



DEPARTMENT OF THE NAVY FY 2018 PRESIDENT'S BUDGET

May 23, 2017

Guidance

Evolving and Existing

Operational Context

Challenges

Today and beyond

Resourcing to Support

Guidance – Evolving and Existing



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

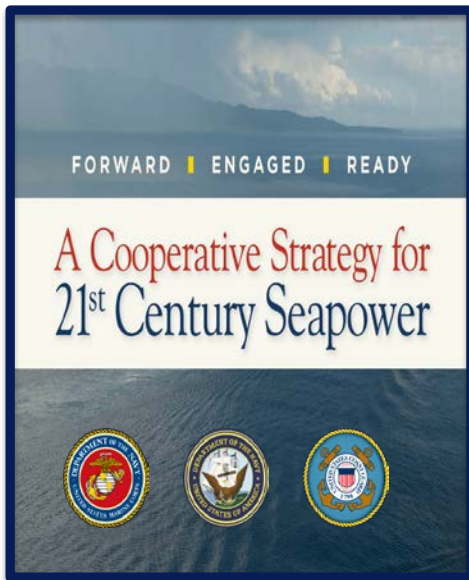
- Provide a stabilizing presence across the globe
- Conduct stability and counterinsurgency operations
- Conduct humanitarian, disaster relief and other operations

Project Power and Win Decisively

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

Naval Strategic Guidance

- **Strengthen naval power**
 - Deter aggression and, if deterrence fails, fight and win our Nation's wars.
- **Sustain forward presence**
 - Project power into critical regions quickly; reassure allies and partners; deter aggressors; and respond to crises rapidly.
- **Emphasize alliances and partnerships**
 - Expand our extensive network of alliances, partnerships, and coalitions for strategic advantage.
- **Assure global access**
 - Thwart efforts to lock U.S. out of important regions; and enable freedom of action in all domains (sea, air, land, space, cyberspace, EM spectrum).
- **Rebalance to Indo-Asia-Pacific**
 - Align naval posture to support the increasing importance of the region to our economic and security interests.
- **Build Navy and Marine Corps of the future**
 - Maintain combat readiness and improve our warfighting advantages.

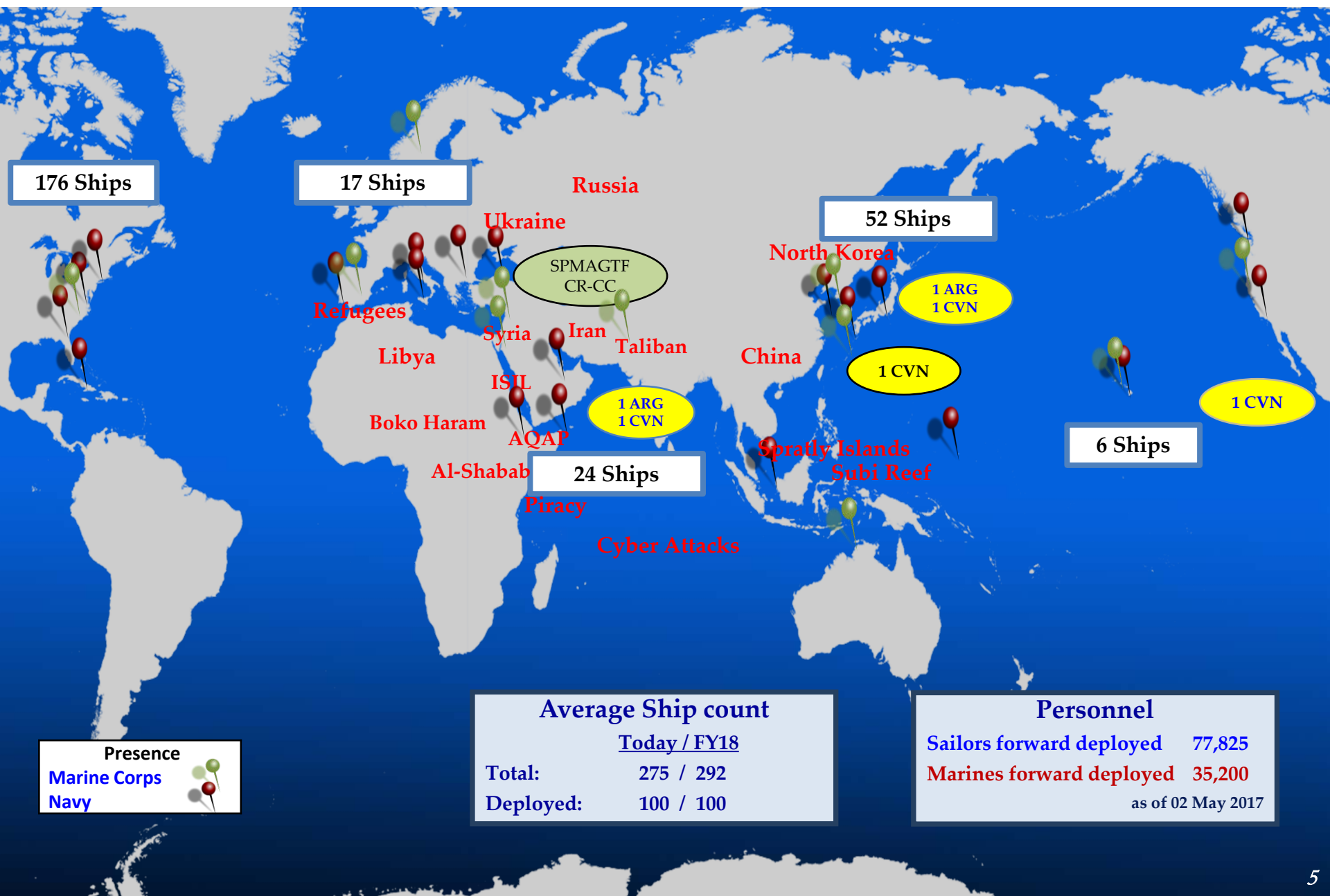


A resource informed strategy

Four Plus One



Executing the Guidance – the Navy and Marine Corps Today



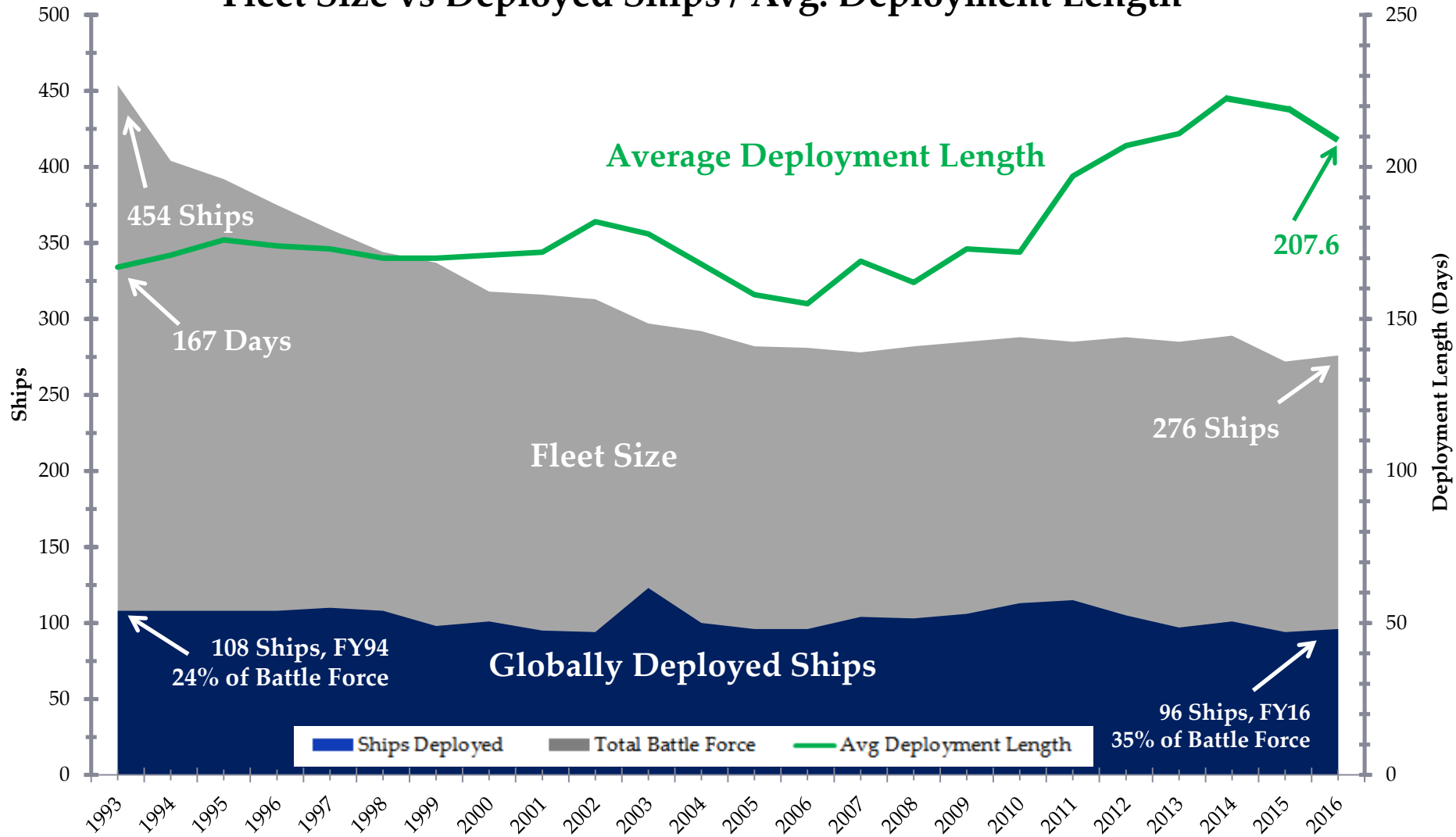
Presence
 Marine Corps 
 Navy 

Average Ship count	
<u>Today / FY18</u>	
Total:	275 / 292
Deployed:	100 / 100

Personnel	
Sailors forward deployed	77,825
Marines forward deployed	35,200
as of 02 May 2017	

Resourcing Calculus

Fleet Size vs Deployed Ships / Avg. Deployment Length



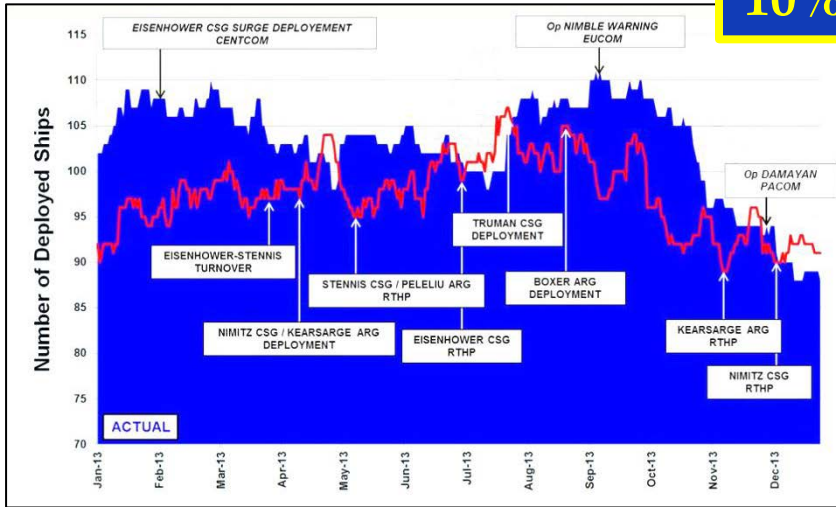
Smaller Fleet – Wearing out Faster

Resource Oversubscription

Ship Operational Trends

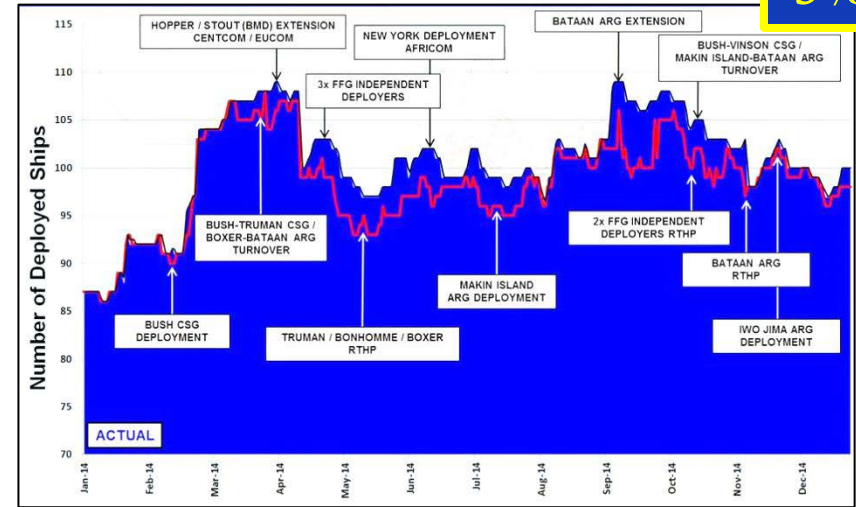
CY 13 – Operational Employment

10%



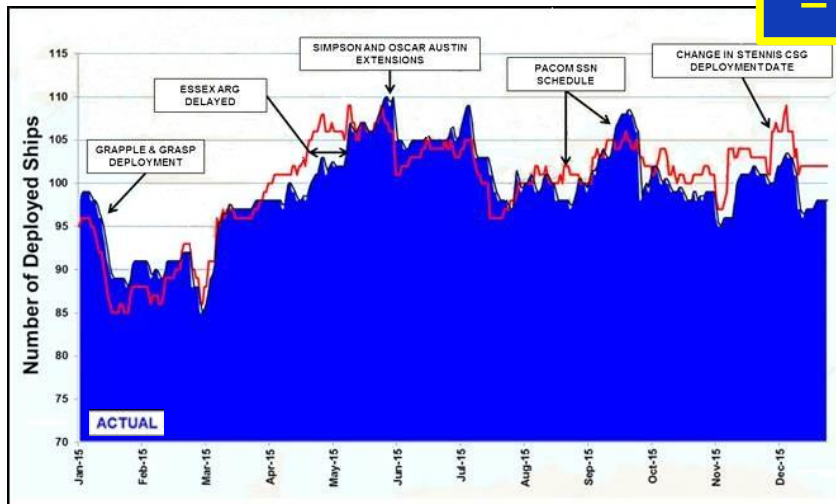
CY 14 – Operational Employment

5%



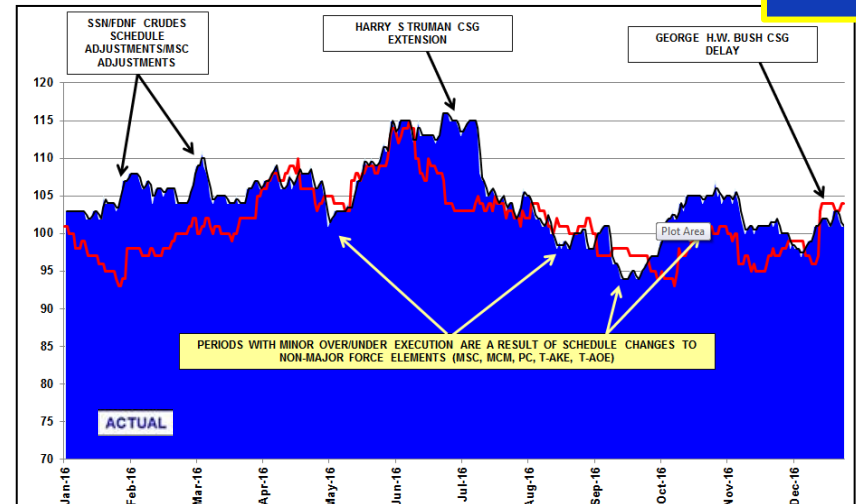
CY 15 – Operational Employment

=



CY 16 – Operational Employment

5%



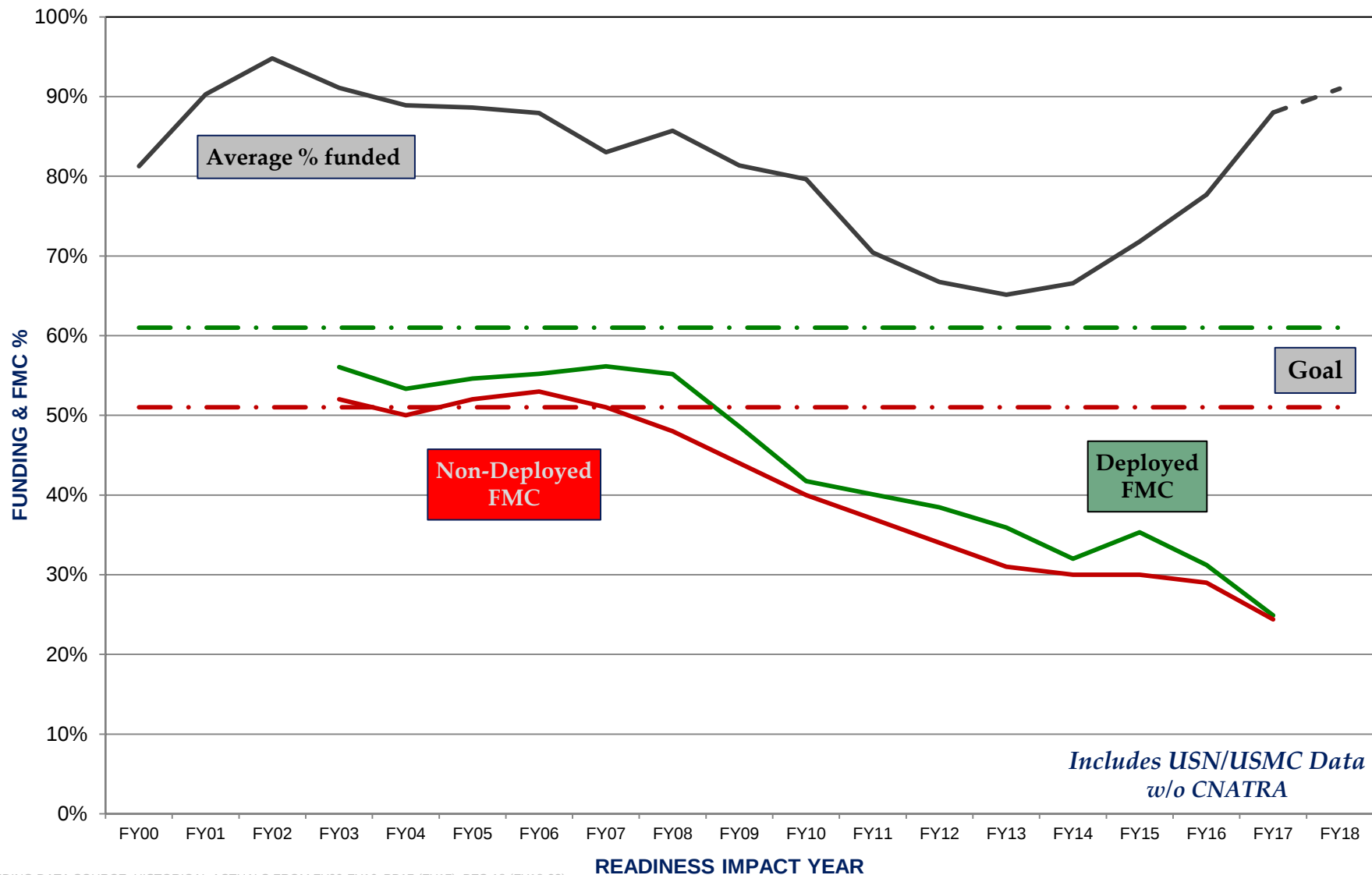
*Planned deployments historically address 45% of COCOM demand

Deployed days at sea

Planned Deployments

Aviation Spares

Impact of reductions to enabling accounts



FUNDING DATA SOURCE: HISTORICAL ACTUALS FROM FY00-FY16; PB17 (FY17); BES-18 (FY18-23)

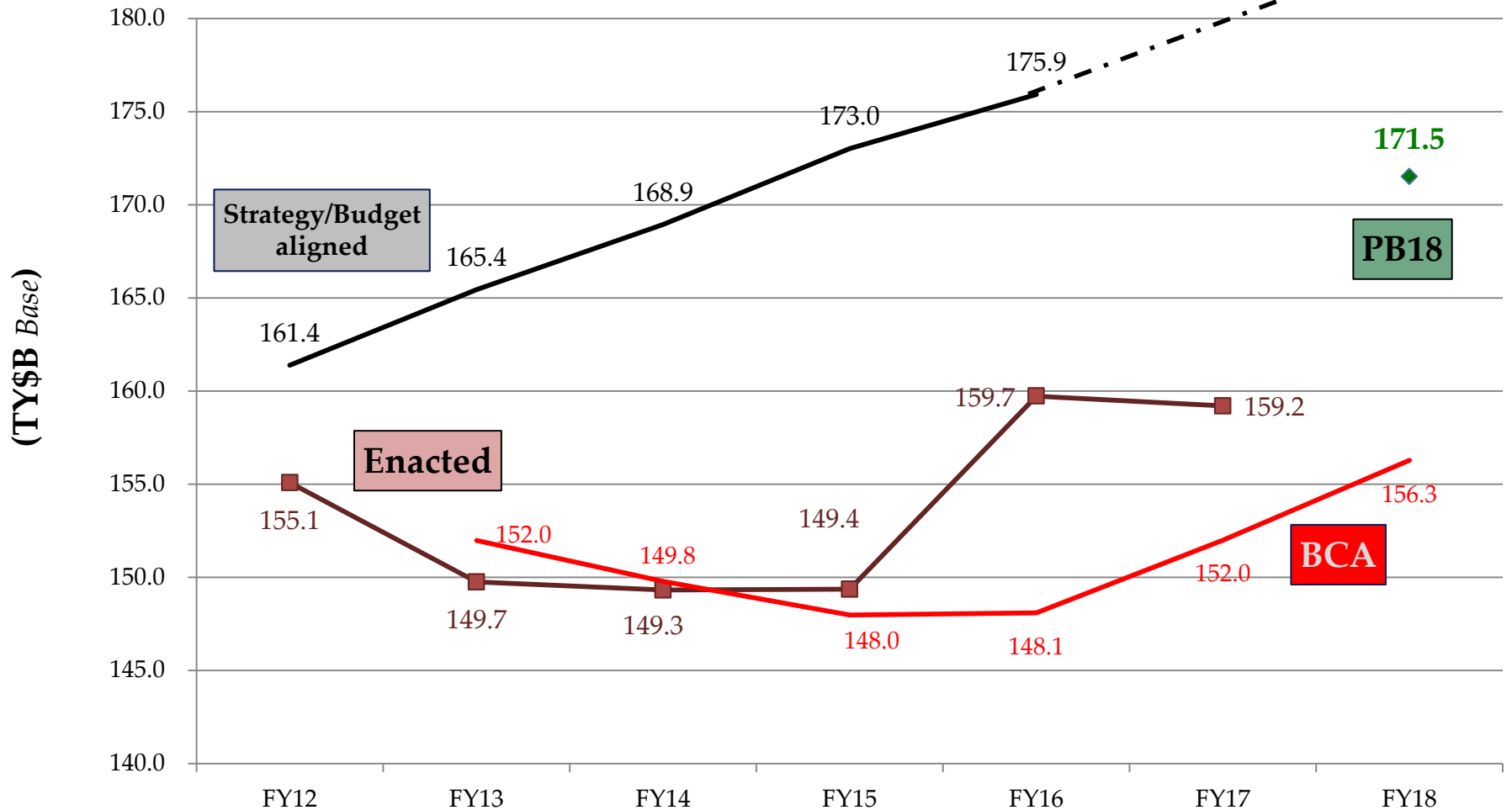
REQMT DATA SOURCE: OPNAV N41 ASSESSED REQUIREMENT (FY00-FY23)

FMC DATA SOURCE: DECKPLATE

AVG % FUNDED LINE REPRESENTS ROLLING 3 YR AVG
(E.G., FY10 = FUNDED (FY08+09+10)/ REQUIREMENT (FY08+09+10))

Budget Environment

TY \$ B	FY12	FY13	FY14	FY15	FY16	FY17	FY18
OCO Funding	16.4	11.5	14.2	10.3	9.4	11.1	8.5
						3.3 RAA	
						14.4	



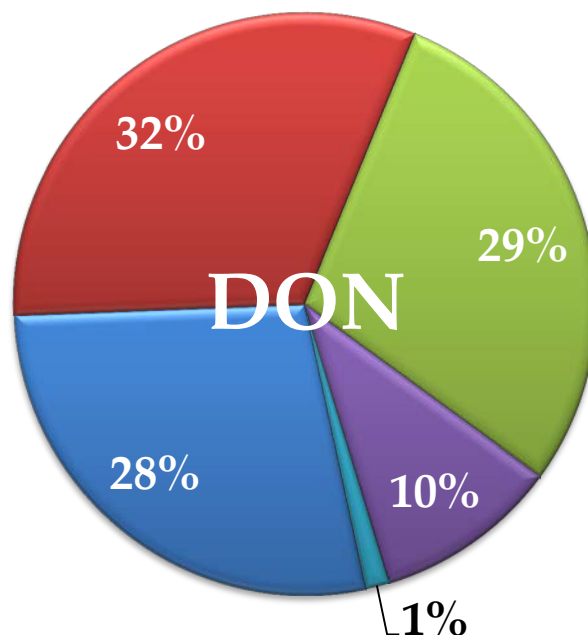
SECDEF Budget Guidance

- **Improve Warfighting Readiness** – FY17
 - o Currently being addressed
- **Achieve Program Balance by Addressing Pressing Shortfalls** – PB18
 - o Conduct an accelerated budget review
 - o Rebuild readiness, and fill holes
- **Build Capacity and Improve Lethality** - PB19
 - o Development of a new force size construct
 - o Enhance the force against high end competitors and emerging threats
 - o Ambitious reform agenda to take advantage of effectiveness and efficiencies

Summary by Appropriation Group

FY 2018 DON Base Budget

FY18: \$171.5B



Procurement: \$49.5B

Ships	\$19.9
Aircraft	\$15.1
Weapons	\$3.4
Marine Corps	\$2.1
Ammunition	\$0.8
Other Navy Procurement	\$8.3

● Navy: 32% ● Marine Corps: 9%

O&M: \$54.6B

Ship Ops & Maint	\$14.4
Aviation Ops & Maint	\$10.2
Base Ops & Support	\$7.2
Marine Corps O&M	\$7.2
Combat/Weapons Support	\$7.1
Service Wide Support	\$4.0
Training and Education	\$1.9
Reserve O&M	\$1.1
Environmental Restoration	\$0.3
Mobilization	\$1.2

● Navy: 33% ● Marine Corps: 27%

MilPers: \$47.6B

Basic Pays	\$19.8
Housing Allowance	\$8.1
Retired Pay Accrual	\$5.6
Health Accrual	\$2.6
Reserve Personnel	\$2.8
Subsistence	\$2.3
Allowances	\$1.1
Special Pays	\$1.2
Other	\$4.1

● Navy: 22% ● Marine Corps: 57%

Infrastructure: \$2.2B

MILCON	\$1.7
BRAC	\$0.1
Family Housing	\$0.4

● Navy: 1% ● Marine Corps: 3%

R&D: \$17.7B

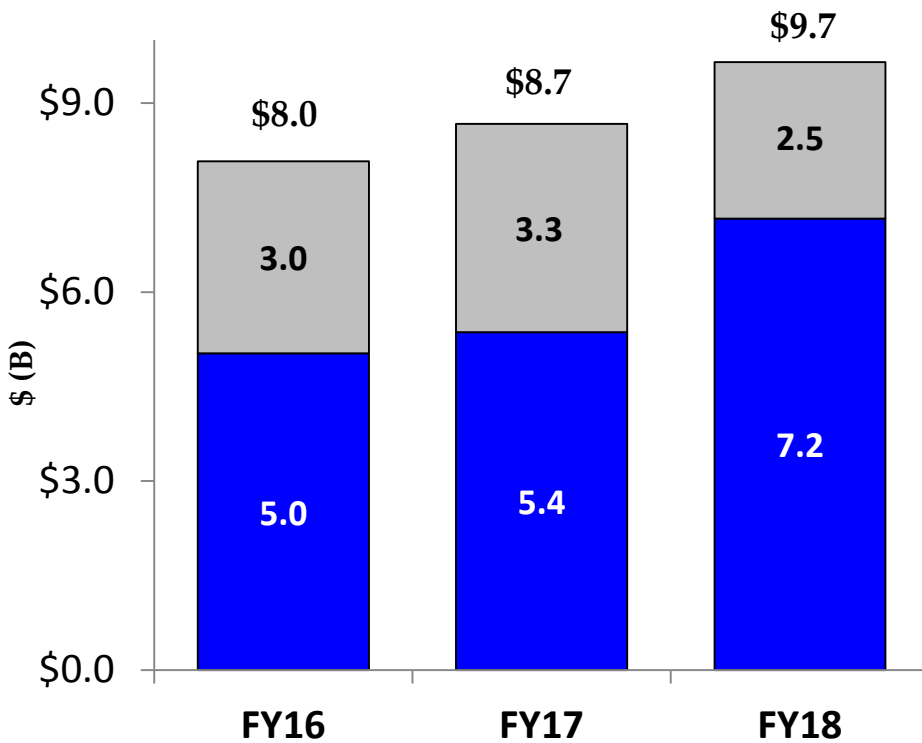
Basic Research	\$0.6
Applied Research	\$0.9
Advance Tech Dev	\$0.7
Adv Component Dev	\$4.2
System Dev & Demo	\$6.4
Management Support	\$0.9
Ops Systems Dev	\$4.0

● Navy: 12% ● Marine Corps: 4%

Ship Readiness

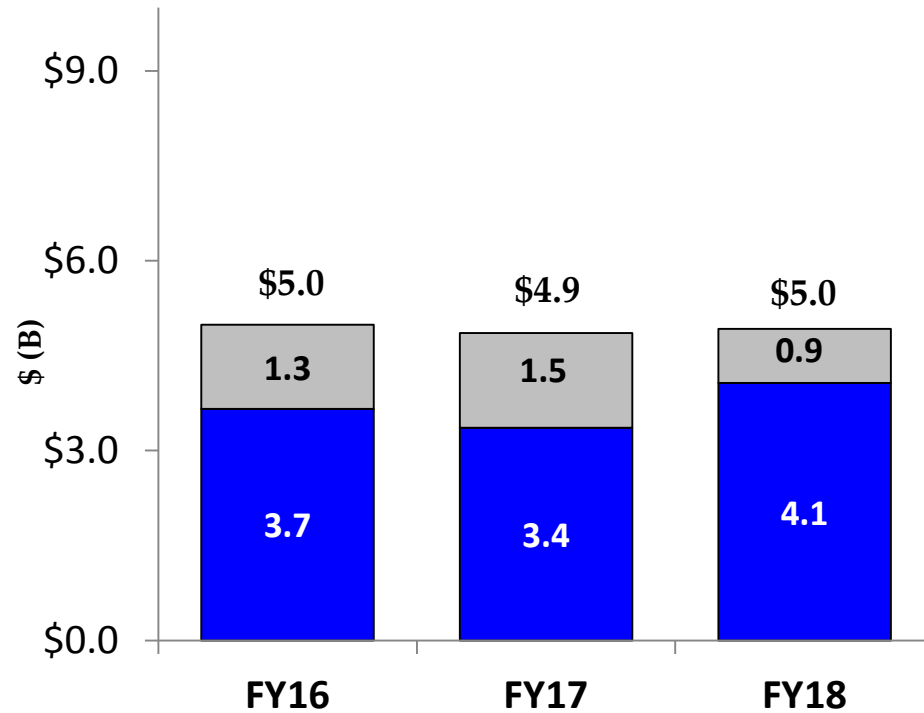
Ship Depot Maintenance

100% of projected maintenance
funded



Ship Operations

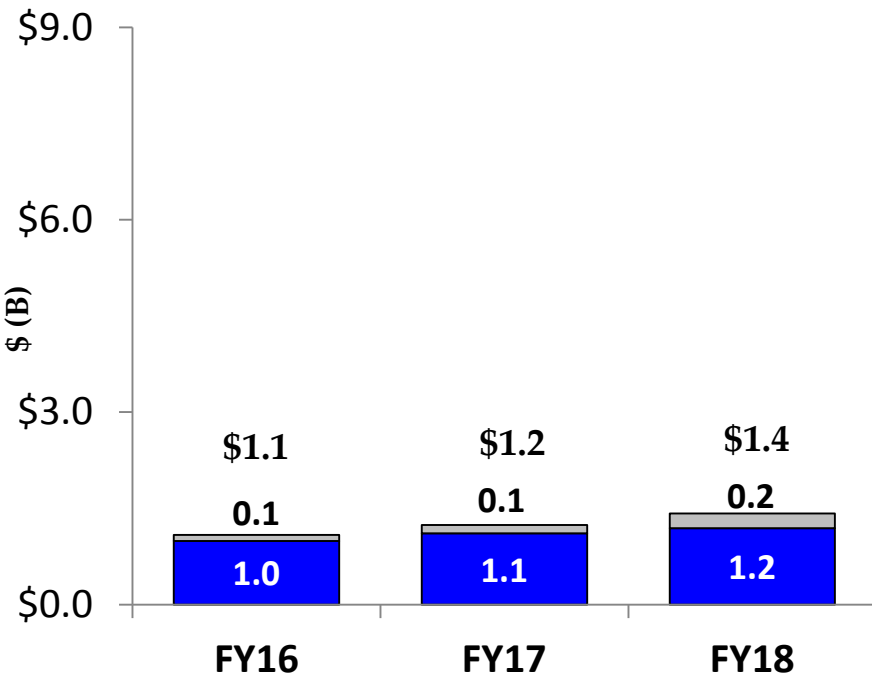
58 days/qtr deployed
24 days/qtr non-deployed



Aviation Readiness

Aircraft Depot Maintenance

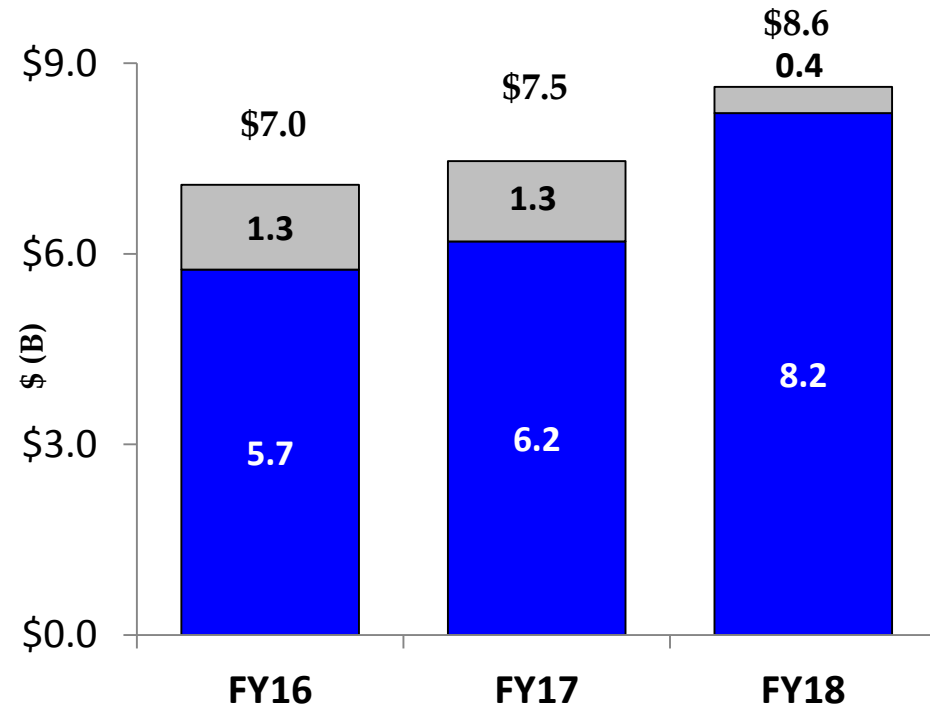
89% of projected maintenance funded



Flying Hour Operations

Deployed T-Rating

Navy 2.0 / Marine Corps 2.0



Flying Hours

BASE 1A1A & 1A2A + OCO

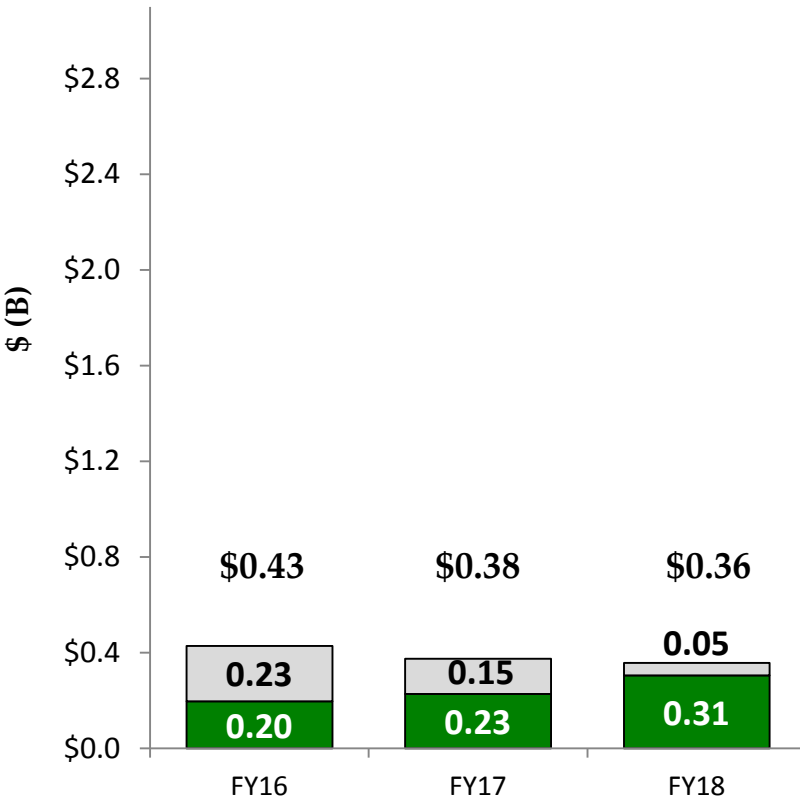
		FY17	FY18
T- Rating	Navy	2.74	2.51
T- Rating	Marine Corps	2.54	2.24
FHP to max executable		Yes	Yes



Marine Corps Readiness

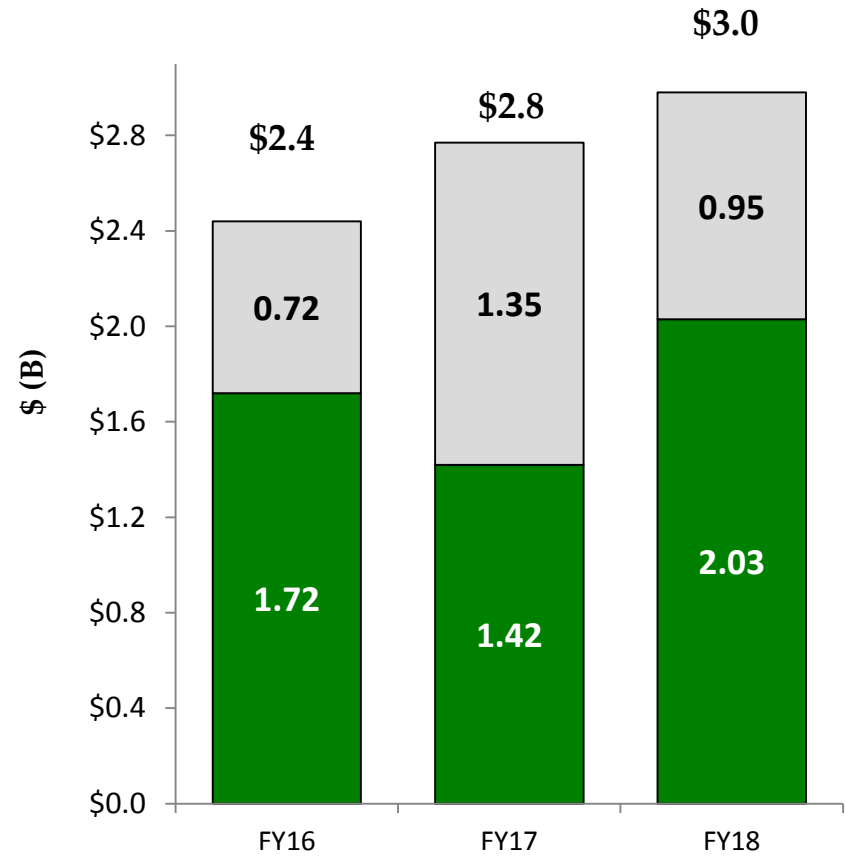
Marine Corps Ground Equip

79% of projected
maintenance funded



Marine Corps Readiness

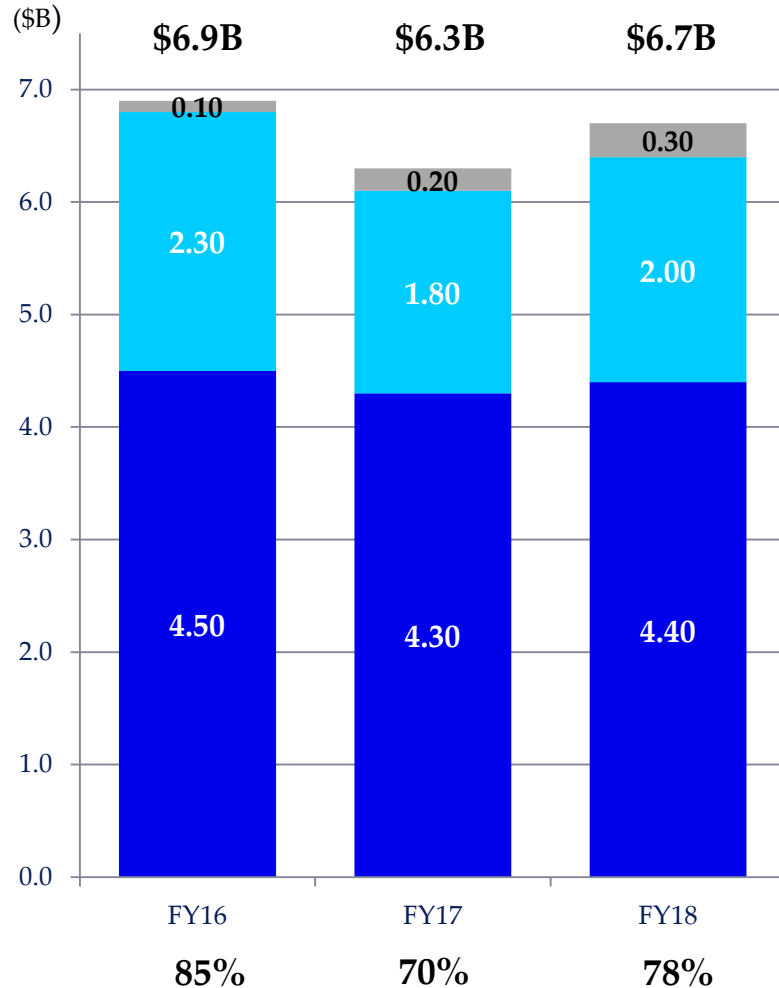
Operating Forces



Shore Readiness

Facilities Support

Navy 78%
of facility sustenance model



Navy

Facilities Support

USMC 75%
of facility sustenance model

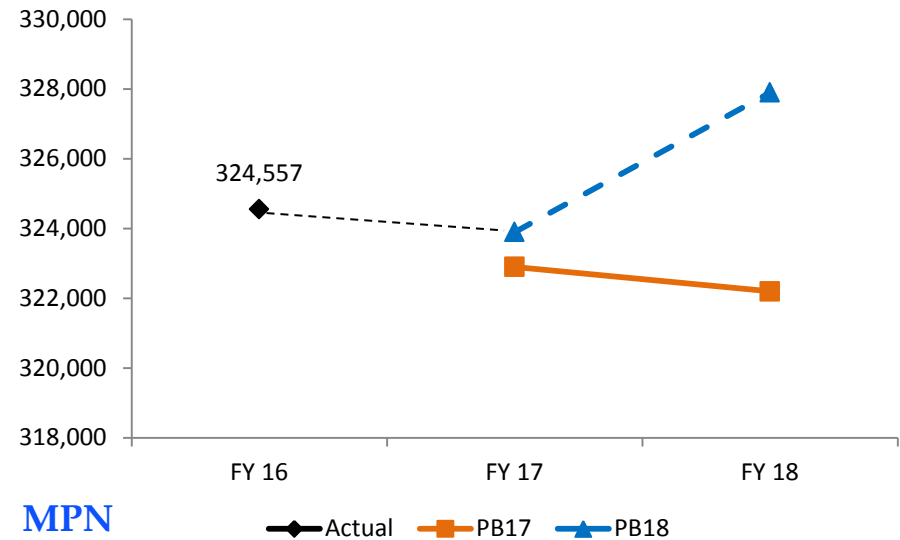


Marine Corps

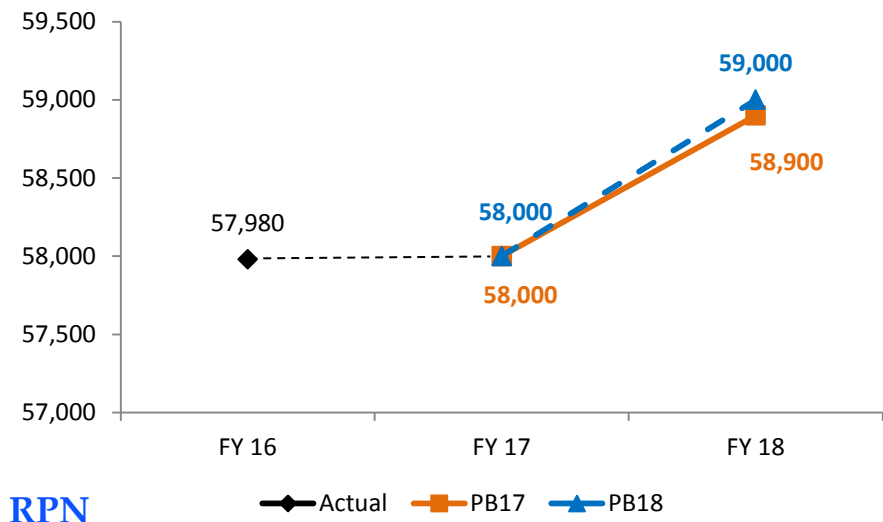
Military Personnel - Navy

Active and Reserve Personnel Strength

- o CG/LSD manning complies with NDAA
- o Funds manpower Total Ownership Cost end strength to eliminate gaps at sea
- o Implements Sailor 2025 manpower efficiencies and transformation
- o Adds manpower for
 - o LCS Blue and Gold Crew strategy
 - o JSF Initial Operating Capability
 - o Expeditionary Staging Base 4
 - o Navy billets supporting Marine Corps growth



MPN

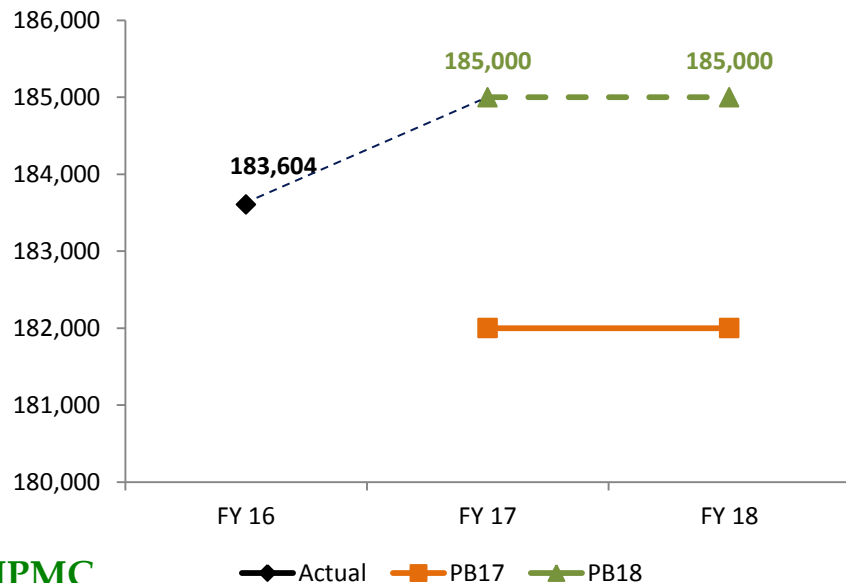


RPN

Military Personnel – Marine Corps

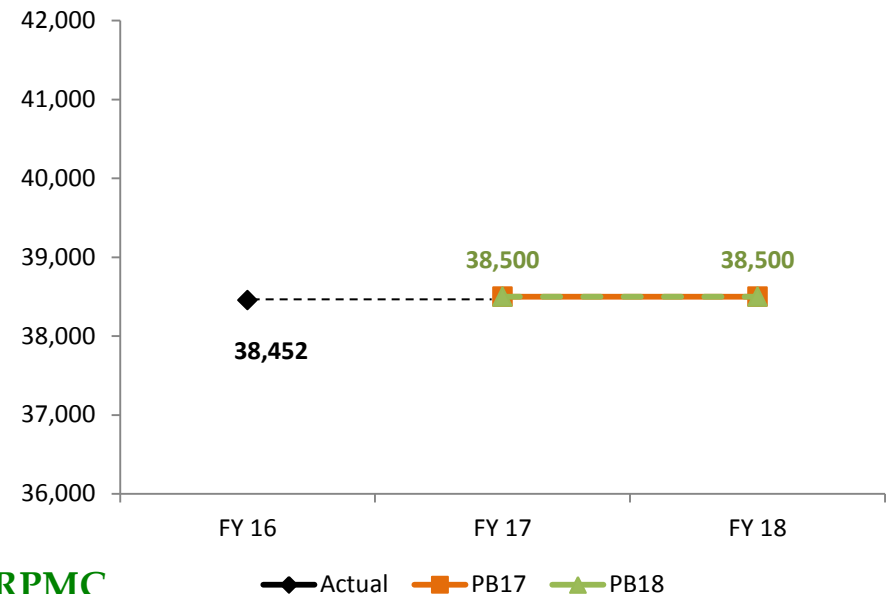
Active Personnel Strength

- Supports a 185K active force
- Improves capability and capacity to allow commanders the ability to fight in all five operations domains while maintaining effective command and control
- Enables the development of vital warfighting capabilities allowing five critical tasks necessary to build a 5th Generation Marine Corps
- 1:2 deployment-to-dwell ratio

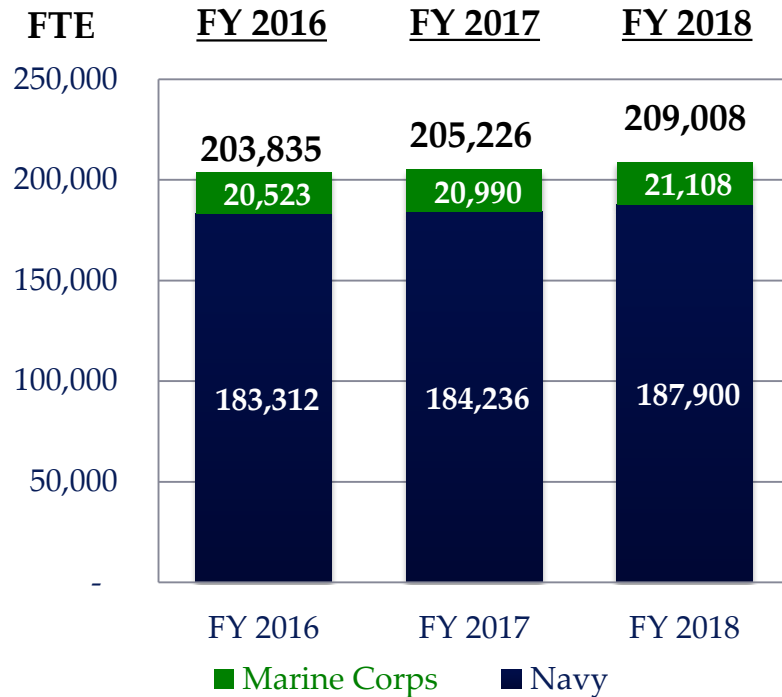


Reserve Personnel Strength

- Supports an 38.5K reserve force
- Supports each COCOM by providing forces focused on regional security cooperation, crisis response, and crisis prevention activities, as well as support to combat operations
- Maintains a 'Ready-Relevant-Responsive' force capable of augmenting and operating as a part of the Total Force to fulfill Service rotational and emergent requirements



Civilian Personnel



Highlights

- Ship Maintenance: Growth to address maintenance schedule and backlogs.
- NWCF: FTE added at NAWC for JSF and unmanned systems; FRCs for airframe maintenance backlogs from increased flight hours in CENTCOM; *Columbia*; cyber; and tactical support.
- Installation Security: Guards are being added to combat increased risk at multiple bases and facilities.
- Headquarters: 25 percent reduction to be achieved through a mix of FTE and contractor support reductions.

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Total — Department of the Navy	203,835	205,226	209,008
<u>By Appropriation/Fund</u>			
Operation and Maintenance	117,451	119,163	121,835
Other (FHOPS/RDTEN/BRC)	1,401	1,626	1,841
Working Capital Funds	84,983	84,437	85,332

Shipbuilding Procurement

	FY17	FY18
Columbia-class Submarine	AP	AP
CVN 78 class	0	1
SSN 774	2	2
DDG 51	2	2
LCS	3	1
FFX	0	0
LHA(R)	1	0
LPD 17	1	0
LX(R)	0	0
T-ATS	0	1
T-AO 205 (formerly T-AO(X))	0	1
T-AGOS (X)	0	0
New Construction Total QTY	9	8
LCAC SLEP	3	0
Ship-to-Shore Connector	2	3
LCU 1700	0	1
Moored Training Ships	1	0
CVN RCOH	0	0
Other Construction Total QTY	6	4
Total Shipbuilding QTY	15	12

Aircraft Procurement

	FY17	FY18
Fixed Wing		
F-35C (CV)	8	4
F-35B (STOVL)	18	20
FA-18E/F*	14	14
E-2D AHE	6	5
P-8A (MMA)	11	7
C-40A (USN)	2	0
KC-130J	2	2
Rotary Wing		
CH-53K (HLR)	2	4
MV-22B* / CMV-22B**	19	6
AH-1Z	26	22
VH-92A	0	0
UAV		
MQ-4 Triton	3	3
MQ-8C Firescout	5	0
RQ-21A Blackjack*	8	4
TOTAL	124	91

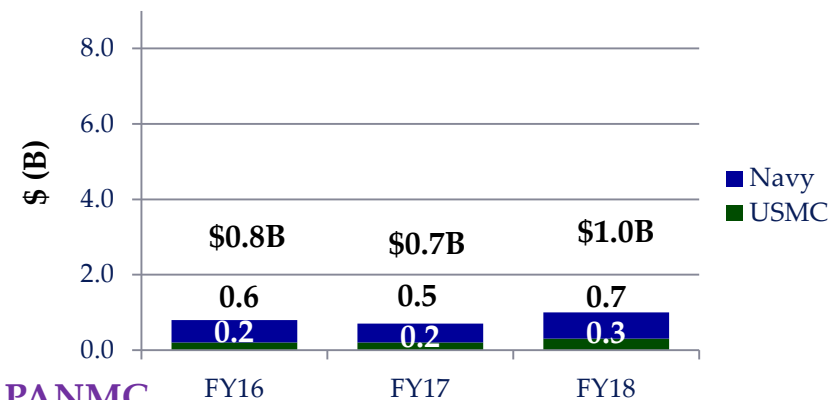
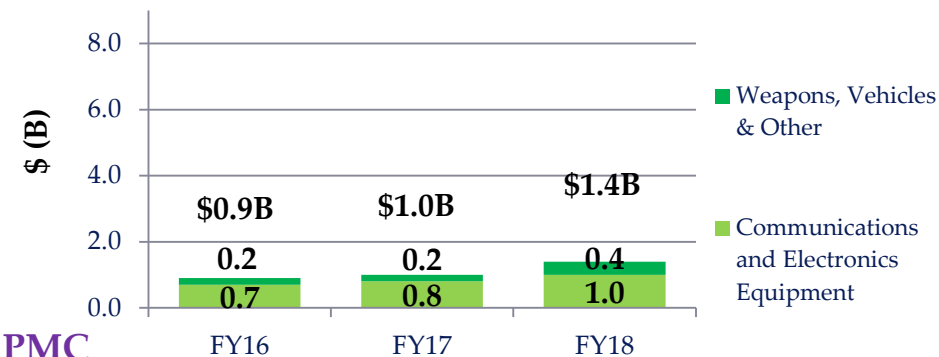
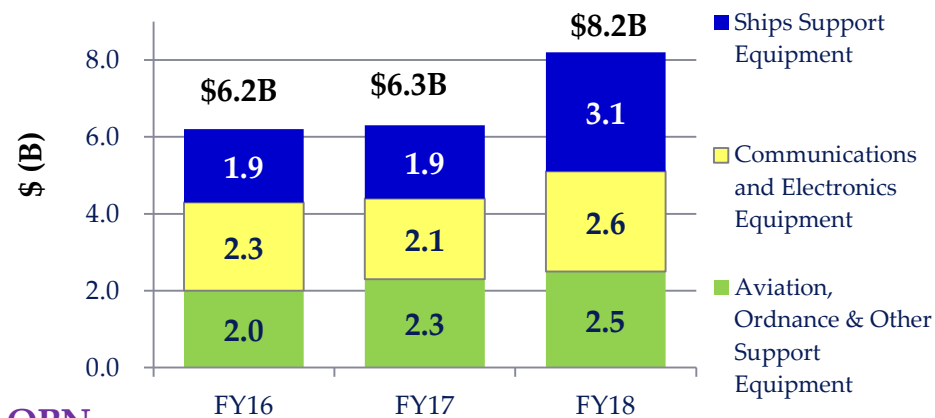
*FY 2017 includes 2 F/A-18, 1 MV-22B and 4 RQ-21 in OCO

Weapons Procurement

	FY17	FY18
Ship Weapons		
TACTOM*	196	100
TACTOM RECERT	0	0
SM6*	125	125
RAM	120	60
ESSM*	75	31
MK 48 HWT	11	17
MK 48 HWT MODS	73	79
MK 54 LWT MODS	144	144
HARPOON Blk II+ MODS	0	54
SOPGM	24	19
LCS OTH	0	0
LCS SSMM	24	110
Aircraft Weapons		
AIM-9X	152	185
AMRAAM	163	120
AARGM	253	251
LRASM	10	25
JAGM	96	0
HELLFIRE*	100	110
LASER MAVERICK*	174	45
SDB II	0	90

*Includes OCO

Other Warfighting Accounts



OPN Capability Enhancements

- CYBER/C4I Equipment Upgrades
- Submarine and Underwater Capabilities
- CG/DDG/LCS Modernizations
- Naval Shipyard Modernization
- Reactors Support/Classified Programs
- Spares and Repair Parts

PMC Capability Enhancements

- Joint Light Tactical Vehicle (JLTV)
- Ground/Air Task Oriented Radar (G/ATOR)
- Amphibious Combat Vehicle (ACV)
- High Mobility Artillery Rocket Sys. (HIMARS)

PANMC Capability Enhancements

- General Purpose Bombs
- Ammunitions
- Airborne Rockets

Technology Enablers (R&D)

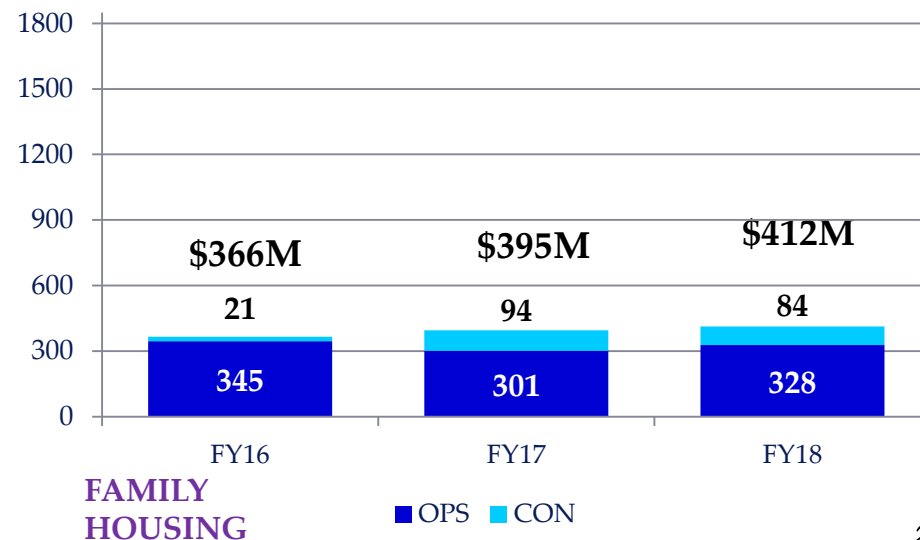
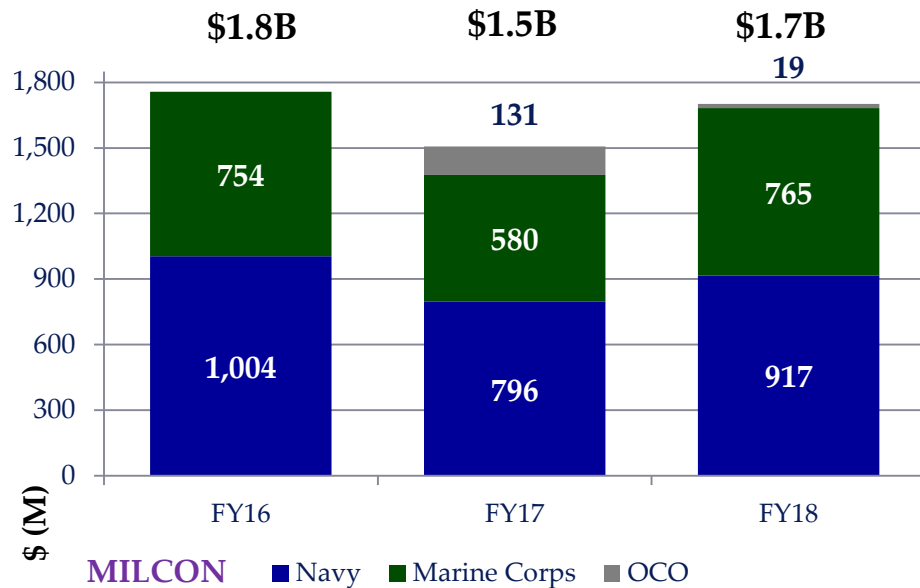


Major Systems (\$M)	FY16	FY17	FY18
Shipbuilding			
Columbia class	1,367	1,091	1,042
Virginia class	305	225	190
Carrier Replacement	220	247	309
LCS/Frigate	128	137	184
DDG 1000	102	46	141
Aviation & Weapons			
Joint Strike Fighter (F-35)	1,056	1,115	551
Next Generation Jammer (NGJ)	389	597	700
CH-53K	563	351	341
Executive Helo Development	491	338	452
LRASM	349	311	161
F/A-18 R&D	133	174	224
Unmanned			
MQ-4C Triton	357	256	314
MQ-25	0	76	222
Advanced Undersea Prototype	0	59	67
USMC			
Amphibious Combat Vehicle	197	139	179
G/ATOR	61	81	55
Ground Based Air Defense (GBAD)	2	42	21
Other			
Lasers	9	9	107
Digital Warfare Office	0	0	15
Cyber Resiliency	55	93	128

RD TEN

Military Construction & Family Housing

FY18 MILCON Projects		
Major Categories	\$ M	# of Projects
New Platform/Mission Support	293	9
Guam	247	4
Replace Inadequate Infrastructure	208	5
Utility Infrastructure Upgrades	148	2
Naval Shipyards	135	2
Safety, Security, Environmental	121	2
Ordnance Recapitalization	89	3
COCOM Support	73	3
Land Acquisition	60	1
Reserves	59	4
Planning and Design	223	N/A
Unspecified Minor Construction	25	N/A
OCO/ERI	19	N/A





**Address Pressing
Shortfalls**

**Improve
Warfighting
Readiness**

**Build Capacity
Improve
Lethality**

For more Information

Fully searchable justification material available at:
<http://www.secnav.navy.mil/fmc/fmb/Pages/Fiscal-Year-2018.aspx>



DEPARTMENT OF THE NAVY Budget Materials

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DEPARTMENT OF THE NAVY SUMMARY

FY 18 Budget Press Brief
FY 18 Budget Overview
FY 18 Budget Card
FY 18 Data 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

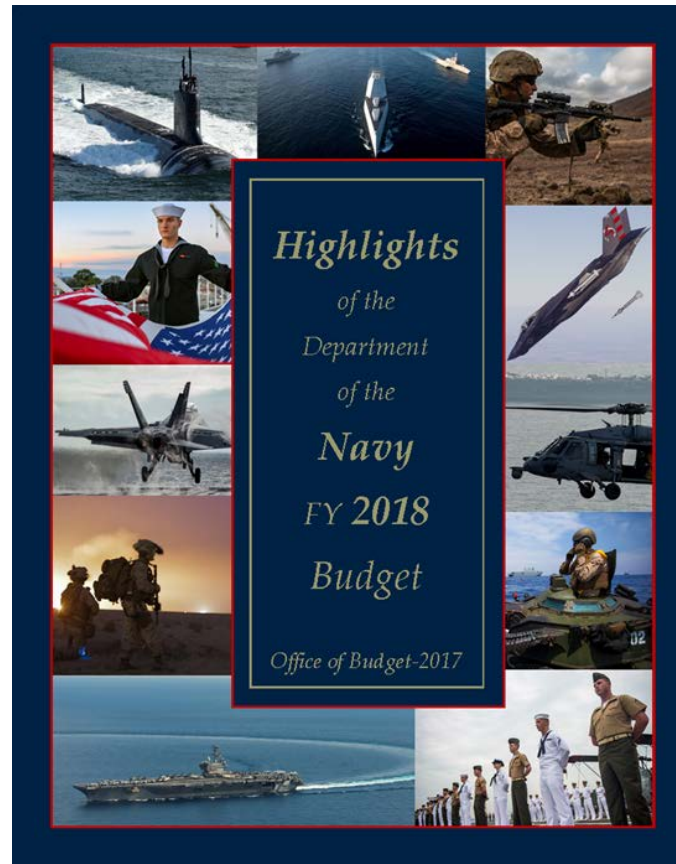
Operation & Maintenance, Navy
Operation & Maintenance, Navy Databook
Operation & Maintenance, Marine Corps
Operation & Maintenance, Marine Corps Databook
Operation & Maintenance, Navy Reserve
Operation & Maintenance, Marine Corps Reserve
National Defense Sealift Fund

NAVY WORKING CAPITAL FUND

Navy Working Capital Fund

OVERSEAS CONTINGENCY OPERATIONS

Overseas Contingency Operations Request



PROCUREMENT PROGRAMS

Weapons Procurement, Navy
Shipbuilding and Conversion, Navy
Procurement Marine Corps

Aircraft Procurement Programs

Aircraft Procurement, Navy (BA 1 - 4)
Aircraft Procurement, Navy (BA 5)
Aircraft Procurement, Navy (BA 6)
Aircraft Procurement, Navy (BA 7)

Other Procurement Programs

Other Procurement, Navy (BA 1)
Other Procurement, Navy (BA 2)
Other Procurement, Navy (BA 3)
Other Procurement, Navy (BA 4)
Other Procurement, Navy (BA 5 - 8)

Procurement of Ammunition, Navy and Marine Corps

Procurement of Ammunition, Navy & Marine Corps

CONSTRUCTION PROGRAMS

Base Realignment and Closure, 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)

