

UNITED STATES DEPARTMENT OF DEFENSE

FISCAL YEAR 2010 BUDGET REQUEST

OFFICE OF THE UNDER SECRETARY OF DEFENSE (COMPTROLLER) • CFO

MAY 2009



PHOTO: CDR. BILL PAISLEY USNR (RET)

Report Documentation Page

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Tough Decisions and Reform



“This is a budget crafted to reshape the priorities of America’s Defense establishment. If approved, these recommendations will profoundly reform how this Department does business.”

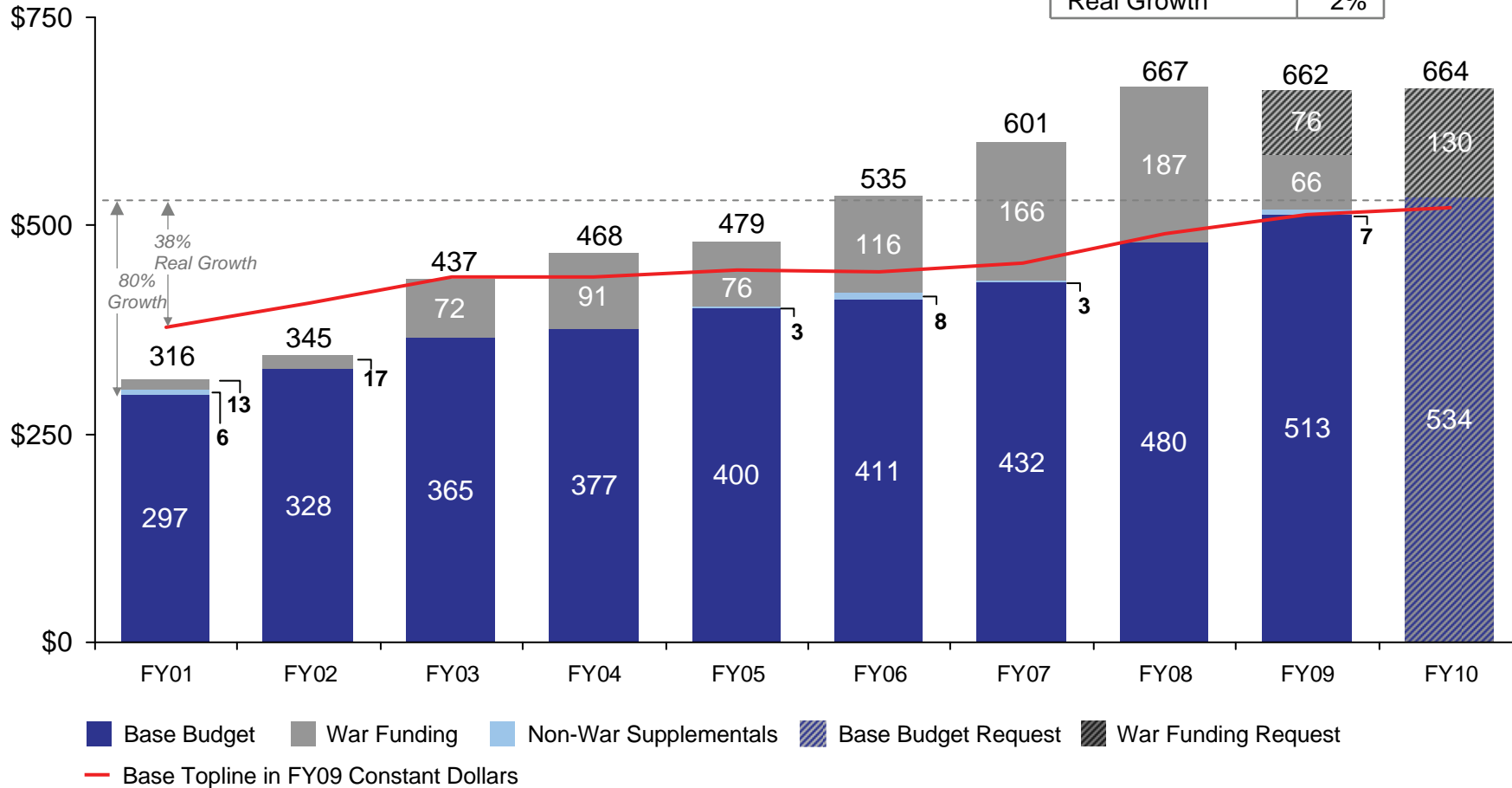
– Secretary of Defense, Robert M. Gates

Department of Defense Topline

FY 2001 – FY 2010

(Dollars in Billions)

FY 2009 – FY 2010 Base Growth	
Nominal Growth	4%
Real Growth	2%



Note: FY 2009 Non-War Supplemental is appropriated through American Recovery and Reinvestment Act of 2009

Source: Defense Appropriation Acts FY 2001 – FY 2009, National Defense Budget Estimates for FY 2009, OMB Historical Tables FY 2009

Agenda

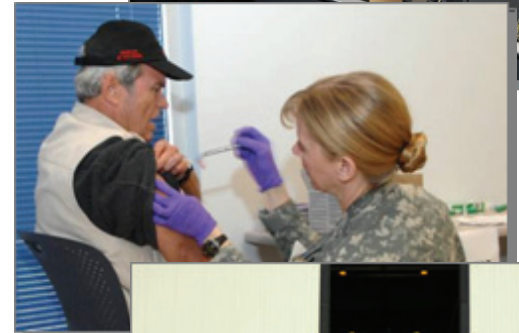
- **Secretary Gates' Key Themes:**
 - Take care of our people
 - Reshape and modernize the Force
 - Reform how the Department buys equipment and services
 - Support the troops in the field

- **Additional Themes**
 - Efficiencies
 - Process Reform

- **Budget Request Overview by Appropriation**

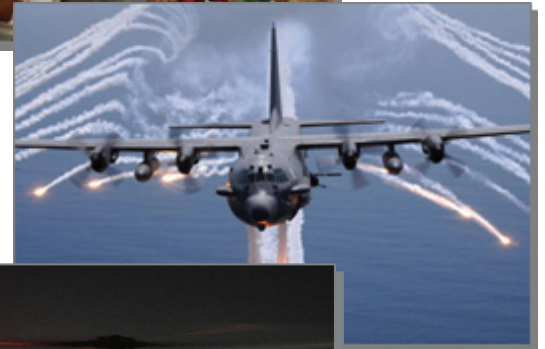
Take Care of Our People

- **Fully fund the growth of the Army and Marine Corps**
 - Halt the reduction to the Navy and Air Force
- **Fully fund the Military Healthcare Program**
 - Address needs of wounded, ill and injured
 - Additional research for traumatic brain injury/ psychological health
- **Sustain Family Support Initiatives**
 - Additional childcare centers
 - Enhance spousal and community support initiatives
- **Provide military members with a 2.9% pay raise**
- **Provide civilian employees with a 2.0% pay raise**



Reshape and Modernize the Force

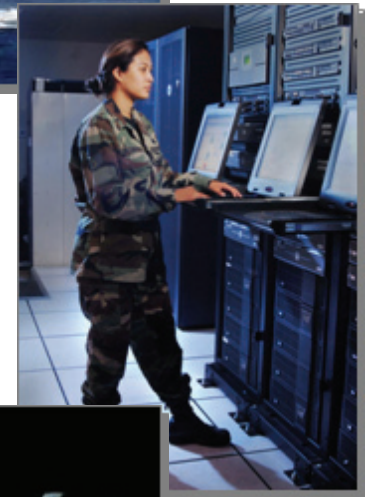
- **Build partnership capacity**
- **Grow Special Operations capabilities**
 - Additional personnel
 - Recapitalize gunships
- **Increase helicopter capacity**
- **Buy Littoral Combat Ships**
- **Charter additional High Speed Vessels**
- **Stop growth of Army Active Brigade Combat Teams at 45**



Focus on current warfighter needs

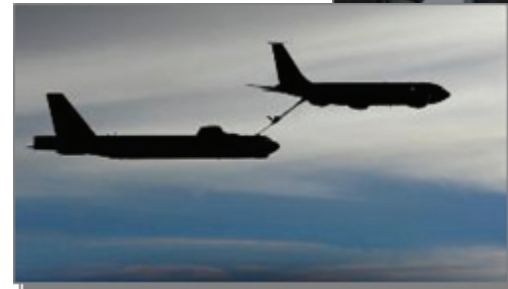
Reshape and Modernize the Force

- **Improve theater missile defenses**
 - Includes conversion of 6 additional Aegis ships by FY 2015
 - Invest in additional THAAD/SM-3 Missiles
- **Improve cyber capability**
- **Increase Intelligence, Surveillance and Reconnaissance (ISR) capabilities**
- **Complete aircraft production**
 - End production of F-22 with 187 planned aircraft
 - End production of C-17 with 205 planned aircraft
- **Delay amphibious production**
 - San Antonio-class (LPD 17) and Mobile Landing Platform (MLP) ships deferred to FY 2011



Reshape and Modernize the Force

- **Invest in tactical aircraft**
 - Buy Joint Strike Fighter and fully fund research and development
 - Continue buy of F/A-18E/F and EA-18G aircraft
- **Buy 9 ships in FY 2010 (8 Navy, 1 Army)**
 - Littoral Combat Ship (LCS) (3)
 - DDG-51 Destroyer (1)
 - Virginia Class Submarine (1)
 - T-AKE Auxiliary Dry Cargo Ship (2)
 - Joint High Speed Vessel (JHSV) (1 Navy, 1 Army)
- **Replace aging tanker fleet**
 - Maintain KC-X aerial refueling tanker schedule
- **Recapitalize C-130 aircraft inventory**
- **Procure additional AEHF communications satellite**



Retain balanced capability to deter aggression

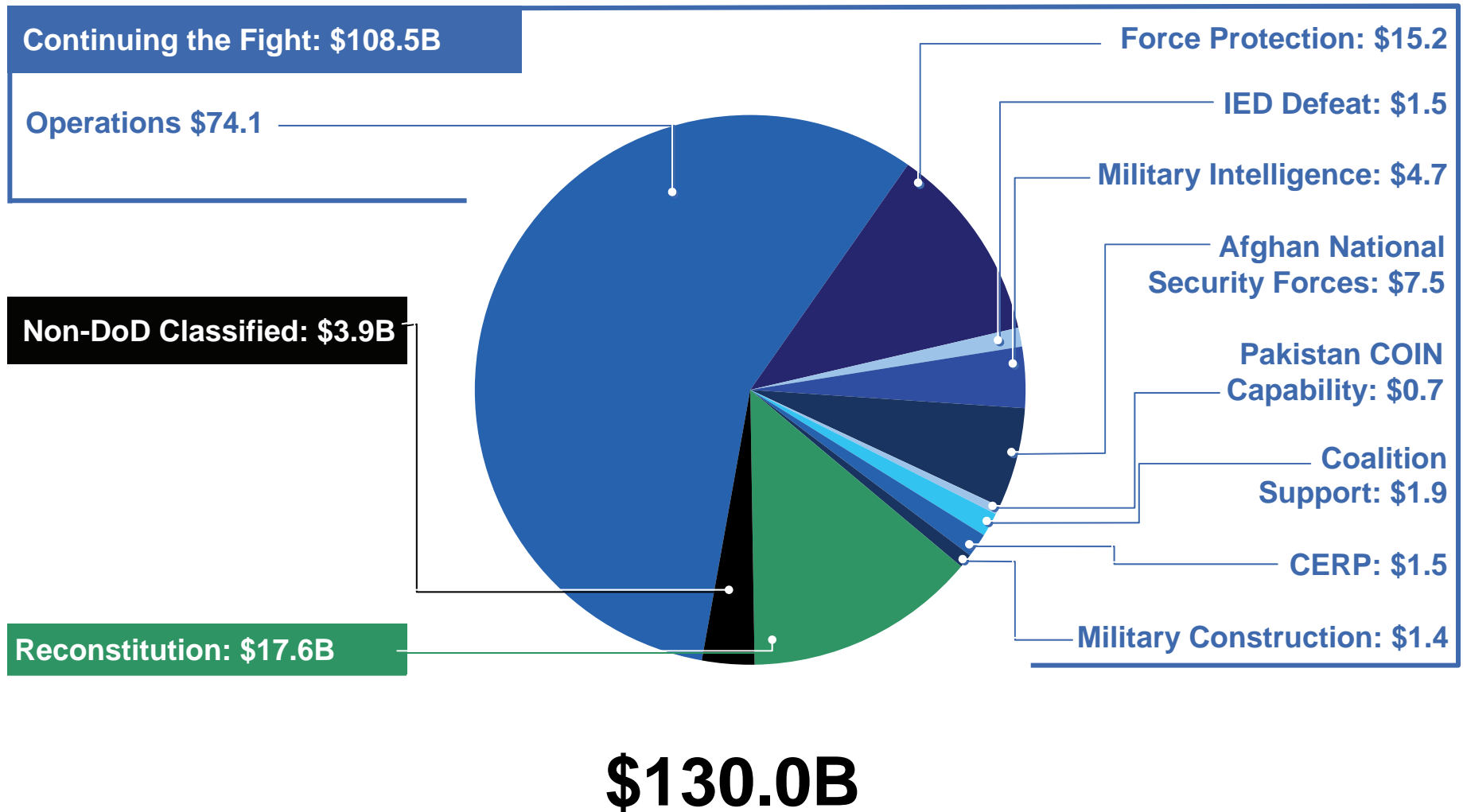
Reform How the Department Buys Equipment and Services

- **Reinvigorate the acquisition workforce**
- **Reduce reliance on contractor support services**
- **Terminate troubled programs**
 - Terminate Presidential Helicopter (VH-71)
 - Immediately develop follow-on program
 - Terminate Combat Search and Rescue Replacement (CSAR-X)
 - Terminate Transformational Satellite Communication System (TSAT)
 - Focus missile defense on rogue threats
 - Terminate second Airborne Laser (ABL) aircraft and Multiple Kill Vehicle (MKV)
 - End DDG-1000 Destroyer production with third ship
 - Transition to Arleigh Burke-class Destroyer (DDG-51)
 - Restructure the Future Combat System (FCS)

Support the Troops in the Field

FY 2010 Overseas Contingency Operations

(Dollars in Billions)



Numbers may not add due to rounding

Support the Troops in the Field

FY 2010 Overseas Contingency Operations

- **Provides \$74.1 billion to fund incremental cost of military operations subsistence and logistics, to include predeployment, deployment and redeployment**
- **Supports average troop strength of 168,000 troops**
 - Iraq 100,000
 - Afghanistan 68,000
- **Funds procurement of 1,080 additional MRAP-ATVs**
- **Provides improved intelligence, surveillance and reconnaissance capabilities**
- **Provides \$7.5 billion to train and equip Afghan security forces**
- **Provides \$0.7 billion to develop Pakistan counterinsurgency capabilities**
- **Requests \$1.5 billion for the Commander's Emergency Response Program**
- **Invests \$1.4 billion in military construction infrastructure needs**
- **Provides \$21.4 billion for the procurement of equipment**

Agenda

- **Secretary Gates' Key Themes:**
 - Take care of our people
 - Reshape and modernize the Force
 - Reform how the Department buys equipment and services
 - Support the troops in the field
- **Additional Themes**
 - Efficiencies
 - Process Reform
- **Budget Request Overview by Appropriation**

Efficiencies in FY 2010 Budget

Insourcing

- Reduce reliance on contractor support services
 - 13,800 more Government employees in FY 2010
- Projected savings of \$0.9 billion

Contracting Changes

- Reduce reliance on Time and Material (T&M) contracts
- Projected savings of \$0.3 billion

Recruiting and Retention

- Reduce funding based on recent success
- Projected savings of \$0.8 billion

Process Changes

- **Submit full war request with base budget**
- **Tighten definition of war costs**
 - Address only OIF/OEF costs
 - Replace only equipment lost or damaged
 - Properly fund base activities in the base
- **War budget not designated as emergency funding**

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Summary By Component

FY 2010 Base Budget

(Dollars in Billions)

Component	FY 2009	FY 2010	Δ FY 2009 – FY 2010
Army	139.2	142.1	+2.1%
Navy	147.4	156.4	+6.1%
Air Force	141.2	144.5	+2.3%
Defense-wide	85.5	90.8	+6.1%
Total	513.3	533.8	+4.0%

Summary By Appropriation Title

FY 2010 Base Budget

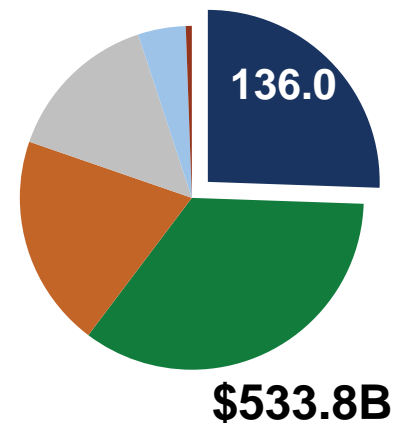
(Dollars in Billions)

Appropriation Title	FY 2009	FY 2010	Δ FY 2009 – FY 2010
Military Personnel	124.9	136.0	+8.9%
Operation & Maintenance	179.1	185.7	+3.7%
Procurement	101.7	107.4	+5.6%
RDT&E	79.5	78.6	-1.1%
Military Construction	21.9	21.0	-4.1%
Family Housing	3.2	2.0	-38.0%
Other	3.2	3.1	-1.1%
Total	513.3	533.8	+4.0%

Military Personnel

(Dollars in Billions)

	FY 2009	FY 2010	Δ FY 2009 – FY 2010
Military Personnel	124.9	136.0	+8.9%



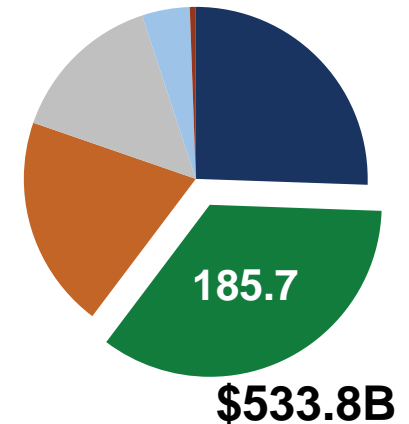
- **Highlights:**

- Funds the accelerated attainment of the ground forces grow the force initiative
- Provides for an annual military pay raise of 2.9%
 - Enlisted E-6 (Army staff sergeant) will see a pay increase of \$1,226
 - Officer O-3 (Army Captain/Navy Lieutenant) will see a pay increase of \$1,849
- Increases basic allowance for subsistence by 5.0%
- Increases basic allowance for housing on average 6.0%
- Fully funds recruiting and retention initiatives in base budget

Operation and Maintenance

(Dollars in Billions)

	FY 2009	FY 2010	Δ FY 2009 – FY 2010
Operation and Maintenance	179.1	185.7	+3.7%



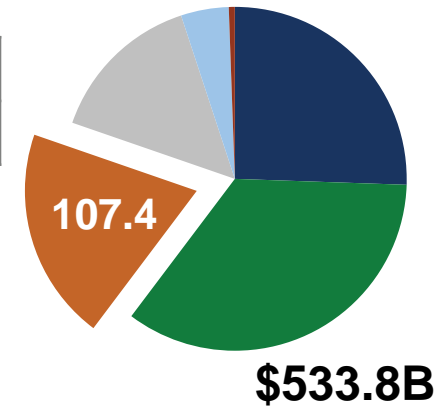
- **Highlights:**

- Sustains readiness levels at the FY 2009 level
 - 550 tank miles per year
 - 45 deployed steaming days per quarter
 - 14 Air Force fighter flying hours per crew per month
- Funds facility sustainment at 91% of requirement
- Increases funding for building partnership capacity
- Increases acquisition workforce by 4,080
- Provides increased intelligence, surveillance & reconnaissance sustainment
- Provides high quality health care for 9.3 million eligible beneficiaries
- Reflects no military health care out-of-pocket cost share increases
- Reflects savings for federal pricing of retail pharmaceuticals

Procurement

(Dollars in Billions)

	FY 2009	FY 2010	Δ FY 2009 – FY 2010
Procurement	101.7	107.4	+5.6%



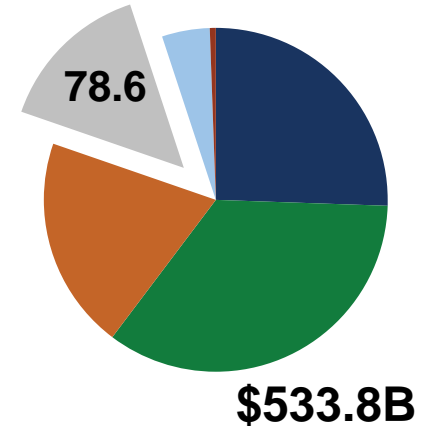
- **Highlights:**

- Procures 9 ships in FY 2010
 - 8 Navy and 1 Army
 - Includes 3 Littoral Combat ships
 - Includes Joint High Speed Vessels for both the Army and Navy
 - T-AKE auxiliary cargo ships funded in National Defense Sealift Fund
- Procures 30 Joint Strike Fighter and 31 F/A-18E/F/G aircraft
- Funds growth in inventory of unmanned aerial vehicles
- Funds enduring JIEDDO efforts in base budget
- Increases procurement of THAAD and SM-3 missiles
- Procures one AEHF satellite
- Funds additional Army helicopters

RDT&E

(Dollars in Billions)

	FY 2009	FY 2010	Δ FY 2009 – FY 2010
RDT&E	79.5	78.6	-1.1%



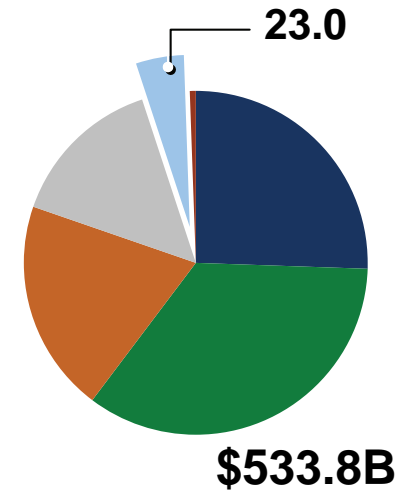
- **Highlights:**

- Funds robust science and technology program, particularly basic research (6.1)
- Fully funds Joint Strike Fighter (F-35) development
- While reducing total missile defense spending, robustly fund R&D to improve capability against long-range rogue missile threats
- Restructure the Future Combat System to retain and accelerate the spin out technology enhancements to combat brigades

Facilities

(Dollars in Billions)

	FY 2009	FY 2010	Δ FY 2009 – FY 2010
Military Construction	13.1	13.5	+3.1%
BRAC 2005	8.8	7.5	-14.8%
Family Housing	3.2	2.0	-38.0%



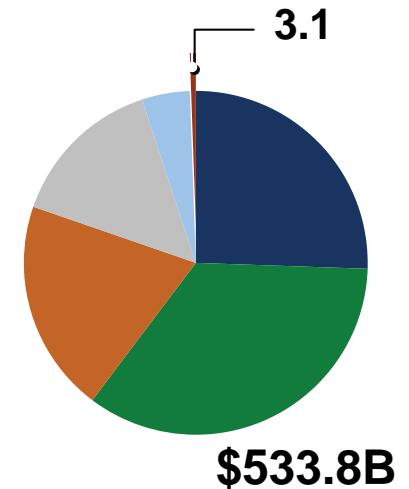
- **Highlights:**

- Fully funds BRAC 2005 to meet the statutory deadline of Sep 15, 2011
 - Reduced funding because peak construction needs funded in previous years
- Provides for infrastructure investment to support:
 - Relocation of Marines from Japan to Guam
 - Recapitalization of schools and medical facilities
 - Marine Corps force growth
 - Reduced Army need for grow the force infrastructure
 - First phase of a large NSA data center project
- Reduces family housing funding due to near completion of privatization projects

Other

(Dollars in Billions)

	FY 2009	FY 2010	Δ FY 2009 – FY 2010
Revolving Funds	3.2	3.1	-1.1%



- **Highlights:**

- Sustains commissary benefits for military members and their families
- Procures two T-AKE auxiliary cargo ships
- Fuel based on crude price of \$60.98/barrel
 - Lower than recent years
- Supports warfighter supply, depot and transportation needs at wartime optempo
- Provides transformational Global Information Grid access for increased bandwidth needs
- Supports continued progress as Pentagon Renovation project nears completion
- Enhances anti-terrorism/force protection at Pentagon Reservation

Reshaping Defense Priorities

- **Provides the troops in the field the resources needed to succeed**
- **Reaffirms the nation's commitment to the all-volunteer force**
- **Rebalances the Department's programs between fighting the wars we are in today and preparing for future scenarios**
- **Changes the way we buy**

For More Information

- For more information, visit the website for the Office of the Undersecretary of Defense (Comptroller) at
 - www.budget.mil
 - Download the Department's *FY 2010 Budget Request Summary Justification*

