

BUDGET IMPACTS: 2013

- **Winner Ships**
- **Aircraft: Some winners, Some Losers**
- **Loser: Training & Combat Readiness**
- **\$41 B Hit moving towards \$37 B**
- **Uncertainty on Furloughs**
 - Navy/Air Force Can Defer; Army Can't
 - “One Team, One Fight”
 - Disparate Svc. Issues/Priorities/Problems
- **\$12 B Hit Each Service**

BUDGET IMPACT-AIR FORCE

FY 13

- **Fly Hours: -203K: 6 Months Recoup**
- **13 Squadrons Grounded: Shooters**
- **WSS: -18%: 2-5 Years Recoup**
- **O&M: -10%**
- **Investment Hit: 3-5 F-35s**
- **Ability to Respond: Down by 1/3**
- **Facility Maintenance Deferred**
- **Buy Backs Being Considered**
- **Pressure to Execute, Execute**

BUDGET IMPACT-AIR FORCE

Future

- **FY 14 Assumed No Sequester**
 - No Buy Back Dollars Available
- **1/3 of Pilots No Fly & No Pilot Training**
- **FY 15 POM: Assume FY 14 Sequester**
 - BIG Strategic Decisions
- **Must Speed up Acquisition System**
- **Priorities: Tanker/F-35/LRS-B**
 - Reprogram from lowest 30 to protect

BUDGET IMPACT-ARMY

FY 13

- **O&M: \$7.5B OCO; \$6B CR; \$6.0B Sequester**
 - Budget Short to Need
- **Requires Most of Reprogram Auth.-\$7.5B**
- **Decrease Aircraft (AH-64, CH-47)**
- **6 Combat Center Exercises Cancelled**
- **Reset Deferred**
- **Hiring Freeze**
- **Facilities Maintenance Deferred**
- **Eroding Readiness**
- **Strategy-Resource Mismatch**

BUDGET IMPACT-ARMY

Future

- **Hollow Readiness Entering FY 14**
- **Priorities**
 - **Soldier/Squad & Readiness**
 - **Training**
 - **QOL**
 - **Network (WIN-T, JTRS)**
 - **GCV (\$600M FY 14)**
 - **JLTV (Down Select 1-2 Years-Strategy Change)**
 - **AMPV (M113 Replacement)**

BUDGET IMPACT-NAVY

FY 13

- **Funding for: CVN-79; CVN-72; CVN-65**
- **2/3 Fleet-Non-Combat Status; 80% FY 14**
- **Not Next in Line Units, Not Doing Much**
- **Big Increase in Cross-Decking**
- **Maintenance Well Behind**
- **Aircraft Cuts: P-8, F-35 CV, F-35 STOVL**

BUDGET IMPACT-NAVY

Future

- **80% Fleet Non-Combat Status, FY-14**
- **Maintenance Backlog Continues**
- **20 Ships Retire in FY-15: 270 Ship Fleet?**
- **Priorities**
 - **Steaming time**
 - **Forward Presence**
 - **Keep Ship Programs Moving**

BUDGET IMPACT-MARINES

FY 13

- **>1/2 USMC Units at Unacceptable Readiness**
 - And 1/3 Flying Units Below Standards
- **Crisis Response & Tiered Readiness: Incompatible**
- **Navy Impacts are Marine Impacts**
- **Fewer Civilians, Less Impact on O&M**
- **Huge Depot Backlog (+\$511M)**
- **Home Bases & Training Ranges Underfunded**
- **Concerns: Combatant Support/Safety/QOL**

BUDGET IMPACT-MARINES

Future

- **Bow Wave in FY-14**
- **Moving to 190K Manning (-3,300)**
- **Continue to Leverage Navy Facilities**
- **Priorities**
 - **Near Term Readiness**
 - **Rebalance to Pacific**

BUDGET IMPACT-ALL SERVICES

- **Hiring Freeze: And Furlough?**
- **FY 14 Assumes No Sequester**
 - **Budget Flexibility Severely Constrained**
- **No Prior Year Unobligated Funds in '14**
- **FYDP Flat-“Flat is New UP”**
- **Program Paybacks Ended?**
- **Force Structure/Programs Exceed BCA**
- **Major Strategic Review Underway**
- **Major Adjustments Likely in FY 15 POM**
- **Readiness a Major Issue in '14**