



DEPARTMENT OF THE NAVY
FY 2017 REQUEST FOR ADDITIONAL APPROPRIATIONS

March 17, 2017

Initial SECDEF Guidance

SECDEF Mattis Guidance 31 Jan 2017

- **Improve Warfighting Readiness**

- Currently being addressed to meet the new and accelerated requirements now

- **Achieve Program Balance by Addressing Pressing Shortfalls**

- An accelerated budget review will look to balance program shortfalls
- Rebuild readiness, increase facility funding, grow force structure

- **Build Capacity and Improve Lethality**

- Development of a new force size construct
- Enhance the force against high end competitors and emerging threats
- Ambitious reform agenda to take advantage of effectiveness and efficiencies



FY 2017 DON RAA Base Budget

O&M: \$2.73B

Ship Ops & Maint	\$1.08
Aviation Ops & Maint	\$0.69
Base Ops & Support	\$0.21
Marine Corps O&M	\$0.45
Combat/Weapons Support	\$0.21
Service Wide Support	\$0.05
Training and Education	\$0.00
Reserve O&M	\$0.29
Mobilization	-\$0.25

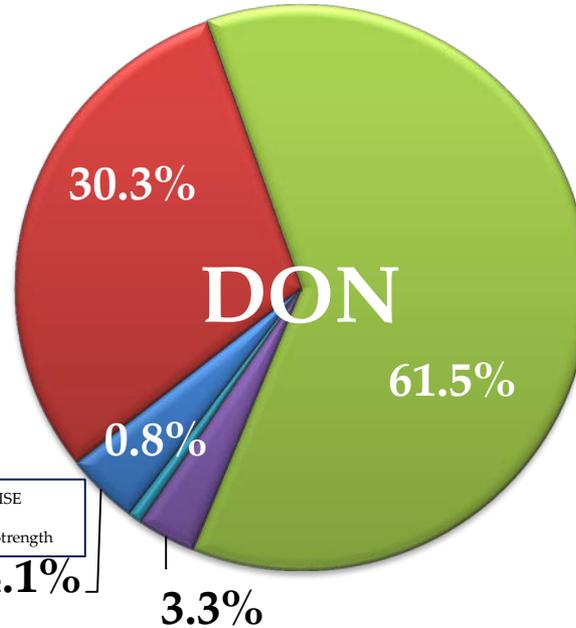
MilPers: \$0.37B

Basic Pays	\$0.01
Housing Allowance	\$0.06
Retired Pay Accrual	-\$0.12
Health Accrual	\$0.19
Reserve Personnel	\$0.01
Subsistence	-\$0.01
Allowances	\$0.06
Special Pays	\$0.05
Other	\$0.12

PAY RAISE
PCS
NDAA Strength

4.1%

FY17: \$9.02B



R&D: \$0.30B

S&T	AUTEC LRASM	\$0.00
Adv Component Dev		\$0.04
System Dev & Demo		\$0.09
Management Support		\$0.06
Ops Systems Dev		\$0.10

Infrastructure: \$0.07B

MILCON	\$0.07
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Cost to Complete
Planning & Design

Procurement: \$5.55B

Ships	\$0.69	→	DDG 51 Partial Service Craft SSC +3 LCU 1700 +1
Aircraft	\$4.01	→	APN APN6 F/A-18 +24 P8 +6 C-40 +2 MV-22 +2 UC-12W +4 MV-22 (OCO) +1
Weapons	\$0.17	→	RAM +30 Laser Maverick +224 TLAM +96
Marine Corps	\$0.41	→	Javelin 155mm Tubes GATOR P-19
Ammunition	\$0.05	→	IDAM (OCO)
Other Proc	\$0.22	→	HS Targets +56 Surtass Array SWFTS +2 Sub Arrays +4 Defensive Cyber

Readiness Adjustments

APPN (\$B)	FY17 PB	FY17 RAA	Total
OMN *	\$ 39.765	\$ 2.270	\$ 42.035
OMNR	\$ 0.928	\$ 0.005	\$ 0.933
OMMC	\$ 5.954	\$ 0.452	\$ 6.406
OMMCR	\$ 0.271	\$ 0.000	\$ 0.271
MCN	\$ 1.596	\$ 0.071	\$ 1.667
Sub Total	\$ 48.514	\$ 2.798	\$ 51.312

Details:

Improve Warfighting Readiness

- Ship Operations - funds forward-deployed operations USS PONCE retains five deployable guided missile cruisers
- Air Operations - adds ~14,000 flying hours to support tactical training and ~27,000 flight hours to support student pilots and crew
- Ship Depot Maintenance - supports 14 surface ship maintenance availabilities in FY 2017
- Information and Cyber Warfare - upgrade and maintain afloat and ashore networks
- MILCON / MCNR: funds to complete construction of four previously enacted projects

Achieve Program Balance by Addressing Pressing Shortfalls

- FSRM
- MILCON - funds \$50M for planning and design for future and emergent projects
- Shore Support

Build Capacity and Improve Lethality

* OMN includes ERN and NDSF

Procurement Adjustments

APPN (\$B)	FY17 PB	FY17 (Qty)	FY17 RAA	FY17 RAA (Qty)	Revised FY17	Rev. FY17 (Qty)
APN	\$14.109	84	\$4.007	38	\$18.116	122
SCN	\$18.355	10	\$0.691	4	\$19.046	14
WPN	\$3.209	870	\$0.172	126	\$3.381	996
PANMC	\$0.664		\$0.053		\$0.717	
OPN	\$6.339		\$0.218		\$6.557	
PMC	\$1.000	199	\$0.406	518	\$1.769	717
RDTEN	\$17.276		\$0.300		\$17.576	
Sub Total	\$60.952	1,163	\$5.847	686	\$67.162	1,849

Details:

Improve Warfighting Readiness

- Aviation Spares funded to 88% of requirement
- 24 additional F/A-18E/F aircraft – *Strike Fighter Shortfall*
- 96 additional Tomahawk missiles – *Minimum Sustaining Rate (MSR)*
- 30 additional Rolling Airframe Missiles (RAM) *supports improvements in meeting Service's TMR goals*
- 151 additional Guided Multiple Launch Rocket System (GMLRS) alternative warhead (AW) – *Will accelerate attainment of the Total Munitions Requirement (TMR) goal*
- 515 Javelin Guided Missiles – *Will support improvements in meeting Service's TMR goal*
- 3 Ground/Air Task Oriented Radar (G/ATOR) systems – *Accelerate fielding of critical ground and air defense enabler*
- 3 additional Ship To Shore Connector craft
- Increases for subsequent year full funding for the 3rd FY16 DDG-51
- Training Range Infrastructure

Achieve Program Balance by Addressing Pressing Shortfalls

- Six additional P-8A aircraft – buy to inventory objective sooner

Build Capacity and Improve Lethality

Personnel Adjustments

APPN (\$B)	FY17 PB	FY17 RAA	Revised FY17
MPN	\$ 29.193	\$ 0.274	\$ 29.466
RPN	\$ 2.036	\$ 0.016	\$ 2.052
MPMC	\$ 13.517	\$ 0.077	\$ 13.593
RPMC	\$ 0.810	\$ 0.009	\$ 0.819
Sub Total	\$ 45.556	\$ 0.375	\$ 45.931

Navy

- Properly man 2-4-6 Cruiser Modernization Program
- Restore 15,000 critical Permanent Change of Station moves and associated transients in the Individuals Account
- Slight Increase to Officer Strength
- Fund 2.1% Military Pay Raise

Marine Corps

- Fund End Strength to 185,000
- Fund 2.1% Military Pay Raise

Reserve Components

- Fund 2.1% Military Pay Raise

OCO Adjustments

APPN (\$B)	FY17 PB	FY17 RAA	Total
APN	\$ 0.393	\$ 0.085	\$ 0.478
MCN	\$ 0.060	\$ -	\$ 0.060
MPMC	\$ 0.180	\$ -	\$ 0.180
MPN	\$ 0.331	\$ -	\$ 0.331
OMMC	\$ 1.244	\$ 0.005	\$ 1.249
OMMCR	\$ 0.003	\$ -	\$ 0.003
OMN	\$ 6.827	\$ 0.083	\$ 6.911
OMNR	\$ 0.026	\$ -	\$ 0.026
OPN	\$ 0.124	\$ 0.006	\$ 0.130
PANMC	\$ 0.066	\$ 0.058	\$ 0.124
PMC	\$ 0.119	\$ 0.028	\$ 0.147
RD TEN	\$ 0.078	\$ 0.128	\$ 0.206
RPMC	\$ 0.004	\$ -	\$ 0.004
RPN	\$ 0.012	\$ -	\$ 0.012
WPN	\$ 0.009	\$ -	\$ 0.009
Sub Total	\$ 9.476	\$ 0.393	\$ 9.869

Details:

Operations

- OMN funds additional UAV ISR hours, increased theater communications usage, COCOM JUON for counter UAV IED systems, and classified programs
- OMMC funds additional intel analysis and NIP program support

Investment / RD TEN

- APN replaces 1 MV-22 destroyed during combat operations
- OPN and RD TEN supports JUON for Counter-UAS
- RD TEN also supports classified programs
- PANMC procures additional General Purpose bombs to replenish operational usage (JDAM)
- PMC procures hardware to support expansion of the Joint Processing, Exploitation, and Dissemination (JPED) capability within Joint Worldwide Intelligence Communications System (JWICS)

SEAMS

APPN (\$B)	FY17 PB	FY17 (Qty)	FY17 RAA	FY17 RAA (Qty)	Revised FY17	Rev. FY17 (Qty)	Conference
APN	\$ 14.109	84	\$ 4.007	38	\$18.116	122	\$1.595
SCN	\$ 18.355	10	\$ 0.691	4	\$19.046	14	\$0.404
WPN	\$ 3.209	870	\$ 0.172	126	\$3.381	996	\$0.022
PANMC	\$ 0.664	-	\$ 0.053	-	\$0.717	-	(\$0.005)
OPN	\$ 6.339	-	\$ 0.218	-	\$6.557	-	\$0.011
PMC	\$ 1.363	199	\$ 0.406	518	\$1.769	717	(\$0.024)
Mil Pers						-	\$0.109
Civ Pers						-	\$0.034
Sub Total	\$ 44.039	1,163	\$ 5.547	686	\$ 49.586	1,849	\$ 2.146

Congressional Adds

RAA Adds

- + 12 F/A-18 E/F \$0.979 – *Strike Fighter mitigation*
- + 2 V-22 \$0.128 – *Accelerated fielding*
- + 2 C-40A \$0.207 - *USN in conference / USMC in ABS*
- + \$0.194 APN Spares – *PB had 71%, our add brings to 88%, this would bring to 96%*
- + \$0.404 SCN - *Balance of FY16 DDG-51 add*

RAA Reductions

- + \$0.018 to Navy Energy - ABS cut **-\$0.025**

Congressional Reductions

RAA Add:

- - **\$0.120** in the P-8A Poseidon
- - **\$0.024** to the Explosive Ordnance Disposal line
- - **\$0.028** to Tomahawk Mission Planning
- - **\$0.020** to V-22A program
- - **\$0.010** to the Standard Missile program

RAA Reductions

- - **\$0.035** to the F-18 (IRST) – ABS cut - **\$0.106**