

Fiscal Year 2013 Draft Plan for Continuing Resolution and Sequestration

Navy's Planning Assumptions

- Congress enacts a year-long Continuing Appropriations Resolution (CR) for Fiscal Year 2013 (FY13)
- The Sequestration and Budget Control Act limitations take full effect in March 2013
- Congress does not increase transfer authority limits or authorize major reprogramming actions
- Any change to the assumptions above would alter our plan
- The potential actions outlined in this brief are “representative in nature” to meet the assumed fiscal targets imposed by the assumptions above

Potential actions fleet-wide

Continuing Resolution (\$4.6B OMN + 5.02B investments)	Sequestration (\$4.0B OMN, \$7.75B investment accounts)
<ul style="list-style-type: none"> • Cancel ship depot maintenance (rolling schedule): <ul style="list-style-type: none"> • 11 ship avails in Norfolk, VA (\$287M) • 5 ship avails in San Diego, CA (\$103M) • 1 ship avail in Mayport, FL (\$4M) • 1 ship avail in New London, CT (\$45M) • 1 ship avail in Hawaii (\$35M) • 2 ship avails in Japan (\$17M)(1 is de-scoped) • 1 ship avail in Bahrain (\$2M) • Cancel 3rd and 4th Quarter aircraft depot maintenance (rolling schedule) in San Diego CA, Norfolk VA, Jacksonville FL, Whidbey Island WA, Lemoore CA, & Cherry Point NC (\$433M) • Reduce ship ops, flying hours (\$557M) • Cut NECE by 20% (\$182M) • Release up to 655 temporary workers (\$12M) • Implement civilian hiring freeze (\$70M) • Cut administrative expenditures by 25% (\$385M) • Cut IT expenditures by 25% (\$141M) • Eliminate non-essential travel/conferences (\$26M) • Reduce Facilities Sustainment, Restoration, and Modernization (FSRM) by 50% (\$1.16B) • Reduce Base Operating Support (BOS) by 10% (\$495M) • Cancel 29 building demolition projects (rolling schedule) (\$56M) • Delay decommissioning and/or disposal prep (\$33M) 	<ul style="list-style-type: none"> • Seek Congressional authority to incrementally-fund USS ENTERPRISE (CVN 65) inactivation over multiple years and apply FY13 savings (~\$561M) to restore Navy CR and Sequestration impacts • Cancel deployments (rolling sked): 10 DDG (7 are BMD in FY14), FFGs • Delay HARRY S TRUMAN (CVN 75) CSG deployment; reduce Middle East CSG presence 50% • Cease workups for 2 CSGs (RONALD REAGAN (CVN 76), CARL VINSON (CVN 70)) • Cancel BATAAN (LHD 5) Amphibious Readiness Group Deployment • Shut down 4 of 9 CVWs. 9-12 months to restore readiness at 2-3x cost • Stop non-deployed ops that do not support pre-deployment training • Reduce non-deployed operations for pre-deployment training • Cut WESTPAC deployed ops ~35%; Non-deployed PAC ships cut ~40% • Cancel ops to S. America (CONTINUING PROMISE – USNS COMFORT) • Cancel non-BMD deployments to Europe in FY13 • Reduce exercises (e.g., MALABAR, CARATs, FOAL EAGLE) • Reduce CONUS and OCONUS port visits • Lay-up 4 combat logistics force ships • Cancel 3 ship depot avails (rolling schedule) in San Diego, CA (\$72M) • Defer repairs to USS PORTER (\$125M), USS MIAMI (\$339M) • Reduce SYSCOM fly-away emergent repair travel teams • Delay/defer combat vehicle, weapon, trainer maintenance • Delay up to 20 CVN / Submarine public shipyard availabilities • Cancel F-35B testing w/ USS WASP(LHD 1); further program delay • Planning furlough (~186k eligible) Civilians for 22 work days (\$448M) • Reduce throughput of new pilots/flight officers in flight training 44% • Cancel Midshipmen summer training programs • Cancel 3rd/4th Qtr Blue Angels (\$28M); Cut outreach (e.g.-Fleet Week)

Potential actions fleet-wide, con't.

Continuing Resolution (\$4.6B OMN + \$5.02B investments)	Sequestration (\$4.0B OMN, \$7.75B investment accounts)
<p>“New Start”, Multi-Year Procurement (MYP), Quantity, and Rate Prohibitions</p> <ul style="list-style-type: none"> • Defer “new start” MILCON projects (\$675M) • Defer “new start” construction of CVN 79 (\$608M) • Defer “new start” aircraft procurements (\$150M) • Defer “new start” research and development (\$263M) • Cancel construction of 1 DDG 51 (\$1.4B) in FY13 – quantity limit • Cancel procurement of at least 271 weapons (\$124M) –qty limit • ABRAHAM LINCOLN (CVN 72) Refueling Complex Overhaul (RCOH) funding (\$1.5B) at risk • Defer THEODORE ROOSEVELT (CVN 71) RCOH completion (\$67M) • Defer completion of AMERICA (LHA 6) (\$157M) • Moored Training Ship funding (\$176M) at risk • DDG 1002 funding (\$216M) at risk <p>Impacts</p> <ul style="list-style-type: none"> • Reduced forward presence and ability to respond to crises • Reduced ship and aircraft material condition and expected service life • A damaged industrial base • Small businesses supporting Naval bases will compete for fewer and/or reduced value contracts • Increased strain and OPTEMPO on our Sailors and Civilians • Local economies hurt by job hiring freezes by approximately 1,400 people per month • Aircraft depot cuts affect up to 327 airframes and 1208 engines • Procurement deferrals “recompete” in FY14 budget for funding • Unlikely procurement of 2nd VA-class & 2nd DDG 51-class in FY14 	<p>Investment Actions:</p> <ul style="list-style-type: none"> • Reduce Investment in ships, aircraft, weapons, R&D (by \$7.75B) • DDG 51 advance procurement at risk (\$46M) in ME, NJ, MS • Defer LYNDON B JOHNSON (DDG 1002) contract awards in MS, MA and ME (\$90M) • Delay Moored Training Ship (MTS) award in Norfolk (\$28M) • Defer DDG 65 (San Diego, CA) DDG 58 (Norfolk) Mod (\$44M) • Reduce procurement quantities: JSF ((-4) 2 x F-35B, 2 x F-35C), UH-1Y/AH-1Z (-3), P-8A (-1), E-2D (-1), JPATS (-3), MQ-8C (-2) [Increases current/future unit pricing] <p>Impacts</p> <ul style="list-style-type: none"> • Unable to meet approved FY13/14 GFMAP deployments • Immediate coverage gaps in multiple COCOMs • JOHN C STENNIS, DWIGHT D EISENHOWER, RONALD REAGAN, THEODORE ROOSEVELT CSGs will shut down at various intervals, with 9-12 months required to restore normal readiness • By Oct 13, CONUS forces will require 9+ months to deploy due to maintenance and training curtailments • Less readiness for 9 surge sealift, 22 RRF ships (incl. T-AH ships) • One CSG surge-capable in FY13 • Zero surge-capable ARG in late FY13 and into FY14 • Up to 30-40 fewer ships in fleet by 2030 • Multi-year recovery to private sector industrial base • Furloughs likely to contribute to delayed maintenance for CVNs/Subs in public shipyards; reduced hours of base operation, medical facilities, business offices, port ops; reduced acquisition oversight, auditing and investment planning/execution analysis • Navy Civilians could lose up to 20% of salary through a furlough

Potential actions by region - Mid-Atlantic

Continuing Resolution (~\$3.0B)	Sequestration
<ul style="list-style-type: none"> • Cancel ship depot maintenance (rolling schedule) of 11 ship avails in Norfolk (\$287M): <ul style="list-style-type: none"> • USS OSCAR AUSTIN (DDG 79), USS PORTER (DDG 78), USS LABOON (DDG 58), USS FORREST SHERMAN (DDG 98), USS MCFAUL (DDG 74), USS WINSTON S CHURCHILL (DDG 81), USS JASON DUNHAM (DDG 109), USS BARRY (DDG 52), USS WASP (LHD 1), USS DWIGHT D EISENHOWER (CVN 69), USS SHAMAL (PC 13) • Cancel 3rd/4th Quarter aircraft depot maintenance (rolling schedule) in Cherry Point, NC (\$81M) • Reduce ship ops, flying hours (\$557M)* • Cut NECE by 20% (\$147M) • Release up to 655 temporary workers in 3rd/4th Qtr (\$12M)* • Implement civilian hiring freeze (\$70M)* • Cut administrative expenditures by 25% (\$385M)* • Cut IT expenditures by 25% (\$141M)* • Eliminate non-essential travel/conferences (\$26M)* • Reduce FSRM by 50% (\$98M); Reduce BOS 10% (~\$90M) • Cancel 2 demolition projects in Norfolk (\$9M) “New Start” , “MYP” , Quantity, and Rate Prohibitions • Defer “new start” construction of CVN 79 (\$608M) • Defer “new start” aircraft procurements (\$150M)* • Defer “new start” research and development (\$263M)* • Cancel procurement of at least 271 weapons (\$124M)* • CVN 72 RCOH funding (\$1.5B) at risk • Defer CVN71 RCOH completion (\$67M) • Defer 4 MILCON projects (2 at Dahlgren, 1 Oceana, 1 Norfolk NSY - \$100M) <p>*= Navy-wide total cut</p>	<ul style="list-style-type: none"> • Defer emergent repairs to USS PORTER (DDG 78)(\$125M)** in FY13 • Cancel Blue Angels shows in Virginia Beach, Lynchburg (Sep 13) <p style="text-align: center;">Investment Actions:</p> <ul style="list-style-type: none"> • Reduce investment in ships, aircraft, weapons, R&D by \$7.75B* • Delay Moored Training Ship award in Norfolk (\$28M) • Defer DDG 65 (San Diego), DDG 58 (Norfolk) modernization (\$44M) <p>** = <i>These repairs will take place somewhere on the east coast</i></p> <p><i>21 ships and submarines are scheduled to deploy from Virginia between now and end of FY13</i></p>

Potential actions by region – CALIFORNIA

Continuing Resolution (\$563M)	Sequestration
<ul style="list-style-type: none"> • Cancel 5 ship avails (rolling schedule) in San Diego (\$103M): <ul style="list-style-type: none"> • USS RUSHMORE (LSD 47), USS SAMPSON (DDG 102), USS BENFOLD (DDG 65), USS PRINCETON (CG 59), USS PELELIU (LHA 5) • Cancel 3rd/4th Quarter aircraft depot maintenance (rolling schedule) in North Island (\$83M) • Reduce ship ops, flying hours (\$557M)* • Cut NECE by 20% (\$35M) • Release up to 655 temporary workers in 3rd/4th Quarter (\$12M)* • Implement Civilian hiring freeze (\$70M)* • Cut administrative expenditures by 25% (\$385M)* • Cut IT expenditures by 25% (\$141M)* • Eliminate non-essential travel/conferences (\$26M)* • Reduce FSRM by 50% (\$78M) • Reduce BOS 10% (~\$70M) • Cancel 8 demolition projects (rolling schedule) (1 in Ventura, 2 Lemoore, 3 San Diego, 1 China Lake - \$11M total) <p>“New Start” , “MYP” , Quantity, and Rate Prohibitions</p> <ul style="list-style-type: none"> • Defer “new start” aircraft procurements (\$150M)* • Defer “new start” research and development (\$263M)* • Cancel procurement of at least 271 weapons (\$124M)* –qty limit • Defer 5 MILCON projects (3 in San Diego, 1 Seal Beach, 1 Pt Mugu - \$183M) <p>*= Navy-wide total cut</p>	<ul style="list-style-type: none"> • Cancel 3 ship avails (rolling schedule) in San Diego (\$72M): <ul style="list-style-type: none"> • USS RUSSELL (DDG 59), USS GRIDLEY (DDG 101), USS PIONEER (MCM 9) • Cancel Blue Angels shows in Pt. Mugu, Miramar, and San Francisco <p style="text-align: center;">Investment Actions:</p> <ul style="list-style-type: none"> • Reduce investment in ships, aircraft, weapons, R&D by \$7.75B* • Defer DDG 65 (San Diego), DDG 58 (Norfolk) modernization (\$44M) • Reduce procurement quantity: MQ-8C (-2) <p><i>14 ships and submarines are scheduled to deploy between now and end of FY13</i></p>

Potential actions by region – PACIFIC NORTHWEST

Continuing Resolution (\$280M)	Sequestration
<ul style="list-style-type: none"> • Cancel 3rd/4th Quarter aircraft depot maintenance (\$83M) in Whidbey Island, WA (rolling schedule) • Reduce ship ops, flying hours (\$557M)* • Release up to 655 temporary workers in 3rd/4th Quarter (\$12M)* • Implement civilian hiring freeze (\$70M)* • Cut administrative expenditures by 25% (\$385M)* • Cut IT expenditures by 25% (\$141M)* • Eliminate non-essential travel/conferences (\$26M)* • Reduce FSRM by 50% (\$158M) • Reduce BOS 10% (\$30M) • Cancel 1 demolition project in Bremerton, WA (\$3M) <p>“New Start” , “MYP” , Quantity, and Rate Prohibitions</p> <ul style="list-style-type: none"> • Defer “new start” aircraft procurements (\$150M)* • Defer “new start” research and development (\$263M)* • Cancel procurement of at least 271 weapons (\$124M)* –qty limit • Defer 1 MILCON project at Whidbey Island , WA (\$6M) <p>*= Navy-wide total cut</p>	<p>Investment Actions:</p> <ul style="list-style-type: none"> • Reduce investment in ships, aircraft, weapons, R&D by \$7.75B* • Reduce procurement quantity: P-8A (-1) • Cancel Blue Angels show in Seattle, WA and Hillsboro, OR • Cancel Fleet participation in Portland Rose Festival, Seattle SeaFair and Fleet Week San Francisco. <p><i>2 ships and submarines are scheduled to deploy from the Pacific NW between now and the end of FY13</i></p>

Potential actions by region- FLORIDA

Continuing Resolution (~\$299M)	Sequestration
<ul style="list-style-type: none"> • Cancel one 3rd/4th Quarter ship avail in Mayport (\$4M) <ul style="list-style-type: none"> • USS FARRAGUT (DDG 99) • Cancel 3rd/4th Quarter aircraft depot maintenance in Jacksonville (\$135M) (rolling schedule) • Reduce ship ops, flying hours (\$557M)* • Release up to 655 temporary workers in 3rd/4th Quarter (\$12M)* • Implement civilian hiring freeze (\$70M)* • Cut administrative expenditures by 25% (\$385M)* • Cut IT expenditures by 25% (\$141M)* • Eliminate non-essential travel/conferences (\$26M)* • Reduce FSRM by 50% (\$59M) • Reduce BOS 10% (\$75M) • Cancel 4 demolition projects in Pensacola (\$3.2M) and 1 Key West (\$0.5M) (rolling schedule) <p>“New Start” , “MYP” , Quantity, and Rate Prohibitions</p> <ul style="list-style-type: none"> • Defer 1 MILCON project at Jacksonville (\$22M) • Defer “new start” aircraft procurements (\$150M)* • Cancel procurement of at least 271 weapons (\$124M)* –qty limit • Defer “new start” research and development (\$263M)* <p>*= Navy-wide total cut</p>	<p style="text-align: center;">Investment Actions:</p> <ul style="list-style-type: none"> • Reduce investment in ships, aircraft, weapons, R&D by \$7.75B* • Reduce procurement quantity: E-2D (-1 in NY, FL) • Cancel Blue Angels shows in Pensacola, Tampa ,and Jacksonville • Cancel fleet participation in Fleet Week Tampa Bay and Fort Lauderdale. <p><i>8 ships are scheduled to deploy from Florida between now and the end of FY13</i></p>

Potential actions by region - NORTHEAST

Continuing Resolution (~\$580M)	Sequestration
<ul style="list-style-type: none"> • Cancel one 3rd/4th Quarter ship avail, USS PROVIDENCE (SSN 719) at New London, CT (\$45M) • Cancel 3rd/4th Quarter aircraft depot maintenance in Patuxent River, MD (rolling schedule) • Reduce ship ops, flying hours (\$557M)* • Release up to 655 temporary workers in 3rd/4th Quarter (\$12M)* • Implement civilian hiring freeze (\$70M)* • Cut administrative expenditures by 25% (\$385M)* • Cut IT expenditures by 25% (\$141M)* • Eliminate non-essential travel/conferences (\$26M)* • Reduce FSRM by 50% (\$51M) • Reduce BOS 10% (\$90M) • Cancel 3 demolition projects in Patuxent River, MD (\$9M), 2 in New London, CT, 1 in Potomac, MD (\$13M) (rolling schedule) <p style="text-align: center;">“New Start” , “MYP” , Quantity, and Rate Prohibitions</p> <ul style="list-style-type: none"> • Defer “new start” aircraft procurements (\$150M)* • Defer “new start” research and development (\$263M)* • Cancel procurement of at least 271 weapons (\$124M)* –qty limit • Cancel construction of 1 DDG 51 in FY13 (\$1.4B)-quantity limit *** • Defer 1 MILCON project at Moorestown, NJ (\$33M) <p>*= Navy-wide total cut ***= This construction could take place in MS or ME</p>	<ul style="list-style-type: none"> • Defer emergent repairs to USS PORTER (DDG 78)(\$125)** in FY13 and USS MIAMI (SSN 755)(\$339M in Maine) • Cancel Blue Angels shows in Annapolis, Ocean City (MD), North Kingstown (RI), Patuxent River, Brunswick (ME) • Cancel fleet participation in Navy week in Rockford, ME and Rhode Island <p style="text-align: center;">Investment Actions:</p> <ul style="list-style-type: none"> • Reduce investment in ships, aircraft, weapons, R&D by \$7.75B* • Defer LYNDON B JOHNSON (DDG 1002) contract awards in MS, MA and ME (\$90M) • Reduce procurement quantities: JSF (-2F-35B, 2 F-35C in TX, CT), E-2D (-1 in NY, FL) <p>** = <i>These repairs will take place somewhere on the east coast</i></p> <p><i>5 ships and submarines are scheduled to deploy from the Northeast between now and the end of FY13</i></p>

Potential actions by region - HAWAII

Continuing Resolution (~\$110M)	Sequestration
<ul style="list-style-type: none"> • Cancel one 3rd/4th Quarter ship avail in Hawaii (\$35M) <ul style="list-style-type: none"> • USS CHAFEE (DDG 90) • Cancel 3rd/4th Quarter aircraft depot maintenance (rolling schedule) • Release up to 655 temporary workers in 3rd/4th Quarter (\$12M)* • Implement civilian hiring freeze (\$70M)* • Cut administrative expenditures by 25% (\$385M)* • Cut IT expenditures by 25% (\$141M)* • Eliminate non-essential travel/conferences (\$26M)* • Reduce FSRM by 50% (\$35M) • Reduce BOS 10% (\$40M) <p>“New Start” , “MYP” , Quantity, and Rate Prohibitions</p> <ul style="list-style-type: none"> • Defer “new start” aircraft procurements (\$150M)* • Defer “new start” research and development (\$263M)* • Cancel procurement of at least 271 weapons (\$124M)* –qty limit <p>*= Navy-wide total cut</p>	<p>Investment Actions:</p> <ul style="list-style-type: none"> • Reduce investment in ships, aircraft, weapons, R&D by \$7.75B* <p><i>6 ships and submarines are scheduled to deploy from Hawaii between now and the end of FY13</i></p>

Potential actions by region – All Other CONUS

Continuing Resolution (~\$241M)	Sequestration
<ul style="list-style-type: none"> • Release up to 655 temporary workers in 3rd/4th Quarter (\$12M)* • Implement civilian hiring freeze (\$70M)* • Cut administrative expenditures by 25% (\$385M)* • Cut IT expenditures by 25% (\$141M)* • Eliminate non-essential travel/conferences (\$26M)* • Reduce FSRM by 50% (\$1.16B)* • Reduce BOS by 10% (\$495M)* • Cancel 6 demolition projects (4 NS Great Lakes, IL (\$2M), 1 JRB New Orleans (\$0.25M) 1 NAS Meridian, MS (\$1M)) (rolling schedule) <p>“New Start” , “MYP” , Quantity, and Rate Prohibitions</p> <ul style="list-style-type: none"> • Defer “new start” aircraft procurements (\$150M)* • Defer “new start” research and development (\$263M)* • Defer completion AMERICA (LHA 6) (\$157M) (Pascagoula, MS) • Cancel procurement of at least 271 weapons (\$124M)* –qty limit <p>*= Navy-wide total cut</p>	<p>Investment Actions:</p> <ul style="list-style-type: none"> • Reduce investment in ships, aircraft, weapons, R&D by \$7.75B* • Defer LYNDON B JOHNSON (DDG 1002) contract awards in MS, MA and ME (\$90M) • Reduce procurement quantities: JSF (-2 F-35B, 2 F-35C in TX, CT), UH-1Y/AH-1Z (-3 in TX), JPATS (-3 in KS) • Cancel Blue Angels shows in Corpus Christi (TX), Vidalia (GA), Beaufort (SC), Barksdale AFB (LA), Jackson (MS), Seymour Johnson AFB (NC), Rockford (IL), Indianapolis (IN), Evansville (IN), St. Cloud (MN), Fargo (ND), Kansas City (MO), Eau Claire (WI), Fort Worth (TX)

Potential actions by region – OCONUS

Continuing Resolution (~\$19M)	Sequestration
<ul style="list-style-type: none"> • Cancel ship depot maintenance availabilities (rolling schedule): <ul style="list-style-type: none"> • Descope 1 ship avail in Japan USS DENVER (LPD 9) (\$17M)** • Cancel 1 ship avail in Japan USS AVENGER (MCM 1) (\$17M)** • Cancel 1 ship avail in Bahrain (\$2M) – USS CHINOOK (PC 9) • Release up to 655 temporary workers in 3rd/4th Quarters (\$12M)* • Implement civilian hiring freeze (\$70M)* • Cut administrative expenditures by 25% (\$385M)* • Cut IT expenditures by 25% (\$141M)* • Eliminate non-essential travel/conferences (\$26M)* • Reduce FSRM by 50% (\$1.16B)* • Reduce BOS by 10% (\$495M)* “New Start” , “MYP” , Quantity, and Rate Prohibitions • Defer “new start” aircraft procurements (\$150M)* • Defer “new start” research and development (\$263M)* • Cancel procurement of at least 271 weapons (\$124M)* –qty limit *= Navy-wide total cut ** = Total for both availabilities in Japan 	