlistments as First Term (Zone A) and Career. Zones B and C rates derived using extrapolated Center for Career Development historical data.

Figure 9 - Navy Enlisted Attrition

	FY 2013	FY 2014	FY 2015
Zone A (<6 years)	9.7%	9.3%	8.4%
Zone B (6 to 10 years)	3.2%	3.0%	3.1%
Zone C (10 to 14 years)	2.3%	2.2%	2.4%

Reserve Navy Personnel

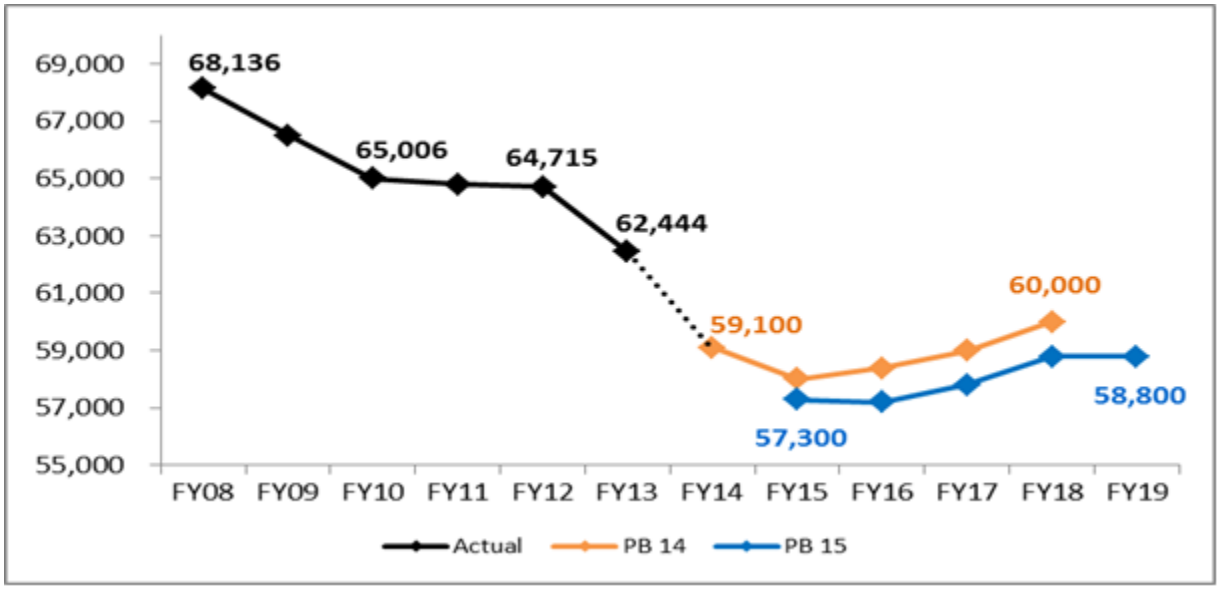
The FY 2015 Reserve Personnel, Navy (RPN) budget request supports Reserve readiness, operational capability, and alignment within the Total Force. The Navy Reserve budget request ensures that the individual Navy Reservist has what he/she needs to accomplish their mission as a full partner within that Total Force. The Navy Reserve mission continues to provide strategic depth and delivers mission-capable units and individuals to the Navy/Marine Corps Team throughout the full range of operations, from peace to war. Vital to this effort are our Reserve Component Sailors who are ready and able to surge forward across a wide spectrum of operations. To achieve this end, the Navy continues to invest in Navy Reserve recruiting, retention, and training to attract, recruit, develop, assign and retain a highly skilled workforce. The FY 2015 Navy budget request reflects force structure changes and realignments to meet post Operation Enduring Freedom (OEF) requirements and the current defense strategy. In the short-term, FY 2015, the Navy Reserve end-strength will drop to 57,300. This is primarily due to force structure

changes within the Aviation Enterprise, Surface Warfare Enterprise, and Naval Expeditionary Combat Command; and reduction of Navy support to external organizations (e.g. Defense Logistics Agency, National Geospatial-Intelligence Agency, Defense Contract Management Agency, COCOMS, etc.). However, in the long-term the Navy Reserve Force will grow to approximately 58,800 end strength as the Reserve mission set is increased to include shipyard maintenance augmentation, unmanned aerial vehicle support, maritime operations center augmentation and additional intelligence, cyber, and information dominance support. The FY 2015 budget request supports the pay and allowances for Annual Training and Inactive Duty Training of our Navy Selected Reservists and Full Time Support personnel as indicated in Figures 10 and 11.

Figure 10 - Reserve Navy Personnel Strength

	FY 2013	FY 2014	FY 2015
Drilling Reserve	52,301	48,941	47,327
Full Time Support	10,143	10,159	9,973
Total: Strength	**62,444**	**59,100**	**57,300**

Figure 11 – Reserve Navy End Strength Trend



Active Marine Corps Personnel

The Marine Corps manpower baseline budget supports active duty end strength of 182,700 in FY 2015. The FY 2015 request will retain the ability to generate seven rotational Marine Expeditionary Units (MEUs), with the capacity to deploy one from the East Coast, one from the West Coast, and one from Okinawa, Japan every six months. The Special Purpose Marine Air-Ground Task Force (MAGTF) construct responds to greater demand for multi-role crisis response forces in several Geographic Combatant Commands (COCOMs) under the "New Normal" security environment.

In support of the rebalance to the Pacific, the Marine Corps prioritized Pacific theater forces and activities in the redesigned force structure. Despite end strength reductions, III Marine Expeditionary Force – the Marine Corps' primary force in the Pacific – remains virtually untouched. The Marine Corps also restored Pacific efforts that were gapped during OEF, including multiple exercises and large parts of the Unit Deployment Program. A rotational presence in Darwin, Australia also expands engagement opportunities and deterrence capabilities. By 2017, approximately 22,000 Marines will be operating and forward stationed within the Pacific theater.

Lastly, the Marine Corps remains fully committed to improving embassy security by adding approximately 1,000 Marine Corps Embassy Security Guards (MCESGs), as directed by Congress.

Figure 12 - Active Marine Corps Personnel Strength

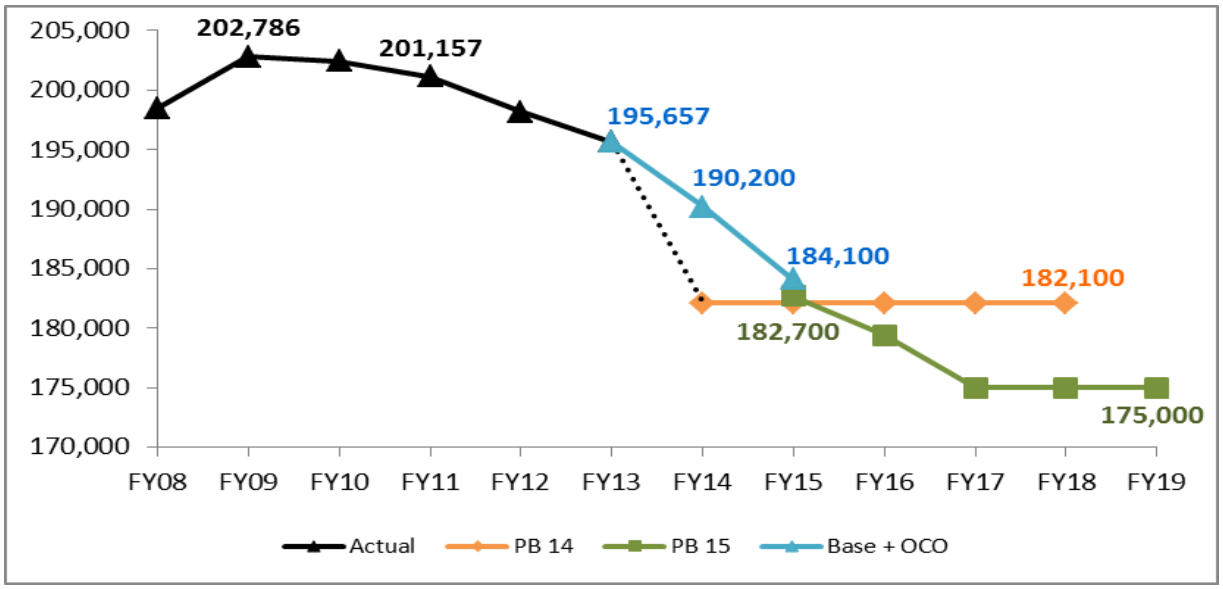
	FY 2013	FY 2014	FY 2015
Officers	21,132	20,545	20,548
Enlisted	174,525	161,555	162,152
Total: Strength	**195,657**	**182,100**	**182,700**

*NOTE: FY 2013 Marine Corps Strength includes 13,557 that are funded with OCO.

**NOTE: FY 2014 total Marine Corps end strength is 190,200 when including the 8,100 funded with OCO.

Enlisted Accessions	32,302	25,000	29,711
Percent High School Graduates	99.9%	99.9%	99.9%
Percent above average Armed Forces Qual Test	74.4%	74.4%	74.4%
Reenlistments	14,378	11,700	14,867

Figure 13 – Active Marine Corps End Strength Trend



The Marine Corps is actively working to recruit, promote, and retain the best mix of high quality Marines to support the enduring force structure and maintain a highly mobile, expeditionary force in a high state of readiness. Despite the planned drawdown, the Marine Corps will retain sufficient leadership and warfighting skills to quickly grow to a larger force if required. Simultaneously, accessions support shaping the grade structure of the force as anticipated departures at the end of active service increase. This budget also supports requirements for initial skill training and follow-on training courses, and supports continued success in meeting recruit accession goals. The figure below provides summary personnel retention data for active Marine Corps personnel.

Figure 14 – Active Marine Corps Reenlistments

	FY 2013	FY 2014	FY 2015
First Term Alignment Plan (<6 years)	6,053	4,770	6,300
Subsequent Term Alignment Plan (Career)	8,325	6,930	8,567

In addition, the budget provides the necessary resources to shape the rank and Military Occupational Specialty (MOS) structure to achieve full operational capability using streamlined and targeted enlistment and reenlistment bonuses. The primary objectives of the retention and recruitment bonus programs are to maintain an adequate level of experienced and qualified enlisted personnel to meet

mission requirements. These funds provide a monetary incentive to encourage highly qualified individuals to enlist or reenlist in a particular military skill. The FY 2015 budget represents a continued reduction in reenlistment and enlistment bonuses due to favorable recruiting and retention conditions and the commensurate ability to retain experienced personnel in the necessary MOSs. The figure below shows the number of members and the funding proposed.

Figure 15 Enlistment/Reenlistment Bonus Program

	FY 2013		FY 2014		FY 2015	
	# of Members	$M	# of Members	$M	# of Members	$M
Reenlistment Bonus	2,635	$66	3,308	$60	3,200	$55
Enlistment Bonus	3,647	$20	1,853	$10	1,822	$9

Reserve Marine Corps Personnel

The FY 2015 request supports Marine Corps Reserve strength of 39,200. The Marine Corps Reserve provides the required depth for warfighting, homeland defense, and operational relief to the Active Component (AC). Marine Reserve Units, Individual Mobilization Augmentees (IMAs), and the Active Reserve continue to support national defense requirements and have deployed worldwide to countries in Southwest Asia as well as Northern Africa. At home, the Marine Reserve force provides support to reserve Marines and logistics support for assets pre-positioned throughout the country, ready to assist with not only national defense missions but also civil-military missions such as disaster relief. The budget provides pay and allowances for drilling reservists attached to specific units, IMAs, personnel in the training pipeline, and full-time active reserve personnel.

The Selected Marine Corps Reserve (SMCR), with its force application structure complementing the active operating force in its "augment and reinforce" mission, continues to serve the Nation well. In addition to standard SMCR battalion and aviation squadron combat unit deployments, the Marine Corps Reserve continues to contribute to the current fight by providing individual augments to the AC forces across a range of military operations.

An important source of seasoned leadership for the Marine Reserve force consists of Marines who transition from the Active to the Reserve Component (RC). Despite the current high operational tempo, the Marine Reserve force continues to recruit and

retain top-notch Marines. In part, this is accomplished through the funding of bonus and incentive programs at levels required to meet recruiting and retention goals. For example, SMCR unit affiliation bonuses provide an incentive for Marines leaving active duty to continue their service as leaders in the Marine Reserve in locations and assigned to units where their skills and experience are most needed. The success of these initiatives is evidenced by an increasing SMCR participation rate and reaching end strength goals. The Marine Corps realizes it is important to keep this valuable pipeline open and will continue to transition former AC personnel into the RC.

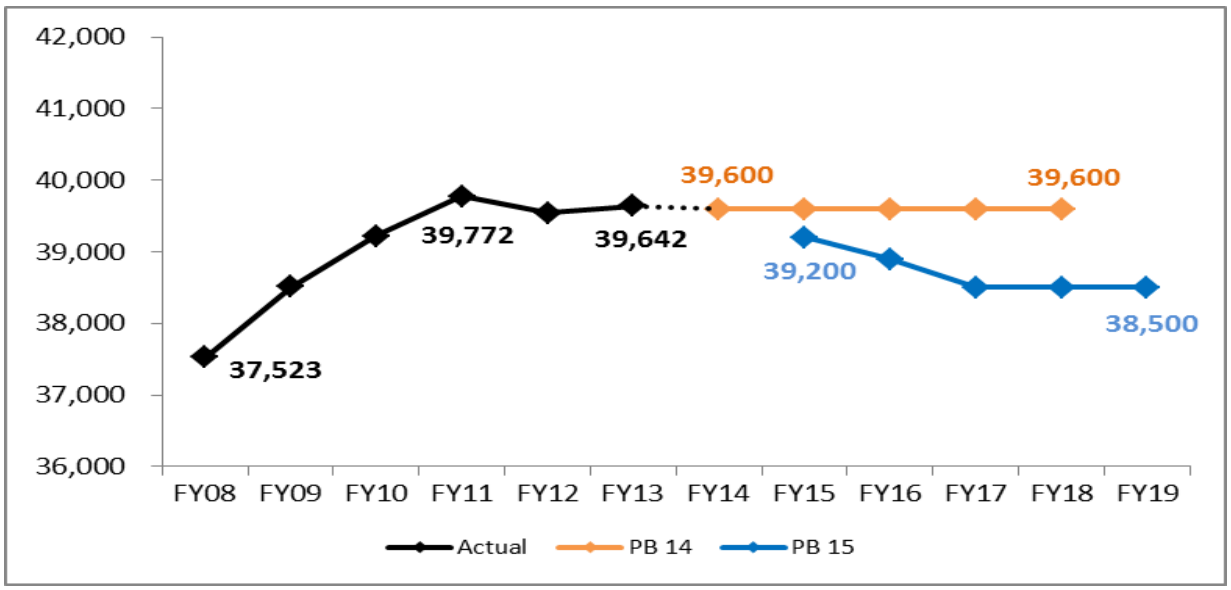
The Marine Corps Reserve is a full partner of the Marine Corps total force concept. Marine reservists continue to prove their dedication and value to our Nation and its citizens. Their continuing honor, courage, and commitment to warfighting excellence provides the nation an experienced, tested force with close ties to their community that truly set them apart as "citizen soldiers."

The figures below shows personnel strength for reserve Marine Corps personnel.

Figure 16 - Reserve Marine Corps Personnel Strength

	FY 2013	FY 2014	FY 2015
Drilling Reserve	37,398	37,339	36,939
Full Time Support	2,244	2,261	2,261
Total: Strength	**39,642**	**39,600**	**39,200**

Figure 17 – Reserve Marine Corps End Strength Trend



CIVILIAN PERSONNEL

The Department's civilian personnel constitute the cadre of corporate knowledge necessary to sustain and support operations. DoN civilians are a critical component of our total force, and play an integral role in supporting the mission and daily functions of the Navy and Marine Corps. From wage grade workers to renowned scientists, a versatile and agile workforce is required to meet this challenge. Today's civilian personnel are employed in a variety of fields including installation management, research and development, engineering and acquisition, medical, Fleet activities, logistics, depot maintenance, and administrative support. The majority of these functions are financed by the Operation and Maintenance appropriations and the Navy Working Capital Fund (NWCF). The FY 2015 civilian personnel budget is based on a thorough assessment of projected Departmental workload requirements needed to sustain mission readiness.

Civilian Personnel Levels

The Department has conducted a strategic efficiency reduction in management headquarters funding and staffing for better alignment and to support anticipated force structure levels. This budget submission incorporates the Department's decision to reduce headquarters personnel by 20 percent over the FYDP beginning in FY 2015. The FY 2015 submission also includes increases to critical programs such as cyber and SAPR, as well as shipyard maintenance and shipyard firefighters. The increase in shipyard civilians will better enable the Department to meet its increasing requirements on a timely basis. The Department is also committed to increasing shipyard firefighter Full-Time Equivalents (FTEs) to avoid vessel damages such as those sustained by the USS MIAMI.

Figure 18 displays total civilian personnel FTEs by component, appropriation, and special interest area. FY 2015 reflects an overall increase in keeping with the special interest areas highlighted below. It should be noted that the FY 2013 column is understated by approximately 3,200 FTEs because of the six-day furlough imposed on civilians.

Figure 18 - DoN Civilian Manpower Full-Time Equivalent

	FY 2013	FY 2014	FY 2015
Total — Department of the Navy*	207,869	212,798	215,014
By Component			
Navy	184,927	190,582	191,959
Marine Corps	22,942	22,216	23,055
By Type Of Hire			
Direct	196,710	201,339	203,462
Indirect Hire, Foreign National	11,159	11,459	11,552
By Appropriation/Fund			
Operation and Maintenance, Navy	105,878	109,380	111,758
Operation and Maintenance, Navy Reserve	825	870	870
Operation and Maintenance, Marine Corps	20,684	19,950	20,738
Operation and Maintenance, Marine Corps Reserve	269	236	277
Total - Operation and Maintenance	**127,656**	**130,436**	**133,643**
Research, Development, Test & Evaluation, Navy	1,094	1,295	1,224
Family Housing (Navy/Marine Corps)	654	715	712
Total - Other	**1,748**	**2,010**	**1,936**
Total - Working Capital Funds	**78,465**	**80,352**	**79,435**
Select Special Interest Areas			
Installation Mgmt/Base Support	39,477	38,022	38,478
Warfare Centers	33,104	32,804	32,730
Shipyards	34,997	36,491	38,287
Engineering/Acquisition Commands (*excludes PEOs*)	20,559	20,650	20,164
Medical (Defense Health Program)	12,282	12,333	13,113
Fleet Activities *(e.g, Ship/Air Operations)*	9,007	9,812	9,858
Aviation/Marine Corps Depots	10,229	10,512	10,521
Departmental (*e.g., Navy/MC HQ, PEOs*)	9,780	10,469	10,497
Military Support *(e.g., Training, Quality of Life)*	10,178	11,715	11,692
Supply/Distribution/Logistics Centers	8,831	9,390	9,477
Transportation	8,995	9,022	8,241

*NOTE: FTE total for FY 2013 does not include approximately 3,200 FTEs not worked due to 6 days of furlough.

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SECTION III – READINESS

OVERVIEW

The Department will maintain strong, agile, and capable military forces. Operational readiness is the catalyst that brings naval power to bear whenever it is needed. Our budget supports requirements for our Carrier Strike Groups (CSGs), Amphibious Ready Groups (ARGs), and Marine Expeditionary Forces (MEFs) to respond to persistent as well as emerging threats.

The Department's FY 2015 allocation of operation and maintenance (O&M) resources is tightly focused on meeting basic COCOM operational tempo (OPTEMPO) requirements, properly sustaining and maintaining ships and aircraft to reach expected service lives, sustaining the enduring T-2.5/T-2.0 USN/USMC flight hours readiness requirement in the base budget, and funding price increases. The FY 2015 budget request supports the Fleet Response Plan (FRP) by maintaining the continuous flow of ships through seven/eight month deployments within an updated 36 month Optimized Fleet Response Training Plan (FRTP) cycle which will be phased in starting with a Carrier Strike Group deployment in FY 2015.

As we continue to reshape our forces to ensure that our military is agile, flexible, and ready for the full range of contingences, the Active Duty force structure meets day-to-day Fleet requirements and provides immediate contingency operations support capability, although at reduced capacity to meet Global Force Management Allocation Plan requirements. The remaining Reserve Component force provides sufficient surge capacity to support Defense Strategic Guidance, and with mobilization authority and Active Duty manpower funding can augment deployments.

The Marine Corps is committed to remaining the Nation's expeditionary force; a force capable of responding to crisis anywhere around the globe at a moment's

notice. Marines are forward deployed protecting the Nation's security by conducting operations to defeat and deter adversaries, support partners, and create decision space for national leaders.

Our focus continues to be providing ready naval forces, from individual units to strike groups, which are forward deployed and capable of providing a substantial surge force.

SHIP OPERATIONS

The Ship Operations program provides the Navy with critical mission capabilities. The Department's goal is to deliver the capability to manuever and engage in combat operations in all enviroments. Sustaining this capability requires a robust logistics force able to effectively support operations, extend operational reach, and provide the joint force commander the freedom of action necessary to meet mission objectives. The Department's budget request represents the appropriate and necessary balance between combat and logistics forces to ensure mission accomplishment.

Battle Force Ships

The budget provides for a deployable battle force of 283 ships in FY 2015, as shown in Figure 19. This level of operational funding supports 10 aircraft carriers and 30 large amphibious ships that serve as the foundation upon which our carrier and expeditionary strike groups are based. These ships, when formed into strike groups that include surface combatants, logistics support forces and attack submarines when required, provide the capability to dynamically deploy, maneuver and ultimately engage potential enemies in all environments. The robust and consistent capabilities they bring to the fight enable our Navy to meet our nation's strategic and the geographic COCOM's objectives.

Included in our battle force is an inherent capability to sustain the Navy's forces using highly capable logistics support ships and planes that can strategically and operationally manuever as required to meet all support requirements.

In FY 2015 eight battle force ships will be delivered: one Nuclear Attack Submarine (SSN), four Littoral Combat Ships (LCS), two Joint High Speed Vessels (JHSVs), and one Mobile Landing Platform (MLP).

Thirteen battle force ships will be retired: ten Frigates (FFGs), one SSN, one Amphibious Warfare Assault Ship (LHA), and one Combat Logistics Ship (T-AOE).

In addition, the Department will temporarily stand down 11 cruisers (CG) and place them in a phased modernization process, affordably retaining them while extending their service lives; simultaneously, retaining 11 cruisers that have already been modernized in regular service. Navy will pursue a similar long-term modernization plan with three dock landing ships (LSD) on a rolling basis, modernizing one at a time.

Figure 19 – DoN Battle Force Ships

	FY 2013	FY 2014	FY 2015
Aircraft Carriers	10	10	10
Fleet Ballistic Missile Sub	14	14	14
Guided Missile (SSGN) Subs	4	4	4
Nuclear Attack Submarines	54	54	54
Surface Combatants	105	99	93
Expeditionary Warfare Ships (Amphibious)	30	31	30
Combat Logistics Ships	32	30	29
Mine Warfare Ships*	13	12	8
Support Ships	23	26	29
Non-Battle Force*	-	-	12
Battle Force Ships	**285**	**280**	**283**

*Note: Starting in FY 2015 ship count includes eight OCONUS Mine Warfare (MCMs) ships, and twelve Non-Battle Force ships--two Hospital Ships (T-AHs) and ten Forward Deployed Patrol Crafts (PCs)—based on new ship counting rules.

Active Ship OPTEMPO

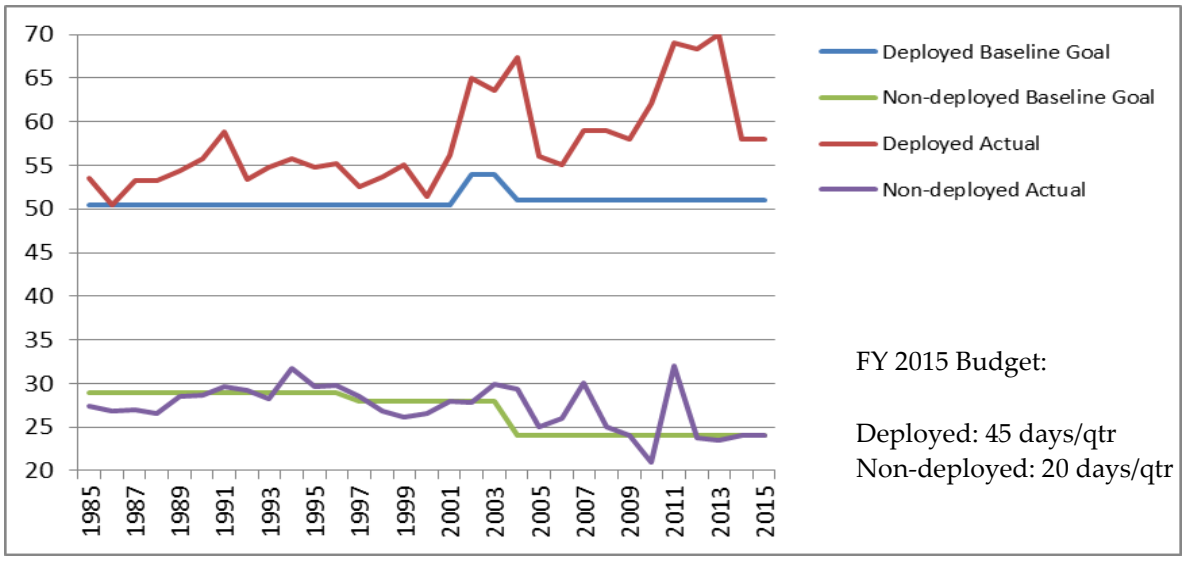
The FY 2015 budget request supports the FRP, enabling ships to surge and reconstitute by maintaining the continuous flow of ships from maintenance after

deployment, through basic phase training back to ready assets. This is achieved through seven/eight month deployments, with CSGs moving to a 36 month Optimized FRTP cycle beginning in FY 2015. This concept enables the Department to provide multiple CSGs within required time frames to meet the threat and deliver decisive military force if necessary. The DoN will support these goals and respond to global challenges by planning for 45 underway days per quarter for the active OPTEMPO of our deployed forces and 20 underway days per quarter for non-deployed forces in the baseline. It is anticipated that a future OCO request will support additional deployed/non-deployed steaming of approximately 13/4 days per quarter.

Non-deployed OPTEMPO provides primarily for the training and assessment of Fleet units, including participation in individual unit training exercises, multi-unit exercises, joint exercises, sustainment training, and various other training exercises and assessment opportunities. The training period under FRP supports our ability to meet rotational force requirements and ensures a surge capable force with a robust ability to maneuver as required and to successfully engage any enemy in the pursuit of our national interests.

Figure 20 illustrates historical and budgeted OPTEMPO. The lines are the deployed and non-deployed goals. Fluctuations from the goals reflect real world operations and revised requirements

Figure 20 – Active Force Ship OPTEMPO



Mobilization

The Navy's mobilization forces, displayed in Figure 21, provide logistics capability that enables rapid response to contingencies world-wide. The prepositioning ship squadrons are forward deployed in key ocean areas to provide the initial military equipment and supplies for operation. The prepositioned response is followed by the surge ships, which are maintained in a reduced operating status from four to thirty days. The number of days indicates the time from ship activation until the ship is available for tasking; e.g., Reduced Operating Status 5 (ROS-5) indicates it will take five days to make the ship ready to sail, fully crewed and operational. Ships in reduced operating status have a small cadre of crew members aboard to ensure the readiness of propulsion and other primary systems if the need arises to activate the ship. Crew size varies based on ship type and time spent in reduced operating status. Only ROS-5 ships are considered in the surge capacity in Figure 21.

Figure 21 – Strategic Sealift

	FY 2013	FY 2014	FY 2015
Prepositioning Ships:			
Maritime Prepo Ships (O&M,N)	13	14	14
Army Prepo Ships (O&M,A)	8	8	8
Air Force Prepo Ships (O&M,AF)	2	2	2
Navy Prepo OPDS Ship with Tender (O&M,N)	1	1	1
Surge Ships:			
Large Medium-Speed RORO Ships (O&M,N)	9	9	9
Container/RORO Ships (former Prepo) (O&M,N)	5	5	5
Hospital Ships (O&M,N)	2	2	2
Ready Reserve Force Ships (O&M,N)	46	46	46
Prepositioning Capacity (millions of square feet)	5.6	5.6	5.6
Surge Capacity (millions of square feet)	9.3	9.3	9.3
Total Sealift Capacity (millions of square feet)	14.9	14.9	14.9

In FY 2015, Navy's strategic operating costs and exercise costs for surge ships previously requested through the National Defense Sealift Fund (NDSF) are now funded within the O&M,N appropriation. The hospital ship missions, operating costs of the Maritime Prepositioning Ships (MPS), and biennial exercise costs of the aviation maintenance ships are also funded through the O&M,N appropriation.

Prepositioning Ships:

The Maritime Prepositioning Force consists of two MPS squadrons each providing equipment and sustainment for a Marine Expeditionary Brigade for 30 days. The Offshore Petroleum Distribution System (OPDS) MV WHEELER is used to meet the offshore petroleum discharge requirements. A second Maritime Administration ship SS PETERSBURG , maintained in ROS, also supports the OPDS capability.

Sealift ships provide the DoD the lift needed to respond quickly to immediate missions with a sustained force.

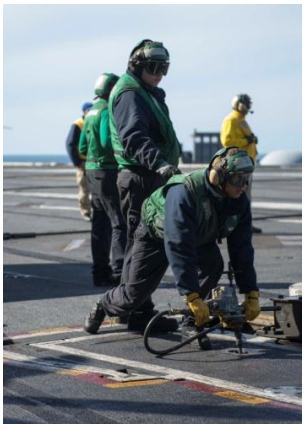
Surge Ships:

The nine Navy Surge Large, Medium-Speed Roll-on/Roll-off Ships (LMSRs) are maintained in a five-day ROS and provide the initial surge sealift capacity required to transport combat forces equipment from CONUS to an area of operations to satisfy warfighting requirements.

Two hospital ships, the USNS MERCY and the USNS COMFORT, are maintained in a five-day ROS and provide the initial surge hospital capability to support warfighting and Humanitarian Aid and Disaster Relief (HADR) efforts. Since FY 2006, Navy has generally deployed one hospital ship per year, alternating coasts, and will continue to do so, recognizing the goodwill continuously generated by these HADR missions. In FY 2013, however, as a result of sequestration, the Navy deferred USNS Comfort's humanitarian deployment to Central and South America, "Continuing Promise 2013". In FY 2015, USNS MERCY and the USNS COMFORT will both deploy to support humanitarian missions.

The Ready Reserve Force funding level meets required readiness and allows the ships to activate in time to deliver cargo to a given area of operations and satisfy COCOMs' critical warfighting requirements.

Ship Maintenance



The Department's organic ship maintenance program is mission funded in O&M. It provides funding for the Navy's public shipyards, regional maintenance centers, and intermediate maintenance facilities. Ship maintenance work is also contracted through private vendors and shipyards. This construct supports the Fleet Response Plan by allowing Fleet Commanders to control maintenance priorities in order to provide the right match of capabilities to requirements. Specifically, the fleets are supporting our nation's maritime strategy by quickly and efficiently allocating work to ships that are required to provide sea control, forward presence and power projection in order to influence actions and activities both at sea and ashore. The ship maintenance budget supports an integrated capabilities-based force though the maintenance and modernization of the right portfolio of ships to provide the optimum mix of force application and logistics ensuring our ships are warfighting ready and well-maintained to operate forward.

The Department's active ship maintenance baseline budget supports 80 percent of the notional O&M maintenance projections in FY 2015. It is anticipated that additional funding will be requested in a FY 2015 OCO account at a later time.

The nation's public and private shipyards make up the Navy's repair base and in total have the capability to execute ship maintenance as well as those deferred maintenance amounts reflected in Figure 22. Annual deferred maintenance is work that was not performed when it should have been due to fiscal constraints. This includes items that were not scheduled or not included in an original work package due to fiscal constraints, but excludes those items that arose since a ship's last maintenance period. As the execution year progresses, the workload can fluctuate, impacted by factors such as growth in scope and new work on maintenance availabilities, changes in private shipyard cost and shipyard capacity. While some amount of prior years' deferred maintenance may be executable in following years (depending on deployment schedules and shipyard capacity), the numbers in Figure 22 reflect only those individual years' deferred maintenance, not a cumulative amount.

Figure 22 - Department of the Navy Ship Maintenance

(Dollars in Millions)	FY2013	FY2014	FY2015
Active Forces			
Ship Maintenance	5,651	4,106	5,296
Depot Operations Support	1,157	1,275	1,339
Baseline Ship Maintenance (O&M,N)	**6,808**	**5,381**	**6,635**
Overseas Contingency Operations	1,287	2,679	-
Total Ship Maintenance (O&M,N)	**8,095**	**8,060**	**6,635**
Percentage of Projection Funded	100%	100%	80%
Annual Deferred Maintenance	-	-	1,341
Ship Maintenance Reset	-	-	582
CVN Refueling Overhauls (SCN)	1,723	1,855	54
% of SCN Estimates Funded	100%	100%	100%

Note 1: FY 2015 OCO request will be submitted at a later time to address deferred maintenance and ship maintenance reset.
Note 2: Totals may not add due to rounding.
Note 3: FY 2014 OCO includes Congressional directed

AIR OPERATIONS

Active Tactical Air Forces

The budget provides for the operation, maintenance, and training of ten active Navy Carrier Air Wings (CVWs) and three Marine Corps Air Wings in FY 2015. Naval aviation is divided into three primary mission areas: Tactical Air/Anti-Submarine Warfare (TACAIR/ASW), Fleet Air Support (FAS), and Fleet Air Training (FAT). TACAIR squadrons conduct strike operations and support the Marine Air Ground Task Force (MAGTF) by providing flexibility in moving to a position of advantage in air and surface environments in order to provide logistics, command and control, and battlespace awareness to the Fleet and COCOMs. TACAIR integration ensures that Navy and Marine Corps units are effectively incorporated in the CVWs and

MAGTFs to achieve maximum capabilities at sea, land and air. ASW squadrons locate, destroy, and provide force support and command and control while conducting maritime surveillance operations. FAS squadrons provide consistent and vital fleet logistics and battlespace awareness. In FAT, the Fleet Replacement Squadrons provide force support by training pilots to become proficient in their specific type of aircraft while transitioning to fleet operations, and Chief of Naval Air Training provides basic flight proficiency training for first-time Naval aviators.

Figure 23 – DoN Aircraft Force Structure

	FY 2013	FY 2014	FY 2015
Active Forces	**21**	**21**	**21**
Navy Carrier Air Wings	10	10	10
Marine Air Wings	3	3	3
Patrol Wings	4	4	4
Helicopter Maritime Strike Wings	2	2	2
Helicopter Combat Support Wings	2	2	2
Primary Authorized Aircraft (PAA) - Active	**3,027**	**3,500**	**3,532**
Navy	2,010	2,310	2,331
Marine Corps	1,017	1,190	1,201
Total Aircraft Inventory (TAI)	**3,770**	**4,307**	**4,335**
Active	3,520	4,050	4,072
Reserve	250	257	263

Aircraft OPTEMPO

The Fleet Response Plan provides for a tiered T-2.5 readiness level across the notional Inter-Deployment Readiness Cycle (T-1.7 while deployed, T-2.0 pre-deployment, T-2.2 post-deployment, and T-3.3 during the maintenance/training phase). The Marine Corps maintains a level of readiness of T-2.0 throughout pre- and post-deployment periods as well as while forward deployed in support of the MAGTF. By maintaining these readiness levels, the Navy and the Marine Corps stand ready to provide force application capabilities to the COCOMs when required.

The base budget Flying Hour Program (FHP) meets FY 2015 funding to maintain required levels of readiness enabling the Navy and Marine Corps aviation forces to perform their primary missions as well as funding the enduring T2.5/T2.0 USN/USMC readiness requirement in the base budget. The FY 2015 base FHP is built upon an extensive and thorough review of the previous execution experience for both flight hours and cost-per-hour drivers. This process includes removing one-time and OCO-related costs and properly pricing aircraft systems and upgrades across all Navy and Marine Corps platforms. In addition, the number of budgeted flying hours represents the peacetime hours that are executable given current contingency operations.

FRS operations are budgeted at 90 percent in FY 2015 for student training requirements. Student levels are established by TACAIR/ASW force level requirements, aircrew personnel rotation rates, and student output from the undergraduate pilot/naval flight officer training program. In FY 2015, Fleet Air Support is funded to meet 94 percent of the total notional hours required. Figure 24 displays active flying hour readiness indicators.

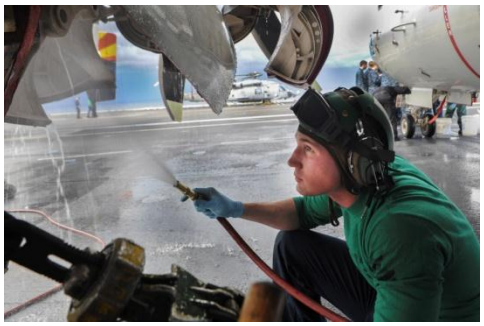
Figure 24 – DoN Flying Hour Program

	FY 2013	FY 2014	FY 2015	GOAL
Active				
TACAIR- Navy	*T-2.5*	*T-2.5*	*T-2.5*	*T-2.5*
TACAIR- USMC	*T-2.0*	*T-2.0*	*T-2.0*	*T-2.0*
Fleet Replacement Squadrons (%)	*90%*	*90%*	*90%*	*94%*

Aircraft Depot Maintenance

The Aircraft Depot Maintenance program funds repairs, overhauls, and inspections of aircraft and aircraft components to ensure sufficient quantities are available to meet fleet requirements to decisively win combat operations. Readiness-based models determine airframe and engine maintenance requirements based on squadron inventory authorization necessary to execute assigned missions. The aircraft depot maintenance program performs preventative maintenance on airframes and engines at scheduled intervals, performs routine inspections to

determine the periodicity of maintenance required and restoration and recapitalization of damaged airframes and engines back to serviceable condition.



The airframe maintenance workload is calendar-based, while the engine maintenance workload is based on planned flight hours. The airframe and engine maintenance program's objective is to induct sufficient airframes and engines to meet FRP requirements. Any airframe or engine not completed from previous years are reported as backlog and are not Ready-For-Use until repaired. A one-year backlog is the threshold for what can be effectively accomplished with no additional tooling, equipment, or space; the manageable one-year backlog is about 100 airframes and 340 engines across the Active and Reserve Components, but the actual threshold varies according to the mixture of Type/Model/Series. Depot level repair of components is also performed for a number of programs including the Executive Helicopter program, Special Project Aircraft, and ALQ-99 pods.

The FY 2015 budget provides optimized capability within fiscal constraints. 80 percent of the Aircraft Depot Maintenance requirement is funded in the baseline budget request resulting in a yearly backlog of 66 airframes and 612 engines. It should be noted, however, that an FY 2015 OCO request is anticipated at a later time. Figure 25 displays the funding and readiness indicators for aircraft depot maintenance and aviation logistics.

Figure 25 - Aircraft Depot Maintenance and Aviation Logistics

Aircraft Depot Maintenance

(Dollars in Millions)	FY 2013	FY 2014	FY 2015
Airframes	446	451	376
Engines	358	305	409
Components	34	39	30
Baseline	**838**	**795**	**815**
Overseas Contingency Operations	193	163	0
Total	**1,031**	**958**	**815**
Percent Funded of Total Requirement	100%	89%	80%
Airframes Yearly Backlog	15	33	66
Engines Yearly Backlog	55	319	612

Aviation Logistics

(Dollars in Millions)	FY 2013	FY 2014	FY 2015
KC-130J Hercules	35	48	44
MV-22 Osprey	109	124	123
E-6B Mercury	42	52	53
F-35 Joint Strike Fighter	92	145	131
Baseline	**278**	**369**	**351**
Overseas Contingency Operations	47	50	0
Total	**325**	**419**	**351**

Note: FY 2015 OCO request for both Maintenance and Logistics will be submitted at a later time.

Navy Expeditionary Forces

Navy Expeditionary Combat Command (NECC) is a global force provider of expeditionary combat service support and force protection capabilities to joint warfighting commanders. It is responsible for centrally managing the current and future readiness, resources, manning, training and equipping of a scalable, self-sustaining, integrated

expeditionary force of active and reserve sailors. Expeditionary sailors are deployed from around the globe, supporting contingency operations and Combatant Commanders' Theater Security Cooperation Plans, providing a forward presence of waterborne and ashore anti-terrorism force protection; theater security cooperation and engagement; and humanitarian assistance and disaster relief.

As we begin to reshape our forces to ensure that our military is agile, flexible, and ready for the full range of contingences, we continue to realign our Navy Expeditionary force structure for maximum efficiency throughout the FYDP, supporting a streamlined range of Navy Expeditionary capabilities.

MARINE CORPS OPERATIONS

Active Operations

The FY 2015 budget ensures the Marine Corps continues to be a versatile middleweight force, forward deployed, engaged, and able to respond across the range of military operations. This budget submission supports continued success in Afghanistan and across the globe and begins to posture the Marine Corps to meet future global security challenges. This includes partnering with allied forces in every Geographic COCOM's area of responsibility, conducting humanitarian assistance and disaster relief missions, providing protection to mission personnel and national security information and equipment at designated diplomatic and consular facilities, and bolstering capabilities such as crisis response.

The operation and maintenance budget supports the Marine Corps operating forces, which are comprised of three active Marine Expeditionary Forces (MEFs). Each MEF consists of a command element, one Marine Division, one Marine Aircraft Wing, and one Marine Logistics Group. Each MEF provides a highly trained, versatile expeditionary force capable of rapid response to global contingencies. The inherent flexibility of the MEF organization, combined with Maritime Prepositioning Force assets, allows for the rapid deployment of appropriately sized and equipped forces. MEUs are embedded within each MEF and deploy with Amphibious Readiness Groups. Three MEUs are East-coast based, three are West-coast based, and one is based in Okinawa, Japan. These scalable forces possess the firepower and

mobility needed to achieve success across the full operational spectrum in either joint or independent operations.

The Navy and Marine Corps team remain the solution set to fulfilling the nation's global maritime responsibilities. With the increasing concentration of the world's population in littoral areas, the ability to operate simultaneously on the sea, ashore, in the air, and to move seamlessly between these three domains is critical. Amphibious forces, a combination of MAGTFs and Navy amphibious ships, remain a uniquely critical and capable component of both crisis response and meeting our maritime responsibilities. Operating as a team, amphibious forces provide operational reach and agility; they provide decision space for our national leaders in times of crisis; and they bolster diplomatic initiatives by means of their credible forward presence. Amphibious forces also provide the Nation with assured access for the joint force in a major contingency operation. No other force possesses the flexibility to provide these capabilities and yet sustain itself logistically for significant periods of time. This budget supports the Marine Corps' ability to maintain this flexibility and capability.

The Marine Corps FY 2015 budget continues to transition to a post-OEF Marine Corps that complies with strategic guidance and is capable across the range of military operations. The FY 2015 budget prioritizes global steady state and crisis response operations. For example, this budget supports our ability to optimize forward presence and rapid crisis response through the Marine Corps Special Purpose MAGTF operations. These units are regionally based, expeditionary MAGTFs that conduct crisis response, limited contingency and evacuation operations, and humanitarian assistance in response to forward-engaged Geographic Combatant Commanders. In support of these efforts, the FY 2015 operation and maintenance budget provides for the sustainment and critical safety and service life extension upgrades for existing equipment capabilities.

The FY 2015 budget supports the congressionally-directed expansion and new mission of the Marine Corps Embassy Security Group (MCESG). In coordination with the Department of State, the new MCESG mission includes protecting personnel as well as preventing the compromise of classified material. This expansion will be complete by FY 2016 and includes 35 new detachments, right-

sizing existing detachments, increasing presence at 25 High Threat Posts, and the establishment of the Marine Security Augmentation Unit (MSAU). The MSAU will be comprised of 122 Marines ready to deploy and augment security in any US diplomatic facility overseas as required. The FY 2015 budget provides for operations and sustainment of the existing detachments and the establishment of 12 new detachments.

Ground Equipment Depot Maintenance

Resetting the Marine Corps for the future after a decade of war remains a top priority – it is necessary to reset the force by addressing equipment shortfalls and to refresh equipment worn out or degraded by years of combat. Repair and rebuild of equipment is accomplished on a scheduled basis to maintain the readiness of the equipment inventory that is necessary to support operational requirements. This program in coordination with Marine Corps procurement provides a balanced inventory, eliminates redundancy, and ensures efficiency. This budget also realizes maintenance efficiencies generated through the consolidation of financial and business operations under a combined Marine Depot Maintenance Command.

The FY 2015 base budget requests will meet 82 percent of active force requirements. Employed in multiple combat and stability operations for the past decade, the Marine Corps has utilized wartime supplemental funding sources to address the majority of its equipment repair and restoration requirements. It is anticipated that a FY 2015 OCO request will be submitted at a later date.

Figure 26 -- Marine Corps Ground Equipment Depot Maintenance			
(Dollars in Millions)	**FY 2013**	**FY 2014**	**FY 2015**
Funding Profile:			
Baseline	152	223	229
Overseas Contingency Operations	456	570	0
Total	**608**	**793**	**229**
Active Forces			
Combat Vehicles	239	162	152
Missiles	7	2	6
Ordnance, Weapons, and Munitions	38	35	27
Electronics and Communication Systems	27	39	22
Construction Equipment	80	83	19
Automotive Equipment	217	472	3
Total Active Forces	**608**	**793**	**229**
% Funded of Total Requirement	100%	100%	83%

Note: FY 2015 OCO request will be submitted at a later time.

RESERVE OPERATIONS

The mission of the Department's Reserve Components (RC) is to deliver strategic depth and operational capability to the Navy, Marine Corps, and Joint forces. In FY 2015, the Reserve Components will continue to contribute significantly to the effectiveness of the Department's Total Force. The Navy and Marine Corps Reserve budgets support the day-to-day costs of operating Reserve Component forces and maintaining assigned equipment at a state of readiness that will permit rapid deployment in the event of full or partial mobilization and meet fleet operational support requirements. This budget ensures the RC remains "Ready Now, Anytime, Anywhere."

The Department's RC operating forces consist of aircraft, ships, combat equipment and support units, and their associated weapons. The Navy and Marine Corps Reserve end-of-year operating aircraft inventory totals 263 airframes in FY 2015. The Navy Reserve ship inventory decreases from seven to zero frigates by year-end

in FY 2015. Funding is also provided to operate and maintain Reserve Component activities and commands in all fifty states plus Puerto Rico and Guam. The facility inventory remains at 131 for the Navy Reserve at the end of FY 2015.

Navy Reserve Ships

In order to maintain forward operations of well trained and equipped forces in a prioritized but fiscally constrained environment, the Department of the Navy will retire all seven of the remaining Reserve frigates in FY 2015 as reflected in Figure 27. The Navy's original plan was to retire four Reserve frigates in FY 2015 and retire the remaining three by FY 2019. Due to the fiscal environment, the Navy decided to accelerate retirement of the three remaining frigates to FY 2015.

Figure 27 – Navy Reserve Battle Force Ships

	FY 2013	FY 2014	FY 2015
Surface Combatants	8	7	0
Reserve Battle Force Ships*	**8**	**7**	**0**

**Also included in Figure 19*

Navy Reserve Ship Maintenance

RC ship maintenance funding is integrated with the Active Component program chart. The total Navy Reserve ship maintenance requirement reflects the minimum funding required through the end of FY 2015, when the remaining seven frigates will have been decommissioned.

Reserve Component Air Forces

RC flying hour funding enables ready Navy and Marine Corps Reserve aviation forces to operate, maintain, and deploy in support of the Defense Strategic Guidance. Navy and Marine Corps RC aviation forces will continue to provide vital logistics, force application, force support, battlespace awareness, command and control, and net-centric capabilities to the Fleet and COCOMs through participation in global deployment and various exercises. The Naval Air Force Reserve consists of one Logistics Support Wing (twelve squadrons),

one Tactical Support Wing (five squadrons), two Helicopter Sea Combat squadrons, two integrated Helicopter Mine Countermeasures squadrons, two Maritime Patrol squadrons, and one Helicopter Anti-Submarine Squadron Light. The 4th Marine Aircraft Wing (MAW) consists of nine squadrons and supporting units.

Figure 28 – Reserve Component Aircraft Force Structure

	FY 2013	FY 2014	FY 2015
Reserve Forces	**3**	**3**	**3**
Navy Tactical Support Air Wing	1	1	1
Navy Logistics Support Air Wing	1	1	1
Marine Aircraft Wing	1	1	1
Primary Authorized Aircraft (PAA) – Reserve	**250**	**257**	**263**
Navy	152	151	151
Marine Corps	98	106	112

The Navy's RC fulfills the preponderance of the Department's adversary and intra-theater logistics requirements. The Navy RC helicopter footprint in the CENTCOM Area of Responsibility has been continuous since 2003, supporting special-operations-ground-force missions, psychological operations, and medical and casualty evacuations.

The Tactical Support Wing provides a strategic reserve and operates alongside the Active Component in carrier air wing workups and exercises around the globe. In FY 2015 VAQ-209 will complete the transition from the EA-6B to the EA-18G electronic warfare aircraft. VAQ-209 has deployed to CENTCOM regularly since 2003 in support of contingency operations. Navy reservists are not only ready to support national defense missions, but also civil-military missions such as providing disaster relief. RC aircrews and maintainers also conduct mine warfare operations in multiple theaters, train naval aviators, and augment global maritime patrol deployments.

The 4th MAW conducts air operations in support of the Fleet Marine Forces worldwide, in areas including anti-aircraft warfare, offensive air support, assault support, electronic warfare, aerial reconnaissance, control of aircraft and missiles, and as a collateral function, to participate as an integral component of naval aviation in the execution of such other Navy functions as directed. Marine Corps RC helicopters, KC-130 refueling tankers, and F/A-18 strike fighter aircraft have been

activated and repeatedly deployed around the globe, including Iraq and Afghanistan. The 4th MAW also augments the Marine Corps Active Component by providing all aviation support to Mojave Viper and OEF pre-deployment training for all infantry battalions held in Twentynine Palms, CA.

Figure 29 displays RC flying hour readiness indicators. The FY 2015 baseline funding allows Navy and Marine Corps RC aircrews to meet minimum flight time requirements, maintain readiness in all mission areas and meet operational demands.

Figure 29 – Reserve Component Flying Hour Program

	FY 2013*	FY 2014	FY 2015	GOAL
Navy Reserve	97%	97%	97%	98%
Marine Corps Reserve	97%	97%	97%	98%

*does not include sequestration

Reserve Component Aircraft Depot Maintenance

The RC aircraft depot maintenance program is integrated with the Active Component program to fund repairs, overhauls, and inspections, within available capacity, and to ensure sufficient quantities of aircraft are available to operational units. Similar to the active program, any cumulative airframes or engines not completed from previous years are carried over as backlog and are not Ready-For-Use until repaired. A one-year backlog is the threshold for what can be effectively accomplished with no additional tooling, equipment, or space; the manageable one-year backlog cannot exceed 100 airframes and 340 engines across the Active and Reserve Components.

The FY 2015 budget provides optimized capability within fiscal constraints. Eighty-eight percent of the total requirement is supported in the baseline budget resulting in a yearly backlog of four airframes and 29 engines. It should be noted, however, that the FY 2015 OCO request will be submitted at a later date. Figure 30 displays baseline and overseas contingency operations funding requests and readiness indicators for RC aircraft depot maintenance.

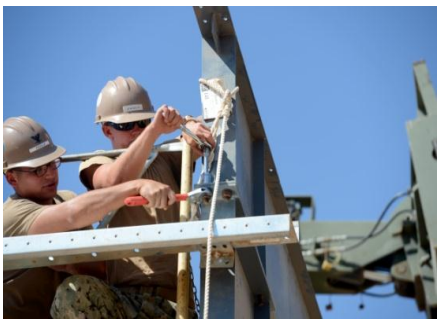
Figure 30 - Reserve Component Aircraft Depot Maintenance

Aircraft Depot Maintenance

(Dollars in Millions)	FY 2013	FY 2014	FY 2015
Reserve Forces			
Airframes	75	70	61
Engines	27	26	22
Baseline Reserve Aircraft Depot Maintenance	**102**	**97**	**83**
Overseas Contingency Operations	13	6	0
Total Reserve Aircraft Depot Maintenance	**115**	**103**	**83**
Percent Funded of Total Requirement	100%	90%	88%
Reserve Forces			
Airframes Yearly Backlog	0	1	4
Engines Yearly Backlog	0	0	29

Note: FY 2015 OCO request will be submitted at a later time.

Navy Reserve Expeditionary Forces



The Reserve Component expeditionary forces are integrated with the Active Component forces to provide a continuum of capabilities unique to the maritime environment within NECC. Blending the AC and RC brings strength to the force and is an important part of the Navy's ability to carry out the Naval Maritime Strategy from blue water into green and brown water and in direct support of the Joint Force. The Navy Reserve trains and equips over half of the Sailors supporting NECC missions, including naval construction and explosive ordnance disposal in the CENTCOM region, as well as maritime expeditionary security, expeditionary logistics (cargo handling battalions), maritime civil affairs, expeditionary intelligence, and other mission capabilities seamlessly integrated with operational forces around the world. In addition, Coastal Riverine Group 2 has taken on a new armed escort mission for High Value Units (HVU) which has traditionally been provided by the U.S. Coast Guard. The escort enhances force protection for HVUs while transiting into and out of CONUS ports during restricted maneuvering.

Marine Corps Reserve Operations

The Marine Corps Reserve is a full partner in the Marine Corps' Total Force concept. The Reserve Component is trained, organized, and equipped in the same manner as the active force and provides complementary assets that enable the Marine Corps total force to both mitigate risk and maximize opportunities. Our Reserve component coupled with the active force gives the Marine Corps the capacity and capability to support steady state and crisis response operations through rotational deployments and to rapidly surge in support of major contingency operations. Individual Ready Reserve Marines and Individual Mobilization Augmentees continue to fill critical requirements in support of the national defense while reserve infantry, armor, reconnaissance, and transportation units from the 4th Marine Division have served with distinction in Afghanistan and elsewhere, seamlessly integrating with their active component counterparts. Additionally, reserve aviation units from the 4th Marine Aircraft Wing as well as combat logistics units from the 4th Marine Logistic Group have deployed to support combat operations abroad as integral parts of MAGTFs engaged in combat operations in Afghanistan. At home, the Marine Forces Reserve maintains Reserve Marines and equipment pre-positioned throughout the country, ready to assist in not only national defense missions, but also civil-military missions such as disaster relief.

The FY 2015 operation and maintenance budget sustains a force of 39,200 Reserve Marines assigned to units across the country. Similar to the active component, the Marine Forces Reserve consists of the Marine Forces Reserve headquarters and its subordinate Marine Division, Marine Aircraft Wing, and Marine Logistics Group, all of which are headquartered in New Orleans, Louisiana. The Reserves are unique in that the subordinate regiments/group, battalions/squadrons, and companies/ detachments are located at 189 reserve training centers and sites across the United States; this budget maintains the Reserve component's capability without any reductions to reserve end strength.

Sustained combat operations over the last ten years demonstrate the high level of flexibility and responsiveness of the Reserve Force and have shown it to be a critical aspect of the Marine Corps Total Force. The momentum gained through a decade of experience in both Iraq and Afghanistan, along with participation in Theater

Security Cooperation engagements across the globe, reaffirm the viability of a reserve component that expands the Marine Corps' ability to perform as America's Expeditionary Force in Readiness.

Figure 32 reflects Marine Corps Reserve Ground Equipment Depot Maintenance.

Figure 32 -- Marine Corps Reserve Ground Equipment Depot Maintenance

(Dollars in Millions)	**FY 2013**	**FY 2014**	**FY 2015**
Funding Profile:			
Baseline	15	18	18
Total	**15**	**18**	**18**
Reserve Forces			
Combat Vehicles	3	5	3
Tactical Missiles	1	1	1
Ordnance	1	1	3
Electrical Communication	8	3	2
Constructive Equipment	2	2	2
Automotive Equipment	0	6	7
Total Reserve Forces	**15**	**18**	**18**
% Funded of Total Requirement	100%	100%	100%

SECTION IV – INVESTMENT & DEVELOPMENT

OVERVIEW

The FY 2015 budget continues investment in platforms and systems that maintain capability for today's conflicts and transition the force to meet tomorrow's challenges across the full spectrum of operations. Although fiscal constraints have directly impacted the level of acquisition, the Department of the Navy procurement plan sustains the industrial base with proven and versatile platforms such as the *Virginia* Class submarine and DDG 51 Class Destroyers while promoting acquisition excellence and integrity. Newly introduced platforms such as the Joint Strike Fighter, LCS, and E-2D Advanced Hawkeye, as well as investment in Research and Development for the *Ohio* Replacement Program, UCLASS, and CH-53K will ensure the Department of the Navy remains a superior fighting force throughout the full spectrum of conflict now and into the future.

The Department of the Navy is dedicated to procuring a naval force that is both affordable and meets the Secretary of Defense's strategic guidance. Our naval forces will sustain a global forward presence with the speed and persistence to provide sovereign sea-based options where it matters, when it matters. This capabilities-based, threat-oriented fleet can be disaggregated and distributed world-wide to deter and defeat aggression or rapidly aggregated to project power despite anti-access / area denial challenges. The resulting distributed and netted force, operating effectively in cyberspace and working in conjunction with our joint and maritime partners, will provide the ability to take action where and when necessary in today's unstable environment.

SHIP PROGRAMS

The Navy's shipbuilding budget procures 44 battle force ships from FY 2015 to FY 2019. The budget funds a range of forces including the *Virginia* Class submarine, the multi-mission DDG 51 destroyer and the LCS. These investments continue to pace future threat capabilities while fully supporting a broad spectrum of current. The FY 2015 shipbuilding budget funds seven battle force ships, including two *Virginia* Class submarines, two DDG 51 *Arleigh Burke* destroyers, and three LCS ships. The entire plan across FY 2015 to FY 2019 is shown in the below figure.

Figure 32–Shipbuilding Plan

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FYDP
CVN-21	-	-	-	-	1	-	1
SSN-774	2	2	2	2	2	2	10
DDG 51	1	2	2	2	2	2	10
LCS	4	3	3	3	3	2	14
LHA(R)	-	-	-	1	-	-	1
T-ATF	-	-	-	2	1	1	4
JHSV	-	-	-	-	-	-	-
MLP/AFSB	1	-	-	1	-	-	1
T-AO(X)	-	-	1	-	1	1	3
New Construction Total QTY	**8**	**7**	**8**	**11**	**10**	**8**	**44**
New Construction Total ($B)	**$11.8**	**$11.9**	**$14.2**	**$15.6**	**$17.0**	**$15.9**	**$74.6**
LCAC SLEP	4	2	4	4	4	-	14
Ship-to-Shore Connector	-	2	5	5	8	11	31
SC(X) (R)	-	-	-	-	1	2	3
Moored Training Ships	-	1	-	1	-	-	2
CVN RCOH	-	-	-	-	-	-	-
Total Shipbuilding QTY	**12**	**12**	**17**	**21**	**23**	**21**	**94**
Total Shipbuilding ($B)	**$15.4**	**$14.5**	**$15.8**	**$17.6**	**$18.6**	**$17.7**	**$84.2**

Total Shipbuilding includes all new construction, RCOH, SLEP or conversion in SCN, R&D and NDSF, as well as other related line items including Service Craft, Outfitting and Post Delivery.

Aircraft Carriers

The next generation aircraft carrier, the *Ford* Class, will be the centerpiece of the carrier strike group. Taking advantage of the *Nimitz* Class hull form, the *Ford* Class will feature an array of advanced technologies designed to improve warfighting capabilities and allow significant manpower reductions.

With $1.3 billion requested in 2015, the Department will continue to finance the detailed design and construction of the second *Ford* Class carrier (*John F. Kennedy* (CVN 79)).

To address fact-of-life cost increases, as well as the government's share of the ship construction variance to date, the FY 2015 budget also includes $663 million for the *Gerald R. Ford* (CVN 78).

While the PB 2015 budget includes funds to complete the defueling of *George Washington* (CVN-73), no funds have been included to support an RCOH. A decision regarding refueling or inactivation has been deferred until FY 2016.

Surface Ship Programs

The Navy continues to invest in capabilities to counter improved ballistic missile capabilities emerging worldwide. The FY 2015 budget requests $2.8 billion for two DDG 51 destroyers as part of the FY 2013 – FY 2017 Multi-Year Procurement (MYP) in support of this capable platform.

The DDG 51 Modernization program (DDG Mod) provides a significant integrated advancement in class combat systems and HM&E systems. This investment enables core modernization of DDG combat systems to keep pace with the 2020 threat environment and extend the mission service life of the ships to 35 years. Enhancements added to the program are included in the areas of air dominance, force protection, C4I, ballistic missile defense capability, and mission life extension upgrades. The FY 2015 budget includes funds for three DDG Modernization availabilities as well as long lead procurement of equipment for two availabilities in FY 2017.

The FY 2015 budget request contains $1.4 billion to procure three LCS seaframes. The LCS is a fast, agile and stealthy surface combatant capable of operating against anti-access, asymmetric threats in the littorals. LCS uses architectures and interfaces that permit tailoring tactical capabilities to various LCS missions. These mission module packages are interchangeable as operational conditions warrant. The primary mission areas of LCS are small boat prosecution; mine countermeasures; shallow water anti-submarine warfare; and intelligence, surveillance, and reconnaissance activities. Secondary missions include homeland defense, maritime interception, and special operation forces support.

The FY 2015 budget procures one Mine Countermeasures (MCM) mission module and two Surface Warfare (SUW) mission modules to provide flexible, scalable, modular warfighting capability to the LCS seaframe. The MCM module delivers enhanced capability compared to our current MCM fleet of ships by introducing the Unmanned Surface Vehicle, Airborne Laser Mine Detection System, AQS-20A mine hunting sonar, and Airborne Mine Neutralization System. Additionally, the SUW modules bring additional firepower and maritime security capability to the LCS seaframe.

Submarine Programs

The Navy continues to modernize the submarine fleet. *Virginia* Class fast attack submarines are joining the existing fleet of *Los Angeles* and *Seawolf* Class submarines to provide covert force application throughout the world's oceans. Construction of the *Virginia* Class continues to be performed under a teaming arrangement between General Dynamics Electric Boat and Huntington Ingalls Industries, Newport News. The tenth *Virginia* Class submarine USS MINNESOTA (SSN 783) was commissioned in September 2013. The Department received authority for a follow-on MYP contract for up to ten submarines beginning in FY 2014. The FY 2015 budget request includes funds for two *Virginia* Class fast attack submarines and Advance Procurement/Economic Order Quantity as part of the FY 2014 – FY2018 Multi-Year Procurement.

Moored Training Ship

The replacement Moored Training Ships (MTS) will be converted *Los Angeles* Class submarines that have completed their service lives as fast attack submarines. The first MTS will begin conversion and overhaul in FY 2015 at Norfolk Naval Shipyard using modules constructed by General Dynamics Electric Boat (and second MTS conversion will begin in FY 2017). These new MTSs incorporate design changes to reflect lessons learned from the original MTSs as well as appropriate design changes to account for the different propulsion plant and hull form of *Los Angeles* Class submarines. Replacing the two current operational MTSs ensures that the Naval Nuclear Propulsion Program will continue with the rigorous initial training and qualification program that includes use of nuclear reactors to meet the needs of the future nuclear fleet.

Logistics Platforms

The Ship to Shore Connector program procures the first two Shipbuilding Conversion, Navy (SCN) funded craft in FY 2015. The functional replacement program for the Landing Craft Air Cushion (LCAC) program which is reaching the end of service life, these highly capable craft provide the capability to rapidly move USMC assault forces from amphibious ships to the beach. The LCAC modernization program continues with a service life extension for two craft in FY 2015.

National Defense Sealift Fund

The FY 2015 President's Budget includes no funding for the National Defense Sealift Fund (NDSF). The requirements have been moved to the Shipbuilding and Conversion, Navy (SCN), Research, Development, Test, and Evaluation, Navy (RDTEN), and Operation and Maintenance, Navy (OMN) appropriations as appropriate, and the NDSF appropriation is recommended for disestablishment. This proposal streamlines the number of DoN accounts, reducing financial complexity, and supports the Department's audit readiness goals.

The Strategic Sealift programs will continue to be funded within the Department, meeting COCOM mobility requirements.

Ship Research and Development

OHIO Class Replacement

The Department of Navy has budgeted $1.2 billion in FY 2015 for the *Ohio* Class submarine replacement program (SSBN(X)). FY 2015 research and development efforts will focus on the propulsion plant, missile compartment development, and platform development technologies like the propulsor, electric actuation, maneuvering/ship control, and signatures. These funds provide for joint development of missile launch technologies in support of longstanding bilateral agreements with the United Kingdom. In addition, the Department continues to fund design for affordability efforts necessary to meet the cost targets for the program.

FORD Class

The budget requests $232 million in FY 2015 for integration efforts, nuclear propulsion development, test planning and support, and funds to continue system development and demonstration on Advanced Arresting Gear (AAG) and the Electromagnetic Aircraft Launch System (EMALS). Both AAG and EMALS will be sufficiently mature to install as part of new construction and meet the delivery date for *Gerald R. Ford*. AAG and EMALS will improve reliability and maintainability, reduce manning and workload, and support increased sortie generation rates and operational availability when compared to the legacy *Nimitz* Class launch and recovery systems.

VIRGINIA Class

Virginia Class research and development efforts continue to focus on cost reduction efforts, operational evaluation testing, development of sonar, combat control, and electronic support systems, and submarine multi-mission team trainer efforts. The FY 2015 budget includes $73 million which continues efforts to improve electronic systems and subsystems, development of improved silencing capability and reduced Total Ownership Costs for Block IV submarines.

In addition, the FY 2015 budget includes $133 million for platform design efforts on future *Virginia* submarine strike payload capacity for Tomahawk Land Attack and follow on missiles. The design is targeted for the Block V ships which are scheduled to begin construction in 2019.

Air and Missile Defense Radar (AMDR)

The budget requests $145 million in FY 2015 to continue the Air and Missile Defense Radar's Engineering Manufacturing Development phase. The radar is an open-

architecture solution to the requirement for Ballistic Missile Defense, while also improving the DDG 51 class air defense capabilities. AMDR is envisioned to be installed on the second FY 2016 and both FY 2017 DDG 51 ships and is a key component of the Flight III configuration.

Surface Electronic Warfare Improvement Program (SEWIP)

In response to current threats, the budget requests $85 million for continuing research and development efforts associated with SEWIP, which provides enhanced electronic warfare (EW) capabilities to both existing and new ship based combat systems. These capabilities will improve anti-ship missile defense, counter targeting, and counter surveillance activities. SEWIP Block 2 will develop an upgraded antenna, receiver, and combat system interface for the currently installed AN/SLQ-32 EW suite, providing improved detection, accuracy, and mitigation of electronic interference. SEWIP Block 3 will add an electronic attack (EA) capability to the AN/SLQ-32 EW suite, providing an EA transmitter, array, and advanced techniques. These system improvements will ensure the Department keeps pace with the anti-ship missile threat.

AVIATION PROGRAMS

Aircraft Programs

Navy and Marine Corps aviation continue to provide forward deployed air presence

in support of our national strategy. The FY 2015 budget provides the Department with the best balance of naval aviation requirements within the constraints of the Bipartsian Budget Agreement. The planned FY 2014-2018 multi-year aircraft procurement contracts for E-2D and KC-130J airframes provide significant savings, stretching available procurement funds. Development funding continues for the F-35, CH-53K, Triton MQ-4 Unmanned Aerial System (UAS), and VXX. The Department remains dedicated to the use of unmanned aircraft in naval aviation, to include the Unmanned Carrier Launched Airborne Surveillance and Strike (UCLASS) development program progressing to an operational capability set for FY 2020.

Figure 33 –Major Aircraft Programs

Fixed Wing	FY 2014	FY 2015	FY 2016	FY 2017	FY2018	FY2019	FYDP
F-35B (STOVL JSF)	6	6	9	14	20	20	69
F-35C (CV JSF)	4	2	2	6	10	16	36
F/A-18E/F	-	-	-	-	-	-	-
EA-18G	21	-	-	-	-	-	-
E-2D AHE	5	4	5	6	5	5	25
P-8A (MMA)	16	8	15	13	13	7	56
C-40A	-	-	1	-	-	-	1
KC-130J (USMC)	1	1	1	2	1	1	6
Other Support Aircraft	1	-	-	-	-	-	-
Rotary Wing							
AH-1Z/UH-1Y	21	26	28	26	26	27	133
CH-53K (HLR)	-	-	-	2	4	7	13
VXX	-	-	-	-	-	6	6
MV-22B	19	19	19	18	4	4	64
MH-60R	19	29	-	-	-	-	29
MH-60S	18	8	-	-	-	-	8
UAV							
MQ-8 (VTUAV)	2	-	-	-	-	-	-
STUAS	-	-	-	1	2	5	8
Triton UAS	-	-	4	4	4	4	16
Training							
T-6A/B (JPATS)	29	-	-	-	-		-
Total Major Aircraft Programs	**162**	**103**	**84**	**92**	**89**	**102**	**470**

Fixed Wing

Navy and Marine Corps tactical aviation provide the COCOMs with air superiority and the persistent ability to strike opponents with several platforms. The F-35B Short Takeoff and Vertical Landing (STOVL) variant will be a multi-role strike fighter to replace the AV-8B and F/A-18A/B/C/D for the Marine Corps. The F-35C carrier variant provides the Navy with a multi-role stealthy strike fighter to complement the F/A-18. The F-35 brings improved stealth and countermeasures, and incorporates the latest available technology for advanced avionics, data links and adverse weather precision targeting. It has increased range and includes weaponry upgrades which are superior to the weapons currently employed in the fleet. This

state of the art aircraft will enable the Navy and Marine Corps team to command and maintain global air superiority in an increasingly dynamic and dangerous world. In FY 2015, six and two aircraft for the STOVL variant and carrier variant (CV) respectively are funded. CV aircraft quantity has been reduced from previously planned levels due to development delays and affordability constraints.

The Super Hornet (F/A-18E/F) currently leads naval aviation in the fighter/attack role. Since the last F/A-18E/F aircraft for the Department were procured in FY 2013, the Department funds various modifications to extend the service life of legacy F/A-18 and to ensure a fully capable inventory of strike aircraft. Significant modifications include Infra-Red Search and Track, additional service life extension, Multifunctional Information Distribution System/Joint Tactical Radio System upgrades, and Automated Information System upgrades.

The EA-18G Growler, which replaces the EA-6B, continues to execute the airborne electronic attack role, supporting all operational requirements and fully integrating into strike packages. EA-18Gs provide for a joint, long-term expeditionary electronic attack capability. The Department ended procurement in FY 2014 with 21 EA-18G aircraft, two new expeditionary EA-18G squadrons and additional capability for existing squadrons underpinning the Navy's Airborne Electronic Attack capability.

The E-2D Advanced Hawkeye program started full-rate production in FY 2014 with the procurement of five aircraft in the first year of a planned five-year MYP contract. This next generation, carrier based early warning, command and control aircraft will provide improved battle space detection, support Theater Air Missile Defense, and offer improved operational availability. The E-2D combined with the SM-6 missile, Cooperative Engagement Capability and the AEGIS combat system is a key component of Naval Integrated Fire Control – Counter Air (NIFC-CA), enabling use of the missile at its maximum kinetic range. The E-2D will ensure the "eyes" of the nation's sea-based strike capability remain focused on emerging threat systems.

The missions performed by the aging P-3 Orion fleet continue to transition to the P-8A Multi-Mission Maritime Aircraft, based on the Boeing 737 platform. The P-8A reached Initial Operational Capability (IOC) in 2013. The P-8A's ability to perform undersea warfare to include high altitude torpedo capability, surface warfare, and Intelligence, Surveillance, and Reconnaissance (ISR) missions make it a critical force

multiplier for the joint task force commander. The P-8A will continue Full Rate Production with the award of eight aircraft in FY 2015. This reduction of eight aircraft from FY 2014 was necessary to comply with affordability constraints.

The KC-130J program will enter into a Multi-Service five-year multiyear contract with the Air Force beginning in FY 2014. The KC-130J aircraft is an all metal, high-wing, long-range, land-based monoplane. It is designed for cargo, tanker and troop carrier operations. The mission of the KC-130J is to provide tactical in-flight refueling and assault support transport.

Rotary Wing

The UH-1Y/AH-1Z aircraft fulfill the Marine Corps attack and utility helicopter missions. The FY 2015 base budget supports the AH-1Z new build strategy with construction of 11 AH-1Z aircraft. The budget also includes the new construction of 15 UH-1Y aircraft for a total of 26 aircraft in FY 2015. These aircraft types have 84% commonality and provide airborne command and control, armed escort, armed reconnaissance, search and rescue, medical evacuation, close air support, anti-armor operations and anti-air warfare.

The Osprey MV-22B Tilt Rotor has a follow-on multi-year procurement with the Air Force from FY 2013 through FY 2017, which provides substantial savings. The MV-22B fills a critical capability role with the Marine Corps by incorporating the advantages of a Vertical/Short Takeoff and Landing aircraft that can rapidly self-deploy to any location in the world. The joint program will procure MV and CV variants to support the Marine Corps and Air Force respective requirements. The MV-22B has been one of the key workhorses for the USMC supporting ongoing contingency operations in Afghanistan and around the world such as the 2013 typhoon in the Philippines.

The Department continues to support the fourth year of the multi-year procurement (FY 2012 - FY 2016) of both the MH-60R Seahawk and MH-60S Knighthawk helicopters, which are part of a joint contract with the Army's UH-60M Blackhawk. The MH-60R replaces the aging SH-60B and SH-60F helicopters, whose primary mission areas are undersea warfare and surface warfare. This platform provides numerous capability improvements including airborne low frequency sonar, multi-mode radar, electronic support measures, and forward looking infra-red sensor.

The MH-60S, which is primarily employed as a logistics platform, sustains the forward deployed fleet in missions ranging from rapid airborne delivery of materials and personnel to support amphibious operations through search and rescue coverage. Armed helicopter and organic airborne mine countermeasures are mission areas which will be added as block upgrades.

Unmanned Aerial Vehicles (UAVs)

The FY 2015 budget continues the development of a broad range of unmanned platforms in support of Joint Force and Combatant Commander demands for increased ISR capability and capacity. These programs support the warfighter by providing a persistent ISR capability through the continued development, acquisition, and fielding of UAV systems in the FYDP such as the RQ-21A Small Tactical UAS (STUAS), MQ-4 Triton UAS, the technology demonstration of the Navy Unmanned Combat Aerial System (NUCAS) X-47B and the Unmanned Carrier Launched Airborne Surveillance and Strike system.

The MQ-8 VTUAV conducts missions including over-the-horizon tactical reconnaissance, classification, targeting, laser designation, and battle management. The MQ-8 launches and recovers vertically and can operate from air capable ships (DDG, CG, FFG, LCS), as well as confined area land bases. The Department has discontinued planned support for Special Operations Force ISR requirements. Future MQ-8C operations will focus on integration with LCS operations.

The RQ-7 Marine Corps Tactical Unmanned Aircraft System (MCTUAS) was procured through joint efforts with the Army's Shadow program. The USMC will continue to sustain the current UAS inventory with replacement of components and systems based on attrition rates and to maintain interoperability and commonality with Army.

The Small Tactical Unmanned Aircraft System (STUAS) is a combined Navy and Marine Corps program for a common solution that provides persistent Intelligence, Surveillance, and Reconnaissance/Target Acquisition support for tactical level maneuver decisions and unit level force defense/force protection for naval amphibious assault ships (multi-ship classes) and Navy and Marine land forces.

Marine Corps procurement continues in FY 2015 (Procurement, Marine Corps appropriation) while Navy procurement commences in FY 2017. STUAS will be used to complement other high demand, low density (HDLD) manned and unmanned platforms. STUAS will be available to operate from ship/shore scenarios where those HDLD assets may not be available to ship or other Navy unit commanders. This system will fill the ISR capability shortfalls currently filled by ISR services contracts.

MQ-4 Triton system development and demonstration continues in FY 2015 to provide a High Altitude-Long Endurance Unmanned Aircraft System designed to provide persistent maritime ISR of nearly all the world's high-density sea-lanes, littorals, and areas of national interest. Envisioned as an unmanned adjunct to the P-8A MMA, and crucial to the recapitalization of Navy's airborne maritime ISR capability, the system will seek to leverage maritime patrol and reconnaissance force manpower, training and maintenance efficiencies. The Triton UAS air vehicle features sensors designed to provide near worldwide coverage through a network of five CONUS and OCONUS orbits, with sufficient air vehicles to remain airborne for 24 hours a day, 7 days a week, out to ranges of 2,000 nautical miles. Onboard sensors will provide detection, classification, tracking and identification of maritime targets and include maritime radar, electro-optical/infrared, and Electronic Support Measures systems. Additionally, Triton will have a communications relay capability designed to link dispersed forces in the theater of operations and serve as a node in the Navy's FORCEnet strategy.

The FY 2015 budget continues the Navy Unmanned Combat Air System (NUCAS) X-47B program's carrier demonstration of a tailless platform to mature carrier and airwing integration. Also, the Navy's carrier-based unmanned aerial vehicle efforts continue with the development and deployment of the Unmanned Carrier Launched Airborne Surveillance and Strike system. UCLASS will incorporate control technologies and subsystems demonstrated by NUCAS X-47B to provide an Early Operational Capability to Carrier Battle Group Commanders in support of COCOM requirements in FY 2020.

Training

The Department completed its procurement of the T-6B Texan II with 29 aircraft in FY 2014. The T-6B, commonly referred to as the Joint Primary Aircraft Training Systems (JPATS), replaced the Navy's T-34 primary flight trainer for entry level student naval aviators and student naval flight officers. JPATS will continue to receive modifications to provide our student aviators and naval flight officers with aircraft systems most representative of what they will ultimately fly.

Aviation Research and Development

The Super Stallion CH-53E, the only heavy-lift helicopter specifically configured to support Marine Corps missions, entered the fleet in 1980. An improved CH-53K is required to support Marine Air-Ground Task Force heavy-lift requirements in the 21st century joint environment. A cross functional platform with a logistics and force application role, the CH-53K will conduct expeditionary heavy-lift transport of armored vehicles, equipment and personnel to support distributed operations deep inland from a sea-based center of operations. The system demonstration phase continues into FY 2015.

The V-XX Presidential Helicopter program replaces the legacy VH-3D which was fielded in 1974 and the VH-60N which was fielded in 1989. In FY 2015, the V-XX program will continue the Engineering and Manufacturing Development Phase to include the integration of systems, production, qualification, and support of test articles, logistics products development, demonstration of system integration, interoperability, safety and utility.

WEAPONS PROGRAMS

Figure 34 –Weapons Quantities

Ship Weapons	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FYDP
TACTOM	196	100	-	-	-	-	296
SM6	81	110	125	125	125	125	691
RAM	66	90	90	90	116	116	568
ESSM	53	104	89	89	73	94	502
MK 48 HWT	-	-	8	19	31	47	105
MK 48 HWT Mods	108	44	40	44	52	51	339
MK 54 LWT Mods	215	150	216	216	216	216	1,229
LCS SSMM	-	-	-	-	200	200	400
Aircraft Weapons							
AIM-9X	225	167	215	212	201	200	1,220
AMRAAM	44	-	138	154	233	274	843
JSOW C	212	200	200	-	-	-	612
AARGM	108	116	138	296	356	358	1,372
HELLFIRE*	616	-	-	-	-	-	616
LRASM	-	-	-	30	40	40	110
JAGM	-	-	-	-	-	189	189
SOPGM*	59	14	3	3	3	3	85
Maverick*	500	-	-	-	-	-	500
SDB II	-	-	-	90	750	750	1,590

*Includes Overseas Contingency Operations for 270 Hellfire, 9 SOPGM, and 500 Laser Maverick weapons in FY 2014.

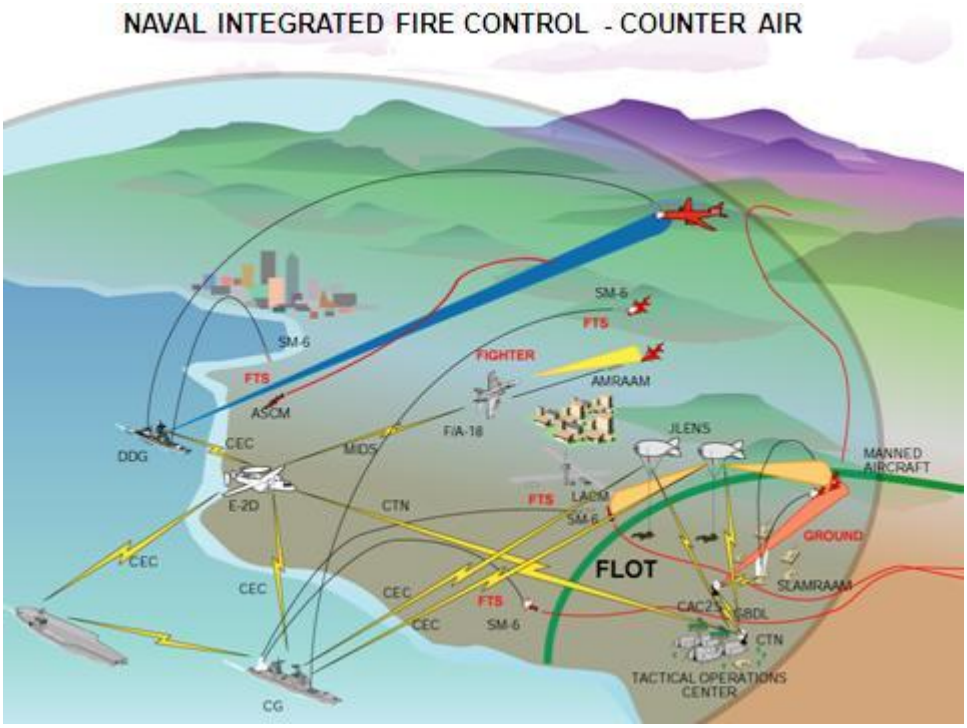
Ship Weapons

The Tactical Tomahawk missile provides a premier attack capability against long range, medium range, and tactical targets on land and can be launched from both surface ships and submarines. The Block IV Tactical Tomahawk preserves Tomahawk's long-range precision-strike capability while significantly increasing responsiveness and flexibility. Tomahawk program procurement will be terminated after FY 2015. The Tomahawk inventory will remain relevant and

viable for the remainder of their service life with a series of capability upgrades while the Department pursues development of the Next Generation Land Attack Weapon.

The Standard Missile (SM) program replaces less effective, obsolete inventories with the more capable SM-6 Extended Range Active Missile. The SM-6 high speed/ high altitude missile program started Full Rate Production in FY 2013. The SM-6 and its associated Naval Integrated Fire Control - Counter Air (NIFCA-CA) will provide the capability to employ these missiles at their maximum kinematic range. NIFC-CA exploits capabilities inherent in existing systems, optimizes current and emerging technologies in component system upgrades, integrates them together, and performs kill chain tests, forming an interoperable system of systems to maximize future air defense capabilities. The DoN has focused efforts to integrate the kill chain consisting of the E-2D Advanced Hawkeye, CEC, AEGIS, and SM-6 missile. Investments in advanced technology such as the SM-6 and its associated NIFC-CA capabilities will enable the Navy to keep pace with the evolving threat and thereby continue to maintain our conventional warfare edge.

Figure 35 –Naval Integrated Fire Control – Counter Air



The Rolling Airframe Missile (RAM) is a high firepower, low-cost, lightweight ship self-defense system designed to engage anti-ship cruise missiles and asymmetric threats. FY 2015 is the fourth year under Low Rate Initial Production (LRIP) for Block 2 missiles to bring greater capability to the fleet to include a more effective range and deliver a significant improvement in maneuverability.

The Evolved Sea Sparrow Missile (ESSM) serves as the primary surface-to-air ship self-defense missile system. A kinematic upgrade to the NATO Sea Sparrow Missile, ESSM is the next generation of Sea Sparrow missiles and is deployed on *Arleigh Burke* Class Flight IIA Aegis destroyers and DDG 1000, CVN, and LHA 6-class ships, as well as Aegis cruisers and destroyers receiving Aegis Modernization. Enhanced ESSM kinematics and warhead lethality leverage the NATO Sea Sparrow guidance capability to provide increased operational effectiveness against high-speed, maneuvering, hardened anti-ship cruise missiles at greater intercept ranges. ESSM is procured under the NATO Sea Sparrow Consortium involving ten NATO countries. FY 2015 marks the last year of the three-year multi-year procurement contract.

The MK 48 Advanced Capability heavyweight torpedo is used solely by submarines and is employed as the primary anti-submarine warfare and anti-surface warfare weapon aboard attack, ballistic missile, and guided missile submarines. FY 2015 efforts will continue to focus on the Common Broadband Advanced Sonar System as well as guidance and control modifications to the existing torpedo, optimizing the weapon for both deep and littoral waters and adding advanced counter-countermeasure capabilities. Additionally, the Department will begin efforts to restart the MK48 Torpedo production line. FY 2015 efforts focus on updating and finalizing the technical data packages for MK48 torpedo components and upgrade existing production test equipment to support procurement of new torpedoes in FY 2016.

The MK 54 lightweight torpedo is used to attack submarines from surface and airborne platforms and is the payload for the vertical launched anti-submarine rocket. The MK 54 lightweight torpedo uses existing torpedo hardware and software from the MK 46, MK 48, and MK 50 torpedo programs and adds state-of-the-art COTS digital signal-processing technology to provide improved performance against modern day threats. The Navy will continue development of a high altitude launch capability from a maritime patrol aircraft in FY 2015.

The TRIDENT II D5 Submarine Launched Ballistic Missile provides a credible and affordable sea-based strategic deterrent that is survivable, safe, reliable and

compliant with all arms control agreements. While FY 2012 was the last year of procurement of the additional 108 missiles required to support the D5 Life Extension (D5LE), in FY 2015 the Navy continues to procure D5 components such as life extension kits and replacement solid rocket motors to refurbish obsolete electronics and expiring rocket motors on existing missiles. D5LE will upgrade missile systems and maintain D5 in the fleet into the 2040s, bridging the transition from *Ohio* Class SSBNs to *Ohio* Replacement SSBNs. The D5 weapons system will be the initial weapons system utilized by the *Ohio* Class Replacement.

Aircraft Weapons

Aircraft weapons arm the warfighter with lethal, interoperable, and cost effective weapons systems. The AIM-9X (Sidewinder) missile is a "launch-and-leave" air combat munition that employs passive infrared energy for acquisition and tracking of enemy aircraft. The continued procurement of the AIM-9X in FY 2015 enables the Department to maintain air superiority in the short-range air-to-air missile arena through the missile's ability to counter current and emerging threats against enemies using infrared countermeasures. FY 2015 will be the first year of full rate production for AIM 9X Block II. The Department is also pursuing the development of AIM-9X Block III, which will provide improved range and insensitive munitions capabilities.

Advanced Medium Range Air-to-Air Missile (AMRAAM) is a next-generation, all-weather, all-environment radar-guided missile that is designed to counter existing air vehicle threats having advanced electronic attack capabilities operating at high or low altitude. Upgrades to the AMRAAM incorporate active radar in conjunction with an inertial reference unit and microcomputer system that make the missile less dependent upon the aircraft fire control system. This advanced capability enables the pilot to aim and fire several missiles at multiple targets. AMRAAM procurements have been deferred in FY 2015 to ensure adequate time to correct testing and production delays.

The Joint Standoff Weapon (JSOW) is a 1,000-pound-class, air-to-ground weapon, which carries several different lethal packages. JSOW procurement focuses on the "unitary" variant, AGM-154C1, which carries the Broach Lethal Package warhead system and provides a unique autonomous capability to engage and destroy a variety of point targets vulnerable to blast and fragmentation kill mechanisms.

The AGM-88E Advanced Anti-Radiation Guided Munition (AARGM) program upgrades the legacy AGM-88 High Speed Anti-Radiation Missile (HARM) with multi-mode guidance and targeting capability. The AARGM systems development and demonstration program will integrate multi-mode guidance (passive anti-radiation homing/active millimeter wave radar/global positioning system/inertial navigation system) on the HARM AGM-88 missile. The Department will continue with its fourth year of full rate AARGM production in FY 2015.

The AGM-114 Hellfire is a family of laser guided missiles employed against point and moving targets by both rotary and fixed wing aircraft. The variants include shaped charge warheads for use against armored targets and blast fragmentation warheads for use against urban structures. The AGM-114N is a thermobaric blast fragmentation warhead that maintains the capability provided by the AGM-114M while adding a unique capability against confined compartmented spaces, a typical target type observed in current combat operations. The versatility of the Hellfire missile helps make it the "weapon of choice" in overseas contingency operations. The Navy will no longer procure Hellfire starting in FY 2015.

Offensive Anti-Surface Warfare Increment 1 will be met by the Long-Range Anti-Ship Missile (LRASM). LRASM fills the initial air-launched Anti-Surface Warfare requirement, significantly reduces Joint Force warfighting risks, and positions the Department to address future/evolving surface warfare threats. LRASM, a variant of the Joint Air-to-Surface Standoff Missile Extended Range, is an autonomous, precision-guided anti-ship standoff missile that is being developed to meet U.S. Pacific Command's (PACOM) urgent need for an offensive anti-surface warfare capability against combatants in a contested environment. The missile will reduce dependence on intelligence, surveillance and reconnaissance platforms, network links and Global Positioning System navigation. In FY 2015, the Department will focus on LRASM development with planned procurements beginning in FY 2017.

The Joint Air-to-Ground Missile (JAGM) will be a rotary-wing/UAS, aviation-launched missile system that provides advanced Line-Of-Sight (LOS) and beyond LOS capabilities. JAGM is designed as a single missile replacing seven different variants of TOW, Hellfire and Maverick carried by helicopters, attack aircraft and

UAVs. In FY 2015, the Navy will focus on investing in JAGM development as a follow-on to Hellfire. The JAGM program has a joint requirement with the Army.

Stand-Off Precision Guided Munitions (SOPGM), Griffin missile, is a short range rocket propelled missile that uses GPS/INS to navigate to the target vicinity and a semi-active laser seeker for terminal guidance. The missile, included in the roll-on/roll-off KC-130J Intelligence, Surveillance and Reconnaissance Weapon Mission Kit for USMC, has been adapted for use on surface combatants (Patrol Coastals and Littoral Combat Ship platforms) as a short range anti-surface missile to increase defensive capability against small boat attacks.

The Department is continuing with the development of the Small Diameter Bomb (SDB) Increment II and associated tri-mode seeker technology. SDB II will be one of the key weapons systems deployed on JSF.

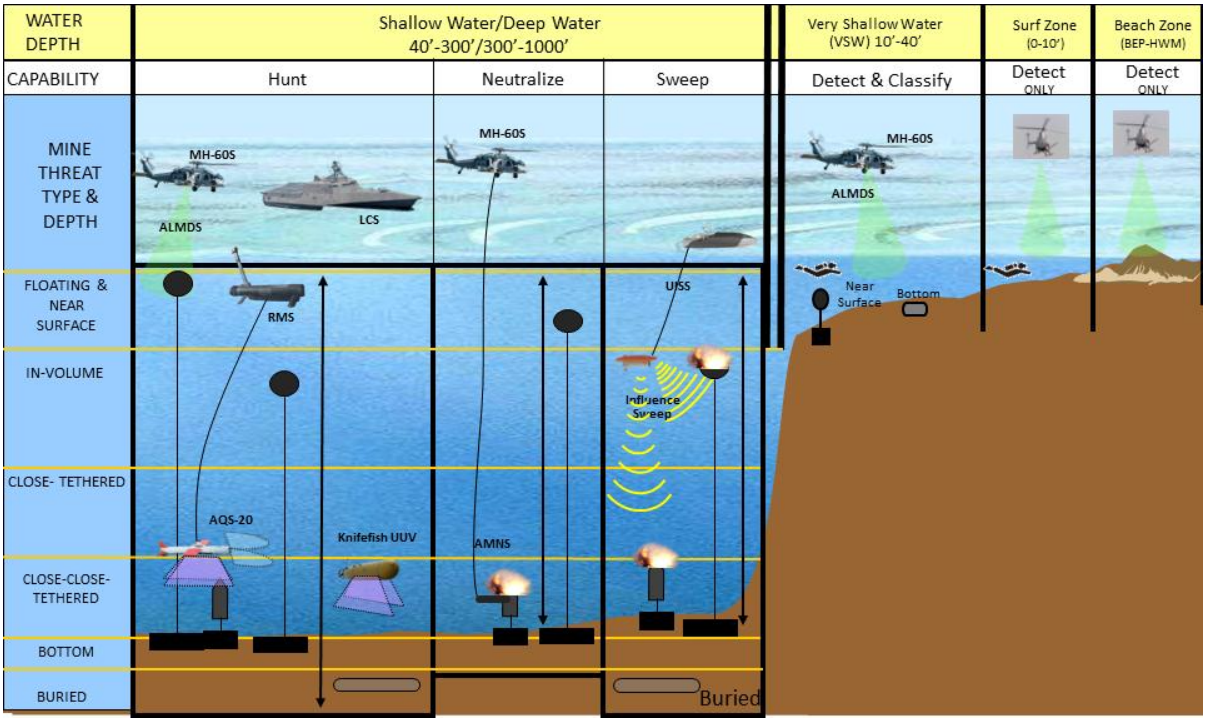
Advanced Precision Kill Weapons System II (APKWS II) provides a relatively inexpensive, small, lightweight, precision guided weapon that is effective against soft and lightly armored targets and which enhances crew survivability with increased standoff range. APKWS II offers precision, maximum kills per aircraft sortie, minimum potential for collateral damage, and increased effectiveness over legacy unguided rockets.

MINE WARFARE

Mines remain a significant asymmetrical threat presenting anti-access challenges that can disrupt our ability to execute our mission. The FY 2015 Mine Warfare budget reflects planned improvements to existing air and surface Mine Countermeasure (MCM) forces, enhancing both capability and capacity needed to meet near-term critical requirements as well as begins the transition to the future organic/LCS-based MCM Mission Package systems with delivery of the first increment of capabilities. The Navy remains committed to fielding and delivering the future MCM force that will transform the Navy from the platform-centered legacy force to a capability-centered force that is distributed, networked, and able to provide unique maritime influence and access across the entire maritime domain. FY 2015 continues to provide additional capability and capacity for CENTCOM MCM Urgent Operational Needs to mitigate mine warfare Anti-Access/Area-Denial challenges in the Arabian Gulf. The Afloat Forward Staging Base-Interim will act as a mission support vessel in the Fifth Fleet Area of Responsibility.

Figure 36 displays an operational view of the LCS-based MCM Force and efforts included in the FY 2015 budget.

Figure 36 – LCS-based MCM Force Operational View



Mine Warfare Programs

The Mine Countermeasures program continues development of mine warfare systems for the Fleet and for the LCS MCM mission package. Employed from the MH-60S, the Airborne Laser Mine Detection System (ALMDS) uses a laser imaging detection and ranging blue-green laser to detect, localize and classify near surface, moored sea mines. The Airborne Mine Neutralization System (AMNS) is an expendable, remotely operated mine neutralization device that will reacquire and neutralize previously identified targets, using the Archerfish Common Mine Neutralizer against bottom and in volume sea mines. The Remote Mine Hunting System (RMS), used on LCS, uses a robust unmanned, semi-submersible, semi-autonomous vehicle that can be adapted to a broad spectrum of applications and missions, including towing the AN/AQS-20 variable-depth sensors to detect, localize, classify and identify undersea threats at a safe distance from friendly ships.

EOD Mine Countermeasures personnel directly support mine-hunting and clearance operations. The Mk 18 Mod 2 Unmanned Underwater Vehicle (UUV) provides increased area coverage, increased endurance and higher resolution imagery. Significant investments in FY 2015 Mine Countermeasures programs, systems and equipment increase capabilities to address future mine warfare challenges.

NETWORKS AND C4I PROGRAMS

The Navy's Command, Control, Communication, Computers, and Intelligence (C4I) programs are the backbone of naval combat capability. In concert with C4I, cyberspace capabilities are critical to achieving DoN objectives in every warfighting domain and enterprise business model. The Department of Defense is undergoing a significant transformation in organization, structure, and alignment to enable the full range of operations in cyberspace. The associated cyberspace mission areas of computer network operations and Information Assurance will be enabled by common technologies and must be highly synchronized. DoN is reducing information technology (IT) infrastructure cost and cyber vulnerabilities by consolidating Enterprise IT contracts and data centers, as well as improving IT governance.

Figure 37 displays major C4I programs included in the FY 2015 budget by their capability area.

Figure 37 – Major C4I Programs

Major C4I Programs
(Dollars in Millions)

Capability Area / Program*	FY 2013	FY 2014	FY 2015
NGEN / CoSC	107	111	116
CANES	323	352	386
NMT	184	205	297
MUOS	163	53	221
G/ATOR	160	173	191
CAC2S	29	44	46
GCSS-MC	42	1	0

*Programs include investment funding only.

The Next Generation Enterprise Network (NGEN) will improve upon the successes of the Navy-Marine Corps Intranet (NMCI). A significant distinction is that NGEN will ultimately be predominately government managed and controlled. NGEN management will be more centralized to support the computing demands of the DoN enterprise, and fully aligned with and supported by the respective Navy and Marine Corps network operation commands. NGEN will support net-centric operations and position the DoN for transition to the Naval Networking Environment (NNE) vision for FY 2016. NGEN forms the foundation for the NNE, and will be interoperable with, and leverage, other DoD-provided Net-Centric Enterprise Services. NGEN will become operational in 2014 when the Continuity of Service Contract (CoSC) ends.

The Consolidated Afloat Networks and Enterprise Services (CANES) program provides Navy ships and submarines with reliable, high speed local area networks at all classification levels. CANES modernizes existing afloat networks and provides the necessary infrastructure for tactical applications, systems and services required for Navy to dominate the Cyber Warfare domain.

FY 2015 investment funds are for the Full Deployment contract award to procure 33 units, integration, associated costs for pre-installation design and activity drawings, and installation for 25 afloat units. A Full Deployment Decision is anticipated in FY 2015.

Navy Multiband Terminal (NMT) is the replacement for existing protected and wideband military SATCOM terminals. The program provides Navy units with the ability to access the next generation of military SATCOM satellites. The system also provides increased capacity, mitigates service denial in a jamming environment and supports execution of the Ballistic Missile Defense mission. The common suite of equipment simplifies logistics support while reducing the footprint of equipment on space constrained ships and submarines. FY 2015 funds will support procurement of 19 units and the installation of 45 units.

Ultra High Frequency (UHF) Mobile User Objective System (MUOS): The FY 2015 budget request allows the program to continue development and procurement supporting full operational capability in FY 2017. The FY 2015 budget request also supports procurement of the Evolved Expendable Launch Vehicle for satellite #5. MUOS will provide the DoD's UHF satellite communication capability for the 21st century.

Marine Corps Radio and Switching Modernization: The FY 2015 budget allows the Marine Corps to continue to procure leading edge tactical radio systems to support the primary operational voice and data communications requirements for the mounted and dismounted Marine while ensuring Marines have the necessary equipment to exercise command and control of units on a more dispersed battlefield. This budget allows the Marine Corps to continue to upgrade vehicular multi-channel radio systems with hardware and software that will increase bandwidth, reliability, and security for tactical command and control users. The Marine Corps will also fund R&D efforts to support designs to mitigate obsolescence issues, while designing service life extension plans for tactical transmission systems within the Terrestrial Wideband Transmission Systems program, a capability portfolio of terrestrial based wide-band transmission systems which are critical enablers in executing command and control. Additionally, the FY 2015 budget continues procurement of the Data Distribution System Modular (DDS-M), which provides Local Area Network/Wide Area Network capability and forms the data communication backbone for the MAGTF. DDS-M funding supports transition from other programs, as well as mitigation of information assurance vulnerabilities.

Marine Corps Command & Control Modernization: The FY 2015 budget funds procurement and R&D for three Command and Control systems (NOTM, JBC-P, and CAC2S) which will provide improved command and control capability for the MAGTF. Continued modernization and upgrades to Networking On the Move (NOTM) system provides Beyond Line of Sight (BLOS)/Line of Sight (LOS) transmission capability to the operating forces for networking connectivity while on the move and to enable Command and Control applications, streaming video, and collaborative tools for Marines moving throughout the battlefield.

MARINE CORPS GROUND EQUIPMENT

The Marine Corps continues to balance its ground equipment procurement and system development efforts to ensure that Marines are supported in the current fight while simultaneously modernizing in preparation for future contingencies. Whether buying force protection and individual combat equipment for the individual Marine or

continuing the research and acquisition of equipment in our ground tactical mobility portfolio, this budget ensures that Marines will have the equipment they need to conduct operations across the spectrum of warfare.

Major Procurement Programs

High Mobility Multipurpose Wheeled Vehicle (HMMWV): The HMMWV serves as the primary light tactical ground vehicle for command and control, troop transport, light cargo transport, shelter carrier, towed weapons prime mover, and weapons platform throughout all areas of the battlefield or mission area. Funding begins procurement of sustainment modification/installation kits.

Light Armored Vehicles (LAV): The LAV Anti-Tank Modernization (LAV-ATM) Program will modernize the legacy turret and Tube-launched, Optically-tracked, Wire-guided (TOW) system in order to sustain the capability, improve readiness, ensure a high degree of commonality with USMC and U.S. Army systems. The program will counter two converging obsolescence issues on the LAV-ATM platform: (1) the M901 Emerson turret is no longer in production and has been retired from the US Army inventory, and (2) the M2203A3 TOW system is being replaced by the M41 SABER system in the USMC infantry and tank battalions, leaving the LAR Battalion as the only unit using the legacy TOW system.

RQ-21A Small Tactical UAS: The RQ-21A (STUAS) program will provide persistent maritime and land-based tactical Reconnaissance, Surveillance and Target Acquisition (RSTA) data collection and dissemination capability to the war fighter. For USMC, RQ-21A will provide the Marine Expeditionary Force and subordinate commands (divisions and regiments) with a dedicated, organic ISR capability delivering intelligence products directly to the tactical commander in real time. For USN, RQ-21A will provide persistent RSTA support for tactical maneuver decisions and unit-level force defense/force protection for Navy ships, Marine Corps land forces, Navy Expeditionary Combat Command forces, and Navy Special Warfare Units.

Major RDT&E Programs

Amphibious Combat Vehicle
The Marine Corps has refined its amphibious combat vehicle (ACV) strategy based on several factors including the knowledge gained through multiyear analysis and the ongoing development of our Ground Combat Tactical Vehicle Strategy. This new amphibious combat vehicle is an armored personnel carrier balanced in performance, protection, and payload for employment with the Ground Combat Element across the range of military operations to include a swim capability. The program has been structured to provide a phased, incremental capability. FY 2015 funding will support ACV Increment 1.1 activities including the manufacture of prototype vehicles, testing, associated program support, and studies/technology development to advance to high water speed capability.

Ground/Air Task Oriented Radar (G/ATOR): G/ATOR is an expeditionary, 3-dimensional, short/medium range multi-role radar designed to detect cruise missiles, air breathing targets, rockets, mortars, and artillery. Multi-Role Radar System and Ground Weapons Locating Radar (GWLR) merged into a single requirement/capability and will replace an aging fleet of single mission legacy radar systems. G/ATOR will support air defense, air surveillance, counter-battery/target acquisition, and aviation radar tactical enhancements; the final evolution will also support the Marine Corps' air traffic control mission. FY 2014 RDT&E funding for G/ATOR will support continued Anti-Tamper implementation, transition to Block I – Air Defense/Air Surveillance, begin developmental testing to support Block II – GWLR and support Producibility Enhancements. Producibility enhancements will allow for cost reduction opportunities within the program outside the FYDP while also increasing performance, reducing weight and power consumptions for future G/ATOR systems. These enhancements will ultimately allow for the Marine Corps to achieve Full Operation Capability date three years earlier to 2020. In addition to RDT&E funding for G/ATOR, this budget includes procurement funding supporting the LRIP of two G/ATOR systems and the refurbishment of one G/ATOR Engineering Development Model.

Joint Light Tactical Vehicle (JLTV): This budget supports the development and testing of the JLTV Family of Vehicles, which is a joint program between the Army and the Marine Corps. JLTV program objectives are to restore the mobility and payload of the original High Mobility Multi-Wheeled Vehicle to the future light tactical vehicle fleet while providing increased modular protection within the weight constraints of the expeditionary force. The JLTV program strives to

minimize ownership costs by maximizing commonality, reliability, and fuel efficiency, while achieving additional savings through effective competition in all stages of program execution. JLTV configurations will be derived from two basic vehicle variants, the Combat Tactical Vehicle and the Combat Support Vehicle. The commonality of components, maintenance procedures, and training among all configurations will minimize total ownership costs.

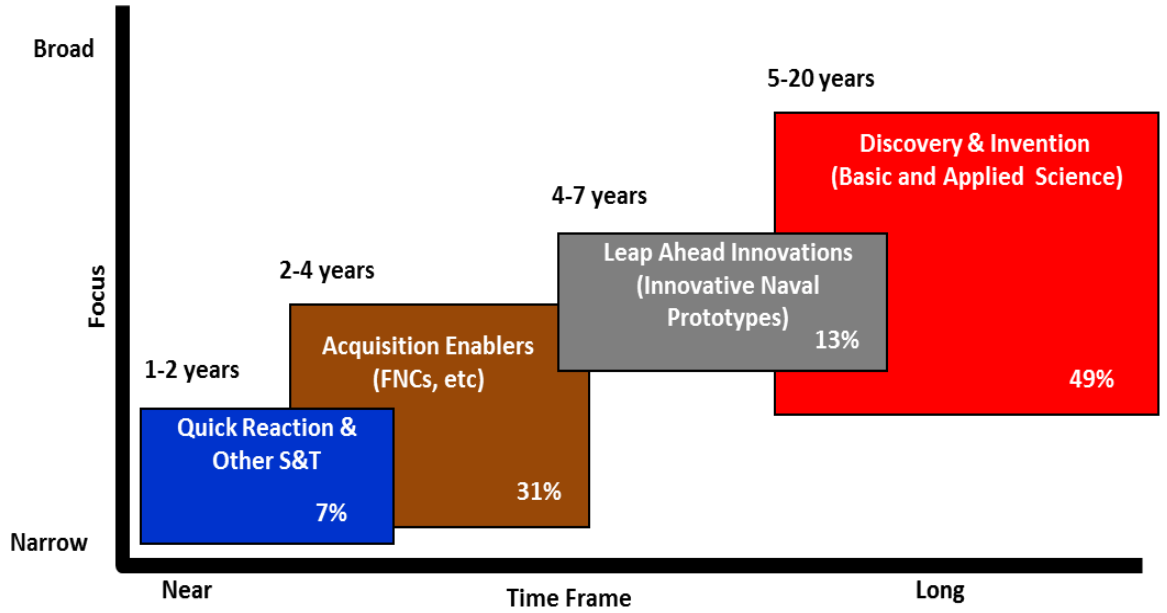
RESEARCH AND DEVELOPMENT SUPPORT

The Department of the Navy's Research, Development, Test and Evaluation (RDT&E) program supports the Department's vision for future capabilities in science & technology, shipbuilding, aviation, weapons, and command and control. This section focuses on the Navy's Science and Technology (S&T) efforts.

Science and Technology

The FY 2015 budget requests $2.0 billion for the S&T program. The FY 2015 S&T budget request supports the Naval S&T Strategic Plan which was approved by the DoN's S&T Corporate Board and updated in September 2011. Figure 38 displays the percentage of investments being made by the DoN in S&T and supporting programs.

Figure 38 – Department of the Navy S&T Investment Portfolio



Discovery & Invention (D&I): This area consists of basic research and the early stages of applied research. With efforts in Undersea, Surface, Air, Space, and Cyber Domains, D&I is the genesis of future naval technologies and systems. It creates technology options, maintains S&T capacity vital to naval interests, and is an important component in the development of the next generation of the S&T workforce.

Acquisition Enablers: This portion of the S&T portfolio is focused on Future Naval Capabilities (FNCs) and the transition of advanced technologies to acquisition programs of record and to the Fleet. These efforts translate maturing technology into requirements-driven products in the late stages of applied research and advanced technology development. Supporting programs include Small Business Innovation Research and Manufacturing Technology (ManTech) programs, which foster other aspects critical to naval acquisition program success. ManTech has invested in a number of areas, such as advanced welding and joining processes.

Leap Ahead Innovations: Innovative Naval Prototypes (INP) and Swamp Works projects comprise the bulk of the S&T investment in the Leap Ahead Innovation portfolio. INP programs develop and integrate technologies that can change the way naval forces operate and fight. Programs in this category may be disruptive technologies that enable the Navy to evaluate high risk concepts of operations without placing existing acquisition programs at risk of schedule delays or funding overruns. Swamp Works programs are smaller than INPs and are intended to produce results in one to three years.

Quick Reaction and Other programs: This portion of the portfolio includes quick-reaction projects such as Tech Solutions and Naval Warfare Experimentation, which are responsive to immediate needs identified by the Fleet, operating forces, or Navy leadership. These programs address urgent needs identified by the Fleet with research that provides an S&T solution that meets or exceeds the need, with short-term programs and rapid solutions. Supporting programs include the Rapid Technology Transition and Technology Insertion for Program Savings programs which provide the ability to rapidly insert technology solutions into acquisition programs of record within the normal budget cycle.

The FY 2015 budget includes $6.9 million for development of "Speed to Fleet" (S2F) initiatives. S2F is a concept to accelerate insertion of maturing technologies into the Fleet to address critical naval needs via the transition of prototype S&T products from the Advanced Technology Demonstration to the Advanced Component Development and Prototypes phase. S2F initiatives included in the budget are Anti-

Torpedo Torpedo Salvo Capability, Electronic Pulse Protection for X-Band Radars, Shipboard Panoramic Infrared Sensor Imaging System, and a Cyber Intrusion Protection initiative.

The FY 2015 budget request includes $58.7 million for investments in Directed Energy Weapons including Electromagnetic Railgun and Solid State Laser Weapons. These funds are instrumental in Navy plans to conduct future at-sea demonstrations of these game changing technologies. Railgun efforts are focused on development of a tactical Railgun launcher prototype capable of 10 rounds per minute and the pulsed power system architecture and components needed to drive it. The Navy plans to conduct a Railgun at-sea demonstration aboard a JHSV in 2016. Solid State Laser (SSL) Technology Maturation (TM) will utilize lessons learned from the SSL Quick Response Capability development and installation on USS PONCE (LPD 15). These lessons learned will be applied to a robust SSL-TM prototype suitable for installation and long term demonstration on a naval surface combatant beginning in FY 2016.

Figure 39 provides DoN RDT&E summary data at the budget activity level.

Figure 39 – DoN RDT&E Activities

(Dollars in Millions)	**FY 2013**	**FY 2014**	**FY 2015**
Science and Technology	1,964	2,102	1,992
Basic Research	567	619	576
Applied Research	792	859	821
Advanced Technology Development	605	624	595
Advanced Component Development	3,835	4,321	4,592
System Development and Demonstration	4,896	4,251	5,419
RDT&E Management Support	1,101	861	977
Operational Systems Development	3,709	3,411	3,286
Sub Total: RDT&E,N	**15,506**	**14,947**	**16,266**
Overseas Contingency Operations	47	34	
Total: RDT&E,N	**15,553**	**14,981**	**16,266**

SECTION V – INFRASTRUCTURE

Providing Sailors, Marines, and the Department's civilians with high quality facilities, information technology, and an environment to achieve their goals is fundamental to mission accomplishment. The ability to project power through forward deployed naval forces is facilitated by a strong and efficient shore infrastructure.

MILITARY CONSTRUCTION

Key tenets in the Department's facilities investment strategy include:

- Improving Quality of Life and Safety
- Enhancing the Global Defense Posture
- Replacing Aging Facilities
- Supporting New Systems
- Upgrading Operations, Training, and Security Facilities
- Nuclear Weapons Security
- Defending Cyberspace

The FY 2015 budget request supports the Department's critical goals, financing 41 military construction projects. Of these, 26 are for the active Navy and 13 for the active Marine Corps, one is for the Navy Reserve Component and one for the Marine Corps Reserve Component.

Figure 40 - Summary of MILCON Funding

Military Construction Summary (Active and Reserve)

(Dollars in Millions)	**FY 2013***	**FY 2014**	**FY 2015**
Navy	904	852	739
Marine Corps	649	724	295
Planning and Design	103	83	36
TOTAL	**1,656**	**1,659**	**1,070**

*Includes Overseas Contingency Operations funding.

Improving Quality of Life and Safety

The Department continues to improve quality of life for our Sailors and Marines and improve the safety of their work environment. The FY 2015 program provides a total of $50 million for quality of life and improved work safety initiatives. Projects include:

- BEQ, Yorktown, VA ($19 million)
- Emergency Communications Towers, 29 Palms, CA ($16 million)
- Ammunition Supply Point, Quantico, VA ($13 million)
- Road and Infrastructure Improvements, Kaneohe Bay, HI ($2 million)

Enhancing the Global Defense Posture - Defense Policy Review Initiative (DPRI)

The construction program supports improvements in the Navy's global defense posture.

PACOM – Guam DPRI

As part of the Defense Policy Review Initiative, an international alliance to enhance the security environment was initiated whereby the United States and the Government of Japan signed an agreement for the relocation of U. S. Marines from Okinawa to Guam. As part of a cost-sharing arrangement, the Japanese government is providing funding to support the overall relocation effort. The FY 2015 military construction program on Guam takes into account ongoing supplemental environmental impact statements and focused construction at known enduring locations. Supporting the relocation effort in FY 2015, the Department's budget provides $51 million for Guam construction and planning.

- Ground Support Equipment Shops at North Ramp ($22 million)
- Marine Wing Support Squadron Facilities at North Ramp ($29 million)

AFRICOM

DoN has been designated the Combatant Command Support Agent for Camp Lemonnier. This base provides vital support to the expanding mission in east

Africa. This project improves Security of our forward deployed service members at a total value of $10 million.

- Entry Control Point, Camp Lemonnier, Djibouti ($10 million)

Facility Improvements/Replace Aging Facilities

As facilities reach the end of their service life, they must be modernized or replaced. These projects ensure environmental compliance, modernize research and testing facilities, enhance base infrastructure, and replace outdated facilities at a total value of $205 million. Some examples include:

- Water Treatment Plant Replacement, Cherry Point , NC ($42 million)
- EOD Consolidated Ops & Logistics Facilities, Fort Story, VA ($39 million)
- Missile Support Facility, Dahlgren, VA ($27 million)
- Advanced Energetics Research Lab Complex, Phase 2, Indian Head, MD ($15 million)

Supporting New Systems

As new systems are introduced into service, supporting facilities are required. Examples of these new systems include the JSF, P-8A, LCS, *Ohio* Replacement, C-40, EA-18G, at a total value of $304 million. Some associated military construction projects include:

- LHD Practice Site Improvements, MCB Butler, Japan ($36 million)
- Air Wing Training Facility, Fallon, NV ($28 million)
- C-40 Aircraft Maintenance Hangar (Reserve), Whidbey Island, WA ($28 million)
- P-8A NSA, Bahrain, ($28 million)
- *Ohio* Replacement Power and Propulsion Facility, Philadelphia, PA ($24 million)
- LCS Operational Training Facility, Mayport, FL ($21 million)

Operations, Training, Maintenance and Security Facilities

This project is for Nuclear Power Operation Training for a total value of $36 million.

- Nuclear Power Operational Support Facility, Goose Creek, SC ($36 million)

Nuclear Weapons Security

The Navy is seeking to eliminate potential security vulnerabilities for nuclear weapons. These projects will help provide a secure environment to safeguard those weapons. Explosives Handling Wharf 2 (EHW 2) at Kitsap, WA commenced in FY 2012 and will be incrementally funded across four years. This year is the final increment for EHW 2.

- Explosives Handling Wharf 2, Kitsap, WA ($84 million)
- Transit Protection System Port Angeles Forward Operating Location, Port of Angeles, WA ($21 million)

Defending Cyberspace

The ability to conduct operations in cyberspace is vital today and will only grow more important over time. To address this, the Center for Cyber Security Studies was established at the United States Naval Academy in December 2009. The center's mission is to: "Enhance the education of midshipmen in cyber warfare, Information Assurance and security." Effective implementation of the cyber curriculum requires dedicated classrooms, labs, faculty offices and secure project spaces. This project provides for these requirements.

- Cyber Security Studies Building, Annapolis, MD ($120 million)

FAMILY HOUSING

The Department continues its reliance on the private sector as the primary source of housing for Sailors, Marines, and their families. The family housing budget includes the operation, maintenance, recapitalization, leasing, and privatization oversight of the Department's family housing worldwide. The budget request represents the funding level necessary to provide safe and adequate housing either through the community or in government quarters.

To date, the Department has awarded 39 military family housing privatization projects totaling over 63,000 homes for Sailors, Marines, and their families. Over 99 percent of CONUS Navy and Marine Corps family housing has been privatized. As a result of these projects, almost $9 billion has been invested through the privatization program for the construction of new housing and the replacement or renovation of existing housing. The Department has contributed approximately $1 billion towards this initiative, thus leveraging its resources by nine to one. Furthermore, the Department's approach to privatization will ensure that quality of the privatized housing is sustained over the long term.

The Navy's FY 2015 budget request includes $321 million for the operation, maintenance and leasing of approximately 10,600 units located worldwide.

The Marine Corps' FY 2015 budget request includes $16 million for the improvement and repair of 44 family housing units and ancillary supporting facilities located at Marine Corps Air Station, Iwakuni, Japan. The Marine Corps' budget also includes $34 million for the operation, maintenance and leasing of approximately 1,300 units located worldwide.

Figure 41 - Family Housing Units

	FY 2013	FY 2014	FY 2015
Privatized inventory	64,471	63,345	63,426
Government Owned inventory	10,716	9,504	9,554
Leased inventory	3,007	2,944	2,348
Total	78,194	75,793	75,328

FACILITY SUSTAINMENT, RESTORATION, AND MODERNIZATION

Continued investment in Facility Sustainment, Restoration and Modernization (FSRM) is necessary to maintain our inventory of installations supporting required capabilities from the Defense Strategic Guidance. The FSRM program ensures our current inventory of facilities is maintained in good working order, while preventing premature degradation of facility condition.

Facility Sustainment

DoD develops its annual facilities sustainment requirement using an empirical model called the Facility Sustainment Model. The model takes into account facility type/use, industry metrics for similar facilities, geographic location, and economic indicators, as well as a number of other factors. Our inventory of facilities continues to be further updated to provide a more accurate account of the quantity, condition, and configuration of the Navy's shore infrastructure. The FY 2015 budget funds Navy facility sustainment at a rate of 70 percent of the DoD-modeled value in FY 2015, but increases it to 83 percent in FY 2016 and out. This reduction in Navy's sustainment funding takes acceptable risk ashore in the near term by executing only critical maintenance and facility maintenance affecting life, health, and safety of Sailors. The increase in out years sustainment funding is balanced by a reduction in restoration and modernization and reflects a balanced total ownership cost in FSRM in the current funding climate. The FY 2015 budget funds Marine Corps facility sustainment at a rate of 75 percent of the DoD-modeled value in FY 2015, but increases it to 90 percent in FY 2016 and out. This reduction in the Marine Corps' sustainment funding assumes minimal risk in the near term by prioritizing life, health, and safety projects and deferring repairs and demolition projects in order to support a ready and capable force.

Facility Restoration and Modernization

The DoD references an industry-based facility investment model to keep facility inventory at an acceptable level of quantity and quality through life-cycle maintenance, repair, and disposal. Facility recapitalization occurs through restoration or modernization of aged and sub-optimally performing facilities. Navy continues its improvement and refinement to the Shore Facilities Investment Model

in order to accurately program and budget restoration and modernization within FSRM. Figure 42 displays the funding applied to restoration and modernization efforts. The Navy has increased its outyear (FY 2016 and out) expenses in recapitalization of permanent party barracks, directly supporting the goal of 90 percent of barracks inventory in a good or fair condition (Q1/Q2) and thereby improving quality of life for our Sailors. The Navy continues to budget funds for fleet-wide facility consolidation initiative aimed at effectively and efficiently configuring installations while simultaneously reducing the overall DoN facility inventory.

The Navy and Marine Corps continue energy-related renovations and facility retrofits to achieve compliance with Energy Independence and Security Act and other DoN energy initiatives.

Figure 42 - Facility Sustainment, Restoration, and Modernization

(In Millions of Dollars)	FY 2013	FY 2014	FY 2015
Facility Sustainment Funding			
Navy	1,031	1,202	1,270
Marine Corps	667	676	537
Total DoN Facility Sustainment (all Appropriations)	**1,698**	**1,878**	**1,807**
Annual Unfunded Sustainment			
Navy	778	699	535
% of Model Funded	57%	63%	70%
Marine	58	99	181
% of Model Funded	92%	87%	75%
Total DoN Unfunded Sustainment	**836**	**798**	**716**
Restoration and Modernization (R&M) Funding			
Navy	622	507	277
Marine Corps	288	177	86
Total DoN R&M (All appropriations)	**910**	**684**	**363**

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SECTION VI – NAVY WORKING CAPITAL FUND

The Navy Working Capital Fund (NWCF) is a revolving fund that finances Department of the Navy activities providing products and services on a reimbursable basis, based on a customer-provider relationship between operating units and NWCF support organizations. Unlike for-profit commercial businesses, NWCF activities strive to break even over the budget cycle. The NWCF provides stabilized pricing to customers and acts as a shock-absorber to fluctuations in market prices. These fluctuations are recovered from customers in future years via rate changes. The NWCF is key to supporting the DoN's presence and posture through capability, capacity, and readiness.

NWCF activity groups comprise five primary areas: Supply Management, Depot Maintenance, Transportation, Research and Development, and Base Support. The wide range of goods and services provided by NWCF activities are crucial to the DoN's afloat and ashore readiness and maintaining a relevant industrial base. The value of goods and services provided by NWCF activities in FY 2015 is projected to be approximately $27.9 billion, as shown in Figure 43. The FY 2015 NWCF budget request reflects significant reduced operating costs and was a key enabler allowing the DoN to reinvest in high priority force structure requirements despite fiscal constraints.

Figure 43 - Summary of NWCF Costs

COST ***(In Millions of Dollars)***	**FY 2013**	**FY 2014**	**FY 2015**
Supply (Obligations)	6,879	6,994	6,609
Depot Maintenance - Aircraft	1,956	2,141	2,073
Depot Maintenance - Marine Corps	486	543	400
Transportation	2,736	2,789	2,691
Research and Development	11,976	12,875	12,822
Base Support	2,993	3,303	3,335
TOTAL	**27,027**	**28,644**	**27,930**

Supply Management

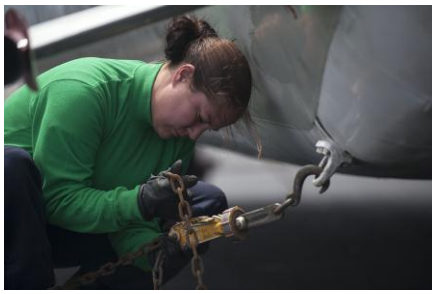
Supply Management performs inventory management functions that result in the sale of aviation and shipboard components, ship's store stock, repairables, and consumables to a wide variety of customers. Supply Management is the central element assuring afloat and ashore operating forces and their equipment have the necessary supplies, spare parts, and components to conduct military engagements, various types of training, and any potential contingency. Ensuring the right material is provided where it matters, when it matters, and at the right cost is vital to equipping and sustaining Navy and Marine Corps warfighting units. Supply Management also provides strong sailor and family support through contracting, resale, transportation, food service, and other quality of life programs. Costs related to supplying material to customers are recouped through stabilized rate recovery processes.

The FY 2015 Supply Management budget continues to reap the benefits of previous investments such as Navy Enterprise Resource Planning, resulting in reduced overhead. The Marine Corps' implementation of the General Services Administration's Garrison Retail Supply Chain is significantly reducing USMC Supply Management retail operations, as indicated by reduced obligation authority in FY 2014 and FY 2015. Both Navy and Marine Corps Supply budget estimates balance cost reduction efforts with global operational requirements and are aimed at sustaining fleet capacity while maintaining relevant capability.

Depot Maintenance

The Fleet Readiness Centers (FRCs) and Marine Corps Depots perform depot maintenance functions to ensure repair, overhaul, and timely upgrades of the right types and quantities of weapons systems and support equipment in order to ensure our ability to rapidly respond to global crises. Work completed at the FRCs and Depots ensure, deployed and next-to-deploy units have the battle-ready items they need to train, fight, and win today while supporting the force to win tomorrow. Forward-deployed individuals perform time-critical repair and upgrade functions in-theater, alongside the service members they support.

Since current demand for naval forces exceed supply, the FRCs are essential for mobilization; repair of aircraft, engines, and components; and the manufacture of associated parts and assemblies. They provide engineering services in the



development of hardware design changes and furnish technical and other professional services on maintenance and logistics issues. Additionally, the FRCs overhaul and repair a wide range of equipment and components. FY 2015 workload reflects a minor decrease in anticipated reimbursable orders.

Workload shifts at the Marine Corps Depots in FY 2014 and FY 2015 include the decreasing strategic reset of the Marine Corps' ground equipment, such as tactical and combat vehicles, following sustained combat operations. This work requires extensive repair to bring equipment to a near zero miles/zero hours condition as part of the Marine Corps' larger reconstitution effort. The Marine Corps continues to assess how changing operations and force levels impact depot operations and overall sustainment strategies.

Transportation

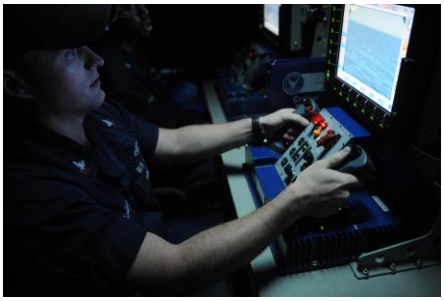
Over-ocean movement of supplies and provisions to the deployed operating forces is a primary focus of this group; it also maintains prepositioned equipment and supplies as well as other special mission services. These combine to support the Navy in deterring potential threats and promptly responding to crisis in the maritime crossroads.

Transportation is the responsibility of the Military Sealift Command (MSC) whose major clients include the Fleet Commanders for U.S. Pacific Fleet and United States Fleet Forces Command, and Naval Sea Systems Command. The five programs budgeted by MSC through the NWCF are: 1) Combat Logistics Force which provides support using civilian mariner manned non-combatant ships for underway material support; 2) Service Support which provides civilian mariner manned non-combatant ships with towing, rescue and salvage, submarine support and cable laying and repair services, as well as a command and control platform and floating medical facilities; 3) Special Mission Ships which provide unique seagoing contract-operated platforms in the areas of oceanographic and hydrographic surveys, underwater surveillance, missile tracking, acoustic surveys, and submarine and special warfare support and contracted harbor

tugs; 4) Afloat Prepositioning Force Navy which deploys advance material for strategic lift in support of the Marine Expeditionary Forces; and 5) Joint High Speed Vessels which is a cooperative effort for a high-speed, shallow draft vessel intended for rapid intra-theater transport of medium sized cargo payloads.

Research and Development

Research and Development (R&D) includes the Warfare Centers and the Naval Research Laboratory. R&D activities are intrinsically involved in the development, engineering, acquisition, and in-service support of weapons systems and equipment for the air, land, sea, and space operating environments. These efforts are key to the success of DoN and DoD operations now and in the future spanning from current fleet *Virginia* Class submarines to the future *Ohio* Replacement submarines. Other areas where the R&D activities make major contributions are battle-space awareness, net-centric operations (connectivity and interoperability), and command and control. Their contributions are evident through research, engineering, and testing efforts in the fields of space, aerial, surface, and sub-surface sensors, communications systems, multi-media data fusion, and battle management systems. R&D activities continuously implement improvements focused first on delivering capability and then on building required capacity.



The R&D activities support logistics through the repair and maintenance of select items of operating forces weapons and equipment. This unique capability is leveraged when work is limited in scope, irregular in schedule and/or very specialized and, therefore, insufficient to warrant fully dedicated depot facilities or commercial source interests. Continued success in the logistics area is vital to ensuring the necessary mission capabilities of the operating forces sustaining our global presence.

- Space and Naval Warfare System Centers provide fleet support for command, control, and communication systems, and ocean surveillance, and the integration of systems that connect different platforms.
- Naval Air Warfare Center provides support for carrier and land-based aircraft, engines, avionics, aircraft support systems and ship/shore/air operations.
- Naval Surface Warfare Center provides fleet support for hull, mechanical, and electrical systems, surface combat systems, coastal warfare systems, and other offensive and defensive systems associated with surface warfare.

- Naval Undersea Warfare Center provides fleet support for submarines, autonomous underwater systems, and offensive and defensive systems associated with undersea warfare.
- Naval Research Laboratory operates as the DoN's full spectrum corporate laboratory, conducting a broadly based multidisciplinary program of scientific research and advanced technological development directed toward maritime applications of new and improved materials, techniques, equipment, systems, and ocean, atmospheric, and space sciences and related technologies.

Base Support

The Base Support business area is comprised of the Facilities Engineering Commands (FECs) and the NWCF portion of Naval Facilities Engineering and Expeditionary Warfare Center (NAVFAC EXWC). The FECs provide a broad range of services by ensuring that DoN and DoD facilities and installations have reliable access to utilities services such as electricity, water, steam, natural gas, vehicle and equipment services, facility support contracting oversight, and building/ facilities sustainment and recapitalization services. By utilizing network wide digital control and monitoring systems and increasing the use of alternative sources of energy (e.g. geothermal, ocean thermal, wind, solar, and wave), the FECs can support achieving facility energy and utility distribution system efficiencies and reducing the DoN's overall energy consumption levels. The FECs FY 2015 budget reflects continued investments in energy focused efficiency. The NWCF portion of NAVFAC EXWC supports combatant capabilities and sustainable facilities through specialized engineering and technology development. In addition, energy efficiency improvements in both buildings and support vehicles are being implemented by Base Support activities in order to conserve DoN and DoD resources. Facility-related technology development and environmental testing is also performed by this group. These efforts are key toward improving operational energy efficiency and shore energy efficiency resulting in decreased risk to operational forces and reducing the impact of volatility in energy prices.

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SECTION VII – OVERSEAS CONTINGENCY OPERATIONS

OVERVIEW

The Navy and Marine Corps are agile and flexible expeditionary forces engaged in a full range of operations around the world. Today over 20,000 Marines, 40,000 Navy personnel, and 128 ships are underway or deployed worldwide creating a safer, more stable, and more prosperous world for the American people, our allies, and our partners. The Department's global security effort maintains a balance of presence between the Asia-Pacific and Middle East regions. Additionally, Europe remains our principal partner in seeking global and economic security for the foreseeable future. Through partnerships with a growing number of nations, including those in Africa and Latin America, we will strive for a common vision of freedom, stability, and prosperity.

NAVY AND MARINE CORPS SUPPORT

Our overseas force posture is shaped principally by ongoing and projected operational commitments. FY 2014 continues supporting Navy and Marine Corps operations in Afghanistan. Today the Marine Corps has a declining force of ~8,000 Marines in the U.S. Central Command (CENTCOM) with 3,900 in Afghanistan, reflecting the continuing responsible drawdown of forces in Afghanistan.

Beyond the Marines participating in counterinsurgency, security cooperation, and civil-military operations in Afghanistan and throughout CENTCOM, on any given day there are approximately 6,000 Sailors ashore and another 10,000 afloat throughout CENTCOM. These Sailors are conducting, maritime infrastructure protection, explosive ordnance

disposal/(Counter-IED), combat construction engineering, cargo handling, combat logistics, maritime security, customs inspections, detainee operations, civil affairs, base operations and other forward presence activities. In collaboration with the U.S. Coast Guard, the Navy also conducts critical port operations and maritime interception operations. Included in our globally sourced forces are Individual Augmentees (IAs) serving in a variety of joint or coalition billets, either in the training pipeline or on station. As these operations unfold, the size and type of naval forces committed to them will likely evolve, thereby producing changes to the overall posture of naval forces. For the foreseeable future, the demand for naval presence in the theater remains high as we uphold our commitments to allies and partner states. The maintenance of peace, stability, the free flow of commerce, and U.S. interests in this dynamic region will depend on naval presence and the ability to strike violent extremist groups when necessary. Long after the significant land component of the operation is reduced, naval forces will remain forward.

While forward, acting as the lead element of our defense-in-depth, naval forces will be positioned for increased roles in combating terrorism. They will also be prepared to act in cooperation with an expanding set of international partners to provide humanitarian assistance and disaster response, as well as contribute to global maritime security. Expanded Maritime Interdiction Operations are authorized by the President and directed by the Secretary of Defense to intercept vessels identified to be transporting terrorists and/or terrorist-related materiel that poses an imminent threat to the United States and its allies.

Strike operations are conducted to damage or destroy objectives or selected enemy capabilities. We have done small, precise attacks against terrorist cells and missile attacks against extremist sanctuaries. Among the various strike options, our sea-based platforms are unique and provide preeminent capabilities and flexibility that will be maintained.

This versatility and lethality can be applied across the spectrum of operations, from destroying terrorist base camps and protecting friendly forces involved in sustained counterinsurgency or stability operations, to defeating enemy anti-access defenses in support of amphibious operations. We have focused this strategic capability intensely in Afghanistan in an effort to counter the increasing threat of a well-armed anti-Coalition militia including Taliban, al-Qa'ida, criminal gangs, narco-terrorists, and any other anti-government elements that threaten the peace

and stability of Afghanistan. Our efforts to deter or defeat aggression and improve overall security and counter violent extremism and terrorist networks advance the interests of the U.S. and the security of the region.

The Navy has active and reserve sailors continually deployed in support of the contingency operations overseas serving as members of Carrier Strike Groups, Expeditionary Strike Groups, Special Operating Forces, Seabee units, Marine forces, medical units, and as IAs. Our Sailors and Marines are fully engaged on the ground, in the air, and at sea in support of operations in Afghanistan. A significant portion of the combat air missions over Afghanistan are flown by naval air forces. Our elite teams of Navy SEALs are heavily engaged in combat operations. Navy sealift will return heavy war equipment from CENTCOM as the drawdown progresses, while Navy logisticians are ensuring materiel arrives on time. Our Navy doctors, nurses, and corpsmen are providing medical assistance in the field and at forward operating bases. Navy IAs are providing combat support and combat service support for Army and Marine Corps personnel in Afghanistan. As IAs they are fulfilling vital roles by serving in traditional Navy roles such as USMC support, maritime and port security, cargo handling, airlift support, Seabee units, and as a member of joint task force/Combatant Commanders staffs. Non-traditional roles include detainee operations, custom inspections teams, and civil affairs. On the water, Navy forces are intercepting smugglers and insurgents and protecting our interests since global security and prosperity are increasingly dependent of the free flow of goods. We know the sea lanes must remain open for the transit of oil and our ships and Sailors are making that happen.

OVERSEAS CONTINGENCY OPERATIONS RESOURCING

The FY 2014 OCO includes incremental costs to sustain operations, manpower, equipment and infrastructure repair, as well as equipment replacement. These costs include aviation and ship operations, combat support, base support, USMC operations and field logistics, mobilized reservists and other special pays. The FY 2013 President's Budget reflected the start of the transition out of Afghanistan. This effort to transition to Afghan responsibility is continued in FY 2014 with the Department of the Navy enacted OCO[1] of $10.6 billion, a reduction of $3.6 billion from FY 2013.

[1] FY14 OCO enacted of $10.6 billion does not include $3.3 billion of baseline to OCO transfers.

Our defense efforts are aimed at countering violent extremists and destabilizing threats, as well as upholding our commitments to allies and partner states. These armed adversaries such as terrorists, insurgents, and separatist militias are a principal challenge to U.S. interests in East Africa.

The OCO for FY 2014 supports the deployment, operation and sustainment of one regimental combat team, a division-level headquarters unit, Seabee battalions, aviation and ship operations, combat support, base support, transportation of personnel and equipment into and out of theater, and associated enabling forces to Afghanistan. Funding also supports service contracts supporting unmanned aerial systems (UAS) providing intelligence, surveillance, and reconnaissance (ISR) and additional in-theater maintenance.

Although the number of forces in Afghanistan will decline substantially over the course of FY 2014, operations in support of the transition to full Afghan responsibility will continue at a high pace. As we reduce our forces across the country, ISR requirements will increase. Transportation and retrograde requirements are increasing as we prepare and ship cargo and equipment back to home stations. Our afloat and expeditionary forces elsewhere in CENTCOM, which support operations in Afghanistan and other important missions, remain forward throughout FY 2014.

As contingency efforts continue into FY 2015, a similar budget request will be submitted as an amendment to the FY 2015 budget at a later date. Figure 44, which shows OCO in FY 2013 and the FY 2014 enacted, will be updated to include FY 2015 at that time.

Figure 44 - Department of the Navy Overseas Contingency Operations Funding Profile

(In Millions of Dollars)	FY 2013 CoW [1/]	FY 2013 Actuals [2/]	FY 2014 CoW [1/]	FY 2014 Enacted [3/]
Military Personnel, Navy	656	656	558	558
Reserve Personnel, Navy	36	36	20	20
Operation and Maintenance, Navy	5,109	5,009	5,841	8,471
Operation and Maintenance, Navy Reserve	55	55	56	56
Aircraft Procurement, Navy	126	167	211	211
Procurement Ammunition, Navy and Marine Corps	140	140	104	104
Other Procurement, Navy	49	49	-	-
Weapons Procurement, Navy	21	21	87	87
Research, Development, Test and Evaluation, Navy	40	40	34	34
Navy Working Capital Fund	-	24	-	-
Military Construction, Navy	106	143	-	-
USN Subtotal	**6,338**	**6,340**	**6,911**	**9,541**
Military Personnel, Marine Corps	1,280	1,280	778	778
Health Accrual, Marine Corps	-	78	-	37
Reserve Personnel, Marine Corps	24	24	15	15
Operation and Maintenance, Marine Corps	2,948	2,948	2,670	3,370
Operation and Maintenance, Marine Corps Reserve	24	24	13	13
Procurement, Marine Corps	118	729	126	126
Procurement Ammunition, Navy and Marine Corps	729	118	65	65
Research, Development, Test and Evaluation, Navy	6	6	-	-
USMC Subtotal	**5,129**	**5,207**	**3,667**	**4,404**
DON Grand Total - OCO	**11,467**	**11,547**	**10,578**	**13,945**
Base to OCO Transfers	-	-	*3,330*	-

1/ Amounts represent cost of war (CoW) report as submitted monthly according to the Consolidated Appropriations Act, 2014 (P.L. 113-76), Section 8092. Base to OCO transfers are not included as cost of war funding
2/ Amounts represent total obligation authority for FY13 OCO and Hurricane Sandy supplemental
3/ Amounts represent Title IX, P.L. 113-76 enacted by appropriation
NOTE: The FY 2015 OCO request will be submitted separately at a later date.

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SECTION VIII – FINANCIAL OPERATIONS & PERFORMANCE METRICS

The Department's efforts at transforming our business enterprise are of paramount importance, ensuring that all available resources are directed to our Sailors and Marines. The Department's drive to provide stronger financial management and increased auditability will strengthen across the FYDP. Our ability to efficiently manage our budget is directly related to our ability to properly account for every dollar. To that end, for the first time, the Marine Corps recently achieved an unqualified audit opinion. Additionally, the DoN continues its commitment to building a performance based culture and has developed process improvements to improve and measure performance.

FINANCIAL TRANSACTION IMPROVEMENTS

DoN business process improvement involves executing, aligning, and integrating a series of enterprise-wide initiatives which will dramatically transform our ability to execute programs and support our mission. The result will be improved efficiency, better decision-making, and an organizational culture that is performance-based. Collectively, these initiatives will create an environment that produces more accurate and timely business information and will, over time, be endorsed by a favorable third party financial audit.

As the DoD Executive Agent, the DoN is coordinating with the Office of the Secretary of Defense, the U. S. Department of the Treasury, the Defense Finance and Accounting Service, DoD Components, and others to standardize and automate buy/sell intragovernmental transaction business to resolve material weaknesses, gain efficiencies, and experience savings. The goal of this effort is to support full deployment of Treasury's Invoice Processing Platform (IPP) across the DoD in time to support financial audits by the congressionally mandated deadline of 30 September 2017. Specifically, moving to IPP will result in a single standardized automated solution to establish, manage, account for, and report on General Terms & Conditions, Purchase Requests/Orders, Receipt/Inspection/Acceptance, Invoices, and Payment/Collection Vouchers. Implementing IPP will also provide auditors with a single location for supporting documentation, reducing the time and costs associated with collecting and transmitting documentation, and reducing the need for auditor travel. Interfacing and translation exchange services will permit various

accounting systems to interface with IPP and eliminate trading partner accounting differences, as well as to accurately report to Treasury. Moving to the IPP automated solution also strengthens our internal controls, standardizes training, policies, and procedures, and reduces costs associated with processing business in a manual environment.

AUDIT READINESS

The DoN continues to make significant progress toward meeting Congressional and DoD mandates for DoN financial audit readiness. The Department is on track to achieve auditability for its Schedule of Budgetary Activity (SBA) by September 30, 2014, and has a comprehensive plan to achieve full financial audit readiness by September 30, 2017. These goals are both mandated in legislation. As part of the drive to full financial auditability, DoD has set a goal for DoN to demonstrate full accountability (excluding valuation) of its major mission essential assets.

To date, DoN has demonstrated steady progress toward asserting SBA audit readiness by the Congressional mandate of September 30, 2014. DoN has asserted eight of ten business areas comprising the SBA are ready for audit. Most of the eight areas have already been independently validated as ready-for-audit, or are currently being validated. DoN is currently on track to reach this mandated goal by the end of FY 2014.

In addition, DoN has a comprehensive plan to achieve full financial auditability by the end of FY 2017, as also required by Congress. This will require business managers to maintain business improvements achieved working toward SBA audit readiness, as well as improving processes and systems used by Working Capital Fund organizations, and improving major asset accountability, including accurate asset valuation. DoN is making steady progress toward this FY 2017 goal, with major challenges ahead.

Departmental business managers are working steadily toward improving accountability for mission essential property which complies with financial audit standards. Mission essential assets include not only ships, subs, aircraft, and missiles, but also real estate, ordnance, and industrial equipment. DoN has successfully demonstrated audit readiness for most military equipment, and is on track to reach full accountability for all major assets by June 30, 2016, as mandated by DoD.

Financial audit readiness will not be a one-time achievement – rather, it will be marked by a progressively changing business environment in which improvements must be maintained on an enduring basis. DoN is committed to promoting a culture in which everyone understands their respective roles in achieving and sustaining financial auditability, from senior leaders down to the business managers who support our warfighting team each day. The result will be strengthened stewardship of public funds, institutionalized by performing effective internal controls over business processes and systems, and by making business policies and procedures more precise and compliant with audit standards.

PERFORMANCE METRICS

Throughout this overview book, we have addressed our metrics as well as the Department of the Navy goals and objectives. Many of these metrics are also contained in budget justification materials supporting our budget request.

Figure 45 provides page references to the performance information contained in this document supporting current DoN objectives and the FY 2015 budget submission.

Figure 45 – Objective and Performance Metrics

Risk Category	**Performance Metrics**	Page #
Operational Risk	Active/Reserve Navy/Marine Corps Strength	2-3, 2-5, 2-7, 2-9
	Battle Force Ships	3-3
	Active Steaming Days Per Quarter	3-4
	Surge Sealift Ships and Capacity	3-5
	Prepositioning Ships and Capacity	3-5
	Reserve Battle Force Ships	3-17
	Ship Maintenance % Requirement Funded	3-8
	Deferred Ship Maintenance	3-8
	Active Air Wings	3-9
	Active Primary Authorized Aircraft (PAA)	3-9
	Active Flying Hours T-Rating	3-10
	Airframe Availability/PAA	3-12, 3-20
	Aircraft Engine Bare Firewalls	3-12, 3-20
	Aircraft Engine Spares Ready-to-Issue	3-12, 3-20
	Reserve Air Wings	3-18
	Reserve Flying Hours T-Rating	3-19
	Reserve Primary Authorized Aircraft (PAA)	3-18
	Ship Construction Plan	4-2
	Aviation Procurement Plan	4-8
Force Management Risk	Navy – Active End Strength	2-3
	Navy – Enlisted Accessions	2-4
	Navy - Enlisted Attrition Rates	2-4
	Navy – Active Enlisted Reenlistment Rates	2-4
	Navy – Reserve End Strength	2-5

Risk Category	**Performance Metrics**	Page #
	Navy - Costs for Accession/Basic Skills/Advanced Training	A-5
	Marine Corps – Active End Strength	2-6
	Marine Corps – Enlisted Accessions	2-6
	Marine Corps – Active Enlisted Reenlistment Rates	2-7
	Marine Corps – Reserve End Strength	2-9
	Marine Corps - Costs for Accession/Basic Skills/Advanced Training	A-6
	Civilian Personnel Levels	2-11
Future Challenges	Aviation/Ship Weapons Quantities	4-14
	Funding for R&D Activities	4-28
Institutional Risk	FSRM Recapitalization Rate	5-7
	Family housing units	5-5
	Number of Privatization Projects	5-5

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SECTION IX – OPPORTUNITY, GROWTH, AND SECURITY INITIATIVE

DoD will include documentation for a separate $26 billion Opportunity, Growth, and Security Initiative with the President's Budget for FY 2015. The DoN share of this initiative is $9 billion. This initiative shows how additional discretionary investments in FY 2015 can spur economic progress, promote opportunity, and strengthen national security. DoN activities included in this initiative support the following:

- Improving DoN Facilities: adds additional resources for sustainment, restoration and modernization (SRM) at DoN installations that will generate jobs and avoid some larger than necessary future costs to replace buildings, roads, runways, and other facilities. The additional funding for sustainment will enable the DoN to fund nearly 100 percent of the facility sustainment requirements vice the 70 percent for Navy and 75 percent for the Marine Corps funding in the FY 2015 base budget. The additional resources will allow investment in Military Construction to include Bachelor Housing in Florida, Hawaii, Maryland, Maine, and Virginia. It also includes investment in ship and aircraft maintenance facilities.

- Accelerating Modernization of Key Weapons Systems: allows acceleration of schedules for developing and buying new or upgraded systems in order to ensure that the United States maintains technological superiority over any potential adversaries. Examples include the procurement of eight P-8s, three C-40s, one E-2D, two H-1s, one KC-130J, one C-12, and three STUAS systems.

- Making Faster Progress toward Restoring Readiness Lost under Sequestration: provides the resources needed to make faster progress by supporting increased activity at depot maintenance facilities around the country and increases for spare parts. Examples include increased aviation depot maintenance funding for the Navy to 90 percent vice the 80 percent funded in the FY 2015 base budget and restores T-AKEs to fully operational status vice reduced operational status.

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SECTION X – DERIVATION OF FY 2014 ESTIMATES

Figure 46 displays a track of changes to Department of the Navy appropriations for FY 2014, beginning with the FY 2014 President's Budget request. The changes reflect funding impacts associated with the Consolidated Appropriations Act, 2014 (P.L. 113-76).

Figure 46 – Derivation of FY 2014 Estimates

	FY 2014 President's Budget				
(In Millions of Dollars)	Baseline Request	OCO Request	P.L 113-76 Adjustments	Other Congressional Action	FY 2014 Enacted
Military Personnel, Navy	27,824	558	-622		27,760
Military Personnel, Marine Corps	12,905	1,019	-391		13,533
Reserve Personnel, Navy	1,892	20	-48		1,864
Reserve Personnel, Marine Corps	677	15	-22		670
Health Accrual, Navy	1,198			100	1,298
Health Accrual, Marine Corps	684	37		58	779
Health Accrual, Navy Reserve	135			13	148
Health Accrual, Marine Corps Reserve	81			8	89
Operation & Maintenance, Navy	39,945	6,068	-1,699		44,314
Operation & Maintenance, Marine Corps	6,255	2,670	-166		8,759
Operation & Maintenance, Navy Reserve	1,198	55	-39		1,214
Operation & Maintenance, MC Reserve	263	13	-8		268
Environmental Restoration, Navy	316				316
Aircraft Procurement, Navy	17,928	241	-1,514		16,655
Weapons Procurement, Navy	3,122	87	-113		3,096
Shipbuilding & Conversion, Navy	14,078		1,153		15,231
Ship Modernization and Sustainment			2,244		2,244
Other Procurement, Navy	6,310	18	-755		5,573
Procurement, Marine Corps	1,344	130	-106		1,368
Procurement of Ammunition, Navy/MC	589	207	-77		719
Research, Development, Test & Eval, Navy	15,975	34	-1,028		14,981
National Defense Sealift Fund	731		-134		597
Military Construction, Navy	1,700		-70		1,630
Military Construction, Naval Reserve	33		-4		29
Family Housing Construction, N & MC	73				73
Family Housing Operations, N & MC	390		-11		379
Base Realignment and Closure	145				145
TOTAL	**$155,791**	**$11,172**	**-$3,410**	**$179**	**$163,732**

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MILITARY PERSONNEL, NAVY

Table A-1a

Department of the Navy
Military Personnel, Navy
(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Pay and Allowances of Officers	7,406	7,551	7,669
Pay and Allowances of Enlisted	16,650	17,313	17,471
Pay and Allowances of Midshipmen	79	78	78
Subsistence of Enlisted Personnel	1,102	1,196	1,182
Permanent Change of Station Travel	897	877	899
Other Military Personnel Costs	182	187	191
Sub Total: MPN	**26,315**	**27,202**	**27,489**
Overseas Contingency Operations	656	558	-
Total: MPN	**26,971**	**27,760**	**27,489**

MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION, NAVY

Table A-1b

Department of the Navy
Medicare-Eligible Retiree Health Fund Contribution, Navy
(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Health Accrual	1,397	1,298	1,181
Total: DHAN	**1,397**	**1,298**	**1,181**

MILITARY PERSONNEL, MARINE CORPS

Table A-2a

Department of the Navy

Military Personnel, Marine Corps

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Pay and Allowances of Officers	2,516	2,674	2,703
Pay and Allowances of Enlisted	8,632	8,778	8,858
Subsistence of Enlisted Personnel	729	724	783
Permanent Change of Station Travel	463	466	448
Other Military Personnel Costs	120	113	126
Sub Total: MPMC	**12,460**	**12,756**	**12,919**
Overseas Contingency Operations	1,279	778	-
Total: MPMC	**13,740**	**13,533**	**12,919**

MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION, MARINE CORPS

Table A-2b

Department of the Navy

Medicare-Eligible Retiree Health Fund Contribution, Marine Corps

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Health Accrual	798	742	673
Sub Total: DHAMC	**798**	**742**	**673**
Overseas Contingency Operations	78	37	-
Total: DHAMC	**876**	**779**	**673**

RESERVE PERSONNEL, NAVY

Table A-3a

Department of the Navy

Reserve Personnel, Navy

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Reserve Component Training and Support	1,877	1,844	1,863
Sub Total: RPN	**1,877**	**1,844**	**1,863**
Overseas Contingency Operations	36	20	-
Total: RPN	**1,913**	**1,864**	**1,863**

MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION, NAVY RESERVE

Table A-3b

Department of the Navy

Medicare-Eligible Retiree Health Fund Contribution, Navy Reserves

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Health Accrual	169	148	111
Total: DHANR	**169**	**148**	**111**

RESERVE PERSONNEL, MARINE CORPS

Table A-4a

Department of the Navy

Reserve Personnel, Marine Corps

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Reserve Component Training and Support	678	655	671
Sub Total: RPMC	**678**	**655**	**671**
Overseas Contingency Operations	24	15	-
Total: RPMC	**702**	**670**	**671**

MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION, MARINE CORPS RESERVE

Table A-4b

Department of the Navy

Medicare-Eligible Retiree Health Fund Contribution, Marine Corps Reserve

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Health Accrual	98	89	65
Total: DHAMCR	**98**	**89**	**65**

OPERATION AND MAINTENANCE, NAVY

Table A-5

Department of the Navy
Operation and Maintenance, Navy

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Operating Forces			
Air Operations	7,976	7,370	8,294
Ship Operations	12,152	9,337	11,212
Combat Operations/Support	3,059	2,977	3,091
Weapons Support	1,977	2,130	2,203
NWCF Support	-	-442	-
Base Support	7,014	7,313	6,819
Total - Operating Forces	**32,178**	**28,686**	**31,619**
Mobilization			
Ready Reserve and Prepositioning Forces	359	331	818
Activations/Inactivations	1,022	262	258
Mobilization Preparedness	73	87	147
Total - Mobilization	**1,454**	**680**	**1,223**
Training and Recruiting			
Accession Training	284	290	313
Basic Skills and Advanced Training	863	940	957
Recruiting & Other Training and Education	425	496	467
Total - Training and Recruiting	**1,572**	**1,727**	**1,737**
Administration and Servicewide Support			
Servicewide Support	1,638	1,918	1,943
Logistics Operations and Technical Support	1,897	1,750	1,709
Investigations and Security Programs	1,033	1,078	1,080
Support of Other Nations	8	5	5
Total - Administration and Servicewide Support	**4,576**	**4,751**	**4,737**
Sub Total: O&MN	**39,779**	**35,844**	**39,317**
Overseas Contingency Operations	4,981	8,471	-
Other Supplemental	28	-	-
Total: O&MN	**44,788**	**44,315**	**39,317**

OPERATION AND MAINTENANCE, MARINE CORPS

Table A-6

Department of the Navy

Operation and Maintenance, Marine Corps

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Operating Forces			
Expeditionary Forces	1,857	1,709	2,056
USMC Prepositioning	89	97	88
Base Support	3,074	2,363	2,557
Total - Operating Forces	**5,020**	**4,170**	**4,701**
Training and Recruiting			
Accession Training	18	18	19
Basic Skills and Advanced Training	401	477	471
Recruiting & Other Training and Education	248	228	204
Total - Training and Recruiting	**667**	**724**	**694**
Administration and Servicewide Support			
Servicewide Support	450	412	444
Logistics OPS & Technical Support	81	84	71
Total - Administration and Servicewide Support	**532**	**496**	**514**
Sub Total: O&MMC	**6,219**	**5,390**	**5,909**
Overseas Contingency Operations	2,948	3,370	-
Total: O&MMC	**9,167**	**8,759**	**5,909**

OPERATION AND MAINTENANCE, NAVY RESERVE

Table A-7

Department of the Navy
Operation and Maintenance, Navy Reserve
(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Operating Forces			
Air Operations	689	678	662
Ship Operations	108	120	13
Combat Operations/Support	126	127	134
Weapons Support	2	2	2
Base Support	193	211	176
Total - Operating Forces	**1,118**	**1,137**	**986**
Administration and Servicewide Support			
Servicewide Support	18	18	18
Logistics Operations and Technical Support	3	3	3
Total - Administration and Servicewide Support	**20**	**21**	**21**
Sub Total: O&MNR	**1,139**	**1,158**	**1,007**
Overseas Contingency Operations	55	56	-
Total: O&MNR	**1,194**	**1,214**	**1,007**

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

Table A-8

Department of the Navy

Operation and Maintenance, Marine Corps Reserve

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Operating Forces			
Expeditionary Forces	87	109	111
Base Support	151	125	136
Total - Operating Forces	**239**	**235**	**247**
Administration and Servicewide Support			
Servicewide Support	17	21	21
Total - Administration and Servicewide Support	**17**	**21**	**21**
Sub Total: O&MMCR	**256**	**255**	**269**
Overseas Contingency Operations	24	13	-
Total: O&MMCR	**279**	**268**	**269**

ENVIRONMENTAL RESTORATION, NAVY

Table A-9

Department of the Navy
Environmental Restoration, Navy

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Environmental Restoration Activities	-	316	277
Total: ERN	**-**	**316**	**277**

Note: These funds are transferred to O&MN after appropriation and reported in executed balances there.

AIRCRAFT PROCUREMENT, NAVY

Table A-10

Department of the Navy
Aircraft Procurement, Navy

(Dollars in Millions)

	FY 2013		FY 2014		FY 2015	
	QTY	$	QTY	$	QTY	$
Combat Aircraft	161	12,561	129	12,322	102	8,769
Airlift Aircraft	1	75	-	-	-	-
Trainer Aircraft	33	230	29	249	-	-
Other Aircraft	7	321	3	177	1	170
Modification of Aircraft	-	1,792	-	2,262	-	2,374
A/C Spares & Repair Parts	-	1,050	-	965	-	1,230
A/C Support Equip & Facilities	-	456	-	468	-	531
Sub Total: APN	**202**	**16,486**	**161**	**16,443**	**103**	**13,074**
Overseas Contingency Operations	2	167	1	211	-	-
Total: APN	**204**	**16,653**	**162**	**16,654**	**103**	**13,074**

WEAPONS PROCUREMENT, NAVY

Table A-11

Department of the Navy
Weapons Procurement, Navy
(Dollars in Millions)

	FY 2013		FY 2014		FY 2015	
	QTY	$	QTY	$	QTY	$
Ballistic and Other Missiles						
TRIDENT II Mods	-	1,098	-	1,131	-	1,190
ESSM	37	48	53	77	104	119
Tomahawk	196	294	196	312	100	194
AMRAAM	67	87	44	83	-	32
Sidewinder	150	69	225	102	167	74
JSOW	202	120	212	118	200	131
STANDARD	89	333	81	368	110	446
RAM	61	60	66	66	90	81
Hellfire	873	70	346	32	-	-
Aerial Targets	-	43	-	39	-	48
Other	-	168	50	214	14	407
Torpedoes and Related Equipment						
Mk-54 Torpedo Mods	-	72	-	122	-	99
Mk-48 Torpedo ADCAP Mods	-	49	-	49	-	47
Torpedo Support Equipment	-	41	-	54	-	53
Other	-	32	-	27	-	38
Other Weapons						
CIWS MODS	-	61	-	63	-	75
Gun Mount Mods	-	49	-	59	-	63
Other	-	49	-	41	-	47
Spares and Repair Parts	-	55	-	53	-	74
Sub Total: WPN	**1,675**	**2,798**	**1,273**	**3,009**	**785**	**3,218**
Overseas Contingency Operations	71	21	279	87	-	-
Total: WPN	**1,746**	**2,819**	**1,552**	**3,096**	**785**	**3,218**

SHIPBUILDING AND CONVERSION, NAVY

Table A-12

Department of the Navy
Shipbuilding and Conversion, Navy

(Dollars in Millions)

	FY 2013		FY 2014		FY 2015	
	QTY	$	QTY	$	QTY	$
New Construction						
CVN-21	1	491	-	1,506	-	1,300
SSN-774	2	4,637	2	6,462	2	5,884
DDG-51	3	4,497	1	2,085	2	2,805
DDG-1000	-	668	-	232	-	420
LCS	4	1,739	4	1,793	3	1,427
LPD-17	-	324	-	-	-	13
LHA(R)	-	156	-	38	-	29
JHSV	1	183	-	10	-	5
AFSB	-	-	1	579	-	-
MLP/AFSB*	-	-	-	-	-	-
Total New Construction	**11**	**12,695**	**8**	**12,705**	**7**	**11,882**
Other						
CVN RCOH	-	1,723	-	1,855	-	-
Moored Training Ship	-	283	-	207	1	802
LCAC SLEP	4	86	4	81	2	40
Outfitting	-	292	-	383	-	546
Ship to Shore Connector	-	-	-	-	2	123
Completion of PY Shipbuilding Program	-	-	-	-	-	1,007
Total Other	**4**	**2,384**	**4**	**2,526**	**5**	**2,519**
Total: SCN	**15**	**15,080**	**12**	**15,231**	**12**	**14,401**

SHIP MAINTENANCE, OPERATIONS AND SUSTAINMENT FUND

Table A-13

Department of the Navy

Ship Maintenance, Operations and Sustainment Fund

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Ship Maintenance, Operations and Sustainment	179	2,244	-
Total: SMOSF	**179**	**2,244**	**-**

OTHER PROCUREMENT, NAVY

Table A-14

Department of the Navy

Other Procurement, Navy

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Ship Support Equipment	1,862	1,447	1,702
Communications and Electronics Equipment	1,897	2,083	2,327
Aviation Support Equipment	400	470	397
Ordnance Support Equipment	580	767	652
Civil Engineering Support Equipment	78	77	57
Supply Support Equipment	45	40	118
Personnel and Command Support Equipment	439	422	397
Spares and Repair Parts	199	267	325
Sub Total: OPN	**5,500**	**5,573**	**5,976**
Overseas Contingency Operations	49	-	-
Total: OPN	**5,549**	**5,573**	**5,976**

PROCUREMENT, MARINE CORPS

Table A-15

Department of the Navy

Procurement, Marine Corps

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Weapons and Combat Vehicles			
LW155MM Lightweight Howitzer	18	4	5
HIMARS	7	5	19
LAV-PC	16	6	78
AAV7A1 PIP	16	32	17
Weapons and Combat Vehicles under $5 million	17	20	7
MOD Kits	34	38	22
Other	6	5	9
Guided Missiles and Equipment			
Ground Based Air Defense (GBAD)	13	16	31
Other	25	66	12
Communication and Electronics Equipment			
Repair and Test Equipment	25	40	31
Comm Switching & Control Systems	28	48	73
Common Computer Resources	205	104	34
Radio Systems	88	64	64
Night Vision Equipment	44	6	10
Comm & Elec Infrastructure Support	42	20	43
Command Post Systems	33	83	38
Other	223	296	300
Support Vehicles			
5/4T Truck HMMWV (MYP)	6	1	57
Commercial Cargo Vehicles	14	31	11
Other	112	38	30
Engineer And Other Equipment	339	302	76
Spares and Repair Parts	3	14	16
Sub Total: PMC	**1,313**	**1,241**	**983**
Overseas Contingency Operations	729	126	-
Total: PMC	**2,042**	**1,367**	**983**

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

Table A-16

Department of the Navy

Procurement of Ammunition, Navy and Marine Corps

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Navy Ammunition	412	453	637
Marine Corps Ammunition	216	96	135
Sub Total: PANMC	**628**	**549**	**772**
Overseas Contingency Operations	258	169	-
Total: PANMC	**885**	**719**	**772**

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

Table A-17

Department of the Navy

Research, Development, Test and Evaluation, Navy

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Basic Research	567	619	576
Applied Research	792	859	821
Advanced Technology Development	605	624	595
Advanced Component Development	3,835	4,321	4,592
System Development and Demonstration	4,896	4,251	5,419
RDT&E Management Support	1,101	861	977
Operational Systems Development	3,709	3,411	3,286
Sub Total: RDT&E,N	**15,507**	**14,946**	**16,266**
Overseas Contingency Operations	47	34	-
Total: RDT&E,N	**15,553**	**14,981**	**16,266**
By Service			
Navy	14,657	14,082	15,465
Marine Corps	896	898	802

NATIONAL DEFENSE SEALIFT FUND

Table A-18

Department of the Navy
National Defense Sealift Fund

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Strategic Sealift Acquisition	140	56	-
DoD Mobilization Assets	195	197	-
Research and Development	40	45	-
Ready Reserve Force	308	299	-
Total: NDSF	**683**	**597**	**-**

MILITARY CONSTRUCTION, NAVY AND MARINE CORPS – ACTIVE AND RESERVE

Table A-19

Department of the Navy

Military Construction, Navy and Naval Reserve

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Significant Programs			
Major Construction	1,350	1,529	978
Minor Construction	16	20	7
Planning and Design	97	81	33
Foreign Currency	4	-	-
Sub Total: Navy	**1,467**	**1,630**	**1,019**
Overseas Contingency Operations	143	-	-
Total: Navy	**1,609**	**$1,630**	**$1,019**
Naval Reserve			
Major Construction	45	26	45
Minor Construction	-	-	4
Planning and Design	2	3	2
Total: Naval Reserve	**47**	**29**	**52**
By Service			
Navy	962	908	756
Marine Corps	694	751	314

FAMILY HOUSING, NAVY AND MARINE CORPS

Table A-20

Department of the Navy

Family Housing, Navy and Marine Corps

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Navy			
Construction	98	49	-
O&M	330	346	321
Total: Navy	**428**	**394**	**321**
Marine Corps			
Construction	20	25	16
O&M	25	34	33
Total: Marine Corps	**45**	**58**	**49**
Total: FH,N&MC	**473**	**453**	**370**

BASE REALIGNMENT AND CLOSURE ACCOUNTS

Table A-21

Department of the Navy
Base Realignment and Closure Accounts

(Dollars in Millions)

	FY 2013	FY 2014	FY 2015
Base Realignment and Closure IV	185	-	-
Base Realignment and Closure V	61	-	-
Consolidated Prior BRAC	-	145	95
Total: BRAC	**245**	**145**	**95**

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LIST OF ACRONYMS

A

A2/AD – Anti-Access/Area-Denial
AAG – Advance Arresting Gear
AARGM - Advanced Anti-Radiation Guided Munition
AC - Active Component
ACV – Amphibious Combat Vehicle
AFSB – Afloat Forward Staging Base
ALMDS - Airborne Laser Mine Detection System
AMDR –Air and Missile Defense Radar
AMNS - Airborne Mine Neutralization System
AMRAAM - Advanced Medium Range Air-to-Air Missile
AOR – Area of Responsibility
AP – Advance Procurement
APKWS - Advanced Precision Kill Weapon System
ARGs – Amphibious Ready Groups

B

BA - Budget Authority
BCA – Budget Control Act of 2011

C

CANES - Consolidated Afloat Networks and Enterprises Services
CENTCOM - US Central Command
CG - Cruiser
CNATRA - Chief of Naval Air Training
COCOMs - Combatant Commanders
CONUS – Continental United States
CoSC – Continuity of Services Contract
COTS – Commercial-off-the-shelf
CSGs - Carrier Strike Groups
CV – JSF Carrier Variant
CVN – Nuclear Aircraft Carrier
CVW – Carrier Air Wing
C2 – Command and Control
C4I - Command, Control, Communication, Computers and Intelligence

D

D5LE – D5 Life Extension
D&I - Discovery and Invention
DDG – Guided Missile Destroyer
DDS-M – Data Distribution System Modular
DHP – Defense Health Program
DLA - Defense Logistics Agency
DoD – Department of Defense
DoN – Department of the Navy
DPRI – Defense Policy Review Initiative
DSG – Defense Strategic Guidance

E

EA – Electronic Attack
EHW – Explosive Handling Wharf
EMALS – Electromagnetic Aircraft Launch System
EMD – Engineering and Manufacturing Development
EO – Executive Order
EOQ Economic Order Quantity
ERP - Enterprise Resource Planning
ES – End Strength
ESSM – Evolved Sea Sparrow Missile
EUCOM – US European Command
EW – Electronic Warfare

F

FAS - Fleet Air Support
FAT - Fleet Air Training
FECs - Facilities Engineering Commands
FFG – Frigate
FHP – Flying Hour Program
FNCs - Future Naval Capabilities
FOC – Full Operation Capability
FOS – Full Operating Status
FOV – Family of Vehicles
FRC - Fleet Readiness Center
FRP - Fleet Response Plan
FRTP – Fleet Response Training Plan
FSM – Facility Sustainment Model
FRS - Fleet Replacement Squadrons

FSRM – Facility Sustainment, Restoration, and Modernization
FTE - Full-Time Equivalent
FY- Fiscal Year
FYDP - Future Years Defense Plan

G

G/ATOR – Ground/Air Task Oriented Radar
GWLR – Ground Weapons Locating Radar

H

HADR – Humanitarian Assistance and Disaster Relief
HARM - High-Speed Anti-Radiation Missile
HAD – High Deployment Allowance
HDLD - High Demand, Low Density
HM&E - Hull, Mechanical and Electrical
HMMWV – High Mobility Multipurpose Wheeled Vehicle
HVU – High Value Units

I

IA – Individual Augmentee
IOC – Initial Operational Capability
IED – Improvised Explosive Device
IMA – Individual Mobilization Augmentee
INP - Innovative Naval Prototypes
IPP – Invoice Processing Platform
IRST – Infra-Red Search and Track
ISR - Intelligence, Surveillance and Reconnaissance
IT – Information Technology
IW – Irregular Warfare

J

JAGM – Joint Air-to-Ground Missile
JHSV - Joint High Speed Vessel
JLTV - Joint Light Tactical Vehicle
JPATS - Joint Primary Aircraft Training System
JSF - Joint Strike Fighter
JSOW - Joint Standoff Weapon

L

LAV – Light Armored Vehicle
LAV-ATM – LAV Anti-Tank Modernization
LCAC - Landing Craft Air Cushion
LCS - Littoral Combat Ship
LHA – Amphibious Warfare Assault Ship
LMSR - Large, Medium Speed Roll-On/Roll-Off Ships
LOC – Limited Operational Capability
LOS – Line-of-Sight
LPD – Amphibious Dock Ship
LRASM – Long-Range Anti-Ship Missile
LRIP – Low-Rate Initial Production
LSD - Dock Landing Ship

M

MAGTF - Marine Air-Ground Task Force
ManTech – Manufacturing Technology
MAW—Marine Aircraft Wing
MCESG – Marine Corps Embassy Security Guards
MCM - Mine Countermeasures Ship
MCTUAS - Marine Corps Tactical Unmanned Aircraft System
MDAP – Major Defense Acquisition Program
MEB – Marine Expeditionary Brigade
MEFs - Marine Expeditionary Forces
MEUs - Marine Expeditionary Units
MILCON - Military Construction
MILPERS – Military Personnel
MLP - Mobile Landing Platform
MMA – Multi-Mission Maritime Aircraft
MOS – Military Occupational Specialty
MPC – Marine Personnel Carrier
MPS - Maritime Prepositioning Ships
MSAU – Marine Security Augmentation Unit
MSC - Military Sealift Command
MTS – Moored Training Ship
MUOS - Mobile User Objective System
MYP – Multi-Year Procurement

N

NAVFAC – Naval Facilities Engineering Command
NAVFAC EXWC – NAVFAC Expeditionary Warfare Center
NDSF - National Defense Sealift Fund

NECC - Navy Expeditionary Combat Command
NGEN - Next Generation Enterprise Network
NIFC-CA - Naval Integrated Fire Control - Counter Air
NMCI – Navy-Marine Corps Intranet
NMT - Navy Multiband Terminal
NNE – Naval Networking Environment
NOTM – Networking On the Move
NUCAS – Navy Unmanned Combat Air System
NWCF - Navy Working Capital Fund

O

OCO – Overseas Contingency Operations
OCONUS – Outside Continental United States
OEF - Operation Enduring Freedom
O&M – Operation & Maintenance
OMB – Office of Management and Budget
OPDS - Offshore Petroleum Distribution System
OPTEMPO - Operational Tempo

P

PAA - Primary Authorized Aircraft
PACOM – Pacific Command
PB – President's Budget
PC – Patrol Craft
PROC - Procurement

Q

QDR – Quadrennial Defense Review
QOS – Quality of Service

R

RAM - Rolling Airframe Missile
RC - Reserve Component
RCOH - Refueling Complex Overhaul
RDC – Rapid Deployment Capability
R&D – Research & Development
RDT&E – Research, Development, Test and Evaluation
RFU – Ready-for-Use
R&M - Restoration and Modernization
RMS – Remote Mine Hunting System
ROS - Reduced Operating Status
RSTA – Reconnaissance, Surveillance and Target Acquisition
RTT – Rapid Technology Transition

S

S2F – Speed to Fleet
SAPR – Sexual Assault Prevention and Response
SBA – Schedule of Budgetary Activity
SBR – Statement of Budgetary Resources
SDB – Small Diameter Bomb
SEWIP – Surface Electronic Warfare Improvement Program
SLEP – Service-Life Extension Program
SM - Standard Missile
SMCR - Selected Marine Corps Reserve
SMOSF – Ship Maintenance, Operations, and Sustainment Fund
SOF – Special Operations Force
SOPGM – Stand-Off Precision Guided Munitions
SSBN – Nuclear Ballistic Submarine
SSC – Ship to Shore Connector
SSGN – Guided Missile Submarine (nuclear)
SSN - Nuclear Attack Submarine
S&T - Science and Technology
STOVL - Short Takeoff and Vertical Landing
STUAS - Small Tactical Unmanned Aircraft System
SUW – Surface Warfare

T

TACAIR – Tactical Air
TACAIR/ASW - Tactical Air/Anti-Submarine Warfare
T-AE – Combat Logistics Ship
T-AGOS - Ocean Surveillance Ship
T-AH – Hospital Ship
TAI - Total Aircraft Inventory
T-AKE - Dry-Cargo Ammunition Ship
TAMD – Theater Air Missile Defense
T-AOE – Fast Combat Support Ships
T-AO(X) – Fleet Oiler Replacement

TMS – Type/Model/Series
TOA - Total Obligation Authority
TOW – Tube-Launched Optically-Tracked, Wire-Guided
TSC – Theater Security Cooperation
TSW - Tactical Support Wing

U

UAS - Unmanned Aerial System
UAV - Unmanned Aerial Vehicle
UCLASS – Unmanned Carrier Launched Airborne Surveillance and Strike
UHF - Ultra High Frequency
USMC – United States Marine Corps
USN – United States Navy
UUV – Underwater Unmanned Vehicle

V

VTUAV - Vertical Take Off and Landing Tactical Unmanned Aerial Vehicle