



DEPARTMENT OF THE NAVY
FY 2012 PRESIDENT'S BUDGET

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

14 February 2011

Maintaining Preeminence



Global Engagement on a Daily Basis

Navy

- 328,129 active strength
- 5,799 mobilized reservists
- 49,361 Sailors deployed afloat
- 14,651 Sailors deployed ashore (CENTCOM)
- 163 ships underway – 57% (*away from homeport*)
 - Eight Aircraft Carriers
 - Four Large Deck Amphibious Assault Ships
- 112 ships deployed – 39%

(data as of 11 Feb 2011)



Marine Corps

- 202,108 active strength
- 7,148 active/activated reservists
- 32,680 on deployment/forward deployed
 - 92 Iraq
 - 22,309 Afghanistan
 - 1,953 Other CENTCOM
 - 5,298 PACOM
 - 1,028 All others

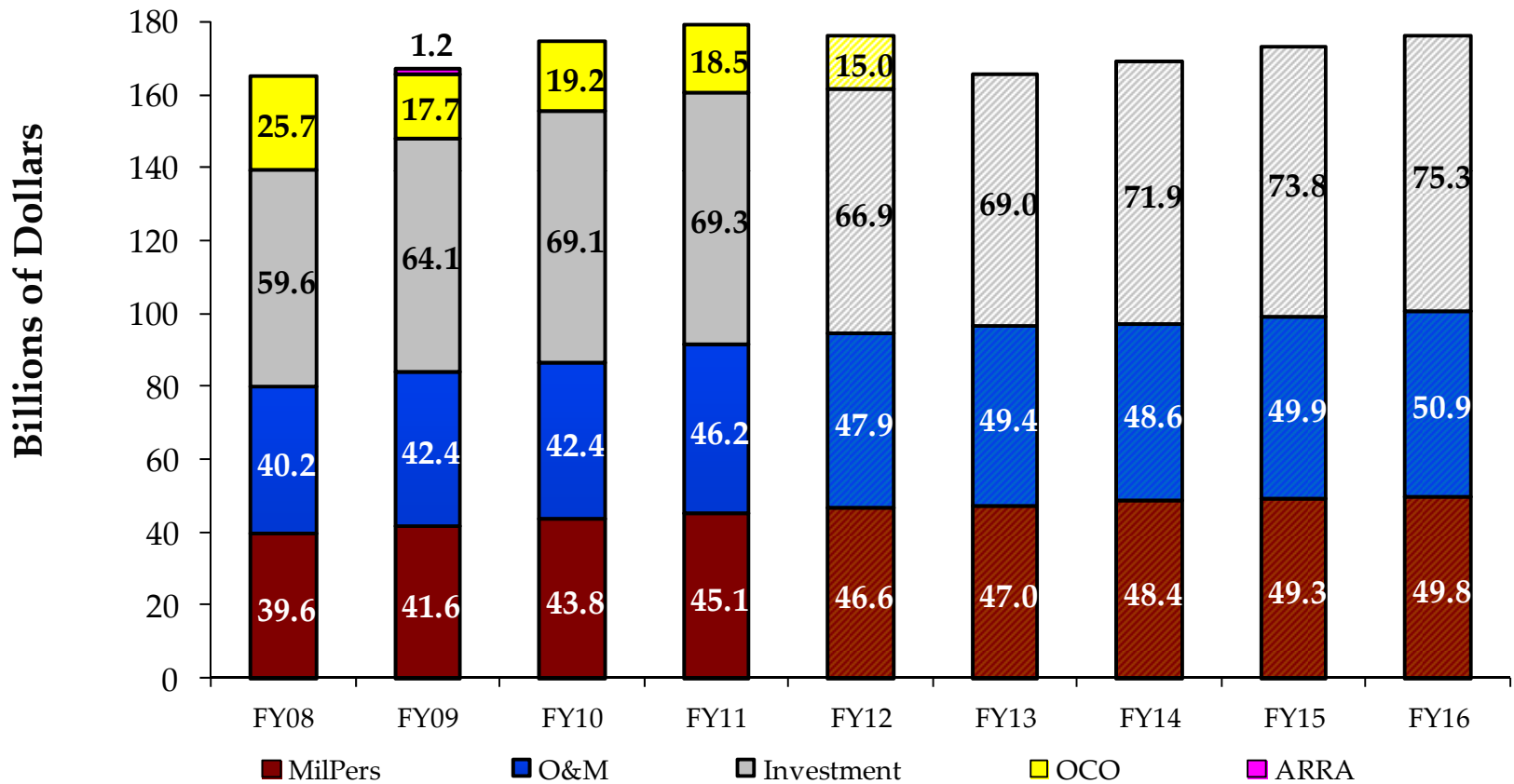
(data as of 11 Feb 2011)



Department of the Navy Topline

FY 2008 – FY 2016

	<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>
Total Funding	\$165.0	\$167.0	\$174.5	\$179.1	\$176.4				
Baseline Funding	\$139.3	\$148.1	\$155.3	\$160.6	\$161.4	\$165.4	\$168.9	\$173.0	\$175.9



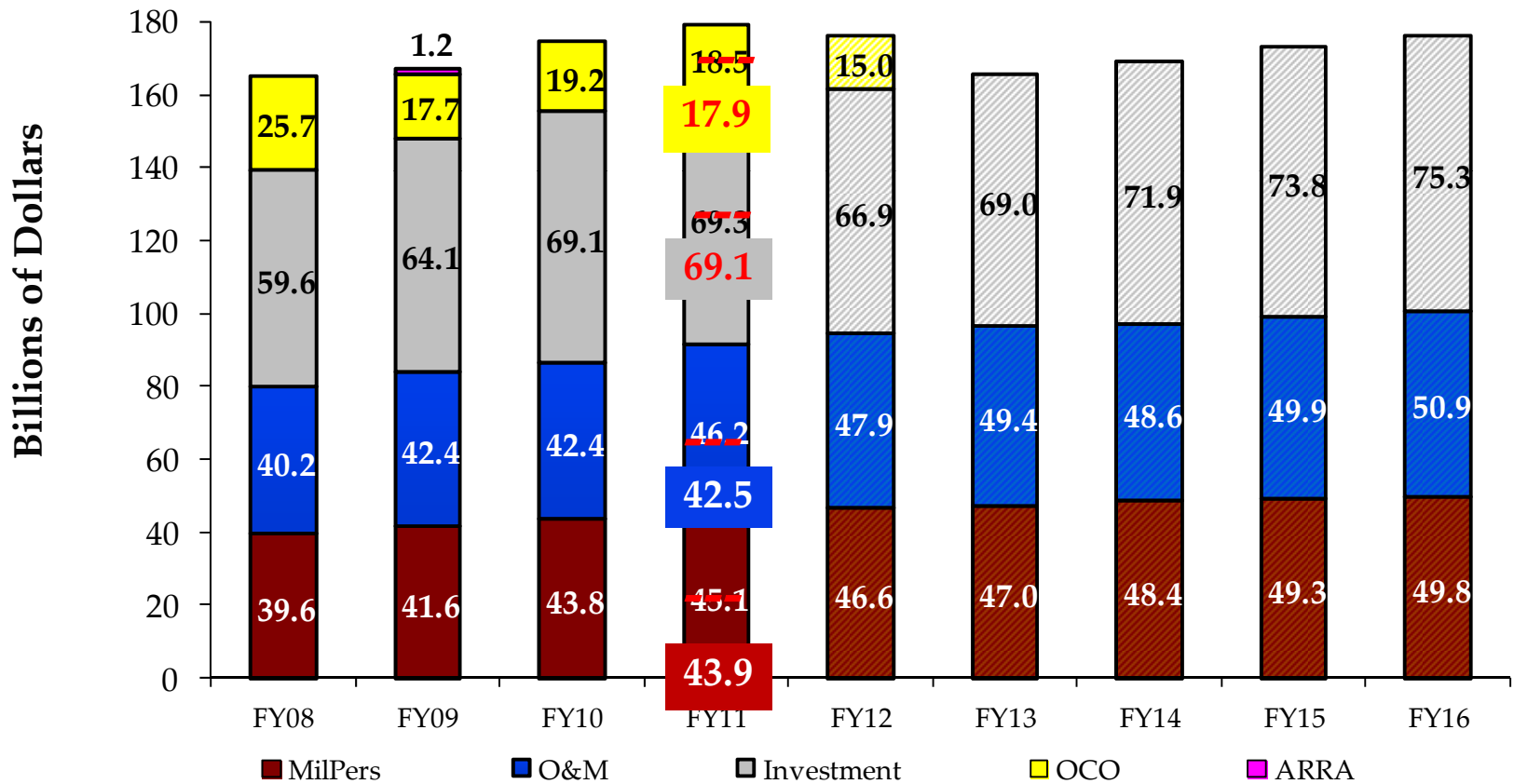
* FY 2011 reflects President's Budget Request

Numbers may not add due to rounding 4

Department of the Navy Topline

FY 2008 – FY 2016

	<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>
Total Funding	\$165.0	\$167.0	\$174.5	\$179.1 173.4	\$176.4				
Baseline Funding	\$139.3	\$148.1	\$155.3	\$160.6 154.9	\$161.4	\$165.4	\$168.9	\$173.0	\$175.9



* FY 2011 reflects Full Year CR

Summary by Appropriation Title

FY 2012 Base Budget

<u>MilPers: \$46.6B</u>	
Basic Pays	\$18.5
Housing Allowance	\$7.3
Retired Pay Accrual	\$6.4
Health Accrual	\$3.3
Reserve Personnel	\$2.6
Subsistence	\$2.0
Allowances	\$1.8
Special Pays	\$1.3
Other	\$3.4
Navy Strength 325,700 Marine Corps 202,100	

<u>Procurement: \$45.8B</u>	
Aircraft	\$18.6
Ships	\$15.5
Weapons Procurement	\$3.4
Marine Corps Procurement	\$1.4
Ammunition Procurement	\$0.7
Other Navy Procurement	\$6.2
Focused Investment	

\$

FY12:
\$161.4B

<u>O&M: \$47.9B</u>	
Ship Ops	\$12.1
Aviation Ops	\$8.4
Base Ops	\$7.5
Marine Corps O&M	\$6.0
Combat/Weapons Support	\$5.4
Service Wide Support	\$4.7
Training and Education	\$1.8
Reserve O&M	\$1.6
Environmental Restoration	\$0.3
Prevail in Current Conflicts	

<u>Infrastructure: \$3.1B</u>	
MILCON	\$2.5
BRAC	\$0.1
Family Housing	\$0.5
Sustaining the Institution	

<u>R&D: \$18.0B</u>	
Basic Research	\$0.6
Applied Research	\$0.8
Advance Tech Dev	\$0.7
Adv Component Dev	\$4.4
System Dev & Demo	\$6.5
Management Support	\$0.9
Ops Systems Dev	\$4.1
Balanced Portfolio	

*Numbers may not add due to rounding

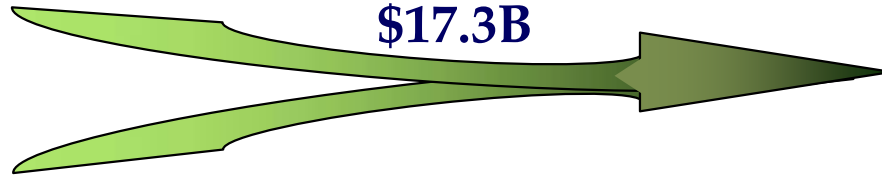
Overhead Efficiencies to Enhancements

Trading this...

To Buy This...

Buying Smarter

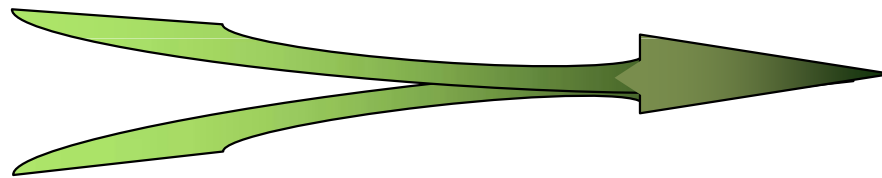
\$17.3B



- ☑ Warfighting enhancements / accelerations

Streamlining Organizations & Operations

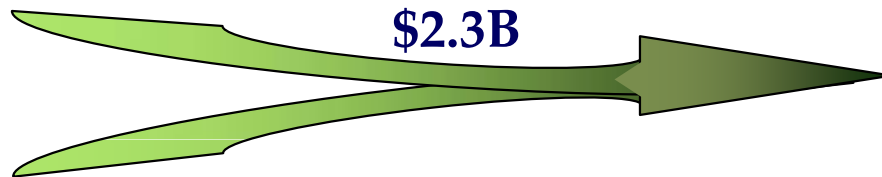
\$15.4B



- ☑ Enhanced Readiness

Energy

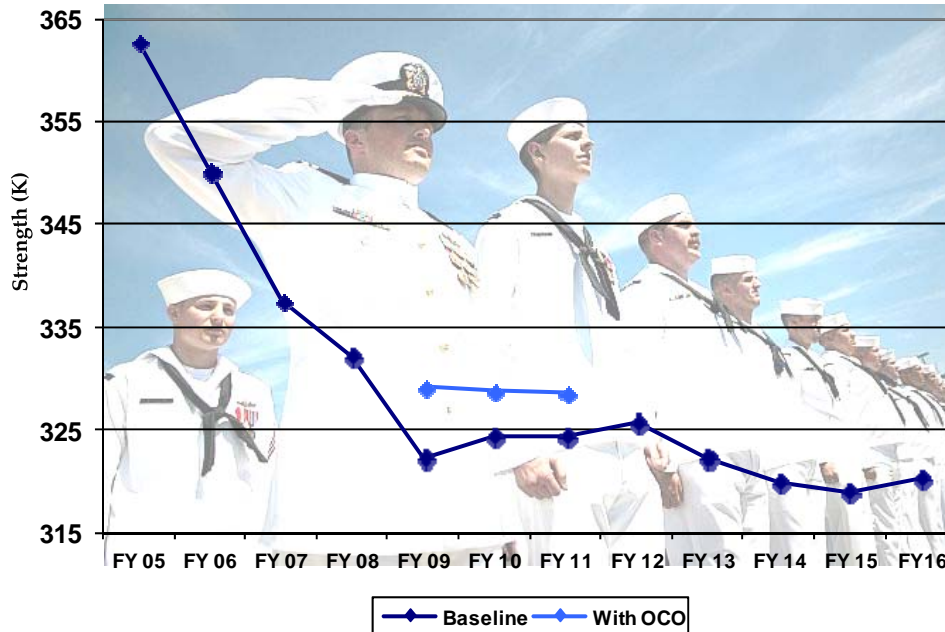
\$2.3B



- ☑ Energy
- ☑ Realigned Personnel
- ☑ Infrastructure

Military Personnel

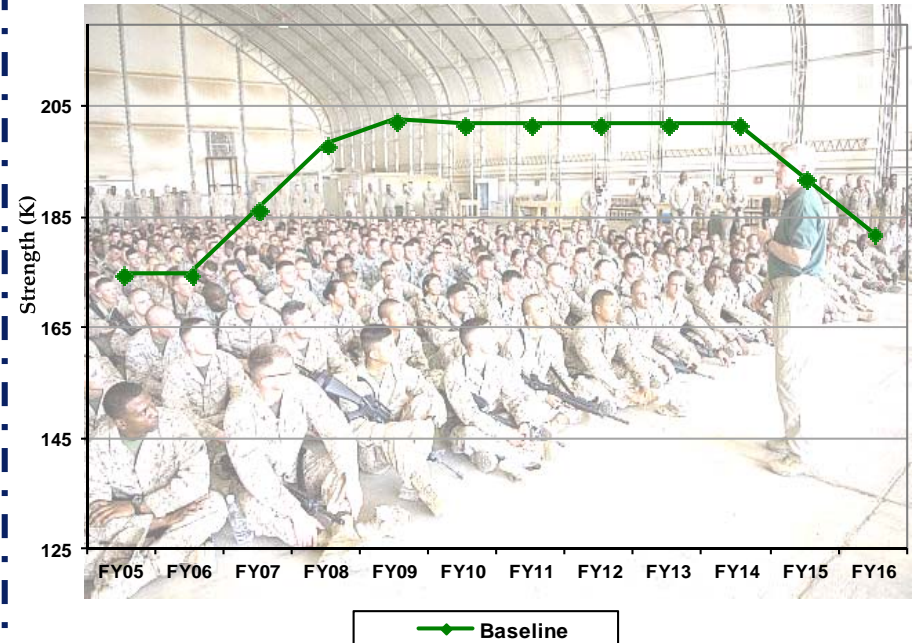
Active Navy Strength



Stabilizing the Force

- FY 2012 end strength 325,700
- FY 2012 realigns ~ 6.8K billets to enhance Navy's warfighting capability
- 66,200 reserve strength reduced to 63,300 in FY 2014

Active Marine Corps Strength

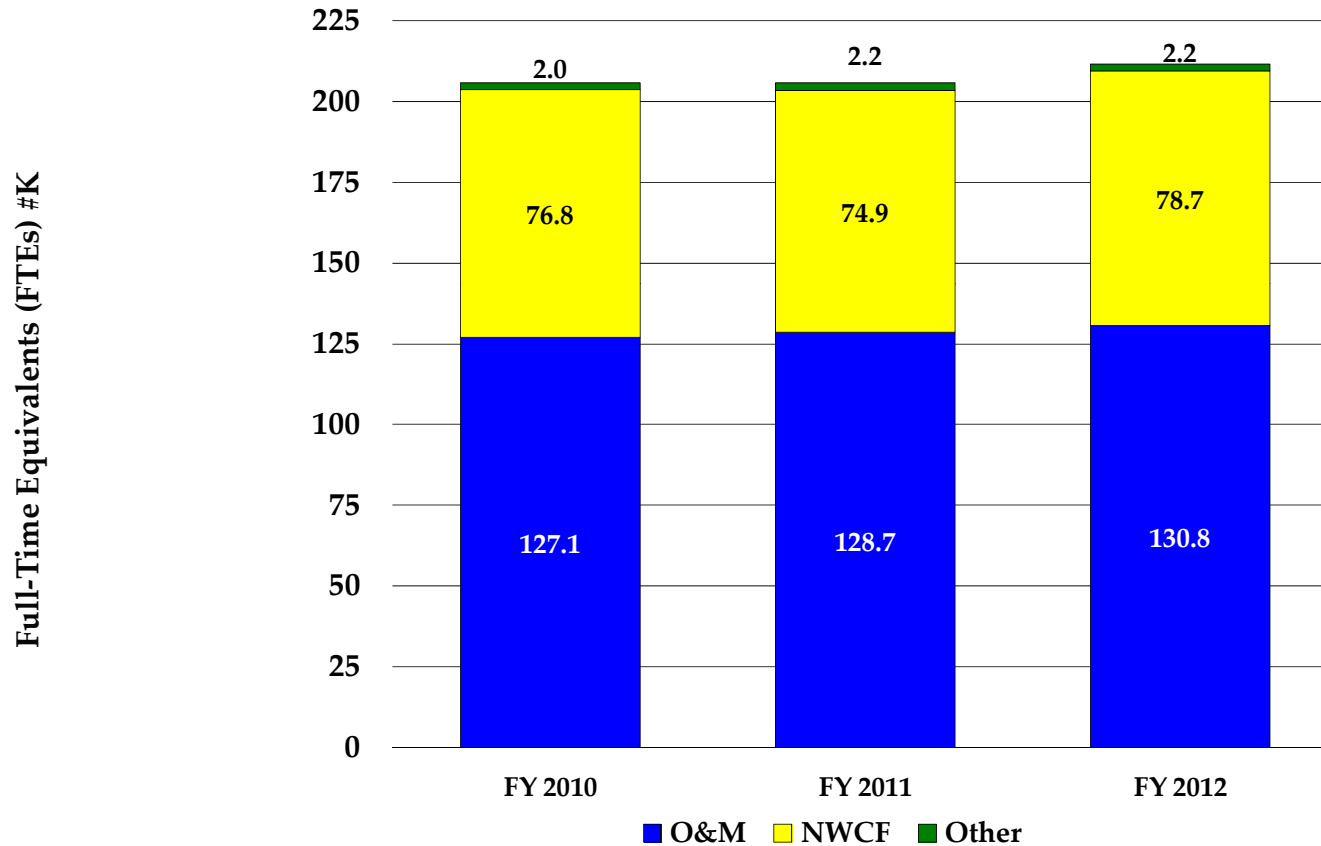


Right Sizing The Force

- Maintains FY 2011 end strength thru FY 2014
 - Reduce strength by 15,000 when no longer engaged in Afghanistan
- All strength is funded in baseline
- 3 balanced globally sourced MEFs
 - Reduces stress on force
- 39,600 reserve strength steady thru FYDP

Civilian Personnel

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change</u>
FTEs (#K)	205.9	206.0	211.7	+ 5.7



The Department of the Navy has complied with the SECDEF mandated Civilian Manpower freeze. SECDEF has approved exceptions for the Department of the Navy's growth in Shipyards, CYBER Security, Joint Basing and Acquisition Workforce

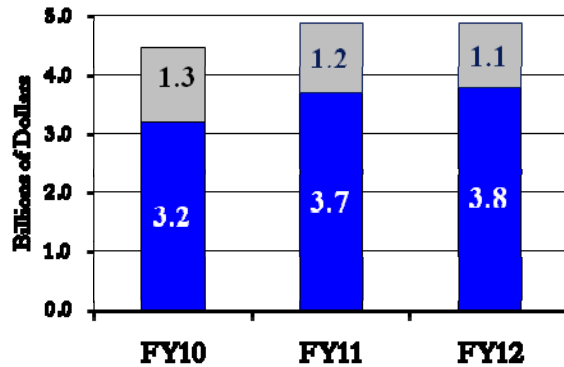
Allowed to Size our Workforce to meet our Workload

Readiness

Ship Operations

58 days/qtr deployed

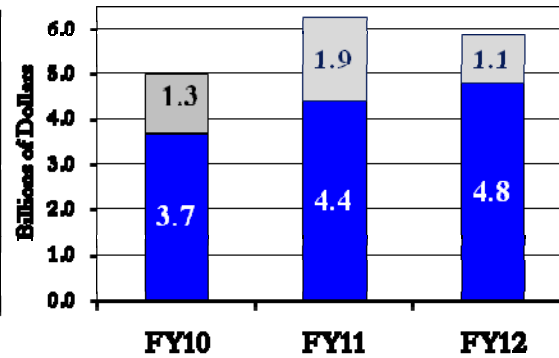
24 days/qtr non-deployed



Flying Hour Operation

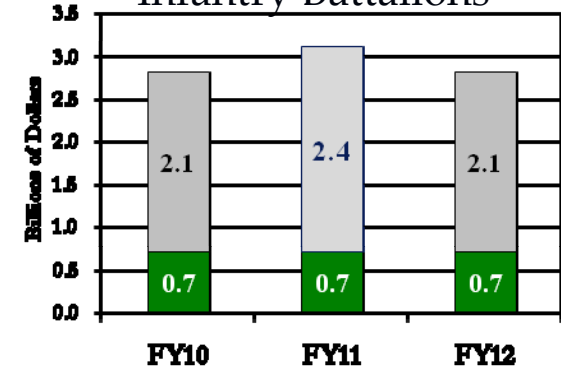
Navy T-Rating 2.3

Marine Corps T-Rating 2.0



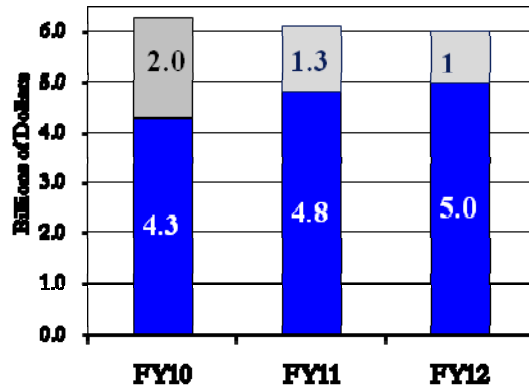
Marine Corps Operations

3 Active Marine Expeditionary Forces (MEF) & 27 Active Infantry Battalions



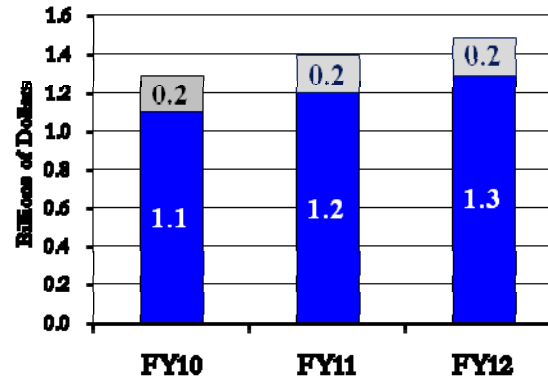
Ship Depot Maintenance

94% of projected maintenance funded



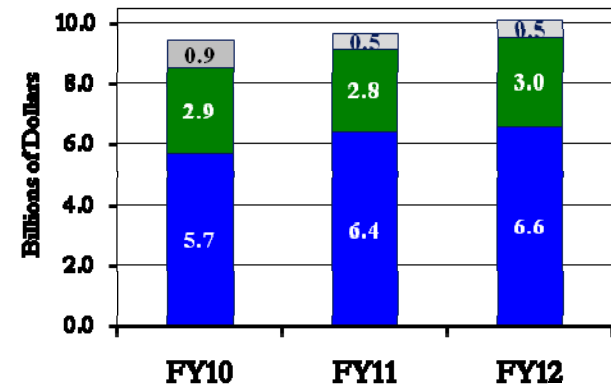
Aircraft Depot Maint/Logistics

94% of projected maintenance funded



Base Support

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



*FY11 represents PB11 request

USN Base USMC Base OCO

BOS - Base Operating Support

Shipbuilding Procurement

	FY11	FY12	FY13	FY14	FY15	FY16	FYDP
CVN 21	0	0	1	0	0	0	1
SSN 774	2	2	2	2	2	2	10
DDG 51	2	1	2	4	2	1	7
LCS	2	3	4	4	4	3	18
LPD 17	0	1	0	0	0	0	1
LHA (R)	1	0	0	0	0	1	1
T-AO(X)	0	0	0	0	1	0	1
T-AGOS	0	0	0	1	0	0	0
T-ATF(X)	0	0	0	0	1	0	1
MLP	1	0	1	0	1	0	2
JHSV	1	1	2	2	2	2	9
Total	9	8	10	12	13	9	50
PB-12 (\$M)	13,949	14,126	13,642	14,888	16,969	15,132	74,757

PB-11 FYDP FY11-15 / PB12 FYDP FY12-16

Aircraft Procurement Plan

	FY11	FY12	FY13	FY14	FY15	FY16	FYDP						
Fixed Wing													
F-35C (CV JSF)	7	7	13	12	15	14	19	20	74	72			
F-35B (STOVL JSF) ²	13	14	6	25	6	22	8	24	12	30	18	115	50
F/A-18E/F	22	1	28	25	28	0	11	0	0	0	0	26	67
EA-18G	12	24	12	0	12	0	0	0	0	0	0	24	
E-2D AHE ³	4	5	6	7	8	8	8	8	8	8	8	36	37
P-8A (MMA)	7	9	11	13	17	23	23	21	23	30		85	92
C-40A	0	0	0	0	0	3	3	0	2	2		5	
KC-130J (NAVY)	0	0	0	0	0	1	2	0	2	2		4	3
KC-130J (USMC)	0	0	1	2	0	5	3	6	3	2		15	9
UC-12W ³	0	0	2	0	0	0	0	0	0	0		0	2
Rotary Wing													
AH-1Z/UH-1Y ³	31	30	26	30	27	30	27	30	27	27		147	134
MV-22B	30	30		24	23	24	23	24	23	23		125	122
MH-60R	24	24		24		30	24	36	31	26	37	140	
MH-60S	18	18	18	18	18	18	8	8		0		62	
CH-53K (HLR)	0	0	0	0	0	0	0	0		2		2	
UAV													
MQ-8B (VTUAV)	3	3	12	4	10	6	13	6	10	12		31	57
BAMS UAS ⁴	0	0		3	3	4	4	4		4		15	
STUAS	18	8		4	4	4	4	4		0		20	
Training													
T-6A/B (JPATS)	38	43	36	35	24	0	0	0	0	0		78	60
VXX	0	0		0		0	0	0	0	0		0	
TOTAL	227	216	227	227	211	183	178	197	170	181	187	1004	973

¹FY11 column reflects final PB 11 submission to Congress.

²TBR results in a reduction of 10 a/c from 13 to 3 for STOVL in FY11.

³Reflects FY12 OCO quantities - 1 H-1 ZBN, 1 E-2D. 2 UC-12W Other Support Aircraft requested in OCO
Other support aircraft not shown on chart.

⁴Reflects RDTE aircraft in FY13.

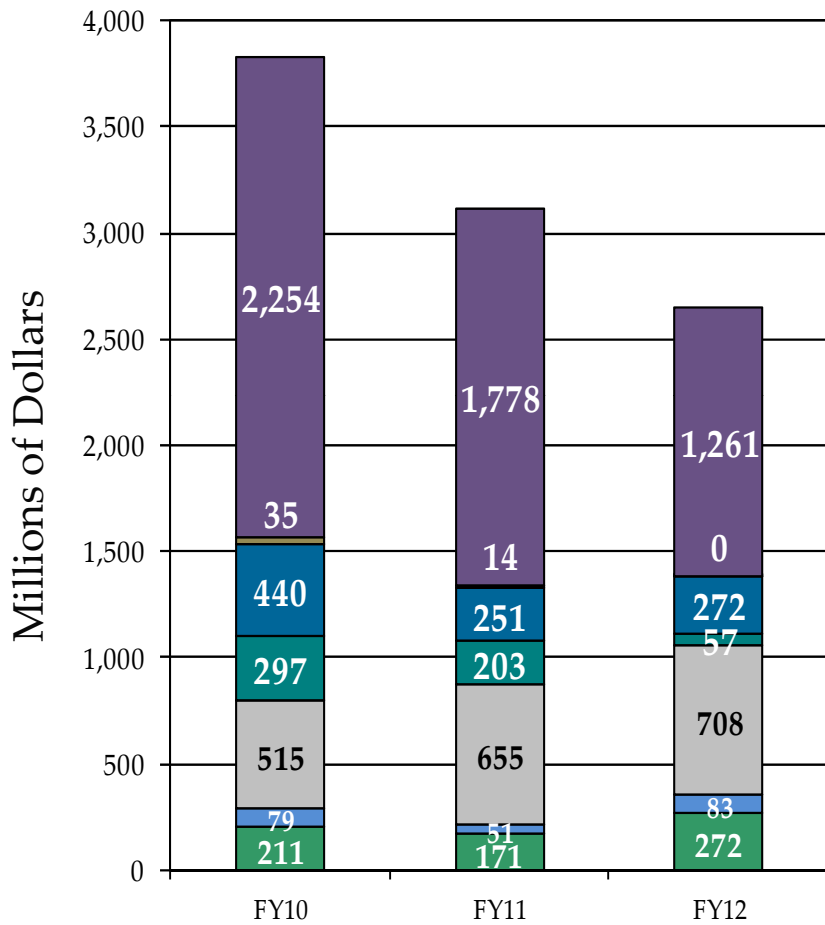
Weapons Procurement Plan

	FY11	FY12		FY13		FY14		FY15		FY16		FYDP	
Ship Weapons													
TACTOM	196	196		196		196		196		196		980	
SM2 (AUR)	8	0		0		0		0		0		0	
SM2 MODS (IIIB)	0	32	0	32	0	54	0	54	0	67	0	239	0
SM6 (AUR)	59	113	89	154	121	152	129	149	152	149	168	717	659
RAM (AUR)	90	90	61	90	62	90	64	90		90		450	367
ESSM	33	35		35		51		94		94		309	
TRIDENT	24	24		0		0		0		0		24	
MK 48 HWT	46	91	48	86	56	79	70	78		84		418	336
MK 54 LWT	0	80	45	97		190		286		286		939	904
Aircraft Weapons													
AIM-9X	155	145	132	146	145	185		188		188	179	852	829
AMRAAM	101	165	161	226	210	232	216	253	244	253	232	1,129	1,063
JSOW C	223	360	266	366	342	408	414	412	414	412	409	1,958	1,845
AARGM	44	92	72	152	104	199	194	232	227	232	274	907	871
HELLFIRE	1,369	281	421	1,000		730	1,022	715	428	715		3,441	3,586
SOPGM	0	0	150	0		0		0		0		0	150
JAGM	0	0		0		0		220	164	220	290	440	454
SDB II	0	0		0		0		90	0	90		180	90
APKWS	600	1,000	1,656	1,000		1,000	2,321	1,000	1,541	1,000	2,062	5,000	8,580
Total	2,948	2,704	3,356	3,580	3,368	3,566	5,052	4,057	4,102	4,076	5,169	17,983	21,047

Note: Reflects FY11/FY12 OCO quantities (FY11: 9 AIM-9X, 644 Hellfire, 71 Viper Strike, 71 Griffin; FY12: 75 Viper Strike, 75 Griffin, and 140 Hellfire)

Note: Stand-Off Precision Guided Missile (SOPGM) includes Viper Strike and Griffin. Prior to FY12 SOPGM is included in Hellfire)

Marine Corps Procurement

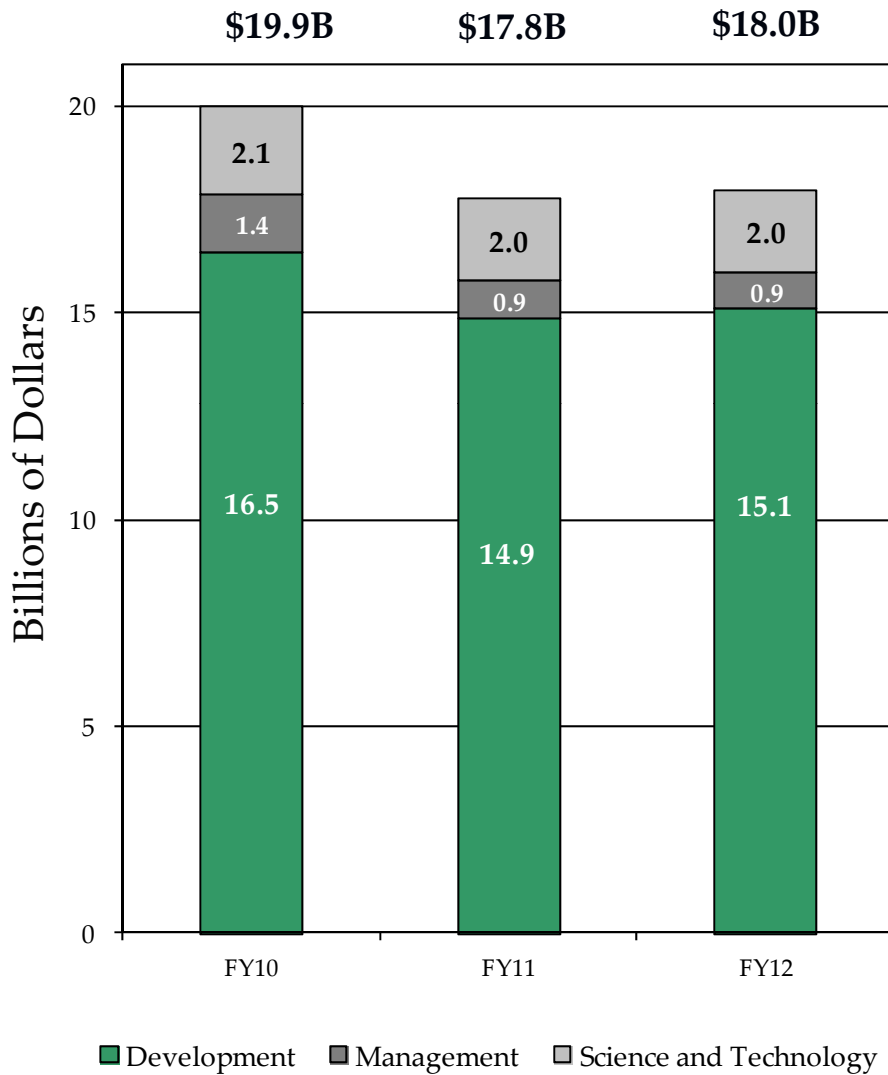


- Weapons & Combat Vehicles
- Guided Missiles & Equipment
- Communications & Elect Equip
- Support Vehicles
- Engineer & Other Equipment
- Spares & Repair Parts
- OCO

*Numbers may not add due to rounding

		Major Systems (\$M)		
		FY10	FY11	FY12
Comm & Elect	NGEN / COSC	71	236	154
	Blue Force Tracker (BFT)	18	3	57
	Tactical Comm Modernization (TCM)	24	10	55
	AN/TPS-59	5	0	28
	G/ATOR	0	0	4
Support Veh	Route Clearance	72	20	43
	Family of Material Handling Equip (FHME)	47	24	37
	Family of Expeditionary Fuel Systems	0	0	27
Weapons	LAV 25	0	0	111
	M1A1 Mod Kit	29	25	38
Missiles	Follow-on to SMAW (FOTS)	0	22	47

R&D Investment

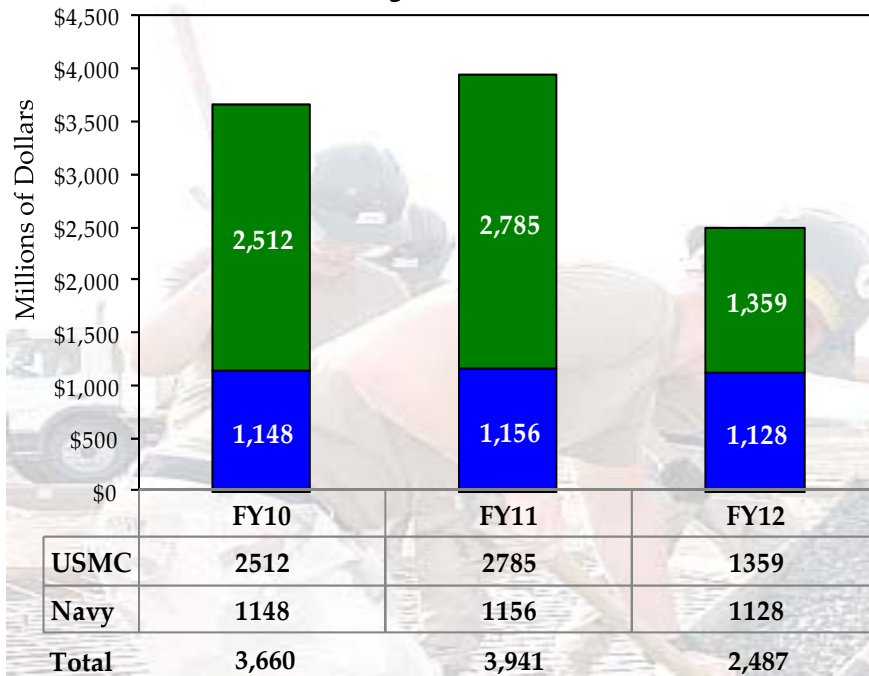


*Numbers may not add due to rounding

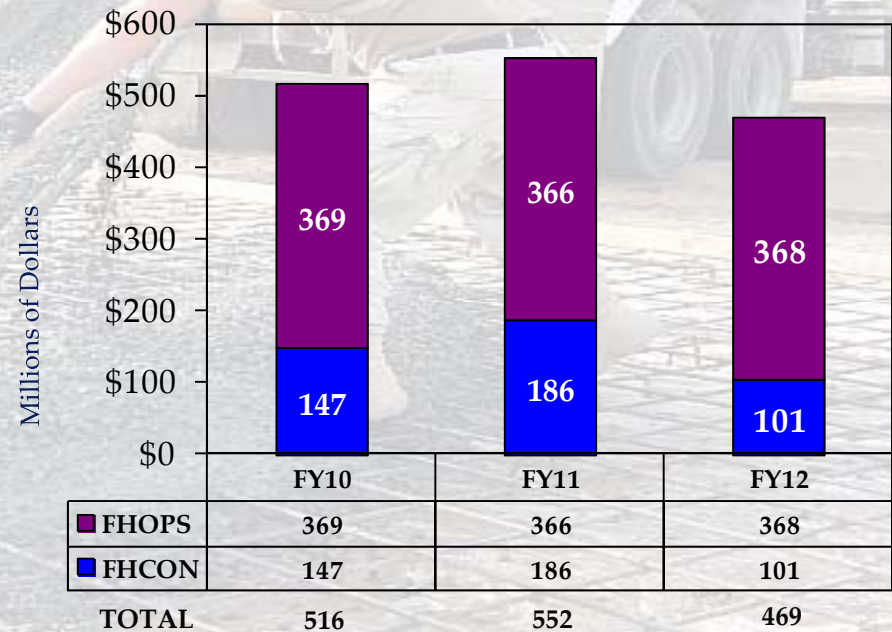
	Major Systems (\$M)	FY10	FY11	FY12
Aviation	Joint Strike Fighter (F-35)	1,886	1,376	1,348
	MMA (P-8A)	1,139	929	623
	CH-53K	504	577	629
	Next Generation Jammer	112	121	190
Shipbuilding	Ohio Replacement Program	476	672	1,067
	LCS	422	226	287
	DDG-1000	508	549	262
	CVN 21	270	174	137
	Virginia Class SSN	177	155	97
Unmanned	RQ-4 UAV (BAMS)	438	529	548
	NUCAS - D	296	266	198
	UCLASS	0	0	121
Other	JTRS	859	688	688
	Defense Research Sciences	424	430	446
	MC Comms Systems	269	245	322
	Sat Com (Space)	482	422	264
	AMDR	165	228	167
	Surface Electronic Warfare Improvement Program	71	79	158
	Surface Ship Torpedo Defense	48	58	119
	G/ATOR	62	55	107

Military Construction & Family Housing

Military Construction



Family Housing



Energy Investment

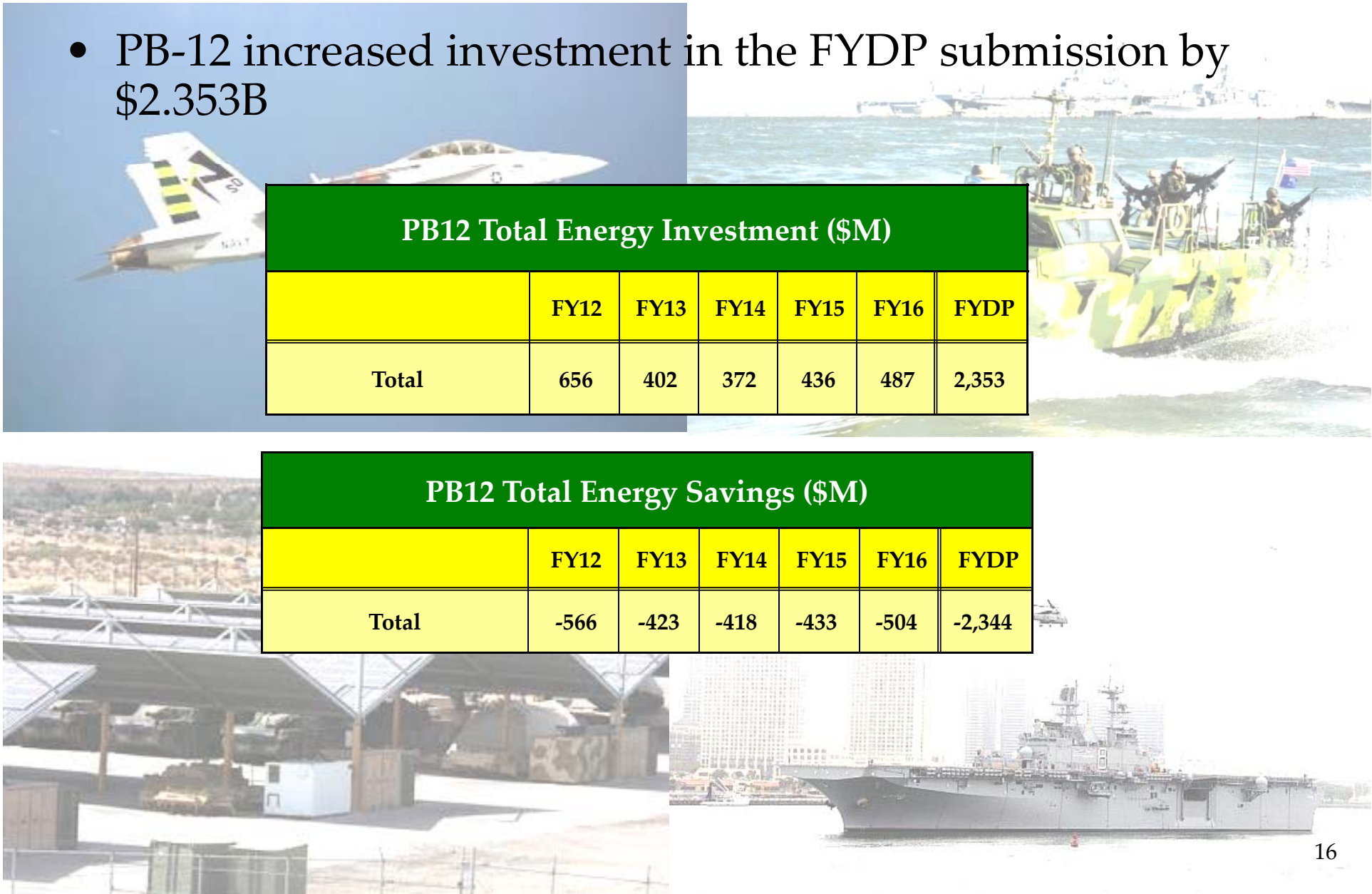
- PB-12 increased investment in the FYDP submission by \$2.353B

PB12 Total Energy Investment (\$M)

	FY12	FY13	FY14	FY15	FY16	FYDP
Total	656	402	372	436	487	2,353

PB12 Total Energy Savings (\$M)

	FY12	FY13	FY14	FY15	FY16	FYDP
Total	-566	-423	-418	-433	-504	-2,344



Overseas Contingency Operations Funding

Department of Navy OCO Budget			
(Dollars in millions)	FY 2010 Actual	FY 2011 OCO PB Request	FY 2012 OCO
Military Personnel, Navy (MPN)	1,291	1,179	919
Reserve Personnel, Navy (RPN)	40	49	45
Operation and Maintenance, Navy (O&MN)	7,596	8,947	7,007
Operation and Maintenance, Navy Reserve (O&MNR)	91	94	74
Aircraft Procurement, Navy (APN)	1,055	420	731
Procurement Ammunition, Navy and Marine Corps (PANMC)	182	195	135
Other Procurement, Navy (OPN)	470	481	282
Weapons Procurement, Navy (WPN)	51	93	41
Research, Development, Test and Evaluation, Navy (RDT&EN)	71	39	48
Navy Working Capital Fund	204	-	-
Medicare-Eligible Retiree Health Fund Contribution, Navy (DHAN)	-	26	-
USN Subtotal	11,049	11,523	9,282
Military Personnel, Marine Corps (MPMC)	677	644	675
Reserve Personnel, Marine Corps (RPMC)	31	31	25
Operation and Maintenance, Marine Corps (O&MMC)	4,506	4,137	3,571
Operation and Maintenance, Marine Corps Reserve (O&MMCR)	89	30	36
Procurement, Marine Corps (PMC)	2,254	1,778	1,261
Research, Development, Test and Evaluation, Navy (RDT&EN)	66	21	6
Procurement Ammunition, Navy and Marine Corps (PANMC)	494	370	182
USMC Subtotal	8,118	7,011	5,757
DON Grand Total - Supplemental	19,167	18,534	15,038

FY 2011 Continuing Resolution - Impacts

- Without relief or reprogramming, Department of the Navy cannot make final military payroll of the year
- O&M shortfall of \$4.6B has significant impacts on Warfighting Operations, Base Support and Equipment Maintenance
 - DON must take action now and not wait till resolution of PBR-11

<u>Program</u>	President's Budget		Full Year CR	
	<u>Base</u>	<u>Base + OCO</u>	<u>Base</u>	<u>Base + OCO</u>
Flying Hour Program	T-2.5/2.0	T-2.5/2.0	T-2.9/2.5	T-2.9/2.5
Ship Ops	45/20	58/24	43/19	56/23
Aircraft Maintenance	82%	96%	73%	88%
Ship Maintenance	77%	97%	72%	92%
NECC	74%	100%	42%	80%
Base Ops	Mostly COL 3	Mostly COL 3	COL 3/4	COL 3/4
FSRM	90%	90%	50%	50%

- For Investment accounts the Department does not have the ability to increase spending and production above FY 2010 levels
 - Limits number of aircraft, ships, and weapons that can be procured
 - PMC impact of full year CR is 33-50% loss of procurement capability
- Without specific authority, Department cannot execute FY11 MILCON,

Key Take Aways

Imperatives

- Taking care of our Sailors, Marines, civilians, and their families
- Treating energy as a strategic national security issue
- Creating acquisition excellence
- Optimizing unmanned systems

Your Maritime Forces

Our FY 2012 budget request represents a balanced approach to increasing warfighting capacity, maintaining our current readiness, and developing and enhancing our Total Force.

Reform

Overhead efficiency savings of \$35 Billion were captured by focusing on three main efforts:

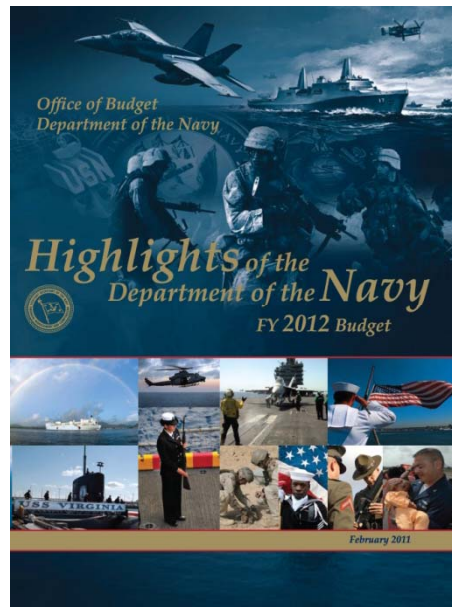
- Buying Smarter
- Streamlining Our Organizations and Operations
- Reducing Energy Consumption

Providing the Right Force for the Nation Today...

...While Preparing for the Uncertainties of Tomorrow

For More Information

- For more information, visit the website for the Department of the Navy at
 - http://www.finance.hq.navy.mil/FMB/12pres/Highlights_book.pdf
 - Download the Department's *FY 2012 Highlights Book*



“Hard choices were made, but they were necessary to make certain we are the most efficient and effective fighting force we can be. . . . resulted in reasonable and responsible reforms that will ensure the Navy and Marine Corps remain the most formidable expeditionary fighting force the world has ever known.”

Secretary of the Navy Ray Mabus 6 Jan 2011 20