



DEPARTMENT OF THE NAVY FY 2013 PRESIDENT'S BUDGET

Rear Admiral Joseph P. Mulloy, USN
Deputy Assistant Secretary of the Navy for Budget

13 February 2012

Priorities for 21st Century Defense

Primary Missions of the U.S. Armed Forces

1 Counter Terrorism
and Irregular
Warfare

10 Conduct Humanitarian,
Disaster Relief, and
Other Operations

2 Deter and
Defeat
Aggression

9 Conduct Stability
and
Counterinsurgency
Operations

3 Project Power Despite
Anti-Access/Area

8 Provide a
Stabilizing
Presence

4 Counter
Weapons of
Mass
Destruction

5 Operate Effectively
in Cyberspace and
Space

6 Maintain a Safe,
Secure, and
Effective
Nuclear
Deterrent

7 Defend the Homeland
and Provide Support to
Civil Authorities

Department of the Navy Objectives 2012 and Beyond

KEY EFFORTS

1 Take Care of Our People



2 Maintain Warfighter Readiness in an Era of Reduced Budgets



3 Lead the Nation in Sustainable Energy



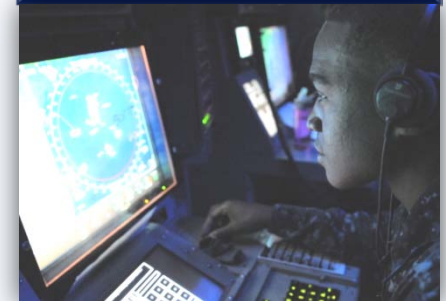
4 Promote Acquisition Excellence and Integrity



5 Dominate in Unmanned Systems



6 Drive Innovative Enterprise Transformation



Global Engagement on a Daily Basis



Navy

323,773 active strength
4,584 mobilized reservists
Battle Force Ships: 285



Marine Corps

199,404 active strength
2,174 active reserves
5,219 activated reservists

19,677 Afghanistan
3,205 other CENTCOM

10,388 CENTCOM
deployed ashore

52 Deployed
1 CVN
1 MEU

4,590 PACOM

29 Deployed
2 CVN
1 Amphib
1 MEU
15,056 Sailors
3,070 Marines

348 AFRICOM

3,120 Marines deployed afloat
4,373 All others forward deployed

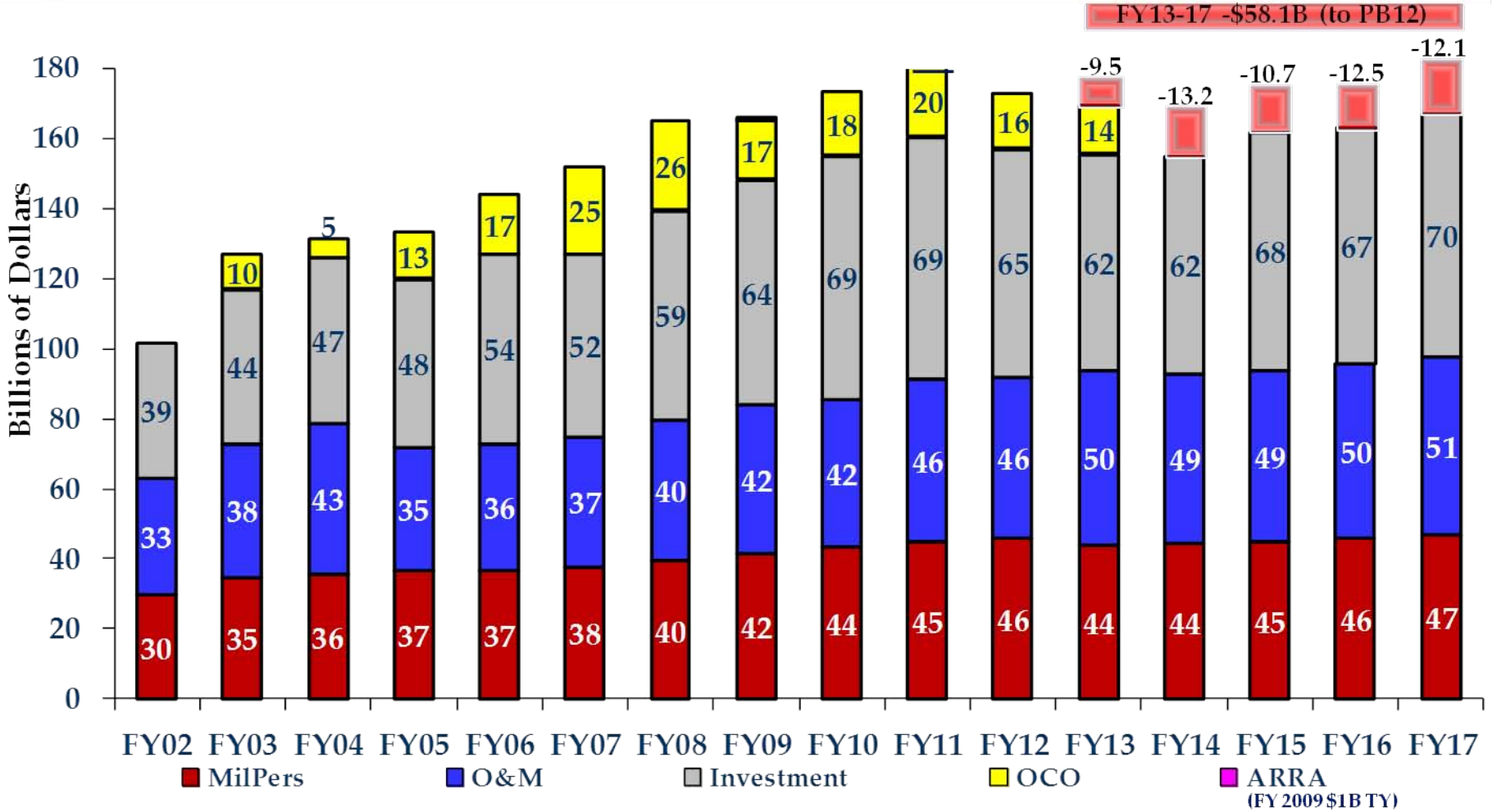
47,697 Sailors deployed afloat
100 Deployed Ships + 56 Other Underway
156 (55%) Deployed/Underway

29,696 Other forward presence

26,962 Other forward presence

Department of the Navy Topline FY 2002-2017

	<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>
Total Funding (TY)	\$101.8	\$126.4	\$123.5	\$133.6	\$144.7	\$151.7	\$165.2	\$166.5	\$173.2	\$176.8	\$173.0	\$170.1				
Baseline Funding (TY)	\$101.8	\$116.8	\$118.4	\$120.9	\$127.9	\$127.2	\$139.5	\$148.1	\$155.3	\$156.2	\$157.3	\$155.9	\$155.8	\$162.4	\$163.4	\$167.4



Numbers may not add due to rounding

Department of the Navy Fiscal Balancing



<i>(In Billions of Dollars)</i>	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FYDP
DON TOA (PB12-PB13)	-9.5	-13.2	-10.7	-12.5	-12.1	-58.1

FYDP Changes by Appropriation Title

PB 2012 to PB 2013

MilPers:

-\$17.9B

Basic Pays	-\$6.9
Housing Allowance	+\$2.3
Retired Pay Accrual	-\$4.8
Health Accrual	-\$7.2
Reserve Personnel	-\$0.9
Subsistence	+\$0.1
Allowances	-\$0.2
Special Pays	-\$1.4
Other	+\$1.1

Procurement:

-\$32.0B

Aircraft	-\$14.6
Ships	-\$10.1
Weapons	-\$1.1
Marine Corps	-\$2.5
Ammunition	-\$0.7
Other Navy Procurement	-\$3.0

O&M:

-\$2.6B

Ship Ops	+\$1.3
Aviation Ops	-\$3.0
Base Ops	+\$2.0
Marine Corps O&M	-\$0.3
Combat/Weapons Support	-\$1.2
Service Wide Support	-\$0.6
Training and Education	-\$0.2
Reserve O&M	-\$0.7
Environmental Restoration	\$0.0
Mobilization	-\$0.5

R&D:

-\$2.3B

Basic Research	\$0.0
Applied Research	\$0.0
Advance Tech Dev	-\$0.2
Adv Component Dev	+\$1.3
System Dev & Demo	-\$2.0
Management Support	\$0.0
Ops Systems Dev	-\$1.4

Infrastructure:

-\$3.3B

MILCON	-\$3.2
BRAC	+\$0.1
Family Housing	-\$0.2



Summary by Appropriation Title

FY 2013 Base Budget

MilPers: \$44.2B

Basic Pays	\$18.2
Housing Allowance	\$7.3
Retired Pay Accrual	\$5.8
Health Accrual	\$2.1
Reserve Personnel	\$2.6
Subsistence	\$2.1
Allowances	\$1.0
Special Pays	\$1.6
Other	\$3.5

Navy Strength 322,700

Marine Corps 197,300

182,100 Base

15,200 OCO

Procurement: \$42.5B

Aircraft	\$17.1
Ships	\$13.7
Weapons	\$3.1
Marine Corps	\$1.6
Ammunition	\$0.8
Other Navy Procurement	\$6.2

\$
FY13:
\$155.9B

R&D: \$16.9B

Basic Research	\$0.6
Applied Research	\$0.8
Advance Tech Dev	\$0.6
Adv Component Dev	\$4.3
System Dev & Demo	\$5.8
Management Support	\$0.8
Ops Systems Dev	\$4.0

O&M: \$49.9B

Ship Ops	\$11.9
Aviation Ops	\$9.4
Base Ops	\$8.1
Marine Corps O&M	\$5.8
Combat/Weapons Support	\$5.2
Service Wide Support	\$4.6
Training and Education	\$1.7
Reserve O&M	\$1.5
Environmental Restoration	\$0.3
Mobilization	\$1.5

Infrastructure: \$2.4B

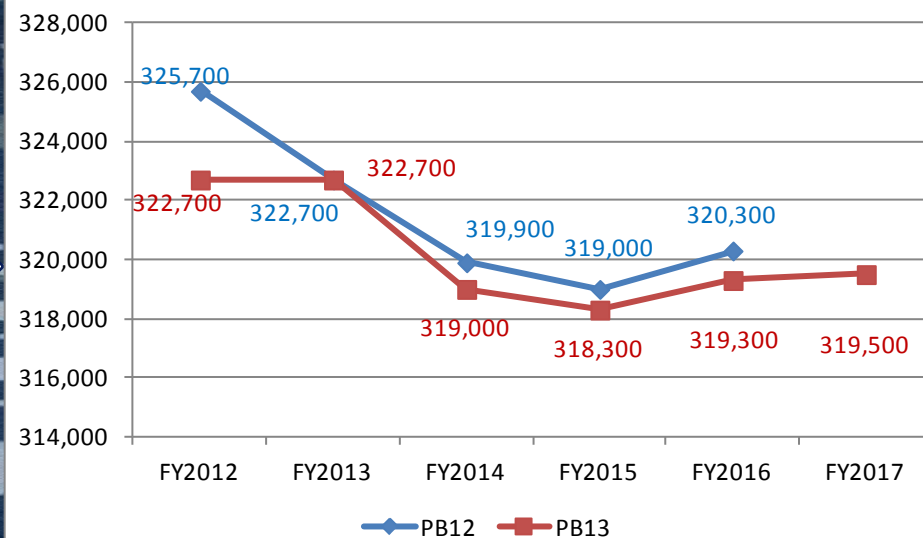
MILCON	\$1.7
BRAC	\$0.2
Family Housing	\$0.5

Military Personnel

Active Navy Strength

Stabilizing the Force

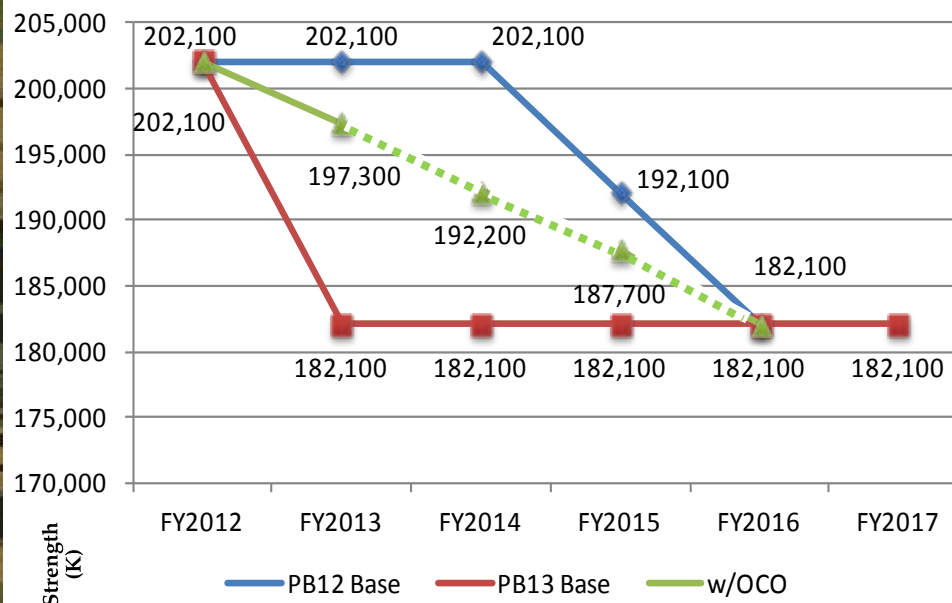
- FY 2013 end strength 322,700
- Decrease from FY 2012 to FY 2013 by 3,000 personnel as a result of FY 2011 to FY2012 Enlisted Retention Board (ERB) identified for separation due to overmanned ratings
- 66,500 Reserve Strength in FY 2013



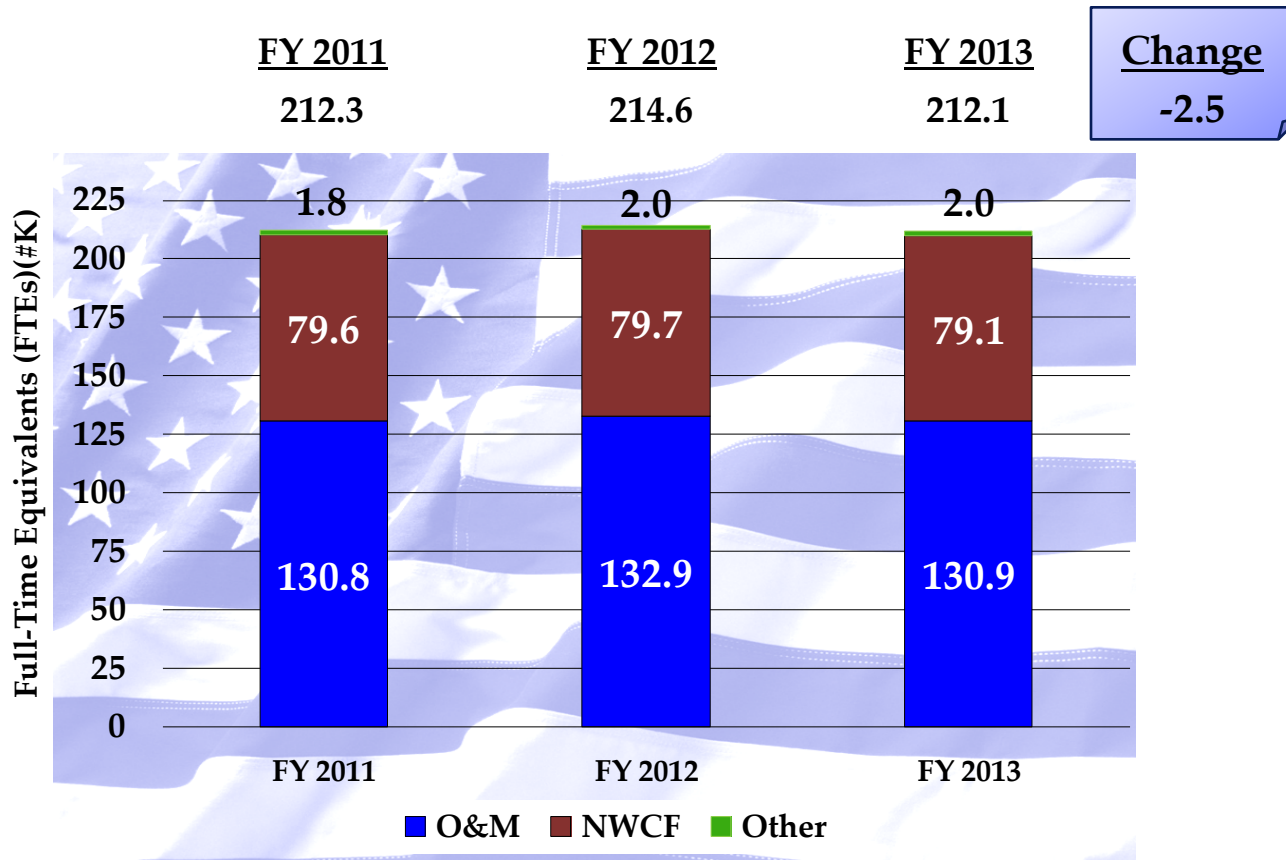
Active Marine Corps Strength

Right Sizing The Force

- FY2013 end strength 197,300
- Reduces Marine Corps end strength from 202,100 to 182,100 by the end of FY 2016
- Remaining agile, flexible, and ready for a full range of contingencies
- 39,600 Reserve Strength in FY 13



Civilian Personnel



Scientist



Engineer



IT Technician

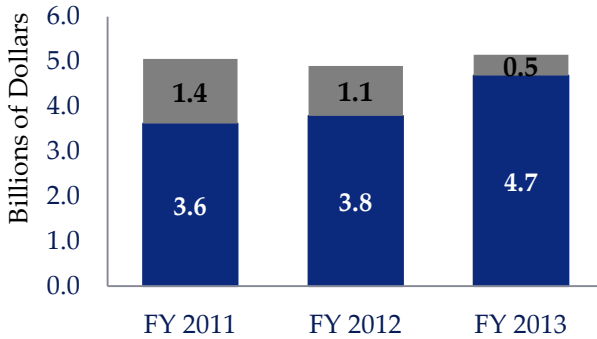


Workforce sized to meet the workload

Readiness

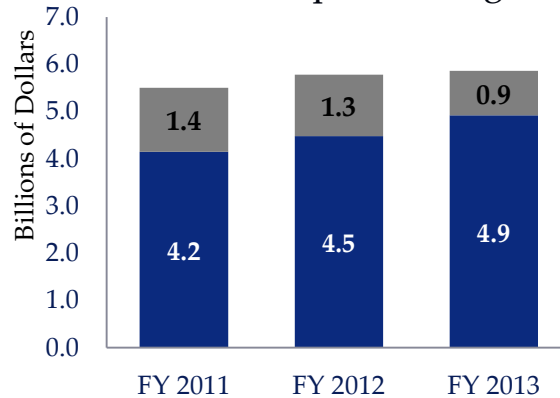
Ship Operations

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



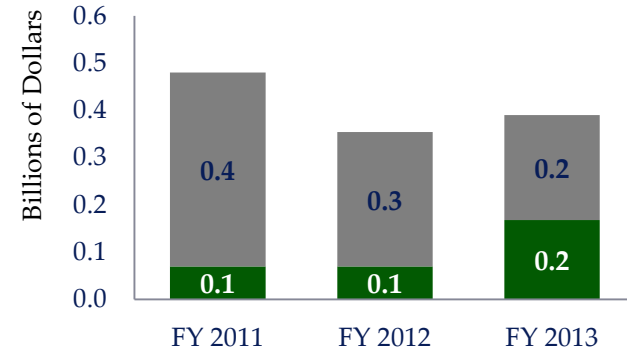
Flying Hour Operation

Navy T-Rating 2.5
Marine Corps T-Rating 2.0



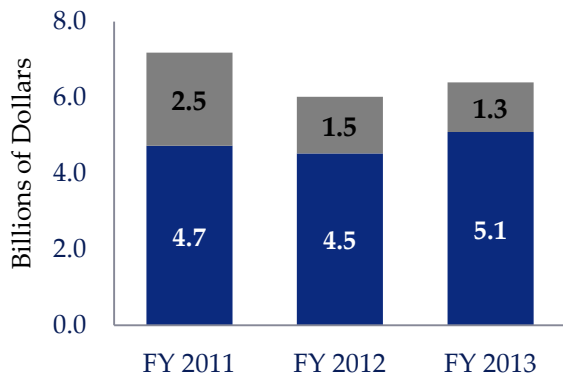
Marine Corps Ground Equip

94% of projected maintenance funded in FY13



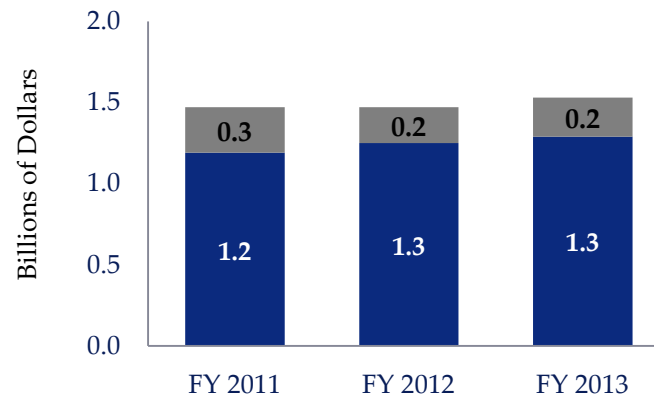
Ship Depot Maintenance

100% of projected maintenance funded



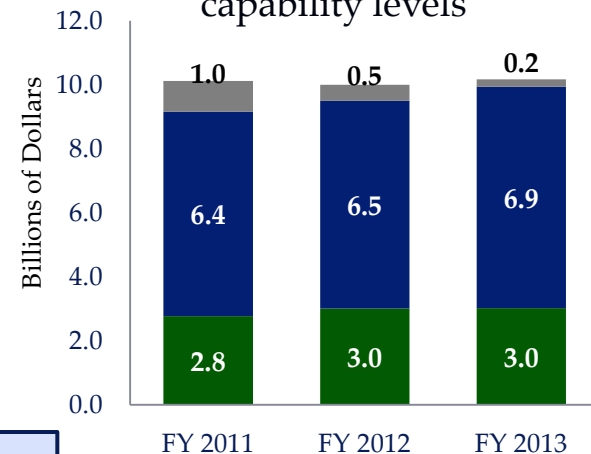
Aircraft Depot Maint/Logistics

94% of projected maintenance funded



Base Support

Navy 80%/USMC 90% of facility sustainment model, BOS at targeted capability levels



Shipbuilding Procurement Plan

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FYDP
CVN 21	0	1	0	0	0	0	1
SSN 774	2	2	1	2	2	2	9
DDG 51	1	2	1	2	2	2	9
LCS	4	4	4	4	2	2	16
LPD 17	1	0	0	0	0	0	0
LSD(X)	0	0	0	0	0	0	0
LHA (R)	0	0	0	0	0	1	1
T-ATF(X)	0	0	0	0	2	0	2
MLP/AFSB	1	0	1	0	0	0	1
JHSV	2	1	0	0	0	0	1
T-AO(X)	0	0	0	0	1	0	1
T-AGOS	0	0	0	0	0	0	0
SSBN (X)	0	0	0	0	0	0	0
New Construction Total QTY	11	10	7	8	9	7	41
New Construction Total (\$B)	\$14.2	\$10.9	\$9.9	\$14.6	\$13.1	\$16.2	\$64.7
LCAC SLEP	4	2	4	4	4	4	18
Oceanographic Ships	1	0	0	0	0	0	0
Ship to Shore Connector*	0	1	0	2	5	5	13
Moored Training Ships	0	0	0	1	0	1	2
CVN RCOH	0	1	0	0	1	0	2
Total Shipbuilding (\$B)	\$15.4	\$13.8	\$13.2	\$16.9	\$16.3	\$20.2	\$80.5

*Two Lead SSCs are funded in RDT&E (FY 2011 and FY 2013)

LCS 2



LPD 19



SSN 782



Aircraft Procurement

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FYDP
Fixed Wing							
F-35B (STOVL JSF)	6	6	6	6	9	14	41
F-35C (CV JSF)	7	4	4	6	9	14	37
F/A-18E/F	28	26	13	0	0	0	39
EA-18G	12	12	0	0	0	0	12
E-2D AHE	5	5	5	7	6	7	30
P-8A (MMA)	11	13	17	20	20	13	83
C-40A (USMC)	0	0	0	0	0	1	1
KC-130J (NAVY)	0	0	0	0	0	0	0
KC-130J (USMC)	1	0	2	2	2	2	8
Rotary Wing							
AH-1Z/UH-1Y*	26	28	27	27	26	31	139
CH-53K (HLR)	0	0	0	0	2	2	4
MV-22B	30	17	18	19	19	18	91
MH-60R	24	19	19	31	38	0	107
MH-60S	18	18	18	8	0	0	44
UAV							
MQ-8 (VTUAV)	12	6	7	7	8	6	34
RQ-4 BAMS UAS	0	0	3	4	4	5	16
STUAS (NAVY)	0	5	5	5	0	0	15
Training							
T-6A/B (JPATS)	36	33	31	0	0	0	64
TOTAL	216	192	175	142	143	113	765

EA-18G



MV-22B



MQ-8B



*Includes Overseas Contingency Operations request of one AH-1Z in FY 2013

Weapons Procurement

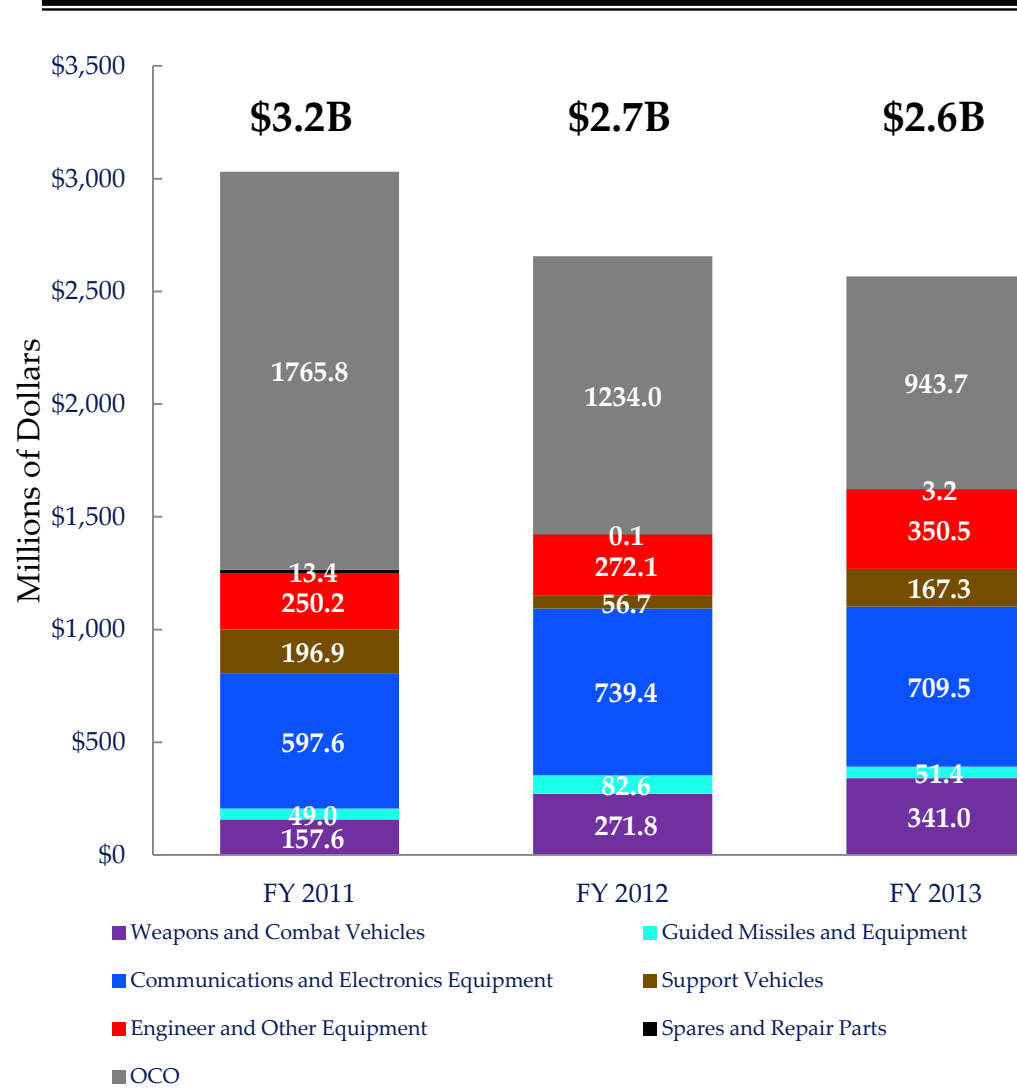
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FYDP
Ship Weapons							
TACTOM	196	196	196	196	196	196	980
SM 6 (AUR)	89	94	115	157	168	204	738
RAM (AUR)	61	62	64	90	90	90	396
ESSM	35	37	53	104	162	157	513
TRIDENT II MODS**	24	0	0	0	0	0	0
MK 48 HWT	58	94	112	123	40	50	419
MK 54 LWT	45	75	150	180	312	312	1,029
Aircraft Weapons							
AIM-9X	68	150	150	150	150	150	750
AMRAAM	67	67	105	113	120	120	525
JSOW C	246	280	370	435	436	444	1,965
AARGM	72	100	143	188	252	263	946
HELLFIRE*	426	1,210	1,004	351	665	675	3,905
SOPGM*	150	50	0	0	0	0	50
JAGM	0	0	0	0	0	0	0
SDB II	0	0	0	0	0	90	90
APKWS*	1,656	2,358	1,311	1,497	1,499	1,502	8,167
Total Weapons Quantities	3,193	4,773	3,773	3,584	4,090	4,253	20,473



*Includes Overseas Contingency Operations request of 212 Hellfire, 50 SOPGM, and 1,000 APKWS in FY 2013.

** FY2012 is the final year of D5 missile procurement. Future years will continue to procure necessary components to support OHIO Class missions.

Marine Corps Procurement

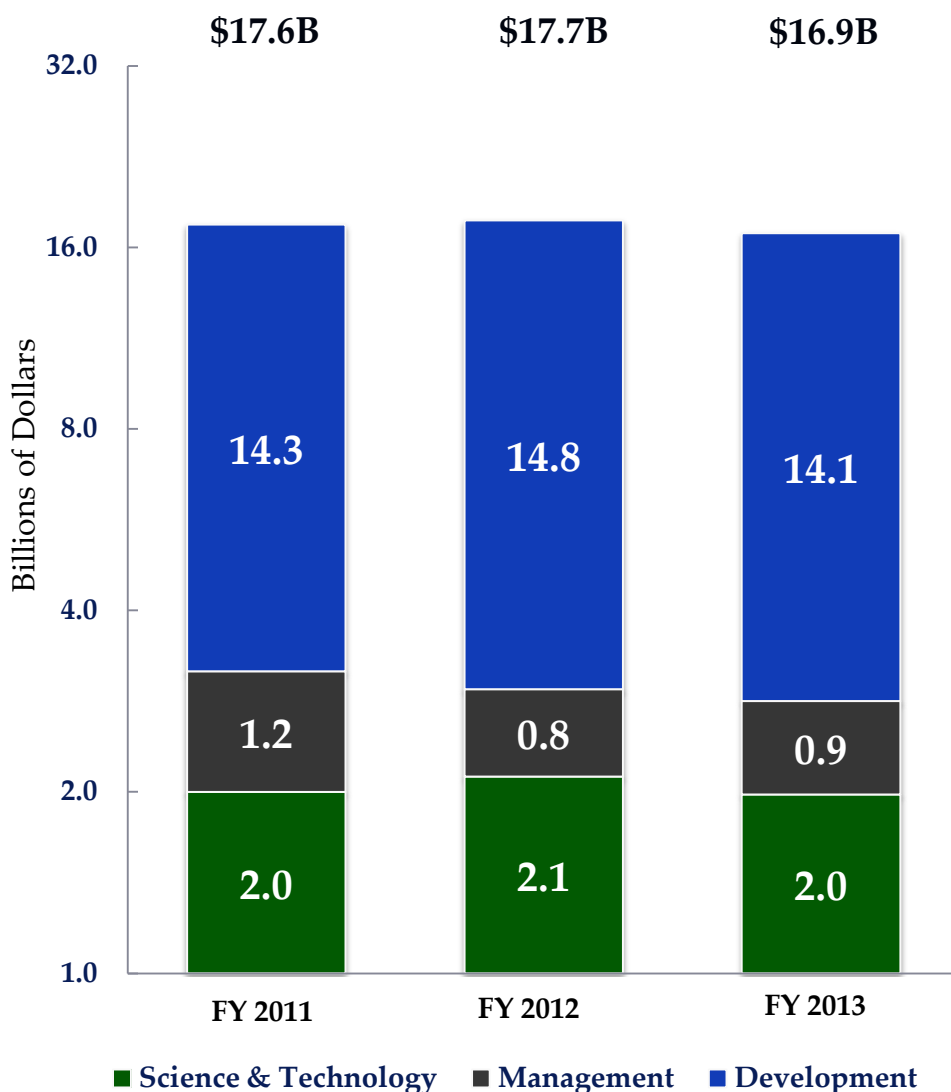


(\$B)	FY 2011	FY 2012	FY 2013	FY2014	FY2015	FY 2016	FY 2017	FYDP
Base	1.4	1.4	1.6	2.1	2.2	2.0	2.3	13.1
OCO	1.8	1.2	0.9	0	0	0	0	3.9
Total	3.2	2.7	2.6	2.1	2.2	2.0	2.3	17.1

Numbers may not add due to rounding

Major Systems (\$M)	FY 2011	FY 2012	FY 2013
Weapons and Combat Vehicles			
LAV PIP	41.1	147.1	186.2
High Mobility Artillery Rocket System	19.8	14.7	48.0
Guided Missiles & Equipment			
Ground Based Air Defense (GBAD)	3.6	12.3	11.1
Follow on To Smaw	21.5	46.6	19.7
Anti Armor Weapons System-Heavy (AAWS-H)	20.2	19.6	20.7
Communications & Electrical Equipment			
Combat Support System	32.7	25.5	25.8
Common Computer Resources	219.3	218.9	206.7
Command Post Systems	31.1	84.9	35.2
Radio Systems	32.1	124.8	89.1
Radar Systems	0.7	40.4	128.1
Intelligence Support Equipment	89.9	64.3	7.5
Engineer & Other Equipment			
Tactical Fuel Systems	29.2	26.9	19.1
Power Equipment Assorted	19.3	27.3	56.3
Material Handling Equip	24.3	37.1	20.7
EOD Systems	64.9	61.8	73.7
Support Vehicles			
5/4T Truck HMMWV	-	-	8.1
Motor Transport Modifications	5.2	8.4	50.3
Logistics Vehicle System Rep	133.1	1.0	37.3
Family of Tactical Trailers	19.0	21.9	48.2

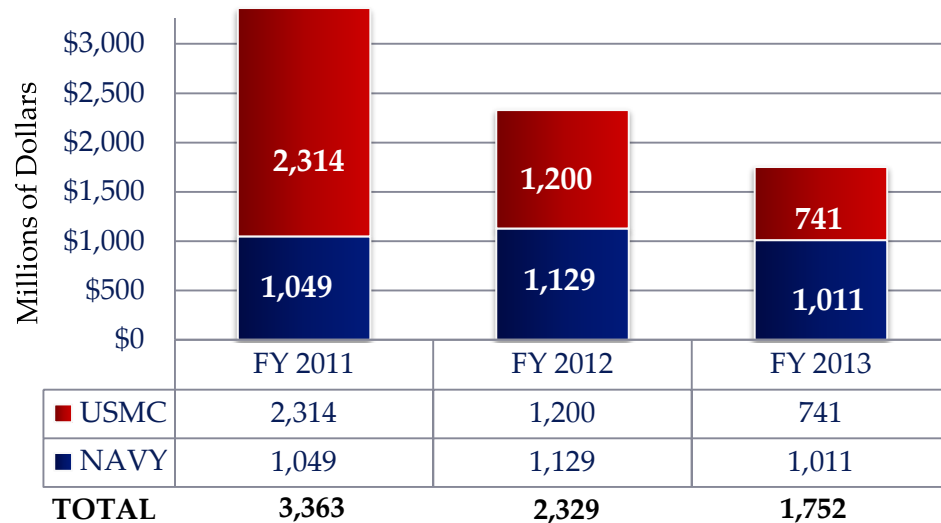
R&D Investment



Major Systems (\$M)	FY 2011	FY 2012	FY 2013
Aviation			
Joint Strike Fighter (F-35)	1,256	1,310	1,481
CH-53K	558	624	606
MMA (P-8A)	907	609	421
Next Generation Jammer	84	171	187
Shipbuilding			
Ohio Replacement Program	610	1,067	565
LCS	164	293	429
CVN 21	179	137	173
DDG-1000	362	258	127
Virginia Class SSN	167	112	165
Unmanned			
RQ-4 UAV (BAMS)	526	548	658
NUCAS - D	258	198	142
UCLASS	0	76	122
Other			
Amphibious Combat Vehicle	0	37	95
Joint Light Tactical Vehicle	18	47	45
Marine Personnel Carrier	7	20	40
Defense Research Sciences	417	454	473
JTRS	609	676	337
AMDR	204	166	224
MC Comms Systems	170	215	219
Sat Com (Space)	410	263	188
Surface Electronic Warfare Improvement Program	85	158	126
Surface Ship Torpedo Defense	50	119	93
G/ATOR	58	107	75

Military Construction & Family Housing

Military Construction

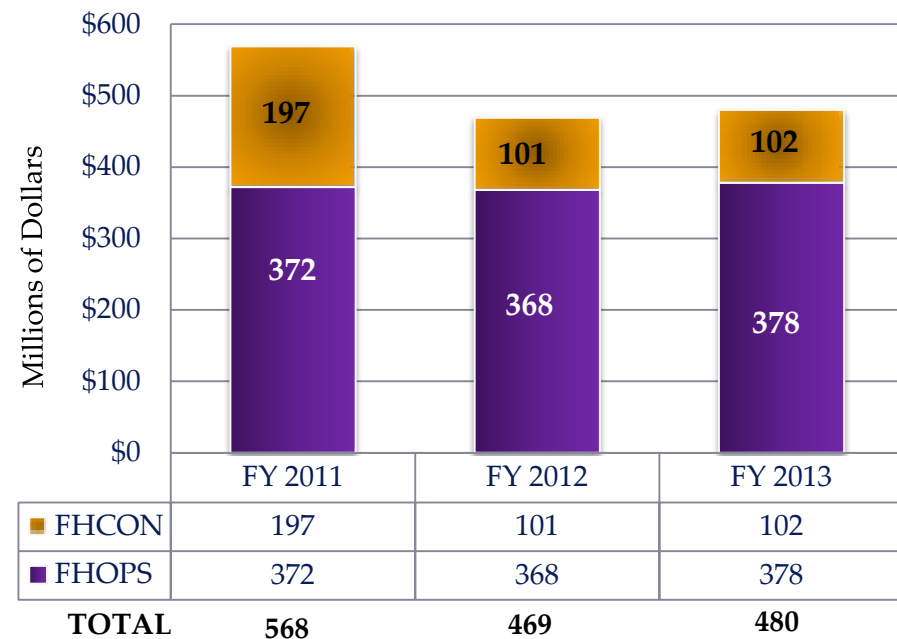


*FY 2012 includes OCO

No BRAC Construction in PB 2013



Family Housing



Energy Investment

F/A-18 Super Hornet
April 2010



PV System
MCAS Miramar



DDG-51 Hybrid Electric Drive
Test Platform: USS TRUXTUN



Department of the Navy PB 2013 Energy Investments

TY\$M	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FYDP
Navy Total	706	776	728	701	745	682	3,632
USMC Total	261	226	172	127	130	133	788
DON Total	967	1,002	900	828	875	815	4,420

Allison 501k G/T Generator
January 2011



Operations & Policy
Example: Air Energy
Conservation Program



Reduce Drag & Power Demand
Examples: Stern Flaps & Solid State
Lighting



Overseas Contingency Operations Funding

Department of Navy OCO Budget			
	FY 2011	FY 2012	FY 2013
<i>(In Millions of Dollars)</i>	Actual	OCO	OCO
Military Personnel, Navy	1,248	1,248	875
Health Accrual, Navy	26	-	-
Reserve Personnel, Navy	49	44	39
Operation and Maintenance, Navy	8,527	7,518	5,880
Operation and Maintenance, Navy Reserve	88	74	56
Aircraft Procurement, Navy	600	481	165
Procurement Ammunition, Navy and Marine Corps	188	135	152
Other Procurement, Navy	405	236	99
Weapons Procurement, Navy	91	41	24
Research, Development, Test and Evaluation, Navy	215	48	53
Military Construction, Navy	-	190	-
USN Subtotal	11,437	10,016	7,342
Military Personnel, Marine Corps	638	659	1,621
Health Accrual, Marine Corps	-	-	65
Reserve Personnel, Marine Corps	21	23	25
Operation and Maintenance, Marine Corps	4,463	3,538	4,066
Operation and Maintenance, Marine Corps Reserve	29	36	25
Procurement, Marine Corps	1,946	1,234	944
Procurement Ammunition, Navy and Marine Corps	492	182	134
Research, Development, Test and Evaluation, Navy	41	6	7
USMC Subtotal	7,630	5,678	6,888
DON Grand Total - Supplemental	19,067	15,693	14,230

Key Take Aways

Investments
aligned to
strategic
priorities and
budgetary goals

Resulting Force:

- Smaller and Leaner
- Agile, Flexible and Ready
- Rapidly Deployable and Expeditionary
- Innovative and Technologically Advanced
- Capable of Confronting and Defeating Aggression

Manned and Led by the Highest Quality Professionals



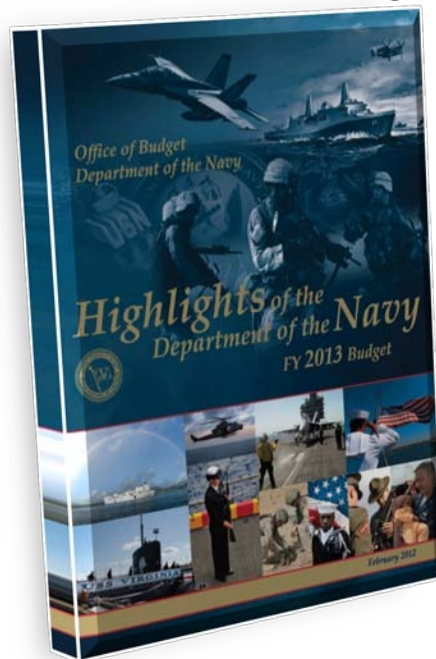
“... we are united in the belief that this strategy and the resulting budget decisions followed the right approach to meet the country’s most pressing security challenges and to preserve the strongest military in the world and at the same time meet our fiscal responsibilities.”

Secretary of Defense Leon E. Panetta – 26 Jan 2012

For More Information

For more information, please visit the website for the Department of the Navy at

- http://www.finance.hq.navy.mil/FMB/13pres/Highlights_book.pdf
- Download the Department's *FY 2013 Highlights Book*



“In the end, we prepared a budget that strikes an appropriate and necessary balance between succeeding in today’s conflicts and preparing for tomorrow’s. This balance accounts for real risk and real fiscal constraints. It represents responsible investment in our national security. But make no mistake, the trade-offs were tough. The choices were complex.”