

The **BOTTOM LINE**

Fiscal Year 2017 Department of the Navy Budget Submission

The Fiscal Year 2017 (FY17) baseline budget submission for the Department of the Navy (DON) is \$155.4 billion. The DON FY17 budget supports missions specified in Quadrennial Defense Review (QDR), and the priorities of the Secretary of the Navy, Chief of Naval Operations, and Commandant of the Marine Corps. The DON can meet the mission areas outlined in the QDR, but with risk. The Department prioritized investments to maintain a credible and survivable sea-based strategic deterrent; provide timely options to leadership, assure our allies, and deter our adversaries through a persistent forward ready force; seize and maintain the initiative from blue water to the littorals; advance and ingrain information warfare; and provide foundational enabling elements.

The FY17 request for Overseas Contingency Operations (OCO) continues to fund the incremental costs to sustain ongoing operational commitments, equipment/infrastructure repair, manpower, and equipment replacement. The FY17 DON OCO request is \$9.5 billion.

Highlights

- The budget request reflects a deployable battle forces of 287 ships in FY17, including 11 aircraft carriers, 32 amphibious ships, 90 large surface combatants, 25 small surface combatants, 4 guided missile submarines, 52 nuclear powered attack submarines, and 14 ballistic submarines. This battle force number reflects congressional NDAA language on ship counting rules.
 - 13 battle force ships will be delivered in FY17: 2 SSN, 4 LCS, 2 T-EPF, 1 LPD, 3 DDG, and 1 DDG 1000.
 - 3 SSN, 2 T-ARS, and 1 T-ATF will be retired.
- Ship procurement funds 7 new-construction ships in FY17 (2 SSNs, 2 DDG 51, 2 LCS, and 1 LHA(R)) and 38 ships across the Future Years Defense Plan (FYDP).
- Aircraft procurement funds 94 airframes in FY17 and 476 airframes across the FYDP.
 - Major aviation procurement in FY17 includes: 20 F-35B/C, 2 F/A-18E/F (in OCO), 6 E-2D, 11 P-8A, 2 KC-130J, 24 AH-1Z/UH-1Y, 2 CH-53K, 16 MV-22, and 11 UAV.
- Ship operations are funded to 58 days/quarter deployed and 24 days/quarter non-deployed with OCO. Flight hours are funded for Navy and Marine Corps units to deploy at a 2.0 T-rating with OCO. Percentage of required maintenance funded in base and OCO in FY17: Ship Depot: 100%, Aviation Depot: 85%, Marine Corps ground equipment: 79%. Baseline sustainment of shore facilities is funded at 70% of requirement for Navy and 74% for Marine Corps.
- Military basic pay and civilian pay are increased by 1.6 percent.
- This budget continues implementation of a streamlined reduction to Major Headquarters, and continued initiatives begun with the FY15 budget to reduce acquisition costs.

Key Messages

- The FY17 budget reflects the resources required in today's security environment to rapidly respond to a broad scope of threats, while deterring assertive actors across the globe through presence and dominant capability.
- The budget balances the current readiness needed to execute assigned missions with sustaining a highly capable fleet.
- The FY17 request for OCO continues to fund the incremental costs to sustain ongoing operational commitments, manpower, equipment/infrastructure repair, and equipment replacement.

Facts & Figures

- The FY17 baseline budget provides:
 - \$45.6 billion for Military Personnel
 - \$46.9 billion for Operation and Maintenance
 - \$44.0 billion for Procurement
 - \$17.3 billion for Research and Development
 - \$1.6 billion for Infrastructure
 - 322,900 Active Navy end strength
 - 182,000 Active Marine Corps end strength
 - 203,317 Civilian full-time equivalents
- The FY17 OCO request is \$9.5 billion

For DON FY 2017 Budget information visit:

<http://www.finance.hq.navy.mil/fmb/PB/books.htm>