

Implementing Change



Navy Transformation
June 2007

This Presentation is Unclassified FOUO



Outline

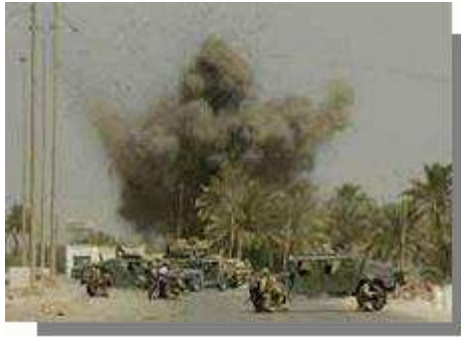
- Strategic Environment
- The Global Demand Signal
- Navy Strategic Plan
- Balancing Risk
- Getting There
- Implementing Strategic Change



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Strategic Environment

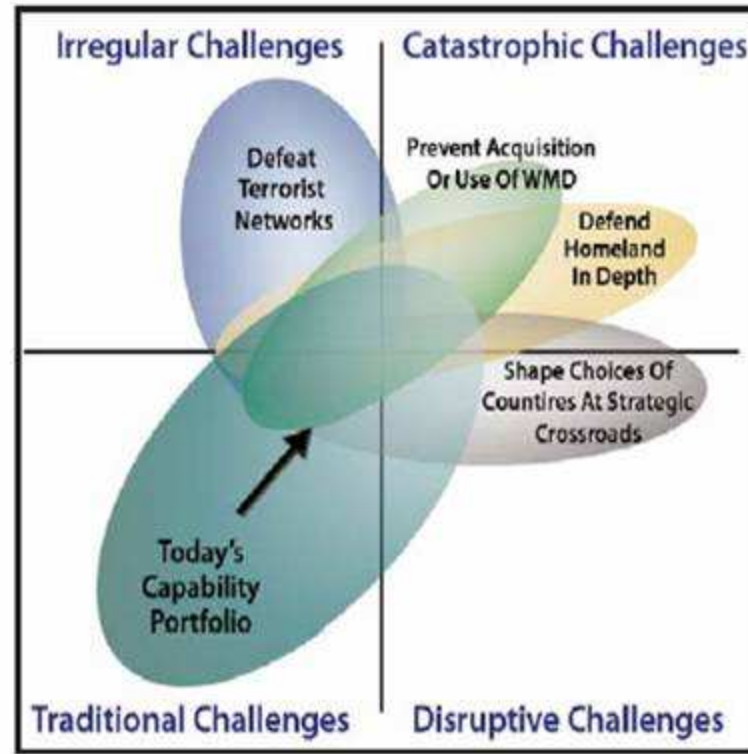
Security Challenges



Irregular Warfare



Near Peer Competitors



Terrorist Threats



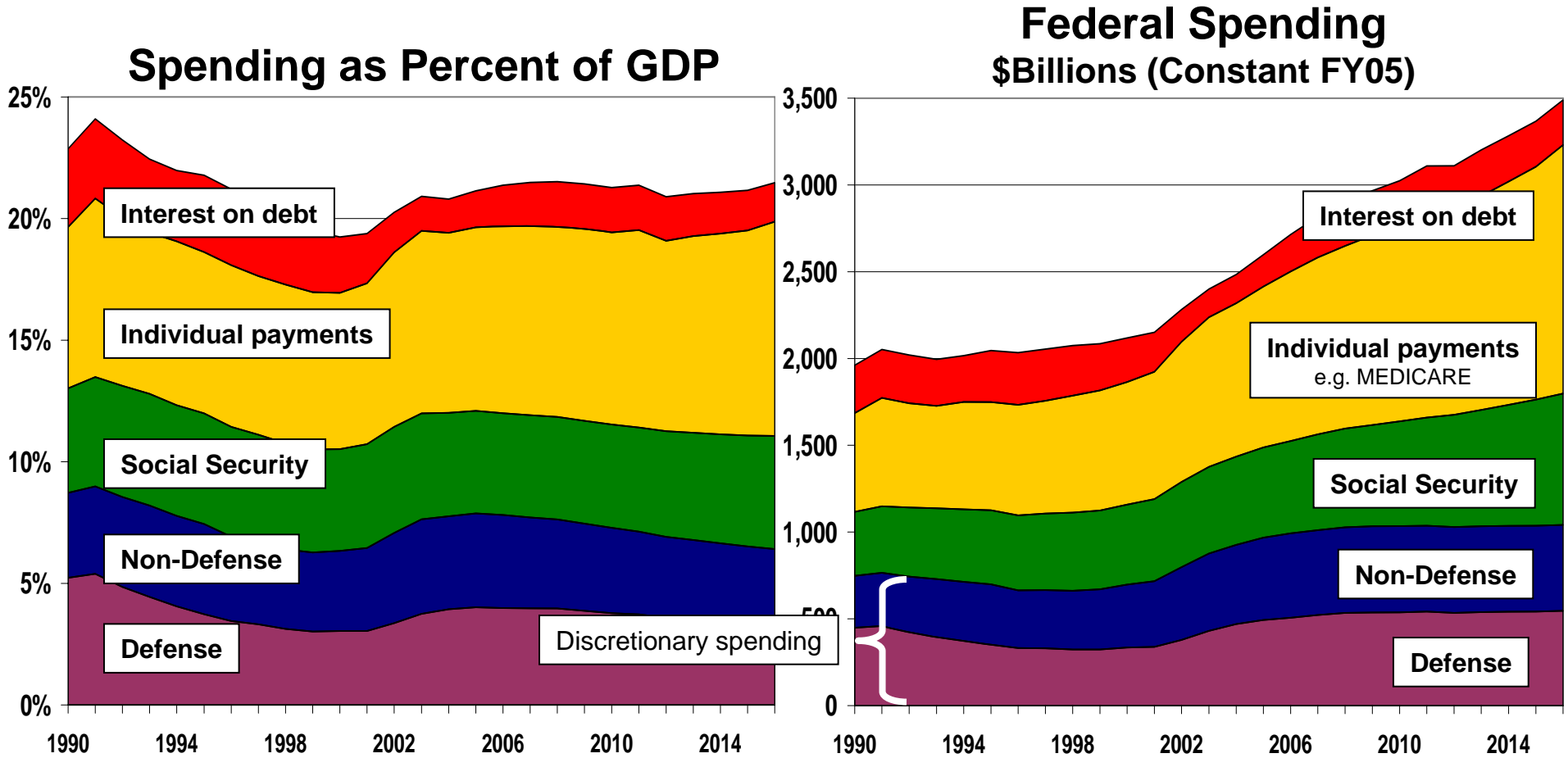
Global Maritime Security

Globalization



Strategic Environment

Federal Spending Trends



Federal non-discretionary spending growth will pressurize defense topline



Strategic Environment

Global Maritime Demand Signal

NORTHCOM

Focus:

- HLD

Naval Capabilities:

- MDA
- VBSS

EUCOM

Focus:

- GWOT
- Shaping
- Stability

Naval Capabilities:

- Expeditionary
- Littoral

Global

Focus:

- GWOT

Naval Capabilities:

- MDA
- TSC
- MIO

SOUTHCOM

Focus:

- GWOT
- Counter-Drug
- Shaping
- Stability

Naval Capabilities:

- Expeditionary
- Littoral

CENTCOM

Focus:

- GWOT
- Shaping
- Stability

Naval Capabilities:

- Expeditionary
- Littoral

PACOM

Focus:

- GWOT
- Shaping
- Counter-Piracy
- Dissuasion
- Deterrence

Naval Capabilities:

- Sea Base
- TMD / TAMD
- Strike
- Expeditionary
- ASW
- Littoral
- Mine Clearance

Risk Guidance shapes how we balance our investment response



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Navy Strategic Plan

Achieving maritime security through:

- Expanded expeditionary presence, sustainment and cooperation
- Improved, prompt access and combat power to deter or defeat adversaries
- Enhanced alignment of people, processes, and resources to provide the right capabilities to joint commander at the right time



Efficiently adapting to the new security environment

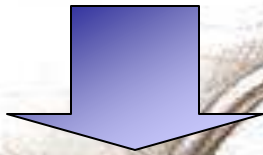


Navy Program Demands

How it all fits together...

Navy Strategic Goals

- Develop 21st Century Leaders
- Sustain Combat Readiness
- Build a Fleet for the Future



QDR 2006

Transformation

Strategic Guidance

Global War on Terror

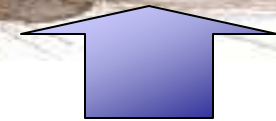
Future Force Structure

Readiness Manpower



Fiscal Realities

- DoD Cost of OIF/OEF/GWOT
- DoD Need to Reset
- Entitlement Growth in the out years

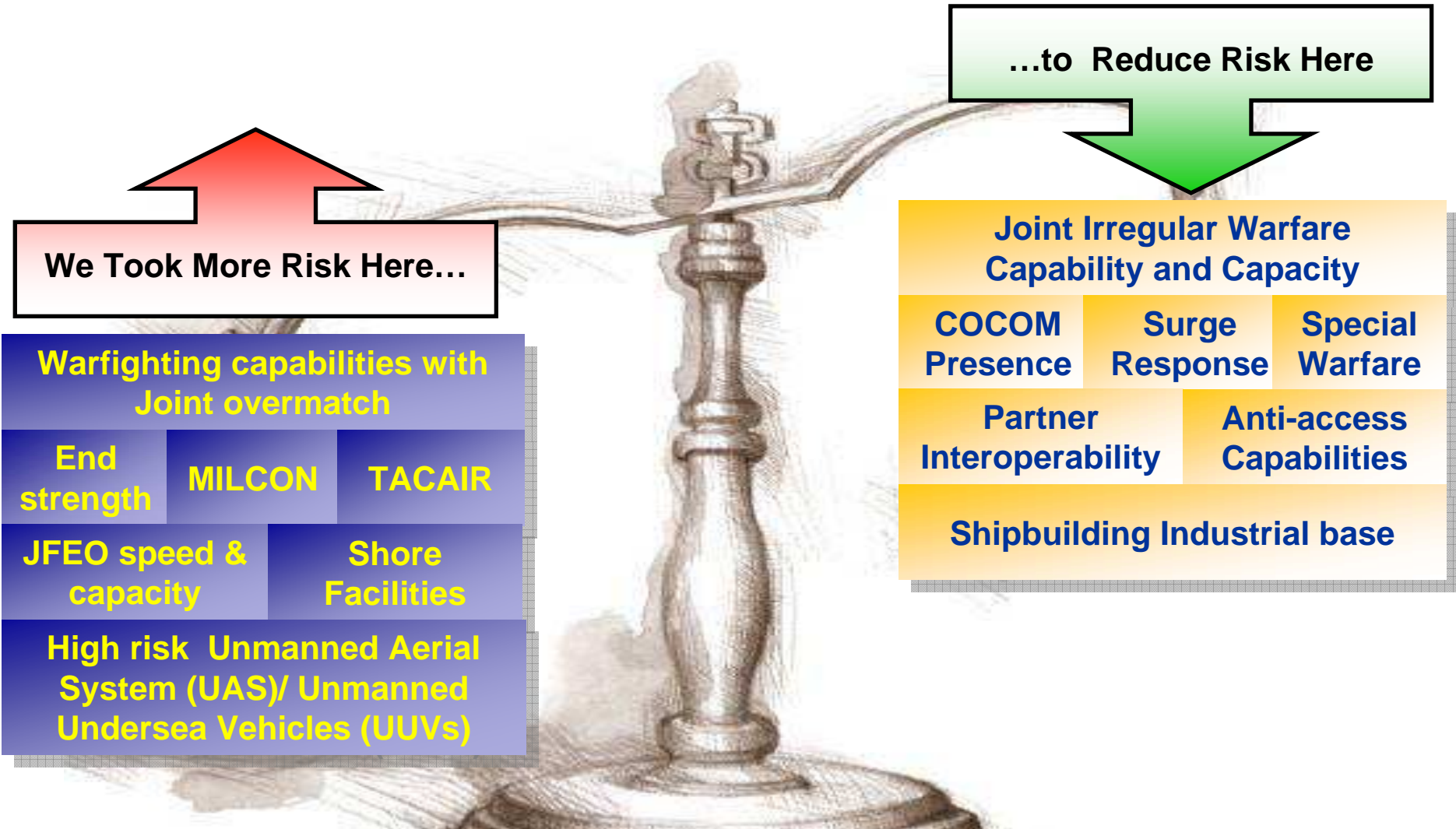


Requirements outpace funds...MUST Identify the right requirements



POM08 Risk Balance

Defining the Capability / Capacity / Risk Tradespace



Aligning the program with the guidance



Getting There

Key Tenets



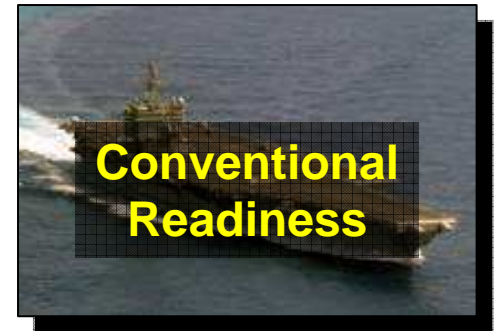
Control Manpower Costs

Sustain Readiness



***Understand and Control
Ship / Aircraft Costs***

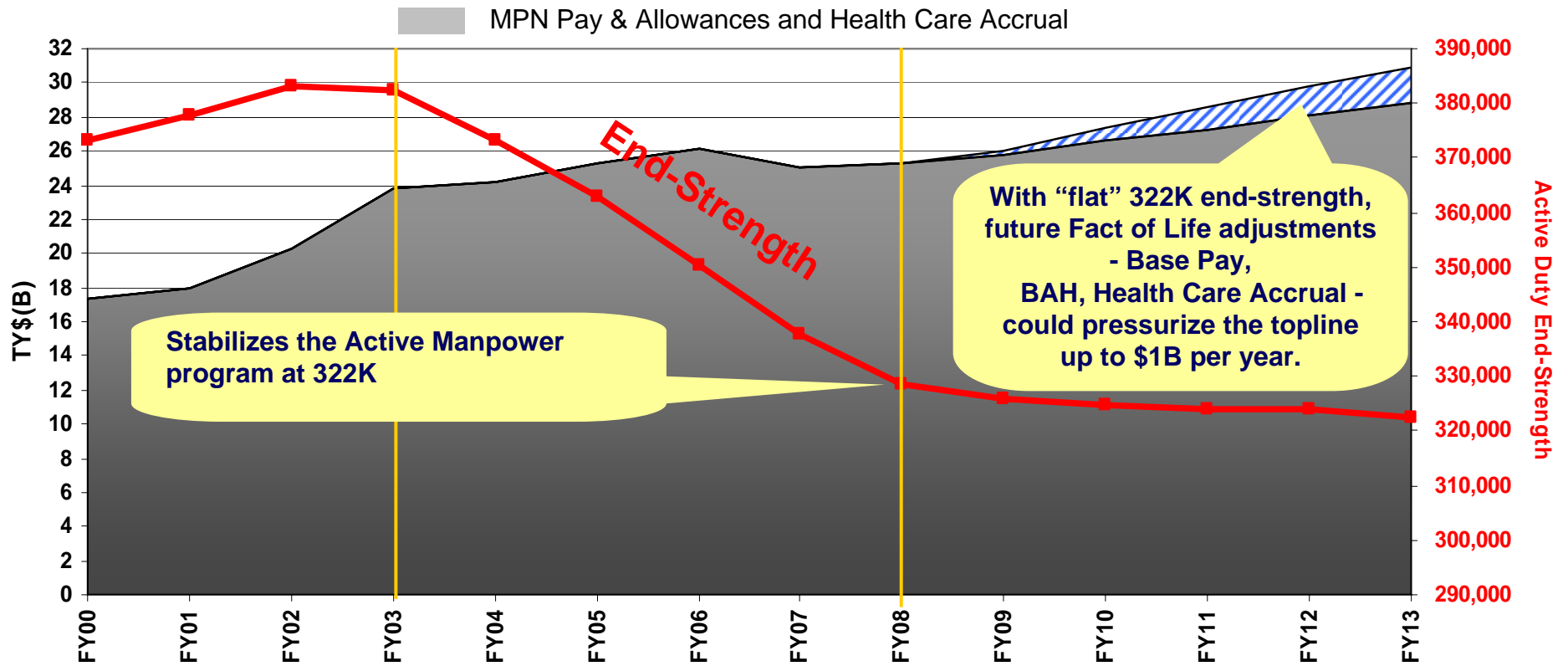
***Address Security
Challenges through
Sustainable Capabilities
and Cooperation***





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Stabilizing Military Manpower Costs





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Stabilizing Military Manpower Costs

Transforming the manning model

QUINCY (CA 71)



Commissioned	Dec 1943
Complement	1,142
Sensor Range (miles)	60
Weapons Range (miles)	18
Battlespace	60 miles

CAPE ST GEORGE (CG 71)



Commissioned	June 1993
Complement	~380
Sensor Range (miles)	256
Weapons Range (miles)	800+
Battlespace	Theater Wide

CG (X) 71



Commissioned	2023
Complement	↓ ≈ 150
Sensor Range (miles)	500+
Weapons Range (miles)	1000+
Battlespace	Global Information Grid

- Training Sailors to be more flexible, adaptable
- Leveraging automation
- Balancing Total Force mix
- Focus training on needs, keyed to professional milestones

More capability, fewer personnel, lower costs



Implementing Strategic Change

Focus on Execution

Business Transformation:

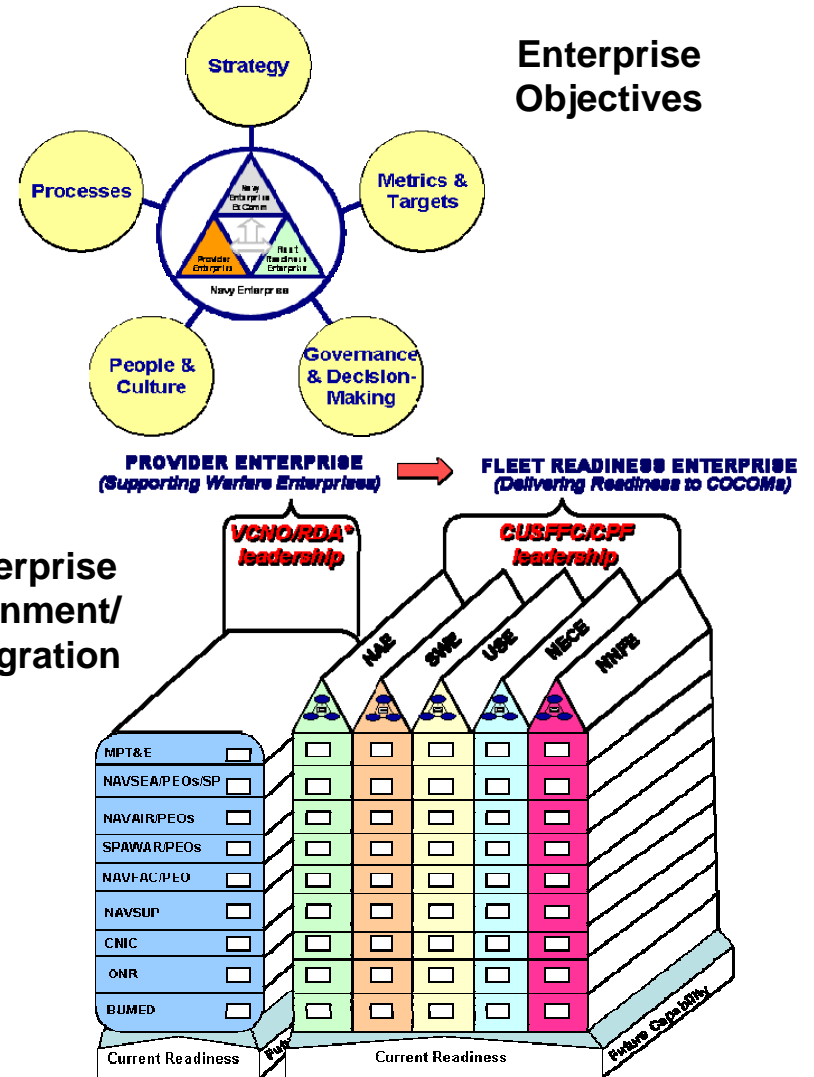
- Maintain / improve readiness
- Generate buying power for recap
- Create 21st century workforce
- Instill culture change

New business model

- Measurable outputs and processes
- The right metrics
- Accountability

Enterprise Integration

- Breaking "stovepipes"
- Aligning execution processes
- Linking provider communities to support current and future readiness



Delivering capabilities at cost, on schedule



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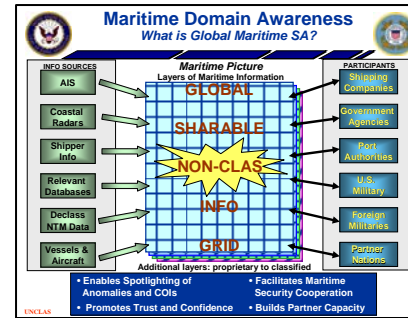
Implementing Strategic Change

Refine Innovative CONOPs

New ways to use existing and planned capabilities

Maritime Domain Awareness

- Cooperation with partners and industry
- Shared via collaborative, unclas networks



Maritime Domain Awareness



Global Fleet Stations

- Use existing and converted platforms
- Establish presence, provide aid, engage partners
- Element of Global Maritime Partnerships

Global Fleet Stations



Humanitarian and Disaster Relief

- Beyond just crisis response
- Leverage planned deployments
- Build relationship through Public Health, Infrastructure

Proactive Humanitarian Assistance

Meeting security challenges within fiscal constraints



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Implementing Strategic Change

Leverage New Capabilities

New capabilities geared toward:

- Catastrophic
- Disruptive
- Irregular
- MCO "Strategic Reserve"

Adapt existing platforms for new missions

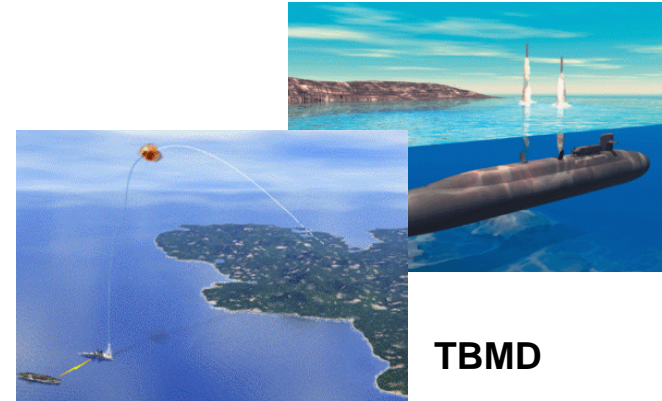
- Efficiently meet emerging challenges

Develop new /enhanced strike weapons

- New technology for existing bombs
- Major Combat and WoT applications

Enhance littoral/expeditionary capabilities

- Riverine / Security Forces
- Augment conventional land special forces
- Build partner capacity



Penetrating,
Stand-off
Weapons
(BLU 109)



Riverine



Developing capabilities to meet new challenges



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Implementing Strategic Change

Build Relationships

Enabling the Global Maritime Partnership (“1000 ship Navy”)

Training Teams

- Deploy to partners
- Improve readiness of security, brown and green water forces

Foreign Area Officer/Language Program

- Develop personnel to liaison and interface with partner nations

Coalition Communications

- High Frequency
- Internet Protocol-based
- Leverages common systems



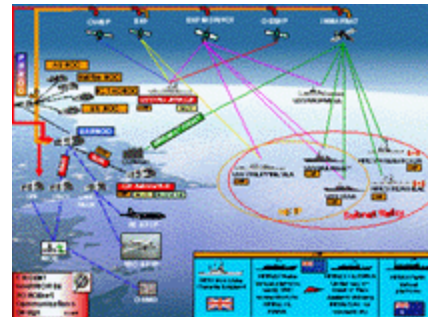
Expeditionary Training Teams

Foreign Area Officers

UNITED STATES FOREIGN AREA OFFICER COURSE

- Eighteen-month program (Garrison and abroad) for 60-70 participants
- Advanced Russian language training; selected cross-training in Ukrainian
- In-Country travel & internships (up to four months)
- Participation in the Leaders of the 21st Century Course
- Politico-military and regional studies
- Spouse program

FAO in Bouda-Herzegovina working as Liaison Officer with the Russian Parachuting Brigade, May 1998



Coalition Communications

Enduring relationships to contain conflict, promote security

Questions



BACKUP



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Execution Challenges

Navy Topline FY54 – FY13

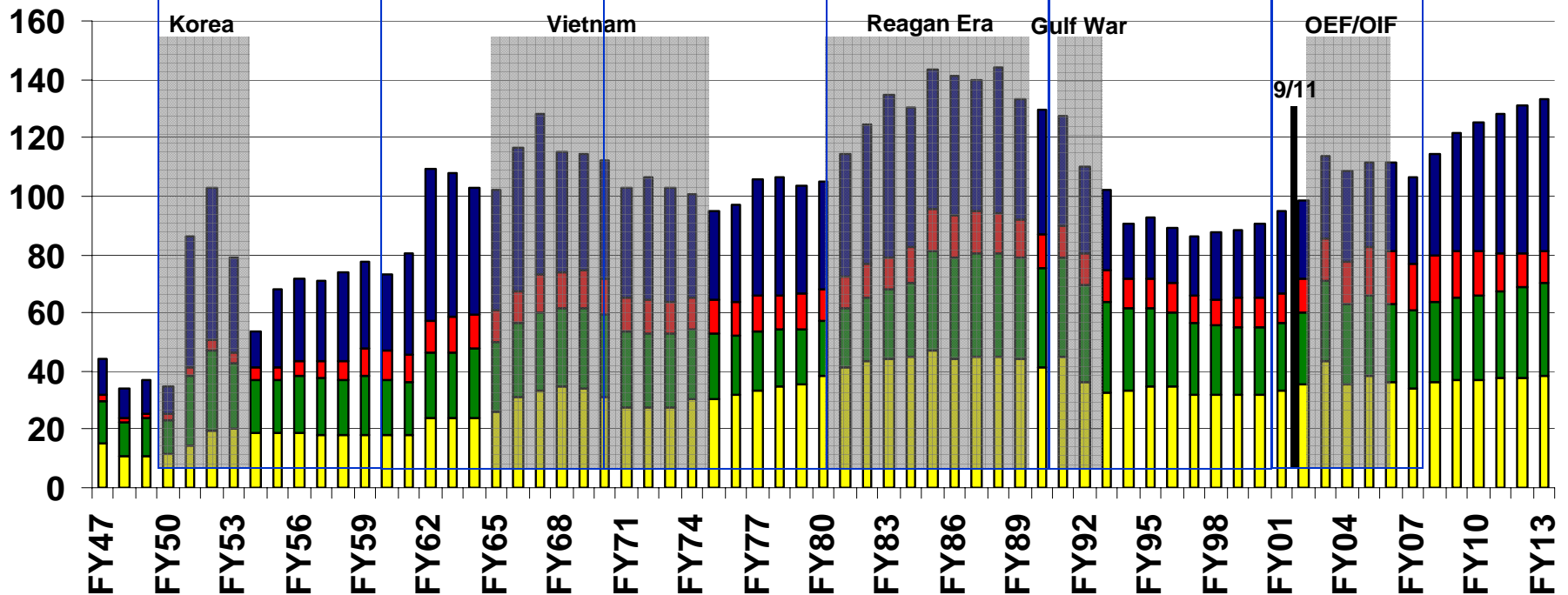
AVG % of TOA BY DECADE

Active Duty Endstrength Decrease ← ~330K
 ~200K →

1950s 1960s 1970s 1980s 1990s 2000-2007

O&M	26%	25%	30%	34%	35%	35%
PERS	28%	23%	22%	21%	29%	25%
R&D	7%	11%	11%	10%	10%	13%
PROC	39%	41%	37%	35%	26%	27%

CY06 \$B



*Consumer Price Index conversion factors were used for FY45 – FY61 (CY\$).



** Official DoD conversion factors were used for FY62 - FY13 (CY\$).