



# **Balancing Capability and Capacity**

**AMERICAN SOCIETY OF NAVAL ENGINEERS (ASNE)  
COMBAT SYSTEMS SYMPOSIUM 2012**

**VADM John T. Blake  
Integration of Capabilities and Resources (OPNAV N8)  
26 March 2012**

UNCLASSIFIED

# Report Documentation Page

Form Approved  
OMB No. 0704-0188

Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

1. REPORT DATE <b>26 MAR 2012</b>		2. REPORT TYPE		3. DATES COVERED <b>00-00-2012 to 00-00-2012</b>	
4. TITLE AND SUBTITLE <b>Balancing Capability and Capacity</b>				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) <b>Integration of Capabilities and Resources (OPNAV N8),US Navy, Washington, DC, 20350</b>				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT <b>Approved for public release; distribution unlimited</b>					
13. SUPPLEMENTARY NOTES <b>Presented at : Combat Systems Symposium 2012: March 26-27, 2012 Arlington, VA</b>					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES	19a. NAME OF RESPONSIBLE PERSON
a. REPORT <b>unclassified</b>	b. ABSTRACT <b>unclassified</b>	c. THIS PAGE <b>unclassified</b>			



UNCLASSIFIED

# Sustaining U. S. Global Leadership Priorities for 21<sup>st</sup> Century Defense



**“I am determined that we meet the challenges of this moment responsibly and that we emerge even stronger in a manner that preserves American global leadership, maintains our military superiority and keeps faith with our troops, military families and veterans.”**

**“At the same time, we must put our fiscal house in order here at home and renew our-long term economic strength.”**

***President Obama, 3 January 2012***

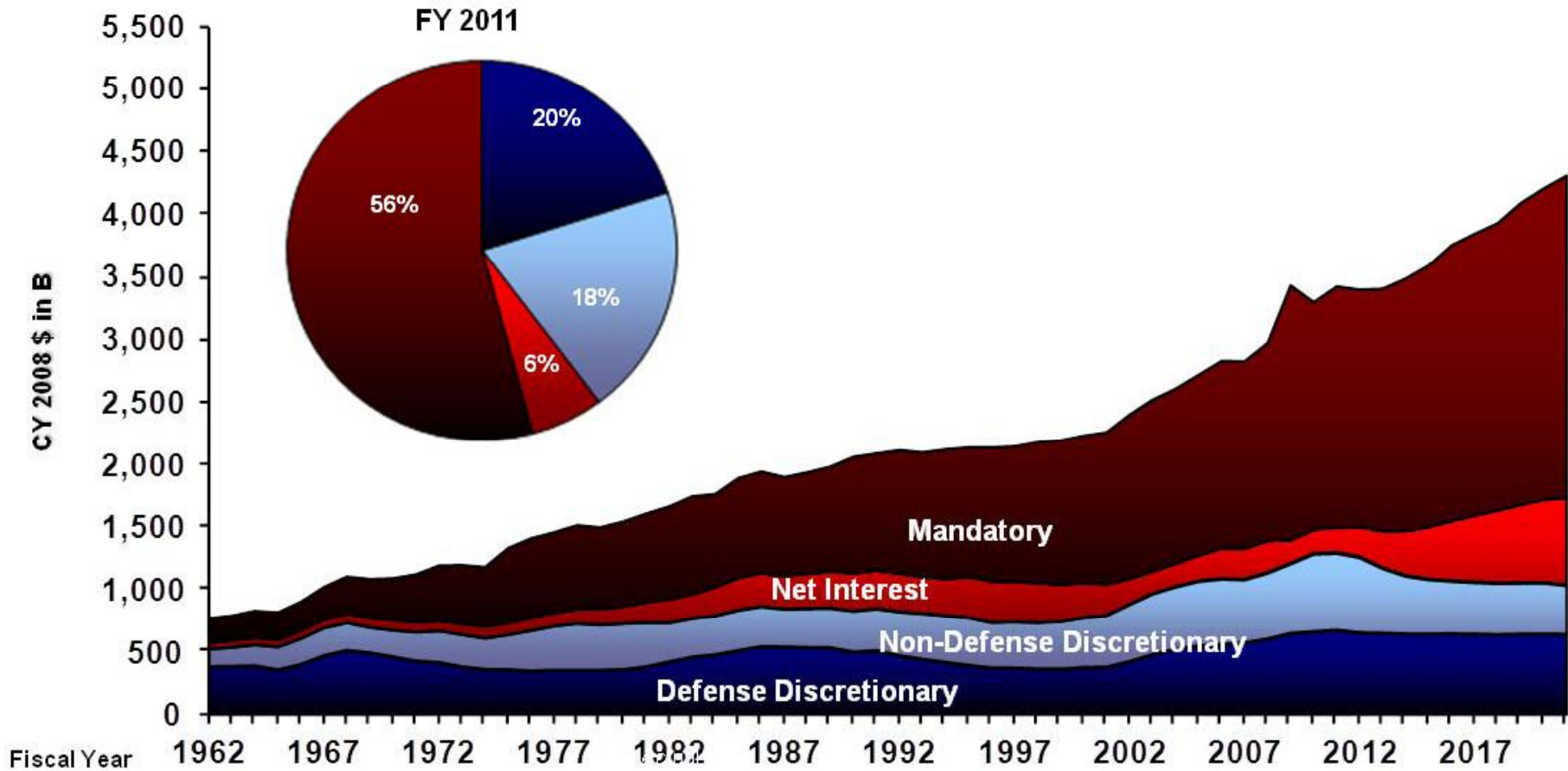
UNCLASSIFIED



UNCLASSIFIED

# Economic Context – Federal Budget

## Federal Budget

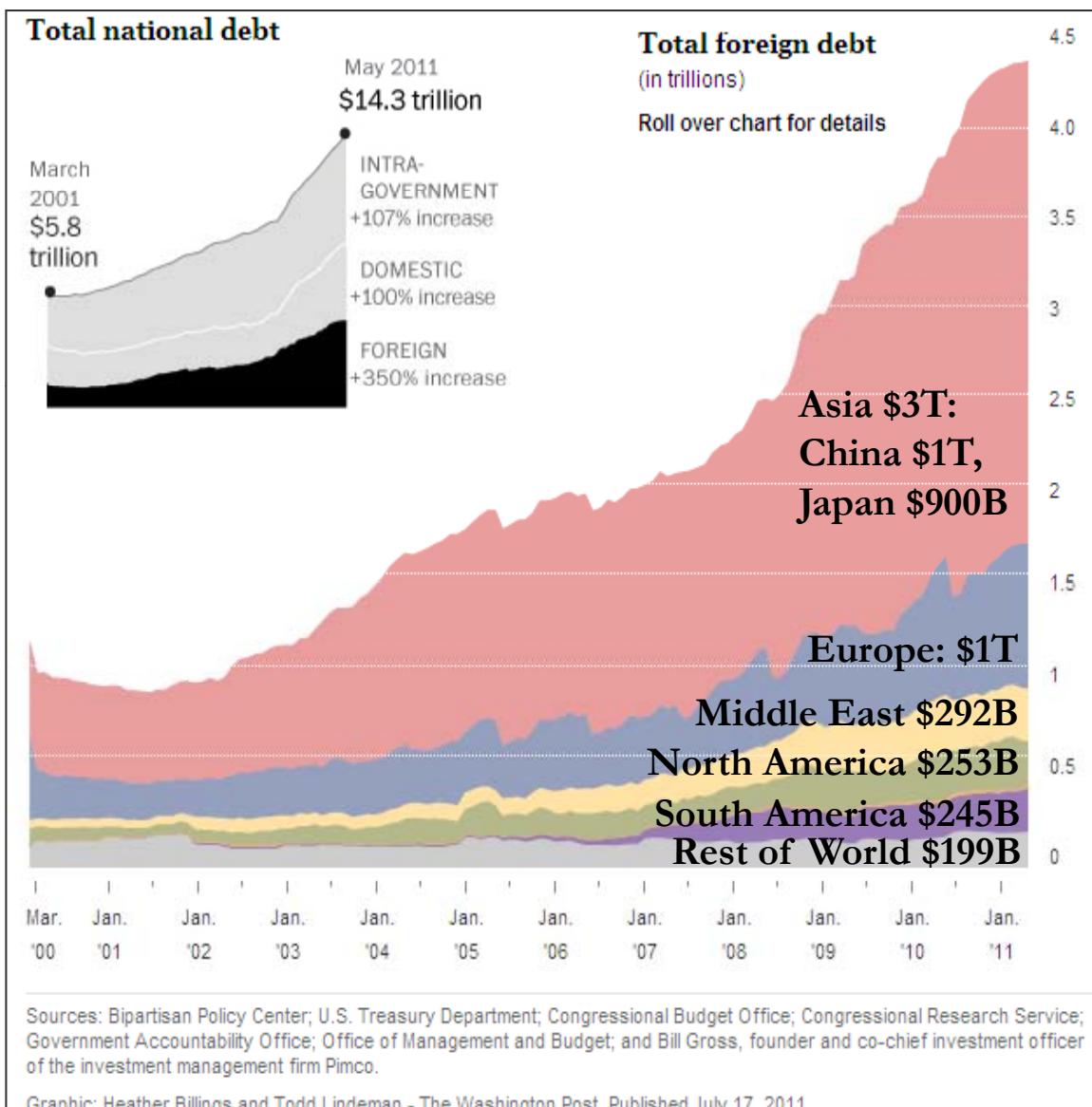


UNCLASSIFIED



UNCLASSIFIED

# Foreign Holdings of United States Debt



- Foreign investors hold the largest share of the national debt.
- Estimated foreign holdings of U.S. Treasury securities more than tripled since 2001

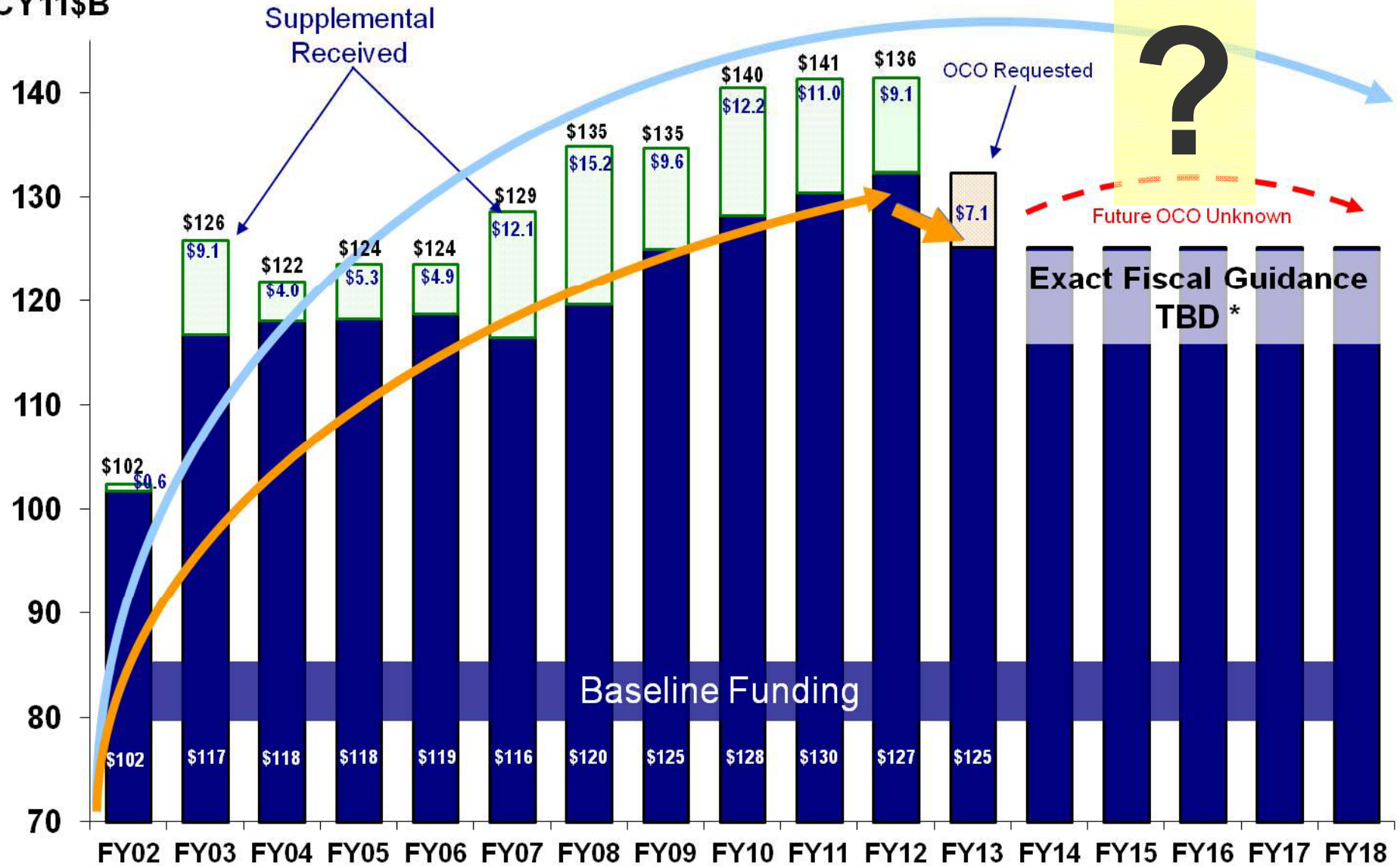
UNCLASSIFIED



UNCLASSIFIED

# Future Navy Fiscal Guidance

CY11\$B



UNCLASSIFIED



UNCLASSIFIED

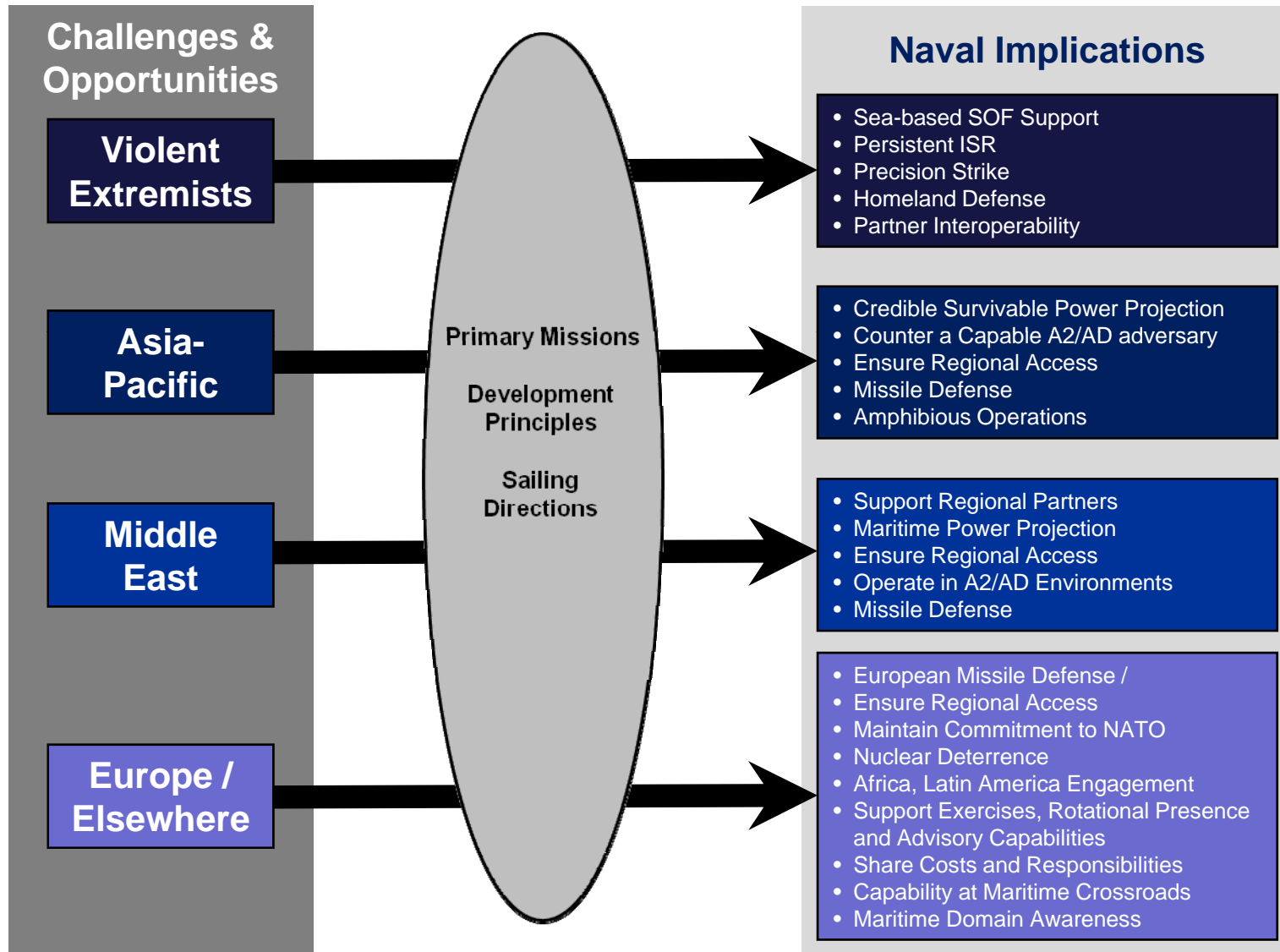
# Primary Missions of the U. S. Armed Forces



UNCLASSIFIED



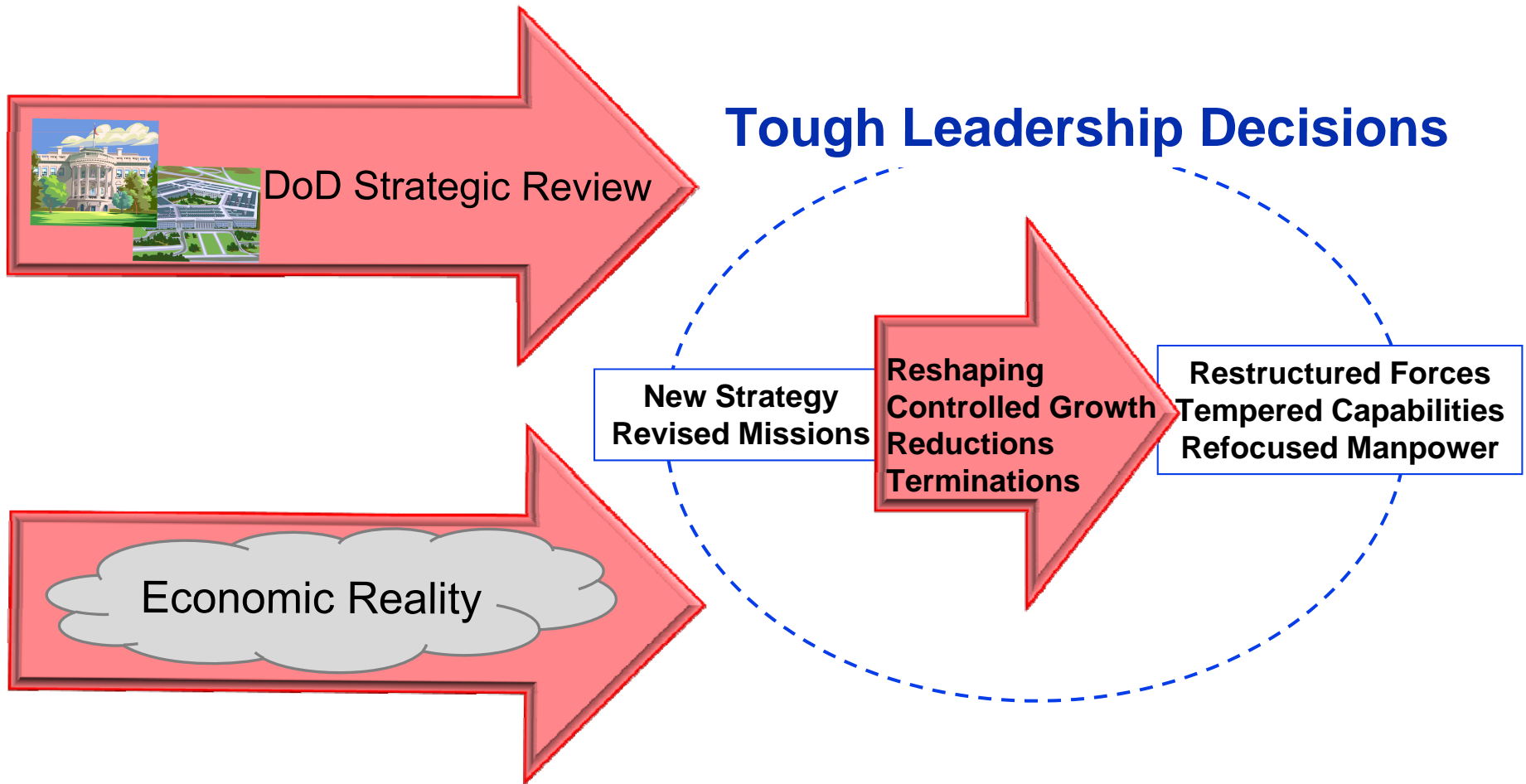
# Strategic Guidance – Navy Implications





UNCLASSIFIED

# Navy Fiscal Balancing



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

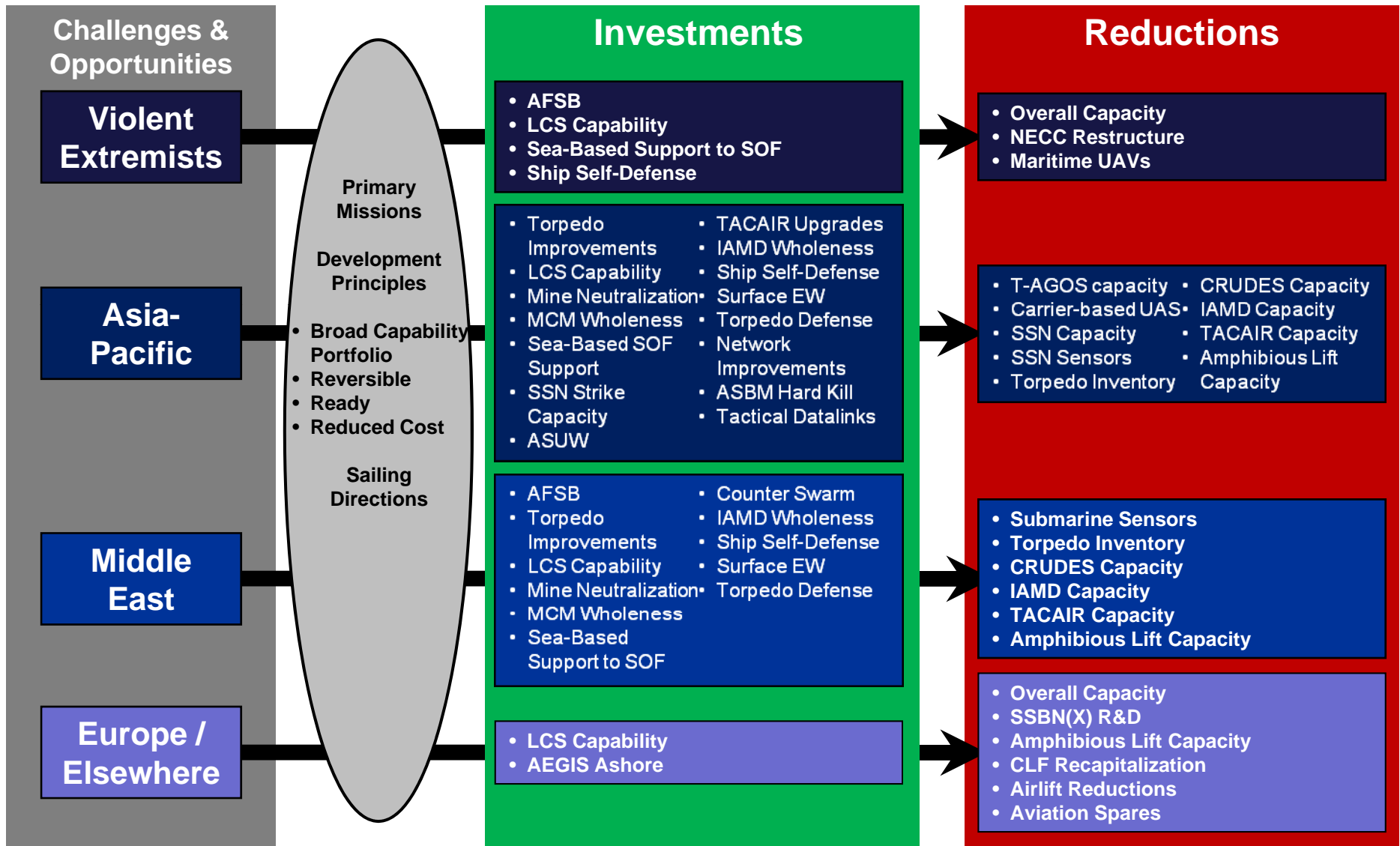
UNCLASSIFIED



UNCLASSIFIED

# Challenges & Opportunities – Budget Adjustments

Leaner – Agile, Flexible, Ready & Technologically Advanced



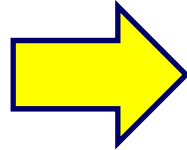
UNCLASSIFIED



UNCLASSIFIED

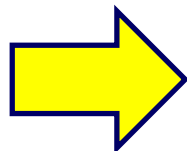
# Takeaways

Wholeness



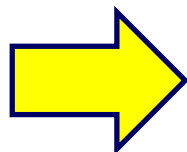
Total ownership costs  
in design

Technological  
Advantage



Flexibility in design to  
allow upgrades to pace  
evolving threats

Affordability



Deliver systems on  
time and on budget

UNCLASSIFIED



UNCLASSIFIED

---

# Discussion



UNCLASSIFIED

---

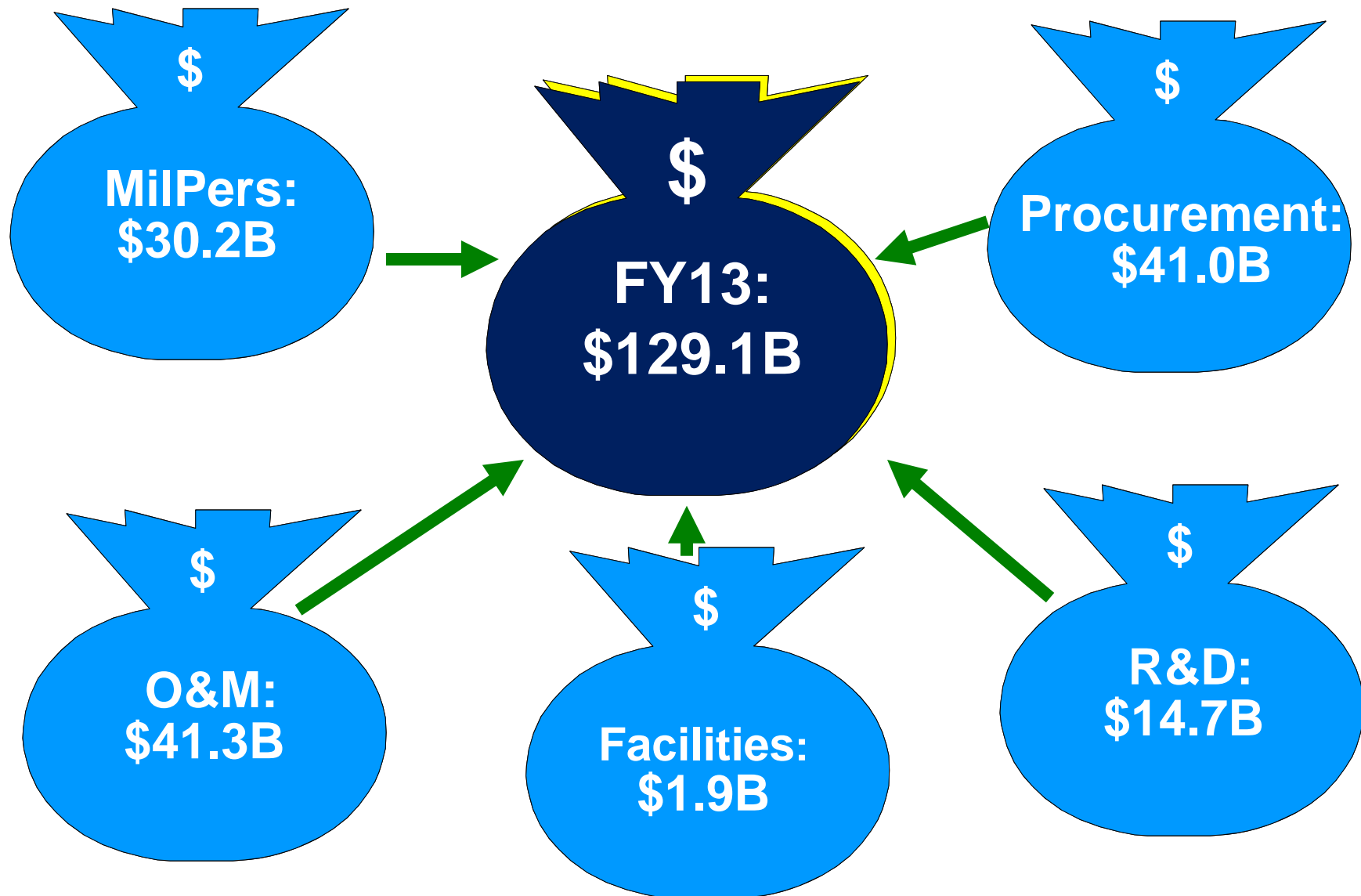
# Backup

UNCLASSIFIED



UNCLASSIFIED

# USN FY13 TOA



\*Does not include SRB

UNCLASSIFIED



UNCLASSIFIED

# The PB13 Navy

---

- **Delivers ready, trained combat forces at sustainable levels with Overseas Contingency Operations funding**
- **Sustains Carrier Strike Group and Amphibious Ready Group capacity in Pacific and Middle East**
- **Develops capabilities to establish sea control and project power in areas where adversaries challenge access**
- **Maintains ballistic missile defense commitment**
- **Improves near-term strategic nuclear deterrence and SOF support**
- **Supports the industrial base and continues innovation**

**Warfighting first – Operating forward – Ready**

UNCLASSIFIED



UNCLASSIFIED

# Guiding Principles

---

- Maintain broad portfolio of military capabilities that together offer versatility across range of missions
- Differentiate between today's investments & those that can be deferred
- Maintain a ready and capable force
- Reduce the "cost of doing business"
- Examine influence on existing campaign & contingency plans so that more limited resources may be better tuned to their requirements
- Examine mix of Active Component and Reserve Component
- Take extra measures to retain & build on networked warfare advancements
- Maintain an adequate industrial base, investment in science & technology

UNCLASSIFIED



UNCLASSIFIED

# Basic Research Shifts Over the Last Decade

- Expeditionary/Irregular Warfare
  - Increased focus on IED Detection and Defeat
- C4ISR/Information Dominance
  - Add focus on EW, Machine Reasoning, Quantum Information Sciences and Communication, Autonomic Computing Systems.
- Ocean science
  - Arabian Gulf/Indian Ocean to WestPac ; Sandy Beaches to Riverine Mud, deep water acoustics to littorals - 2000. Defunded Ocean Optics for MCM HF imaging sonars.
- Sea Warfare and Weapons, Materials
  - Add focus on Innovative Ship Design, Materials Genome, Supercavitation, Hybrid / Meta/ Nano-Materials. Decreased focus on Composites, Ship Motion and Wakes.
- Warfighter Performance
  - Add focus on Hybrid Force, Cognitive Science, TBI, Synthetic Biology, Resilience. Decreased focus on Novel Antibiotics, Organic Pollutants, Biometrics.
- Air Warfare and Weapons
  - Add focus in Sea Based Aviation, Autonomy, Jet Noise Reduction. Decrease Combustion/Pulse Detonated Engines, Applied Electromagnetics, Directed Energy



UNCLASSIFIED



UNCLASSIFIED

# Ship Procurement

	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
<b>New Construction Total QTY</b>	<b>11</b>	<b>10</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>7</b>	<b>41</b>
<b>New Construction Total (\$B)</b>	<b>\$14.2</b>	<b>\$10.9</b>	<b>\$9.9</b>	<b>\$14.6</b>	<b>\$13.1</b>	<b>\$16.2</b>	<b>\$64.7</b>
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
<b>Total Shipbuilding (\$B)</b>	<b>\$15.4</b>	<b>\$13.8</b>	<b>\$13.2</b>	<b>\$16.9</b>	<b>\$16.3</b>	<b>\$20.2</b>	<b>\$80.5</b>

\*Funded in NDSF (FY 2011: \$880M, FY2012: \$400M, FY 2013: \$38M, FY2014: \$562M)

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

UNCLASSIFIED



UNCLASSIFIED

# Aviation Procurement

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FYDP
<b>Fixed Wing</b>							
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
<b>Rotary Wing</b>							
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
<b>UAV</b>							
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
<b>Training</b>							
T-6A/B (JPATS)	36	33	31	0	0	0	64
<b>TOTAL</b>	<b>216</b>	<b>192</b>	<b>175</b>	<b>142</b>	<b>143</b>	<b>113</b>	<b>765</b>

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



UNCLASSIFIED

# Weapons Procurement

	MSR	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FYDP
<b>Ship Weapons</b>								
TACTOM	196	196	196	196	196	196	196	980
SM 6 (AUR)	TBD	89	94	115	157	168	204	738
RAM (AUR)	90	61	62	64	90	90	90	396
ESSM	120	35	37	53	104	162	157	513
TRIDENT II MODS**		24	0	0	0	0	0	0
MK 48 HWT	89	58	94	112	123	40	50	419
MK 54 LWT	120	45	75	150	180	312	312	1,029
<b>Aircraft Weapons</b>								
AIM-9X	300	68	150	150	150	150	150	750
AMRAAM	400	67	67	105	113	120	120	525
JSOW C	288	246	280	370	435	436	444	1,965
AARGM	480	72	100	143	188	252	263	946
HELLFIRE*	760	426	1,210	1,004	351	665	675	3,905
SOPGM*	480	150	50	0	0	0	0	50
JAGM		0	0	0	0	0	0	0
SDB II	300	0	0	0	0	0	90	90
APKWS*	72	1,656	2,358	1,311	1,497	1,499	1,502	8,167
<b>Total Weapons Quantities</b>		<b>3,193</b>	<b>4,773</b>	<b>3,773</b>	<b>3,584</b>	<b>4,090</b>	<b>4,253</b>	<b>20,473</b>

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

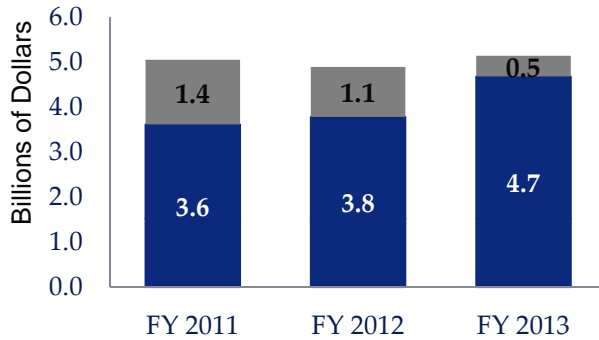
\*\* FY2012 is the final year of D5 missile procurement. Future years will continue to procure necessary components to support OHIO Class missions.



# Readiness

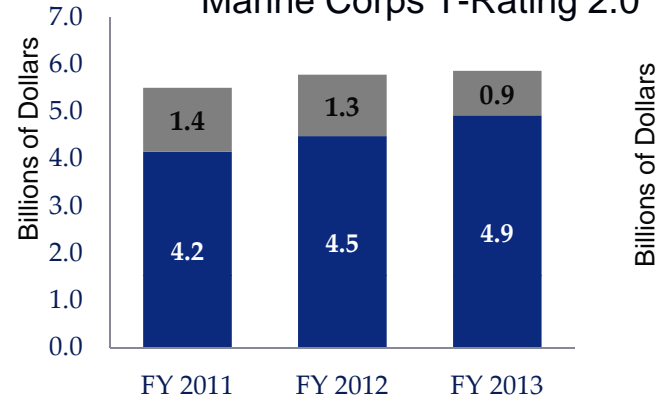
## Ship Operations

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



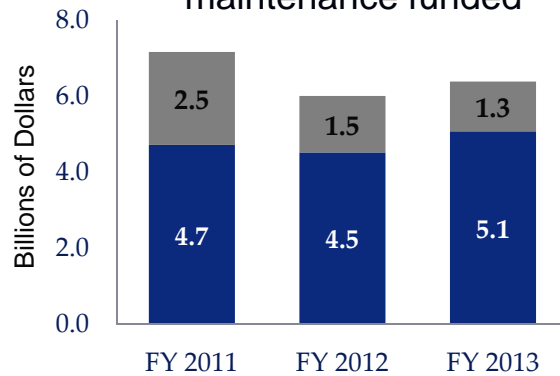
## Flying Hour Operation

Navy T-Rating 2.5  
Marine Corps T-Rating 2.0



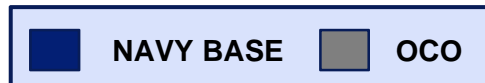
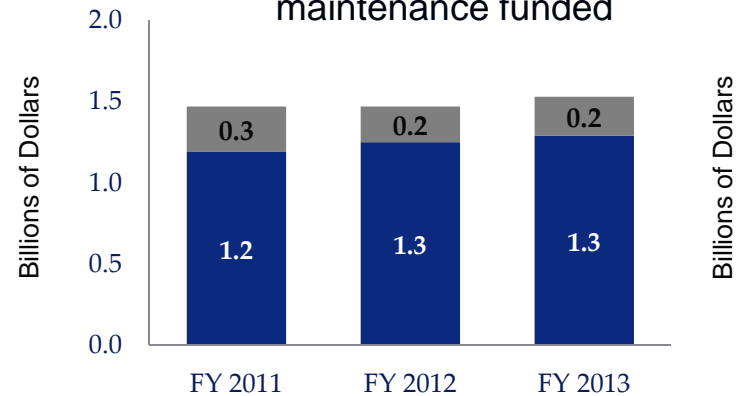
## Ship Depot Maintenance

100% of projected maintenance funded



## Aircraft Depot Maint/Logistics

94% of projected maintenance funded





UNCLASSIFIED

# USN FY11-FY12 Program Changes

Reflects changes between PB12/FY13 and PB13/FY13(TY\$B)

## MilPers\* (PB12 \$31.1B) **-\$0.91B**

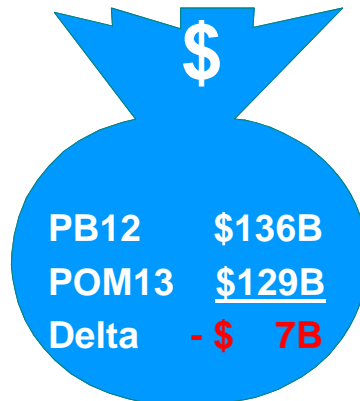
- ◆ Housing Allowance \$0.35B
- ◆ Oper Trvl Btwn Duty Stations \$0.12B
- ◆ Separation Travel \$0.03B
- ◆ **Basic Pay** **-\$0.28B**
- ◆ **Retired Pay Accrual** **-\$0.46B**
- ◆ **Retired Health Care Accrual** **-\$0.67B**

## O&M (PB12 \$40.6B) **+\$0.73B**

- ◆ Ship Ops \$0.74B
- ◆ Base Support \$0.60B
- ◆ Logistics \$0.15B
- ◆ Mobilization \$0.01B
- ◆ **Training & Education** **-\$0.03B**
- ◆ **Air Ops** **-\$0.15B**
- ◆ **Combat/Weapons Support** **-\$0.24B**
- ◆ **Servicewide Support** **-\$0.35B**

## Procurement (PB12 \$47.0B) **-\$5.95B**

- ◆ **Aircraft** **-\$2.05B**
- ◆ **Ships** **-\$2.44B**
- ◆ **Weapons Procurement** **-\$0.57B**
- ◆ **Ammunition Procurement** **-\$0.02B**
- ◆ **Other Navy Procurement** **-\$0.48B**
- ◆ **National Defense Sealift Fund** **-\$0.39B**



## Facilities (PB12 \$1.6B) **+\$0.3B**

- ◆ BRAC \$0.17B
- ◆ MILCON \$0.11B
- ◆ Family Housing \$0.02B

## R&D (PB12 \$15.4B) **-\$0.75**

- ◆ Future Naval Capabilities Advanced Tech Dev \$0.26B
- ◆ JT Tact Radio Sys (JTRS) \$0.21B
- ◆ LINK PLUMERIA \$0.15B
- ◆ Carrier Systems Development \$0.06B
- ◆ **DDG-1000** **-\$0.22B**
- ◆ **UCLASS System** **-\$0.24B**
- ◆ **Advanced Nuclear Power Systems** **-\$0.27B**
- ◆ **VH-71 Executive Helo Development** **-\$0.33B**
- ◆ **Advanced Submarine System Development** **-\$0.37B**

All areas exclude the national Intelligence Program (except Milpers)

\*Does not include SRB

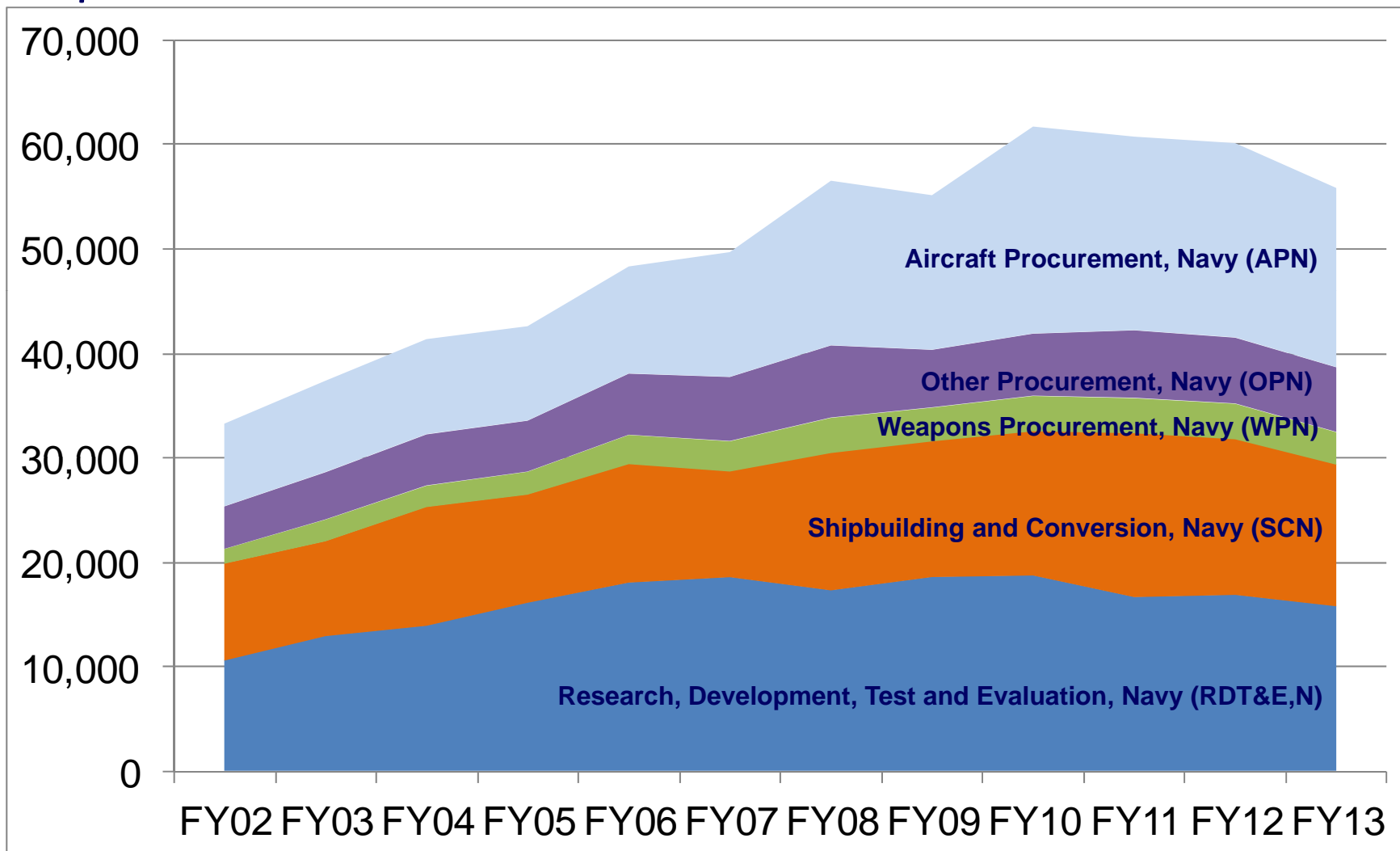
UNCLASSIFIED



UNCLASSIFIED

# Navy TOA by Selected Appropriation

TY\$M



UNCLASSIFIED



UNCLASSIFIED

# Navy Topline FY 2008 - FY 2017

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Total Funding	\$129.6	\$132.2	\$139.9	\$143.7	\$143.3	\$138.0				
Baseline Funding	\$115.1	\$122.1	\$127.8	\$132.2	\$134.1	\$130.7	\$129.6	\$135.9	\$137.0	\$140.7

