

R 182128Z OCT 16  
FM CNO WASHINGTON DC  
TO NAVADMIN  
INFO CNO WASHINGTON DC  
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NAVADMIN 231/16  
MSGID/GENADMIN/CNO WASHINGTON DC/CNO/OCT//

SUBJ/POM PROCESS REORGANIZATION AND OPNAV STAFF REALIGNMENT//

RMKS/1. Effective 1 October 2016, the Navy headquarters staff >(OPNAV) realigned to develop a Program Objective Memorandum (POM) process that advances the Navy's strategic warfighting priorities through a balanced and executable program. The Chief of Naval Operations' (CNO) intent for POM-19 (and beyond) is to establish a transparent, collaborative and efficient culture of decision making. POM-19 will institute a three-phased POM development approach that will ensure a Strategy-driven POM within budget constraints vice a budget-driven POM. This new process and organizational realignment will improve internal and external communication, and provide the responsiveness required for improved decision making in the Planning, Programming, Budgeting and Execution (PPBE) process associated with POM development. The realignment will also form the OPNAV Staff baseline from which to meet the Congress-mandated 25 percent Major Headquarters Activity (MHA) reductions by FY20.

2. The CNO Guidance for Development of POM-19 (CNOG-19) will provide early strategic guidance, priorities and issues for further analysis (including force structure, modernization, readiness and manpower resource strategy/priorities) to drive resourcing decisions and priorities early in the POM cycle. The delivery of higher authority guidance and identification of trade-space opportunities to begin the POM process should also lead to workload reduction for the OPNAV staff as issues and opportunities are identified and resolved earlier in the process.

3. The three overlapping phases of this new POM process are characterized by the following defined supported and supporting relationships:

- a. A Strategy Phase, which starts the cycle, in which the Deputy Chief of Naval Operations (DCNO) for Operations, Plans and Strategy (N3/N5) is the supported DCNO and all other DCNOs, the Fleets, and Budget Submission Offices (BSOs) are supporting;
- b. A Requirements-Program Integration Phase, led by DCNO for Warfare Systems (N9) as the supported DCNO, with all other DCNOs, the Fleets and BSOs supporting;
- c. A Resources Integration Phase, led by DCNO for Integration of Capabilities and Resources (N8) as the supported DCNO, all other DCNOs, the Fleets and BSOs supporting.

4. Under this new process, POM-19 and subsequent POMs begin three months earlier than historical POMs. Sponsors will use prior year POMs as submitted to Office of Secretary of Defense (OSD) as the baselines (in this case for POM-19) until such time as Budget Estimate Submission for Fiscal Years 2019-2023 (BES-19) and President's Budget for Fiscal Year 2019 (PB-19) are available. In addition, the POM will be developed collaboratively and transparently with no separate Resource Sponsor Program Proposals (SPP). Sponsors will present their initial positions much earlier, and will be assessed in strategy deliberations.

5. The end product of the POM development process will be a strategy-based, fiscally balanced and defensible Navy Program for submission to OSD, which appropriately implements OSD fiscal and programming guidance, addresses SECNAV and CNO priorities, and achieves the best balance of strategic guidance as provided in the CNOG.

6. To better align to the POM process and optimize staff expertise, the following manpower and organizational adjustments have been made for military, civilian and contractor personnel:

a. Functional consolidation

(1) OPNAV Legislative Affairs personnel remain in-place and perform additional duty (ADDDU) to Chief of Legislative Affairs (CLA; N09L).

(2) Portions of N43 Readiness Reporting have been moved to N3/N5 (N31) with follow-on coordination between N8, N3/N5 and USFF.

(3) Portions of N43 Readiness Modeling and Assessment have been moved to N8's Warfighting Assessment Division (N81) and Fleet Readiness Division (N83).

(4) N803 Navy, Joint, and Urgent Needs requirements management have been moved to N9 as N9IJ.

(5) N84 moved to N9 as N94 for Science and Technology (S&T) Synergy.

b. Functional realignment

(1) N89 Special Programs moved to N9 as N9SP with follow-on coordination with DoD SAPCO.

(2) N81 QDR and N00K moved to N3/N5 to establish a new Strategy Division (N50).

(3) N9 Ship Construction, Navy (SCN) Manager moved to N805.

c. Process and governance.

(1) Revised manpower planning and programming process (aligned with revised POM process) for better alignment between N1 and the warfare resource sponsors.

d. Functional realignment and consolidation

(1) All resource sponsor POM programmers and fiscal assessment information and services remain in-place and realign under N80 in the new code of N804.

(2) Moved selected N2/N6 platforms and systems to N98.

(3) Moved portions of N43 Training Ranges and Targets to N91.

(4) Moved N2/N6 and N9 Military Sealift Command platform sponsorship to N42.

7. Intent is that MHA reductions will occur through normal attrition with no requirement for mandated/forced civilian personnel reductions. Some OPNAV civilian personnel will be directed to conduct intra-OPNAV reassignments with no change in pay or grade, and no one will be required to move out of the National Capital Region due to the realignment. Military personnel may be assigned a different billet within the same N-code. In limited situations, military personnel may be re-assigned into a different N-code or could potentially negotiate orders to another geographical area earlier than PRD.

8. Any POM process change, staff realignment and/or phased 25 percent manpower reduction presents both challenges and opportunities. As the OPNAV staff realignment matures, we will identify efficiencies and determine what current Echelon 1 functions can be eliminated or are more appropriately performed by lower echelon staffs.

9. Central in our "Design for Maintaining Maritime Superiority" is ensuring we are well positioned to deal with the challenges of today and tomorrow. The changes approved by SECNAV and CNO are designed to prepare our team to be more agile, and adapt quickly and confidently to emerging challenges and events. Our goal is to minimize the impact on the staff and external relationships while better organizing ourselves to strategically plan and program more efficiently, collaboratively and transparently.

10. Released by Admiral William Moran, Vice Chief of Naval Operations.

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