World events since the attacks on two of our major cities have caused the United States to reassess a dramatically changed strategic landscape and to look closely at how our joint forces operate in support of national security at home and abroad. In contrast to the wars of the last century, tomorrow’s battlespace will most likely be the littorals, the land-sea interface where more than 70 percent of the earth’s population resides, whose waterways are teeming with commercial activity, and where an adversary can use asymmetric warfare to its greatest advantage. To win on this 21st-Century battlefield, the United States Navy must be able to dominate the littorals and to maintain assured access in critical world regions, ready to strike on a moment’s notice—anywhere, anytime. This shift in paradigm has caused us to rethink our capabilities and their employment.

In his “Sea Power 21: Projecting Decisive Joint Capabilities” white paper released in October 2002 and reprinted in the 2003 edition of “Vision… Presence… Power,” Chief of Naval Operations Admiral Vernon E. Clark articulated a U.S. Navy focused on three fundamental concepts—Sea Strike, Sea Shield, and Sea Basing—that are linked in a seamless FORCEnet web of secure communication and information, an overarching effort to integrate warriors, sensors, networks, command and control, platforms, and weapons into a cohesive network, enabling Sea Strike, Sea Shield, and Sea Basing to achieve maximum effect. Important for today’s and tomorrow’s fleet, “Sea Power 21” outlined a new Global Concept of Operations, now called the Fleet Response Plan, that posits innovative force-mixes—carrier strike groups, expeditionary strike groups, and expeditionary strike forces—that will enable the Navy to respond with speed and persistence in ways not possible today. “Sea Power 21” is thus providing the focus and framework to transform the U.S. Navy from a “Post Cold War” force to a fleet tailored for the ambiguous but still dangerous threats of the 21st Century.
Sea Strike ➢ expanded power projection that employs networked sensors, combat systems, and warriors to amplify the offensive impact of sea-based forces

Sea Shield ➢ global defensive assurance produced by extended homeland defense, sustained access to littorals, and the projection of defensive power deep overland

Sea Basing ➢ enhanced operational independence and support for joint forces provided by networked, mobile, and secure sovereign platforms operating in the maritime domain

Accelerating our Advantages

The Navy is preparing to use our own asymmetric capabilities to their greatest advantage. We are continuing to operationalize the strategic concepts of “Sea Power 21”—to accelerate our advantages over our adversaries by maximizing the joint and combined capability the Navy brings to the defense of the nation and our allies, coalition partners, and friends. We must be able to project and sustain broad-spectrum joint and combined capabilities from the sea, linked by a network of modern technology, and fighting from a common operating picture, with longer reach, greater endurance, and finer precision than has ever been possible in the history of the world. Our approach has been designed from the keel up to operate in partnership with our sister services—including the U.S. Coast Guard in the Department of Homeland Security—and overseas partners, because winning the War on Terrorism demands nothing less.

The past year has presented several clear demonstrations of the value of naval forces being ready to project decisive offensive and defensive power anywhere at any time in a world that will continue to be characterized by dangerous uncertainty and conflict. The performance of our Navy in Operations Enduring Freedom (OEF) and Iraqi Freedom (OIF) has reaffirmed the value of readiness in many ways, especially the readiness to surge whenever the need arises, while continuing to provide forward-deployed forces for enhanced regional deterrence and contingency response. Our performance in these operations, in concert with the other military services and the forces of the Coalition of the Willing, has reaffirmed beyond any doubt the real value of expeditionary forces in dominating a unified battlespace.

The Navy’s ability to maneuver in the global commons—sea, space & cyberspace—provides the President and the U.S. Combatant Commanders the necessary options to project persistent, credible combat power to the far corners of the earth, at will. The remarkable speed of advanced of our coalition forces in Iraq, despite the severe limitations posed by geography and terrain, was due in no small measure to the extended reach of modern expeditionary maneuver warfare in providing decisive warfighting capabilities from the sea. That enormous success spurs us onward to realize the full potential of “Sea Power 21,” to align, organize, integrate, and transform our Navy to meet the challenges ahead.
Increasing the Pace of Innovation

Increasing the pace of innovation is key to accelerating our advantages over our adversaries and to succeeding in the War on Terrorism. Readiness, advanced technology, the maritime domain, and the genius of our people are the asymmetric advantages that we must fully exploit in order to realize the nation’s first priority in this new century.

Perhaps our greatest challenge in that effort will be to move “Sea Power 21” from vision to reality. The Navy’s strategic planning process provides the link between “Sea Power 21” and the Department of Defense’s (DoD) Planning, Programming, Budgeting, and Execution (PPBE) process. Through careful, deliberate strategic planning, we are making crucial choices based on well-defined priorities to ensure that our future capabilities meet the requirements. Our top five priorities will remain unchanged in the coming year, although the emphasis on any one of them may change from time to time:

➢ Manpower
➢ Current Readiness
➢ Future Readiness
➢ Quality of Service
➢ Organizational Alignment

Our accomplishments during the past year in attending to those priorities give a clear indication of the degree of importance that we have placed on them. For example, we achieved remarkable combat excellence in OEF and OIF; we improved our surge capability; set records in recruiting and retention; gained closer alignment to the vision of “Sea Power 21” and harvested savings for recapitalization. More importantly, our five priorities will also give a clear indication of our success in the future.

Manpower

While we continue the War on Terrorism, we are also still fighting the “battle for people”—and winning. Last year, we continued to increase our emphasis on mentoring, strengthened our commitment to diversity, and capitalized on the continuing revolution in the training and distribution of our people. We also provided Sailors the opportunity to compete on their merits for select jobs in duty stations around the world. The results of these and other initiatives are compounding daily. For the third straight year, we experienced the highest retention rate in our history—more than 60 percent of first-term re-enlistments. We have met or exceeded our recruiting goals every month for the past two years, and the caliber of new recruits has increased, based on the number of recruits with at least a high school education.

The battle for people will never be won completely, however. While we recognize that people are our greatest asset, we realize that manpower is never free. Sailors have chosen the lifestyle of service to make a difference. Our ability to provide them Quality of Service—meaningful, challenging work and the level of contentment that enables them to make a difference—is part of what we have termed “covenant leadership.” We are committed to enhancing their professional growth and development, improving
their productivity, and eliminating unnecessary billets. We are committed to building a Navy that will maximize the capabilities of our people and minimize the size of our payroll. As our Navy increases the use of high technology, our workforce must become smarter, but smaller in number.

We cannot be content to rest on our past successes. We will continue the fight for talent in a very competitive market. We will continue to reshape the workforce to meet the demands of “Sea Power 21.” We will ensure that every Sailor has the opportunity and resources to successfully compete for their choice of assignments. We have established Task Force WARRIOR to accelerate the integration of manpower, personnel, and training systems that will deliver Sea Warrior to the fleet. Sea Warrior is the program designed to enhance the assessment, assignment, training, and education of our Sailors. Our goal in each of these efforts remains to attract, develop, and retain highly skilled and educated warriors, who will be necessary to lead the 21st-Century Navy.

Current Readiness

The combined power of our forward-presence forces and our ability to surge assets on a moment’s notice has either defeated our adversaries or kept them on the run, which is precisely what we set out to do. During FY 2003 and into FY 2004, we have invested billions of dollars in training, maintenance, spare parts, ordnance, flying hours and steaming days. That investment has returned the best readiness levels in recent history. We have been able to commit more than half the Navy to combat ready response in operations throughout the world. Seven aircraft carriers and nine large deck amphibious ships were among 164 Navy ships to deploy worldwide. The Military Sealift Command provided more than 200 ships to move 94 percent of the nation’s joint and combined capability to the fight in Iraq and Afghanistan. We also deployed three fleet hospitals, a hospital ship, 22 P-3 Orion aircraft, and 25 Naval Coastal Warfare (NCW) detachments.

We live in uncertain times. The United States needs a Navy that can provide homeland defense, deploy a force forward, and be ready to surge with overwhelming and decisive combat power. With this in mind, we launched the Fleet Response Plan (FRP) this past year. The FRP resets the force in a way that will allow us to surge about 50 percent more combat power on short notice and simultaneously. In simplest terms, rather than having only two or three Carrier Strike Groups (CSG) forward-deployed and properly equipped, and able to surge only a maximum of two more at any one time, the FRP now enables us consistently to deliver six forward deployed or ready to surge CSGs almost immediately, plus two additional CSGs in the basic training phase within 90 days. This FRP capability is commonly known as “six plus two.”

To sustain the right kind of readiness to satisfy Fleet Response Plan requirements, we will continue to innovate and adapt our training and warfare doctrine to new ways of fighting. We are also seeking to gain closer integration with joint forces and to refine our training, maintenance, and inter-deployment readiness
processes to increase our operational availability. Among other initiatives, we are enhancing our strike capability with the deployment of expeditionary strike groups, and we have expanded our littoral warfare capabilities by realigning our Naval Coastal Warfare forces, establishing Mobile Security Force detachments, adding an explosive ordnance disposal unit to Commander, Naval Forces, Central Command (NAVCENT), and accelerating the planning for two new Naval Special Warfare (NSW/SEAL) teams.

**Future Readiness**

Operations in Afghanistan and Iraq clearly demonstrated the enhanced power, protection, and freedom afforded by the implementation of our “Sea Power 21” vision. These joint operations have been the most effective in our history. As we move into the future, however, we cannot rely solely on our successes of the past. We must continue to challenge assumptions and build on the lessons learned from previous history. Yet, it is clear from our experiences of the recent past that our “Sea Power 21” vision is on the right track to ready us for the future.

**Sea Strike** introduced capabilities that extended our reach, accuracy, and precision, providing Joint Force Commanders with a potent mix of weapons. The second and third F/A-18E/F Super Hornet squadrons deployed this year, providing greatly enhanced range, payload, and refueling capability to forces in Iraqi Freedom. The Shared Reconnaissance Pod (SHARP), the Advanced Targeting Forward-Looking Infrared (ATFLIR), the Joint Helmet Mounted Cueing System and the Multi-Functional Information Distribution System (MIDS) arrived in the Fleet and showed us the power of these new technologies. We also began the conversion of the first of
four Ohio (SSBN-726)-class Trident nuclear-powered ballistic missile submarines (SSBNs) into the “SSGN” conventional strike and Special Operations Forces platform.

Sea Shield helped strengthen and extend our defense capabilities to the joint force. The USS Higgins (DDG-76) provided early warning and tracking to help U.S. Army Patriot batteries defend Kuwait and southern Iraq from the threat of theater ballistic missiles. The USS Lake Erie (CG-70) and USS Russell (DDG-59) combined to acquire, track and hit a ballistic test target missile in space with a developmental Standard Missile-3 (SM-3) in support of the Ballistic Missile Defense program. The Chief of Naval Operations established Task Force ASW (Anti-Submarine Warfare) to study improvements in Anti-Submarine Warfare readiness, enhance our ASW capability, and ensure access for joint forces moving from the sea to objectives inland. Task Force HIP POCKET demonstrated dramatically improved close-in defensive systems for surface ships in the near-littoral environment.

Sea Basing became a more tangible reality with the award of three preliminary design contracts for the Littoral Combat Ship (LCS), leading to the construction of the first LCS in FY 2005. We selected the baseline design for the next-generation DD(X) multi-mission destroyer, launched San Antonio (LPD-17) and Virginia (SSN-774) and began fabrication of Makin Island (LHD-8). The Defense Science Board study on Sea Basing, our Joint Forcible Entry study, and the Maritime Pre-positioning Force (Future) Analysis of Alternatives now nearing completion are all beginning to provide the information needed to define future sea based expeditionary operations.

FORCEnet initiatives have helped us further integrate the power of warriors, sensors, weapons, and platforms into a networked combat force. We established a framework for architecture and standards and promulgated the FORCEnet campaign plan. We developed and installed secure wide-area networks (WANs), in all of our deploying ships during FY 2003, making it easier for DoD forces and our coalition partners in different areas of the world to share information. We also partnered with the U.S. Army to develop a joint airborne platform for Intelligence, Surveillance, and Reconnaissance (ISR) to replace the aging EP-3E Information Warfare Aircraft based on the Orion airframe.

Sea Trial is up and running with the Fleet in charge and is already providing us with valuable insights into future tactics and technology. Commander Fleet Forces Command (CFFC) published the Sea Trial instruction and experimentation plan, which included the investigation of SSGN modular payloads in the Giant Shadow experiment in January 2003. The experimental high-speed vessel HSV-X1 conducted operations this past year in support of mine warfare and special operations during Iraqi Freedom. A second high-speed vessel, HSV-2 Swift, has been delivered and is conducting experimentation in support of “Sea Power 21” concept development.

Sea Enterprise is focusing headquarters leadership on output and execution and is creating ideas that will improve our productivity and reduce our overhead costs. The Sea Enterprise Board of
Directors established an enterprise-wide approach to transformation, validating $38 billion in savings across the FY 2004 Future Years Defense Plan and identifying $12 billion in new initiatives to help us recapitalize and transform the force. The CNO has conducted more than a dozen reviews of key commanders, those who report directly to the CNO, to examine products, processes, and budgets, and to attack overhead costs. Sea Enterprise principles are now taught in many of our executive, officer, and senior-enlisted training pipelines.

The tremendous improvements made in manpower and current readiness allow us to focus much more intently on the future—and future readiness. If we are to accelerate our current advantages, we must capitalize on revolutions in information, stealth and precision technologies and develop new warfare concepts that will lead us not just to improved joint operations, but true interdependence. “Sea Power 21” is our roadmap. This year, we will pursue distributed and networked solutions that could revolutionize our capability. We will focus on the power of the Sea Base and our complementary capability and alignment with the Marine Corps. We will exploit investments made in joint research and development wherever possible. We will enhance our capabilities investments and become a leader in defense modeling and analysis. Finally, we will continue to accelerate our advantages by increasing new ship and aircraft procurement in 2004.

Quality of Service

The battle for people includes ensuring an environment where sailors have confidence in themselves, in each other, in their equipment and weapons, and in the institution they have chosen to serve. This year, we continued the significant advances in compensation, in building the structure to realize the promise of the revolution in training, in transitioning to a secure interoperable network, and in strengthening the balance between safeguarding the environment and protecting national security.

For example, we began the creation of an Integrated Learning Environment. We developed the organizational structures needed to get the most from the Revolution in Training, such as the Director of Naval Training and Education (N00T), Naval Education and Training Command (NETC), Human Performance Center (HPC), Naval Personnel Development Command (NPDC), Naval Service Training Command (NSTC), 14 Learning Centers and three Training Support Centers. We incorporated the Five-Vector Model and Central Management System, which will soon be the primary career tool for all Sailors, into a pilot program for three ratings: Aerographers Mates (AG), Culinary Specialists (CS), and Information Technology Specialists (IT). These ratings will be the first to realize the benefits of a revolutionized personnel distribution system.

We also improved bachelor housing. We are on track to achieve the “1+1” Bachelor Housing
Standard, which is the new DoD standard that allows two residents to have private bedrooms with a shared a bathroom, kitchen, and living area. We also plan to eliminate community heads in bachelor housing ashore by FY 2007. We are also investing in Homeport Ashore to get Sailors a bachelor-quarters room off the ship.

Pay and compensation were also improved compared to previous years, increasing active-duty service member pay by an average of 4.1 percent, with targeted pay raises up to 6.25 percent. We extended the increases in family separation pay and hostile fire and imminent danger pay through 31 December 2004. We also increased Basic Allowance for Housing (BAH) to reduce average out-of-pocket expenses and help Sailors buy a stake in America.

Other quality of service issues are also under consideration. Task Force UNIFORM was established, led by the Master Chief Petty Officer of the Navy (MCPON), to assess the need for a cost effective and professional set of uniforms that recognize our naval heritage and prepare us for the future. Outdated sections of the Navy Uniform Regulations are under review and are being re-written. We will create an interactive web-based version of the Navy Uniform Regulations for online use. We have directed the pilot and testing of a working uniform for E-1 through O-10 and a year-round service uniform for E-6 and below.

Our emphasis on mentoring is a keystone in the bridge to a better career path for officers and enlisted members alike. Consequently, we have increased the availability of vital leadership references, including a Mentoring Handbook, through the Navy Knowledge Online website. Using multiple approaches, we took steps to ensure every Sailor has a mentor to maximize their talents and improve their contribution to combat excellence.

Sailors are the capital asset that makes our Navy without equal in the world. If we are to give full meaning to their service and, by extension, give full range to their talents, we must constantly strive to improve the quality of their work and the quality of their lives. In the coming year, we will fund technologies that reduce our manpower costs and make us leaner. We must ensure that every billet enhances combat readiness and that every job makes maximum use of the technology and tools available. We will strengthen our partnership with Navy families. We must deliver the training and education that deepens their contribution to the Navy and the nation, and assure that their life of service is honorable and rewarding.

Alignment

We endeavor to maintain the proper focus on operational excellence by establishing numerous initiatives that keep the Fleet at the center of all we do, that allow us to communicate better, and that enable us to be even more effective and more efficient in combat. One of the most important of those initiatives is to improve our alignment for joint warfare. Consequently we have now joined with the Marine Corps to integrate Navy-Marine Corps logistics functions, capabilities, and processes. We also recently signed the Naval Operating Concept, and began imple-
mentation of the Navy-Marine Corps Tactical Air Integration Plan. Perhaps most significantly, we defined the FORCEnet architecture with standard joint protocols, common data packaging, and strengthened security, redundancy, and alternate paths.

In order to increasingly align ourselves to a joint environment, however, it is vitally important to be aligned within our own organization. Consequently, we have enhanced our organizational and communications alignment. The establishment of Commander, Navy Installations Command (CNI) successfully merged eight installation claimants into one, reducing infrastructure management layers and integrating services. We capitalized on our existing forward-deployed naval forces in Japan to create a standing expeditionary strike group in the Far East. We reorganized Naval Supply Systems Command (NAVSUP), including the establishment of the Naval Operational Logistics Support Center to consolidate transportation, ammunition and petroleum management. The Naval Sea Systems Command (NAVSEA) has put in place multiple realignment efforts, including the establishment of a Warfare Systems Engineering Directorate, Human Systems Integration Directorate, and a POM (Program Objective Memorandum) Integration Group. Naval Aviation’s requirements, resources, and material providers established the Naval Aviation Enterprise (NAE)—a partnership dedicated to delivering cost-wise readiness to the Fleet in support of Sea Power 21. Under the leadership of the Commander, Naval Air Forces (CNAF), the principal stakeholders are CNAF, the Air Warfare Division (N78), and the Naval Air Systems Command (NAVAIR). Finally, by October 2004, we will complete alignment of Fleet Forces Command with the warfighting fleet commanders.

Our goal in each of these initiatives is to enhance our mission accomplishment and deliver a combat-credible Navy now and in the future. That means focusing warfighting commanders on warfighting and improving our joint partnerships. It means developing a requirements process that recognizes the power of joint solutions and integration. It demands enterprise-wide approaches and innovation to achieve greater effectiveness and efficiency in afloat and ashore operations, readiness and infrastructure. At its most fundamental level, alignment ensures that we share a common understanding of the mission and objectives, and that we speak one message with many voices across the entire organization. We will continue to pursue organizational and operational alignment to ensure that our Navy is consistent and credible.
A History Unmatched... A Future Unrivaled

As we go forward, our purpose is firm and our strategic objectives are clear. For us, winning the Global War on Terrorism is our number one objective. Victory is the only acceptable outcome, and we are determined to achieve it.

We will deliver enhanced warfighting capability to the joint force, using the extended range and enhanced accuracy of naval weapons and sensors to reach farther and more precisely with greater striking power, to deliver broader defensive protection for joint forces ashore, and to leverage our command of the largest maneuver space on earth—the sea.

We will continue to improve upon the operational availability of fleet units, providing forward-deployed forces for enhanced regional deterrence and contingency response, while at the same time retaining the ability to surge decisive joint combat power rapidly in times of crisis.

We are creating a culture of readiness, and institutionalizing it throughout the service. However, readiness at any cost is not acceptable. We do not live in a risk-free world. Our leaders will assess risk and determine how to create a balance between excessive readiness costs and risk to mission accomplishment.

We will understand and attack costs at every level of our Navy. We will seek innovative means to improve productivity, leverage joint solutions, and achieve the improvements necessary to ensure both our combat readiness and our capability now, and in the future.

We will create an environment that attracts, retains and relies upon bold, creative, effective, and competitive people. We will foster a culture that cherishes these attributes and rewards them accordingly. We will invest in the tools, the information technology, and the training that delivers more meaningful job content to them because it is the Navy’s men and women who offer us our greatest advantage. It is they who will ensure our legacy for years to come.

The U.S. Navy has an unmatched history of success. While we take great pride in our history, we are also careful to learn from it. Even so, we cannot consider all of our past practices to be the key to our future. Our greatest legacy, after all, is our heritage of innovation. To continue our legacy is to continue to re-evaluate our position and to challenge all of our assumptions. We will adapt to the changing world around us by getting out in front of it, by leading change, and embracing the innovations and improvements needed to guarantee our future success.

This 2004 edition of “Vision... Presence... Power” provides comprehensive information on how the Navy is making the transformation from vision to strategy and policy, the processes and key “players” by which the hard choices among various programs are made in an environment of still-constrained resources, and the specific programs—weapons, sensors, command-and-control systems, ships, and aircraft—that will ensure our Sailors and Marines have the right stuff for the tasks ahead.