



# DEPARTMENT OF THE NAVY FY 2016 PRESIDENT'S BUDGET

Rear Admiral William K. Lescher, USN  
Deputy Assistant Secretary of the Navy for Budget

February 2, 2015

# *The Foundation – Strategic Guidance*

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## Protect the Homeland

- Maintain a safe, secure and effective nuclear deterrent
- Fight terrorism through counter-terrorism/irregular warfare operations
- Defend the homeland and provide support to civil authorities
- Counter weapons of mass destruction

## Build Security Globally

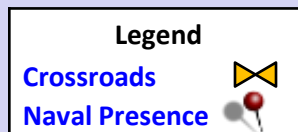
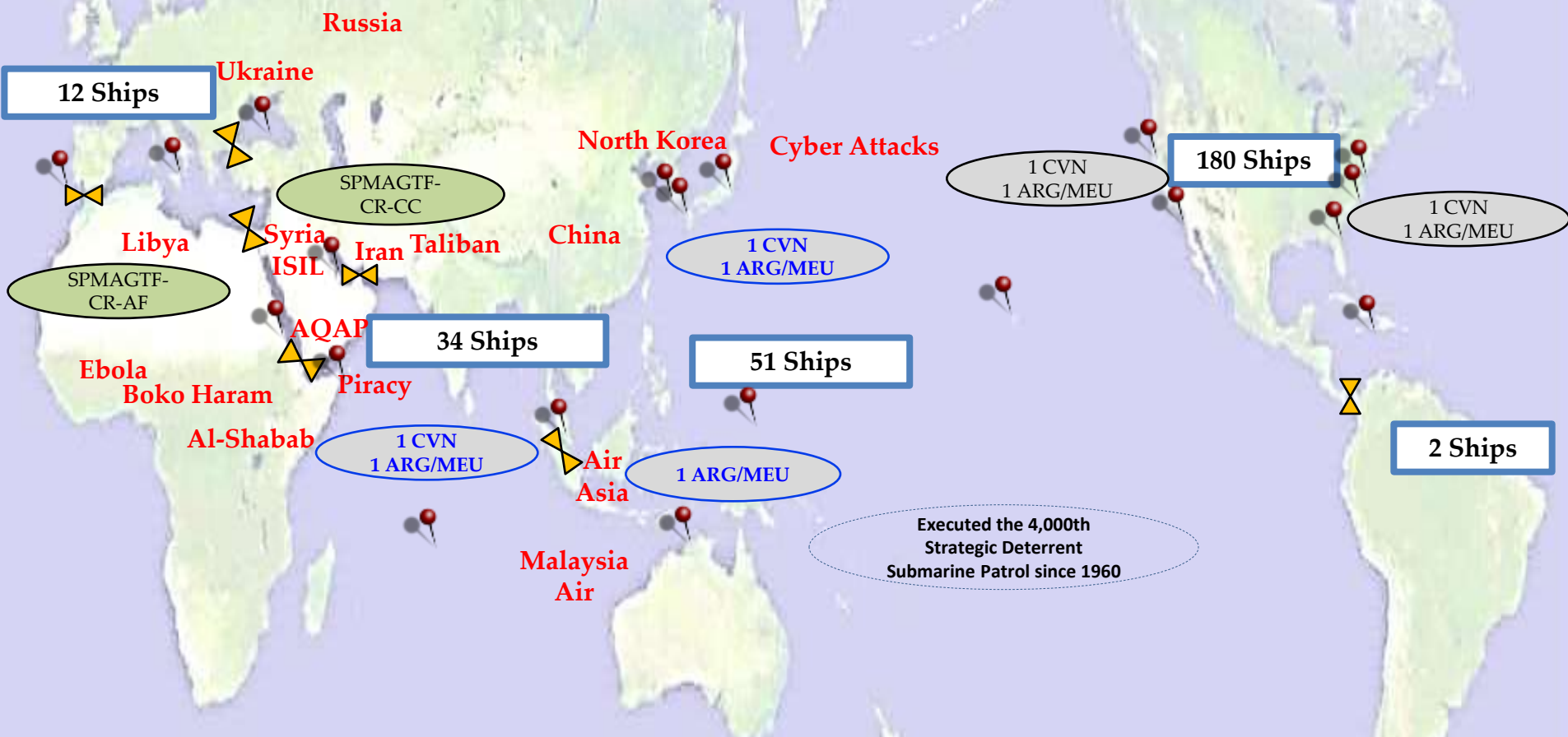
- Provide a stabilizing presence across the globe
- Conduct stability and counterinsurgency operations
- Conduct humanitarian, disaster relief and other operations

## Project Power and Win Decisively

- Deter and defeat aggression
- Project power despite anti-access/area denial challenges
- Operate effectively in space and cyberspace

# Executing the Strategy – the Navy and Marine Corps Today

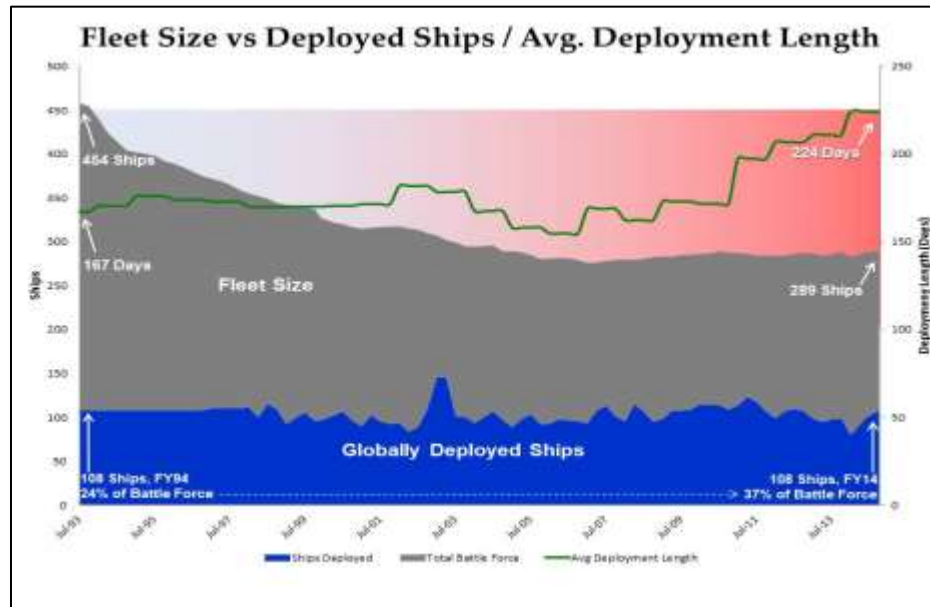
## Where it Matters, When it Matters



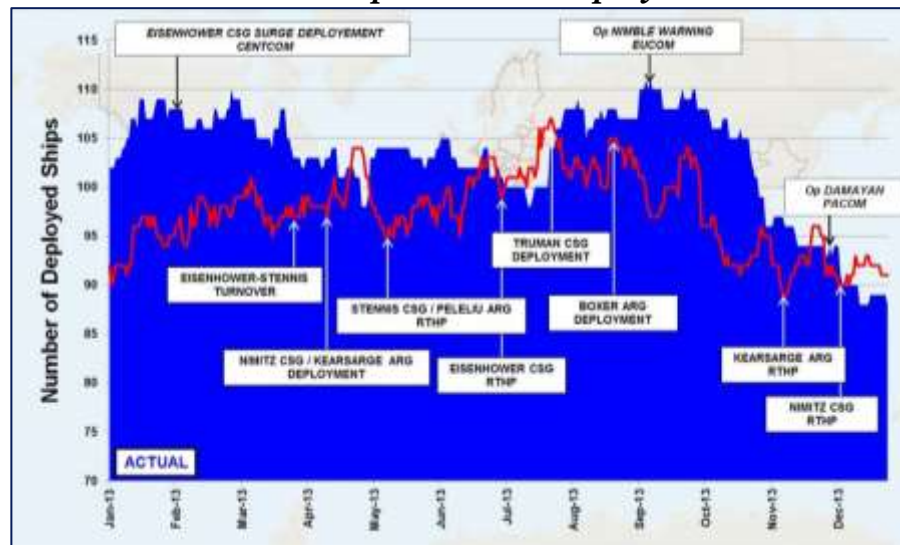
Average Ship count	
Today / FY16 / FY20	
Total:	279 / 282 / 304
Deployed:	99 / 103 / 115

Personnel	
Sailors deployed afloat	34,731
Sailors forward deployed	29,696
Marines deployed afloat	6,400
Marines forward deployed	26,962
as of 22 Jan 2015	

# Executing the Strategy – Operational Trends

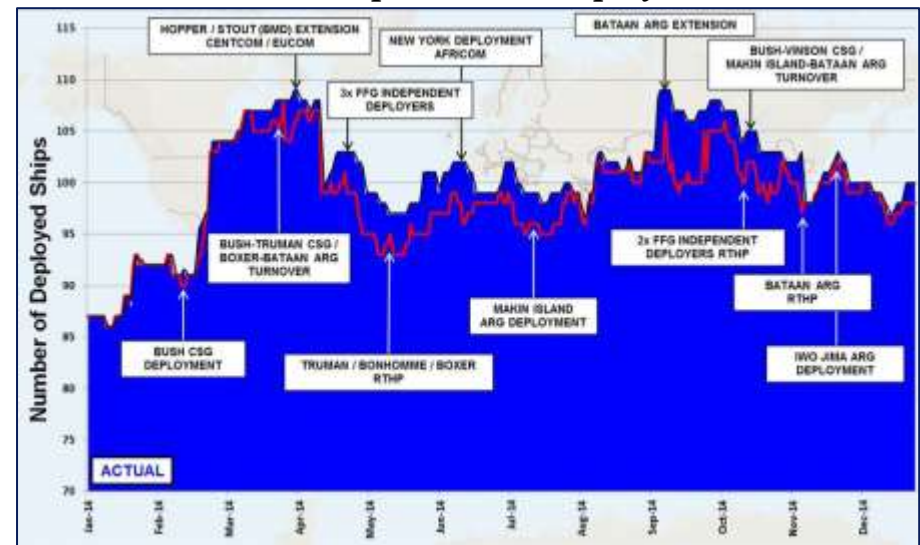


**CY 13 – Operational Employment**



Planned Deployed Ships \*

**CY 14 – Operational Employment**

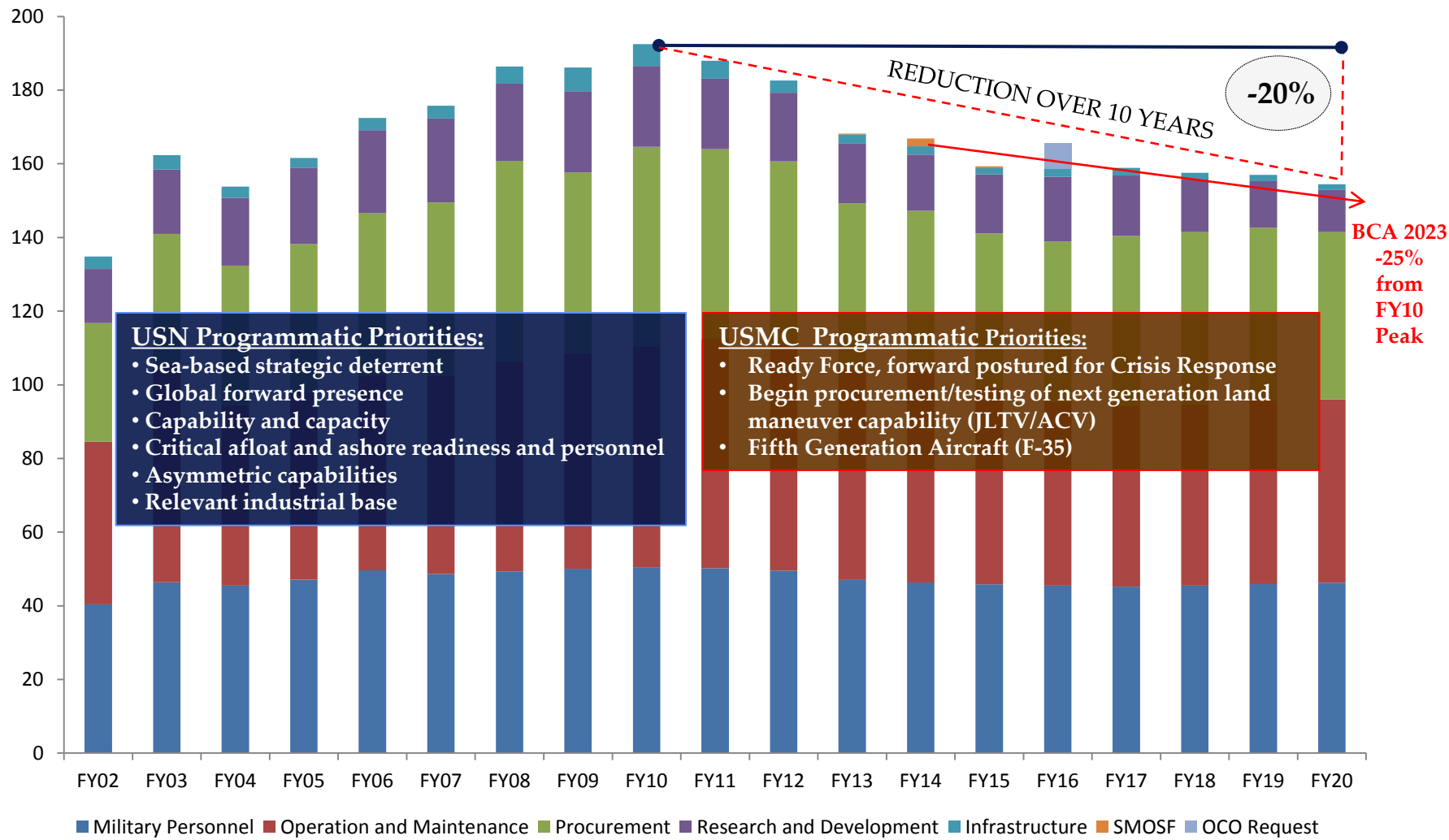


Planned Deployed Ships \*

\*Planned deployments historically address 45% of adjudicated COCOM demand

# Executing the Strategy – Resources

## Department of the Navy Topline FY 2002-2020 (CY 2015)

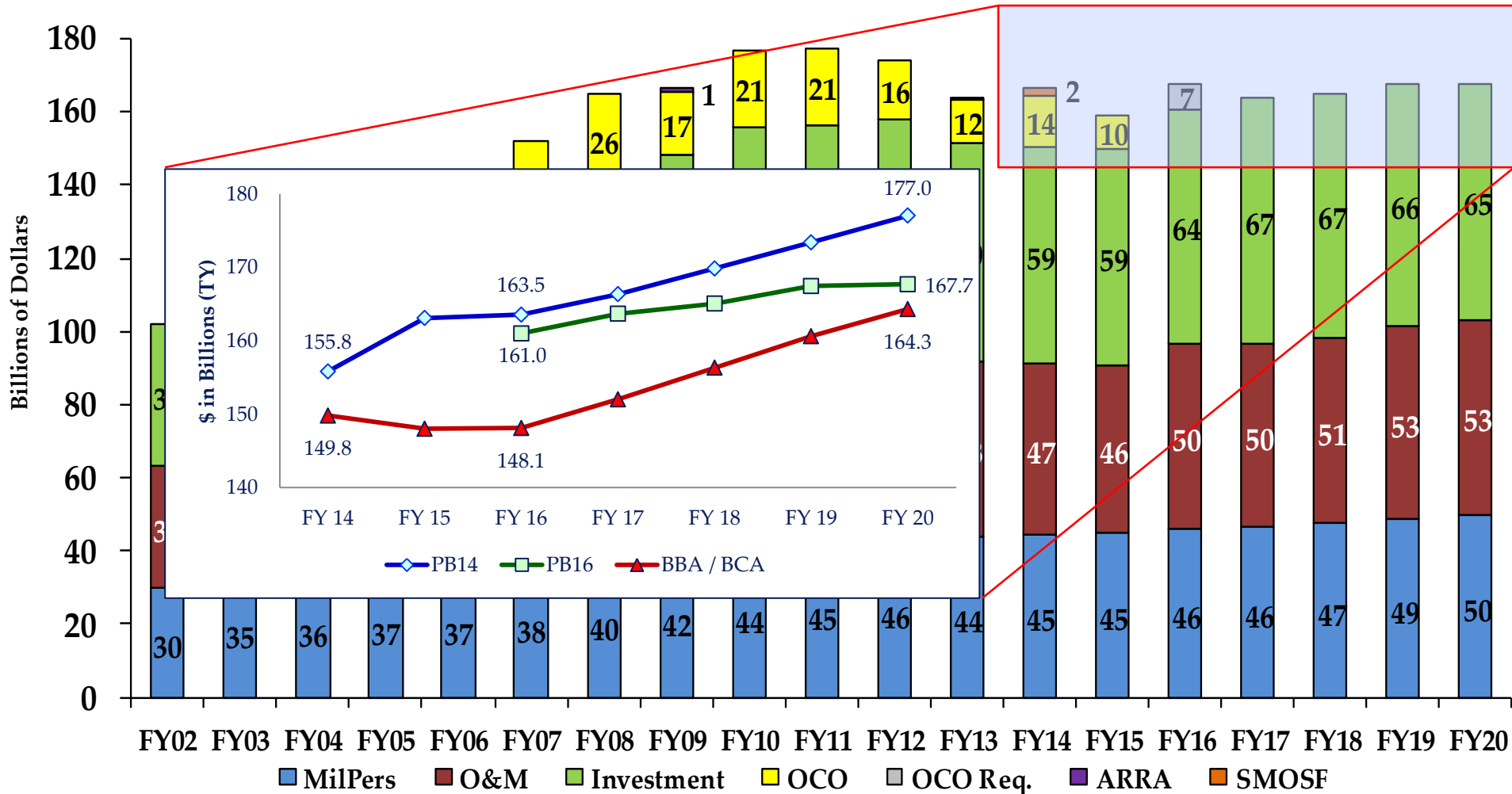


*PB16: Challenging Fiscal Context; Dynamic Security Context*

# Executing the Strategy – Resources

## Department of the Navy Topline FY 2002-2020 (TY)

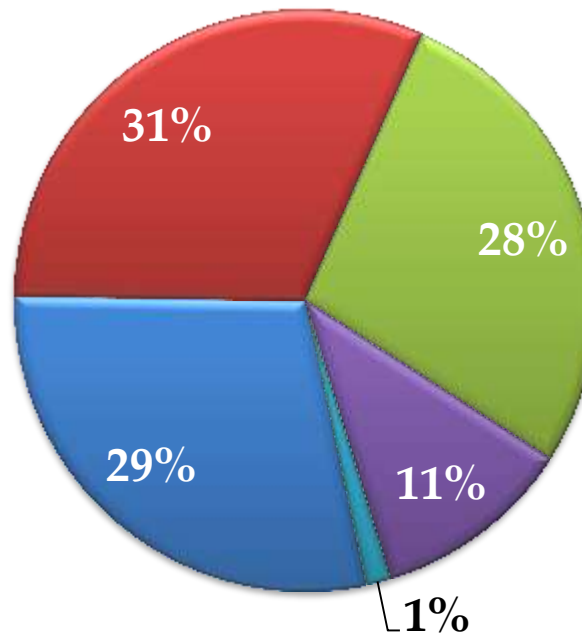
	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Total Funding (TY)	\$101.7	\$126.3	\$123.5	\$133.6	\$144.3	\$151.6	\$164.9	\$166.8	\$177.1	\$176.8	\$174.6	\$163.1	\$164.4	\$159.3	168.0				
Baseline Funding (TY)	\$101.7	\$116.8	\$118.4	\$120.9	\$127.9	\$127.2	\$139.2	\$148.1	\$156.1	\$156.1	\$158.3	\$151.6	\$150.2	\$149.7	\$161.0	\$163.7	\$165.0	\$167.4	\$167.7



# Summary by Appropriation Group

## FY 2016 DoN Base Budget

**FY16: \$161.0B**



**Procurement: \$44.4B**

Ships	\$16.6
Aircraft	\$16.1
Weapons	\$3.2
Marine Corps	\$1.1
Ammunition	\$0.8
Other Navy Procurement	\$6.6

● Navy: 31% ● Marine Corps: 6%

**R&D: \$17.9B**

Basic Research	\$0.6
Applied Research	\$0.9
Advance Tech Dev	\$0.7
Adv Component Dev	\$5.0
System Dev & Demo	\$6.3
Management Support	\$1.0
Ops Systems Dev	\$3.4

● Navy: 13% ● Marine Corps: 3%

**Infrastructure: \$2.2B**

MILCON	\$1.7
BRAC	\$0.2
Family Housing	\$0.3

● Navy: 1% ● Marine Corps: 3%

**O&M: \$50.4B**

Ship Ops & Maint	\$12.6
Aviation Ops & Maint	\$8.8
Base Ops & Support	\$7.6
Marine Corps O&M	\$6.2
Combat/Weapons Support	\$5.6
Service Wide Support	\$4.9
Training and Education	\$1.8
Reserve O&M	\$1.3
Environmental Restoration	\$0.3
Mobilization	\$1.3

● Navy: 32% ● Marine Corps: 27%

**MilPers: \$46.0B**

Basic Pays	\$19.2
Housing Allowance	\$7.7
Retired Pay Accrual	\$6.0
Health Accrual	\$2.0
Reserve Personnel	\$2.6
Subsistence	\$2.3
Allowances	\$1.2
Special Pays	\$1.6
Other	\$3.4

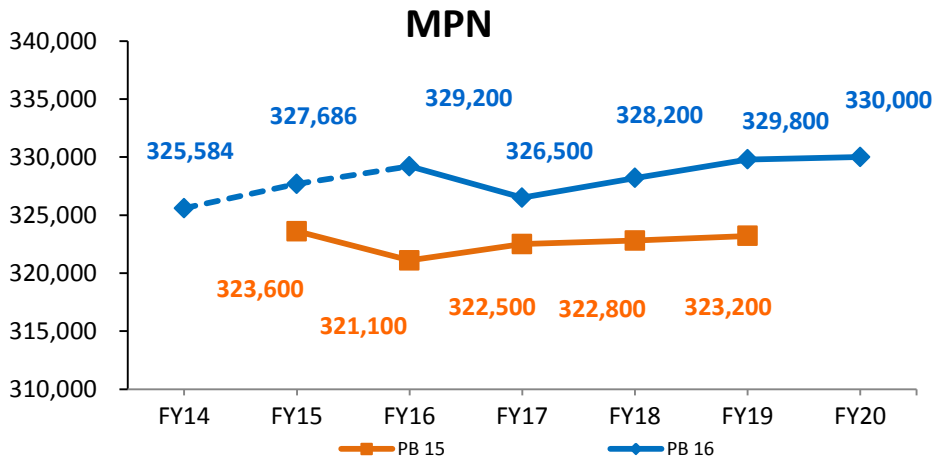
● Navy: 23% ● Marine Corps: 61%

# Military Personnel

## Navy Personnel Strength

*Aligns with force structure decisions:*

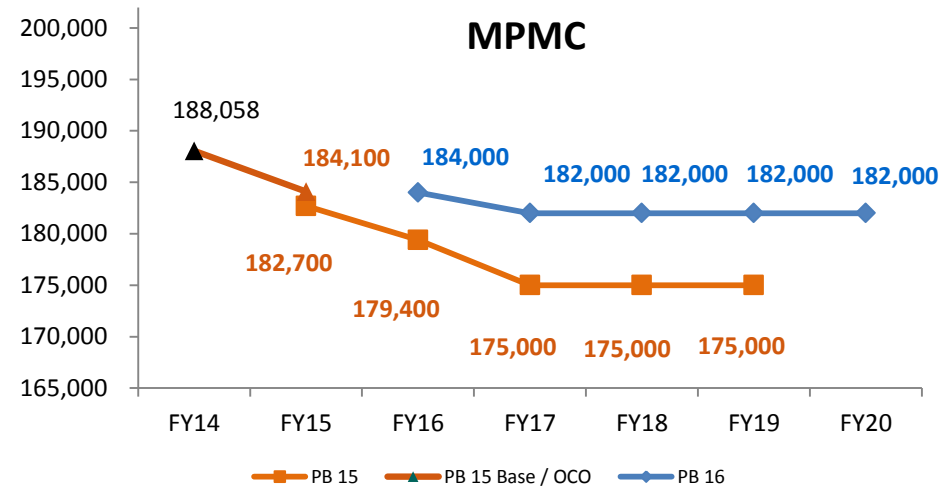
- FY16 Active end strength 329.2K
  - Fit / Fill funded at 92% / 95%
- Restores 1 CVN, 1 CVW; stands up a CVN MH-60R squadron
- Supports CG/LSD Mod Plan; funds FY16 E/S for 9 CGs
- FY16 Reserve end strength 57.4K



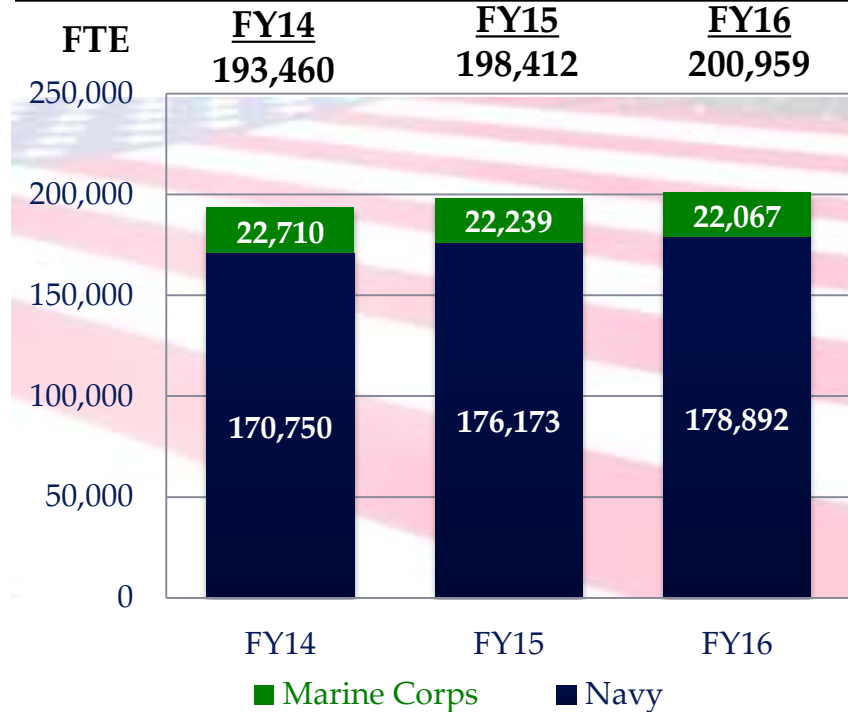
## Marine Corps Personnel Strength

*Focused on forward presence and crisis response:*

- FY16 Active end strength 184K
- Supports 1:2 deployment-to-dwell
  - Agile and ready today
- FY16 Reserve end strength 38.9K

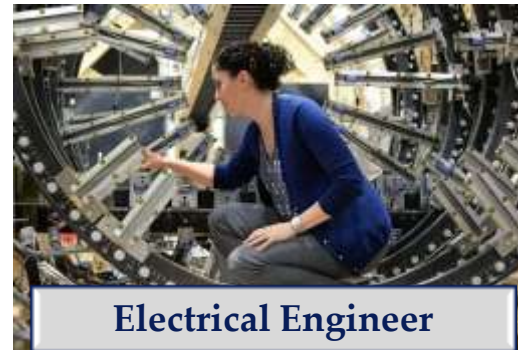


# Civilian Personnel



## Highlights

- Ship and Aviation Maintenance: Focused growth in shipyard and aviation depot manning to address maintenance backlogs.
- Nuclear Enterprise Review: Additional FTE for strategic weapons facilities and oversight.
- Headquarters: Continue to streamline over the FYDP.
- Overall FYDP: Decline of 2,517 FTE



Electrical Engineer



Shipyard Workers

FYDP FTE\* Profile: FY16 200,959 FY17 201,989 FY18 200,241 FY19 198,827 FY20 198,442  
 \*FTE=Full Time Equivalent

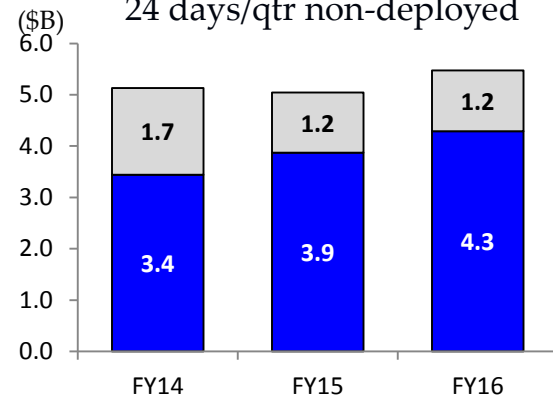
	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
<b>Total – Department of the Navy</b>	193,460	198,412	200,959
<b>By Appropriation/Fund</b>			
Operation and Maintenance	113,200	116,898	119,282
Other (FHOPS/RDTEN)	1,451	1,699	1,737
Working Capital Funds	78,809	79,815	79,940

# Readiness

## Ship Operations

58 days/qtr deployed

24 days/qtr non-deployed

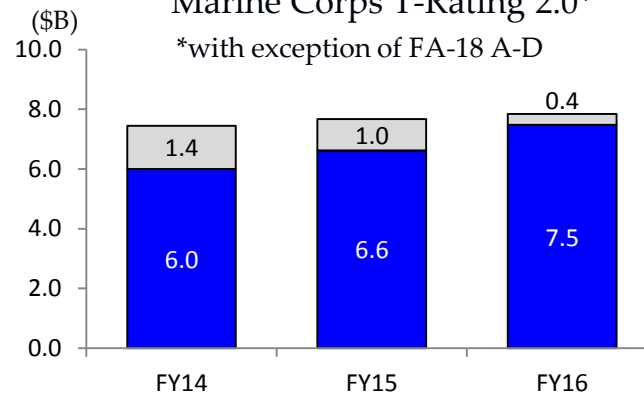


## Flying Hour Operations

Navy T-Rating 2.5\*

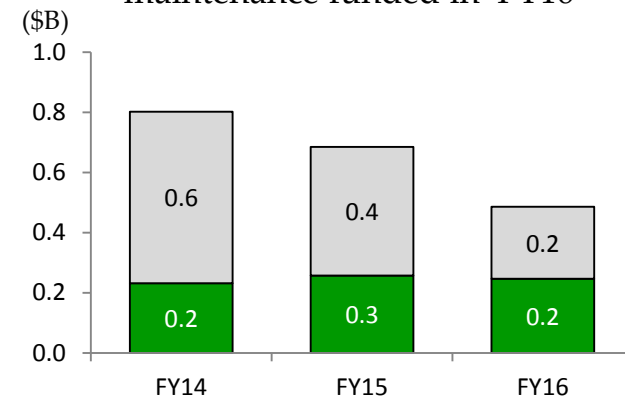
Marine Corps T-Rating 2.0\*

\*with exception of FA-18 A-D



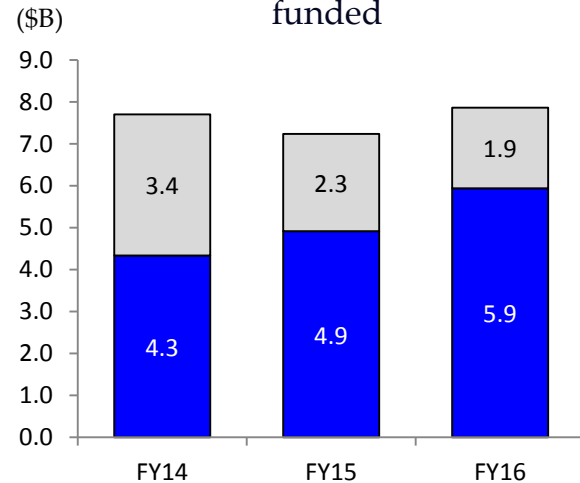
## Marine Corps Ground Equip

91% of projected maintenance funded in FY16



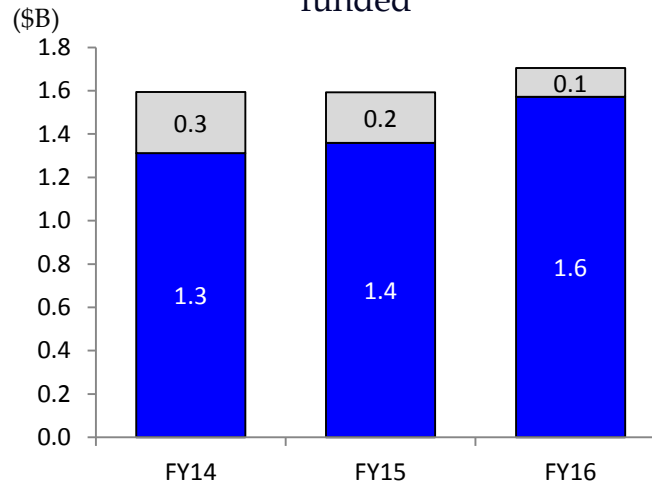
## Ship Depot Maintenance

100% of projected maintenance funded



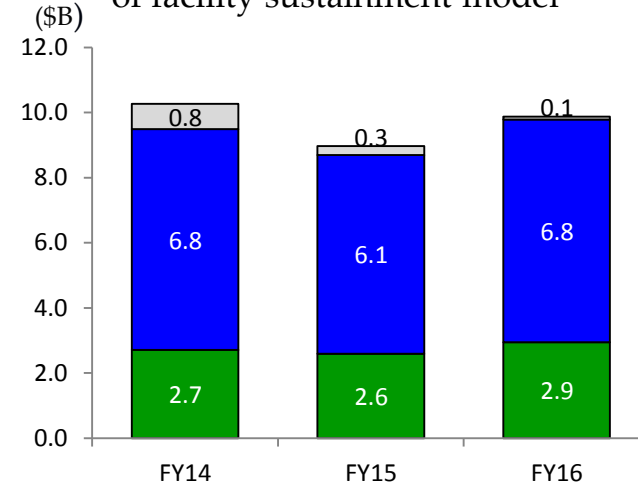
## Aircraft Depot Maint/Logistics

83% of projected maintenance funded



## Facilities Support

Navy 84%/USMC 81% of facility sustainment model



# Shipbuilding Procurement

	FY15	FY16	FY17	FY18	FY19	FY20	FYDP
Ohio Replacement Program	0	0	AP	AP	AP	AP	0
CVN 78	0	0	0	1	0	0	1
SSN 774	2	2	2	2	2	2	10
DDG 51	2	2	2	2	2	2	10
LCS	3	3	3	3	2	3	14
LHA(R)	0	0	1	0	0	0	1
LX(R)	0	0	0	0	0	1	1
LPD 17	0	1	0	0	0	0	1
AFSB	0	0	1	0	0	0	1
JHSV	1	0	0	0	0	0	0
T-AO(X)	0	1	0	1	1	1	4
T-ATF(X)/T-ARS(X)/T-ATS(X)	0	0	1	1	2	1	5
New Construction Total QTY	8	9	10	10	9	10	48
LCAC SLEP	2	4	4	0	0	0	8
Ship-to-Shore Connector	3	5	5	9	10	9	38
SC(X) (R) (LCU Replacement)	0	0	0	1	3	3	7
Moored Training Ships	1	0	1	0	0	0	1
CVN RCOH	0	1	0	0	0	1	2
Other Construction Total QTY	6	10	10	10	13	13	56
Total Shipbuilding QTY	14	19	20	20	22	23	104

FY15 enacted includes Congressional adds for LPD 17 and one JHSV, as well as transfer of one SSC from RDT&E,N.

SSN 784



DDG 51



Black Sea

LPD 17

Orion Recovery



RIMPAC 2014



LCS – (Independence Variant)

Air Asia Search



LCS – (Freedom Variant)

# Aircraft Procurement

**F-35B (STOVL)**



**MH-60R**



**MV-22**



**CH-53K Stallion**



**AH-1Z**



**MQ-8C Fire Scout**



**P-8A**



	FY15	FY16	FY17	FY18	FY19	FY20	FYDP
<b>Fixed Wing</b>							
EA-18G	15	0	0	0	0	0	0
F-35B (STOVL)	6	9	14	20	20	20	83
F-35C (CV)	4	4	4	8	10	12	38
E-2D AHE	5	5	6	5	4	4	24
P-8A (MMA)	9	16	12	12	7	0	47
KC-130J (USMC)	1	2	2	2	2	2	10
<b>Rotary Wing</b>							
AH-1Z/UH-1Y	28	28	27	27	27	0	109
CH-53K (HLR)	0	0	2	4	7	13	26
VH-92A	0	0	0	0	6	6	12
MV-22B*	19	19	18	8	8	8	61
MH-60R	29	29	0	0	0	0	29
MH-60S	8	0	0	0	0	0	0
<b>UAV</b>							
MQ-8C Fire Scout	5	2	2	2	2	2	10
RQ-21A							
Blackjack**	6	7	4	4	5	5	25
MQ-4 Triton	0	3	3	4	4	4	18
<b>TOTAL</b>							
	135	124	94	96	102	76	492
*FY 2018- 2020 MV-22 are for the Navy.							
**FY16 includes OCO request for 3 RQ-21A systems.							

# Weapons Procurement

## TACTOM



## SM 6



	FY15	FY16	FY17	FY18	FY19	FY20	FYDP
<b>Ship Weapons</b>							
TACTOM	243	100	0	0	0	0	100
SM6	110	113	125	125	125	125	613
RAM	90	90	90	90	90	90	450
ESSM	104	30	96	125	94	94	439
MK 48 HWT	0	8	19	31	40	47	145
MK 48 HWT MODS	44	81	30	75	76	76	338
MK 54 LWT MODS	100	140	192	172	167	167	838
LCS SSMM	0	0	24	120	168	157	469
<b>Aircraft Weapons</b>							
AIM-9X	167	227	221	227	153	152	980
AMRAAM	0	167	154	233	238	233	1,025
JSOW C	200	0	0	0	0	0	0
AARGM	116	138	296	356	436	346	1,572
LRASM	0	0	10	25	25	28	88
JAGM	0	0	96	104	110	110	420
SOPGM	54	27	24	24	24	24	123
Maverick*	134	30	0	0	0	0	30
SDB II	0	0	0	90	750	750	1,590

\* Includes OCO funding for 30 Laser Maverick weapons in FY 2016.

## AARGM



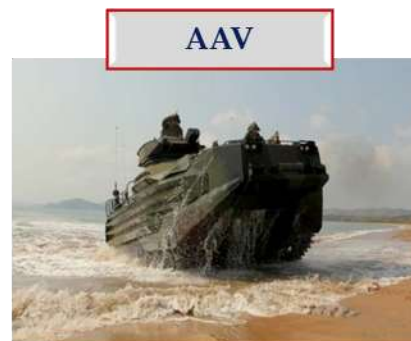
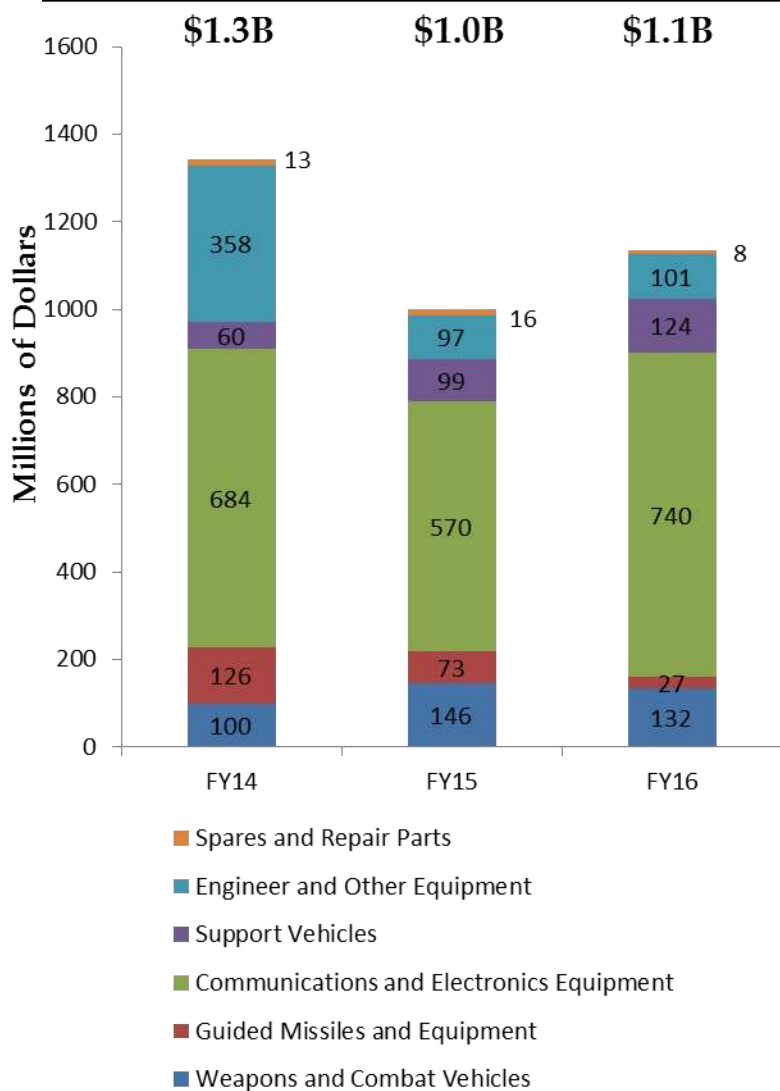
## AMRAAM



## AIM-9X

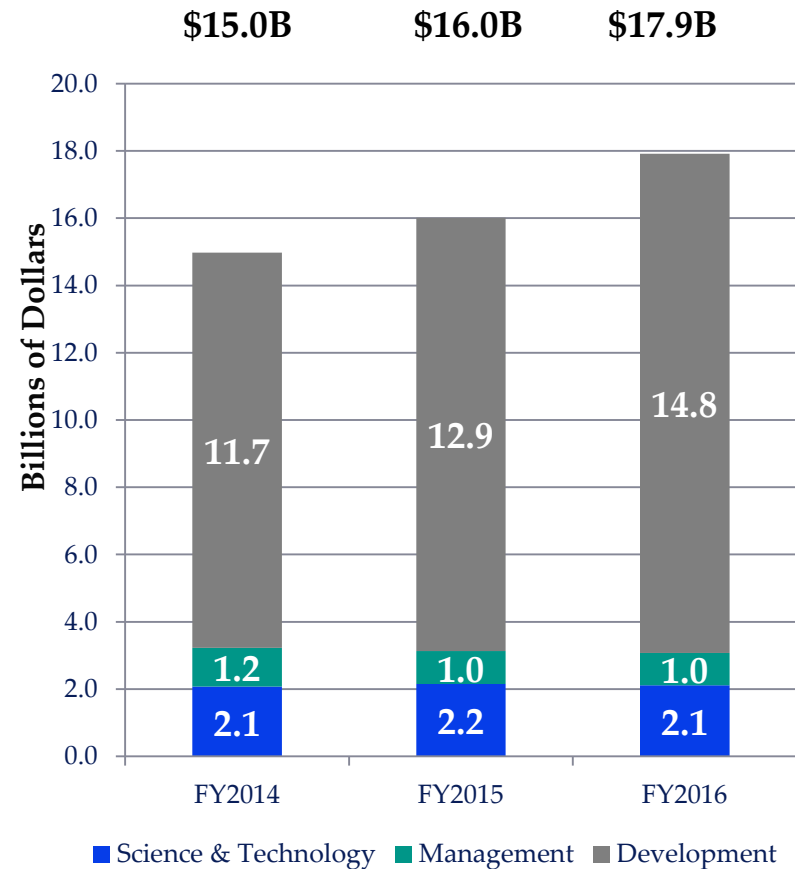


# Marine Corps Procurement

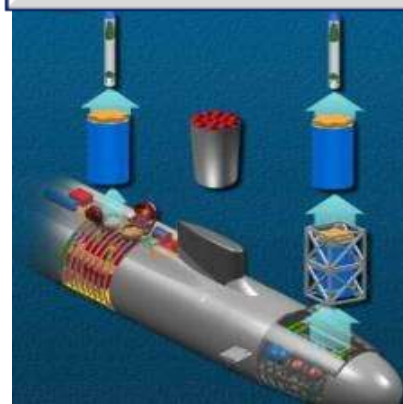


Major Combat Systems (\$M)	FY14	FY15	FY16
<b>Weapons and Combat Vehicles</b>			
AAV PIP	32	15	27
Mod Kits (Armor/Weapons)	38	24	15
HIMARS	6	19	17
LAV PIP	6	73	55
<b>Guided Missiles &amp; Equipment</b>			
Ground Base Air Defense (GBAD)	19	30	8
JAVELIN	65	17	1
Mod Kits (Missiles/Equipment)	41	19	12
<b>Communications &amp; Electrical Equipment</b>			
Common Computer Resources	106	32	43
NGEN	0	2	67
Radio Systems	68	64	81
Command Switch & Control	54	67	66
Command & Elect Infrastructure	19	38	79
Radar Systems	103	17	35
G/ATOR	0	89	131
Intelligence Support Equipment	71	40	30
<b>Support Vehicles</b>			
Commerical Cargo Vehicles	32	11	23
HMMWV	1	57	0
JLTV	0	8	79
Motor Transport Mods	3	1	8
<b>Engineers &amp; Other Equipment</b>			
Tactical Fuel Systems	22	4	0
Power Equipment Assorted	74	9	15
Material Handling Equipment	36	15	0
EOD Systems	82	18	10

# R&D Investment



Virginia Payload Module



F-35C

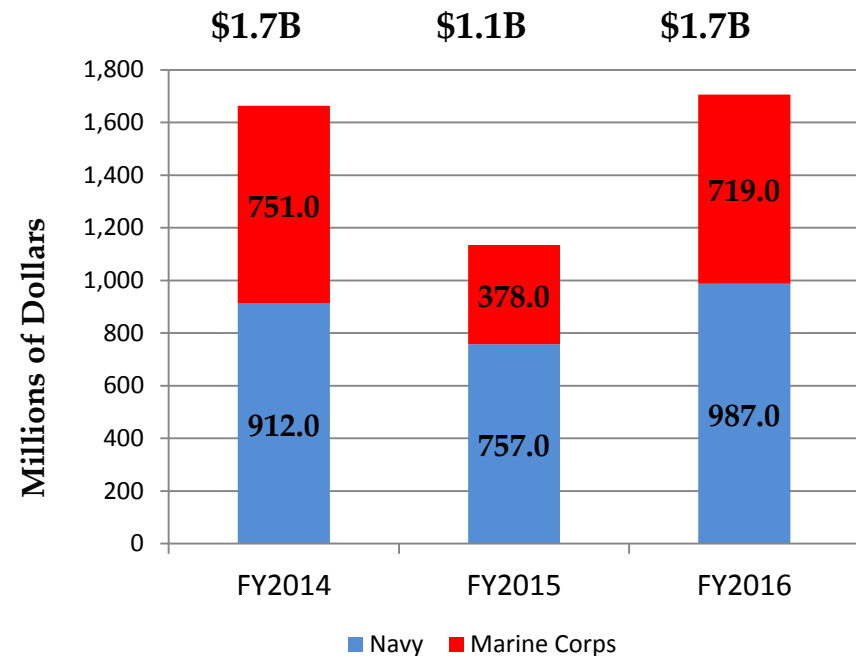


ACV



Major Systems (\$M)	FY14	FY15	FY16
<b>Shipbuilding</b>			
Ohio Replacement Program	1,056	1,223	1,391
Virginia Class SSN	115	206	283
AMDR	113	130	242
CVN 78	218	232	184
Surface Ship Torpedo Defense	83	51	77
LCS / Small Surface Combatant	161	87	110
<b>Aviation</b>			
Joint Strike Fighter (F-35)	835	1,022	1,149
CH-53K	448	560	632
Executive Helo Development	93	368	507
<b>Unmanned</b>			
MQ-4C Triton	375	451	227
UCLASS	115	403	135
MQ-8	42	43	53
<b>USMC</b>			
Amphibious Combat Vehicle	35	106	219
G/ATOR	74	99	80
<b>Other</b>			
Railgun	126	113	111
Energy	246	252	231
Cyber (ORT/TFCA only)	0	3	55

# Military Construction & Family Housing

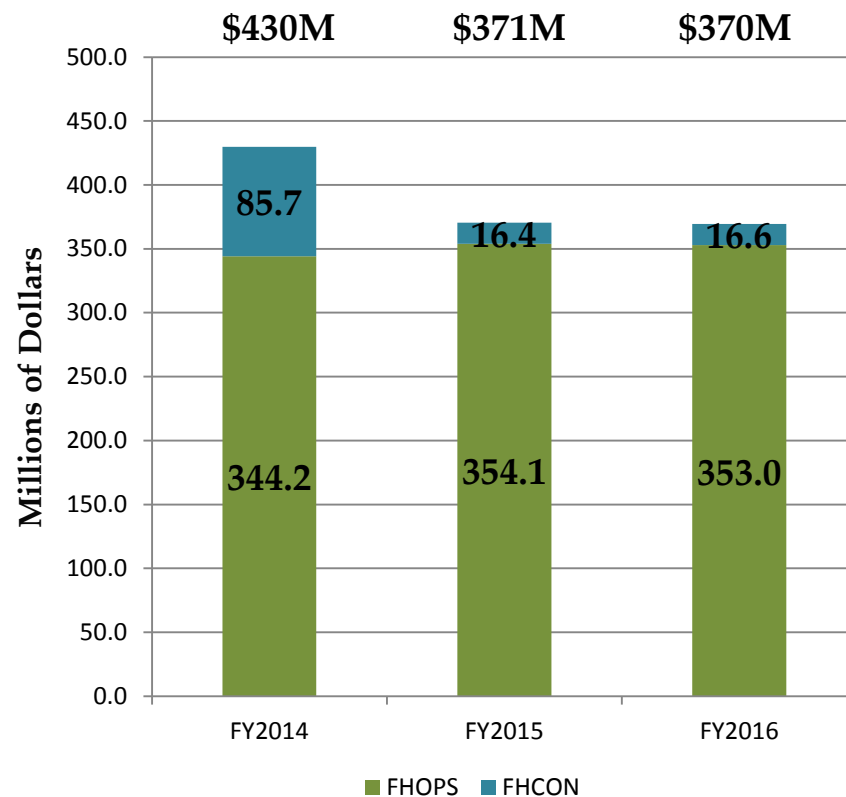


P-8A Training Center,  
Jacksonville



Camp Pendleton  
Solar Panels

Major Categories		\$ in Millions	# of Projects
QOL		141.2	4
F-35		67.7	2
P-8A		83.2	3
Guam		125.7	1
Replace aging utilities - energy resilience		160.3	8
CENTCOM Support - Bahrain		89.8	2
Communications Center		75.3	1
Aegis Ashore Missile Defense - Poland		51.3	1



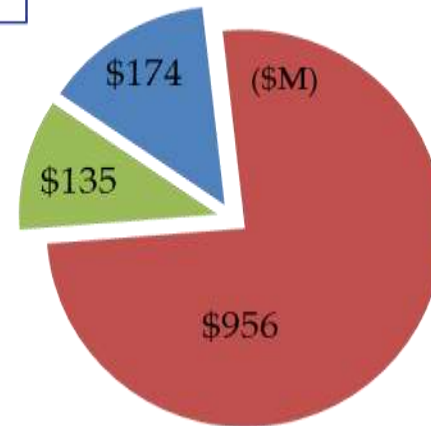
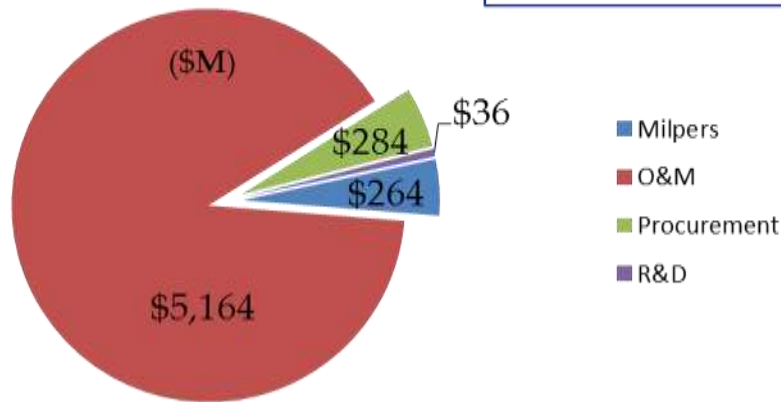
Numbers may not add due to rounding

# Overseas Contingency Operations (OCO)

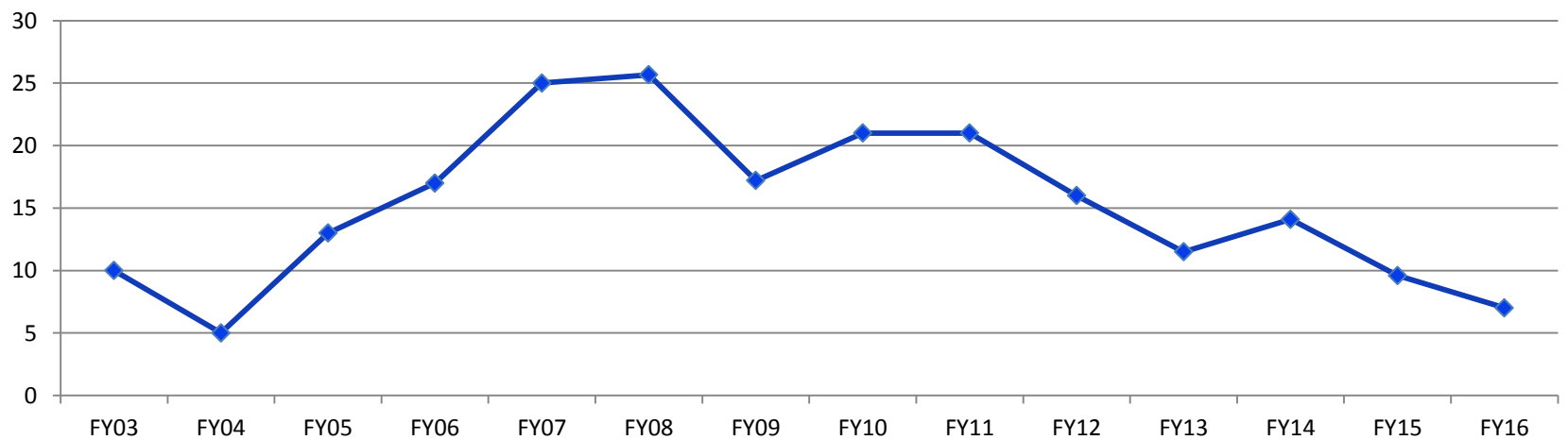
Navy: \$5.7B

FY 2016 Request  
\$7.0B

USMC: \$1.3B



Department of the Navy OCO (\$B)



# Balancing

## Focused Investment

- Capacity; Capability; Readiness
- Quality of Service
- Nuclear Enterprise Review
- Cyber Capabilities
- Audit Readiness

## Hard Choices

- High-end aviation
- Weapons procurement
- Facilities sustainment

## Innovation and Reform

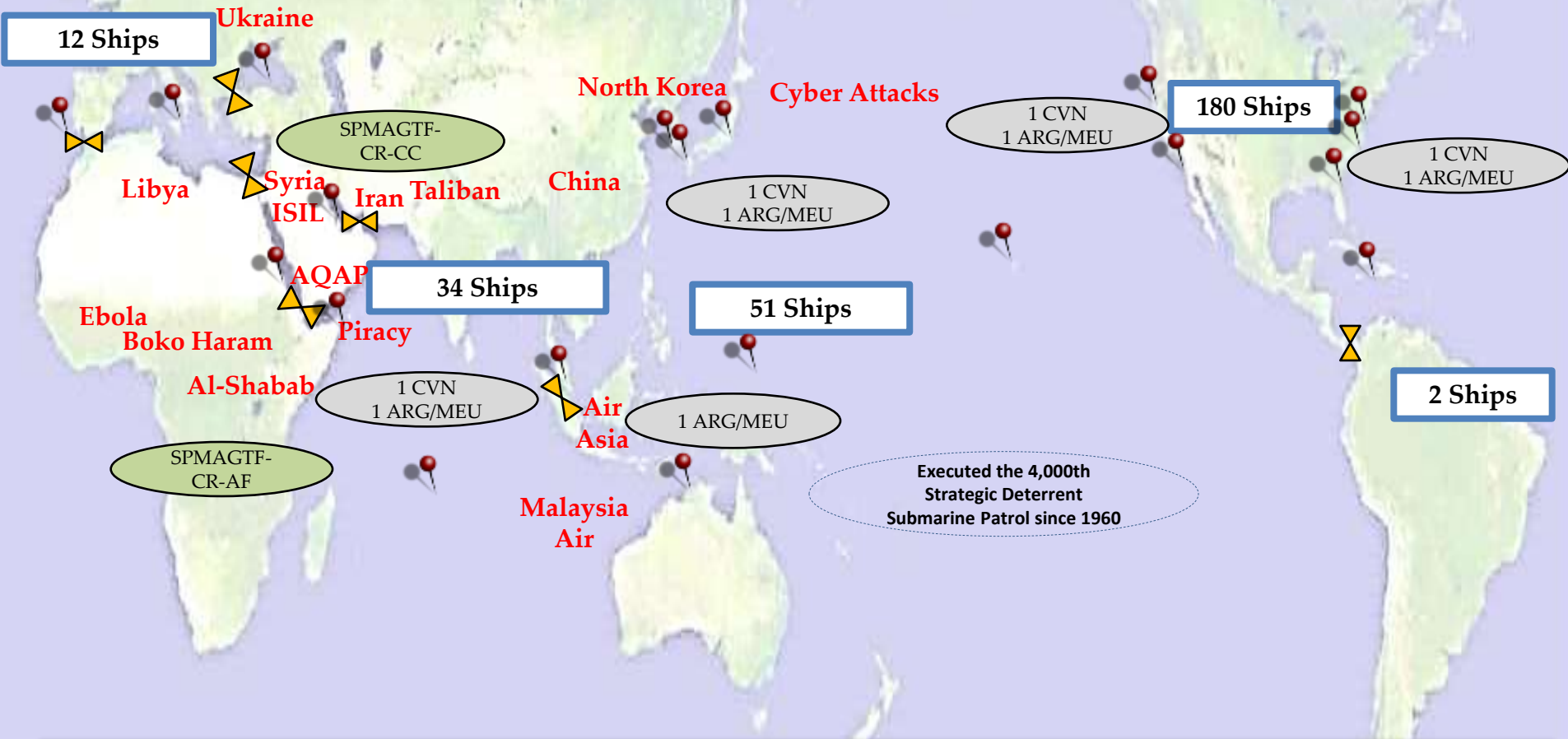
- Optimized Fleet Response Plan
- Crisis Response - SPMAGTF
- Energy security and resiliency
- Innovation Task Force
- Headquarters Reductions
- Pay and Compensation



# Where it Matters, When it Matters

## Global Challenges

Violent Extremists - Rising Peer Competitors - WMD Proliferation  
Cyber - Security of the Global Commons - Natural Disasters



America's Naval Forces – First Responders to Complex World Events

# For more Information

Fully searchable justification material available at:  
<http://www.finance.hq.navy.mil/fmb/PB/BOOKS.htm>



DoN TMO-C Page

**DEPARTMENT OF THE NAVY SUMMARY**

- FY16 Budget Press Brief
- FY16 Budget Overview
- FY16 Budget Card
- FY16 Data Book
- Budget Highlights Book
- Supporting Exhibits
- The Bottom Line
- External Defense Links

**MILITARY PERSONNEL PROGRAMS**

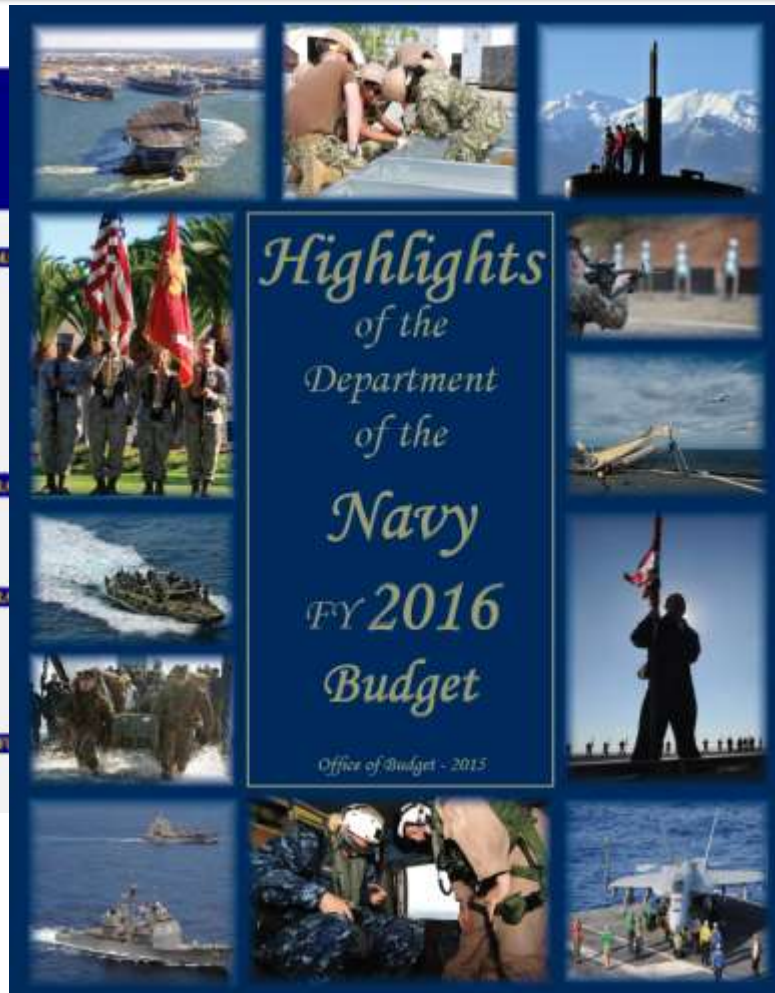
- Military Personnel, Navy
- Military Personnel, Marine Corps
- Reserve Personnel, Navy
- Reserve Personnel, Marine Corps

**OPERATION & MAINTENANCE PROGRAMS**

- Operation & Maintenance, Navy
- Operation & Maintenance, Navy Databook
- Operation & Maintenance, Marine Corps
- Operation & Maintenance, Marine Corps Databook
- Operation & Maintenance, Navy Reserve
- Operation & Maintenance, Marine Corps Reserve

**NAVY WORKING CAPITAL FUNDS**

- Navy Working Capital Fund



2016 [Contact Webmaster](#)

**PROCUREMENT PROGRAMS**

- Aircraft Procurement, Navy
- Weapons Procurement, Navy
- Shipbuilding and Conversion, Navy
- Other Procurement, Navy
- Procurement Marine Corps
- Procurement of Ammunition, Navy and Marine Corps
- National Defense Sealift Fund

**CONSTRUCTION PROGRAMS**

- Base Closure & Realignment, IV & V
- Military Construction & Family Housing Programs
- Military Construction, Navy & Marine Corps Reserve Programs

**RESEARCH & DEVELOPMENT PROGRAM**

- Research & Development, Navy (BA 1 - 3)
- Research & Development, Navy (BA 4)
- Research & Development, Navy (BA 5)
- Research & Development, Navy (BA 6)
- Research & Development, Navy (BA 7)

**OVERSEAS CONTINGENCY OPERATIONS**

- FY 2014 Overseas Contingency Operations Request

