



Era of Transition

*“Planning and Programming for
Integration and Interoperability”*



Presentation to
National Defense Industrial Association
6 May 2008



The Emerging Environment

- **World economy is interconnected**
- **Regional challenges have global impact**
 - Terrorism
 - Weapons of Mass Destruction
 - Piracy
 - Avian Flu
 - Natural Disasters
 - Pollution
 - Human trafficking
 - Transnational Crime



Seapower will be a unifying force for building a better tomorrow



Strategic Environment

Security Challenges



Irregular Warfare



Near Peer Competitors



Terrorist Threats



Global Maritime Security

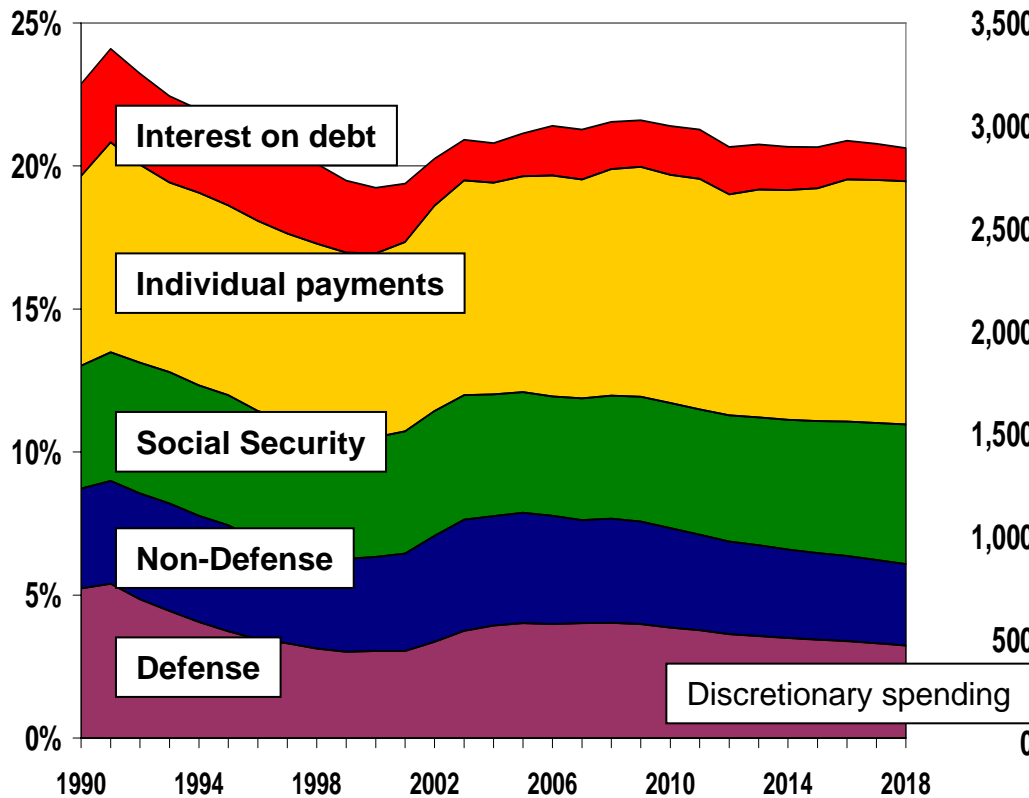
Globalization



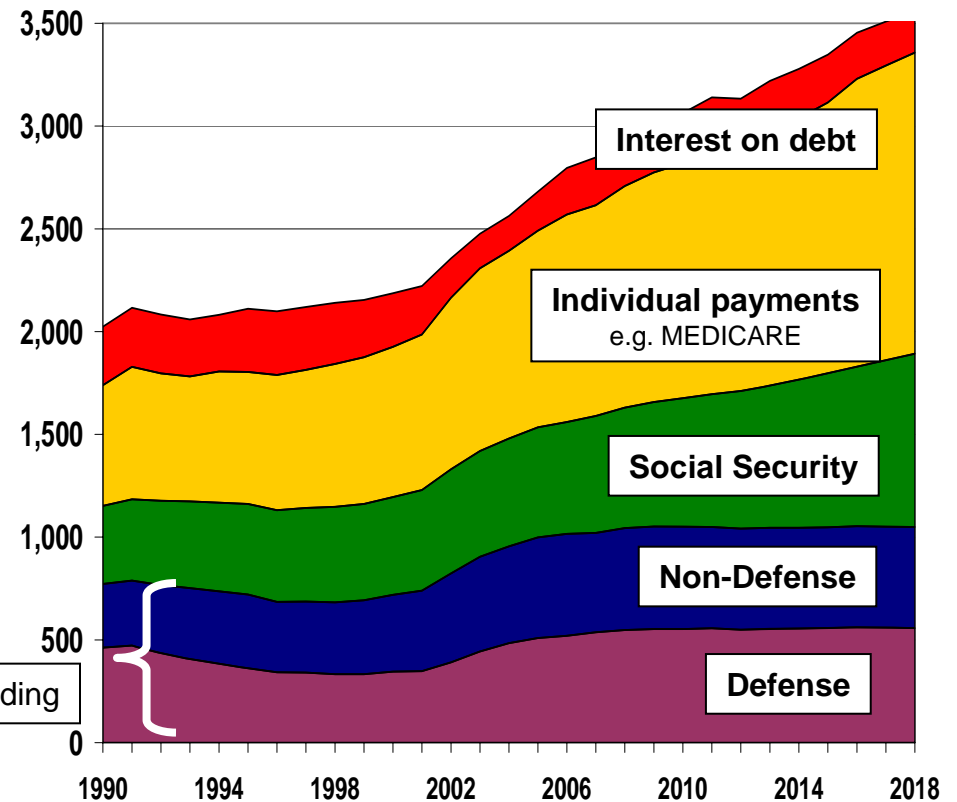
Fiscal Environment

Federal Spending Trends

Spending as Percent of GDP



Federal Spending \$Billions (Constant FY06)



Source: CBO (Jan 08)

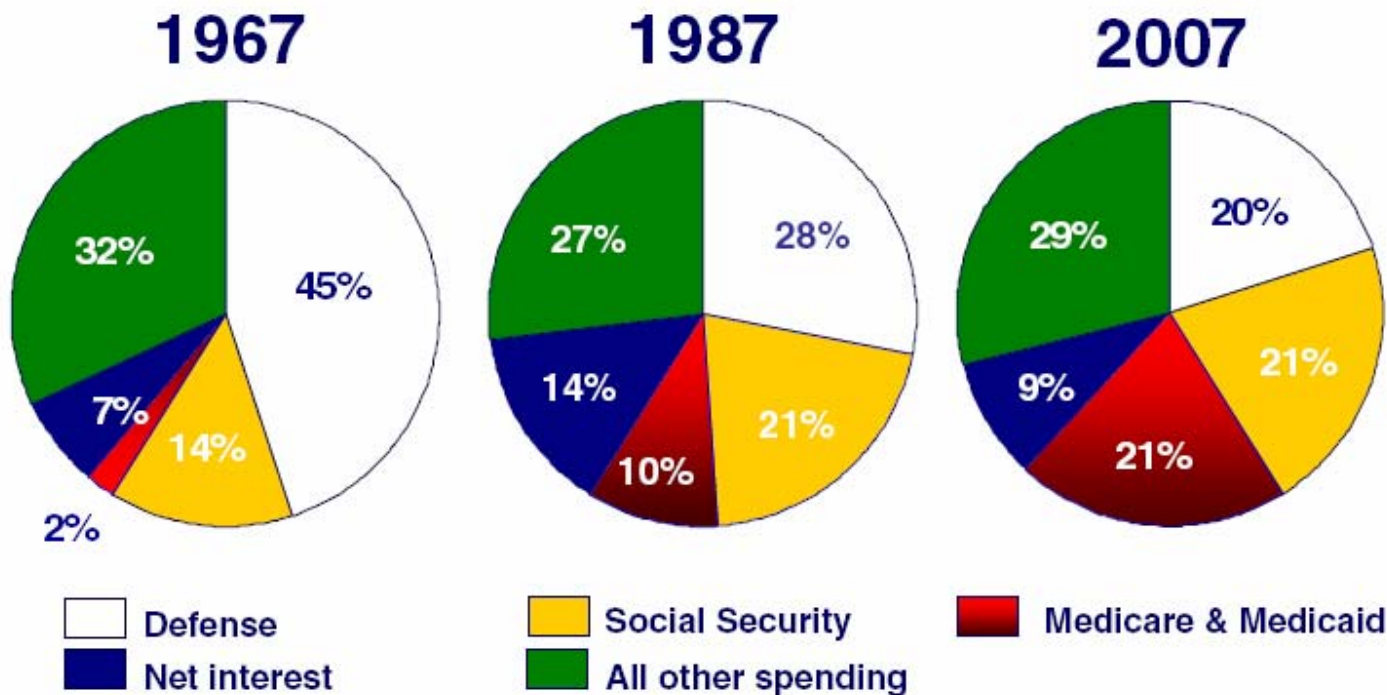
Federal non-discretionary spending growth will pressurize defense topline



Fiscal Environment

Federal Spending Trends

Composition of Federal Spending



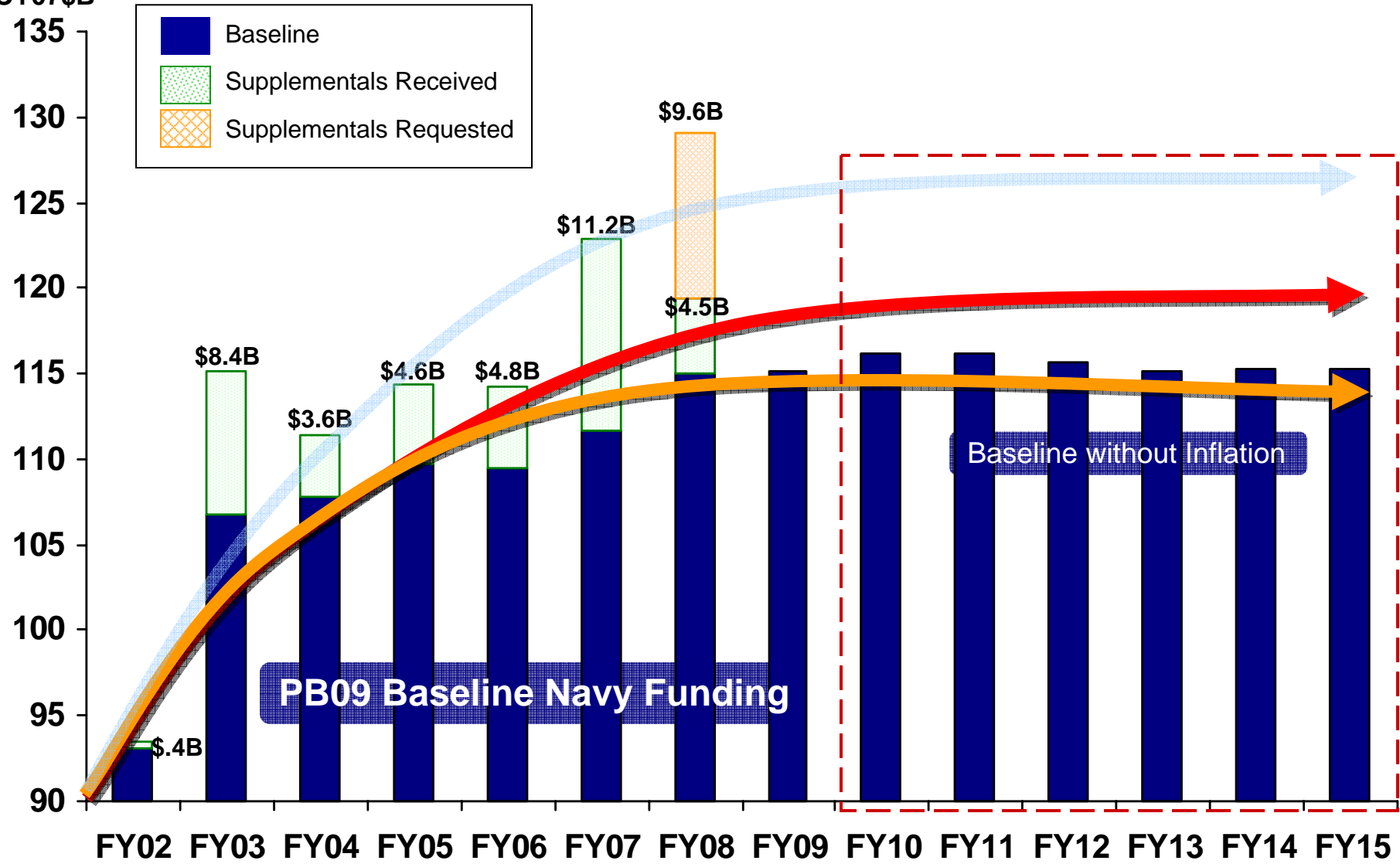
Source: GAO analysis of data from the Office of Management and Budget.



Fiscal Environment

Baseline and Supplementals

CY07\$B



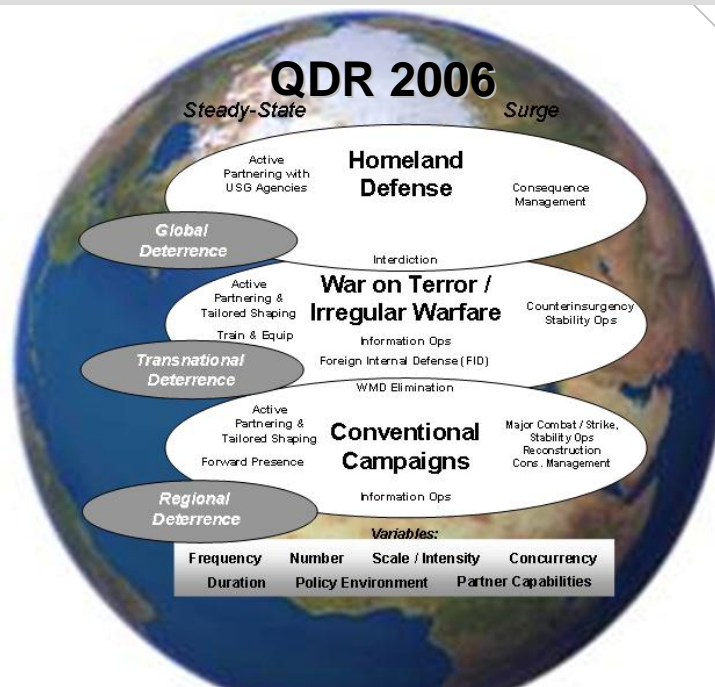
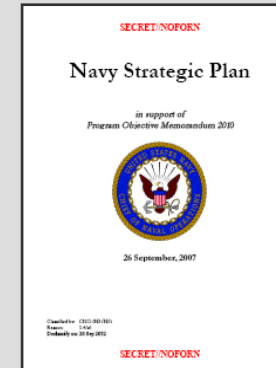


Guidance

Demand Signal

Capability Demands

- Strategic Guidance
- Conventional Campaigns
- Irregular Warfare (CONPLAN 7500)
- Partnership Capacity Building
- COCOM Support
- Global Reach & Persistence



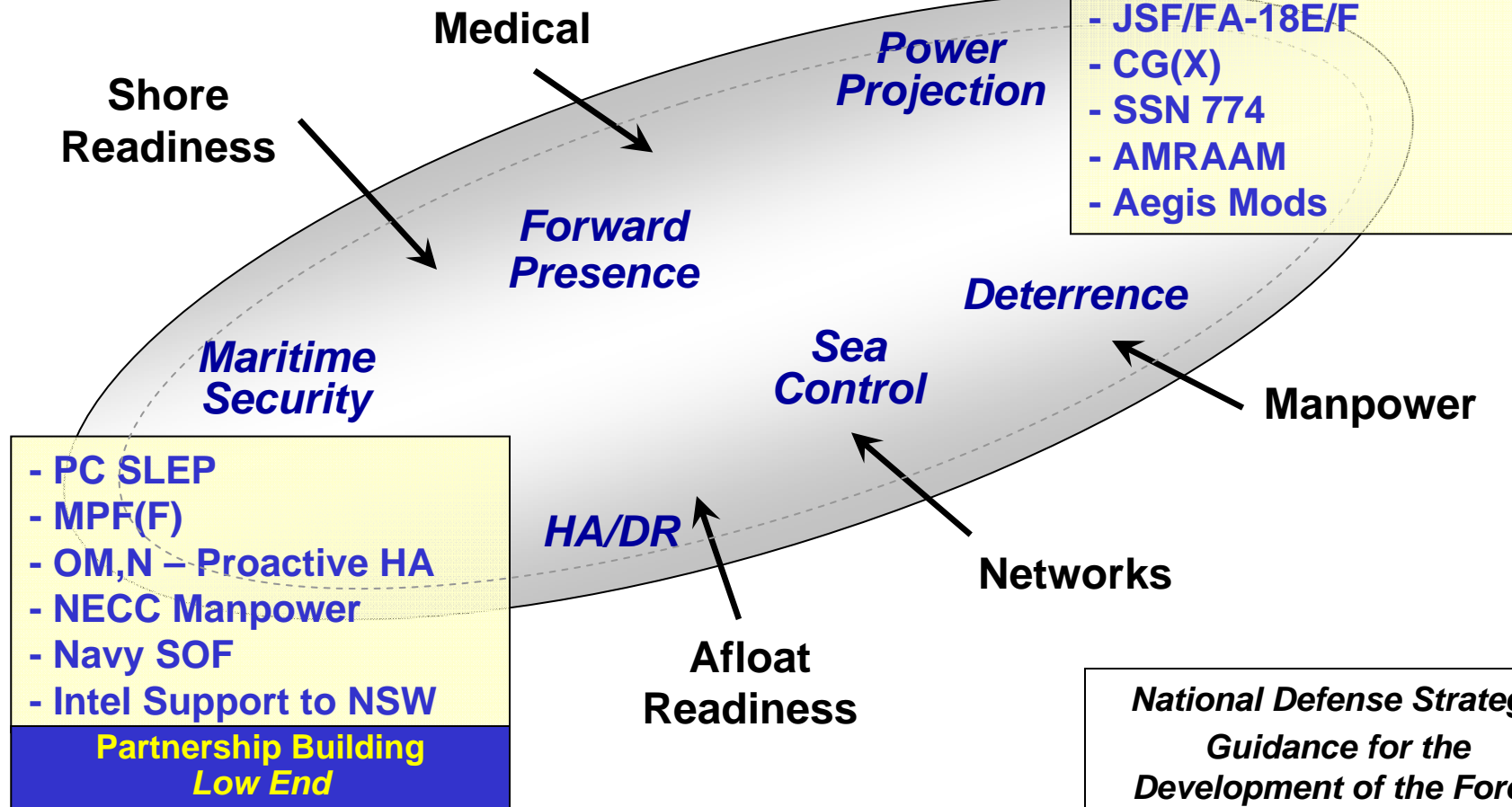
Strategic Guidance Drives Requirements



Challenge

Executing the Strategy

The Cooperative Strategy for 21st Century provides the framework to map programs to core capabilities of Maritime Power





Challenge

Challenges to Execution



Procurement

- Requirements creep
- Cost Estimates
- Changes
- Complexity
- Schedule delays
- Inflation levels

Personnel

- Endstrength and IAs
- Rising costs
- Competition
- Medical

Readiness

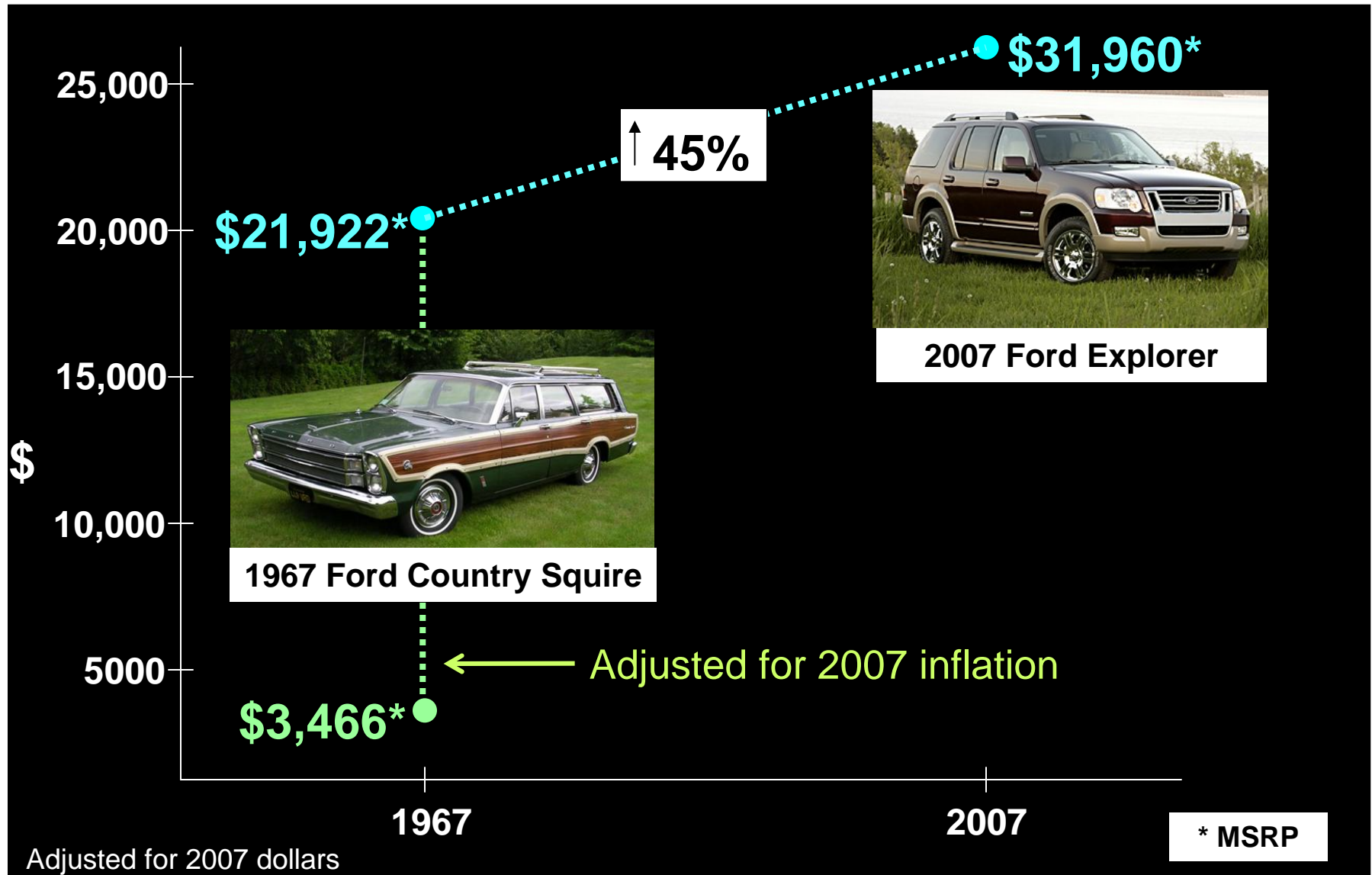
- Fuel
- Maintenance
- Infrastructure
- Surge levels
- EGWOT





Challenge

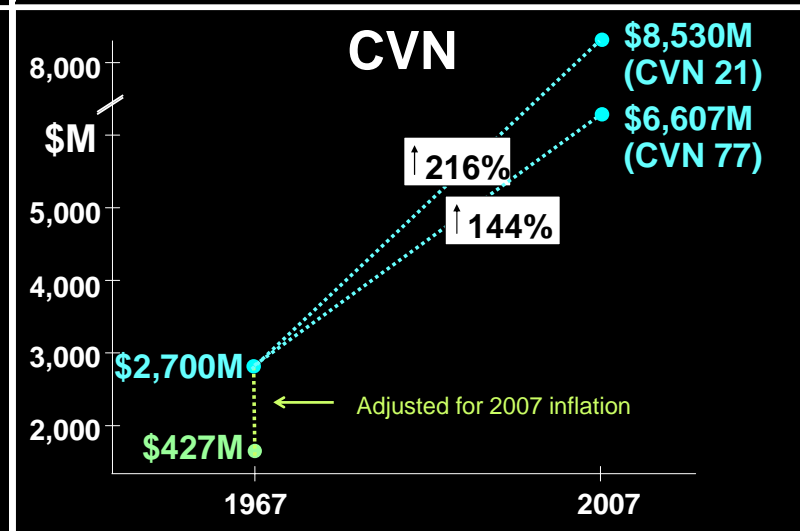
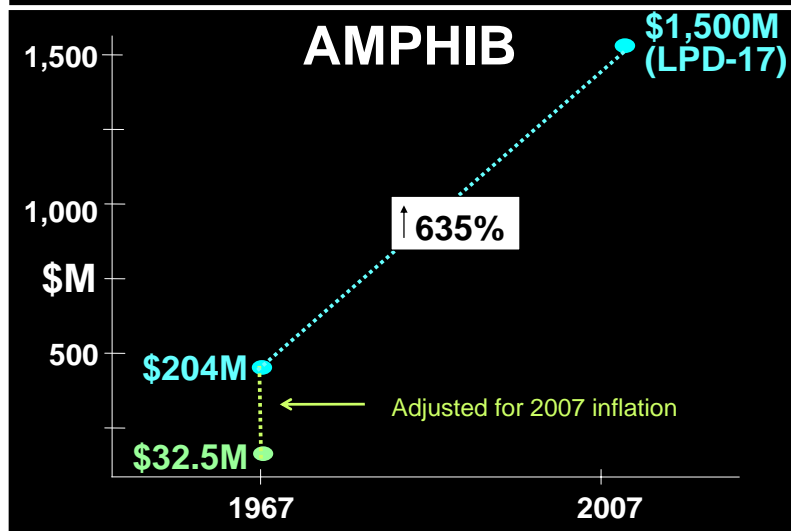
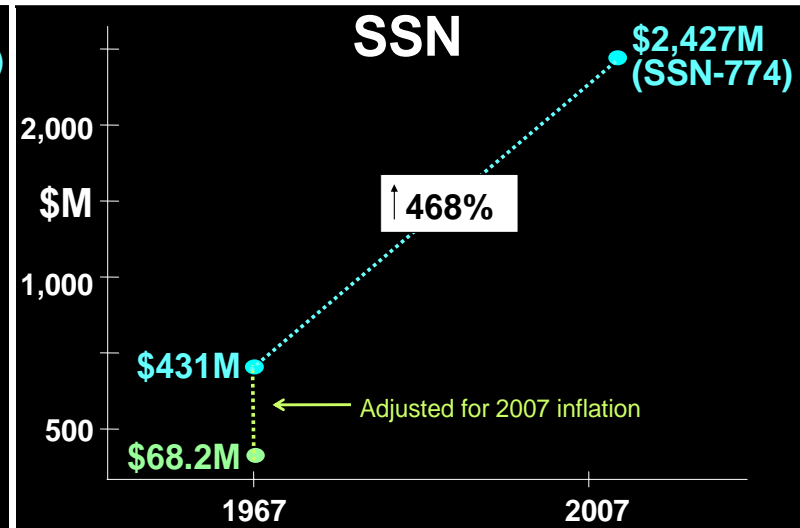
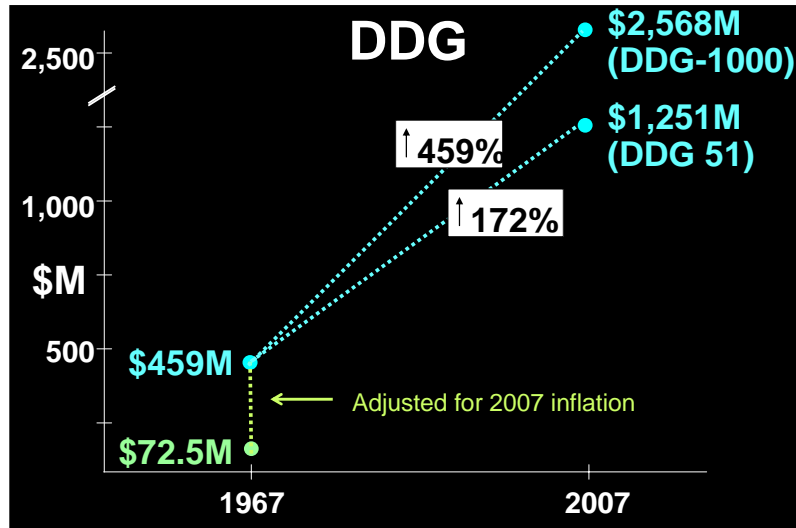
Rising Costs ('67 to '07)





Challenge

Rising Costs ('67 to '07)



How do we Mitigate Cost Risks?



Meeting the Challenges

Global Maritime Partnerships



**Cooperative
Maritime
Awareness**



**Transnational
Threats (Piracy,
Smuggling, Drugs,
Terror, WMD)**



**Humanitarian
Assistance**

**Building
Partnerships**



Commercial craft add additional eyes to Situational Awareness

Regional results determined by regional interests

Neighborhood watch

Interoperability

International "City at Sea"

Increased security so that the maritime commons may be safely used by all nations.

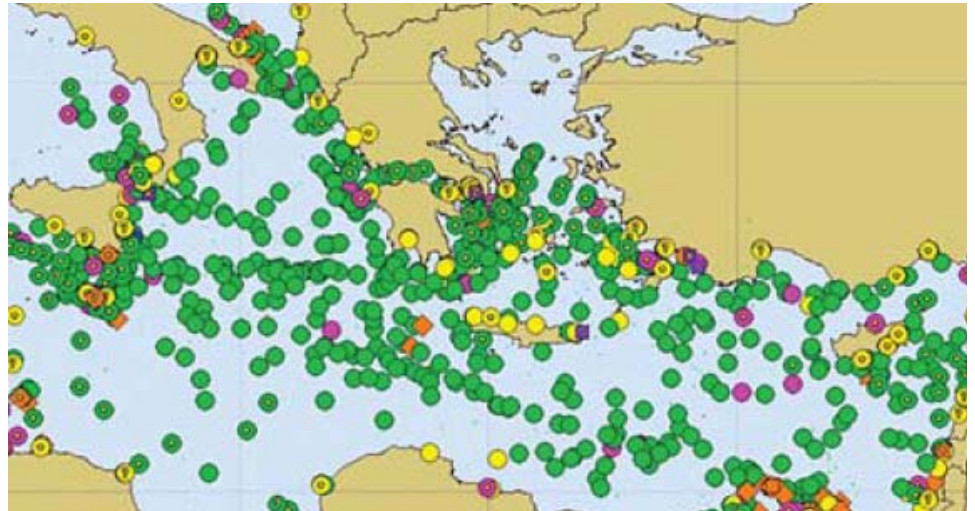


Meeting the Challenges

Allies and International Partners

Maritime Situational Awareness

- Comprehensive Maritime Awareness Joint Concepts Technology Demonstration – Singapore
- Regional Maritime Awareness JCTD – West African countries
- NATO
- Automatic Ship Identification System



Information Exchange Agreements

300 agreements with 30 countries

Project Agreements

18 projects with 12 countries

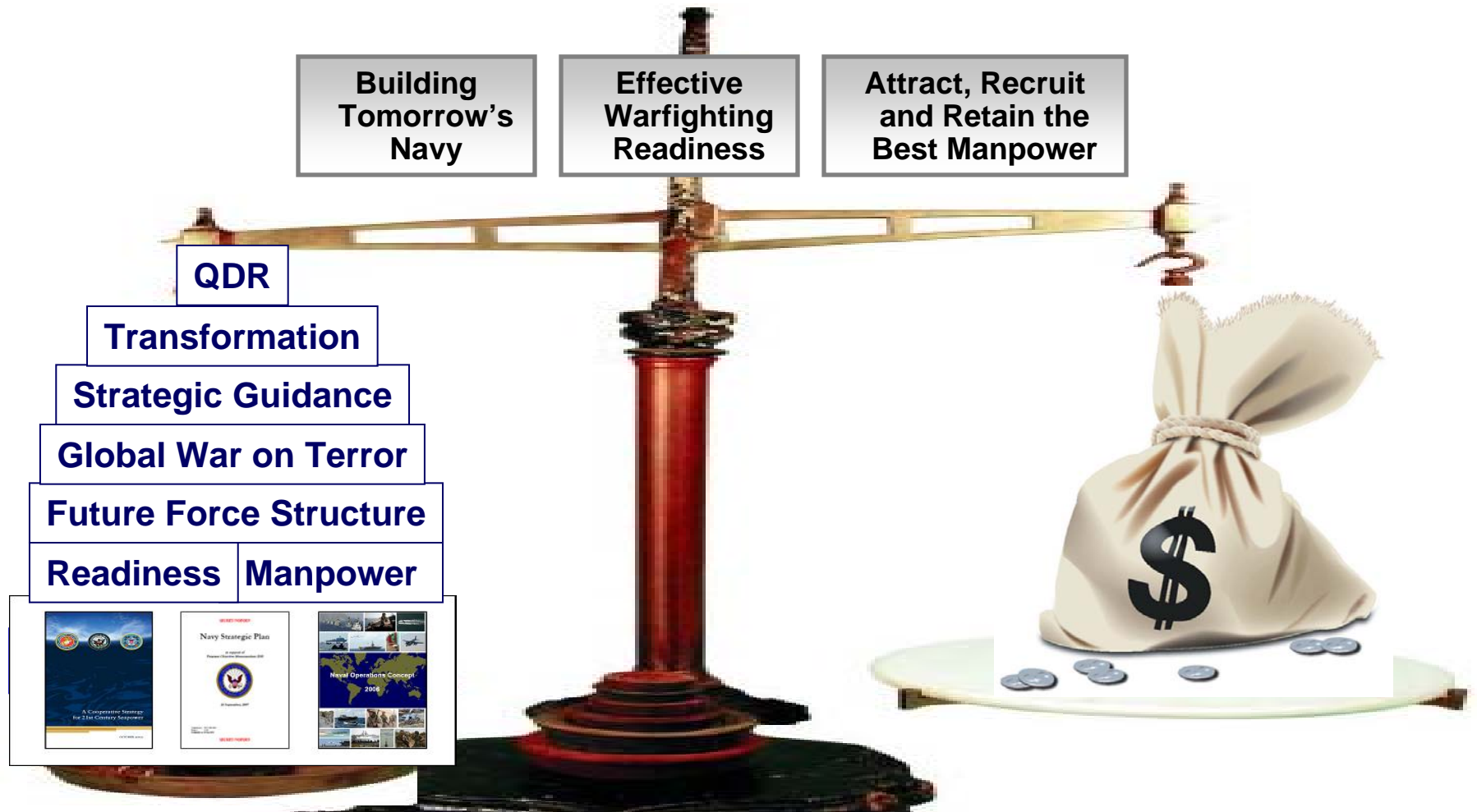


Coalition Warfare Program

Foreign Comparative Testing (FCT)



How It All Fits Together



"We cannot afford to overly invest in capability areas where excess capacity exists. We must be brutally honest in assessing where that is."

ADM Roughead 25 November 2007



Questions?



A Balanced Navy - "Right Capabilities At the Right Cost"