FY 2027 BUDGET HIGHLIGHTS

Office of Budget - 2026



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The BOTTOM LINE

Fiscal Year 2027 Department of the Navy Budget Submission

The Department of the Navy's (DON) FY 2027 President's Budget request is $377.5B comprised of $338.7B in discretionary funds and $38.8B in mandatory funds, an increase of $70.9B or 23.1% from the FY 2026 enactment. This budget ensures our Navy and Marine Corps are postured to defend the homeland and deter adversaries by making the generational investments required to deliver real usable capability to our Sailors and Marines at a warfighting pace.

The restoration of American maritime power is driven by a series of interconnected strategies flowing from the President to the Secretary of War to the Department of the Navy. Enduring priorities guided the FY 2027 request: 1) Strengthening Naval Capabilities: Shipbuilding and the Maritime Industrial Base, 2) Fostering an Adaptive, Accountable and Innovative Warfighting Culture, and 3) Improving the Health, Welfare and Training of Sailors and Marines. The budget supports the CNO's priorities of foundry, fleet, and fight while embracing a hedge strategy to adapt to dynamic adversaries, as well as CMC's comprehensive modernization effort of Force Design to ensure the Corps remains the nation's premier expeditionary force-in-readiness.

PB27 advances President Trump's delivery of peace through strength by reinvesting in the foundations of American military power – from industrial capacity to the readiness and health of the force – and ensuring the U.S. maintains the world's most powerful and capable military.

HIGHLIGHTS

- Provides for a deployable battle force of 288 ships in FY 2027 (113 surface combatants, 62 submarines, 38 support ships, 31 combat logistics, 33 amphibious, and 11 aircraft carriers).
- Procures 18 battle force ships in FY 2027: 12 in discretionary (1 COLUMBIA, 2 VA Class, 1 DDG, 1 FF(X), 2 AS(X), 2 TA-O, 1 LPD, 1 LHA, 1 TAGOS) and 6 in mandatory (6 LSMs). Procures 75 over the FYDP including 3 BBG(X) and 4 FF(X). Buys 16 non-battle force ships in FY 2027: 8 discretionary (1 Strategic Sealift, 4 SSC, 2 LCAC SLEP, 1 Bulk Fuel) and 8 mandatory (5 Fireboats, 1 SMS, 1 T-AH(X), 1 Used Sealift). Buys 47 over the FYDP.
- Procures 123 fixed-wing, rotary-wing, and unmanned aircraft in FY 2027: 77 in discretionary (8 F-35C, 12 P8A, 6 E-2D, 11 KC130J, 10 UC-12W, 22 CH-53K, 3 MQ-25, 5 MQ-9A) and 46 in mandatory (29 F-35C, 10 F-35B, 7 KC-130J). 421 procured over the FYDP.
- Procures 2,754 critical munitions, 754 ship weapons, and 1,104 aircraft weapons in FY 2027, of which 2,332 are in mandatory.
- Invests $10.4B in the industrial base: $3.2B nuclear, $2.4B submarine, $1.8B public shipyards, $1.3B surface ship, $1.6B munitions, and $0.1B aviation.
- R&D invests in major modernization efforts across the force, from strategic deterrence recapitalization to air and surface warfare posturing to counter emerging threats and to maintain our decisive edge. There are significant investments in the Fleet of the Future (BBG(X)), 6th Gen Fighter, CPS, F-35 C2D2, Next Gen Jammer, TACAMO Modernization, MQ-25, and USMC ground combat systems.
- Funds overall military end strength of 621,500 Sailors and Marines providing the expeditionary force necessary to promote America's interest around the globe. Provides a weighted pay raise of 6.2%, varying from 5.0-7.0% depending on pay grade.
- Invests $1.4B in advanced education and training through Naval and Marine Corps education programs for our warfighters to maximize readiness and increase lethality. Of the total, $124M is for Tuition Assistance and $93M for JROTC.
- Military Construction funds 64 projects (46 Navy, 17 USMC, 1 split Navy & USMC) in support of shipyard improvements, recapitalization of aging infrastructure, safety compliance, and COCOM support.
- Family Housing funds 19 construction projects worldwide for new construction, improvements for Whole House and Utilities revitalization, and planning and design. Supports the operation & maintenance of ~8,650 government owned and ~1,650 leased units.
- Robust investment in facilities sustainment, restoration, and modernization to reduce maintenance and to repair poor and failing facilities to include barracks (unaccompanied housing) in line with SECWAR's barracks task force initiative. (Navy: $9.1B discretionary and $4.1B mandatory; Marine Corps: $9.3B discretionary and $5.6B mandatory)
- Increases core readiness: ship maintenance ($17.0B for 58 availabilities); ship operations ($7.4B for 25,870 steaming days); flight operations ($12.2B for 931,517 flying hours); aviation maintenance ($2.4B for 2,222 airframe and engine events); and Marine Corps fleet readiness in field logistics, operational forces, maritime prepositioning, and depot maintenance ($6.5B).

Key Messages

- The Department has launched a once-in-a-generation effort to rebuild America's shipbuilding capacity and restore our maritime advantage.
- The Fleet of the Future is a decisive push to restore American seapower and revitalize the maritime industrial base to ensure our fleet remains the most capable and dominant force on the world's oceans in an era of renewed great power competition.
- The Department is changing the way we do business to enhance our strategic advantage and maximize the value of every taxpayer dollar.
- Successful execution of the FY 2027 budget requires both discretionary and mandatory funding.
- This budget does not make tradeoffs between capacity, modernization, infrastructure, readiness, or our people.
- Committed to achieving an unmodified audit opinion.

Facts & Figures

- $377.5B FY27 *(+$70.9B/+23.1% from FY26 Enactment)*
  - $70.1B Military Personnel *(+$3.2B/+4.8%)*
  - $111.0B Operation & Maintenance *(+$18.3B/+19.8%)*
  - $150.0B Procurement *(+$46.7B/+45.2%)*
  - $36.2B Research and Development *(+$1.5B/+4.5%)*
  - $10.0B MILCON/Family Housing *(+1.2B/+13.6%)*
  - 356,600 Active Navy E/S *(+12,000 ES)*
  - 173,700 Active Marine Corps E/S *(+1,400 ES)*
  - 56,500 Reserve Navy E/S *(-1,000 ES)*
  - 34,700 Reserve Marine Corps E/S *(+1,100 ES)*
  - 221,403 Civilian FTEs *(+2,317 FTE)*

Highlights of the Department of the Navy FY 2027 Budget
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All DON budget materials are available at
https://www.secnav.navy.mil/fmc/Pages/Fiscal-Year-2027.aspx

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INTRODUCTION

OVERVIEW



As a maritime nation, the United States depends on the free flow of global commerce, and our Naval Forces are the guarantors of that freedom. To secure America's economic prosperity, the Department of the Navy (DON) is driving an adaptive, accountable, and innovative warfighting culture that delivers real advantage at speed.

The Navy and Marine Corps must remain the world's premier dominant force across all domains—on, under, and above the sea, in the air, space, and cyberspace. Persistent worldwide presence is not optional; it is foundational for our national security.

Nearly 40 percent of all U.S. international trade by value – and 70 percent by volume – moves by sea. If those maritime arteries are disrupted, America's digital and economic lifelines are at risk. The DON delivers sea control, sea denial, maritime security, tailored deterrence, logistics, maneuver, and power projection across the full spectrum.

For 250 years, the United States Navy and Marine Corps have safeguarded our nation's interests and projected American power. From wooden ships to nuclear carriers, every chapter of our history has proved the same truth: when America builds, America leads. Today, we are at an inflection point. We are operating in the most complex security environment in generations – defined by persistent competition and rapidly evolving threats, our adversaries are learning and adapting in real time. Naval power is no longer measured by platforms alone, but by the industrial capacity to build, arm, repair, sustain and surge the Fleet under wartime conditions. That is the purpose of the Fleet of the Future. We are targeting generational investments in our shipyards, supply chains, and workforce to ensure our fleet is ready, resilient and capable to outpace any adversary.

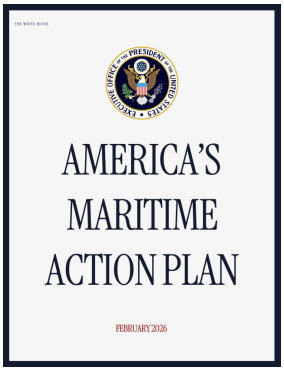
In response, this Administration has launched a once-in-a-generation effort to rebuild America's shipbuilding capacity and restore our maritime advantage.

This budget makes a historic investment in unmanned and autonomous platforms, strengthening our networked sensing capabilities and delivering persistent, real-time maritime awareness across the battlespace. Together, these efforts form the backbone of the Administration's Golden Fleet Initiative—a decisive push to restore American seapower, revitalize the maritime industrial base, and ensure our Navy and Marine Corps team remains the most capable and dominant force on the world's oceans in an era of renewed great power competition.

STRATEGIC GUIDANCE AND THEMES

The restoration of American maritime power is not a collection of isolated efforts—it is the result of a coherent strategy driven from the highest levels of national command. It begins with the President's National Security Strategy, which establishes an "America First" mandate, and is operationalized through initiatives like the Maritime Action Plan. From there, these priorities are translated into defense-wide guidance and carried through at the Department and Service levels—ensuring alignment, accountability, and execution across the force.

Office of the President: America's Maritime Action Plan

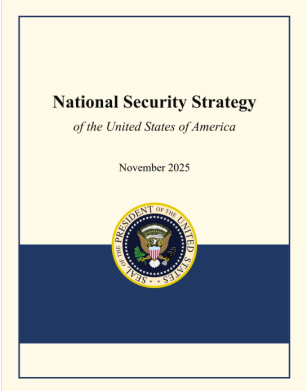


The "America's Maritime Action Plan" (MAP) outlines a whole-of-government approach to rebuild the United States' Maritime Industrial Base (MIB), grow the workforce, and strengthen the strategic alliances that underpin our economic and national security. Organized around four core pillars, it provides a unified strategy to restore America's maritime strength. Key actions and goals include:

- Rebuild U.S. Shipbuilding Capacity: Bolster the Nation's shipbuilding capacity. The action plan prioritizes modernizing port and shipyard infrastructure while creating incentives to attract private and allied investment into U.S. shipyards at the scale required to meet our Nation's requirements. This includes recapitalizing the Nation's public shipyards and establishing Maritime Prosperity Zones to catalyze sustained investment, expand the workforce, and accelerate production.

- Reform Workforce Education and Training: Build a capable, credentialed maritime workforce by expanding mariner training pipelines, modernizing the U.S. Merchant Marine Academy, and strengthening State Maritime Academies. The plan aims to streamline credentialing processes, establish new incentive programs, and creates clear pathways for transitioning military members into maritime careers.
- Protect the Maritime Industrial Base (MIB): Strengthen demand for U.S.-built and U.S.-flagged vessels through targeted trade policy, rigorous customs enforcement, and Federal acquisition reform. This effort accelerates the procurement of government ships faster and at a lower cost, while reinforcing the 'ship American' requirements to ensure government-funded cargo to be transported on U.S.-owned and crewed vessels.
- Enhance National Security and Industrial Resilience: Strengthen the MIB by building a self-reliant, resilient American maritime industry capable of designing, producing, and sustaining its own ships and components while operating a large, modern fleet to safeguard national and economic security. The plan calls for establishing a Maritime Security Trust Fund to provide a stable, dedicated investment stream for shipbuilding, fleet expansion, and workforce development, while accelerating the integration of autonomous systems and advancing an Arctic Waterways Security Strategy.

National Security Strategy

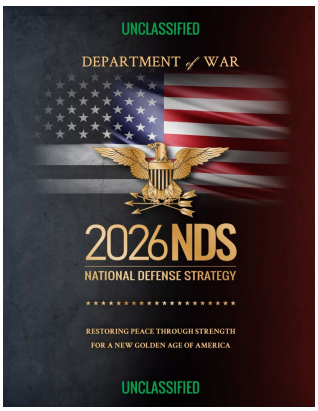


The strategy advances a foreign policy grounded in an "America First" Framework. One that aims to move away from what it critiques as unfocused post-Cold War strategies and instead prioritize the core national interests of the United States. This approach will restore American strength, ensure its sovereignty, and promote peace through economic and military power. The strategy is guided by several core principles:

- Peace Through Strength: Sustain a decisive military and a resilient economy to deter conflict and preserve stability.
- Focused Definition of National Interest: Narrowing the focus of foreign policy to core national security interests, avoiding strategic overreach.
- Predisposition to Non-Interventionism: Setting a high threshold for foreign military intervention, acting only when vital U.S. interests are at stake.

- Burden-Sharing: Expect allies to carry greater responsibility for their own defense, including higher defense spending—such as a 5% of GDP benchmark for NATO allies.
- Economic Security is National Security: Strengthen the domestic economy, industrial base, and energy independence as pillars of national power—rebalancing trade, reshoring critical supply chains, and revitalizing the defense industrial base.
- Primacy of Nations: Asserting that sovereign nations remain the foundation of global order, with each responsible for advancing and defending its own interests.

2026 National Defense Strategy



The 2026 National Defense Strategy (NDS) marks a decisive shift in U.S. defense policy, moving away from post-Cold War nation-building and open-ended interventionism, and toward a disciplined, interest driven approach rooted in realism. Previous administrations squandered military advantages, eroded readiness, and enabled adversaries to grow more powerful while encouraging allies to become dependents. In response, the strategy realigns the Department of War (DoW) around an "America First" framework, emphasizing a practical, clear-eyed realism focused on defending the concrete interests of the American people. At its core is a renewed commitment to "Peace Through Strength," prioritizing the most consequential to U.S. security, freedom, and prosperity, and shifting away from abstract commitments toward a durable, flexible balance of power.

The NDS is organized around four primary lines of effort designed to rebuild the military, restore deterrence, and secure American interests.

- Defend the U.S. Homeland: This is the foremost priority. The DoW will secure America's borders and maritime approaches, defend the nation's skies through the "Golden Dome for America" missile defense system, modernize the nuclear arsenal to prevent nuclear blackmail, and defend against cyber threats. It also establishes the "Trump Corollary to the Monroe Doctrine," restoring American military dominance in the Western Hemisphere to protect key terrain (e.g., Panama Canal, Greenland) and counter narco-terrorists.
- Deter China Through Strength, Not Confrontation: The NDS identifies the People's Republic of China (PRC) as the most significant threat to U.S. interests in the Indo-Pacific. The strategy directs the DoW to establish a strong "denial

defense" along the First Island Chain to prevent China from dominating the region. The goal is not to confront or humiliate China, but to create a position of military strength that allows for negotiation of a "decent peace" and preserves U.S. access and interests in the world's largest market area.

- Increase Burden-Sharing with U.S. Allies and Partners: The strategy mandates a shift away from "subsidizing" the defense of allies. It calls for allies to take primary responsibility for their own defense, especially in Europe and the Korean Peninsula. It establishes a new global standard for defense spending, urging allies to commit 3.5% of GDP to core military spending plus an additional 1.5% on security-related spending, for a total of 5% of GDP. U.S. support will be limited and prioritized for "model allies" who meet these commitments.
- Supercharge the U.S. Defense Industrial Base (DIB): To support the other LOEs, the NDS calls for a "national mobilization" to rebuild the DIB. This initiative aims to restore the U.S. as the world's premier arsenal, capable of producing weapons and equipment at scale and speed for itself and its allies. This involves reinvesting in U.S. defense production, empowering innovators, adopting new technologies like Artificial Intelligence (AI), and removing outdated regulations.

Acting Secretary of the Navy Strategic Guidance



The Acting Secretary of the Navy's FY 2027 budget request answers the President's call to action: move faster, build smarter, and deliver capability now. This is not a budget that studies the problem—it executes against it. It is a strategy-driven plan focused on outcomes, decisively resourcing the three pillars of the Fleet of the Future: restoring American industrial strength, integrating unmanned and AI-enabled systems, and leveraging private-sector innovation to deliver capability at the speed of relevance.

The objective is clear—credible deterrence that prevents conflict. This is not just about force structure; it is about changing the way we think, build, and fight.

Enduring priorities shape every element of the FY 2027 President's Budget request:

1) Strengthening Naval Capabilities: Shipbuilding and the Maritime Industrial Base – Rebuild Our Military;
2) Fostering an Adaptive, Accountable, and Innovative Warfighting Culture – Defending the Homeland and Deter Our Adversaries;
3) Improving the Health, Welfare, and Training of Sailors and Marines – Investing in America's Sons and Daughters.

Strengthening Naval Capabilities: Shipbuilding and the Maritime Industrial Base

- The Trump administration is investing in the Fleet of the Future to revitalize America's maritime industrial base and restore American maritime dominance.
- Naval innovation sits at the center of our strategy – strengthening relationships with the defense industrial base, incorporating lessons from recent conflicts, and integrating emerging technologies are essential to maintaining our competitive advantage.

- America's shipbuilding industry is a national strategic security asset that strengthens deterrence, enhances global readiness, and keeps the fleet forward. Modernization efforts are creating American jobs, revitalizing communities, and fueling innovation.
- Through disciplined budgeting, responsible stewardship, and rigorous oversight, we will restore readiness, reduce maintenance backlogs, and ensure every dollar delivers measurable warfighting capability.

Fostering an Adaptive, Accountable, and Innovative Warfighting Culture

- The Navy–Marine Corps team's resilience is rooted in a renewed warrior ethos—reinforced through rigorous training and a disciplined, business-focused culture that demands fiscal accountability and fosters innovation.
- Rapid Innovation sharpens lethality and survivability, restoring warfighter confidence and elevating operational excellence at every echelon.
- Platforms alone do not guarantee victory. The Navy and Marine Corps must remain a visible, credible, and ready maritime deterrent force – forward, present, and prepared to win – backed by unmatched, world class training.

Improving the Health, Welfare, and Training of Sailors and Marines

- Our decisive advantage in confronting the challenges of shipbuilding and warfighting readiness is recognized as the extraordinary men and women who serve: the Sailors, Marines, and Department of the Navy civilians.
- Investment will continue in the recruitment, training, and retention of the highest caliber personnel.
- Quality of Life and Quality of Service initiatives will be prioritized to ensure that Sailors, Marines, and their families have the necessary resources to succeed in their missions.

In an era defined by speed, scale, and execution, this budget positions the Navy and Marine Corps to defend the homeland and deter China by making the generational investments required to deliver real, usable capability to our Sailors and Marines at a wartime footing, not the speed of bureaucracy and red tape. This request is the financial engine of America's shipbuilding renaissance, ensuring we secure peace through undeniable, American-built strength.


WE ARE ONE
NAVY-MARINE CORPS TEAM
SECRETARY OF THE NAVY (SECNAV)
STRENGTHENING NAVAL CAPABILITIES: SHIPBUILDING & MARITIME INDUSTRIAL BASE
IMPROVING THE HEALTH, WELFARE, & TRAINING OF OUR SAILORS & MARINES
FOSTERING AN ADAPTIVE, ACCOUNTABLE, & INNOVATIVE WARFIGHTING CULTURE
SECRETARY OF WAR (SECWAR)
REBUILD MILITARY
REESTABLISH NATIONAL DETERRENCE
RESTORE WARRIOR ETHOS
NATIONAL DEFENSE STRATEGY
DEFEND THE U.S. HOMELAND
DETER CHINA IN THE INDO-PACIFIC THROUGH STRENGTH, NOT CONFRONTATION
INCREASE BURDEN-SHARING WITH U.S. ALLIES & PARTNERS
SUPERCHARGE THE U.S. DEFENSE INDUSTRIAL BASE

Chief of Naval Operations (CNO) Strategic Guidance



On August 25, 2025, Admiral Daryl Caudle assumed the role of Chief of Naval Operations. His Day One message to the fleet --- "Foundry--Fleet—Fight" – defines today's Navy, reinforces naval priorities, and puts the Sailor at the center of this vision.

The lifeblood of our Navy is the Sailor: well-trained, connected, supported, and fit to fight. In every ocean around the world, our national security interests are challenged by increasingly complex threats. Underpinned by our warrior ethos, we will rise to that challenge. For 250 years, the service has been a world-class fighting Navy, and our strength lies in our Sailors. Our teamwork and esprit de corps are strengthened by our core values and devotion to our mission. Sailors are the CNO's priority, and he needs them focused on the fight. This is the first of many efforts to improve their Quality of Life, so stand by for what's coming next.

FOUNDRY. The Foundry is the engine that drives our warfighting advantage. It transforms raw inputs and forges them into lethal outputs: warfighter, platforms, and sustained readiness at the speed and scale necessary to win. The Foundry builds, generates, sustains, and modernizes naval power through three critical components: people (our total force, civilians, and Sailors), infrastructure, and materiel. It is where we design the competencies, technologies, and decision systems that empower our Fleet to operate with greater autonomy, precision, and advantage in combat.

FLEET. The Fleet is our most decisive instrument of national power and serves as the differentiated value our Navy brings to the Joint Force: expeditionary reach, unmatched mobility, and persistent presence that promotes our vital interests, protects the global commons, and wins our Nation's wars. Comprised of people, platforms, and payloads, the Fleet spans across all domains. To our Allies, it serves to reassure. To our adversaries, it deters and shapes behavior. To all, it is a signal that freedom of the seas is non-negotiable and will never be surrendered.

FIGHT. The United States Navy provides the combat credibility and persistent global presence that secure U.S. vital interests, deter adversaries, and guarantee freedom of the seas for our Nation's prosperity and domestic tranquility. Simply put, our naval power is our Nation's power. In peacetime and crisis, our forward posture preserves sea lines of communication, blunts adversary initiative, and strengthens the economic

and diplomatic levers of national power. In conflict, the Fleet employs its warfighters, delivers decisive effects, and accelerates decisions. It maneuvers, strikes, and sustains operations across all domains to impose costs on our adversaries, seize initiatives on key maritime terrain, and create dilemmas that enemies cannot resolve.

CNO's Fighting Instructions state that the U.S. Navy must embrace a Hedge Strategy that enables the Navy to adapt to dynamic adversaries. The Navy's "Hedge Strategy" will augment the main battle force with innovative and integrated capabilities, leveraging partners to manage risks and ensure victory against the most demanding adversaries. Through this strategy, the Navy will invest in readiness, technology, and concepts to field a lethal, resilient and global Fleet.

Commandant of the Marine Corps (CMC) Strategic Guidance



CMC General Eric M. Smith – "Marines do not train for comfort, fairness, or convenience – we train for war."

The Marine Corps is a globally responsive, lethal, and adaptable naval expeditionary force guided by the Force Design Strategy. This is a comprehensive modernization effort to ensure the Corps remains the nation's premier expeditionary force-in-readiness. Key FY 2027 priorities supporting this effort include:

ARG/MEU and Amphibious Warfare Ship Readiness: Aggressively pursuing an increase in amphibious readiness and ship availability as part of the Fleet of the Future to achieve a ready Amphibious Ready Group/Marine Expeditionary Unit posture which is the foundation of our crisis response capability.

Littoral Mobility: Continue Medium Landing Ship (LSM) development to improve littoral mobility for the Stand-in Force, adding six ships in FY27 to the 10 enacted in FY26.

Logistics in a Contested Environment: Revolutionizing our logistics to build a resilient sustainment web requires expanding the Prepositioning Program in key regions and developing unmanned logistics systems like the future Autonomous Low-Profile Vessel for delivery in high-threat areas.

Pacific Posture: The Marine Littoral Regiment (MLR) is the cornerstone of our Pacific posture designed for Expeditionary Advanced Base Operations. The MLR provides persistent sensing and long-range anti-ship fires for the naval campaign.

Modernization and Lethality: Accelerating Force Design to equip Marines to dominate in contested environments. Enhancing our lethality with increases in aircraft that lower costs and provide stability for the industrial base. Increasing investments in long-range precision fires like the Navy Marine Expeditionary Ship Interdiction System (NMESIS) and High Mobility Artillery Rocket System (HIMARS) which hold adversary naval forces at risk from expeditionary advanced bases. Continue to lead in warfighting innovation as we learn lessons in real time for effective one-way attack UAS systems and counter-UAS systems.

Building and Sustaining a Lethal Force: Pursuing a generational investment to improve quality of life for our Marines and their families at installations including Barracks 2030, expanding options to resolve unaccompanied housing shortfalls, and revitalizing infrastructure. Taking care of Marines is a warfighting necessity.

This transformation is essential to deter conflict and, if deterrence fails, to prevail in the contested spaces of the 21st century.

SECURITY AND OPERATIONAL ENVIRONMENT

The current security and operational environment is defined by a rapidly evolving and increasingly contested global landscape. We are operating in the most hostile, dangerous, and unpredictable global security environment of our lifetimes. Recent conflicts underscored a fundamental truth: the character of war has changed. DON now operates in an environment defined by compressed timelines, contested domains, and adversaries who are willing and capable of moving without hesitation. While the United States Navy and Marine Corps remain the world's preeminent maritime force, our strategic advantage is no longer uncontested. This demands a response grounded in reality and effective policy.

The character of conflict in the 21st century is different – faster paced, military power based on software and AI, learning and evolving adversaries - all of which demand a more lethal and adaptable force to sustain our advantage into the future. The character of modern warfare is shifting rapidly, with the pressing threat of China and the proliferation of mature precision-strike capabilities designed to erode our warfighting advantages. To meet these challenges, the Navy and Marine Corps' strategic priority is Force Design.

The broader operational environment centers on several areas. Detering peer competitors has a primary focus on strategic competition with near-peer adversaries, particularly China and Russia. This involves maintaining a credible deterrent and being prepared for high-end conflict. Through global reach and presence, the Navy is tasked with maintaining a forward presence across the globe to ensure freedom of navigation, protect sea lanes, and respond to crises. Key operational areas include the Indo-Pacific, the Atlantic, and the Middle East. For technological advancement, there



is a rapid pace of technological change in areas like unmanned systems, Artificial Intelligence, cyber warfare, and hypersonic weapons. The DON is focused on developing and integrating these technologies to maintain a competitive edge. To maintain a lethal and ready force, a significant emphasis is placed on ensuring that naval forces are well-trained, equipped, and ready to conduct sustained combat operations. This includes a focus on fleet readiness, maintenance, and modernization. During Joint and Allied Operations, the Navy operates as part of the Joint Force and in close coordination with allies and partners. Interoperability and strengthening these alliances are key to addressing shared security challenges.

Additionally, the maritime approaches to the homeland require strengthening, which will prevent transnational criminal organizations from exploiting sea and littoral boundaries. The unchecked flood of narcotics from the south is not merely a border issue; it is a maritime security failure. As such, narco-traffickers have rightly been designated as foreign terrorist organizations. Operations like SOUTHERN SPEAR demonstrate the critical role of naval and joint forces in interdicting these threats at sea before they reach American shores. The capture of figures like Nicolas Maduro, under Operation ABSOLUTE RESOLVE, sends an unequivocal message: the Department of the Navy will hold narco-terrorists accountable and deny them sanctuary in the maritime domain.



Finally, the necessity of sea control is clearly demonstrated by our current posture in Operation EPIC FURY. Current operations highlight the full spectrum of naval power: integrated air and missile defense, strike operations, counter-unmanned systems, electronic warfare, intelligence and surveillance, and command and control. These

efforts protect critical logistics and amphibious forces, secure vital sea lines of communication, and ensure sustained access in contested environments.

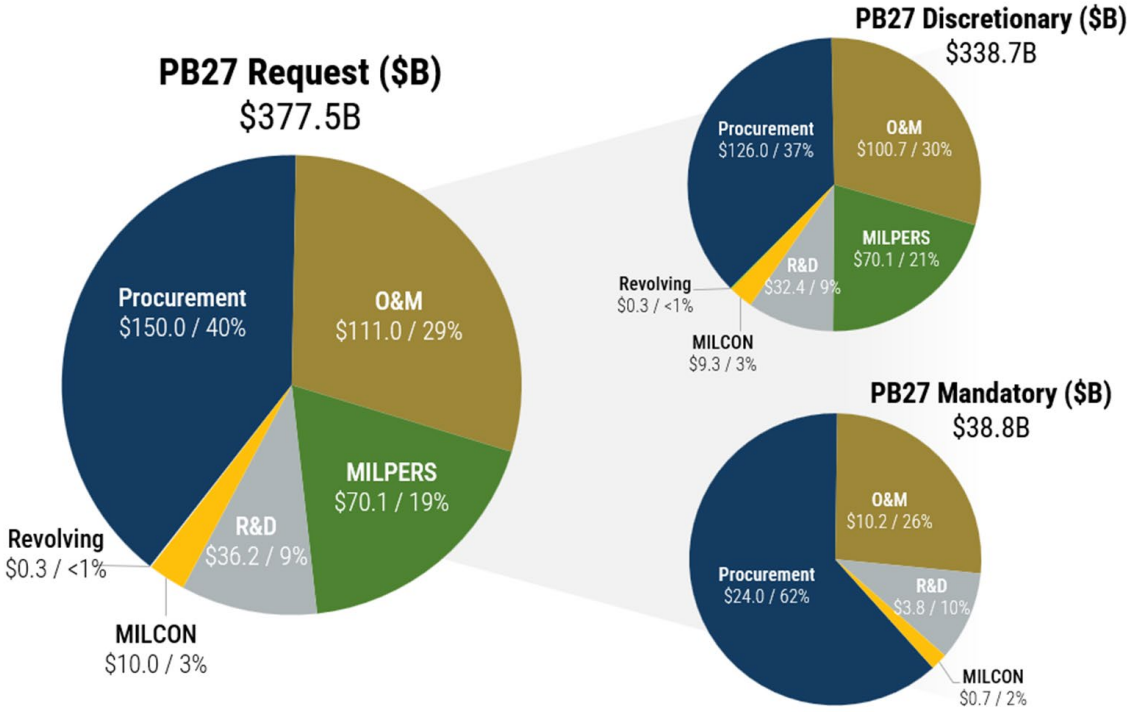
The bottom line is clear: the United States must adapt to a faster, more contested, and more technologically driven battlespace—or risk ceding the advantage at sea.

FY 2027 PRESIDENT'S BUDGET OVERVIEW

The Department's Fiscal Year 2027 budget request represents a historic $377.5 billion strategic investment. It represents a more than $70 billion increase over the previous year, a substantial 23% growth that signals a clear commitment to the Future Fleet, modernization and readiness. Similar to the FY 2026 budget, the FY 2027 request necessitates both discretionary and mandatory funding to accomplish our mission. To counter major threats and sustain naval supremacy, the FY 2027 budget underscores the significance of the Fleet of the Future, focusing on the preparedness of our Sailors and Marines, promoting responsibility and effectiveness, and employing customized deterrent measures.

Figure 1.1 categorizes the $377.5 billion budget request, containing $338.7 billion in discretionary funds and $38.8 billion in mandatory funds, by appropriation group. This request represents a $70.9 billion or 23.1% increase over our FY 2026 enacted President's Budget. This is the largest budget request for the Department with targeted increases in all appropriation groups: procurement +45.1%, operation and maintenance +19.8%, military construction +13.6%, military personnel +4.8%, and research and development +4.5%. These investments are designed to accelerate capability delivery, restore readiness, and ensure the Department is resourced to compete—and win—in a more contested and fast-moving security environment.

Figure 1.1 –FY 2027 Total Budget Request by Appropriation Group ($ in Billions)



The FY 2027 budget request is designed to restore American maritime dominance and ignite a new era of American shipbuilding. At its core is the Administration's Fleet of the Future—delivering more combat capability and capacity to our warfighters at the speed and scale the moment demands. The Department is bolstering its munitions supply by procuring more weapons and expanding its aviation fleet with additional airframes. To enhance operational strength and sustain the force, we are increasing funding for core readiness. In parallel, the budget advances the Barracks Task Force—repairing failing infrastructure and delivering modern living conditions worthy of our Sailors and Marines. At the same time, the Department is driving efficiencies through targeted reforms in civilian personnel, legacy IT systems, contract support, travel, and program consolidation—freeing resources to reinvest directly into warfighting capability.

Strengthening Naval Capabilities: Shipbuilding and the Maritime Industrial Base

A revitalized maritime industrial base stands is foundational to both national prosperity and defense, generating a new generation of skilled careers and invigorating local economies nationwide. To preserve our battlefield advantage, we are deepening collaboration with both defense partners and private-sector pioneers, accelerating the integration of real-world combat lessons into our fleet. This unprecedented fleet renewal is founded upon a pledge of sound financial stewardship, requiring strict accountability and methodical implementation to guarantee that public funds are leveraged for maximum strategic return, delivering the naval power our country requires.

Economic strength, manufacturing ability, and industrial capacity are national security. Under President Trump's plan, we will have the most tonnage under contract since WWII—restoring America's position as the world's leading maritime power.

Procurement

From our ships to our aircraft to our weapons, every chapter of our history has proven the same truth: when America builds, America leads. Our FY 2027 procurement request includes generational investments that decisively move towards a new Maritime Golden Age.



The FY 2027 shipbuilding budget request is $65.8 billion (including $5.6 billion mandatory), to procure 18 battle force ships (12 discretionary and 6 mandatory), 16 other construction ships (8 discretionary and 8 mandatory), and fund cost-to-complete for prior year shipbuilding across multiple programs. The FY 2027 request funds the remainder of incremental funding for the FY 2026 Columbia Class Nuclear Ballistic Missile ship, full funding for one FY 2027 ship (discretionary), advance procurement for eight future ships, and a portion of the Submarine Industrial Base. This submission includes full funding for two Virginia Class Submarines (VCS) FY 2027 ships (discretionary), advance procurement for four VCS future ships, cost to complete for four ships, a portion of the Submarine Industrial Base, Nuclear Shipbuilder Productivity Enhancements, and Submarine Capacity and Long-Term Expansion."

FY 2027 supports the procurement of one DDG-51 destroyer (discretionary), including additional funding for government furnished equipment cost increases and for industrial base support. The following ships will be procured: one FF(X) (discretionary) using the National Security Class Cutter design. The following ships are procured: two AS(X) submarine tender replacements (discretionary): one Explorer class ocean surveillance ship (T-AGOS) (discretionary); two John Lewis Fleet Oiler Class ships (discretionary); and funding for the Ship Industrial Base.

To support the Amphibious Ready Group/Marine Expeditionary Unit teams and littoral expeditionary forces, the following ships are in the request in FY 2027: one LPD Flight II (discretionary), one America class LHA (discretionary), and six Medium Landing Ships (mandatory).

Non-battle force ships in the request are: one strategic sealift (discretionary), four ship-to-shore connectors (discretionary), one special mission ship (mandatory), one bulk fuel vessel, (discretionary), one hospital ship (mandatory), five fireboats (mandatory), two LCAC SLEPs (discretionary), and one used sealift vessel (mandatory).



The FY 2027 aircraft procurement request is $34.4 billion, a 93% increase compared to the FY2026 request (including $7.5 billion mandatory). This is comprised of 123 fixed-wing, rotary-wing, and unmanned aircraft (77 discretionary and 46 mandatory). The fixed wing investments include: ten F-35B (STOVL) Joint Strike Fighter (mandatory), 37 F-35C carrier capable Joint Strike Fighter (8 discretionary, 29 mandatory), six E-2D Advanced Hawkeye (discretionary), twelve P-8A multi-mission aircraft (discretionary), 18 KC-130J Hercules (11 discretionary, 7 mandatory) and ten UC-12W Huron (discretionary). The rotary wing request includes 22 CH-53K King Stallion (discretionary), platform request supports three MQ-25 (discretionary) and five MQ-9A (discretionary). Also, the FY 2027 request makes a generational investment in F-35 readiness.



The FY 2027 weapons procurement request is $22.6 billion ($10.8 billion in mandatory). This request makes a significant investment in weapons production rate which includes: Naval Strike Missile (135 discretionary), Standard Missile (106 discretionary, 434 mandatory), Advanced Medium Range Air-to-Air Missile (106 discretionary, 388 mandatory), Tactical Tomahawk Missiles (58 discretionary, 727 mandatory), Long-Range Anti-Ship Missile ER (129 discretionary, 48 mandatory), Precision Attack Strike Missile (PASM) (4 discretionary) Patriot PAC-3 (23 discretionary, 382 mandatory) and Multi-mission Affordable Capacity Effector (353 mandatory). The request continues procurement for MK 48 Heavyweight Torpedo (141 discretionary), MK-54 LWT Mod 1 (50 discretionary), Conventional Prompt Strike (12 discretionary), Rolling Airframe Missile (116 discretionary), Evolved Sea Sparrow Missile (290 discretionary), LCS Surface-to-Surface Mission Mods (10 discretionary), AIM-9X Sidewinder (306 discretionary), Joint Air-to-Ground Missile (282 discretionary), and Small Diameter Bombs II (512 discretionary).



The FY 2027 procurement request for the Marine Corps of $6.3 billion ($15 million mandatory) supports ground units. Investments (all discretionary) include Joint Light Tactical Vehicles (341), Anti-Armor Missile Javelin (125), Javelin Lightweight Command Launch Units (LWCLU) (68), LWCLU Trainers (37), Navy/Marine Expeditionary Ship Interdiction System Launchers (32), Naval Strike Missile (103), and Medium Range Intercept Capability Missiles (410). The request also continues integration testing of MADIS CES enhancements to include integration of unmanned vehicles Beginning in FY 2027, the Amphibious Combat Vehicle program will move into the operations and sustainment phase of its life cycle, following the conclusion of production and deployment.

Military Construction

The FY 2027 budget request includes $8.4 billion in discretionary funding to support 64 military construction projects—46 Navy, 15 Marine Corps, 2 Marine Corps Reserve, and 1 joint Navy–Marine Corps effort. These projects directly enable new platform

fielding, shipyard modernization, and the recapitalization of aging infrastructure, while advancing safety compliance, training capacity, and operational support to Combatant Commanders. Investments span both overseas and domestic locations, including Australia, Japan, and Spain, as well as key states such as California, Florida, Georgia, Hawaii, Nevada, North Carolina, Pennsylvania, Rhode Island, Texas, and Virginia. The request also funds design for future projects and includes resources for unspecified minor construction to maintain flexibility and responsiveness.
In parallel, $1.4 billion for unaccompanied housing is realigned to Facilities Sustainment, Restoration, and Modernization within Operation and Maintenance accounts—prioritizing the improvement and upkeep of living conditions for our force.

Allies and Partners

The FY 2027 budget is structured to sharpen our warfighting edge by investing in our people, our industrial capacity, and the readiness of the fleet and force. This strategic focus ensures that we continue to strengthen the collaborative bonds with our partners in government, the armed forces, industry, and with allied nations. In concert with our industrial partners, the Department of the Navy is focused on equipping our warfighters with superior platforms and systems. We are committed to optimizing the entire lifecycle of these critical assets—from their initial design and manufacturing through their operational service and sustainment. We are proactively engaging with suppliers and partners across the defense industrial base to fortify its resilience and ensure the vital infrastructure is in place to keep our naval forces always prepared to defend the nation's interests.

Fostering an Adaptive, Accountable, and Innovative Warfighting Culture

The Navy-Marine Corps team is resilient and adaptable. By renewing our warfighting edge through rigorous training and accountability, we will maintain this warrior ethos. Department of the Navy is comprehensively transforming its acquisition processes and organization to (1) speed up the delivery of capability to Sailors and Marines, and (2) have single, accountable officials responsible for doing so. These single, accountable officials are known as Portfolio Acquisition Executives (PAEs), who will oversee portfolios of major programs and critical capabilities to enable quicker development and procurement decisions, more effective risk management, and more direct communication with Navy, Marine Corps, and industry leaders. Innovation is being deployed rapidly to enhance lethality and survivability,

rebuilding warfighter confidence and operational excellence at every echelon. The Navy-Marine Corps team must be a visible, credible, and ready maritime deterrent force – forward, present, and prepared to win – accompanied by unmatched, world-class training.

Research and Development (R&D)

The budget request of $36.2 billion (including $3.8 billion in mandatory funding) is for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease and operation of facilities and equipment. The Golden Fleet Initiative (BBG(X)) and Navy 6th Gen fighter will lead the DON's R&D efforts. There are significant increases in advanced component development and prototypes, as well as operational system development. The DON is focused on a major modernization effort across the force, from strategic deterrence recapitalization to air and surface warfare posturing to counter emerging threats and to maintain our decisive edge. As part of the Fleet of the Future, significant investments are made in BBG(X), Navy 6th Gen fighter, Conventional Prompt Strike, F-35, F-35 Continuous Capability Development and Delivery (C2D2), Next Generation Jammer, TACAMO modernization, MQ-25, Marine Corps ground combat systems, and ship preliminary design and feasibility studies.

Changing How We Do Business

The Fleet of the Future is changing how the DON does business by partnering with the private sector to deliver capabilities at the speed of relevance. This means embracing a more dynamic and competitive industrial base, moving beyond traditional prime contractors to actively seek out and empower non-traditional and commercial partners. By leveraging agile acquisition authorities and fostering a marketplace of innovation, we will accelerate the fielding of new technologies, increase the industrial base's capacity, and ensure we are not limited by the production constraints of any single supplier.

At the same time, we are embracing the principles of better business practices in all aspects of our operations to maximize readiness and restore accountability across the enterprise. That means implementing processes that drive outcomes, establishing feedback loops that capture real-world insights, and building systems that identify and address problems early. We have also realigned lower-priority spending—including travel, printing, contracting, and legacy IT—to the Department's top priorities: strengthening readiness, modernizing capability, and sustaining the force.

Information Technology and Cyber

The DON remains focused on optimizing its information technology ecosystem to support warfighting and business mission objectives, as well as leveraging proven technologies to move at the speed of the threat in real time. DON investments in enterprise information technology and cyber activities ensure the Navy and Marine Corps' ability to project naval power and sustain maritime operations in a rapidly evolving threat environment.

Audit

The DON is executing its audit strategy to achieve an unmodified audit opinion by FY 2028, as required by the Congressional mandate. The DON has accelerated efforts to achieve an unmodified audit opinion for the Navy Working Capital Fund (NWCF) in FY 2026 taking a data focused approach, while the Navy General Fund (GF) is on track to achieve an audit opinion by FY 2028. The Marine Corps has sustained an unmodified opinion for three consecutive years. The Department is strengthening its financial management capabilities through several strategic initiatives. These include leveraging Artificial Intelligence, analytics and automation; consolidating the number of feeder and accounting systems to improve efficiency and data integrity; accurately accounting for and valuing mission-critical assets such as aircraft and vessels; ensuring the availability of essential supplies to support the warfighter effectively; and enhancing cybersecurity measures to protect vital information.

Improving the Health, Welfare, and Training of Our People and Their Families

As the Department of the Navy confronts the mounting challenges of shipbuilding and warfighting readiness, our greatest asset is the extraordinary men and women who serve—the Sailors, Marines, and Department of the Navy civilians. The Department will continue to invest in the recruitment, training, and retention of the highest caliber personnel and will prioritize Quality of Life and Quality of Service initiatives. These initiatives will ensure that its Sailors, Marines, and their families have the resources available to succeed when called upon to meet the mission.

Personnel



The FY 2027 request funds an overall DON military end strength of 621,500 Sailors and Marines providing the expeditionary force necessary to promote America's interest around the globe. The budget also meets the Administration's promise to strengthen the military family by reducing the number of permanent change of station moves.

The active Navy request is $46.5 billion (discretionary) which supports 356,600 Sailors. The requested strength provides the first increase in an overall four percent growth to be achieved in the next five years. The added strength supports a global force capable of protecting freedom and liberty worldwide. The reserve Navy request is $3.0 billion (discretionary) for 56,500 reservists, supporting the pay and entitlements for the Selected Reserve (SELRES), as well as Training and Administration of the Reserve (TAR).

For the Marine Corps, the request supports an active force of 173,700 for $19.3 billion (discretionary) and a reserve force of 34,700 for $1.2 billion (discretionary). This represents a modest growth in end strength and positions the Marine Corps for a four percent growth in active component end strength in the next five years like the Navy. The Marine Corps continues to budget for achievable end strength objectives while working towards Force Design objectives.

The civilian workforce strengthens naval readiness, supports modernization, and advances national defense priorities set by SECWAR. The FY 2027 budget request is $34.5 billion for 221,403 civilians comprised of U.S. direct hires, foreign national direct hires, and foreign national indirect hires. In accordance with Executive Orders, the Department implemented targeted reductions by completing a comprehensive workforce reshaping effort designed to restore accountability and eliminate over 9,500 full-time equivalents. The Department is committed to optimizing its workforce to meet the challenges of a complex and evolving environment, matching our resources against our highest priorities.

Family Housing

The budget request of $1.5 billion (including $725 million mandatory) funds nineteen family housing projects worldwide. Efforts include new construction housing

projects, construction improvements for Whole House and Utilities Revitalization worldwide, and planning and design. Additionally, funding supports the operation and maintenance of ~8,650 government owned units and ~1,650 leased units located worldwide.

Readiness

The Department's FY 2027 request reflects an 8.3% increase to our core readiness accounts, prioritizing Foundry and Fleet. We are driving platform readiness toward an 80% Combat Ready Surge posture for FY 2027 by reducing maintenance delays and applying a disciplined focus across manning, training, modernization, and sustainment. The DON is focused on increasing readiness to rapidly deliver new capabilities to the fleet. In an environment of increasing global threats, the DON's mission to safeguard our nation is more vital than ever. As the world's foremost maritime power, we stand ready to defend American interests at a moment's notice. The FY 2027 budget request will be pivotal in strengthening our maritime superiority. It will prioritize strategic investments in several key areas: ship operations, ship maintenance, flight operations, aviation maintenance, and ground operations.

The ship operations request of $7.4 billion (discretionary) ensures Fleet readiness by funding critical training, deployments (25,870 total steaming days), and logistical support. The ship maintenance request of $17.0 billion (discretionary) boosts fleet readiness by facilitating the scheduled return of naval ships and submarines from public and private shipyards, while also readdressing readiness gaps. Essential maintenance of Military Sealift Command support vessels is also funded.

The flight operations request of $12.2 billion (discretionary) supports Navy and Marine Corps flying hours for fleet readiness and operational requirements, while also boosting undergraduate pilot training. Total active and reserve flying hours of 931,517 are funded. The aviation maintenance request of $2.4 billion (discretionary) supports 2,222 airframe and engine events and improves aircraft material condition and availability.



The Marine Corps' fleet readiness request of $6.8 billion (discretionary) is a strategic investment aimed at enhancing our global capabilities and operational agility. This funding is critical for advancing our posture, integrating Marine Corps regiments, and improving maintenance and logistics. The request is allocated across four key

areas: field logistics, operational forces, maritime prepositioning, and depot maintenance.

As part of The Foundry, our focus on infrastructure is a foundational element, ensuring that the shore-side support structure is robust enough to sustain our globally deployed combat forces Facilities Sustainment, Restoration, and Modernization (FSRM) funding enables maintenance, repair and minor construction for all buildings, structures, utility systems and grounds required for assigned forces and tenants to perform their missions. The FY 2027 FSRM request reflects a large increase for both the Navy and Marine Corps to reduce deferred maintenance and to repair poor and failing facilities to include barracks (unaccompanied housing) in line with the Secretary of War's Barracks Task Force initiatives. FSRM investments encompass 90 installations and 945 annexes. The Navy request is $9.1 billion (including $4.1 billion mandatory) and the Marine Corps request is $9.3 billion (including $5.6 billion mandatory).

The Base Operating Support (BOS) request of $9.5 billion (discretionary) for Navy and Marine Corps installations enable sea, air, and land operations for our forces. Support functions include port and airfield operations, utilities management and energy security, supply logistics, fleet ground transportation, environmental planning and compliance, security, fire and emergency services, personnel support, unaccompanied housing, temporary lodging, facilities planning and contract award/management, custodial services, grounds maintenance, child care, galley functions, information technology, training, safety programs, and morale, welfare and recreation.

The Department of the Navy's FY 2027 budget request is the fiscal expression of the President's "America First" national security vision—focused on building a lethal, combat-credible Fleet of the Future capable of defending the homeland and deterring China as the pacing threat. This is a strategy-driven budget that moves beyond sustaining presence to making the foundational investments required to supercharge the U.S. defense industrial base. It ensures the Navy and Marine Corps are not only ready today, but built on a resilient, sovereign industrial foundation—one that can generate, sustain, and surge combat power to prevail in future conflict and secure peace through strength.

RESOURCE SUMMARY

The combined discretionary ($338.7 billion) and mandatory ($38.8 billion) funding in the FY 2027 President's Budget request is $377.5 billion. Figure 1.2 displays the total request by appropriation and Service for FY 2027, as well as actuals for FY 2025 and enacted values for FY 2026.

Figure 1.2 – FY 2027 DON Total Budget Request by Appropriation $377.5B

($M)

	FY 2025	FY 2026	FY 2027 Discretionary	FY 2027 Mandatory	FY 2027 Total
Military Personnel, Navy	39,009	41,248	*43,455*	-	43,455
Military Personnel, Marine Corps	16,286	17,426	*17,853*	-	17,853
Reserve Personnel, Navy	2,603	2,754	*2,798*	-	2,798
Reserve Personnel, Marine Corps	936	1,031	*1,066*	-	1,066
Medicare-Eligible Retiree Health Fund Contri	2,264	2,681	*3,023*	-	3,023
Medicare-Eligible Retiree Health Fund Contri	1,176	1,348	*1,492*	-	1,492
Medicare-Eligible Retiree Health Fund Contri	187	218	*242*	-	242
Medicare-Eligible Retiree Health Fund Contri	93	108	*123*	-	123
Operation & Maintenance, Navy	78,107	78,341	*82,569*	*4,646*	87,215
Operation & Maintenance, Marine Corps	10,193	12,170	*15,989*	*5,575*	21,564
Operation & Maintenance, Navy Reserve	1,308	1,415	*1,477*		1,477
Operation & Maintenance, Marine Corps Res	331	331	*405*		405
Environmental Restoration, Navy	-	369	*305*		305
Aircraft Procurement, Navy	15,914	17,749	*26,947*	*7,454*	34,401
Weapons Procurement, Navy	7,108	10,151	*11,769*	*10,850*	22,619
Shipbuilding & Conversion, Navy	29,442	45,082	*60,176*	*5,649*	65,825
Other Procurement, Navy	15,817	20,496	*18,867*	*50*	18,917
Procurement, Marine Corps	3,784	3,994	*6,289*	*15*	6,304
Procurement of Ammunition, Navy & Marine	1,877	1,346	*1,959*		1,959
National Sea-Based Deterrence Fund	9,581	-	-		-
Maritime Industrial Base Fund	-	4,537	-		-
Research, Development, Test & Evaluation, N	26,098	34,691	*32,387*	*3,850*	36,236
Military Construction, Navy & Marine Corps	5,287	8,019	*8,267*		8,267
Military Construction, Navy & Marine Corps F	30	71	*132*		132
Family Housing Construction, Navy	273	178	*362*	*456*	818
Family Housing Operations, Navy	394	384	*386*	*269*	654
Base Realignment and Closure	204	133	*108*	-	108
Navy Working Capital Fund	30	382	*266*	-	266
Total	**268,334**	**306,650**	***338,710***	***38,814***	**377,525**
Navy	215,377	248,885	*269,288*	*27,909*	297,198
Marine Corps	52,957	57,765	*69,422*	*10,905*	80,327







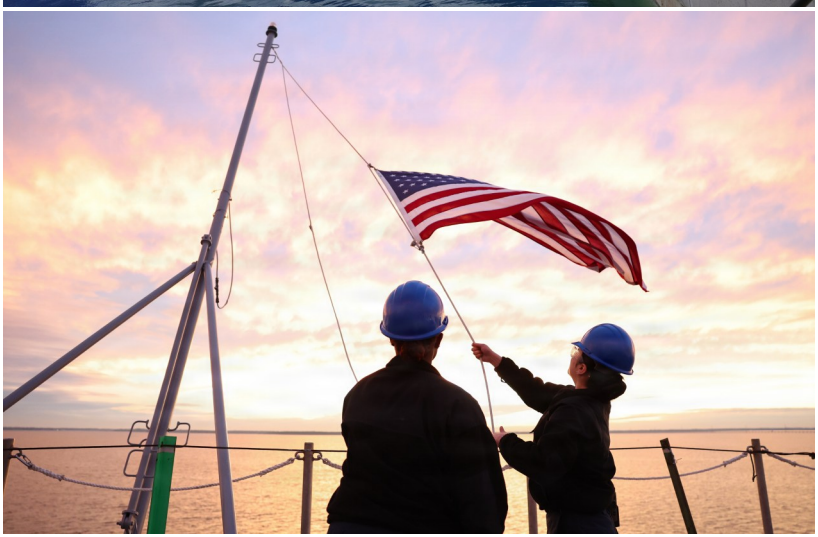


Strengthening Naval Capabilities: Shipbuilding and the Maritime Industrial Base









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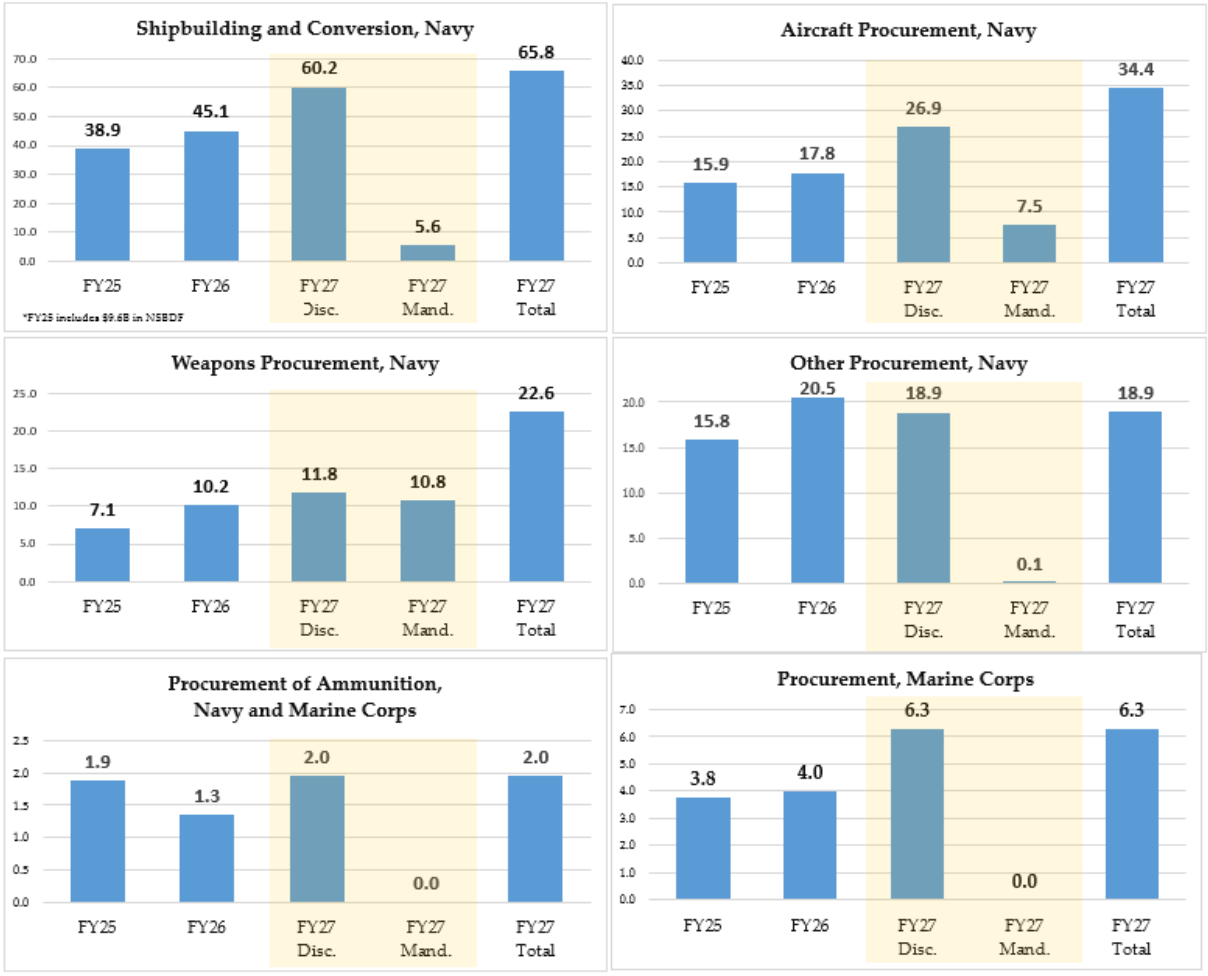
SECTION II: PROCUREMENT

OVERVIEW

A powerful and lethal naval fleet is forged, not just funded. The FY 2027 budget executes the NDS directive to "Supercharge the U.S. Defense Industrial Base". The Department makes a historic $65.8 billion investment in shipbuilding, not only to build the future Fleet, but as a down payment on future lethality. The request further operationalizes CNO Caudle's *Hedge Strategy* and accelerates CMC Smith's *Force Design* by deliberately procuring a more lethal, resilient, and distributed "high-low mix" of forces. We are moving beyond a singular focus on exquisite platforms to aggressively field cost-effective and asymmetric capabilities. Figure 2.1 displays the procurement funding streams that will deliver this reformed, ready, and lethal naval force.

Figure 2.1 – Procurement, FY 2025 – 2027 (Dollars in Billions)



[1]FY26 does not show $4.5B in Maritime Industrial Base funding

SHIPBUILDING AND CONVERSION, NAVY

The FY 2027 budget request marks a decisive shift in how the Navy will invest and build its Fleet. With a total of 75 battle force ships requested across the Future Years Defense Program (FYDP) (122 total ships in the FYDP), this budget represents a historic investment long-called upon by Congress to deliver the capability our Combatant Commanders require to maintain a competitive edge in a rapidly evolving maritime environment. Major investments include: The plan from FY 2025 to FY 2027 is shown in Figure 2.2.

Figure 2.2 – Shipbuilding Procurement Quantities and Total Funding

	FY25	FY26	*FY27 Disc.*	*FY27 Mand.*	FY27 Total
New Construction:					
Columbia Class Submarine (SSBN 826)	-	1	*1*	-	1
Virginia Class Submarine (SSN 774)	1	2	*2*	-	2
Arleigh Burke Class Destroyer (DDG 51)	3	2	*1*	-	1
Frigate (FF(X))	-	-	*1*	-	1
America Class Amphibious Assault Ship (LHA 6)	-	-	*1*	-	1
San Antonio Class Amphib. Trans. Dock (LPD 17) (Flt II)	1	-	*1*	-	1
Medium Landing Ship	-	10	-	*6*	6
John Lewis Class Fleet Replenishment Oiler (T-AO 205)	-	3	*2*	-	2
Submarine Tender Replacement (AS(X))	-	-	*2*	-	2
T-AGOS Surtass Ship	-	1	*1*	-	1
New Construction Total QTY	5	19	*12*	*6*	18
Other Construction:					
LCAC SLEP	2	1	*2*	-	2
Ship to Shore Connector	3	3	*4*	-	4
LCU 1700	-	9	-	-	-
Nimitz Class Aircraft Carrier (CVN 68) RCOH	1	-	-	-	-
Bulk Fuel Vessel	-	-	*1*	-	1
Fireboats	-	-	-	*5*	5
Special Mission Ship	-	-	-	*1*	1
T-AH(X)	-	-	-	*1*	1
Strategic Sealift	-	1	*1*	-	1
Auxiliary Vessels (Sealift used)	2	2	-	*1*	1
Other Construction Total QTY	8	16	*8*	*8*	16
Shipbuilding Total QTY	13	35	*20*	*14*	34

	FY25	FY26	*FY27 Disc.*	*FY27 Mand.*	FY27 Total
New Construction Total ($B)	$ 35.9	$ 40.1	*$ 50.4*	*$ 4.3*	$ 54.7
Other Construction Total ($B)	$ 3.0	$ 5.0	*$ 9.8*	*$ 1.4*	$ 11.1
Shipbuilding Total ($B)	$ 38.9	$ 45.1	*$ 60.2*	*$ 5.6*	$ 65.8

Golden Fleet – Future Fleet

The Navy will restore American maritime dominance and launch a new age of American shipbuilding. The Administration's Golden Fleet initiative is the strategic approach by which we will deliver combat capability to our warfighters. Our mandate is clear:

- Maintain and Enhance Maritime Dominance: We will enforce discipline, leverage distributed production, secure stable, repeatable workloads, and expand the shipbuilding ecosystem.
- Revitalize the Industrial Base: We will revitalize our once-great shipyards with hundreds of billions of dollars in investments and restore those high-skill, high-wage American jobs to build ships in America.
- Change How We Do Business: We will move from a compliance-based bureaucracy to an outcome-focused warfighting enterprise – restoring accountability, rewarding performance, embracing advanced technology to deliver capability at speed.

BBG(X)

As the centerpiece platform of the Golden Fleet, the Guided Missile Battleship (BBG(X)) program supports the expansion and modernization of the Nation's large surface combatant fleet, reinforcing maritime dominance. The Fiscal Year (FY) 2027 request of $1.0B provides advance procurement for the lead BBG(X) in FY 2028. Adding capability at the highest end of the Golden Fleet high-low mix, the Battleship's primary role is to deliver high-volume, long-range offensive fires and serve as a robust, survivable forward command and control platform. The expanded size and energy density of the new Battleship provide critical advantages for future naval warfare capabilities, such as hypersonic missiles, high-output lasers, and electromagnetic railguns. As a flexible command-and-control platform for both manned and unmanned platforms, the Battleship can lead a Surface Action Group, integrate with a Carrier Strike Group, or operate autonomously to secure critical sea lanes.

Frigate

Supporting the Battleship as the low-end anchor of the Golden Fleet high-low mix, the Navy is acquiring its new class of Frigates based on a mature, stable design. Frigate will be a vanguard of the Navy's High-Low Mix Strategy, within the General-Purpose Force handling routine missions across the globe and freeing the Main Battle Force to remain focused on high-end combat. With a clear goal of launching the first hull in 2028, and a priority of accelerating Frigates to the fleet, the FY 2027 request

includes $1.4B to fully fund the first ship, procuring a total of 4 Frigates across the FYDP.

Submarine Programs

The Department of the Navy's foremost acquisition priority is the Columbia-class nuclear ballistic submarine, the most survivable leg of the nation's nuclear triad. The FY 2027 budget requests $15.2 billion to incrementally fund the third Columbia-class submarine, fully fund the 2027 ship, and provide advance procurement for eight future ships.



At the same time, Virginia-class fast attack submarines continue to join the fleet, providing global covert force application. The FY 2027 budget allocates $14.0 billion to procure two Block VI ships. This request also includes advance procurement for future ships.

Amphibious Warships



The Department of the Navy is modernizing its amphibious shipping capabilities to enhance operational flexibility. The new Medium Landing Ship (LSM) is designed to address littoral mobility gaps in the Indo-Pacific, allowing for the direct landing of forces and equipment on beaches and at austere ports.

Concurrently, the fleet is being upgraded with the Amphibious Transport Dock (LPD) Flight II ships, which are modern, survivable platforms replacing older Landing Ship Docks (LSDs) to transport and land elements of a landing force.

A key component of the Amphibious Ready Group, the aviation-focused Amphibious Assault Ship (LHA) provides a full-length flight deck for a variety of aircraft, along with a well deck for landing craft. Both the LPD and LHA programs are under multi-ship procurement contracts with Huntington Ingalls Industries, ensuring a stable and efficient build profile into the 2030s, with the next LPD and LHA deliveries projected for FY27.

The Department is requesting $1.9 billion (mandatory) for the construction of six Medium Landing Ships to provide distributed maneuver, mobility, and logistical support for the Marine Littoral Regiments in contested littoral environments.

Aircraft Carriers



The FY 2027 budgets $4.1 billion ($37 million in mandatory) for aircraft carriers. Nuclear-powered aircraft carriers are the ultimate instrument of the Comprehensive Deterrence Strategy. As part of the Golden Fleet and aligned with Expanded Maritime Maneuver (EMM), the CVN provides a persistent, mobile sea base that enables the Navy to dominate contested environments and project power beyond adversary anti-access/area-denial (A2/AD) capabilities without requiring traditional land-based access.

Support Vessels Military Sealift

Command (MSC) provides continous, worldwide agile logistics, strategic sealift, and specialized mission support to the joint warfighter 24/7, 365 days a year.

For FY 2027, the Department requests $2.2 billion (in discretionary and mandatory) funding for two John Lewis class oilers. T-AO fleet replenishment oilers are operated by MSC and provide vital intra-theater replenishment capabilities, such as underway replenishment of fuel to U.S. Navy ships at sea and jet fuel for aircraft assigned to aircraft carriers. These capabilities enable credible logistics support for global presence and wartime missions.

Additionally, the Department requests $711 million (in discretionary and mandatory) funding for one T-AGOS Auxiliary General Ocean Surveillance ship. Ocean surveillance ships gather underwater acoustical data to support the Integrated Undersea Surveillance System (IUSS) mission. The T-AGOS ships are operated by MSC to support the anti-submarine warfare mission of the commanders of the Atlantic and Pacific Fleet.

AIRCRAFT PROCUREMENT, NAVY

By wielding the world's most innovative and technologically advanced aircraft, the Navy and Marine Corps warfighters continue to maintain air dominance that is unstoppable. Our warfighters have the ability to sense, strike, and move anywhere in the world. The Department's FY 2027 request invests $34.4 billion ($26.9 billion discretionary and $7.5 billion mandatory) for the procurement of 123 new aircraft, and modifications, spares, and support equipment across the inventory.

Figure 2.3 – Aircraft Procurement Quantities and Total Funding

	FY25	FY26	*FY27 Disc.*	*FY27 Mand.*	FY27 Total
Fixed Wing	**59**	**32**	***47***	***46***	**93**
F-35C JSF CV (Navy)	13	8	*2*	*18*	20
F-35C JSF CV (USMC)	4	4	*6*	*11*	17
F-35B JSF STOVL (USMC)	13	11	*-*	*10*	10
P-8A (MMA) (Navy)		-	*12*	-	12
E-2D AHE (Navy)		3	*6*	-	6
Multi-Engine Training System (Navy)	15		*-*	-	0
Multi-Engine Training System (USMC)	12		*-*	-	0
KC-130J (Navy)	2	5	*2*	*7*	9
KC-130J (USMC)		-	*9*	-	9
UC-12W (USMC)		1	*10*	-	10
Rotary Wing	**18**	**14**	***22***	**-**	**22**
CH-53K (USMC)	18	14	*22*	-	22
UAV	**0**	**3**	***8***	**-**	**8**
MQ-25 (Navy)	-	3	*3*	-	3
MQ-9A (USMC)		-	*5*	-	5
Total Quantity	**77**	**49**	***77***	***46***	**123**
Total Dollars ($B)	**$15.9**	**$17.8**	***$26.9***	***$7.5***	**$34.4**

Fixed-Wing

The Department's FY 2027 request prioritizes the procurement of 47 fifth-generation, strike fighter aircraft. This includes 37 F-35C carrier-variants (20 Navy, 17 Marine Corps) and 10 F-35B short take-off / vertical landing (STOVL) variants for the Marine Corps. Both variants provide multi-role, stealth capabilities for air combat superiority.



Rotary-Wing

The Department's FY2027 request includes the procurement of 22 CH-53K heavy transport helicopters, the most powerful helicopter in the Department of War. The



CH-53K transports Marines, heavy equipment and supplies during ship-to-shore movement in support of amphibious assault and subsequent operations ashore. The CH-53K expands the fleet's ability to move more material, faster throughout the area of responsibility using proven and mature technologies.

Unmanned Aerial Vehicles (UAVs)

The Department's FY 2027 request includes funding to procure three MQ-25 low-rate initial production aircraft. The MQ-25A will increase the strike range, capacity, and lethality of the carrier air wing (CVW) through organic mission and recovery tanking, and providing an intelligence, surveillance, and reconnaissance (ISR) capability to the carrier strike group (CSG).

WEAPONS PROCUREMENT, NAVY



The President's Budget for FY 2027 requests $22.6 billion ($11.8 billion in discretionary and $10.8 billion in mandatory). This historic level of funding represents an intentional investment in weapons procurement. The FY 2027 request represents a significant increase in production for Standard Missile, Tomahawk, AMRAAM, and PAC-3. Continues procurement and build up of critical munitions inventories (2,754 QTY) and begins procurement of Conventional Prompt Strike and MACE AURs. The DON is expanding our partnerships with industry in order to rapidly advance the capacity to produce critical munitions allowing the DON to meet inventory requirements on a more efficient timeline.

Figure 2.4 – Weapons Procurement Quantities and Total Funding

Weapons	FY25	FY26	*FY27 Disc.*	*FY27 Mand.*	FY27 Total
Munitions Advisory Council (MAC) Munitions					
Tactical Tomahawk (TACTOM) (USN/USMC)*	33	55	*58*	*727*	785
Standard Missile (SM)	102	166	*106*	*434*	540
Long Range Anti-Ship Missile (LRASM)_/1	104	30	*0*	*0*	0
Long Range Anti-Ship Missile (LRASM) C-3_/1	55	160	*129*	*48*	177
Advanced Medium Range Air-to-Air Missile (AMRAAM)_/1	155	41	*106*	*388*	494
MACE	0	0	*0*	*353*	353
PAC-3 MSE (Patriot)_/2	0	0	*23*	*382*	405
Ship Weapons					
Conventional Prompt Strike (CPS)	-	-	*12*	*0*	12
Rolling Airframe Missile (RAM) Blk II	148	123	*116*	*0*	116
Evolved Sea Sparrow Missile (ESSM) Blk II	374	305	*290*	*0*	290
Naval Strike Missile (NSM) (USN/USMC)*	87	113	*135*	*0*	135
MK 48 Heavyweight Torpedo	85	63	*141*	*0*	141
MK 54 Lightweight Torpedo Mod 1	25	54	*50*	*0*	50
LCS Surface-to-Surface Mission Mods	42	10	*10*	*0*	10
Aircraft Weapons					
AIM-9X Sidewinder	608	127	*306*	*0*	306
Advanced Anti-Radiation Guided Missile (AARGM) ER	0	88	*0*	*0*	0
Joint Air-to-Ground Missile (JAGM)_/2	175	277	*282*	*0*	282
Small Diameter Bomb II_/1	262	245	*512*	*0*	512
Precision Attack Strike Missile (PASM)	0	0	*4*	*0*	4
Total Quantity	**2,255**	**1,857**	***2,280***	***2,332***	**4,612**
Total Dollars ($B)	**$7.1**	**$10.2**	***$11.8***	***$10.8***	**$22.6**

_/1 Air Force Lead Service _/2 Army Lead Service *Includes WPN and PMC

Ship Weapons

The Tactical Tomahawk (TACTOM RGM/UGM-109E) is a type of long-range, precision cruise missile. TACTOM is capable of in-flight retargeting, the ability to loiter over the battlefield, in-flight missile health and status monitoring, and battle damage indication. The Department's FY 2027 request provides resources to procure 785 new TACTOM missiles.



The Standard Missile-6 (SM-6), carried by Aegis cruisers and destroyers, is the Fleet's primary air defense weapon. The SM-6 Blocks IA/1B have an extended range engagement capability to provide the air superiority and the umbrella of protection for Joint U.S. forces and allies against the full spectrum of air, unmanned, surface, land-attack, or anti-ship cruise missiles in flight. The Department's FY 2027 request procures 540 missiles.



The Rolling Airframe Missile (RAM) is a cooperative effort with Germany. RAM is a high firepower, surface-to-air missile used to defeat Anti-Ship Cruise Missiles and other airborne threats. Block II missiles provide increased kinematic capability against high-maneuvering threats and improved radio frequency detection against low-probability-of-intercept threats. The Department's FY 2027 request supports the procurement of 116 RAM Block II missiles.

In FY 2027, the Navy will procure 290 ESSM Block II AURs, canisters, and production support. The Evolved Sea Sparrow Missile (ESSM) Block II provides crucial defense battlespace and firepower against the fast, low-altitude, highly maneuverable Anti-Ship Cruise Missile, Anti-Ship Ballistic Missiles, Surface, and asymmetrical threats



The FY 2027 request procures 141 MK-48 Heavyweight Torpedo (HWT) torpedos. The MK-48 HWT is employed as the primary anti-surface and anti-submarine weapon by attack, ballistic missile, and guided missile submarines. Procurement strategy supports increased munition inventory to meet both current and future needs, upgrading existing stockpiles to counter evolving threats, and developing solutions for the rapid deployment of HWTs in near-term conflict.



The FY 2027 budget supports procurement of 135 Naval Strike Missiles (NSM). The NSM provides long-range, anti-surface offensive capabilities. It is deployed on Littoral Combat Ships and CONSTELLATION class Frigates and also provides the ground-based, anti-ship capability for the Marine Corps' Navy/Marine Corps Expeditionary Ship Interdiction System (NMESIS).

The FY 2027 budget supports procurement of 10 Littoral Combat Ship Surface-to-Surface Missile Module (LCS SSMM). The LCS SSMM, along with the Longbow Hellfire Missile, form a segment of the Surface Warfare (SUW) mission package, The LCS SSMM enhances the LCS's ability to defend against large numbers of highly

maneuverable, fast, small craft threats, allowing it to protect the sea lanes and move forces quickly through a choke point or other strategic waterway.

Aircraft Weapons

The Department's aircraft weapons provide air superiority and a significant tactical advantage over adversaries. The FY 2027 budget continues procurement of AIM-9X (306 total missiles). AIM-9X is a short range air-to-air missile, providing launch and leave capability using passive infrared energy to locate, track, and kill enemy aircraft.



The FY 2027 request procures a quantity of 494 Advanced Medium Range Air-to-Air Missile (AMRAAM) missiles. The AMRAAM is a joint Air Force-Navy program with Air Force as lead service. The AMRAAM is the premier, all-weather, all environment, radar-guided missile with improved capabilities against very low and high altitude targets in an electronic attack environment.

FY 2027 funding supports the procurement of 282 Joint Air-to-Ground missiles (JAGM). JAGM is the Marine Corps Marine Aviation replacement to the Hellfire missile and is a joint program led by the Army. JAGM is an air-launched missile system that incorporates multi-mode seeker technology, providing precision targeting capabilities that result in increased lethality against soft, hardened, moving, stationary, land, and maritime threats.

In FY 2027, the Navy will procure 162 LRASM Extended Range (LRASM-C3) capability missiles which will enhance long range strike and existing Offensive Anti-Surface Warfare capability.

The FY 2027 budget procures 512 Small Diameter Bomb Increment II (SDBII). The SBDII provides the all weather capability to strike a diverse set of targets inside an adversary's air and missile defense networks within contested environments. FY 2027 is the tenth year of procurement for the Navy.

PROCUREMENT, MARINE CORPS



The FY 2027 Procurement, Marine Corps budget is $6.3 billion in discretionary funding; the major procurement programs are listed below.

Ground Based Anti-Ship Missile (GBASM): Navy/Marine Corps Expeditionary Ship Interdiction System (NMESIS) and Long Range Fires (LRF)

As the Marine Corps first Ground Based Anti-Ship Missile (GBASM) capability, the Navy/Marine Expeditionary Ship Interdiction System (NMESIS) is a Force Design Initial Operating Capability priority central to the Marine Corps contribution to the Naval Expeditionary Force's anti-surface warfare campaign. NMESIS consists of two NSMs and a launcher/weapon control system integrated onto a ground-based, remotely operation carrier (ROGUE). The FY 2027 budget requests $341.0 million for NMESIS systems.



Ground Based Air Defense (GBAD)

GBAD consists of multiple Force Design efforts to modernize ground-based air defense capabilities, to include the Marine Air Defense Integrated System Family of Systems (MADIS FoS), Installations-Counter Small Unmanned Air Systems (I-CsUAS), and Medium Range Intercept Capability (MRIC). The FY 2027 budget requests $969 million for MADIS FoS systems which will modernize GBAD by integrating weapons onto JLTVs to increase defensive capabilities. The FY 2027 budget requests $43 million for I-CsUAS to provide protection of Marine Corps critical assets on permanent and temporary installations from Small Unmanned Air Systems (sUAS) threats. The FY 2027 budget requests $234 million for Medium Range Intercept Capability (MRIC) which provides the capability to defend forward deployed forces primarily against cruise missile threats, UAS, and other aerial threats.

Amphibious Combat Vehicle (ACV)

The Amphibious Combat Vehicle (ACV) is a Force Design program. It is an advanced-generation, eight-wheeled armored personnel carrier that will mitigate capability gaps and improve lethality. FY 2026 funding finalized vehicle procurement for the ACV program. Beginning in FY 2027, the program transitions to an operations & sustainment phase with no new vehicles being procured. The FY 2027 request of $237.3 million supports this new phase.



Joint Light Tactical Vehicle (JLTV)

The FY 2027 request of $244.9 million supports the procurement 341 Joint Light Tactical Vehicle (JLTV). The JLTV supports light fleet modernization and Force Design and is capable of performing multiple mission roles designed to provide protected, sustained, and networked mobility for personnel and payloads across the full range of military operations. There are four variants: the General Purpose, Close Combat Weapons Carrier, Utility, and Heavy Guns Carrier.



PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

The FY 2027 Procurement of Ammunition, Navy and Marine Corps (PANMC) budget of $2.0 billion (in discretionary) replenishes critical munitions and supports the build up of inventory, ensuring warfighters have uninterrupted access to the best weapons and tools to fight decisively against any aggressor.

An investment in the key capabilities within PANMC funding is critical to ensuring that the Navy and Marine Corps team maintains readiness and lethality across all domains. The FY 2027 request continues the dedicated, consistent funding that enables the acquisition and stockpile of essential munitions. Precision Guided Munitions are general purpose bombs, such as the 2,000-pound laser-guided "bunker buster" Penetrator bomb, and the Advanced Precision Kill Weapon System (APKWS) for standoff rocket engagements are requested. Platform Lethality Enhancement includes 5-inch MK 45 gun ammunition to maximize the effectiveness of naval platforms. Readiness is maintained through Expeditionary Warfare Support precision-guided artillery for the Marine Corps and Naval Special Warfare, which provides accurate & immediate fire support. Special Operations and Security Munitions small arms munitions equip Navy SEALs, coastal riverine forces, and security personnel. Finally, Explosive Hazard Mitigation pyrotechnics and demolition equipment vital for explosive ordnance disposal (EOD) units, the Navy's primary force for neutralizing explosive threats, including IEDs and underwater mines.



OTHER PROCUREMENT, NAVY

The FY 2027 budget for Other Procurement, Navy is $18.9 billion ($50 million in mandatory funding). OPN plays a critical role in support the Fleet by funding the procurement, production, and modernization of equipment that is not provided for in the SCN, APN, PMC, and PANMC appropriations. Since FY 2020, OPN funding has also been used in part to support ship maintenance and repair.

Industrial Plant Equipment Program

The Department's Industrial Plant Equipment (IPE) program procures capitalized personal property for the naval shipyards (NSYs) and fleet intermediate level (I-level) maintenance activities as part of the Shipyard Infrastructure Optimization Program (SIOP). The program funds capital improvements that are also critical to the nuclear enterprise, and includes: replacing aging legacy tools, improving



maintenance productivity, eliminating rework costs to the fleet, and contributing toward meeting cost and schedule on aircraft carrier, surface ship and submarine availabilities. The SIOP FY 2027 OPN budget funds the recap of IPE in the Capital Investment Program Request, whose procurements include one 175 Ton Portal Crane as well as portal cranes, crawler cranes, mobile cranes, hydraulic test stands, pipe blenders, plasma cutters, generators, bridge mills, and electronic security systems, as well as support for the 60-ton crane service life extension program. In addition, this program procures capital equipment for the NSYs in support of mission requirements. SIOP's budget will deliver efficient and modernized shipyard through upgrading existing dry docks and the construction of new ones, reimagining the physical layout of the shipyards, and equipment replacement.

Ship Programs

The FY 2027 OPN budget of $554 million funds the Consolidated Afloat Networks and Enterprise Services (CANES) program. This program upgrades and modernizes the Department's afloat network system and provides the necessary infrastructure for applications, systems, and services to operate in the tactical domain.

Ship Maintenance and Repair

The FY 2027 budget continues to fund ship maintenance efforts in OPN, maximizing the time ships are available to Fleet Commanders.



SECTION III: ALLIES AND PARTNERS

OVERVIEW



The naval force of the United States, comprised of the Navy and Marine Corps, serves as the cornerstone of our nation's defense. It is tasked with safeguarding the homeland, preserving the freedom of global maritime commons, upholding our commitments to allies, and checking the ambitions of our rivals. Maintaining our position as the world's leading naval power is paramount to securing America's global interests. The Department is dedicated to reinforcing our vital alliances across the Joint Force, with our industrial base, and among international partners. These partnerships are the bedrock of our strategy to ensure security through readiness, protect our national interests, and safeguard our way of life. In a complex and shifting global landscape, these strong alliances provide a decisive strategic edge that our competitors cannot hope to equal.

The FY 2027 budget is structured to sharpen our warfighting edge by investing in our people, our industrial capacity, and the readiness of the fleet and force. This strategic focus ensures that we continue to strengthen the collaborative bonds with our partners in government, the armed forces, industry, and with allied nations. In concert with our industrial partners, the Department of the Navy is focused on equipping our warfighters with superior platforms and systems. We are committed to optimizing the entire lifecycle of these critical assets—from their initial design and manufacturing through their operational service and sustainment. We are proactively engaging with suppliers and partners across the defense industrial base to fortify its resilience and ensure the vital infrastructure is in place to keep our naval forces prepared to defend the nation's interests at all times.

INTERNAL U.S. PARTNERS

Revitalizing America's maritime industrial base is a Presidential priority and national security imperative. We are aggressively seeking to improve and accelerate ship construction, prioritizing modernization, and expanding the capacity of our maritime base, forged by a new path that enhances our naval capabilities at the speed of relevance. As an example of the DON's commitment to our industry partners, this year's budget request includes a nearly $2.5 billion investment in the submarine industrial base to support a generational increase in demand.

INTERNATIONAL COOPERATION

For 250 years, the United States Navy and Marine Corps has maintained freedom of the seas. Not only for our nation, but for our allies and strategic partners. Alongside our allies and partners, we defend freedom, preserve economic prosperity, and keep the seas open and free. We are here to preserve the peace, respond in crisis, and win decisively in war.



Above, on, and below the sea, the Navy operates globally – twenty-four hours a day, seven days a week, three hundred and sixty-five days a year. As the world's greatest fighting force, there is no substitute for the blue-green team. Our unwavering commitment to our allies and partners is grounded by our shared values and strategic interests and provides a lasting strategic advantage over adversaries who seek to disrupt the free, open, and rules-based international order. Preventing conflict requires a vigilant posture, such as in the Indo-Pacific, a renewed defense industrial base, and greater military investment from ourselves and from allies and partners.

We regularly conduct joint exercises and operations with partner nations to enhance our collective ability to deter and defeat aggressors, adding capability, capacity, and legitimacy to our efforts. These collaborations also provide invaluable experience, knowledge, and interoperability, allowing us to understand each participant's role and enabling us to effectively address unforeseen challenges together.



Although not an exhaustive list, examples of the many important operations and exercises that the Navy and Marine Corps team participate in include:

AUKUS is a trilateral security partnership with two lines of effort: Pillar I, a conditions-based approach to delivering conventionally armed, nuclear-powered submarines to Australia; and Pillar II, focused on cooperatively accelerating delivery of advanced capabilities to the warfighter and integrating innovation and industrial systems. The Department reviewed and reaffirmed the AUKUS security pact as a way to increase burden sharing and ensure each of the three nations have a role to play to reinforce global deterrence.

The Department participated **in Exercise Cutlass Express 2026** in February, an annual exercise that is sponsored by U.S. Africa Command and conducted by U.S. Naval Forces Africa. U.S. forces work alongside other participating nations to improve combined maritime law enforcement capacity, promote national and regional security in East Africa, and increase interoperability between the U.S., African, and multinational partners. The Department will participate in **Sea Dragon**, an annual excerise between Australia, Canada, India, Japan, Republic of Korea, and U.S. multilateral exercise primarily centering on anti-submarine warfare training, that culminates in over 270 hours of in-flight training; ranging from tracking simulated targets to the final problem of tracking a live U.S. Navy submarine.

The Department will participate in several other annual exercises this year, which includes **Seacat**, a multilateral, multiplatform exercise including ashore and at-sea training evolutions emphasizing real-world engagments to enhance cooperation and maritime security capabilities in the Indo-Pacific, **Continuing Promise**, a mission set comprises various lines of effort such as direct medical care and expeditionary veterinary care, training and subject matter expert exchanges on various medical and humanitarian assistance/disaster relief topics. CP is part of USSOUTHCOM's Enduring Promise initiative and reflects the United States' enduring promise of friendship, partnership, and solidarity with the Americas. Lastly, the Department will participate in **Unitas 2026**, a longstanding, multinational maritime exercise conducted annually in Atlantic and Pacific waters around Central and South America to enhance security cooperation and improve coalition operations. UNITAS is the longest-running multinational maritime exercise in the world.

Finally, the Department continues to participate in the **Pacific Partnership,** the largest annual multinational humanitarian assistance and disaster relief preparedness mission conducted in the Indo-Pacific. Each year the mission team works with host and partner nations to enhance regional interoperability and disaster response capabilities, increase security and stability in the region, and foster new and enduring friendships in the Indo-Pacific. This year marked the first time Pacific Partnership operated from two platforms – the PP25 team began operations aboard USS Pearl Harbor (LSD 52) before transitioning to USS John L. Canley (ESB 6). More than 1,500 personnel participated from allies and partner nations including Australia, Canada, France, Germany, Japan, the Republic of Korea, New Zealand, Singapore, and the United Kingdom.

To deliver peace through strength, the Navy and Marine Corps will work with our allies and partners to increase burden-sharing to deter or defeat potential adversaries in every key region of the world. Strengthening the bonds with our allies and partners ensures we set conditions for lasting peace through strength around the world.



SECTION IV: MILITARY CONSTRUCTION

OVERVIEW

The Department's FY 2027 Military Construction request aligns with the National Defense Strategy by enhancing combat effectiveness, modernizing Naval Shipyards, strengthening the Navy Reserve Force's readiness, and advancing the design of future military construction projects. Our program includes significant increases when compared to the prior year request, with budget increases driven by topline added to address unfunded priorities. Military Construction initiatives contribute to force readiness by improving and modernizing critical infrastructure for our Service members. This allows them to carry out the Department's mission worldwide while knowing that their families' quality of life is secure.

MILITARY CONSTRUCTION

The FY 2027 budget request of $8.4 billion (in discretionary funding) finances 64 military construction projects in support of new platforms, shipyard improvements, recapitalization of aging infrastructure, safety compliance, training, and support to Combatant commanders. Of these, 46 are for the active Navy, 15 for the active Marine Corps, 1 is split between active Navy and active Marine Corps, and 2 are for reserve Marine Corps.

Figure 4.1 – Military Construction Funding Summary

(Dollars in Millions)	**FY 2025**	**FY 2026**	**FY 2027***
Major Construction	4,601	6,028	6,918
Minor Construction	122	311	292
Design	593	1,750	1,189
Total	**5,317**	**8,090**	**8,399**

*All discretionary

Figure 4.1 shows the three functional categories of military construction funding for FY 2027 for both active and reserve appropriations. The Department continues to invest prudently in Military Construction to focus on providing maximum readiness support for current and future mission requirements.

The shipyard workers welding steel today are as vital to our national defense as the Sailors and Marines who sail these ships into harm's way tomorrow. Deterrence requires readiness. Readiness requires Capability. Capability requires hulls in the water. Shipbuilding is national defense. The Navy's four public shipyards: Norfolk, Portsmouth, Puget Sound, and Pearl Harbor, are essential elements of our national defense. The Navy's public shipyards play a critical role in maintaining our readiness, and continued investment in their infrastructure and workforce is essential. The Department's FY 2027 military construction request aligns with the National Defense Strategy by enhancing combat effectiveness, modernizing Naval Shipyards, strengthening the Navy Reserve Force's readiness, and advancing the design of future military construction projects. The FY 2027 request reflects continued investment in the Shipyard Infrastructure Optimization Program (SIOP). The SIOP program provides a comprehensive, long-term recapitalization effort through three lines of effort in support of the Maritime Industrial Base. SIOP lines of effort include: Waterfront, Infrastructure, and Industrial Plant Equipment. Naval shipyard infrastructure modernization projects at naval shipyards supporting submarine and aircraft carrier force structure and maintenance requirements and include: Dry Dock 3 Replacement Increment at Joint Base Pearl Harbor-Hickam, HI ($507 million); Power Reliability & Water Resilience Upgrades at Portsmouth Naval Shipyard, Kittery ME ($139 million); Multi-mission Dry Dock #1 Extension at Portsmouth Naval Shipyard, Kittery, ME ($51 million); Dry Dock 3 Modernization at Naval Support Activity, Portsmouth, VA ($189 million); and Electrical Distribution System Upgrades at Naval Support Activity, Portsmouth, VA ($125 million).



The FY 2027 budget invests in new platforms and technologies that add capability to support submarine force structure and maintenance requirements and invests in design for unaccompanied housing, child development centers, shipyards, and infrastructure to support global posture in INDOPACOM, found in Figure 4.2 below.

Figure 4.2 – Quality of Life, Warfighter Readiness and New Platform & Technologies Funding Summary

(Dollars in Millions)

Project	Installation	FY 2027
Communications Infrastructure	Blount Island Command, FL	46
NextGen Submarine Platform Facility	Naval Station Newport, RI	73
Pacific Warfighting Center Expansion	Joint Base Pearl Harbor Hickham, HI	183
3D MLR Armory Expansion	MCB Kaneohe Bay, HI	77
Consolidated RDT&E Integration Laboratory	Naval Station Newport, RI	40
Hangar Modernization	Naval Air Station JRB Ft Worth, TX	57
CTC: CH-53K Gearbox Repair and Test Facility	MCAS Cherry Point, NC	18
Ford Class CVN Infrastructure Upgrade, Pier Lima	Naval Base Coronado, CA	33
Cape Canaveral Railhead & Transfer Facilities	Naval Support Activity Orlando, FL	61
Weapons Magazine & Ordnance Ops Facility	New London, CT	80
Ramp Expansion & RTC	Jacksonville, FL	47
Polaris Point Electrical Capacity Upgrade	INDOPACOM	122
Ammunition Supply Point Upgrade Phase II	MCB CLNC, NC	15
Child Development Center	Norfolk, VA	85
Child Development Center	JEB Fort Story, VA	66
Containerized Long Weapons Storage Magazine	Yorktown, VA	16
CTC: Conventional Prompt Strike Test Facility	Yorktown, VA	14
Submarine Payload Integration Laboratory	Newport, RI	40
10th Marines Operational Complex	MCB CLNC, NC	78
Child Development Center	Oceana, VA	104
Combat Water Survival Training Facility	JEB Fort Story, VA	142
UH for Permanent Party	Rota, Spain	64
Weapons Magazine	Yorktown, VA	101
Naval Innovation Center	Monterey, CA	50
Submarine Pier 8 Replacement	New London, CT	142
CTC: Aircraft Maintenance Hangar	Cherry Point, NC	48
Nuclear Power Training Simulation Expansion	Kings Bay, GA	162
Landfill Line Phase III and IV	MCB CPEN, CA	53
MQ-25 Aircraft Laydown Facilities	Various Locations, VA	55
Maintenance Facility & Marine Air Group HQs	Cherry Point, NC	63
Biomolecular Science & Synthetic Biology Lab	Naval Support Activity, DC	157
EA-18G Aircraft Regional Service Facility	Whidbey Island, WA	202
Strike Fighter Center of Excellence Pacific	Lemoore, CA	156
Range Training Complex Improvements	Fallon, NV	387

(Dollars in Millions)

Project	Installation	FY 2027
Fire/Emergency Response Station	MCB CPEN, CA	43
Aircraft Intermediate Maintenance Facility	Okinawa, Japan	32
Community & Airfield Area Flood Protection	Ventura county, CA	164
Transit Protection Program Facility	Kings Bay, GA	100
Trident Refit Expansion	Kings Bay, GA	30
Water Treatment Plant	Joint Base Pearl Harbor Hickham, HI	248
Child Development Center	Portsmouth, VA	93
Machinery Control Development Center	Mechanicsburg, PA	79
Columbia Submarine Repair Facility Expansion	Kitsap, WA	64
Columbia Submarine Training Facility Expansion	Kitsap, WA	91
Missile Assembly Building Replacement	Kitsap, WA	195
Maine Gate Entry Control Point	MCB Kaneohe Bay, HI	49
ATC CO M Compound	MCB Kaneohe Bay, HI	134
F-35 Aircraft Sustainment Center	Cherry Point, NC	89
Consolidated Communication Facility	Albany, GA	86
INDOPACOM Facilities and Upgrades	Various Locations	1,127
Dry Dock 3 Modernization	Portsmouth, VA	189
Dry Dock 3 Replacement	Joint Base Pearl Harbor Hickham, HI	507
Multi-Mission Dry Dock	Kitsap, WA	245
Electrical Distribution System Upgrades	Portsmouth, VA	125
Power Reliability & Water Resilience Upgrades	Portsmouth Naval Shipyard, ME	139
Multi-Mission Drydock 1 Extension	Portsmouth Naval Shipyard, ME	51
MCNR Unspecific Minor Construction	Worldwide Unspecified	3
Unspecified Minor Construction, Navy	Worldwide Unspecified	146
Unspecified Minor Construction, Marine Corps	Worldwide Unspecified	9
INDOPACOM Unspecified Minor Construction	Worldwide Unspecified	134
Design	Worldwide Unspecified	429
USMC Design	Worldwide Unspecified	173
USMC DPRI	Worldwide Unspecified	-
USMCR Design	Worldwide Unspecified	19
MCNR Design	Worldwide Unspecified	7
SIOP Design	Worldwide Unspecified	195
INDOPACOM Design	Worldwide Unspecified	366
TOTAL		8,398

**numbers may not add due to rounding*



BASE REALIGNMENT AND CLOSURE

Base Realignment and Closure (BRAC) funds are used to continue cleanup and disposal of an array of properties from installations closed in BRAC rounds I-V. BRAC has been responsible for realigning and closing 115 bases with excess property during the previous rounds. The FY 2027 budget request is reduced to $108 million. Funding will be used to support ongoing clean up, caretaker operations, and property disposals. Figure 4.3 displays the breakout between Operation and Maintenance BRAC and Environmental BRAC funding.

Figure 4.3 – BRAC Funding Summary

(Dollars in Millions)	**FY 2025**	**FY 2026**	**FY 2027***
Operation and Maintenance	10	11	11
Environmental	196	121	97
Total	**206**	**133**	**108**

*All discretionary

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Fostering an Adaptive, Accountable and Innovative Warfighting Culture









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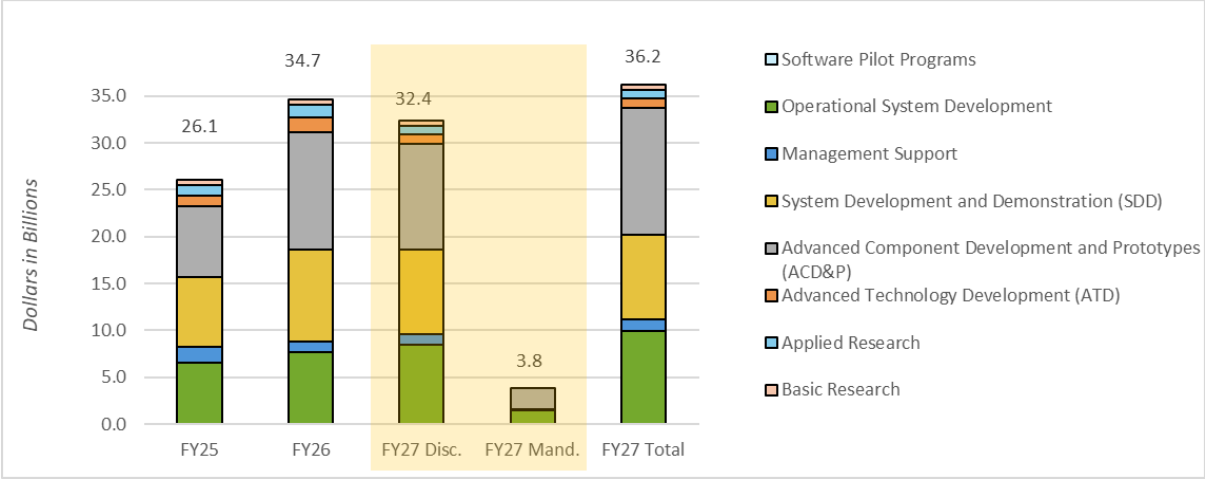
SECTION V: DEVELOPMENT

OVERVIEW

Victory in future conflicts requires a decisive leap beyond the platforms of today. To ensure our Sailors and Marines stand ready in an increasingly complex and unpredictable operating environment, we must rapidly innovate in order to equip them with the superior systems and weapons necessary for decisive victory. The Department's FY 2027 request of $36.2 billion for Research, Development, Test and Evaluation, Navy (RDT&E,N), including $3.8 billion in mandatory funds, is the cornerstone of this effort, directly funding the development and deployment of capabilities our future force requires.

This RDT&E,N funding is targeted at pioneering key technologies, including next-generation platforms, autonomous systems across the air, surface, and subsurface domains, as well as advanced directed energy and hypersonic weapon systems. The budget prioritizes the accelerated development and integration of these critical systems to modernize the fleet. To deliver these advancements, we will continue to make critical investments in Science & Technology (S&T) and the cultivation of future naval capabilities across all warfighting domains. RDT&E,N funding allocations by budget activity are detailed in Figure 5.1.

Figure 5.1 – RDT&E,N Funding



SCIENCE AND TECHNOLOGY

The FY 2027 budget requests $2.5 billion (in discretionary) for the Navy's S&T programs. The Department's S&T budget covers a broad spectrum of science and engineering disciplines, grouped into three categories: basic research, applied research, and advanced technology development (ATD). Funding for basic research ($525.4 million) and applied research ($935.3 million) increases fundamental knowledge, fosters opportunities for breakthroughs, and provides technology options for future naval capabilities and systems. The request additionally includes $1.1 billion for ATD, advancing technologies into prototypes and demonstrations for potential application in naval weapons systems.

SHIP RESEARCH AND DEVELOPMENT

BBG(X)

Adding capability at the highest end of the Golden Fleet high-low mix, the Guided Missile Battleship (BBG(X))'s primary role is to deliver high-volume, long-range offensive fires and serve as a robust, survivable forward command and control platform. The Fiscal Year (FY) 2027 request includes $837M in development funding targeting rapid development of critical hull design, energy, autonomous system integration, weapons control systems, and propulsion efforts for this generational shipbuilding effort. The expanded size and energy density of the new Battleship provide critical advantages for future naval warfare, offering a future-proof platform with distinct capabilities that enhance deterrence. Its advanced systems will enable true long-range strike with hypersonic weapons housed in new, larger vertical launch systems. Vastly increased power generation, managed by a sophisticated integrated power system with high-capacity energy storage, will support mission-critical directed energy weapons like high-output lasers and electromagnetic railguns, reducing reliance on costly single-use munitions.

Frigate

As the low-end anchor of the Golden Fleet high-low mix, the Navy is acquiring its new class of Frigates based on a mature, stable design. The Frigate will take the same validated flight-upgrade approach as our Arleigh Burke DDG-51 program - incorporating improvements over successive flights to evolve the ship's capabilities over time. In support of this continued development and integration into the future fleet, the FY 2027 request includes $212M for development efforts targeting Frigate's combat, command, control, communications, computers, and intelligence (C4I) systems, and aviation systems, as well as integration and test planning efforts.

Columbia Class Submarine (SSBN)

FY 2027 requests $367 million for the Columbia class submarine program R&D. Efforts in FY 2027 include ship design and development.



Virginia Class Submarine (SSN)

The Virginia class submarine is essential to maintaining our nation's undersea advantage. The Department requests $227 million in FY 2027 for Virginia class submarine R&D efforts. Funding provides for advanced payloads, advanced acoustic sensors, and future blocks concept designs.

Future Attack Submarine (SSN(X))

The Navy's FY 2027 SSN(X) budget invests $582 million for the development of the SSN(X) Class Submarine to protect from current and future threats. The SSN(X) is essential for maintaining undersea supremacy, designed with the increased lethality, survivability, and availability needed to outpace all future threats. FY 2027 supports maturation of design concepts, technology development, and design-based readiness.

Aircraft Carrier (CVN)

The FY 2027 budget request of $172 million targets the unique technologies specific to aircraft carriers. Aircraft carriers are the ultimate, flexible instrument capable of delivering deterrence as well as decisive, lethal capabilities as part of the Golden Fleet.

Robotic Autonomous Systems (RAS), Surface

R&D includes $255.1 million for small and medium unmanned surface vehicles FY 2027 continues investment in Small Unmanned Surface Vessels capabilities and software on GARCs, Corsairs, and ARMADA. Small Unmanned Surface Vehicles (sUSV) are an inexpensive maritime capability leveraging commercial technology and innovations at speed and scale. FY 2027 also provides funding for up to 18 Medium Unmanned Surface Vehicles (MUSV), which works towards the Navy's goal of a hybrid fleet. MUSV provides affordable high endurance, reconfigurable ships able to accommodate various pay loads for unmanned missions and augment the manned surface force.



Robotic Autonomous Systems (RAS), Air

RAS continues to expand and diversify quickly by encouraging vendors to participate in the design, development, and production of alternative systems that meet current and future warfighting requirements. R&D includes $254.9 million in FY 2027 for Unmanned Air Systems (UAS) to increase the strike range, capacity, and lethality of the carrier air wing (CVW).

Robotic Autonomous Systems (RAS), Undersea

The FY 2027 budget provides $251.6 million in R&D funding for Unmanned Undersea Vehicles (UUV's). UUV's consist of the Small and Medium Unmanned Undersea Vehicle (SUVV/MUUV), Large Displacement Unmanned Undersea Vehicle (LDUUV), and the ORCA Extra Large Unmanned Undersea Vehicle (XLUUV). Funding will advance prototyping and procurement of LDUUV, and diverts investments of XLUUV to procure two vessels in FY 2027.

AVIATION RESEARCH AND DEVELOPMENT

F-35 Lightning II



R&D for the Lightning II program is funded at $2,375.0 million due to additional investment in F-35 improvements such as digital infrastructure and the continued development of Block IV capabilities to completion and fielding.

CH-53K King Stallion

The FY 2027 R&D budget request increase to $139 million primarily supports test and evaluation activities required to support product development efforts. The CH-53K King Stallion helicopter is the Department of War's only heavy-lift helicopter, supporting the Marine Air-Ground Task Force commander by providing assault support and transport of equipment, troops, and supplies over long distances.

E-2D Advanced Hawkeye



The FY 2027 budget requests $390 million for E-2D Advanced Hawkeye (AHE) research and development. The request funds development efforts to provide increased capabilities and aircraft improvements ensuring the AHE is ready and relevant into the future.

Next Generation Jammer (NGJ)

The R&D funding of $547 million continues to fund engineering, logistical, and development test efforts to deliver Next Generation Jammer (NGJ) to the Fleet in FY 2028. NGJ is the next step in the evolution of Airborne Electronic attack and ensures kill chain wholeness against growing threat capabilities and capacity. Additionally, the request continues to fund engineering, manufacturing, and development efforts, focusing on pod design development, which will support system performance specification verification, subsystem qualification, and support interim flight clearance for pod testing.



Take Charge and Move Out (TACAMO)

The Navy's strategic nuclear force operates as the most survivable leg of the nation's nuclear TRIAD and provides a safe, secure, and effective strategic deterrent. FY 2027 TACAMO Modernization R&D budget request of $1,663 million continues Engineering and Manufacturing Development (EMD) hardware development efforts for the design, architecture, and integration of a secure communications systems to transform a modified C-130J-30 into E-130J. The TACAMO mission provides airborne capability for survivable, endurable and reliable airborne command, control and communications capability in support of the President, the Secretary of War, and U.S. Strategic and Non-Strategic forces.

Robotic Autonomous Systems (RAS), Unmanned Aircraft Systems

The RAS, unmanned aircraft systems includes funding for the MQ-4 ($356 million) and MQ-25 ($513 million). The MQ-4 is a high-altitude long-endurance unmanned aircraft system which serves as a persistent force multiplier delivering situational awareness of the battle space to shorten the sensor-to-shooter decision loop in the maritime domain. The MQ-25 is the "pathfinder" to future unmanned carrier aviation as the world's first carrier-based, unmanned aircraft. FY 2027 funding supports continued development of MQ-25 air system and Unmanned Carrier Aviation (UCA)

mission control station and MQ-4 incorporation of software and hardware capability improvements.

WEAPONS RESEARCH AND DEVELOPMENT

Conventional Prompt Strike

The FY 2027 request invests $1,792 million for Conventional Prompt Strike (CPS) R&D. Funding supports ramp up of design work. The CPS warfighting capability will enable precise and timely strike in contested environments across multiple platforms. In coordination with the Army, the Navy CPS Program is designing a common All Up Round comprised of a Common Hypersonic Glide Body (C-HGB), a Missile Body that consists of a 34.5" two-stage booster, and a Thermal Protection System. The Navy is responsible for the design of the C-HGB, while the Army leads that production.

MK-48 Heavyweight Torpedo (HWT) Advanced Capability (ADCAP)

The FY 2027 budget requests $123 million for MK-48 Advanced Capability (ADCAP) program engineering testing, hardware/software product development, support and test and evaluation, and begins development for a warhead replacement. hardware development, prototype development, and a new industry contract award. The MK-48 HWT is the Navy's submarine anti-submarine warfare and primary anti-surface warfare weapon. Navy is committed to improving capability to address high-end warfighting needs and finding solutions to rapidly field HWTs capable of being deployed in a near-term conflict.



Navy Laser Family of Systems (NLFoS)

The FY 2027 budget requests $80 million for the Navy Laser Family of Systems (NLFoS), which is a Navy Rapid Prototype Experimentation and Demonstration initiative to provide near-term, ship-based laser weapon capabilities. FY 2027 funding supports the development of a Joint Laser Weapon System for cruise missile defense and other upgrades to ongoing efforts.

GROUND EQUIPMENT RESEARCH AND DEVELOPMENT

Ground Based Anti-Ship Missile (GBASM): Navy/Marine Corps Expeditionary Ship Interdiction System (NMESIS)



As the Marine Corps first Ground Based Anti-Ship Missile (GBASM) capability, the NMESIS is a Force Design Initial Operation Capability priority central to the Marine Corps contribution to the Naval expeditionary Force's anti-surface warfare campaign. The FY 2027 budget requests $16.3 million for NMESIS will complete development, continues software improvements, and conducts transportability testing to achieve certification for broader operational transportation.

Ground Based Air Defense Future Weapon System/Marine Air Defense Integrated System (GBAD/MADIS)

The FY 2027 budget requests $133 million for GBAD supports the short-range air defense mission to include the sustainment and upgrade of legacy systems. Funding is crucial for sustaining and upgrading existing systems while developing the next generation of air defense capabilities. The primary focus will be to enhance the short-range air defense mission, ensuring Marines are protected from a wide spectrum of aerial threats. GBAD supports a variety of weapons systems such as MADIS, Light-MADIS, Installations-Counter small Unmanned Aircraft System (I-CsUAS), Medium Range Intercept Capability (MRIC) and Next Generation Short Range Intercept (NGSRI). It consists of multiple kinetic and non-kinetic capabilities to defeat the full spectrum of low-altitude, low-observable, and low-radar cross-section air threats.



Amphibious Combat Vehicle (ACV)



The ACV is a Commandant of the Marine Corps, Force Design program, it is an advanced-generation, eight-wheeled armored personnel carrier that provides improved lethality against dismounted enemy troops, more effective land and water tactical mobility, and increased force protection and survivability. FY 2027 ACV budget request is $12.5 million. Funding will focus on vehicle maturation and modernization efforts to improve lethality and survivability.

Advanced Reconnaissance Vehicle (ARV)

The FY 2027 Request of $506.5 million for ARVs is designed to fill a pressing operational need with the Marine Corps portfolio of reconnaissance, surveillance, and target acquisition systems. The FY 2027 request continues efforts on production of 32



prototypes. The request funds the maturation of the vehicle's subsystems and their integration onto these prototypes, pushing the platform closer to its scheduled Initial Operational capability (IOC). The ARV will be a purpose-built combat vehicle system, highly mobile on land and water, that can sense, communicate, and fight in the performance of reconnaissance and battlespace shaping activities. The base program will consist of the following mission role variants (MRV): ARV-30mm (ARV-30), ARV-Command, Control, Communications and Computers/Unmanned Aircraft Systems (C4UAS) and ARV-Logistics (LOG). The complete family of vehicle capability is planned to consist of 3 additional mission role variants: ARV-Recovery (R), ARV-Precision Fires (PF) and ARV-Counter Unmanned Arial System (CUAS).

SECTION VI: REFORM & EFFICIENCY

OVERVIEW

A recurring theme in government reform is the drive for greater efficiency and accountability. This can involve measures to cut wasteful spending, streamline bureaucracy, and make the government more responsive to the needs of its citizens. Such reforms often aim to ensure that taxpayer money is being used effectively and that government programs are achieving their intended goals.

Ultimately, the importance of government reform lies in its potential to adapt and improve the systems that govern society, ensuring they remain relevant, fair, and effective in addressing the challenges of the time. In FY 2027, $8.7 billion is saved through reform, optimization, and efficiency initiatives.

REFORM, OPTIMIZATION, & EFFICIENCY INITIATIVES

The DON maximizes value to the American taxpayer by ceasing unnecessary spending while driving actionable reform The Department is committed to modernizing and improving the efficiency of its systems. Part of this effort includes aggressively pursuing opportunities to better organizational resiliency, consolidating redundancies and realigning to higher priorities that advance readiness, and demanding better accountability for every dollar spent. Savings have been identified in several efforts, allowing funds to be reapplied to the highest priorities to strengthen readiness, modernize capabilities, and sustain the force.

Workforce Reshaping

President Trump's Executive Order, "Implementing The President's 'Department of Government Efficiency' Workforce Optimization Initiative," directed agencies to prepare for "large-scale reductions in force" and develop agency reorganization plans. The goal was to eliminate waste and reduce the size of the federal workforce.

To implement the Executive Order, the Department conducted a thorough workforce shaping review and eliminated 9,533 civilian full-time equivalents in the general and working capital funds. Through this effort, $1.6 billion in savings was generated in FY 2027. Mission continues to be accomplished through streamlined operations. The

DON continues to pursue opportunities for additional targeted reductions that will deliver warfighting readiness and focus resources on warfighting excellence.

Contract Services

With the continued emphasis on workforce optimization, the Department continued to streamline external support. This was accomplished by targeted reductions in contract services, including advisory and assistance services. This detailed effort resulted in savings of $6.6 billion.

Information Technology - Operation Cattle Drive

The Department's Cattle Drive effort accelerates the modernization of systems and Information Technology (IT) capabilities by ensuring that decisions made to sunset or rationalize IT systems and applications are realized. In FY 2027, multiple legacy systems are planned to be shutdown with a total cost savings of $290M.

Lower Priority Spending

The Department remains focused on reducing lower priority spending associated with travel, printing, and reproduction. This effort aligned funding to historical execution levels and ensures alignment with the priorities of the Secretary of War to improve the efficiency and effectiveness of our mission and business operations. Savings of $120 million were reapplied from these efforts. Additionally, the budget continues to eliminate funding from 'woke' policies and recouped $52 million.

Program Acquisition Executives (PAE)

To rapidly advance readiness and innovation, FY 2027 includes a major reform to the Department's acquisition system through the creation of Program Acquisition Executives. The PAE model will pursue acquisition reform to accelerate the purchase and delivery of the most cutting-edge systems and capabilities to the force. No financial savings have been identified but will be reviewed once the PAEs are all formally in place.

Line-item consolidations will continue to be pursued aligned to the new acquisition structure to improve flexibility and transparency.

SECTION VII: INFORMATION TECHNOLOGY, CYBER, & BUSINESS SYSTEMS

OVERVIEW

The DON's information technology, cyber and business system investments drive competitive advantage with a strategically architected, secure, adaptable, and agile Information Environment responsive to the continuously evolving demands of the warfighter. Relentless innovation, whether DON-driven or adopted from others, is key to delivering world-class capabilities across the Information Environment to better equip our Sailors, Marines and Civilians while maintaining or improving quality of service and user experience along the way. In parallel, the DON will divest aging, stove-piped applications and focus on eliminating redundancies to reinvest into a smaller number of modern, secure, enterprise-wide platforms. This strategy will enable our Sailors and Marines to fight through and win in a contested Information Environment today and in the future.

INFORMATION TECHNOLOGY (IT)

In order to decisively win the naval fight, the Department must secure information superiority. This is achieved by organizing our efforts around the pillars of Optimize, Secure, and Decide with a skilled and ready workforce and by fostering a culture of innovation. Investments in these three areas will ensure the DON realizes its vision of securely and affordably delivering data at the speed of mission. *(Investments supporting the Secure pillar are in the Cyber Section)*

The Optimized Naval Information Environment is anchored in interoperability and maneuverability; capable of supporting all missions and functions across the DON and the Joint Force. The key tenets of optimize are simplify; build once, use often; eliminate unnecessary redundancy; continuously innovate; leverage best practices; align and prioritize investments to maximize mission outcomes; and continuously measure effectiveness.

The DON must ensure networks, platforms, systems, and data are secure from the start. Continuous action is needed to proactively protect and ensure survivability in every part of the capability lifecycle, and all solutions must be defendable and survivable by design. Keys to cybersecurity include trained and capable operators

and defenders who actively secure the environment, constant cybersecurity awareness, continuously validated defenses, and automated tools to support risk-informed decision making.

Maneuverable data drives decision advantage. Trustworthy, secure data will be accessible and used in all phases of DON operations to increase warfighter lethality, increase velocity, and achieve mission outcomes. Technical solutions will be purposefully designed to enable data movement, interoperability, and discovery. Decision advantage will be driven by a skilled data workforce generating authoritative and integrated analytics and artificial intelligence products.

ENTERPRISE NETWORKS AND SERVICES

Next Generation Enterprise Network (NGEN) is a fully integrated and secure enterprise networking environment supporting over 725,000 DON personnel around the globe with data and services. Investments in NGEN networking and computing infrastructure have provided DON personnel digital capabilities on par with industry, improved performance, increased customer satisfaction, strengthened DON's cybersecurity posture, and reduced unnecessary redundancies. Navy continues transitioning to Nautilus devices, completing 250,000 users in FY 2026, to significantly improve customer experience and cybersecurity through full cloud integration and self-services. By the end of FY 2026, Navy will upgrade the Secret classified network to implement Zero Trust and provide modern collaboration capabilities for over 80,000 users in support of warfighting objectives including Fight from the Maritime Operation Center (MOC). In FY 2027, the Navy will meet advanced Zero Trust objectives for unclassified and classified enterprise networks. The budget request for NGEN is $1.9 billion.

Naval Exchange Points (NXP) are commercial cloud hosting facilities that provide resiliency for data transport and dynamic fail over capability for software applications in support of warfighting requirements. NXPs leverage commercial solutions for cloud hosting and transport as part of a software defined network infrastructure. NXP investments are critical for significant improvements to flexibility, resiliency, data maneuverability, and performance for enterprise IT, business, and warfighting missions. In FY 2027, the Navy will complete delivery of planned locations both CONUS and OCONUS to provide resilient transport and software defined networking capabilities. Several Naval aviation platforms are fully integrated with NXPs significantly improving warfighting effectiveness across multiple missions. The budget request for NXP is $38 million.

The Marine Corps Enterprise Network (MCEN) is a network-of-networks that provides robust, seamless and secure end-to-end communications from the supporting establishment to forward deployed forces. MCEN investments have increased operational resilience, improved the user experience, reduced duplicative services and technical debt, and provided greater access to classified data. The budget request for MCEN is $813K.

Consolidated Afloat Network Enterprise Services (CANES) provides secure, reliable, and resilient IT networks and services for afloat platforms in a single integrated network design that hosts over 200 software applications. CANES investments in automation reduced costs and the time required to deploy and maintain operationally ready networks. They also increased network availability with capabilities that allowed technical experts to assist afloat units under the supervision and approval of the Ship's Force. The budget request for CANES is $716M.

Cattle Drive accelerates the modernization and transformation of IT capabilities by sunsetting or rationalizing unneeded, obsolete, unproductive, insecure, and unauditable IT applications. Since its inception in 2020, Operation Cattle Drive has decommissioned 113 Defense Business Systems (DBS) for cost avoidance. In FY 2024, the DON decommissioned 18 Navy and Marine Corps DBS with an estimated divestment exceeding $26 million. The Cattle Drive Plan for FY 2026 – 2028 is to decommission another 41 DBS. Cattle Drive cost avoidance will be re-invested in modernization efforts to drive down technical debt.

DATA ANALYTICS

Jupiter is the Naval Enterprise Data and Analytics Environment that makes DON data widely visible, accessible, understandable, and usable. Jupiter's analytic capabilities enable users to integrate, share, and exploit data at speed and scale for operational advantage and increased efficiency. As a tenant in the War Data Platform (WDP), Jupiter leverages the power of shared services to bring best-of-breed capabilities to advance Naval priorities and enable rapid integration of data into the Joint Force information environment.

More than 270 data sources are connected to the Jupiter platform, over 160 DON organizations leverage its services, and it contains over 1,660 data visualization products. Similarly, the Marine Corps' data analytics environment, "Bolt", hosts over

80 published visualization products, is fed by 14 data sources, and serves over 40 Marine Corps organizations.

CONCLUSION

FY 2027 investments are critical to ensure progress is made towards the Department's Information Superiority Vision. This vision includes a digital environment that is resilient, responsive to the continuously evolving needs of the warfighter, and offers performance on par with industry best-in-class experiences (Optimize); systems that are defendable and secure by design (Secure); and a modern, data-fluent organization that produces and consumes data effortlessly in execution of both warfighting and business missions. The overall FY 2027 decrease mainly resulted from implementation of directed IT acquisition strategy for Naval Maintenance, Repair and Overhaul (N-MRO), Cattle Drive related divestments, consolidations, and other information technology modernization efforts. Funding for business IT is in Figure 7.1.

Figure 7.1 – DON Information Technology Investments

(Dollars in Millions)

Navy	FY 2025	FY 2026	FY 2027*
MILCON	59	44	46
MILPERS	324	305	314
NWCF	1,508	1,620	1,620
Operations	5,300	5,468	5,378
Procurement	1,092	1,176	1,131
RDT&E	837	627	532
Total Navy (OMN, RDTEN, MPN, OPN, NWCF)	**9,120**	**9,240**	**9,021**
Marine Corps			
MILCON	2	2	2
NWCF	20	17	18
Operations	1,428	1,441	1,718
Procurement	554	499	469
RDT&E	114	137	44
Total USMC (OMMC, RDTEN, PMC, MPMC, NWCF)	**2,118**	**2,095**	**2,251**
Total DON	**11,238**	**11,335**	**11,272**

*All discretionary

CYBERSECURITY

To maintain maritime dominance and mission readiness is to maintain dominance across all domains. As threats in the cyber domain evolve, the Department's cybersecurity approach must outpace our adversaries abilities to exploit weaknesses. In this environment, speed is survival and the shift to a cyber ready fleet must not be postponed. With vulnerable networks, we are one cyberattack away from losing our edge. That's the reality of modern warfare—our systems are only as strong as the weakest firewall. In addition to kinetic attacks, the Department is committed to protecting the fleet from non-kinetic attacks, including cyber compromises. Shipboard weapons rely on networked systems; therefore, cyber protections cannot be ignored across our platforms.

The Department continues focus on a risk based, Zero Trust approach emphasizing Cyber Ready systems and resilience to ensure delivery of secure, interoperable, and integrated information technology to the Marine, Sailor, civilian, and contracted workforce to support the full spectrum of DON enterprise, business, intelligence, warfighting, and warfighting support missions. Zero Trust is a modern cybersecurity model better adapted to today's threat and computing environments. The Navy became the first DoW organization to achieve initial and advanced Zero Trust targets with the successful migration of over 550K users to Flank Speed, the cloud-based Office 365 solution, three years ahead of DoW's FY 2027 deadline. Flank Speed is one of the most advanced Zero Trust implementations in the world, pacing DoW and industry. The Marine Corps self-assessed themselves as meeting 64% of the initial Zero Trust targets, indicating significant progress toward achieving the DoW Zero Trust goals for their cloud environment. *(Zero Trust is part of the NGEN funding profile)*

Naval Identity Service (NIS), the cloud-based enterprise solution for Identity, Credentialing, and Access Management, which is foundational to Zero Trust, provides fully automated access to systems and data for all entities with the need, on any network, from anywhere, on any device. All four NIS modules have been successfully deployed, streamlining access and providing a self-service portal for seamless user onboarding and management.

Cryptographic modernization is critical for securing our networks and weapons systems, and it will remain a top priority given the rapidly evolving threat landscape and adversary investments in both traditional and quantum capabilities. DON continues to meet emergent Crypto Modernization requirements and has allocated

$353 million in FY 2027 to fund the central procurement of general purpose CM2 replacement devices for the DON.

The Navy will continue improving the cybersecurity of its Defense Critical Infrastructure to ensure this infrastructure remains resilient and available to support warfighters. Modernizing critical shore infrastructure control systems and hardening them from cyber-attacks allows them to be monitored, improves their defenses, and speeds recovery when they are compromised.

The Navy continues to accelerate fielding of defensive cyber systems for afloat and ashore platforms and systems. They have procured SHARKCAGE, which enhances threat detection and analysis across classified and unclassified networks. Ashore SHARKCAGE reached Initial Operating Capability in FY 2026.

CYBERSPACE OPERATIONS

The Department of the Navy's ability to project power and ensure maritime dominance is inextricably linked to our capacity to operate freely and effectively within this contested digital battlespace. Our adversaries, particularly China and Russia, are actively employing sophisticated cyber capabilities to challenge our naval superiority, holding our critical digital infrastructure at risk and threatening our mission assurance from the homeland to the tactical edge.



In response, the Navy has elevated information to a core warfighting capability, on par with our fleets of ships and aircraft, and is aggressively adapting to defend our networks, deter our adversaries, and build a more lethal, resilient, and cyber-ready force prepared to fight and win in the information age. This is not merely a technology challenge; it is a national security imperative that demands sustained focus, investments, and a whole-of-Navy commitment to ensure we can command, control, and operate our forces without disruption in the cyberspace domain.

Sustaining maritime operations and projecting naval power requires the Department of the Navy (DON) to focus efforts on securing critical networks and platforms, surviving cyber attacks, and presenting ready cyber forces that can strike in and

through cyberspace to counter adversary threats. The DON's PB27 budget submission for Cyberspace Operations is in support of the USCYBERCOM mission to direct, synchronize, and coordinate cyberspace planning and operations. Specifically, the FY 2027 funding reflects the DON's commitment to USCYBERCOM's revised cyber force generation model aimed at increasing the lethality, agility, and readiness of our Cyberspace Operations forces at U.S. Fleet Cyber Command, Marine Corps Forces Cyberspace Command, and the U.S. Cyber Command to execute offensive and defensive cyberspace operations.

The Department of Navy continues to maintain high readiness levels for these cyber mission forces and continues to meet operational requirements to sustain lethality in cyberspace. The Navy and Marine Corps investments will integrate non-kinetic capabilities such as cyber, electronic warfare, and information operations with traditional kinetic power to produce synchronized battlefield effects. Investments in these areas are essential for sustaining maritime dominance and projecting naval power.

The Department of Navy will sustain or increase investments in the following areas:

- Enhancing operational readiness of Cyberspace Operations Forces
- Manning and training Cyberspace Operations Forces
- Recruiting and retaining Cyberspace Operations personnel
- Synchronizing cyber effects with related non-kinetic effects
- Developing offensive and defensive cyber capabilities

Funding for cyberspace activities is contained in Figure 7.2.

Figure 7.2 – DON Cyberspace Activities

(Dollars in Millions)

Navy	FY 2025	FY 2026	FY 2027*
Cybersecurity	785	777	974
Cyberspace Operations	67	114	121
Cyber R&D	13	-	-
Total Navy (OMN, RDTEN, OPN)	**865**	**891**	**1,095**

Marine Corps			
Cybersecurity	30	119	27
Cyberspace Operations	268	260	356
Cyber R&D (NRL S&T Enablers)	10	11	11
Total USMC (OMMC, RDTEN, PMC)	**308**	**390**	**394**
Total DON	**1,173**	**1,281**	**1,489**

*All discretionary

BUSINESS SYSTEMS

The Department articulated its transformation vision in the DON Financial Management (FM) Strategy, which fully aligns with the Department of War (DoW) FM Strategy and the Department's enduring priorities.

The DON FM systems environment is complex and highly customized with many legacy systems, interfaces, and workarounds. DON developed modernized technology solutions that will support the overall efficiency and performance of financial systems, auditability and audit remediation, cybersecurity, and strengthened DON mission readiness.

The DON is working to consolidate and decommission legacy systems to modern systems. These FM system transformation and migration efforts aim to (1) capture the current budget; (2) drive consolidation of disparate historical systems into two separate integrated systems (Navy Enterprise Resource Planning (ERP) and Defense Agencies Initiative (DAI)) by FY 2026; (3) provide real-time data to further establish auditability; and (4) improve DON FM. These efforts are critical to DON's goal of achieving a clean audit opinion for the General Fund in FY 2028.

LEGACY SYSTEM DECOMMISSIONING

In FY 2026, the United States Fleet Forces Command, United States Pacific Fleet, and Commander, Navy Reserve Forces Command migrated to Navy Enterprise Resource Planning (ERP), achieving Full Operational Tempo (FOT). This migration allowed for an additional 4,500+ end users to go live into Navy ERP and shutdown their use from a legacy system for a total of 14,000+ users across 17 BSOs. With the final migrations of the United States Fleet Forces Command, United States Pacific Fleet, and Commander, Navy Reserve Forces Command, the Navy has unified its core business

processes, including finance, supply chain, and logistics, into its cornerstone financial system, Navy ERP. By automating routine financial processes and predicting future requirements, the system allows personnel to focus on higher-value work and gives leaders the real-time data needed for faster, smarter decisions. This leap in efficiency and data accuracy is generating significant cost savings, freeing up critical funds that can be reinvested into other DON priorities.

NAVY ERP (ECC & ERP+)

The Navy's current ERP system (ECC) will reach its technical end of life by 2030, presenting a critical opportunity for the DON to modernize and transform its business processes, data, and technology.

Navy ERP+ is not simply a technical upgrade to the Navy's current ERP system (ECC); it is a holistic transformation that represents the next significant advancement in the Navy's SAP journey, aimed at increasing auditability, improving user experience, enabling data-driven decision-making at the speed of mission, and enhancing warfighter effectiveness, while extending the technology lifespan of the Enterprise Navy ERP Program. Navy ERP+ is designed to elevate the Navy's operational efficiency by integrating various business processes, including financial, workforce, asset management, contracting, and operational supply activities into a single, centralized system. This system will enhance financial transparency and compliance, providing real-time data access and comprehensive audit trails to facilitate audit readiness. By streamlining operational supply and logistics processes, Navy ERP+ will ensure that warfighters are supported by an ERP system that matches their excellence and they have the resources they need, when they need them, optimizing supply chain management and reducing lead times. Integrating the end-to-end operational supply processes and connecting the full supply transaction flow between afloat and ashore will close longstanding operational gaps and accelerate delivery of capabilities and supply to the fleets. The modern infrastructure of SAP S/4 HANA will extend the technology lifespan, providing a robust and scalable platform that can adapt to the Navy's evolving needs. ERP+ requirements and design efforts to date have already identified interfaces to today's Navy ERP system that can be wholly or partially removed, reducing the risk of data exchange failures and security incidents and acting as an accelerant to the DON's Operation Cattle Drive efforts to decommission unnecessary or outdated business. The system will also provide the Navy with an upgraded foundation for applying artificial intelligence (AI) and other automation solutions to the Navy's financial, business, and supply processes to

augment or wholly replace today's manual, time-consuming, and error-prone processes and bring speed, efficiency, and scale to our processes in ways never possible until now. The budget request includes **$274.1** million for ERP and **$316.8** million for ERP+.

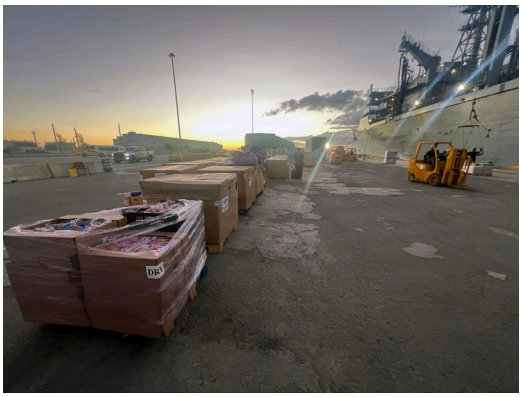
Modernizing through ERP+ will deliver unparalleled management visibility through real-time data, standardized processes, data management practices, and efficiency that comes from one integrated ERP ecosystem. Overall, Navy ERP+ will not only bridge the gap for audits but also propel the Navy forward in its modernization efforts, ensuring operational excellence and long-term success.

CONCLUSION

DON will continue to modernize and enhance the Navy ERP system, implementing an agile methodology to improve quality, transparency, stakeholder collaboration and user satisfaction. The final migrations of the fleets onto the single Navy ERP system at the start of FY 2026 marked a significant milestone that, combined with the power of the DON's analytics capabilities and platforms, will propel the Navy forward and make achieving clean audit opinions a reality. The migration from the legacy SAP ECC to the S4/HANA cloud-hosted ERP+ will provide the DON with an ERP and technology-enabled processes worthy of operating as the backbone for a global fighting force and match the excellence of our warfighters.

SECTION VIII: REVOLVING FUND

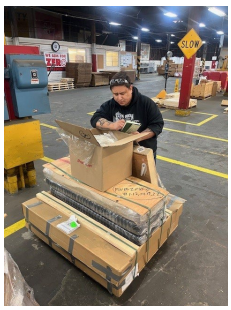
NAVY WORKING CAPITAL FUND (NWCF) OVERVIEW



The Navy Working Capital Fund (NWCF) acts as the quiet engine driving American seapower. This enterprise equips our warfighters, modernizes our fleet, sharpens our technological edge, and empowers our forces to operate anywhere on the planet and beyond. As the financial backbone, the NWCF allows the Department of the Navy (DON) to steward taxpayer dollars responsibly while fielding a combat-ready, lethal, and globally present maritime force. Unlike private industry, the NWCF generates stability, not profit. Its mandate requires it to break even over time. It absorbs the shocks of global markets, operational surges, and unforeseen contingencies, ensuring sailors and Marines never feel the turbulence. When prices spike or missions shift, the NWCF cushions the impact and adjusts in future years to keep costs balanced and predictable for the fleet.

The NWCF integrates four warfighter-critical missions into one seamless support system— Supply Management to fuel the force, Depot Maintenance to preserve our assets, Research and Development to invent the future, and Transportation to deliver global reach – an end-to-end network that powers everything from the first spark of innovation to the final mile of delivery.

- Supply Management: This is the global logistics backbone that keeps the Navy in the fight. The Supply Management ensures that our warships, aircraft, and sailors receive what they need, when and where they need it—from the Arctic Circle to the South China Sea. Every spare part delivered and every pallet of fuel moved translates directly into presence, deterrence, and combat power.



  Depot Maintenance: Our shipyards and aviation depots are strategic national assets. The Depot Maintenance component is where we revitalize our fleet—modernizing ships, submarines, and aircraft to extend their service life and

increase their lethality. Depot Maintenance protects decades of national investment and ensures the fleets remain technologically dominant well into the future.

- Transportation: The Military Sealift Command provides the strategic sealift that underpins our global power projection. It moves the equipment, fuel and material that allow naval forces to operate forward for months at a time, untethered from ports and ready to respond to crises at a moment notice. This global reach is fundamental to our national security posture.

- Research and Development (R&D): To stay ahead of pacing threats, the DON must out-innovate them. The R&D component is the Navy's innovation engine; developing unmanned systems, hypersonic weapons, advanced sensors, and other breakthrough technologies that will define the future of maritime warfare. This is where tomorrow's asymmetrical advantages are born.

The FY 2027 NWCF budget request underscores the DON's commitment to sustaining a ready, resilient, and globally present fleet while responsibly managing taxpayer resources. It reflects a deliberate effort to balance economic pressures—such as rising inflation, evolving program requirements, and the need for healthy cash levels—with the operational demands of a Navy that must remain forward, lethal, and responsive.

The NWCF's financial posture not only weathers economic fluctuations but also ensures uninterrupted readiness. By maintaining cash solvency and price stability, the fund guarantees the timely delivery of critical goods and services, from routine spare parts to major depot overhauls, at predictable costs. For Sailors and Marines, this provides operational certainty: the right part arrives when needed, maintenance stays on schedule, and ships deploy without delay.

The budget accounts for inflationary pressures and programmatic shifts while preserving the fund's ability to meet customer demand. This balance ensures the NWCF can continue providing the full spectrum of logistics, maintenance, transportation, and research support essential to fleet readiness. The FY 2027 request sustains a force of 75,577 civilian and 1,235 military professionals whose expertise directly enables the Navy's operational tempo. These logisticians, maintainers, engineers, and mariners turn funding into readiness every day.

The NWCF projects to deliver $37 billion in goods and services in FY 2027. This output is not an abstract figure; it is the tangible measure of the parts delivered, ships repaired, aircraft sustained, and innovations advanced to keep the fleet ready and dominant.

Figure 8.1 – Summary of NWCF Budget Authority

(Dollars in Millions)	**FY 2025**	**FY 2026**	**FY 2027**
Budget Authority:			
Supply - Navy & Marine Corp	$9,779	$9,927	$10,376
Depot Maintenance – Navy & Marine Corp	$3,148	$3,291	$3,093
Transportation	$4,375	$3,881	$3,329
Research and Development	$20,106	$20,550	$20,256
Total	**$37,409**	**$37,649**	**$37,055**

NWCF CIVILIAN PERSONNEL

As part of its FY 2027 budget submission, the Department of the Navy is deliberately reshaping the NWCF workforce. This effort aligns with the Department of War's broader strategic priority to reduce its overall footprint while strengthening operational readiness.

The FY 2027 plan includes a reduction of 4,043 personnel, a change resulting from a targeted Workforce Optimization initiative. This initiative evaluates evolving workload demands; shifts select missions to the General Fund where appropriate and captures efficiencies across the enterprise—from research and development laboratories to depot maintenance activities. The adjustment creates a more agile and cost-effective support structure without compromising readiness. By refining how and where it performs work, the NWCF is shaping a rightsized organization that remains tightly focused on delivering maximum value to the fleet.

The NWCF workforce realignment is a key component of the Navy's broader commitment to modernizing business operations, improving cost transparency, and sustaining the readiness required to meet global demands.

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SECTION IX: AUDIT

AUDIT BUSINESS TRANSFORMATION

The DON is executing its audit strategy to achieve an audit opinion by FY 2028, as required by the Congressional mandate. The DON has accelerated efforts to achieve an unmodified "clean" audit opinion for the Navy Working Capital Fund (WCF) in FY 2026 taking a data focused approach, while the Navy General Fund (GF) is on track to achieve an audit opinion by FY 2028. The United States Marine Corps (Marine Corps) has sustained an unmodified opinion for three consecutive years. The Department is strengthening its financial management capabilities through several strategic initiatives. These include leveraging Artificial (AI) Intelligence, analytics and automation; consolidating the number of feeder and accounting systems to improve efficiency and data integrity; accurately accounting for and valuing mission-critical assets such as aircraft and vessels; ensuring the availability of essential supplies to support the warfighter effectively; and enhancing cybersecurity measures to protect vital information.

The Navy WCF continues its aggressive pursuit of an accelerated FY 2026 clean audit opinion by identifying and resolving accounting issues and establishing supportable beginning balances for Inventory, Sales Orders, and Obligations. Further, Navy WCF-Supply Management (SM) is executing a confirmation process with third parties to confirm on-hand balances of Inventory material. Navy WCF-SM became the first military department to establish a standards-compliant Inventory beginning balance by ascertaining supportable valuation for 543 million items.



The Navy GF continues to make progress by leveraging lessons learned from the Marine Corps audit and WCF by taking a data driven approach, while also testing and maturing controls. The Navy has established a baseline for Ordnance with 100% accuracy for Navy-managed assets, 99% accuracy for Army-managed assets, and reconciled 99% of commercial vendor confirmations to date, improving the accuracy and transparency of ordnance data for the warfighter.

Additionally, the Navy completed migration of all Navy commands to one general ledger system – the Navy Enterprise Resource Planning (Navy ERP) system, reducing operating costs, including the cost of system maintenance and interfaces, and minimizing cybersecurity vulnerabilities. To date, the Navy ERP manages over $329 billion in obligations. Additionally, the Navy continues to leverage automation and has implemented 360 bots saving 1.8 million labor hours that can be directed to more value-added tasks.

The DON Audit Strategy guides these efforts by identifying remediation priorities, dependencies, and other key transformation activities necessary to achieve an audit opinion. Recognizing the importance of timely progress, the Department continues to identify opportunities to accelerate the GF audit timeline to secure an unmodified audit opinion.

A forward-looking financial management strategy that fosters a strong business culture is central to these efforts. This culture emphasizes the shared responsibility of all stakeholders—senior leaders, business managers, and operators—in understanding their roles and actively contributing to improving DON operations and supporting the warfighter.

The Department is committed to demonstrating progress through enhanced data quality, AI, automation, data analytics, deeper understanding of our processes and controls, increased efficiencies, and clearer identification of the next steps required to resolve audit challenges. We remain fully aligned with the Secretary of War's audit priorities for FY 2026:

- Sustain the Marine Corps unmodified audit opinion
- Sustain Fund Balance with Treasury improvements
- Strengthen the internal control environment
- Optimize asset valuations
- Implement federated Identity, Credential, and Access Management solutions
- Remove impediments and unnecessary requirements from the audit through OMB-managed process legislative changes

The Navy-Marine Corps team will maintain this audit focus into FY 2027, tackling audit sustainment challenges by exploring system and automation capabilities, recognizing that financial auditability is not a one-time accomplishment but must be sustained through ongoing discipline and agility.









Improving the Health, Welfare and Training of Sailors and Marines









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SECTION X: READINESS

OVERVIEW

Global threats are rising, and the Department of the Navy's mission to protect our nation has never been more critical. We are the world's premier maritime force, always ready to defend American interests. With nearly 100 ships and submarines continuously deployed and the most advanced naval aircraft patrolling the skies, we project strength and ensure stability. Our integrated Navy-Marine Corps team operates across all domains—sea, air, space, and cyber—to guarantee our nation's security and prosperity. The FY 2027 budget request will fortify our maritime dominance by prioritizing investments in ship maintenance, the submarine industrial base, and shipyard infrastructure optimization.

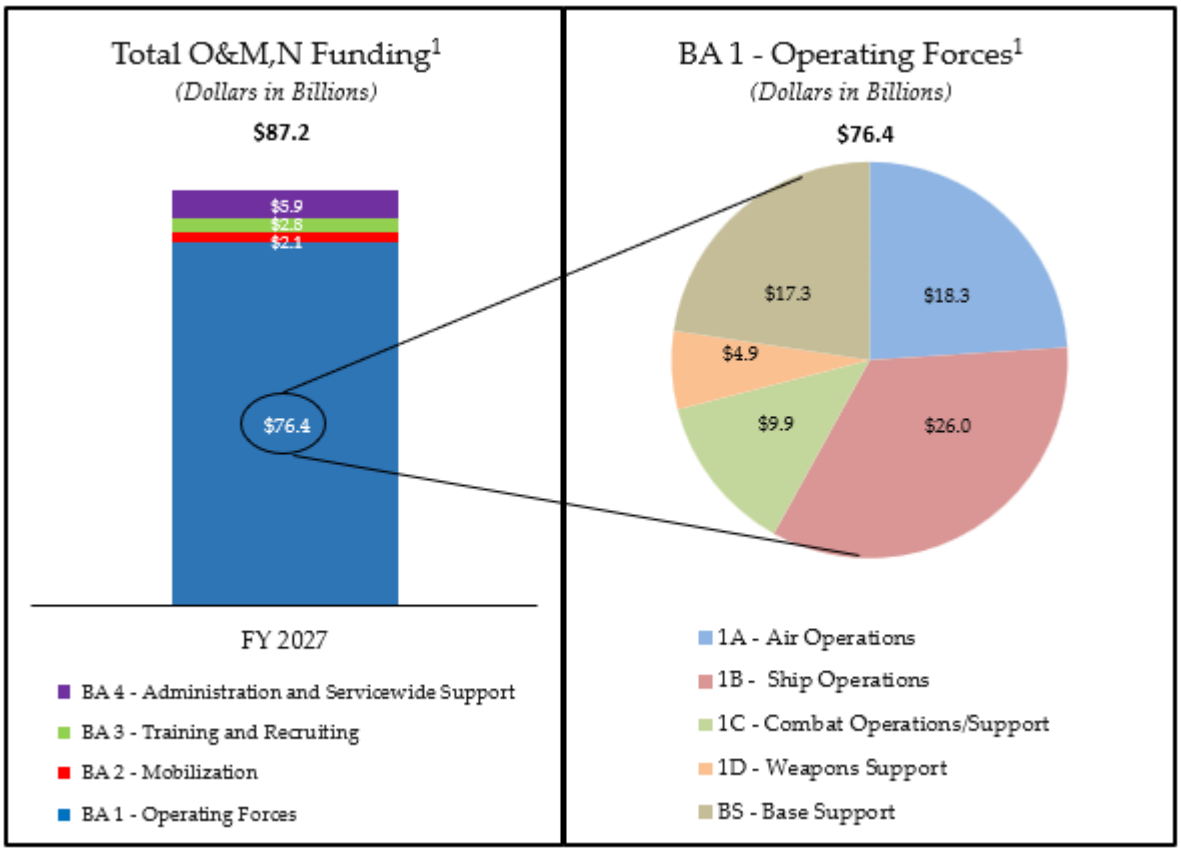
NAVY OVERVIEW

The Operation and Maintenance, Navy (O&M,N) appropriation finances the day-to-day costs of training and operating naval forces, including fuel, supplies, and maintenance of ships, Navy and Marine Corps aircraft, related equipment and weapon systems, and the support establishment ashore. The primary focus of the Department's FY 2027 budget request is to rapidly increase readiness, reducing delays and overhead costs in order to better support our warfighters.

Figure 10.1 shows the O&M,N appropriation funding in FY 2027. Within the largest category, Budget Activity 01, Operating Forces, is the ship operations budget, which funds ship operations, operational support, training, ship maintenance, and ship depot operations support. Air operations funds Navy and Marine Corps flight operations, fleet air training, aviation technical data and engineering services, air operations and safety support, air systems support, aircraft depot maintenance, aircraft depot operations support, and aviation logistics. In FY 2027, $7.2 billion or 39 percent of the aviation budget supports USMC aviation. Ship and air operations combined constitute 51 percent of the O&M,N budget and 58 percent of the BA 1 Operating Forces budget. Other categories funded in this appropriation and budget activity are weapons support, combat operations/support (combat communications, electronic warfare, meteorology and oceanography, warfare tactics, equipment maintenance, surveillance, and cyber), and base operations (base operating support, facilities sustainment, restoration and modernization, and enterprise information

technology). O&M,N funding also supports mobilization, training and recruiting, and administrative activities.

Figure 10.1 – FY 2027 Operation and Maintenance, Navy (O&M,N) Funding



[1] Does not include mandatory funding.

SHIP OPERATIONS

In FY 2027, Ship operations funds 25,870 total steaming days for a deployable battle force of 288 ships, which are shown in Figure 10.2. This level of operational funding supports 11 aircraft carriers and 10 large deck amphibious ships that serve as the foundation of our carrier strike groups and amphibious readiness groups. FY 2027 battle force deliveries include: one aircraft carrier (CVN), one nuclear-powered attack submarines (SSN), two guided-missile destroyers (DDG-51), one amphibious transport dock (LPD), one amphibious warfare assault ship (LHA), one fleet replenishment oiler (T-AO), three salvage ships (T-ATS), and one expeditionary fast transport (T-EPF). FY 2027 retirements include: one aircraft carrier (CVN), four cruisers (CGs), one ocean tug (T-ATF), one SSGN, one SSBN, two SSNs, and one fleet replenishment oiler (T-AO).

Figure 10.2 – DON Battle Force Ship Inventory Quantities

Category	FY 2025	FY 2026	FY 2027
Aircraft Carrier	11	11	11
Aircraft Carrier Total	**11**	**11**	**11**
Ticonderoga Class Cruiser	7	5	1
Guided Missile Destroyers	74	77	79
Zumwalt-Class Destroyers	2	2	2
Littoral Combat Ship	27	27	27
Mine Countermeasures Ships	4	4	4
Surface Combatant Total	**114**	**115**	**113**
Amphibious Warfare Assault Ships	9	9	10
Amphibious Transport Docks	13	13	14
Dock Landing Ships	10	9	9
Amphibious Ships Total	**32**	**31**	**33**
Nuclear Attack Submarines	47	47	47
Fleet Ballistic Missile Submarine	14	14	13
Guided Missile (SSGN) Subs	4	3	2
Submarine Total	**65**	**64**	**62**
Dry-Cargo Ammunition Ships	12	12	12
Fleet Replenishment Oilers	18	17	17
Fast Combat Support Ships	2	2	2
Combat Logistics Ships Total	**32**	**31**	**31**
Submarine Tenders	2	2	2
High-Speed Transport	1	1	1
Amphibious Command Ship	2	2	2
Ocean Surveillance Ship	5	5	5
Maritime Prepositioning Ship	2	2	2
Salvage Ships	2	3	6
Ocean Tugs	1	1	0
Expeditionary Fast Transport	11	11	12
Expeditionary Mobile Base	5	6	6
Expeditionary Transfer Dock	2	2	2
Support Ships Total	**33**	**35**	**38**
Total Battle Force Ships	**287**	**287**	**288**

Active Ship OPTEMPO



The FY 2027 budget maintains a 58 underway days per quarter for the active operational tempo (OPTEMPO) of our deployed forces and 24 underway days per quarter for non-deployed forces. FY 2027 funding boosts readiness and ensures maritime dominance by prioritizing readiness.

Mobilization

We are operating in the most hostile, dangerous, and unpredictable global security environment of our lifetimes. As evidenced by recent conflicts, war as we know it has dramatically changed. The mix, scope, and scale of what the Department does to accomplish its mission is more complex than any organization in the world. The Navy and Marine Corps team operates globally, 24/7/365, safeguarding our Nation's security while protecting maritime commerce and freedom of the seas. The Navy's mobilization forces, shown in Figure 10.3, provide transportation capability that enables rapid response to contingencies anywhere in the world.

Prepositioned ship squadrons are forward-deployed in key ocean areas to provide initial military equipment and supplies for an operation. Pre-positioned ships are followed by surge ships, which are maintained in reduced operating status (ROS-5) within the continental United States (CONUS). The readiness of these ships is categorized by their operating status: Full operating status (FOS) is ready for immediate tasking with most pre-positioned ships operating at this level; Reduced Operating Status (ROS) requires a specific number of days to become fully crewed and operational. For instance, ROS-5 means a ship requires five days to become fully crewed, operational and ready to sail. The surge ship is composed of recently acquired used vessels and ships decommissioned as the main fleet modernizes.



Figure 10.3 – Strategic Sealift Ship Quantities

	FY 2025	FY 2026	FY 2027
Prepositioning Ships:			
Maritime Prepo Ships (QTY)	14	11	9
Dry Cargo Ammunition (T-AKE)	2	2	2
Total Ships (QTY)	**16**	**13**	**11**
National Defense Reserve Fleet (NDRF):			
MSC Surge Sealift LMSR (QTY)	1	0	0
MARAD Ready Reserve Force Ships (QTY)	34	31	30
Ready Reserve Force Used RORO Ships (QTY)	8	13	13
Fast Sealift Support	5	2	0
Aviation Support Ship (T-AVB)	2	2	2
Crane Ships (T-ACS)	4	4	4
Used Sealift Vessel Operations	2	0	5
NDRF Subtotal	**56**	**52**	**554**
Total Ships (QTY)	**72**	**65**	**65**

Figure 10.4 reflects the hospital ships and the capacity measured by the number of operating rooms for both the USNS MERCY (T-AH 19) and USNS COMFORT (T-AH 20).

Figure 10.4 – Hospital Ships Quantities

	FY 2025	FY 2026	FY 2027
Hospital Ships (QTY)	2	2	2
Hospital Ship Operating Rooms	24	24	24



Ship Maintenance

Ship maintenance funds 58 availabilities in FY 2027. The program is primarily funded through O&MN and is supplemented by a continuing program in Other Procurement, Navy (OPN). The FY 2027 request includes $2.7 billion in OPN for private contracted ship maintenance for both fleets. OPN funding supports readiness by ensuring ships are delivered to the Fleet on time with work completed in-full.

Figure 10.5 – Department of the Navy Ship Maintenance Funding

(Dollars in Millions)	**FY 2025**	**FY 2026**	**FY 2027***
Active Forces			
Ship Maintenance (O&M,N)	12,263	13,543	14,293
Private Contracted Ship Maintenance (OPN)	2,573	2,392	2,737
Subtotal, Ship Depot Maintenance	**14,836**	**15,936**	**17,030**
Depot Operations Support (O&M,N)	2,681	2,801	2,598
Total Ship Maintenance	**17,516**	**18,737**	**19,628**

**All discretionary*

AIR OPERATIONS

Active Tactical Air Forces

FY 2027 funds the maximum affordable flight hours and flight training to enable Carrier and Expeditionary Strike Group power projections and dynamic employment.

Funding for the Flying Hour Program (FHP) increases 9% over FY 2026 enacted levels, representing the Department's laser focus on readiness and aircraft sustainment. The FY 2027 budget provides for the operation, maintenance, and training of nine active Navy carrier air wings (CVWs) and three active Marine Corps air wings, as reflected in Figures 10.6 and 10.7. The FY 2027 FHP budget fulfills both operations and training requirements. Figure 10.8 displays aircraft inventories.

Figure 10.6 – DON Aircraft Force Structure Quantities

	FY 2025	FY 2026	FY 2027
Active Forces:			
Navy Carrier Air Wings	9	9	9
Marine Air Wings	3	3	3
Patrol Wings	2	2	2
Helicopter Maritime Strike Wings	2	2	2
Helicopter Combat Support Wings	2	2	2
Reserve Forces:			
Navy Tactical Air Wing	1	1	1
Logistics Air Wing	1	1	1
Maritime Air Wing	1	1	1
Marine Air Wing	1	1	1
Total	**22**	**22**	**22**

Figure 10.7 – DON Flying Hour Program Funding (OMN & OMNR)

(Dollars in Millions)	FY 2025	FY 2026	FY 2027*
Mission & Other Flight Operations (1A1A)			
USN	5,137	5,056	5,782
USMC	3,120	3,284	3,330
Subtotal	**8,257**	**8,340**	**9,112**
Fleet Air Training (1A2A)			
USN	2,107	2,215	2,430
USMC	568	648	699
Subtotal	**2,675**	**2,863**	**3,129**
Total	**10,932**	**11,203**	**12,241**

**All discretionary*

Figure 10.8 – DON Aircraft Inventory Quantities

Class Category	FY 2025	FY 2026	FY 2027
Aggressor	97	93	90
Attack	176	147	147
In-Flight Refuel	96	98	100
Patrol	140	140	140
Rotary Wing	994	918	911
Strike Fighter	995	1,020	1,020
Tilt Rotor	322	264	264
Training Glider	2	2	2
Training Jet	220	212	211
Training Prop	383	386	372
Training Rotary	171	143	141
Transport	141	115	118
Unmanned	70	77	85
Utility	3	0	0
Warning	95	94	98
Total	**3,905**	**3,709**	**3,699**

Note: Figures include both OMN and OMNR.

Aircraft OPTEMPO

The FY 2027 budget for the flying hour program funds flight operations, transportation, and travel for Navy and Marine Corps tactical air (TACAIR) and anti-submarine warfare (ASW) forces. This funding ensures pilots achieve sufficient flight hours to maintain readiness for their primary missions and support security objectives. The budget supports deployed units, those in pre-deployment training, and non-deployed units, funding a T-rating of 2.0 for all deployed forces. Readiness strategies differ between the services to meet their unique operational demands:



Service	Training Plan	Readiness Approach
Navy	Optimized Fleet Response Training Plan (OFRP)	Manages fluctuating training and readiness levels over a 36-month deployment cycle.
Marine Corps	Marine Corps Aviation Plan (AVPLAN)	Maintains a steady, high-readiness profile to enable rapid deployment for contingencies on short notice.

Aircraft Depot Maintenance



The Aircraft Depot Maintenance program accelerates readiness through funding of repairs, overhauls, and inspections of aircraft and aircraft components to ensure sufficient quantities are available to meet fleet requirements to decisively win combat operations. FY 2027 ADM increases in funding over FY 2026 enacted levels in support of readiness efforts, as seen in Figure 10.9.

Figure 10.9 - Aircraft Depot Maintenance and Aviation Logistics Funding (OMN Only)

Aircraft Depot Maintenance (1A5A)

(Dollars in Millions)	**FY 2025**	**FY 2026**	***FY 2027 Disc.***	***FY 2027 Mand.***	**FY 2027 Total**
Airframes	962	939	*1,168*	-	1,168
Engines	605	584	*806*	-	806
Components	89	81	*105*	-	105
Calibration Maintenance	45	44	*55*	-	55
Ground Support Equipment	55	55	*67*	-	67
Aviation Mobile Facilities	6	6	*8*	-	8
Expeditionary Air Fields (EAF)	-	8	*11*	-	11
Total	**1,762**	**1,717**	***2,220***	**-**	**2,220**

Aviation Logistics (1A9A)

(Dollars in Millions)	**FY 2025**	**FY 2026**	***FY 2027 Disc.***	***FY 2027 Mand.***	**FY 2027 Total**
KC-130J Hercules	114	124	*140*	-	140
MV-22 Osprey	216	244	*265*	-	265
E-6B Mercury	162	152	*160*	-	160
F-35 Joint Strike Fighter	1,502	1,626	*2,098*	*514*	2,612
Aviation Mobile Facilities	2.1	1.3	*1.2*	-	1.2
Total	**1,966**	**2,148**	***2,098***	***514***	**3,179**

NAVY RESERVE OPERATIONS



The Navy Reserve Components (RC) will maintain 105 Navy Reserve Centers, seven hangars, and three naval air station-joint reserve bases in FY 2027. The RC is a force multiplier that enhances the strategic depth and lethal capability of the Navy and Marine Corps. The RC provides cost-effective and sustainable capacity by delivering trained units and qualified Sailors with unique skills acquired through civilian employment. With commands across the nation, Puerto Rico, and Guam, this geographic diversity allows Selected Reservists to train outside of traditional fleet concentration areas.

Reserve Component Air Forces

The Naval Air Reserve Force advances readiness by ensuring that the Navy and Marine Corps Reserves remain ready to respond in support of the Department's mission anywhere around the globe. Figure 10.10 shows force structure for the Reserve Component.



Figure 10.10 – Reserve Component Aircraft Force Structure Quantities

Reserve Forces Air Wings	**FY 2025**	**FY 2026**	**FY 2027**
Navy Tactical Support Air Wing	67	71	72
Navy Logistics Support Air Wing	48	48	47
Navy Maritime Support Air Wing	7	7	7
Marine Aircraft Wing	117	121	130
Total	**267**	**253**	**239**
Primary Authorized Aircraft (PAA) – Reserve			
Navy	122	126	126
Marine Corps	117	121	130
Total	**239**	**247**	**256**
Flight Operations (1A1A) *(Dollars in Millions)*			
Reserve Forces			
Navy	481	467	524
Marine Corps	223	274	264
Total	**704**	**741**	**788**

Reserve Component Aircraft Depot Maintenance

The RC Aircraft Depot Maintenance program is integrated with the Active Component (AC) program to fund repairs, overhauls, and inspections. FY 2027 increases due to increased airframe and engine induction requirements. Figure 10.11 displays funding in the RC aircraft depot maintenance portfolio.

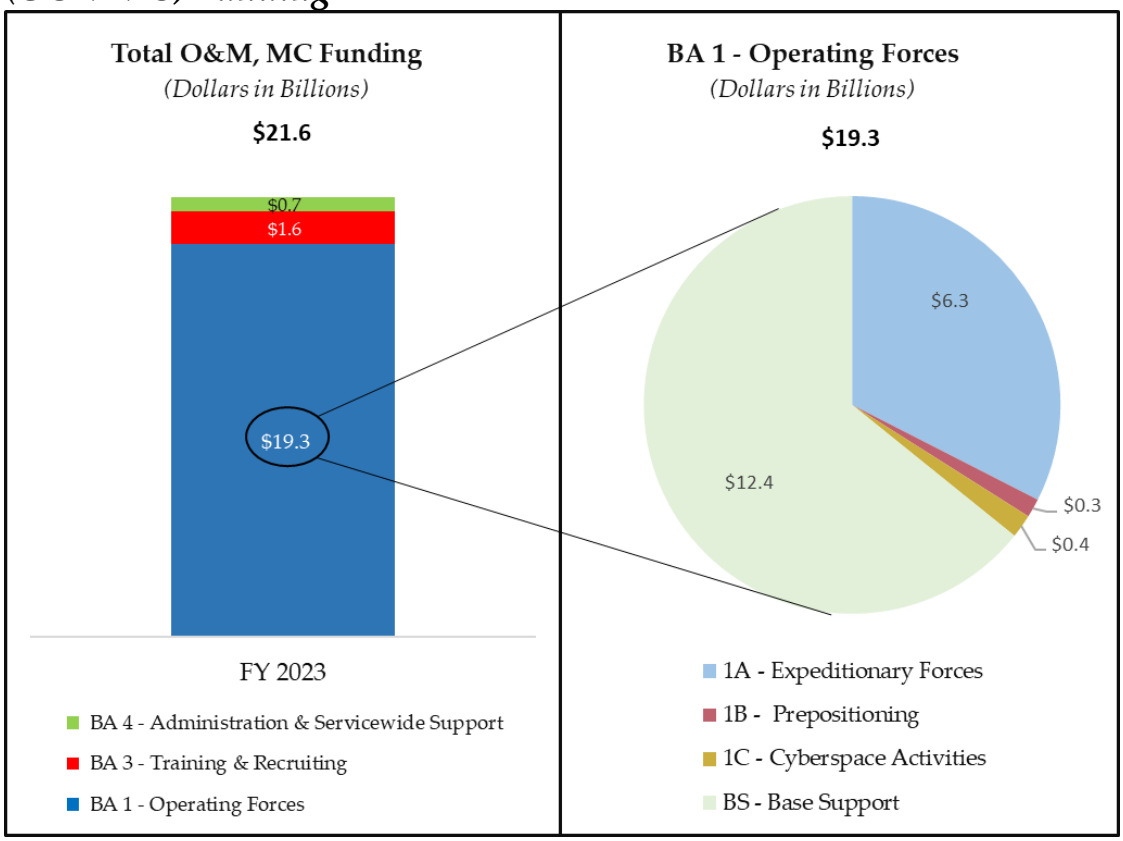
Figure 10.11 - Reserve Component Aircraft Depot Maintenance Funding

(Dollars in Millions)	FY 2025	FY 2026	FY 2027
Airframe Maintenance	89	133	141
Engine Maintenance	47	71	73
Components Maintenance	1	1	1
Total	**137**	**205**	**216**

MARINE CORPS OVERVIEW

The Marine Corps Operation and Maintenance (O&MMC) appropriation funding supports an active force of 173,700 Marines, emphasizes forward deployment and posture, and enhances Operations, Activities, and Investments (OAIs) tailored to increase Joint Force lethality and to strengthen alliances and attract new partnerships. These efforts ensure that the Marine Corps is prepared to operate inside actively contested maritime spaces in support of Fleet and Joint Force operations. The FY 2027 budget funds the Marine Corps' ongoing commitment to Force Design. The Department's request for FY 2027 reflects the Marine Corps' ability to provide ready forces for Global Force Management tasking while maintaining contingency-ready forces. The Marine Corps is balancing readiness with two critical requirements in mind, sourcing day-to-day missions and modernizing to meet the demands of the future operating environment. The Marine Corps readiness appropriations (excluding funding support in Navy appropriations) increase to $21.6 billion. Figure 10.12 displays active Marine Corps Operation and Maintenance (O&MMC) funding in FY 2027.

Figure 10.12 – FY 2027 Operation and Maintenance, Marine Corps (O&MMC) Funding



MARINE CORPS OPERATIONS

Active Operations

The FY 2027 Marine Corps active operations budget request supports ongoing transformation efforts, ensuring our forces are manned and organized to meet the strategic intent and the National Defense Strategy. Efforts continue to focus on the First Island Chain within the Indo-Pacific region. To achieve this, the Marine Corps continues to focus on critical requirements in a fiscally responsible and executable manner.



Readiness accounts provide resources to the Fleet Marine Force. This includes training and field and depot level maintenance across both ground and aviation programs. The readiness accounts also improve the construction and maintenance of our facility footprint. The FY 2027 budget includes investment in force lethality to achieve combat overmatch; building and refining electronic warfare and cybersecurity capacity, conducting full-spectrum cyber operations, in addition to supporting the viability and reliability of our network.

Approximately one-third of the Fleet Marine Force is forward deployed worldwide, with more than 41,000 forward deployed or forward stationed. The integration of new capabilities is validated through the execution of large-scale exercises with allies and partners around the world at all levels, from the Marine Expeditionary Force (MEF), Marine Expeditionary Brigade (MEB) or Marine Expeditionary Unit (MEU), to the Special Purpose marine Air Ground Task Force (SPMAG-TF) and other detachments.

Ground Equipment Depot Maintenance

The Marine Corps uses a Total Force (active and reserve component) approach for the planning and execution of ground equipment depot maintenance. The FY 2027 budget was developed through programmatic requirements based on strategic guidance and advancing readiness. Figure 10.13 reflects Marine Corps active forces ground equipment depot maintenance. FY 2027 program increases are due to updated maintenance and overhaul strategies, service life extensions for combat vehicles, automotive equipment, and radar systems in the ground depot maintenance program.

Figure 10.13 – Marine Corps Ground Equipment Depot Maintenance

(Dollars in Millions)	FY 2025	FY 2026	FY 2027
Depot Maintenance for Active Forces			
Automotive Equipment	87	115	135
Combat Vehicles	71	104	120
Construction Equipment	13	4	12
Electronics and Communications Systems	13	22	27
Missiles	11	3	14
Ordnance Weapons and Munitions	23	29	35
General Purpose Equipment	3	9	2
Total Depot Maintenance for Active Forces	222	286	345

MARINE CORPS RESERVE OPERATIONS

The FY 2027 budget sustains the Marine Corps Reserve Component capability. The Marine Corps Reserve is trained, organized, and equipped to augment, reinforce, and relieve the active component. The Marine Forces Reserve consists of a headquarters and subordinate Marine Division, Marine Aircraft Wing, and Marine Logistics Group, all of which are headquartered in New Orleans, Louisiana. The Selected Marine Corps Reserve is unique in that subordinate regiments/groups, battalions/squadrons, and companies/detachments are distributed across 158 Reserve Training Centers and sites nationwide.



Reserve Ground Equipment Depot Maintenance



The FY 2027 budget request supports the combined repairs and procurement programs. The request supports a balanced inventory level (procurement and maintenance) that is needed to meet readiness and mission requirements. Figure 10.14 reflects Marine Corps Reserve ground equipment depot maintenance. The FY 2027 request provides funding for service life

extensions for missiles, construction equipment and electronics and communication systems.

Figure 10.14 – Marine Corps Reserve Ground Equipment Depot Maintenance

(Dollars in Millions)	**FY 2025**	**FY 2026**	**FY 2027**
Depot Maintenance for Reserve Forces			
Automotive Equipment	11	2	7
Combat Vehicles	5	0	7
Construction Equipment	0	8	0
Electronics and Communications Systems	0	3	7
Missiles	1	9	2
Ordnance Weapons and Munitions	5	1	0
Total Depot Maintenance for Reserve Forces	**22**	**23**	**23**

FACILITY SUSTAINMENT, RESTORATION, AND MODERNIZATION

Facility Sustainment, Restoration, and Modernization (FSRM) delivers shore facilities readiness across 90 installations (70 Navy and 20 Marine Corps) with multiple annexes. The program delivers maintenance, repair, and recapitalization for 92,000 facilities, providing the installation platforms where people, ships, planes, and munitions get maintained and sustained in support of the Department of the Navy's mission. The FY 2027 budget modernizes our infrastructure, and includes increases in sustainment funding to decelerate facility degradation and increases unaccompanied housing restoration and modernization for personnel readiness.

Facility Sustainment

The FY 2027 budget is $3.5 billion ($287 million in mandatory) for Navy facility sustainment. Critical projects in support of operational requirements and warfighter readiness are maintained by prioritizing condition-based maintenance of critical facility components.

The FY 2027 budget is $1.4 billion, half of which is mandatory funding, for Marine Corps' facility sustainment, reflecting the strategy under the Marine Corps Installations Plan (MCIP) which maximizes the value of every facility investment

dollar, ensuring funding is targeted and spent on the highest priorities at the lowest total lifecycle cost, instituting best practices, optimizing investment over the long term to support mission requirements, and aligning investment with strategic priorities.

Facility Restoration and Modernization

FY 2027 funding contains $92.1 million (in discretionary) in Shipyard Infrastructure Optimization Plan (SIOP). The Navy continues to prioritize critical shore investments that maintain our shore installations and increase fleet readiness while also supporting required capabilities.

The FY 2027 budget is $7.6 billion ($4.7 billion in mandatory) for Marine Corps restoration and modernization. The budget supports quality of life investments and Barracks 2030. In FY 2027, restoration and modernization projects focus primarily on modernizing living quarters within the barracks as this initiative is the most consequential infrastructure investment in the service history.

Facility Demolition

The Navy has $81 million of dedicated demolition funding in FY 2027. Facility demolition accounts for the demolition of obsolete and excess structures, thereby reducing costly upkeep on older structures and eliminating potential fire and safety hazards from installations. The FY 2027 budget is $185 million for Marine Corps demolition. Facility demolition accounts for the demolition of obsolete and excess structures, thereby reducing costly upkeep on older structures and eliminating potential fire and safety hazards from installations. The FY 2027 budget continues to prioritize the Barracks Initiative, as the deferred maintenance backlog cannot be reduced via sustainment.

Base Operating Support

The FY 2027 budget includes $9.5 billion to support safe and efficient operations across 90 installations around the world. The program supports operations, facilities management, and quality of service. The installations provide the foundation and enable the readiness of personnel, platforms, and weapons systems to carry out the Department of the Navy mission.



ENVIRONMENTAL RESTORATION, NAVY

The Environmental Restoration, Navy (ERN) appropriation provides funds to clean-up sites polluted before 1987. While budgeted as ERN, in the funding year of execution the funds are transferred to the respective appropriation.



SECTION XI: MILITARY FAMILY HOUSING

OVERVIEW

The Department of the Navy is committed to driving rapid inspections and upgrades of family housing on Navy and Marine Corps installations to ensure we are providing excellence in all aspects of Quality of Life and Quality of Service for our Sailors, Marines, and their families. Family housing investments contribute to quality of life and quality of service efforts, drive retention, and create both a sense of community as well as a strong support network for our service members and their families as they are deployed to carry out department missions around the globe.

FAMILY HOUSING

Department of the Navy is committed to ensuring excellence in all aspects for our military families, to include housing. The Family Housing FY 2027 budget request of $1,473 million ($725 million in mandatory funding) makes affordable investments in our facilities in order to maintain our critical advantage in supporting and sustaining our combat forces, while seeking opportunities to increase efficiency and resiliency as we do so. The request includes the construction, operation, maintenance, recapitalization, leasing, and privatization oversight of the Department's family housing worldwide. Our ability to rapidly deploy around the globe is directly connected to an effective shore infrastructure.



The Department's FY 2027 budget request includes $818.3 million in support of 18 family housing projects worldwide. $512 million of this request is in support of 14 construction improvement projects targeting Whole House and Utilities revitalization efforts worldwide and the 4 remaining projects totaling $249 million supports ongoing construction of new housing. $57 million of this request includes design of future projects. The FY 2027 request includes $654.5 million ($589 million Navy and $65 million Marine Corps) for the operation and maintenance of ~8,650 government-owned units and ~1,650 leased units worldwide. Figures 11.1 and 11.2 display resources and units for Family Housing.

Figure 11.1 – Family Housing Funding Summary

(Dollars in Millions)	**FY 2025**	**FY 2026**	***FY 2027 Disc.***	***FY 2027 Mand.***	**FY 2027 Total**
Construction	273	178	*362*	*456*	818
Operations	394	384	*386*	*269*	654
Total	***668***	***562***	***747***	***725***	**1,473**

Figure 11.2 – Navy & Marine Corps Family Housing Units

(Quantities)	**FY 2026**	**FY 2027**
Privatized Inventory (End of FY)	62,390	62,257
Government-Owned Inventory (Average)	8,350	8,650
Leased Inventory (Average)	1,650	1,650
Total	**72,390**	**72,557**

SECTION XII: PERSONNEL

OVERVIEW

The foundation of America's naval power lies in its people. Our Sailors, Marines, and civilians form a dedicated team that safeguards peace, discourages hostility, and provides aid during crises across the globe.



Operating continuously from the depths of the ocean to the expanse of space, Department of the Navy personnel ensure American prosperity and security. This all-volunteer force is comprised of the finest young patriots our nation has to offer. Each Sailor and Marine stands expertly trained and prepared to protect America's interests anywhere on the planet, whenever called upon.

In keeping with the President's "America First" platform, this fiscal year 2027 budget request is structured to build and uphold a formidable military, thereby securing peace by showcasing our nation's strength. Our highest priority is the recruitment and retention of our service members, utilizing bonuses and incentives to draw and keep the most capable individuals. This is why the FY 2027 personnel funding request includes a weighted pay raise of 6.2 percent, varying from 5.0 to 7.0 percent depending on pay grade.

These efforts have yielded exceptional results, with recruiting numbers surpassing recent years, demonstrating that military service continues to be a desirable path. Department of the Navy personnel—both military and civilian—operate around the world and around the clock, from seabed to space, to promote our nation’s prosperity and security. Every U.S. Sailor and Marine is trained and ready to defend American interests around the world, at a moment’s notice, whenever they may be threatened.

MILITARY PERSONNEL

Active Navy Personnel



The Navy is the Nation's global fighting force, with ships, submarines, and unmanned vehicles mobilized to protect America's interests anywhere. Active Duty Sailors provide ultimate lethality, conducting stealth maneuvers, transporting our Marines to conduct expeditionary operations, and deterring adversaries with our advanced weaponry.

The Navy continues extraordinary recruiting to attract the best, and solid retention to maintain a high-quality, motivated force. The FY 2027 budget request continues end strength growth that began in FY 2025, capitalizing on the highest recruiting percentage of mission achieved in over fifteen years. Further growth in FY 2027 is part of a deliberate plan to strengthen the nation's ability to meet global demands and ensuring the force remains lethal, resilient, and sustainable.

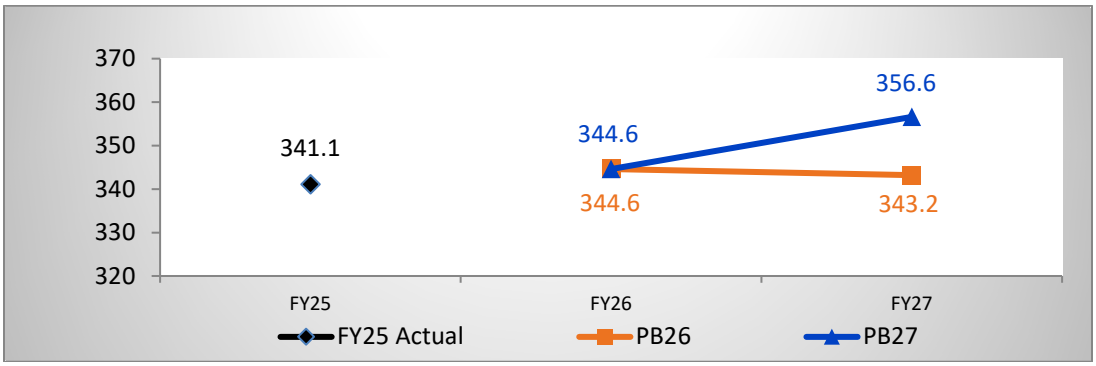
This budget continues Quality of Service initiatives, including PCS reform The Secretary of War has directed that the frequency of military movements be reduced to promote family stability.

The FY 2027 Military Personnel, Navy budget request supports an end strength of 356,600, continued growth from FY 2026. Navy active military manpower is reflected in Figures 12.1 and 12.2.

Figure 12.1 – Active Navy End Strength by Type

	FY 2025	FY 2026	FY 2027
Officers	55,832	56,570	57,938
Enlisted	280,816	283,680	294,312
Midshipmen	4,461	4,350	4,350
Total Strength	**341,109**	**344,600**	**356,600**

Figure 12.2 – Active Navy End Strength Trend



Reserve Navy Personnel



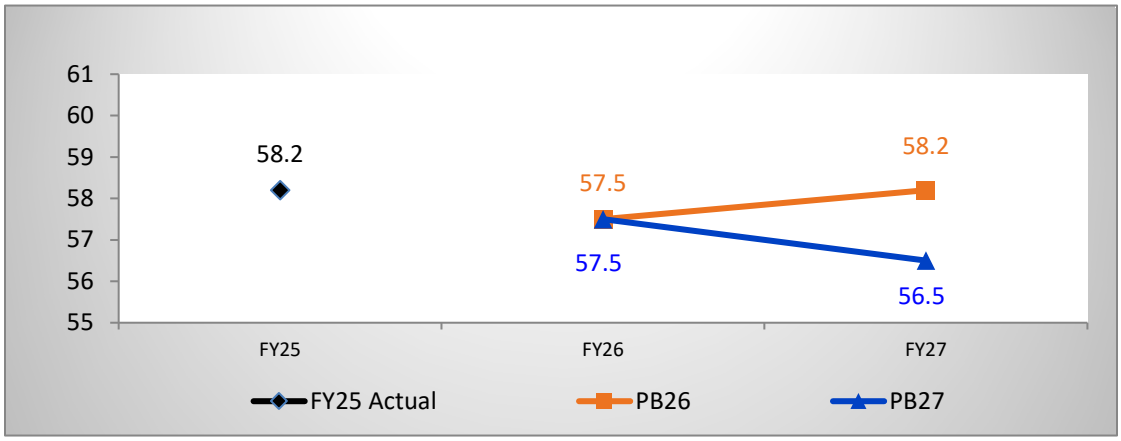
The FY 2027 Reserve Personnel, Navy budget request supports 56,500 Selected Reservists and Training and Administration of the Reserve (TAR) personnel, sustaining end strength to deliver strategic depth and surge capacity for the Navy, Marine Corps, and Joint Force across the full range of military operations ensuring naval warfighting readiness. The FY 2027 force level aligns with DoW manpower strategies, balancing active and reserve components to rapidly advance readiness in a complex, ever-evolving operational environment.

With a unique blend of military and civilian expertise, the Navy Reserve provides essential, ready-to-deploy manpower that enables the Navy to surge in times of need. The FY 2027 Reserve Personnel, Navy budget ensure readiness by maintaining a fully manned and ready reserve force that can respond decisively across any domain.

Figure 12.3 – Reserve Navy End Strength by Type

	FY 2025	FY 2026	FY 2027
Drilling Reserve	48,056	47,091	45,112
Full Time Support	10,109	10,409	11,388
Total Strength	**58,165**	**57,500**	**56,500**

Figure 12.4 – Reserve Navy End Strength Trend



Active Marine Corps Personnel



The Marine Corps is a globally responsive, lethal, and resilient combined-arms naval expeditionary force that projects power from sea to land and land to sea, fighting as a Marine Air Ground Task Force across all domains in contested environments to deter, deny, and defeat adversaries.

The Marine Corps is modernizing at a time when the character of war is shifting rapidly. Force Design ensures the Corps stays ahead of this change and is driven by a continues campaign of learning. While the character of war evolves, its nature endures, and the Corps' ethos remain aligned to that truth, equipping the Marine with the discipline, toughness, and initiatives that will always remain the decisive factors in battle. The Marine Corps continues to meet retention goals through campaigns to encourage Marines to take early action and pursue opportunities for reenlistment consideration in critical need areas.

In FY 2027, the request supports an end strength of 173,700 that prioritizes readiness and the Corps' ability to respond to crises, from active campaigning to conflict, throughout modernization and beyond. The request reflects a modest growth in end strength and positions the Marine Corps for a four percent growth in active component end strength in the next five years. The Marine Corps continues to budget

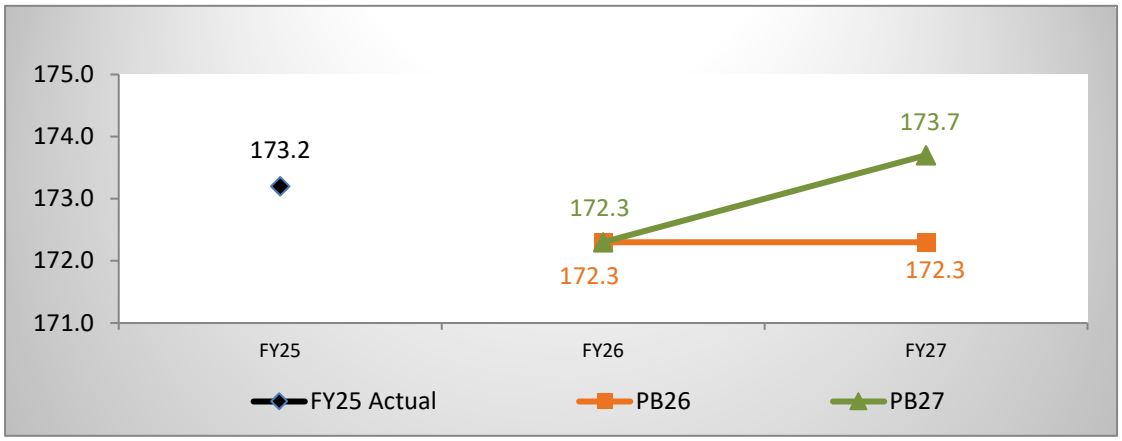
for achievable end strength objectives, while working towards Force Design objectives.

FY 2027 invests in bonus and incentive programs to continue to meet retention goals, achieve targeted maturation of small unit leaders, and attract and retain technically skilled personnel. The Marine Corps is and will remain "most ready when the Nation is least ready", a force-in-readiness prepared to respond to any crisis, anywhere, at any time. Marine Corps Active military manpower is displayed in Figures 12.5 and 12.6.

Figure 12.5 – Active Marine Corps End Strength by Type

	FY 2025	FY 2026	FY 2027
Officers	21,515	21,560	21,700
Enlisted	151,734	150,740	152,00
Total Strength	**173,249**	**172,300**	**173,700**

Figure 12.6 – Active Marine Corps End Strength Trend



Reserve Marine Corps Personnel



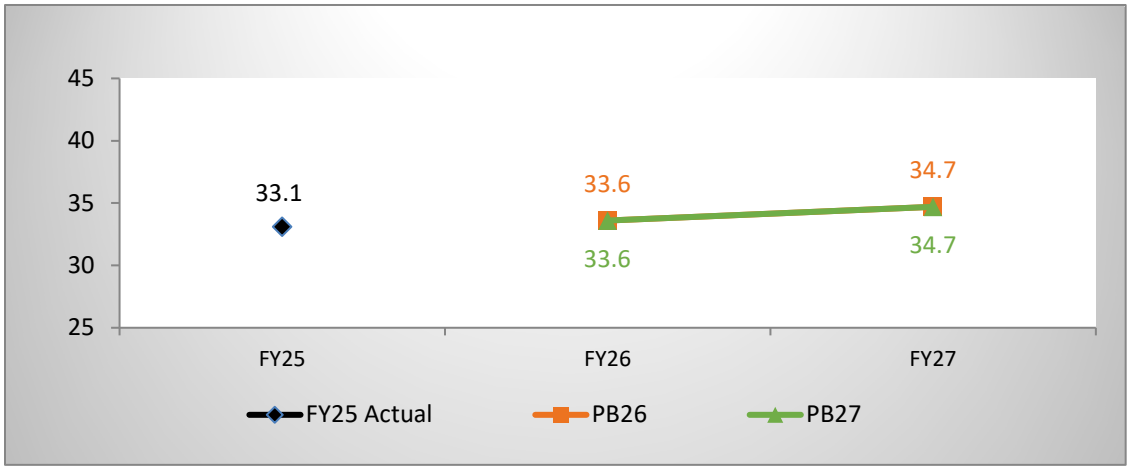
The FY 2027 budget supports an end strength of 34,700. A vital element in the demand for comprehensive combat readiness and ready to supplement the active-duty forces when needed, the Marine Corps Reserve is critical to the Corps ability to provide a balanced, prepared force.

The FY 2027 reserve personnel also represent modest growth that is essential to maintain the reserve's ability to fight and win its battles at home and abroad. The request continues to prioritize retention and recruiting initiatives that populate reserve formations with high-performing Marines.

Figure 12.7 - Reserve Marine Corps End Strength by Type

	FY 2025	FY 2026	FY 2027
Drilling Reserve	30,682	31,200	32,301
Full Time Support	2,389	2,400	2,399
Total Strength	**33,071**	**33,600**	**34,700**

Figure 12.8 – Reserve Marine Corps End Strength Trend



CIVILIAN PERSONNEL

The Department's FY 2027 civilian personnel plan outlines a disciplined approach to workforce management that strengthens naval readiness, supports modernization, and advances national defense priorities set by the Secretary of War. FY 2027 reflects the Department's successful execution of a comprehensive workforce reshaping effort designed to restore accountability and realign resources to higher priority missions. In accordance with Executive Order 14210, the Department implemented targeted reductions—primarily through voluntary programs such as the Deferred Resignation Program—eliminating **9,533 fulltime equivalents (FTEs)**, a **4.2 percent** reduction, and generating **$1.57 billion** in savings. These actions streamlined operations while maintaining mission performance across the Navy and Marine Corps.

With this foundation in place, FY 2027 makes focused, mission-critical investments to strengthen the naval enterprise. The budget provides **$34.5 billion** to support **221,403 civilian FTEs**, a **1.1 percent FTE increase** over FY 2026 (*see Figure 13.10*). Importantly, FY 2027 staffing levels remain below FY 2024 actuals (226,312; –2.2%) and FY 2025 actuals (229,289; –3.4%), underscoring that growth is targeted and strategically aligned—not a return to historical levels.

Strategic Workforce Investments Supporting National Defense Priorities

FY 2027 directs civilian workforce growth to the Department's highest-priority missions:

- **Fleet Readiness** — Expanding shipyard capacity and strengthening the Submarine Industrial Base to accelerate maintenance, increase production throughput, and improve fleet availability.
- **Strategic Systems Programs** — Growing the specialized workforce supporting the Navy's sea-based strategic deterrent, including development of the Sea Launched Cruise Missile and the Trident II D5 Life Extension Program – Increment 2.
- **Marine Corps Quality of Life and Safety Modernization** — Advancing Barracks 2030 and Sexual Assault Prevention and Response – Independent Review Commission reforms to improve living conditions, strengthen prevention and response capabilities, and enhance Marine readiness.
- **USINDOPACOM Theater Requirements** — Expanding civilian capacity in the Indo-Pacific to support logistics, infrastructure resilience, operational support, and forward-posture initiatives essential to integrated deterrence.

- **Commander, Navy Installations Command** — Right-sizing the shore enterprise workforce to ensure installations can reliably support fleet operations, protect power-projection platforms, and maintain daily readiness.

Strengthening the Civilian Workforce

FY 2027 increases the civilian performance award pool to **4 percent of average basic pay**, reinforcing the Department's commitment to recognizing excellence, retaining high-performing talent, and remaining competitive in a constrained labor market. This investment directly supports leadership's priority to empower and modernize the civilian workforce.

Ensuring the Navy and Marine Corps Remain Ready to Fight and Win

Together, these actions align the FY 2027 civilian personnel budget with the Department's highest strategic priorities: sustaining all-domain warfighting advantage, strengthening the defense industrial base, enhancing strategic deterrence, and investing in the people who enable naval power. By pairing responsible workforce optimization with targeted reinvestment in high-priority missions, the Department of the Navy ensures it remains agile, resilient, and fully prepared to meet the demands of a rapidly evolving security environment.

Figure 12.9 – Civilian Manpower by Defense Mission Category, FY 2027

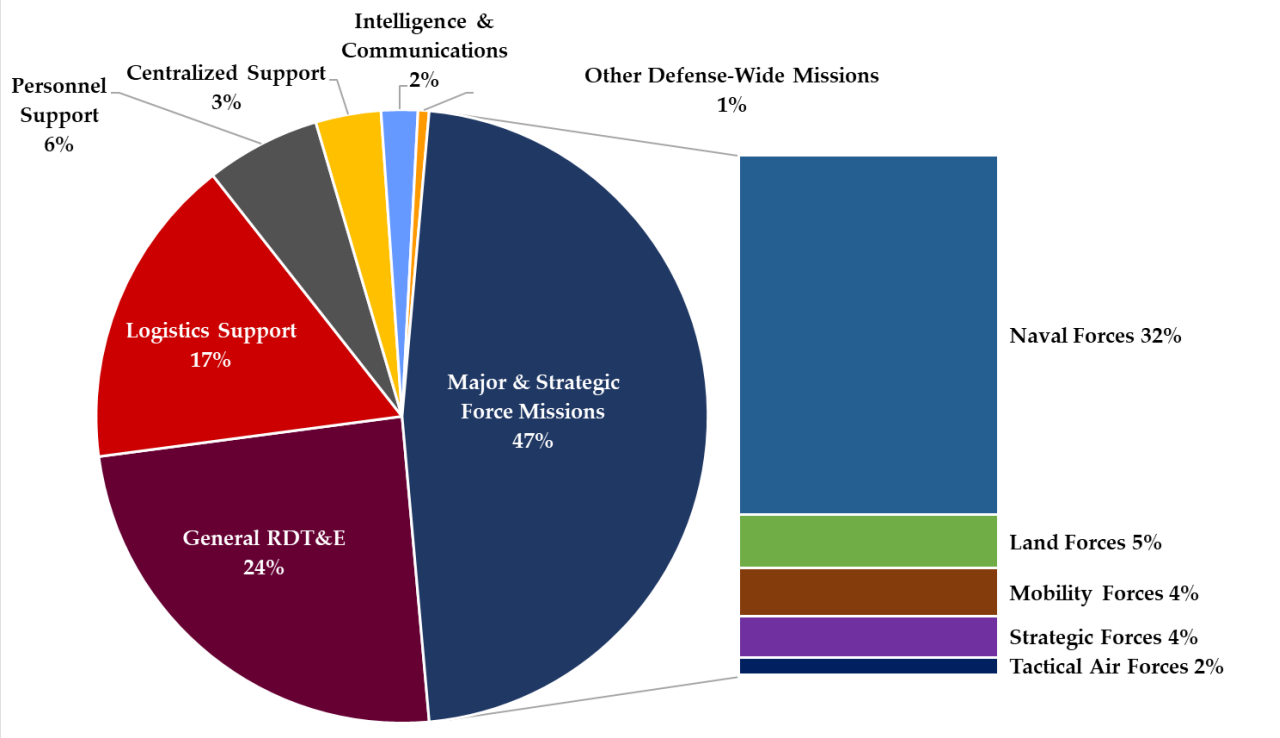


Figure 12.10 displays total civilian Full-Time Equivalent personnel (FTEs) by component, type of hire, appropriation, and defense mission category.

Figure 12.10 – DON Civilian Manpower in Full-Time Equivalent Personnel

	FY 2025	FY 2026	FY 2027
Total Department of the Navy	229,289	219,086	221,403
By Component:			
Navy	207,773	198,352	200,593
Marine Corps	21,516	20,734	20,810
By Type Of Hire:			
Direct Hire, US	214,876	204,656	206,974
Direct Hire, Foreign National	2,322	2,365	2,369
Indirect Hire, Foreign National	12,091	12,065	12,060
By Appropriation/Fund:			
Operation and Maintenance, Navy	122,553	117,471	123,569
Operation and Maintenance, Navy Reserve	960	906	884
Operation and Maintenance, Marine Corps	19,799	18,818	19,102
Operation and Maintenance, Marine Corps Reserve	222	241	279
Total Operation and Maintenance	**143,534**	**137,436**	**143,834**
Base Closure and Realignment	58	53	53
Family Housing (Navy/Marine Corps)	923	887	899
Research, Development, Test, and Evaluation, Navy	1,102	1,090	1,040
Total Other	**2,083**	**2,030**	**1,992**
Total Working Capital Funds	**83,672**	**79,620**	**75,577**
By Defense Mission Category:			
Naval Forces (e.g., Fleet Activities/Operations)	70,462	66,141	71,871
Land Forces (e.g., Marine Ground Forces)	12,113	10,790	10,800
Mobility Forces (e.g., Transportation, Sealift)	9,387	9,587	9,562
Strategic Forces	8,571	9,115	8,243
Tactical Air Forces	3,667	3,414	3,505
Other Forces (e.g., Counterdrug)	354	435	445
Total Major & Strategic Force Mission	**104,554**	**99,482**	**104,426**
General RDT&E (e.g., Warfare Centers/Labs)	60,966	56,718	53,856
Logistics Support (e.g., Depots, Supply Mgmt)	37,773	36,372	36,482
Personnel Support (e.g., Training, Quality of Life, SAPR)	13,178	13,533	13,423
Centralized Support (e.g., Departmental)	7,515	7,446	7,640
Intelligence & Communications	4,133	4,259	4,283
Other Defense-Wide Missions (e.g., Geophysical Sciences)	1,170	1,276	1,293
Total Department of the Navy	**229,289**	**219,086**	**221,403**

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SECTION XIII: PERSONNEL SUPPORT

OVERVIEW



In this decisive decade, the Department of the Navy will grow a global force that is ready with the right capabilities, weapons and sustainment, and people who are ready with the right skills, tools, training, and mindset.

The FY 2027 request recognizes that our most valuable asset is our personnel – our Sailors, Marines, and Civilian employees. This budget strives to ensure our Sailors, Marines and their families who carry the cost of readiness at home have everything they need to survive and to thrive while deployed and at home. To ensure mission success, the President's FY 2027 Budget advances warfighter development, provides the best family support, personal and mental health services, and fosters a supportive environment for our people and their families.

EDUCATION

A strong Navy and Marine Corps team starts with world class people with a clear sense of purpose and mission. When our people are driven by mission, the organization thrives. The Department continues to invest in training and retainment by examining its education strategy and maintain balance between future force structure, current readiness requirements, and warfighter development. The FY 2027 budget ensures the flagship institutions (United States Naval Academy, Naval War College, Naval Post Graduate School, and Marine Corps University) and most training programs are funded at required amounts.

Figure 13.1 – Higher Education Funding

(Dollars in Millions)	**FY 2025**	**FY 2026**	**FY 2027**
Education	515	501	503



The FY 2027 request also includes funding for the Department's other educational programs, which include the Naval Reserve Officers Training Corps (NROTC), Navy Junior Reserve Officers Training Corps (NJROTC), Marine Corps Junior Reserve Officers Training Corps (MCJROTC), Tuition Assistance (TA) Program, and Naval Community College (NCC). Reestablishing funding for Tuition Assistance (TA) and the Junior Reserve Officer Training Corps (JROTC) is a Departmental priority in FY 2027. Both the NJROTC and the MCJROTC programs are congressionally sponsored youth citizenship programs mandated by Public Law 88-647 in order to enhance the image of the military in the eyes of the community.

Figure 13.2 – Other Education Funding

(Dollars in Millions)	**FY 2025**	**FY 2026**	**FY 2027**
Reserve Officers Training Corps (ROTC)	175	164	194
Navy Junior ROTC	56	25	60
Marine Corps Junior ROTC	30	31	33
Navy Tuition Assistance	95	1	76
Marine Corps Tuition Assistance	47	28	48
Naval Community College	44	49	61
Voluntary Education Program	8	-	-
Education FSRM	135	191	388
Total	**590**	**489**	**860**

MENTAL HEALTH

The Department of the Navy is committed to ensuring the health, safety, and well-being of all members within our military community. The Department addresses access to mental health care with a "No Wrong Door" approach, which ensures Sailors and Marines can receive necessary support and services through multiple avenues, including fully confidential and self-referral options. Long term combat readiness depends on Sailor and Marine well=being. The Department actively supports DoW Suicide Prevention and Response Independent Review Committee (SPRIRC) implementation through oversight of Navy and Marine Corps Plans of Actions and Milestones. The Suicide Prevention program continues to support prevention and response efforts through intervention and continuing education.

Figure 13.3 – Mental Health Funding

(Dollars in Millions)	FY 2025	FY 2026	FY 2027
Mental Health	49	158	246
Suicide Prevention	45	44	51
DON Total	**94**	**202**	**296**

CHILD AND YOUTH PROGRAMS



The Department's FY 2027 budget for Child Youth Programs is $874 million. The Department's Child Youth programs advance readiness and mission focus by providing affordable and quality care for children of military and civil service families. The FY 2027 request aligns resources to meet short-, medium-, and long-term requirements by addressing childcare throughput demands (base operations support), improving facilities conditions (facilities sustainment, restoration, and modernization), and increasing future capacity (military construction).

MORALE, WELFARE, AND RECREATION



The Navy Morale, Welfare, and Recreation (MWR) program prioritizes improving the health and welfare of our Sailors and Marines by delivering innovative programs and services that enhance resiliency and readiness. MWR's Navy Operational Fitness and Fueling System (NOFFS) offers online fitness programs designed to guide Sailors towards operational readiness with a focus on performance and recovery. The Deployed Forces program improves quality of life for deployed Sailors and Marines through sports, fitness, and social programs. Marine Corps Community Services (MCCS) support and enhance the readiness, warfighting capabilities, and quality of life for Marines, their families, retirees and civilians. MCCS delivers goods and services at 2,203 facilities with a staff of 12,436 employees worldwide.

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APPROPRIATION TABLES

MILITARY PERSONNEL, NAVY (MPN)

(Dollars in Millions)	FY 2025	FY 2026	FY 2027*
Pay and Allowances of Officers	10,368	10,898	11,242
Pay and Allowances of Enlisted	25,589	27,116	30,779
Pay and Allowances of Midshipmen	115	120	125
Subsistence of Enlisted Personnel	1,597	1,670	
Permanent Change of Station Travel	1,241	1,323	1,180
Other Military Personnel Costs	100	121	129
Total MPN	**39,009**	**41,248**	**43,455**

**All discretionary*

MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION, NAVY (DHAN)

(Dollars in Millions)	FY 2025	FY 2026	FY 2027*
Health Accrual	2,264	2,681	3,023

**All discretionary*

RESERVE PERSONNEL, NAVY (RPN)

(Dollars in Millions)	FY 2025	FY 2026	FY 2027*
Reserve Component Training and Support	2,603	2,754	2,798

**All discretionary*

MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION, NAVY RESERVE (DHANR)

(Dollars in Millions)	FY 2025	FY 2026	FY 2027*
Health Accrual	187	218	242

**All discretionary*

MILITARY PERSONNEL, MARINE CORPS (MPMC)

(Dollars in Millions)	**FY 2025**	**FY 2026**	**FY 2027***
Pay and Allowances of Officers	3,716	3,944	4,043
Pay and Allowances of Enlisted	11,095	11,886	13,249
Subsistence of Enlisted Personnel	952	969	
Permanent Change of Station Travel	496	598	530
Other Military Personnel Costs	28	29	31
Total MPMC	**16,286**	**17,426**	**17,853**

**All discretionary*

MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION, MARINE CORPS (DHAMC)

(Dollars in Millions)	**FY 2025**	**FY 2026**	**FY 2027***
Health Accrual	1,176	1,348	1,492

**All discretionary*

RESERVE PERSONNEL, MARINE CORPS (RPMC)

(Dollars in Millions)	**FY 2025**	**FY 2026**	**FY 2027***
Reserve Component Training and Support	936	1,031	1,066

**All discretionary*

MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION, MARINE CORPS RESERVE (DHAMCR)

(Dollars in Millions)	**FY 2025**	**FY 2026**	**FY 2027***
Health Accrual	93	108	123

**All discretionary*

OPERATION AND MAINTENANCE, NAVY (O&M,N)

(Dollars in Millions)	FY 2025	FY 2026	FY 2027 Disc.	FY 2027 Mand.	FY 2027 Total
Operating Forces:					
Air Operations	15,430	15,738	*17,806*	*515*	18,321
Ship Operations	24,751	25,054	*26,028*	-	26,028
Combat Operations/Support	7,548	8,321	*9,891*	-	9,891
Weapons Support	4,299	4,912	*4,888*	-	4,888
Base Support	13,978	13,988	*13,158*	*4,131*	17,290
Total Operating Forces	**66,006**	**68,011**	***71,772***	***4,646***	**76,418**
Mobilization:					
Ready Reserve and Prepositioning Forces	1,272	1,308	*1,259*	-	1,259
Activations/Inactivations	989	587	*832*	-	832
Mobilization Preparedness	183	21	*28*	-	28
Total Mobilization	**2,444**	**1,917**	***2,118***	**-**	**2,118**
Training and Recruiting:					
Accession Training	404	384	*410*	-	410
Basic Skills and Advanced Training	1,969	1,740	*1,949*	-	1,949
Recruiting & Other Training and Education	486	421	*457*	-	457
Total Training and Recruiting	**2,859**	**2,545**	***2,816***	**-**	**2,816**
Administration and Servicewide Support:					
Servicewide Support	2,667	2,195	*2,289*	-	2,289
Logistics Operations and Technical Support	2,319	1,925	*1,768*	-	1,768
Investigations and Security Programs	1,737	1,747	*1,805*	-	1,805
Cancelled Activities	58	-	-	-	-
Spectrum/Telecommunications	16	-	-	-	-
Total Administration and Servicewide Support	**6,797**	**5,867**	***5,862***	**-**	**5,862**
Total O&MN	**78,107**	**78,341**	***82,569***	***4,646***	**87,215**

OPERATION AND MAINTENANCE, MARINE CORPS (O&MMC)

(Dollars in Millions)	**FY 2025**	**FY 2026**	***FY 2027 Disc.***	***FY 2027 Mand.***	**FY 2027 Total**
Operating Forces:					
Expeditionary Forces	3,971	4,659	*6,265*	-	6,265
USMC Prepositioning	152	175	*281*	-	281
Combatant Commander Direct Mission Support	265	347	*351*	-	351
Base Support	4,118	5,355	*6,804*	*5,575*	12,379
Total Operating Forces	**8,506**	**10,536**	***13,701***	***5,575***	**19,276**
Training and Recruiting:					
Accession Training	28	28	*47*	-	47
Basic Skills and Advanced Training	722	712	*1,146*	-	1,146
Recruiting & Other Training and Education	308	309	*444*	-	444
Total Training and Recruiting	**1,059**	**1,049**	***1,637***	**-**	**1,637**
Administration and Servicewide Support:					
Servicewide Support	606	585	*651*	-	651
Cancelled Activities	5	-	-	-	-
Spectrum/Telecommunications	17	-	-	-	-
Total Administration and Servicewide Support	**628**	**585**	***651***	**-**	**651**
Total O&MMC	**10,193**	**12,170**	***15,989***	***5,575***	**21,564**

ENVIRONMENTAL RESTORATION, NAVY (ERN)

(Dollars in Millions)	**FY 2025**	**FY 2026**	**FY 2027***
Environmental Restoration Activities	-	369	305

**All discretionary*

OPERATION AND MAINTENANCE, NAVY RESERVE (O&MNR)

(Dollars in Millions)	FY 2025	FY 2026	FY 2027*
Operating Forces:			
Air Operations	879	980	1,041
Combat Operations/Support	214	206	216
Base Support	197	210	201
Total Operating Forces	**1,291**	**1,397**	**1,458**
Administration and Servicewide Support:			
Servicewide Support	15	16	18
Logistics Operations and Technical Support	2	2	1
Cancelled Activities	-	-	-
Total Administration and Servicewide Support	**17**	**18**	**19**
Total O&MNR	**1,308**	**1,415**	**1,477**

**All discretionary*

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE (O&MMCR)

(Dollars in Millions)	FY 2025	FY 2026	FY 2027*
Operating Forces:			
Expeditionary Forces	153	152	166
Base Support	166	167	230
Total Operating Forces	**319**	**319**	**395**
Administration and Servicewide Support:			
Servicewide Support	11	12	9
Cancelled Activities	-	-	-
Total Administration and Servicewide Support	**11**	**12**	**9**
Total O&MMCR	**331**	**331**	**405**

**All discretionary*

SHIPBUILDING AND CONVERSION, NAVY (SCN)

	FY25	FY26	*FY27 Disc.*	*FY27 Mand.*	FY27 Total
New Construction:					
Columbia Class Submarine (SSBN 826)	-	1	*1*	-	1
Virginia Class Submarine (SSN 774)	1	2	*2*	-	2
Arleigh Burke Class Destroyer (DDG 51)	3	2	*1*	-	1
Frigate (FF(X))	-	-	*1*	-	1
America Class Amphibious Assault Ship (LHA 6)	-	-	*1*	-	1
San Antonio Class Amphib. Trans. Dock (LPD 17) (Flt II)	1	-	*1*	-	1
Medium Landing Ship	-	10	-	*6*	6
John Lewis Class Fleet Replenishment Oiler (T-AO 205)	-	3	*2*	-	2
Submarine Tender Replacement (AS(X))	-	-	*2*	-	2
T-AGOS Surtass Ship	-	1	*1*	-	1
New Construction Total QTY (Battle Force)	5	19	*12*	*6*	18
Other Construction:					
LCAC SLEP	2	1	*2*	-	2
Ship to Shore Connector	3	3	*4*	-	4
LCU 1700	-	9	-	-	-
Nimitz Class Aircraft Carrier (CVN 68) RCOH	1	-	-	-	-
Bulk Fuel Vessel	-	-	*1*	-	1
Fireboats	-	-	-	*5*	5
Special Mission Ship	-	-	-	*1*	1
T-AH(X)	-	-	-	*1*	1
Strategic Sealift	-	1	*1*	-	1
Auxiliary Vessels (Sealift used)	2	2	-	*1*	1
Other Construction Total QTY (Non-Battle Force)	8	16	*8*	*8*	16
Shipbuilding Total QTY	13	35	*20*	*14*	34

	FY25	FY26	*FY27 Disc.*	*FY27 Mand.*	FY27 Total
New Construction Total ($B)	$ 35.9	$ 40.1	*$ 50.4*	*$ 4.3*	$ 54.7
Other Construction Total ($B)	$ 3.0	$ 5.0	*$ 9.8*	*$ 1.4*	$ 11.1
Shipbuilding Total ($B)	$ 38.9	$ 45.1	*$ 60.2*	*$ 5.6*	$ 65.8

AIRCRAFT PROCUREMENT, NAVY (APN)

	FY25	FY26	FY27 Disc.	FY27 Mand.	FY27 Total
Fixed Wing	**59**	**32**	***47***	***46***	**93**
F-35C JSF CV (Navy)	13	8	*2*	*18*	20
F-35C JSF CV (USMC)	4	4	*6*	*11*	17
F-35B JSF STOVL (USMC)	13	11	*-*	*10*	10
P-8A (MMA) (Navy)		-	*12*	*-*	12
E-2D AHE (Navy)		3	*6*	*-*	6
Multi-Engine Training System (Navy)	15		*-*	*-*	0
Multi-Engine Training System (USMC)	12		*-*	*-*	0
KC-130J (Navy)	2	5	*2*	*7*	9
KC-130J (USMC)		-	*9*	*-*	9
UC-12W (USMC)		1	*10*	*-*	10
Rotary Wing	**18**	**14**	***22***	**-**	**22**
CH-53K (USMC)	18	14	*22*	*-*	22
UAV	**0**	**3**	***8***	**-**	**8**
MQ-25 (Navy)	-	3	*3*	*-*	3
MQ-9A (USMC)		-	*5*	*-*	5
Total Quantity	**77**	**49**	***77***	***46***	**123**
Total Dollars ($B)	**$15.9**	**$17.8**	***$26.9***	***$7.5***	**$34.4**

WEAPONS PROCUREMENT, NAVY (WPN)

Weapons	FY25	FY26	*FY27 Disc.*	*FY27 Mand.*	FY27 Total
Munitions Advisory Council (MAC) Munitions					
Tactical Tomahawk (TACTOM) (USN/USMC)*	33	55	*58*	*727*	785
Standard Missile (SM)	102	166	*106*	*434*	540
Long Range Anti-Ship Missile (LRASM)_/1	104	30	*0*	*0*	0
Long Range Anti-Ship Missile (LRASM) C-3_/1	55	160	*129*	*48*	177
Advanced Medium Range Air-to-Air Missile (AMRAAM)_/1	155	41	*106*	*388*	494
MACE	0	0	*0*	*353*	353
PAC-3 MSE (Patriot)_/2	0	0	*23*	*382*	405
Ship Weapons					
Conventional Prompt Strike (CPS)	-	-	*12*	*0*	12
Rolling Airframe Missile (RAM) Blk II	148	123	*116*	*0*	116
Evolved Sea Sparrow Missile (ESSM) Blk II	374	305	*290*	*0*	290
Naval Strike Missile (NSM) (USN/USMC)*	87	113	*135*	*0*	135
MK 48 Heavyweight Torpedo	85	63	*141*	*0*	141
MK 54 Lightweight Torpedo Mod 1	25	54	*50*	*0*	50
LCS Surface-to-Surface Mission Mods	42	10	*10*	*0*	10
Aircraft Weapons					
AIM-9X Sidewinder	608	127	*306*	*0*	306
Advanced Anti-Radiation Guided Missile (AARGM) ER	0	88	*0*	*0*	0
Joint Air-to-Ground Missile (JAGM)_/2	175	277	*282*	*0*	282
Small Diameter Bomb II_/1	262	245	*512*	*0*	512
Precision Attack Strike Missile (PASM)	0	0	*4*	*0*	4
Total Quantity	**2,255**	**1,857**	***2,280***	***2,332***	**4,612**
Total Dollars ($B)	**$7.1**	**$10.2**	***$11.8***	***$10.8***	**$22.6**

_/1 Air Force Lead Service _/2 Army Lead Service *Includes WPN and PMC

PROCUREMENT, MARINE CORPS (PMC)

(Dollars in Millions)	FY 2025	FY 2026	FY 2027 Disc.	FY 2027 Mand.	FY 2027 Total
Weapons and Combat Vehicles:					
AAV7A1 PIP	3	-	-	-	-
Amphibious Combat Vehicle Family of Vehicles	810	1,021	*237*	-	237
LAV PIP	1	1	*69*	-	69
155MM Ltwt Towed Howitzer	2		*6*	-	6
Artillery Weapons System	73	228	*341*	-	341
Other	16	13	*50*	-	50
Total Weapons and Combat Vehicles	**904**	**1,264**	***703***	**-**	**703**
Guided Missiles and Equipment:					
Tomahawk	113	-	-	-	-
Naval Strike Missile (NSM)	175	217	*219*	-	219
Ground Based Air Defense (GBAD)	411	620	*1,274*	-	1,274
Anti-Armor Missile-Javelin	65	33	*63*	-	63
Family Anti-Armor Weapon Systems (FOAAWS)	10		*1*	-	1
Anti-Armor Missile-TOW	2	2	*1*	-	1
Guided MLRS Rocket (GMLRS)	2	61	*61*	*15*	76
Total Guided Missiles and Equipment	**777**	**934**	***1,620***	***15***	**1,635**
Communication and Electronic Equipment:					
Radio Systems	189	209	*764*	-	764
Ground/Air Task Oriented Radar (G/ATOR)	72	80	*56*	-	56
Marine Corps Enterprise Network	268	206	*190*	-	190
Items under $5 million (Comm & Elec)	223	203	*141*	-	141
Intelligence Support Equipment	103	68	*396*	-	396
Cyberspace Activities	19	15	*20*	-	20
Comm & Elec Infrastructure Supt	17	16	*38*	-	38
Comm Switching & Control Systems	39	94	-	-	-
Distributed Common Ground System (DCGS-MC)	71	43	-	-	-
Common Computer Resources	17	18	*16*	-	16
Common Aviation Command and Control System (CAC2S)	85	69	-	-	-
Other	292	275	*1,008*	-	1,008
Total Communications and Electronic Electric Equipment	**1,394**	**1,295**	***2,629***	**-**	**2,629**
Support Vehicles:					
Commercial Cargo Vehicles	27	22	*28*	-	28
Motor Transport Modifications	8	16	*22*	-	22
Joint Light Tactical Vehicles	324	82	*245*	-	245
Trailers	25		*136*	-	136
Total Support Vehicles	**384**	**121**	***431***	**-**	**431**
Engineer and Other Equipment	29	41	*19*	-	19
Spares and Repair Parts	297	340	*887*	-	887
Total PMC	**3,784**	**3,994**	***6,289***	***15***	**6,304**

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS (PANMC)

(Dollars in Millions)	**FY 2025**	**FY 2026**	**FY 2027***
BA 01 Procurement of Ammunition, Navy	1,198	819	842
BA 02 Ammunition, Marine Corps	679	527	1,117
Total PANMC	**1,877**	**1,346**	**1,959**

**All discretionary*

OTHER PROCUREMENT, NAVY (OPN)

(Dollars in Millions)	**FY 2025**	**FY 2026**	***FY 2027 Disc.***	***FY 2027 Mand.***	**FY 2027 Total**
Ship Support Equipment	6,489	9,351	*7,697*	*50*	7,747
Communications and Electronics Equipment	4,076	4,610	*5,446*	-	5,446
Aviation Support Equipment	883	923	*899*	-	899
Ordnance Support Equipment	1,433	1,678	*2,210*	-	2,210
Civil Engineering Support Equipment	261	351	*353*	-	353
Supply Support Equipment	1,049	714	*396*	-	396
Personnel and Command Support Equipment	620	723	*1,099*	-	1,099
Spares and Repair Parts	1,008	2,147	*766*	-	766
Total OPN	**15,817**	**20,496**	***18,867***	***50***	**18,917**

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY (RDT&E,N)

(Dollars in Millions)	**FY 2025**	**FY 2026**	***FY 2027 Disc.***	***FY 2027 Mand.***	**FY 2027 Total**
Basic Research	600	605	*525*	-	525
Applied Research	1,139	1,415	*935*	-	935
Advanced Technology Development (ATD)	1,074	1,575	*1,062*	-	1,062
Advanced Component Development (ACD&P)	7,637	12,492	*11,238*	*2,301*	13,539
System Development and Demonstration (SDD)	7,412	9,808	*8,977*	*72*	9,049
RDT&E Management Support	1,704	1,142	*1,207*		1,207
Operational Systems Development	6,507	7,608	*8,403*	*1,477*	9,880
Software Pilot	25	45	*38*	-	38
Research & Development	-	-	-	-	-
Total RDT&E,N	**26,098**	**34,691**	***32,387***	***3,850***	**36,236**

FAMILY HOUSING CONSTRUCTION, NAVY AND MARINE CORPS (FHCON)

(Dollars in Millions)	**FY 2025**	**FY 2026**	***FY 2027 Disc.***	***FY 2027 Mand.***	**FY 2027 Total**
Construction of New Housing	197	103	*249*	-	249
Construction Impveoments	35	68	*98*	*414*	512
Planning and Design	41	7	*15*	*42*	57
Total FHCON	**273**	**178**	***362***	***456***	**818**

FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND MARINE CORPS (FHOPS)

(Dollars in Millions)	**FY 2025**	**FY 2026**	***FY 2027 Disc.***	***FY 2027 Mand.***	**FY 2027 Total**
Utilities	43	45	*53*	-	53
Operation	96	97	*87*	-	87
Leasing	71	68	*66*	-	66
Maintenance	124	112	*119*	*269*	388
Housing Privatization Support	60	62	*61*	-	61
Total FHOPS	**394**	**384**	***386***	***269***	**654**

MILITARY CONSTRUCTION, NAVY AND MARINE CORPS
ACTIVE AND RESERVE (MCN, MCNR)

(Dollars in Millions)	**FY 2025**	**FY 2026**	**FY 2027***
Significant Programs:			
Major Construction	4,575	5,959	6,814
Minor Construction	122	311	289
Design	589	1,748	1,163
Total MCN	**5,287**	**8,019**	**8,267**
Navy Reserve Military Construction:			
Major Construction	27	69	104
Minor Construction			3
Design	3	2	26
Total MCNR	**30**	**71**	**132**

**All discretionary*

BASE REALIGNMENT AND CLOSURE ACCOUNTS (BRAC)

(Dollars in Millions)	**FY 2025**	**FY 2026**	**FY 2027***
Consolidated Prior BRAC	206	133	108

**All discretionary*

NAVY WORKING CAPITAL FUND (NWCF)

(Dollars in Millions)	**FY 2025**	**FY 2026**	**FY 2027***
NWCF	30	382	266

**All discretionary*

LIST OF ACRONYMS

A

A2/AD – *Anti-Access/Area Denial*
A2R – *Acquire to Retire*
AA – *Assault Amphibious*
AARGM – *Advanced Anti-Radiation Guided-Missile*
AARGM-ER – *Advanced Anti-Radiation Guided-Missile – Extended Range*
AAV – *Assault Amphibious Vehicle*
AC – *Active Component*
ACAT – *Acquisition Category*
ACD&P – *Advanced Component Development and Prototypes*
ACE – *American Council on Education*
ACV – *Amphibious Combat Vehicle*
ACV-30 – *Amphibious Combat Vehicle – 30-mm gun*
ACV-C – *Amphibious Combat Vehicle – Command and Control*
ACV-R – *Amphibious Combat Vehicle - Tactical Recovery*
ADCAP – *Advanced Capability*
AEA – *Airborne Electronic Attack*
AFMC – *Avionics Flight Management Computer*
AFRICOM – *U.S Africa Command*
AHE – *Advanced Hawkeye*
AHTS – *Advanced Helicopter Training System*
ALMDS – *Airborne Laser Mine Detection System*
AMARG – *Aerospace Maintenance and Regeneration Group*
AMCM – *Airborne Mine Countermeasures*
AMDR – *Air and Missile Defense Radar*
AMRAAM – *Advanced Medium Range Air-to-Air Missile*
AoA – *Analysis of Alternatives*
AOR – *Area of Responsibility*
APB – *Advanced Processor Build*
APKWS – *Advanced Precision Kill Weapon System*
APM – *Advanced Payload Module*
APN – *Aircraft Procurement, Navy*
ARG – *Amphibious Ready Group*
ARG/MEU – *Amphibious Ready Group / Marine Expeditionary Unit*
ARV – *Advanced Reconnaissance Vehicle*
AS – *Acoustic Superiority*
ASuW – *Anti-Surface Warfare*
ASW – *Anti-Submarine Warfare*
AS(X) – *Submarine Tender Replacement*
ATD – *Advance Technology Development*
AUR – *All Up Round*
AUR+C – *All Up Round plus Canister*
AVPLAN – *Aviation Plan*

B

BOS – *Base Operating Support*
BPR – *Business Process Reengineering*
BRAC – *Base Realignment and Closure*

C

C2D2 – *Continuous Capability Development and Delivery*
C3 – *Command, Control, and Communications*
C4 – *Command, Control, Communications, and Computers*
C4I – *Command, Control, Communications, Computers, and Intelligence*
C4ISR – *Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance*
C-HGB – *Common Hypersonic Glide Body*
C-ISR – *Counter-Intelligence, Surveillance and Reconnaissance*
CA – *Cyberspace Activities*
CAC2S – *Common Aviation Command and Control System*
CANES – *Consolidated Afloat Networks and Enterprise Services*
CAPTAS – *Combined Active Passive Towed Array Sonar*
CAS – *Control Actuation System*
CATM – *Captive Air Training Missile*
CEC – *Cooperative Engagement Capability*
CENTCOM – *U.S. Central Command*
CFL – *Command Fitness Leaders*

CG *– Guided-Missile Cruiser*
CIWS *– Close-In Weapon System*
CLO *– Combat Loadout*
CMC *– Commandant of the Marine Corps*
CMF *– Cyber Mission Force*
CNO *– Chief of Naval Operations*
CNRC *– Commander, Navy Recruiting Command*
CO *– Cyberspace Operations*
COBRA *– Coastal Battlefield Reconnaissance and Analysis*
COCOM *– Combatant Command*
COD *– Carrier Onboard Delivery*
COMPHIBRON *– Commander, Amphibious Squadron*
CONUS *– Contiguous U.S.*
COTS *– Commercial-Off-The-Shelf*
COVID-19 *– Coronavirus 2019*
CoW *– Cost of War*
CPES *– Combat Power and Energy Systems*
CPG *– Commandant's Planning Guidance*
CPI *– Continuous Process Improvement*
CPS *– Conventional Prompt Strike*
CREW *– Counter Radio-Controlled Improvised Explosive Device - Electronic Warfare*
CSG *– Carrier Strike Group*
CSG *– Commander, Submarine Group*
CTOL *– Conventional Takeoff and Landing*
CV *– Carrier Variant*
CVN *– Nuclear Aircraft Carrier*
CVW *– Carrier Air Wing*
CWS *– Contract Writing System*

D

DAI *– Defense Agencies Initiative*
DCGS *– Distributed Common Ground System*
DDG *– Guided-Missile Destroyer*
DDG(X) *– Next-Generation Guided-Missile Destroyer*
DDS *– Dry Dock Shelter*
DHAMC *– Medicare-Eligible Retiree Health Fund Contribution, Marine Corps*
DHAMCR *– Medicare-Eligible Retiree Health Fund Contribution, Marine Corps Reserve*
DHAN *– Medicare-Eligible Retiree Health Fund Contribution, Navy*
DHANR *– Medicare-Eligible Retiree Health Fund Contribution, Navy Reserve*
DIFMS *– Defense Industrial Financial Management System*
DLA *– Defense Logistics Agency*
DMO *– Distributed Maritime Operations*
DoW *– Department of War*
DON *– Department of the Navy*
DPRI *– Guam Defense Policy Review Initiative*
DRI *– Depot Readiness Initiative*
DSCA *– Defense Security Cooperation Agency*
DSSC *– Delta System Software Configuration*
DWAS *– Defense Working Capital Fund Accounting System*

E

E-XX *– E-6 Recapitalization Program*
E2E *– End-to-End*
E2O *– Expeditionary Energy Office*
EA *– Electronic Attack*
EABO *– Expeditionary Advanced Base Operations*
ECP *– Engineering Change Proposal*
eCRM *– Enterprise Customer Relationship Management*
ECU *– Environmental Control Unit*
EDI *– European Deterrence Initiative*
EDM *– Engineering Development Model*
EMALS *– Electromagnetic Aircraft Launch System*
EMD *– Engineering and Manufacturing Development*
EO *– Executive Order*
EOD *– Explosive Ordnance Disposal*
EPF *– Expeditionary Fast Transport*
EPS *– Electronic Procurement System*
ER *– Extended Range*
ERN *– Environmental Restoration, Navy*
ERP *– Enterprise Resource Planning*
ES *– End Strength*
ESB *– Expeditionary Sea Base*
ESD *– Expeditionary Transfer Dock*
ESPC *– Energy Savings Performance Contract*
ESRDC *– Electric Ship Research and Development Consortium*
ESSM *– Evolved Sea Sparrow Missile*
EW *– Electronic Warfare*

F

FAIT – *Fleet Architecture Integration Tool*
FASAB – *Federal Accounting Standards Advisory Board*
FDD – *Full Deployment Decision*
FE – *Fuel Efficiency*
FFG – *Guided-Missile Frigate*
FHCON – *Family Housing Construction, Navy and Marine Corps*
FHOPS – *Family Housing Operation and Maintenance, Navy and Marine Corps*
FHP – *Flying Hour Program*
FIAC – *Fast Inshore Attack Craft*
FIAR – *Financial Improvement and Audit Readiness*
FM – *Financial Management*
FMB – *Navy Budget Office*
FMF – *Fleet Marine Force*
FNC – *Future Naval Capabilities*
FOAAWS – *Family Anti-Armor Weapon Systems*
FOC – *Full Operational Capability*
FoS – *Family of Systems*
FOS – *Full Operating Status*
FRS – *Fleet Replacement Squadron*
FRTP – *Fleet Response Training Plan*
FSC – *Future Surface Combatant*
FSCF – *Future Surface Combatant Force*
FSRM – *Facility Sustainment, Restoration, and Modernization*
FTE – *Full-Time Equivalent*
FTS – *Full-Time Support*
FW – *Fixed-Wing*
FWS – *Future Weapons System*
FY – *Fiscal Year*
FYDP – *Future Years Defense Program*

G

G/ATOR – *Ground/Air Task Oriented Radar*
G&C – *Guidance and Control*
GAAP – *Generally Accepted Accounting Principles*
GBAD – *Ground Based Air Defense*
GBAD - FWS – *Ground Based Air Defense - Future Weapon System*
GBASM – *Ground Based Anti-Ship Missile*
GL – *General Ledger*
GMLRS – *Guide Multiple Launch Rocket System*
GPC – *Great Power Competition*

H

HARM – *High-Speed Anti-Radiation Missile*
HECTR – *Hawkeye Cockpit Technical Refresh*
HEL – *High Energy Laser*
HELIOS – *High Energy Laser with Integrated Optical-dazzler and Surveillance*
HELO – *Helicopter*
HSC – *Helicopter Sea Combat Squadron*
HSMST – *High Speed Maneuverable Surface Target*
HUD – *Heads-Up Display*
HWT – *Heavyweight Torpedo*

I

I – *Intermediate*
I&L – *Installation & Logistics*
ICD – *Initial Capabilities Document*
ICS – *Integrated Combat System*
iDS – *integrated Digital Shipbuilding*
IFC – *Integrated Fire Control*
IFC – *Integrated Functional Capability*
IFC 4.0 – *Integrated Functional Capability-4*
IMF – *Intermediate Maintenance Facility*
IMPS – *Information Management/Processing System*
IMX – *International Maritime Exercise*
IOC – *Initial Operational Capability*
IOT&E – *Initial Operational Test & Evaluation*
IPE – *Industrial Plant Equipment*
IPLCS – *Improved Post Launch Communication System*
IPS – *Integrated Power System*
IRC – *Independent Review Commission*
IRR – *Individual Ready Reserve*
ISIL – *Islamic State in Iraq and the Levant*
ISIS – *Islamic State in Iraq and Syria*
ISR – *Intelligence, Surveillance, and Reconnaissance*
IT – *Information Technology*
ITIMP – *Integrated Technical Management and Procurement*
IW – *Information Warfare*

J

JADC2 – *Joint All-Domain Command and Control*

JAGM *– Joint Air-to-Ground Missile*
JASSM *– Joint Air-to-Surface Standoff Missile*
JASSM-ER *– Joint Air-to-Surface Standoff Missile – Extended Range*
JEON *– Joint Emergent Operational Need*
JLTV *– Joint Light Tactical Vehicle*
JST *– Joint Services Transcript*

L

LAR *– Light Armored Reconnaissance*
LAV *– Light Armored Vehicle*
LAW *– Light Amphibious Warship*
LCAC *– Landing Craft, Air Cushion*
LCC *– Amphibious Command Ship*
LCS *– Littoral Combat Ship*
LCS SSMM *– Littoral Combat Ship Surface-to-Surface Missile Module*
LCU *– Landing Craft Utility*
LDUUV *– Large Displacement Unmanned Undersea Vehicle*
LHA *– Landing Helicopter Assault*
LHD *– Landing Helicopter Dock*
LOCE *– Littoral Operations in a Contested Environment*
LPD *– Amphibious Transport Dock Ship*
LRASM *– Long-Range Anti-Ship Missile*
LRASM-ER *- Long-Range Anti-Ship Missile – Extended Range*
LRF *– Long Range Fires*
LRIP *– Low-Rate Initial Production*
LRS *– Line-of-Sight Radio Systems*
LSD *– Dock Landing Ship*
LSS *– Low, Slow, Small*
LUSV *– Large Unmanned Surface Vessel*
LWT *– Lightweight Torpedo*

M

M-Code *– Military Code*
MADIS *– Marine Air Defense Integrated System*
MAGTF *– Marine Air-Ground Task Force*
MALD *– Miniature Air-Launched Decoy*
MALD-N *– Miniature Air-Launched Decoy Naval*
MALE-T *– Medium Altitude Long Endurance – Tactical*
MARFORCYBER *– Marine Corps Forces Cyberspace Command*
MARSOC *– Marine Corps Forces Special Operations Command*
MAW *– Marine Aircraft Wing*
MC *– Marine Corps*
MCCS *– Marine Corps Community Services*
MCFIAS *– Marine Corps Financial Integrated Analysis System*
MCHH *– Multi-Channel Hand Held*
MCJROTC *– Marine Corps Junior Reserve Officers Training Corps*
MCM *– Mine Countermeasures*
MCN *– Military Construction, Navy and Marine Corps*
MCNR *– Military Construction, Navy Reserve*
MDAP *– Major Defense Acquisition Program*
MDUR *– More Disciplined Use of Resources*
MEB *– Marine Expeditionary Brigade*
MEGFoS *– Marine Air-Ground Task Force Electronic Warfare Ground Family of Systems*
MEF *– Marine Expeditionary Forces*
MET *– Maintenance Execution Team*
METS *– Multi-Engine Training System*
MEU *– Marine Expeditionary Unit*
MFEW *– Multi-Function Electronic Warfare*
MILCON *– Military Construction*
MILPERS *– Military Personnel*
MLR *– Marine Littoral Regiment*
MLRS *– Multiple Launch Rocket System*
MML *– Missile-to-Missile Link*
Mod DDS *– Modernized Dry Dock Shelter*
MOS *– Military Occupational Specialty*
MP *– Mission Package*
MPMC *– Military Personnel, Marine Corps*
MPN *– Military Personnel, Navy*
MPS *– Family of Mobile Power Systems*
MPSRON *– Maritime Prepositioning Ships Squadron*
MRV *– Mission Role Variant*
MSC *– Military Sealift Command*
MSC-FMS *– Military Sealift Command Financial Management System*
MSF *– Million Square Feet*
MST *– Maritime Strike Tomahawk*
MTV *– Medium Tactical Vehicle*
MTVR *– Medium Tactical Vehicle Replacement*
MuDRaCE *– Multi-Domain Radar in a Contested Environment*

MUSV *– Medium Unmanned Surface Vehicle*
MUUV *– Medium Unmanned Undersea Vehicle*
MUX *– Marine Air-Ground Task Force Unmanned Aircraft System Expeditionary*
MW *– Material Weakness*
MWR *– Morale, Welfare, and Recreation*
MYP *– Multi-Year Procurement*

N

NAE *– Naval Aviation Enterprise*
NAS *– Naval Air Station*
NATO *– North Atlantic Treaty Organization*
NAV/COMMs *– Navigation and Communications*
NAVELSG *– Navy Expeditionary Logistics Support Group*
NAVPLAN *– Navigation Plan*
NAVSUP *– Naval Supply Systems Command*
NCA *– National Command Authority*
NCC *– Naval Community College*
NCTAMS *– Naval Computer and Telecommunications Area Master Station*
NCTR *– Non-Cooperative Target Recognition*
NCTS *– Naval Computer and Telecommunications Station*
NDAA *– National Defense Authorization Act*
NDI *– Non-Developmental Item*
NDS *– National Defense Strategy*
NESB *– Navy Enterprise Service Bus*
NFR *– Notices of Findings and Recommendations*
NGIPES *– Next Generation Integrated Power and Energy System*
NGJ *– Next Generation Jammer*
NGJ-LB *– Next Generation Jammer Low-Band*
NGJ-MB *– Next Generation Jammer Mid-Band*
NGLS *– Next Generation Logistics Ship*
NIFC-CA *– Naval Integrated Fires Control – Counter Air*
NJROTC *– Naval Junior Reserve Officers Training Corps*
NLFoS *– Navy Laser Family of Systems*
NMESIS *– Navy/Marine Corps Expeditionary Ship Interdiction System*
NMMES *– Navy Maritime Maintenance Enterprise Solution*
NMOC *– Naval Oceanographic Community*
NOFFS *– Navy Operational Fitness and Fueling System*
NOSC *– Navy Operational Support Center*
NP2 *– Navy Personnel and Pay*
NROTC *– Naval Reserve Officers Training Corps*
NSA *– Naval Support Activity*
NSBDF *– National Sea-Based Deterrence Fund*
NSM *– Naval Strike Missile*
NSS *– National Security Strategy*
NSW *– Naval Special Warfare*
NSY *– Naval Shipyard*
NTM *– National Technical Means*
NWCF *– Navy Working Capital Fund*

O

O&M *– Operation & Maintenance*
O&M,N *– Operation & Maintenance, Navy*
O&MMC *– Operation & Maintenance, Marine Corps*
O&MMCR *– Operation & Maintenance, Marine Corps Reserve*
O&MN *– Operation & Maintenance, Navy*
O&MNR *– Operation & Maintenance, Navy Reserve*
OASuW *– Offensive Anti-Surface Warfare*
OCO *– Overseas Contingency Operations*
OCONUS *– Outside the Contiguous U.S.*
OFRP *– Optimized Fleet Response Plan*
OMMC *– Operation & Maintenance, Marine Corps*
OMN *– Operation & Maintenance, Navy*
OMNR *– Operation & Maintenance, Navy Reserve*
OPN *– Other Procurement, Navy*
OPT *– Operational Planning Team*
OPT *- Optimization*
OPTEMPO *– Operational Tempo*
OSD *– Office of the Secretary of Defense*
OTH *– Over-the-Horizon*
OUSD *– Office of the Under Secretary of Defense*

P

P&R *– Programs and Resources*
PAA *– Primary Authorized Aircraft*
PANMC *– Procurement of Ammunition, Navy and Marine Corps*
PB *– President's Budget*

PBIS *– Program Budget Information System*
PCS *– Permanent Change of Station*
PDS *– Procurement Data Standard*
PHIBRON *– Amphibious Squadron*
PI *– Performance Improvement*
PIF *– Performance Improvement Framework*
PMC *– Procurement, Marine Corps*
POD *– Proof-of-Design*
POM *– Proof-of-Manufacturing*
PPBE *– Programming, Budgeting, and Execution*
PPR *– Production Per Recruiter*
PRDS *– Purchase Request Data Standard*
Pre-CLO *– Pre-Combat Loadout*
PRTV *– Production Representative Test Vehicle*
PY *– Prior Year*

Q

QTY *– Quantity*

R

R&D *– Research and Development*
RAM *– Rolling Airframe Missile*
RC *– Reserve Component*
RCOH *– Refueling Complex Overhaul*
RDT&E,N *– Research, Development, Test and Evaluation, Navy*
RDTEN *– Research, Development, Test and Evaluation, Navy*
REPI *– Readiness and Environmental Protection Integration*
RF *– Radio Frequency*
RMC *– Regional Maintenance Center*
ROGUE *– Remotely Operated Ground Unit Expeditionary*
RORO *– Roll-on/Roll-off*
ROS *– Reduced Operating Status*
ROTC *– Reserve Officers Training Corps*
RPMC *– Reserve Personnel, Marine Corps*
RPN *– Reserve Personnel, Navy*
RRL *– Ready Relevant Learning*
RST *– Regional Support Team*
RW *– Rotary-Wing*
RWS *– Remote Weapons Station*

S

ST *– Science and Technology*
SABRS *– Standard Accounting, Budgeting, and Reporting System*
SCN *– Shipbuilding and Conversion, Navy*
SDB *– Small Diameter Bomb*
SDBII *– Small Diameter Bomb Increment II*
SDD *– System Development and Demonstration*
SDP *– Signal Data Processor*
SDR *– Ship Disposition Review*
SDTA *– System Demonstration Test Article*
SECNAV *– Secretary of the Navy*
SELRES *– Selected Reserve*
SEWIP *– Surface Electronic Warfare Improvement Program*
SID *– Ship Inactivation Decision*
SIF *– Stand-in Forces*
SIOP *– Shipyard Infrastructure Optimization Program*
SLCM-N *– Sea-Launched Nuclear Cruise Missile*
SLEP *– Service Life Extension Program*
SM *– Standard Missile*
SM-6 *– Standard Missile-6*
SMCR *– Selected Marine Corps Reserve*
SMP *– Strategic Management Plan*
SNLWS *– Surface Navy Laser Weapon System*
SPMAGTF-CR-CC *– Special Purpose Marine Air - Ground Task Force – Crisis Response – Central Command*
SPS *– Standard Procurement System*
SRF *– Ship Repair Facility*
SSBN *– Nuclear-Powered, Ballistic Missile Submarine*
SSEE *– Ship's Signal Exploitation Equipment*
SSGN *– Guided-Missile Submarine (Nuclear)*
SSL-TM *– Solid State Laser Technology Maturation*
SSMM *– Surface-to-Surface Missile Module*
SSN *– Nuclear-Powered Attack Submarine*
SSN(X) *– Future Attack Submarine*
STARS-FL *– Standard Accounting and Reporting System, Field Level*
STARS-HCM *– Standard Accounting and Reporting System-Headquarters Claimant Module*
STOVL *– Short Takeoff and Vertical Landing*
STUAS *– Small Tactical Unmanned Aircraft System*
SUW *– Surface Warfare*
SWAP-C *– Space, Weight, Power and Cooling*

T

T-AGOS – *Ocean Surveillance Ship*
T-AGOS(X) – *Next-Generation Ocean Surveillance Ship*
T-AH – *Hospital Ship*
T-AK – *Container Ship*
T-AKR – *Fast Logistics Ship*
T-AO – *Fleet Replenishment Oiler*
T-ARC – *Cable Laying/Repair Ship*
T-ARS – *Salvage Ships*
T-ATF – *Fleet Ocean Tugs*
T-ATS – *Towing, Salvage, and Rescue Ship*
T-EPF – *Expeditionary Fast Transport*
T-ESD – *Expeditionary Transfer Dock*
T&R – *Training and Readiness*
TA – *Tuition Assistance*
TACAIR – *Tactical Air*
TACAMO – *Take Charge and Move Out*
TACTOM – *Tactical Tomahawk*
TAR – *Training and Administration of the Reserve*
TCID – *Theater Combat Identification*
TCM – *Tactical Communications Modernization*
TCM MCHH – *Tactical Communications Modernization Multi-Channel Hand Held*
TD – *Technology Demonstration*
TEAMS – *Tactical Elevated Antenna Mast System*
TFM – *Total Force Management*
TI – *Technology Insertion*
TSEP – *Tactical Submarine Evolution Plan*
TWTS – *Terrestrial Wideband Transmission Systems*

U

U.S.C. – *United States Code*
UAE – *Uninstalled Aircraft Engines*
UARC – *University Affiliated Research Center*
UAS – *Unmanned Aircraft (or Aerial) System*
UAV – *Unmanned Aerial Vehicle*
UCA – *Unmanned Carrier Aviation*
UCLASS – *Unmanned Carrier Launched Airborne Surveillance and Strike*
UDPI – *Undersea Dominance Payload Integration*
UESC – *Utility Energy Service Contract*
ULTV – *Ultra-Light Tactical Vehicle*
UMT – *Unmatched Transaction*
USCYBERCOM – *United States Cyber Command*
USMC – *United States Marine Corps*
USN – *United States Navy*
USV – *Unmanned Surface Vehicle/Vessel*
UUV – *Unmanned Undersea Vehicle*
UUVRON – *Unmanned Undersea Vehicle Squadron*
UWL – *Underwater Launch*

V

VACL – *Virginia Class*
VAQ – *Electronic Attack Squadron*
VDS – *Variable Depth Sonar*
VLF – *Very Low Frequency*
VLS – *Vertical Launching System*
VMFA – *Marine Fighter Attack Squadron*
VolEd – *Voluntary Education Program*
VP – *Patrol Squadron*
VPM – *Virginia Payload Module*

W

WBLOS – *Wide Band Line of Sight*
WCF – *Working Capital Fund*
WEZ – *Weapon Engagement Zone*
WPN – *Weapons Procurement, Navy*
WS – *Weapon Systems*

X

XHT – *External Hull Treatment*
XLUUV - *Extra Large Unmanned Undersea Vehicle*

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