



14th Annual Acquisition Research Symposium



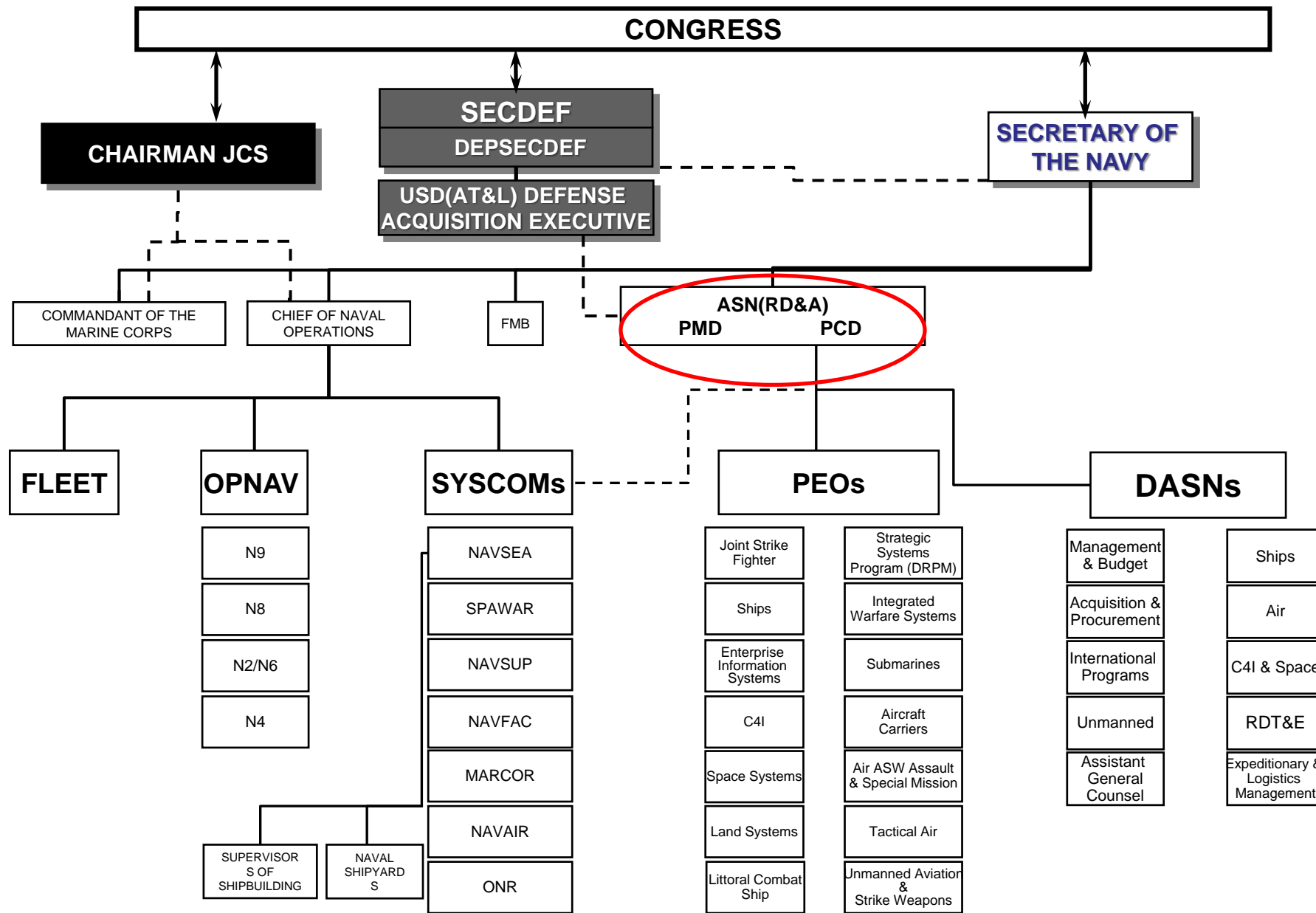
VADM David C. Johnson

Principal Military Deputy to the Assistant Secretary of the Navy for
Research, Development and Acquisition

April 26, 2017



Defense Acquisition Organization





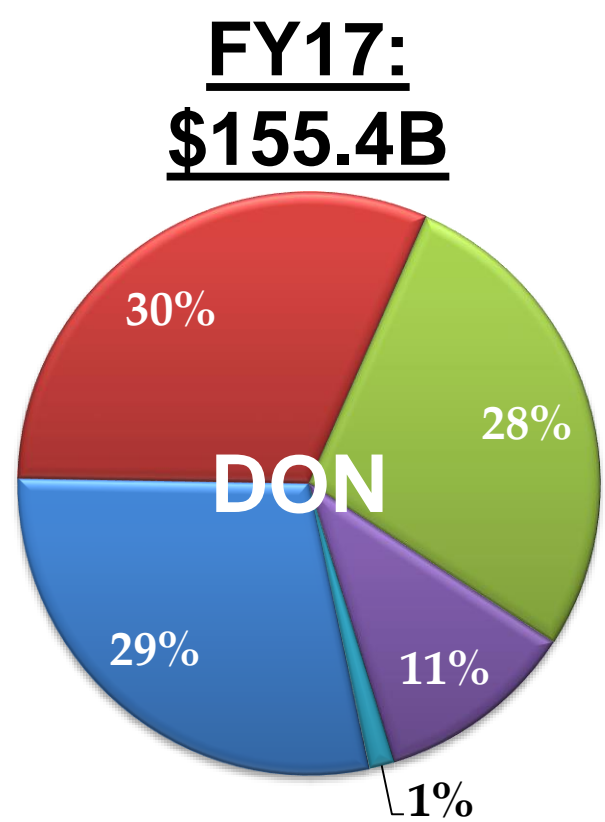
Summary by Appropriation Group FY 2017 DON Base Budget



O&M: \$46.9B

Ship Ops & Maint	\$11.0
Aviation Ops & Maint	\$8.0
Base Ops & Support	\$6.6
Marine Corps O&M	\$5.9
Combat/Weapons Support	\$5.5
Service Wide Support	\$4.9
Training and Education	\$1.9
Reserve O&M	\$1.2
Environmental Restoration	\$0.3
Mobilization	\$1.6

○ Navy: 31% ● Marine Corps: 27%



Procurement: \$44.0B

Ships	\$18.3
Aircraft	\$14.1
Weapons	\$3.2
Marine Corps	\$1.4
Ammunition	\$0.7
Other Navy Procurement	\$6.4

○ Navy: 32% ● Marine Corps: 7%

MilPers: \$45.6B

Basic Pays	\$19.2
Housing Allowance	\$7.8
Retired Pay Accrual	\$5.6
Health Accrual	\$2.1
Reserve Personnel	\$2.7
Subsistence	\$2.2
Allowances	\$1.0
Special Pays	\$1.3
Other	\$3.7

○ Navy: 24% ● Marine Corps: 61%

Infrastructure: \$1.6B

MILCON	\$1.1
BRAC	\$0.1
Family Housing	\$0.4

○ Navy: 1% ● Marine Corps: 2%

R&D: \$17.3B

Basic Research	\$0.5
Applied Research	\$0.9
Advance Tech Dev	\$0.7
Adv Component Dev	\$4.6
System Dev & Demo	\$6.0
Management Support	\$0.9
Ops Systems Dev	\$3.6

○ Navy: 12% ● Marine Corps: 3%

○ ● = The percentage of each Service's total budget applied to each appropriation group

Numbers may not add due to rounding



A Design for Maintaining Maritime Superiority



Mission

“The United States Navy will be ready to conduct prompt and sustained combat incident to operations at sea. Our Navy will protect America from attack and preserve America’s strategic influence in key regions of the world. U.S. naval forces and operations – from the sea floor to space, from deep water to the littorals, and in the information domain – will deter aggression and enable peaceful resolution of crises on terms acceptable to the United States and our allies and partners. If deterrence fails, the Navy will conduct decisive combat operations to defeat any enemy.”

Four Lines of Effort

- Strengthen Naval Power at and from Sea
- Achieve High Velocity Learning at Every Level
- Strengthen Our Navy Team for the Future
- Expand and Strengthen Our Network of Partners

Core Attributes

- Integrity
- Accountability
- Initiative
- Toughness





CNO's Five Points



1. Being Competitive – Competition not Complacency

- Winner takes all mentality
- We are not interested in being #2
- Not taking anything for granted
- Relentless chase of best – ever performance
- Asking ourselves the hard question – are we “All-in”?

2. Raise Our Eyes Above the Horizon

- Think strategically - not doing it comes at a cost
- Carve time out in our schedules to do that
 - Need to do in this competitive environment
 - Radical delegation, high standards, technical rigor
 - Do ferociously
- List of 10-15 things we'll stop doing
 - If it doesn't have a value in making us more lethal



CNO's Five Points (cont.)



3. We are Going to Get Digital
 - In context of getting more competitive
 - Data - Analysis - Info - Decisions
4. Become Very Output/Outcomes Centric
 - Shooting toward a defined result
 - Do in ½ the time
5. Sense of Urgency/Anxiety/Discomfort
 - Have we, as leaders, done everything we can to win?
 - Am I seeing the theoretical limit of performance?
 - Don't let our team down
 - 7-10 outcomes that you'll achieve (w/ subtractions)
 - Make your Navy more lethal, effective, feared and capable



Current ASN(RDA) Priority Areas



- **Budget**
 - FY17 Amended Budget Submit
 - PBR-18
 - POM 19
 - Force Structure Assessment
 - Future Fleet Architecture
- **Long Range Plans (30 year)**
 - Ships and Aviation
 - RDT&E (New)
 - Surface Ship Combat System
- **Rapid Prototyping**
 - MACO (MQ-25A, LDUUV)
 - RPED (SNLWS)
- **Unmanned Systems**
- **Expand Small Business Opportunities**
 - Designated Deputy PMs as SB Advocates
 - Establish individual program annual goals
- **Improve logistics support**
 - Evaluate PBL contracting strategies/options
- **Promote Foreign Military Sales opportunities (NIPO)**
 - Improve cycle time between request and approval
 - Saudi Navy Expansion Program (SNEP) II/P-8As/F/A-18/ Aegis/Standard Missiles
- **Getting Digital**
 - Data Analytics
 - Digital Warfare Offices Stood-Up
 - Commercial Web Services
- **Stabilize procurement**
 - Block Buys in FY18 (LCS/Frigate, F35)
 - MYPs in FY18 (V22, DDG 51)
 - Stable Build Rates (>MSR)
- **Manage Strike Fighter Inventory (F-18A-D; E/F)**
 - Procurement
 - Depot Management
- **Protect Critical Industrial Base**
 - New Construction
 - Non-nuclear ship repair
 - Radar
 - Second Tier Suppliers
- **Reduce time of Doing Business**
 - Annual Contracting Plans (SYSCOMs/PEOs)
 - Streamline documentation and processes
- **Improve Acquisition Workforce**
 - Diversity
 - Hiring Freeze
 - DAWDF



Acquisition Themes



1. Getting the Requirements Right
2. Performing to a Stable Plan
3. Making Every Dollar Count
4. Relying on Experienced Acquisition Workforce
5. Fostering Healthy Industrial Base