Our people – Sailors, Marines, and Civilians – are the cornerstone of the Department of the Navy. Ships, submarines, and aircraft protect and advance the nation’s interests only when crewed and maintained by well-trained and highly motivated people. The unwavering service and dedication of the Department’s Total Force – our people – continue to sustain the Department during this challenging time of conflict.

The attacks of September 11, 2001 characterize an era of danger and uncertainty. Our courageous men and women in uniform face this era’s inherent challenges in the Global War on Terrorism. Alongside our sister services, the Navy – Marine Corps Team has exerted superior force against our adversaries. Our naval forces will continue to provide the nation with overwhelming combat power in this current war, and the means to deter, detect, and interdict threats to the homeland.

Concurrent with the prosecution of the war on terrorism, the Department is well along the course of transformation. There are several marks of progress in this effort. Deployment of the first Expeditionary Strike Group – a Sea Strike concept of Naval Power 21 – represents the joint transformational capabilities of the Navy and Marine Corps. Increased emphasis on public-private housing ventures exemplifies the Department’s commitment to quality of life improvements for our military personnel. Similarly, strategic sourcing reflects the Department’s commitment to modernization and recapitalization of our forces. Additionally, the Department of Defense’s transition plan for business modernization and systems integration in support of the Business Enterprise Architecture is a key component of our business transformation efforts. The Department will build upon these and other successes to achieve a culture of transformation ready to meet the challenges of the 21st century.

In the midst of war and transformation, a constant remains – accountability. The Department is committed to fiscal accountability as it affects execution of the National Military Strategy. Indeed, efficient and effective management of financial resources enhances our enduring roles of assurance and deterrence, command of the seas, power projection, and homeland security. This Fiscal Year 2003 Annual Financial Report provides a means for Congress and the public to assess our performance.

Gordon R. England

The Secretary of the Navy
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