



FY 2022 FISCAL PLANNING FRAMEWORK TO ACCOMPANY THE RELEASE OF THE *30-YEAR SHIPBUILDING PLAN*

Funding Highlights:

- The fiscal year (FY) 2022 Fiscal Planning Framework (FPF) proposes \$759 billion for national defense, including \$721.9 billion for the Department of Defense (DOD), which is an increase from the FY 2021 Budget request of 2.3 percent.
- Over the next 5 years, under the FPF, the budget for national defense would grow only at a projected rate of inflation of 2.1 percent per year.
- The FPF ensures maritime superiority by incorporating a new *30-Year Shipbuilding Plan*, which provides a larger, more capable naval fleet to protect the Nation's economic and national security interests around the world.
- The FPF balances the significant increases in naval forces with consistent investments in joint warfighting capabilities to support great power competition and to counter emerging challenges in the Indo-Pacific. Those investments include tactical aircraft modernization, long range fires and hypersonics, missile defense, and space capabilities.
- The FPF eliminates the DOD Overseas Contingency Operations (OCO) request starting in FY 2022 by shifting direct war costs into the DOD base budget. The FPF supports bringing America's troops home from endless wars and directing those resources to key national security priorities.
- The FPF delivers on the President's promise to rebuild America's military, strengthen military readiness, and support the Nation's warfighters and their families. The FPF supports national security investments by ensuring long-term affordability through reforms, the divestment of legacy systems, and defense-wide efficiencies.

The FPF builds on the Administration's successful implementation of the 2018 National Defense Strategy by modernizing key capabilities, expanding the U.S. Navy fleet, increasing lethality, and investing in future technologies necessary to deter, and if necessary, defeat near-peer competitors. The FPF also continues the Administration's record of success in rebuilding the military, managing topline defense spending, supporting American servicemembers and their families, and safeguarding the future of the joint force in defense of the Nation. In order to ensure maritime superiority and deter aggressive actions by China, the FPF provides a larger, more capable naval fleet to meet

near-peer challenges in the Indo-Pacific, while still ensuring long-term affordability of the Nation's defense budget. By fully incorporating the Navy's new *30-Year Shipbuilding Plan*, the FPF represents a historic investment that would protect U.S. national security for decades to come. At the same time, the FPF supports the Nation's servicemembers and prioritizes reforms, efficiencies, and divestitures to reallocate resources to advanced technologies and systems.

Expands the Size and Capability of the U.S. Navy Fleet

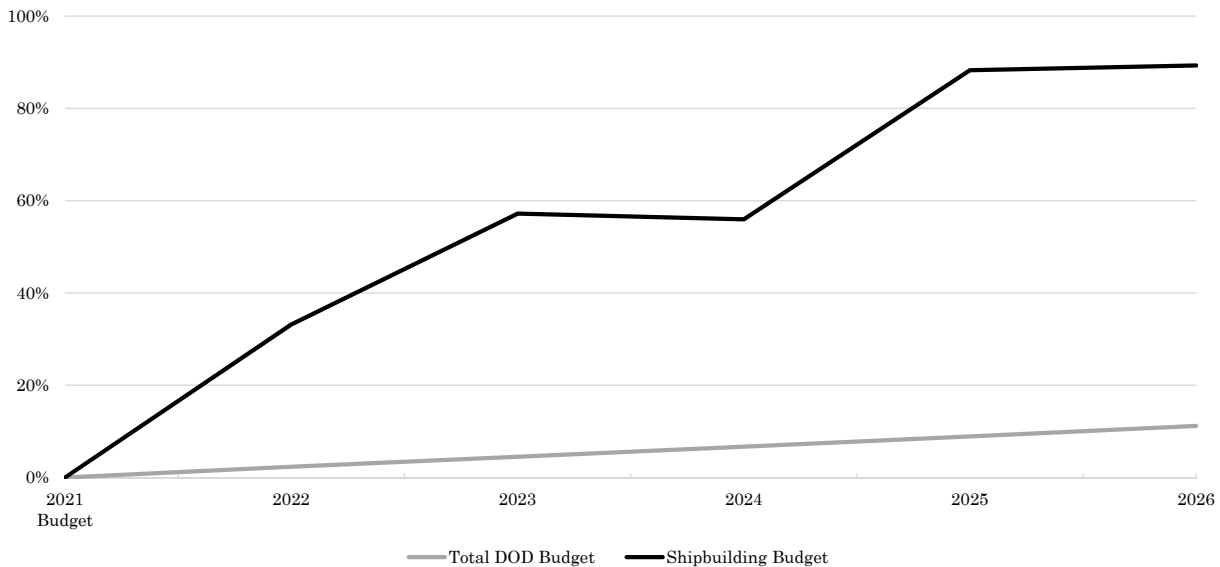
Highlights of the Administration's 30-Year Shipbuilding Plan:

- Continues the recapitalization of the Nation's strategic ballistic missile submarine (SSBN) fleet with *Columbia*-class SSBNs in the Shipbuilding and Conversion, Navy account.
- Recovers from the decades-long decline of America's attack submarine fleet by continuing to accelerate construction of *Virginia*-class attack submarines. The FPF procures a minimum of two *Virginia*-class submarines per year across the Future Years Defense Program (FYDP) and invests \$567 million in FY 2022 for industrial base improvements to support increased production of three *Virginia*-class submarines per year beginning in FY 2025. The FPF also safely extends the service life of nine *Los Angeles*-class submarines to maintain the Nation's underwater strategic advantage.
- Sets the course for the next generation of aircraft carriers with funding of the Navy's study and design analysis.
- Invests in the next-generation attack submarine SSN(X) program and seeks to begin construction of the first SSN(X) no later than FY 2034, for delivery no later than FY 2040.
- Procures two *Arleigh Burke*-class destroyers (DDG-51 class) in each year across the FYDP and seeks the necessary authorization for a follow-on, multiyear procurement contract beginning in FY 2023.
- Extends the service life of five guided-missile cruisers that were previously scheduled to be decommissioned.
- Accelerates the construction of *Constellation*-class frigates to include adding a second shipyard for construction.
- Supports the Nation's amphibious expeditionary assault capability and the U.S. Marine Corps' redesign to deliver enhanced lethality.
- Ramps up construction of Combat Logistics Force and Support Vessels to improve the resiliency and flexibility of fleets at sea.
- Adds unmanned surface and subsurface assets to enhance the Nation's options for the dispersed deployment of strike capabilities.

Invests in Maritime Superiority. The Administration’s updated *30-Year Shipbuilding Plan* continues the Nation’s historic legacy of investing in maritime superiority and prioritizing other significant military capabilities necessary to protect American interests around the world. The FPF continues the prioritization of the defense of America’s homeland, and the protection of enduring peace through strength to deter aggression by China and Russia. The Administration’s *30-Year Shipbuilding Plan* proposes \$167 billion across the FYDP for 82 battle force ships, 21 unmanned vessels, and nuclear ship overhauls to expand the Navy’s fleet.

Enhances U.S. Naval Force Structure. Informed by an unprecedented 9-month study of the future naval forces needed to prevail in future conflicts against a near-peer competitor, the FPF accelerates the Administration’s efforts to reach a fleet of 355 ships in 2031. Within the FYDP, the Navy would reach 316 battle force ships and 17 unmanned vehicles in FY 2026. The FPF proposes to enhance the world’s most advanced and lethal naval force by committing \$27 billion in FY 2022 to procure a total of 12 new battle force ships. The FPF proposes a total of \$167 billion for shipbuilding, unmanned vessels, and nuclear overhauls over the next 5 years.

FY 2022 Fiscal Planning Framework
Shipbuilding Budget Growth Compared to Total DOD Budget
Percent Growth vs. FY 2021 President's Budget



Shipbuilding Budget includes shipbuilding construction and unmanned vehicle funding in Shipbuilding, Conversion Navy; Research, Development, Test, and Evaluation, Navy; and Other Procurement, Navy.

Expands the Shipbuilding Industrial Base. The Chief of Naval Operations has emphasized that an increase in shipbuilding and the fleet size must be accompanied by investments in the shipbuilding industry, ship repair capabilities, and the resources needed to operate, train, and equip the fleet. Therefore, the FPF proposes robust industrial base investments over the next 5 years, including: \$2.8 billion within the shipbuilding account for shipbuilding and supplier base facilities to increase capacity; and \$4.3 billion for the *Shipyard Infrastructure Optimization Plan* to ensure the Navy’s nuclear aircraft carriers and submarines are available to meet the Nation’s needs.

Navy Battle Force and Unmanned Vehicles (Funding)
(FPF 2022 compared to the FY 2021 President's Budget (PB) in millions)

	FY 2021	FY 2022		FY 2023		FY 2024		FY 2025		FY 2026		FY 2022–2026	
Battle Force Ships and Unmanned	PB 2021	PB 2021	FPF 2022	PB 2021	FPF 2022	PB 2021	FPF 2022	PB 2021	FPF 2022	PB 2021 inflated	FPF 2022	PB 2021	FPF 2022
Total	20,284	21,569	27,009	24,216	31,886	26,583	31,633	27,820	38,186	28,164	38,395	128,353	167,109
Delta to PB 2021			5,439		7,670		5,050		10,365		10,231		38,755
	FY 2021	FY 2022		FY 2023		FY 2024		FY 2025		FY 2026		FY 2022–2026	
Battle Force Ship	PB 2021	PB 2021	FPF 2022	PB 2021	FPF 2022	PB 2021	FPF 2022	PB 2021	FPF 2022	PB 2021 inflated	FPF 2022	PB 2021	FPF 2022
Aircraft Carrier	2,643	2,321	2,398	1,926	1,949	1,715	1,722	2,892	2,944	2,927	2,987	11,781	11,999
Ballistic Missile Submarine	4,015	3,997	4,726	4,150	5,198	5,204	5,406	6,108	6,789	6,183	8,209	25,642	30,328
Attack Submarine	4,236	6,334	6,618	6,328	7,749	7,606	10,026	7,203	11,689	7,292	9,823	34,762	45,905
Guided Missile Destroyer	3,070	3,559	3,676	2,362	4,589	3,995	4,137	1,933	3,948	1,957	4,077	13,806	20,427
Future Large Surface Combatant											200		200
Guided Missile Frigate	1,053	955	1,212	1,866	3,293	1,869	3,094	2,817	4,227	2,852	4,388	10,359	16,214
Amphibious Warfare Ship	1,156		41	1,848	1,787			1,865	1,625	1,888		5,600	3,453
Amphibious Assault Ship			2,109	1,249	1,784	1,625						2,873	3,893
Light Amphibious Warship			156		150		300		450		450		1,506
Fleet Replenishment Oiler		72	809	625	1,347	1,040	1,283	570	1,308	577	1,335	2,883	6,082
Next-Generation Logistics Ship					150		150		300		300		900
Expeditionary Sea Base													
Expeditionary Fast Transport			540		270		270		270		270		1,620
Towing, Salvage, and Rescue Ship	168	81	81		80							81	161
Ocean Surveillance Ship		437	437	428	410	419	418	399	398	404	407	2,087	2,070
Submarine Tender Replacement						500	1,151				1,151	500	2,302
Other (Refuel, etc.)	3,562	3,365	3,889	2,554	2,523	1,756	2,490	3,076	3,118	3,114	3,425	13,866	15,446
Total	19,903	21,119	26,692	23,336	31,279	25,728	30,447	26,862	37,066	27,194	37,022	124,240	162,506
Delta to PB 2021			5,572		7,943		4,719		10,203		9,828		38,265
	FY 2021	FY 2022		FY 2023		FY 2024		FY 2025		FY 2026		FY 2022–2026	
Unmanned	PB 2021	PB 2021	FPF 2022	PB 2021	FPF 2022	PB 2021	FPF 2022	PB 2021	FPF 2022	PB 2021 inflated	FPF 2022	PB 2021	FPF 2022
Large Unmanned Surface Vehicle	239	377	232	600	445	572	837	672	854	680	868	2,901	3,236
Medium Unmanned Surface Vehicle	26	30	26	43	47	44	44	45	45	46	46	208	208
Extra-Large Unmanned Undersea Vehicle	116	43	59	237	115	239	305	241	221	244	459	1,004	1,159
Total	381	450	317	880	607	855	1,186	958	1,120	970	1,373	4,113	4,603
Delta to PB 2021			(133)		(273)		331		162		403		490

Navy Battle Force and Unmanned Vehicles (Quantity)
(FPF 2022 compared to PB 2021)

	FY 2021	FY 2022		FY 2023		FY 2024		FY 2025		FY 2026		FY 2022–2026	
Battle Force Ship	PB 2021	PB 2021	FPF 2022	PB 2021	FPF 2022	PB 2021	FPF 2022	PB 2021	FPF 2022	PB 2021	FPF 2022	PB 2021	FPF 2022
Aircraft Carrier	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Ballistic Missile Submarine	1	.....	.....	.....	.....	1	1	.....	.....	1	1	2	2
Attack Submarine	1	2	2	2	2	2	2	2	3	2	3	10	12
Guided Missile Destroyer	2	2	2	1	2	2	2	1	2	2	2	8	10
Future Large Surface Combatant	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Guided Missile Frigate	1	1	1	2	3	2	3	3	4	2	4	10	15
Amphibious Warfare Ship	1	.....	.....	1	1	.....	.....	1	1	.....	.....	2	2
Amphibious Assault Ship	.....	.....	1	1	.....	.....	.....	.....	.....	.....	.....	1	1
Light Amphibious Warship	.....	.....	1	.....	1	.....	2	.....	3	.....	3	.....	10
Fleet Replenishment Oiler	.....	.....	1	1	2	2	2	1	2	1	2	5	9
Next-Generation Logistics Ship	.....	.....	.....	.....	1	.....	1	.....	2	.....	2	.....	6
Expeditionary Sea Base	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Expeditionary Fast Transport	.....	.....	2	.....	1	.....	1	.....	1	.....	1	.....	6
Towing, Salvage, and Rescue Ship	2	1	1	.....	1	.....	.....	.....	.....	.....	.....	1	2
Ocean Surveillance Ship	.....	1	1	1	1	1	1	1	1	1	1	5	5
Submarine Tender Replacement	.....	.....	.....	.....	.....	1	1	.....	.....	.....	1	1	2
Total	8	7	12	9	15	11	16	9	19	9	20	45	82
Delta to PB 2021 (Qty)			5		6		5		10		11		37
	FY 2021	FY 2022		FY 2023		FY 2024		FY 2025		FY 2026		FY 2022–2026	
Unmanned	PB 2021	PB 2021	FPF 2022	PB 2021	FPF 2022	PB 2021	FPF 2022	PB 2021	FPF 2022	PB 2021	FPF 2022	PB 2021	FPF 2022
Large Unmanned Surface Vehicle	2	1	.....	2	1	2	3	3	4	3	4	11	12
Medium Unmanned Surface Vehicle	.....	.....	.....	1	1	.....	.....	.....	.....	.....	.....	1	1
Extra-Large Unmanned Undersea Vehicle	.....	.....	.....	2	.....	2	2	2	2	2	4	8	8
Total	2	1	.....	5	2	4	5	5	6	5	8	20	21
Delta to PB 2021 (Qty)			(1)		(3)		1		1		3		1

Sustains America’s Commitment to the Warfighter. For the fourth straight year, the FPF reflects the Administration’s unwavering commitment to the members of the military, including a 2.7 percent military pay raise. In addition to the military pay raise, the FPF provides funding for a full range of important compensation programs to support America’s military members and their families. Providing a robust pay and benefits package is essential to ensure that DOD remains well positioned to compete with the private sector for the best personnel.

Long-Term Affordability

The FPF pays for increases in long-term capital investments in shipbuilding, modernization, industrial base capacity, and other national defense priorities by ensuring long-term affordability across DOD’s budget. As such, the FPF has identified more than \$45 billion over the FYDP from the following areas to be redirected to Navy Shipbuilding and other national security priorities.

Realizes the Benefit of Getting the United States Out of Endless Wars. The FPF eliminates the OCO request starting with FY 2022 by shifting direct war costs into the base budget for DOD. Over the last several years the distinction between funding for OCO and base costs has become increasingly blurred. Recognizing this, the Administration has consistently emphasized that costs related to foreign conflicts should be evaluated and prioritized within the DOD topline. The FPF achieves savings from direct war costs by getting the United States out of endless wars through the planned drawdowns in Afghanistan, the Middle East, and Africa. When compared to the OCO projections in the FY 2021 Budget request, the FPF realizes more than \$35 billion in savings over the FYDP. The FPF directs these savings to key Administration priorities. Further, the FPF reduces the Afghanistan Security Forces Fund and eliminates the Counter-Islamic State of Iraq and Syria (ISIS) Train and Equip Fund account, while enabling DOD to prioritize Counter-ISIS activities across its global security cooperation program.

Reduces Army End Strength. When compared to the FY 2021 Budget request, the FPF reduces Army active duty end strength to 485,000, the Army’s reserve component to 189,500, and the Army National Guard to 336,000, resulting in a savings of \$2.6 billion through the next 5 years. With planned drawdowns in Afghanistan and Iraq, the FPF redirects end strength resources to continue the modernization of the American military and enhance the Nation’s ability to compete against near-peer adversaries. Military compensation costs, which include pay and a wide range of healthcare, retirement, and other benefits, constitute roughly one-third of DOD’s total budget. These costs per person have grown at a much higher rate than the overall DOD budget. Constraining end strength is one means of protecting the rest of the DOD’s budget to ensure America’s servicemembers have the modernized equipment and weapon systems to defend the Nation and prevail on the battlefield.

Divests Legacy Force Structure Ill-Suited to the Future Fight. The FPF supports DOD’s effort to divest \$6.6 billion of legacy systems over the FYDP in order to reallocate resources to support the National Defense Strategy. By discontinuing the use of older and less capable ground systems, surface ships, and aircraft, DOD can more effectively focus resources on modernized platforms and systems that support both high-intensity conflict and operations in highly contested environments.

Identifies Reforms and Efficiencies Savings to Fund Higher Priorities. DOD continues to pursue management reforms, including the reduction of management and overhead costs, to redirect savings toward higher priorities in readiness, lethality and modernization with the goal to fund “more teeth with less tail.” In FY 2020, DOD produced \$7.7 billion in programmed and budgeted reforms savings, which is in addition to \$6 billion of reform savings in FY 2019 and \$4.7 billion in FY 2017 and FY 2018 combined. DOD’s reform efforts include business process improvement activities, such as contract efficiencies, category management initiatives, and information technology (IT) reform, as well as activities to transition to the cloud and to standardize IT commodity applications

through commercial industry capabilities. For the FPF, DOD will continue to reap savings through the next 5 years from decisions on reforms that have been initiated to date and are in the process of implementation.