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Satisfying Readiness Requirements with Reduced Resources



RDML Tim Matthews

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A Typical Day in the Navy

11 Sept 2001:

- 316 Ships
- 371K Sailors
- 92 Ships Deployed
- 2 of 12 CVNs Deployed
- Minimal Boots on the Ground

Today:

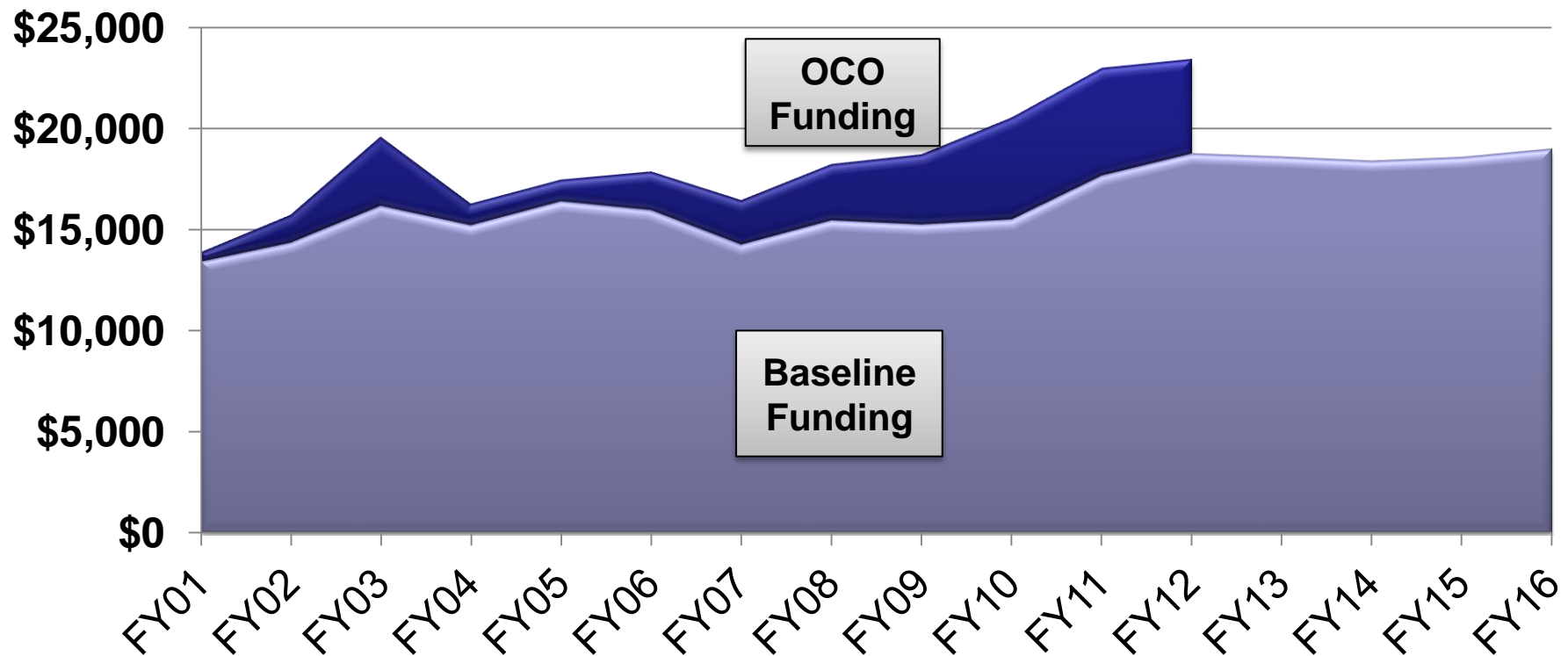
- 290 Ships
- 337K Sailors
- 123 Ships Deployed
- 3 CSGs Deployed
- 20+ Ships in Theater
- Expeditionary Support
- Maritime Security Operations
- And More...

Navy is Engaged Across the Globe



Fleet Readiness Accounts

Afloat Readiness Funding FY01-16 (TY\$M) as of PB12



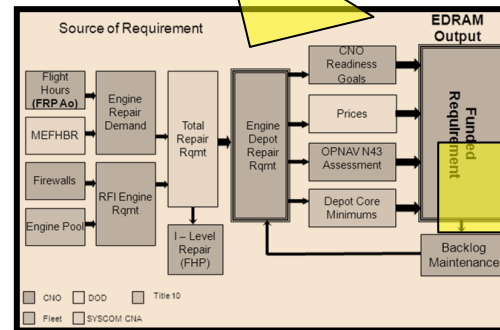
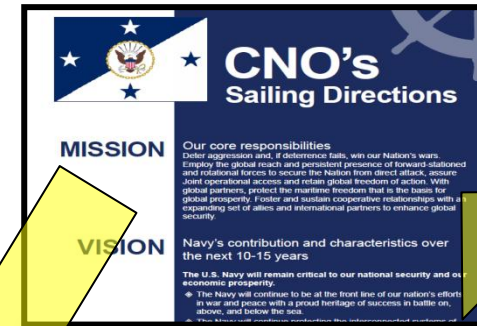
**Current Pace of Operations is Unsustainable
with Constrained Resources**



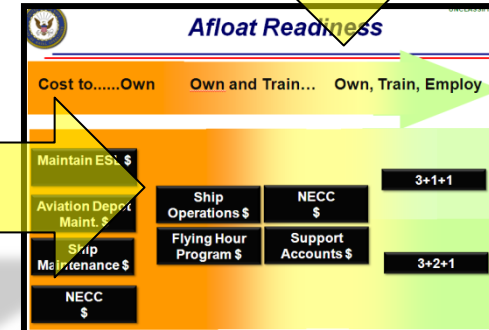
Maintenance Requirements

- Requirements Are Prioritized to Achieve Measured/Calculated Outputs
- Accredited Models Determine Resource Rqmnts to support FRTP Cycle
- Ship Maintenance is 100% Modeled
- Aviation Maintenance is 85% Modeled
- Independent Third Party Conducts VV&A Every Three Years

CNO Priorities



Maintenance Requirements



Maintenance Resources

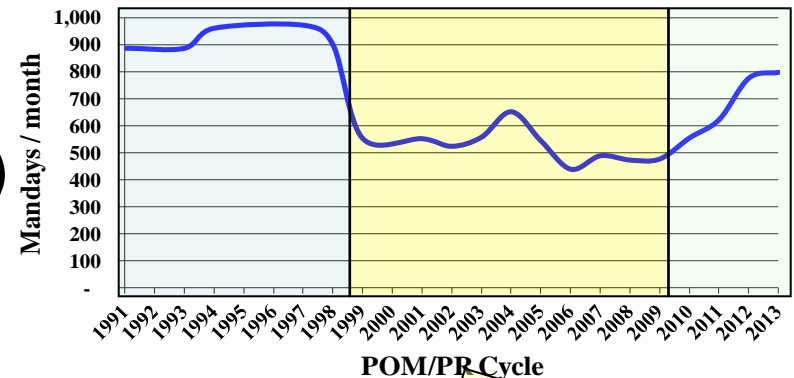


Maritime Improvement Initiatives

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- Reverse Optimal Manning
- Re-establishment of Surface Maintenance Engineering Planning Program (SURMEPP)
- Reconstitute Surface Intermediate Maintenance
- Expanded Material Condition Inspections
- Partnership with American Bureau of Shipping
- SURFMEPP revision of Class Maintenance Plans

DDG-51 Depot Maintenance Requirement
(Mandays per month)



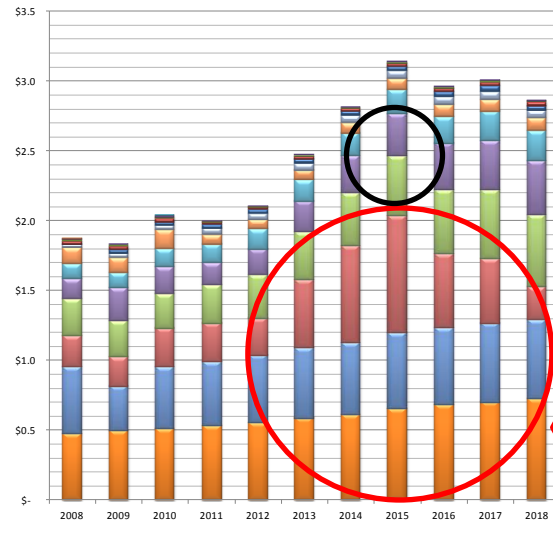
**Deep Maintenance Deferred for a Decade...
On Path to Recovery**



Aviation Improvement Initiatives

- Naval Aviation Enterprise
- USN/USMC Simulator Investments
- Fleet Readiness Centers
- Public/Private Partnerships
- Continuous Process Improvement
- Air Systems Support Modeling
- Fully Burdened Cost Per Flying Hour (O&S)

F/A-18E/F
O&S Cost Drivers



Secondary:

- AVDLRs
- Depot

Primary:

- Manpower
- Fuel
- Mods

Objective:

- Align PPBE
- Develop Automated Planning Tools
- Enable Strategic Cost Management

Improved Cost Driver Visibility for More Focused Efficiency Efforts



Take-Away

- **Life Cycle Costs are influenced by system design and policy decisions**
 - **Need to understand cost drivers**
 - **Need to increase focus on Total Ownership Costs**
 - **Need to leverage technology to improve affordability**
- **The majority of the 2020 Battle Force exists today**
 - **Platforms must be properly maintained to achieve expected service life**
 - **Older platforms will require more maintenance**
- **New playbook of sustainment strategies needed**
 - **Next Generation PBL's**
 - **Government & Industry Teams**
 - **Distributed vs. Consolidated Maintenance**