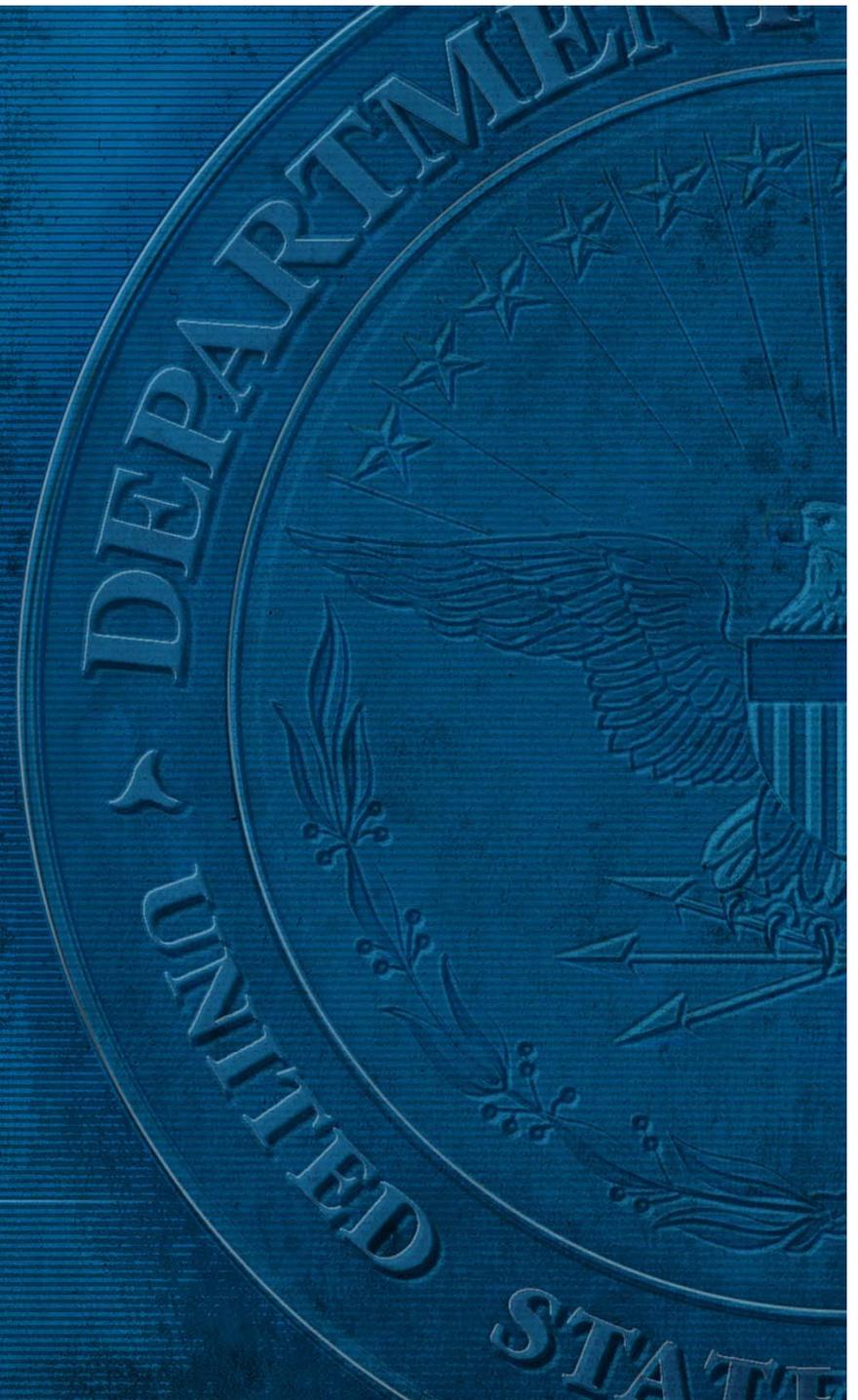


U.S. Department of Defense

FISCAL YEAR 2009 BUDGET REQUEST

February 4, 2008



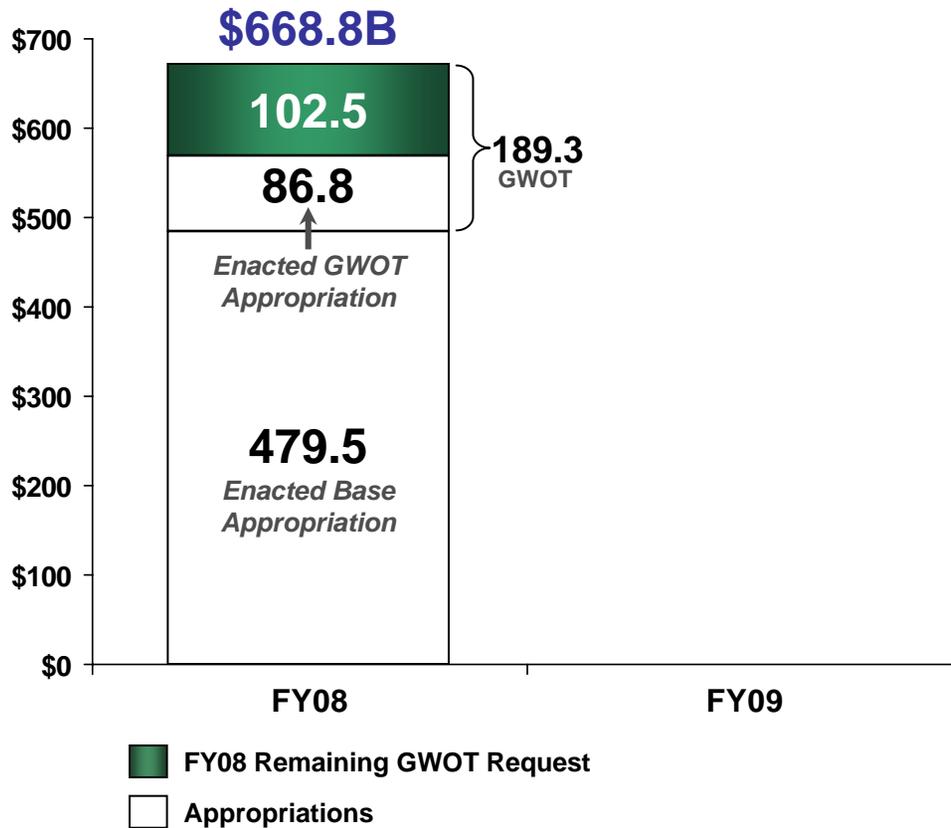
Defending America



The Budget Request provides the resources needed to prevail in the current conflict and prepare for the range of conventional and irregular threats that the Nation will face in the decades ahead.

Global War on Terror

(Dollars in Billions)



Department Priorities

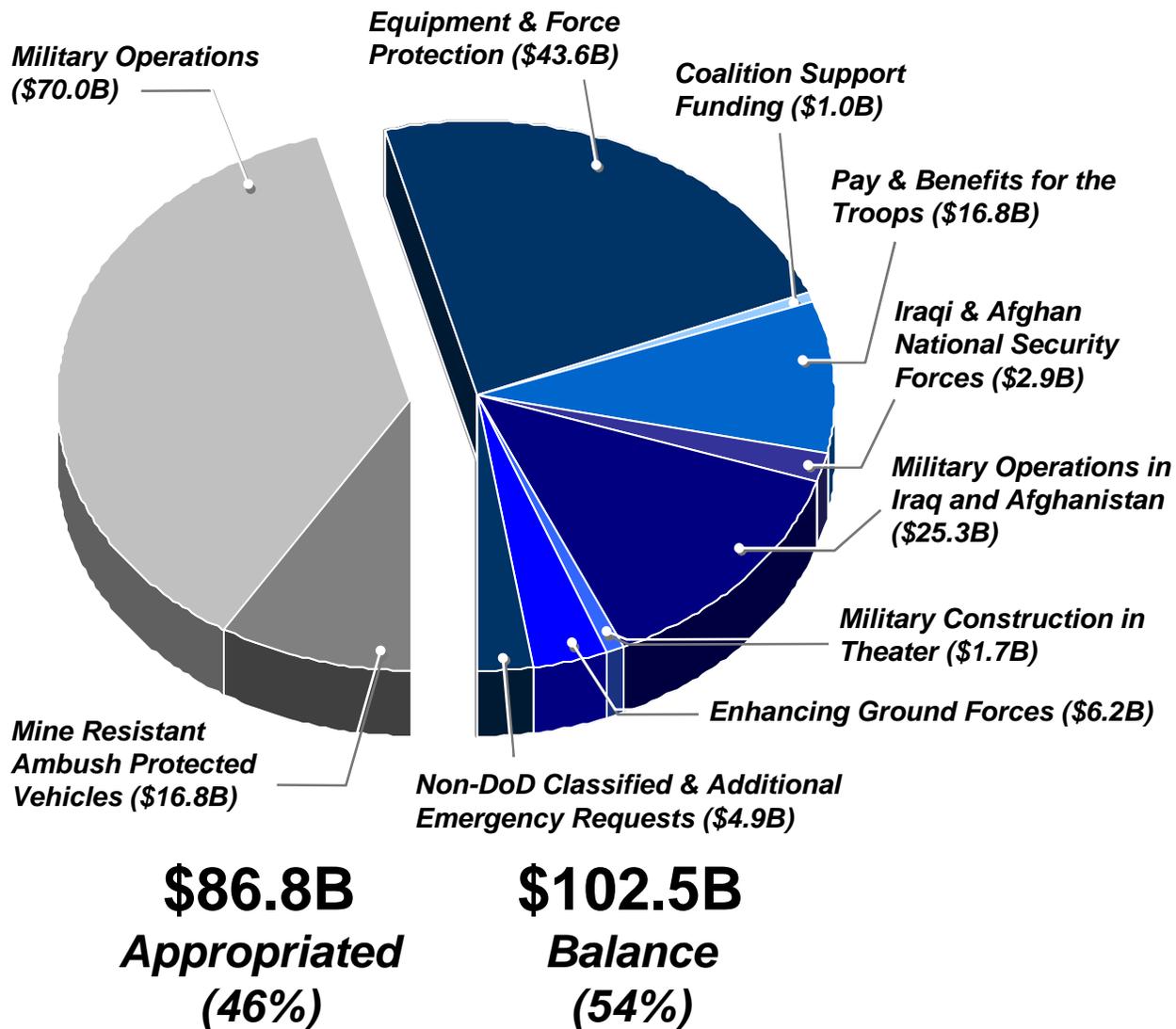
- Prevail in the War on Terror

Congress provided 46% of the President's Request for GWOT

Source: FY 2009 DoD Budget Request; FY 2008 DoD Appropriations and GWOT Request

Numbers may not add due to rounding

Critical FY 2008 GWOT Priorities



Impact of Funding Delay

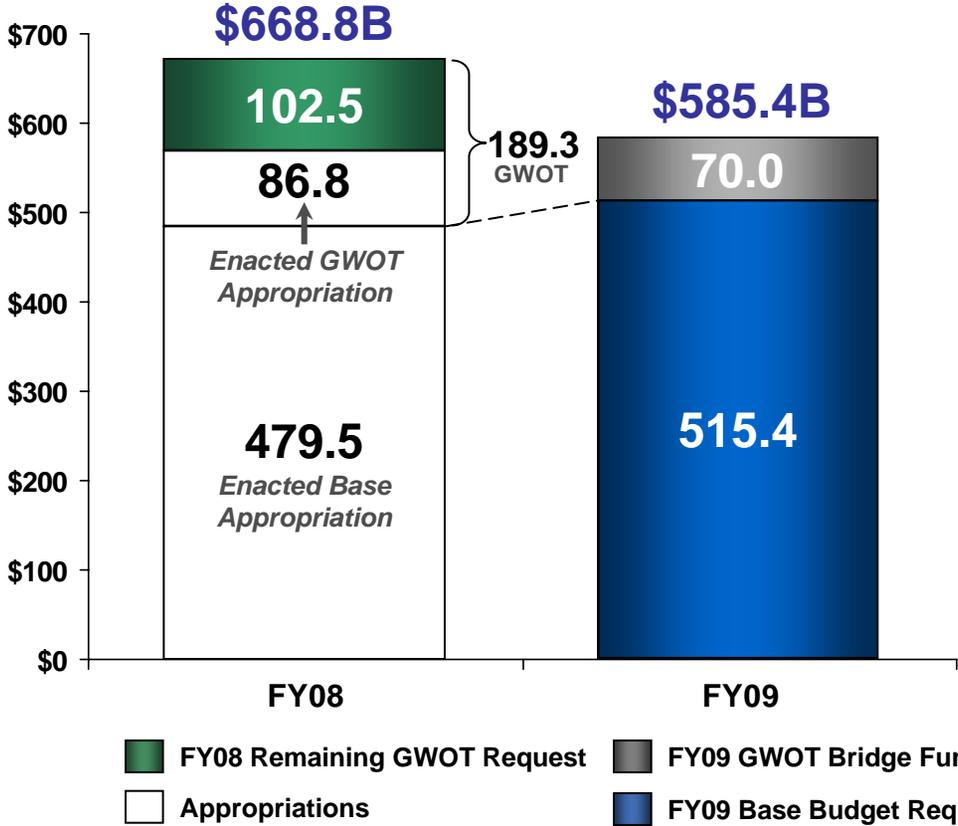
- Equipment and Force Protection for deploying forces not available (\$43.6B)
- Coalition forces without U.S. support (\$1.0B)
- Soldiers not paid past June (\$16.8B)
- Training and equipping of Iraqi and Afghan National Forces delayed (\$2.9B)
- Services unable to provide basic operations, infrastructure and support to the warfighter

Source: FY 2008 GWOT Request and Amendments; FY 2008 MRAP and GWOT Appropriations

Numbers may not add due to rounding

FY 2009 President's Budget for Defense

(Dollars in Billions)



Department Priorities

- Prevail in the War on Terror

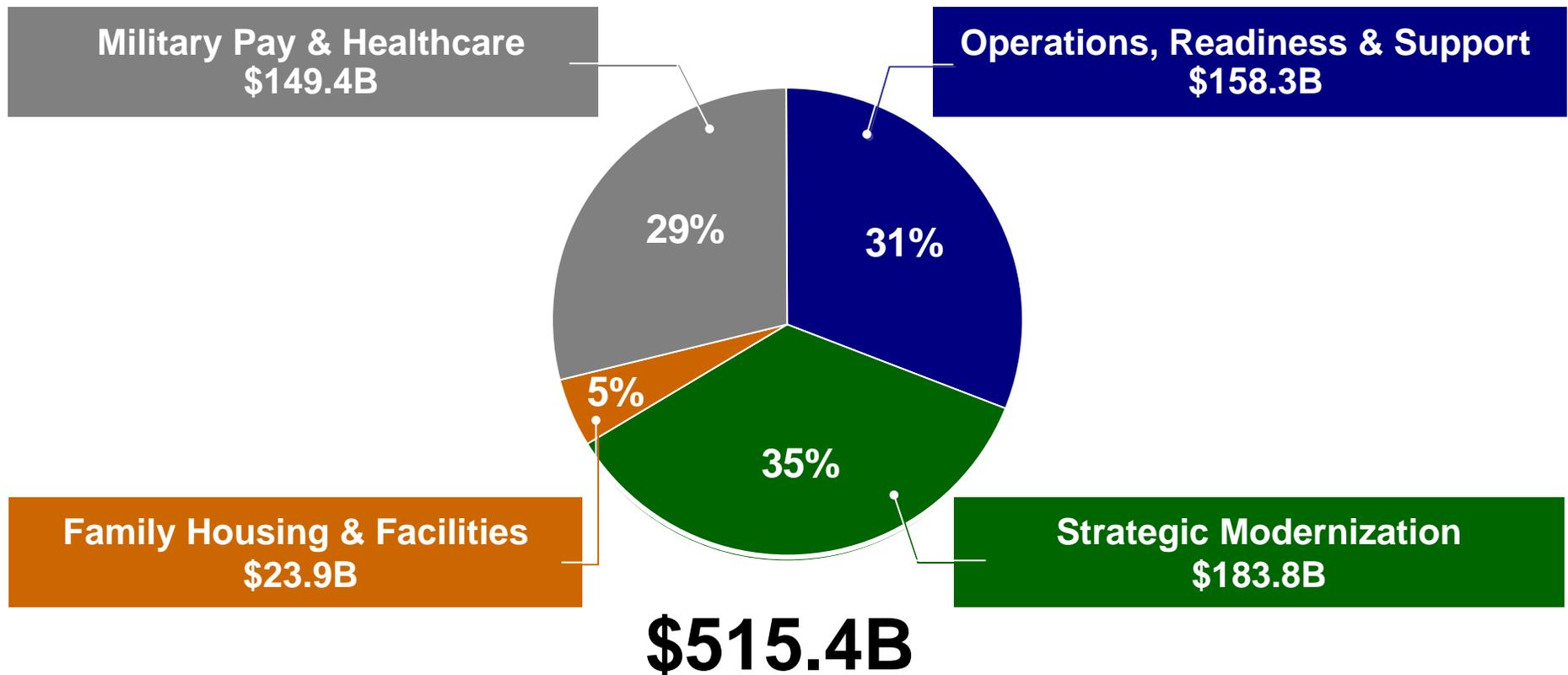
- Increase Ground Capabilities
- Improve Force Readiness
- Develop Future Combat Capabilities
- Improve Quality of Life

Base budget increases by \$35.9B (7.5%) from FY 2008 to FY 2009

Source: FY 2009 DoD Budget Request; FY 2008 DoD Appropriations and GWOT Request

Numbers may not add due to rounding

FY 2009 President's Budget for Defense



Improves force readiness, modernizes warfighting capabilities and provides for our Service Members

Military Pay, Benefits, Healthcare and Facilities

Military Pay & Healthcare (\$149.4B)

Pay & Benefits (\$107.8B)

- Provides pay and benefits (e.g., housing allowance) for 2.2 million active and reserve members

Healthcare (\$41.6B)

- Sustains the best healthcare program in the world; provides high quality healthcare for 9.2 million eligible beneficiaries

Family Housing & Facilities (\$23.9B)

Family Housing (\$3.2B)

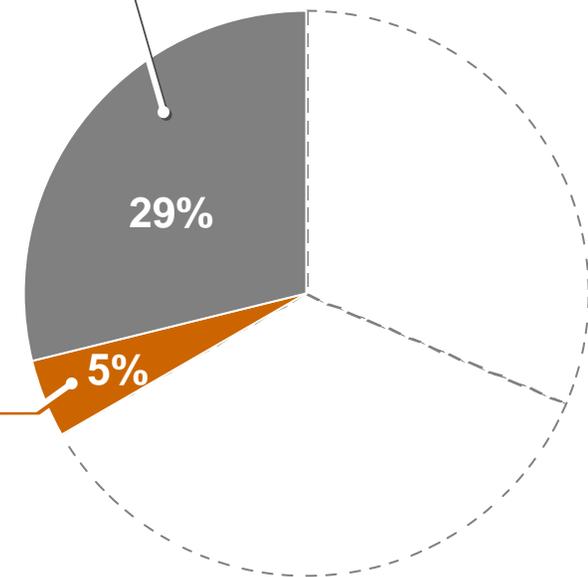
- Privatizes 12,324 domestic family housing units

Base Realignment & Closure Implementation (\$9.5B)

- Fully funds 24 major realignments and 25 base closures

Training Centers & Base Infrastructure (\$11.2B)

- Continues construction in support of Army and Marine Corps Grow-the-Force initiative



\$515.4B

Readiness and Modernization

Operations, Readiness & Support (\$158.3B)

Readiness (\$68.0B)

- Daily operational readiness (e.g. tank miles, ship steaming days and flight hours)

Support Activities (\$33.1B)

- Logistical, intelligence and service-wide support

Training & Recruiting (\$10.7B)

- Training (\$7.4B); recruiting (\$3.3B)

Equipment Maintenance (\$11.8B)

Base Operations & Facility Maintenance (\$32.6B)

- Daily operation and maintenance of 5,300 sites worldwide

Revolving Funds (\$2.2B)

Strategic Modernization (\$183.8B)

Aircraft (\$45.6B)

Communications & Mission Support Systems (\$68.5B)

Ground Capabilities (\$9.2B)

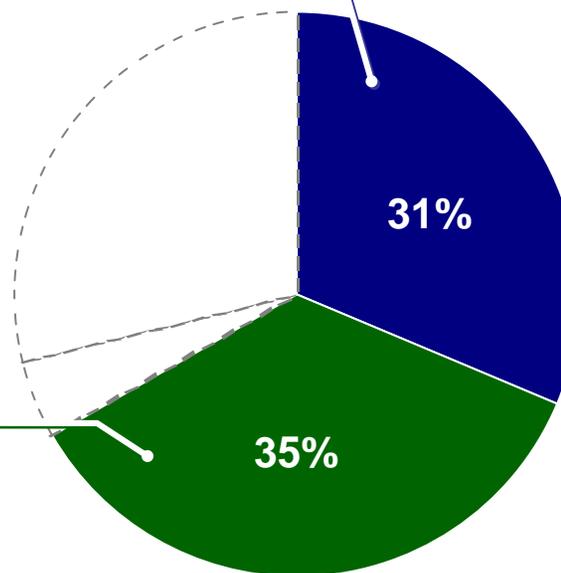
Missile Defense (\$10.5B)

Munitions & Missiles (\$11.0B)

Science & Technology (\$11.5B)

Shipbuilding & Maritime Systems (\$16.9B)

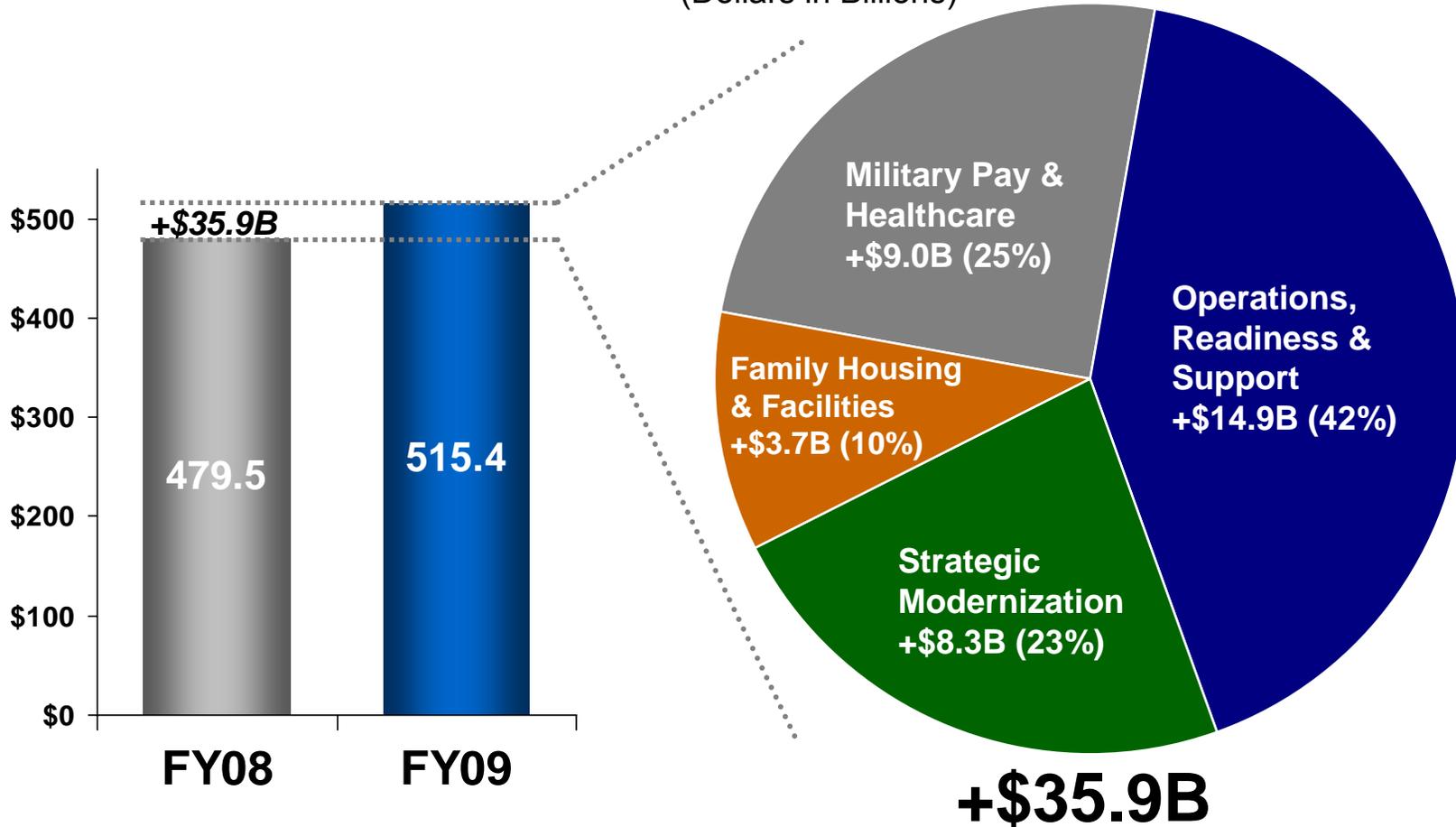
Space-Based & Related Programs (\$10.7B)



\$515.4B

Budget Provides Real Increases to Support the Warfighter

(Dollars in Billions)



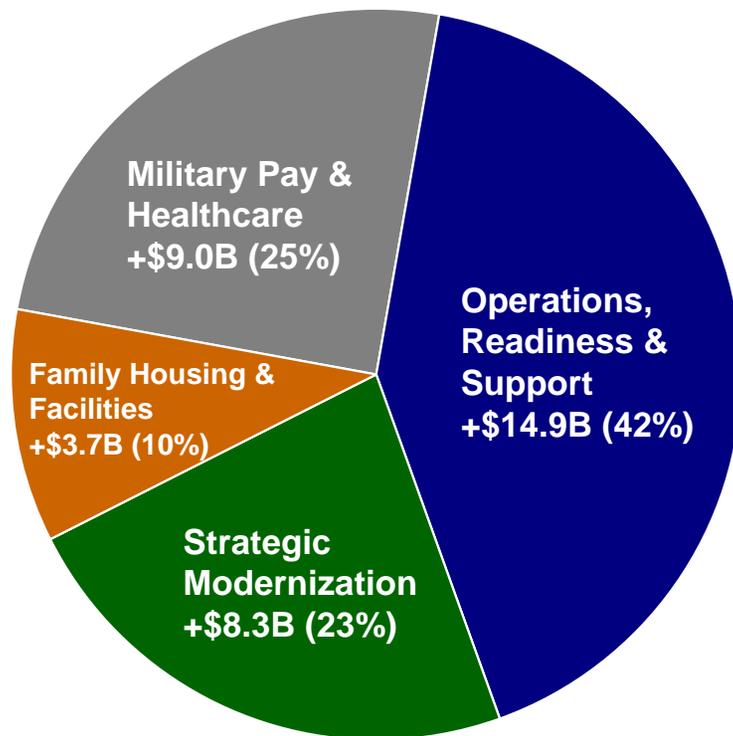
Base budget increases by \$35.9B (7.5%, 5.4% when adjusted for inflation) from FY 2008 to FY 2009

Source: FY 2009 DoD Budget Request; FY 2008 DoD Appropriations

Numbers may not add due to rounding

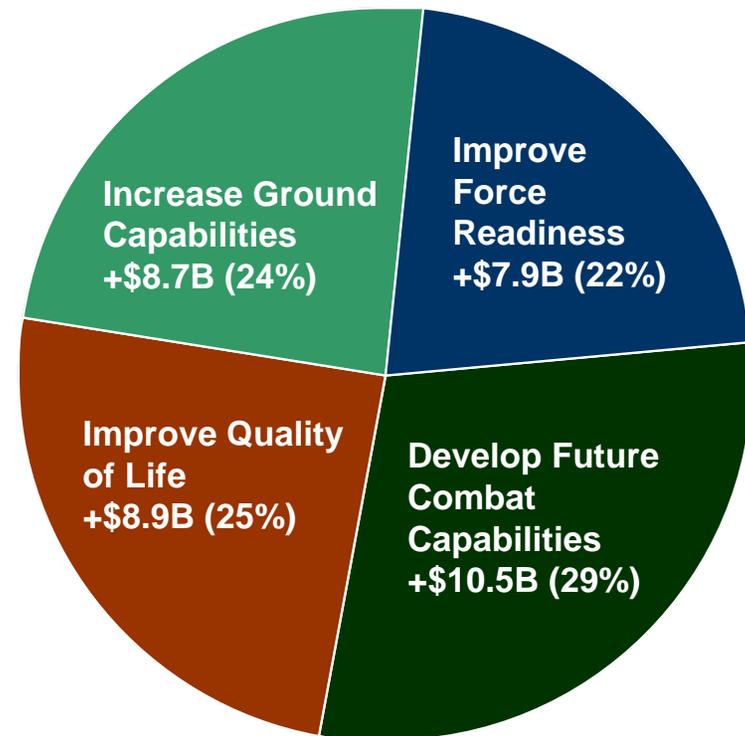
Budget Increases Reflect Department Priorities

Budget Categories



+\$35.9B

Budget Priorities



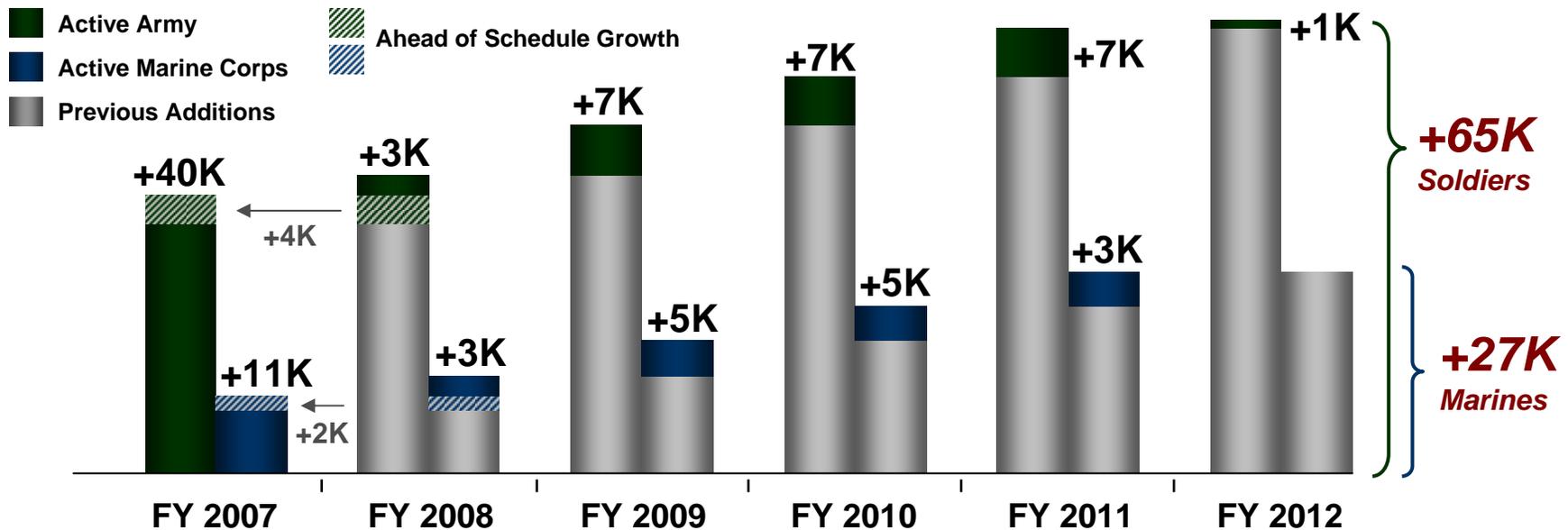
+\$35.9B

Improves readiness and increases ground forces, while taking care of people and planning against future threats

Increase Ground Capabilities

+\$8.7B
FY08 - FY09

Army Active	42	Brigade Combat Teams (482.4K Soldiers)	➔	48	Brigade Combat Teams (547.4K Soldiers)
	12/12	Months Home Station / Months Deployed		24/12	Months Home Station / Months Deployed
Marine Corps Active	2.5	Marine Expeditionary Forces (175K Marines)	➔	3	Marine Expeditionary Forces (202K Marines)
	7/7	Months Home Station / Months Deployed		14/7	Months Home Station / Months Deployed

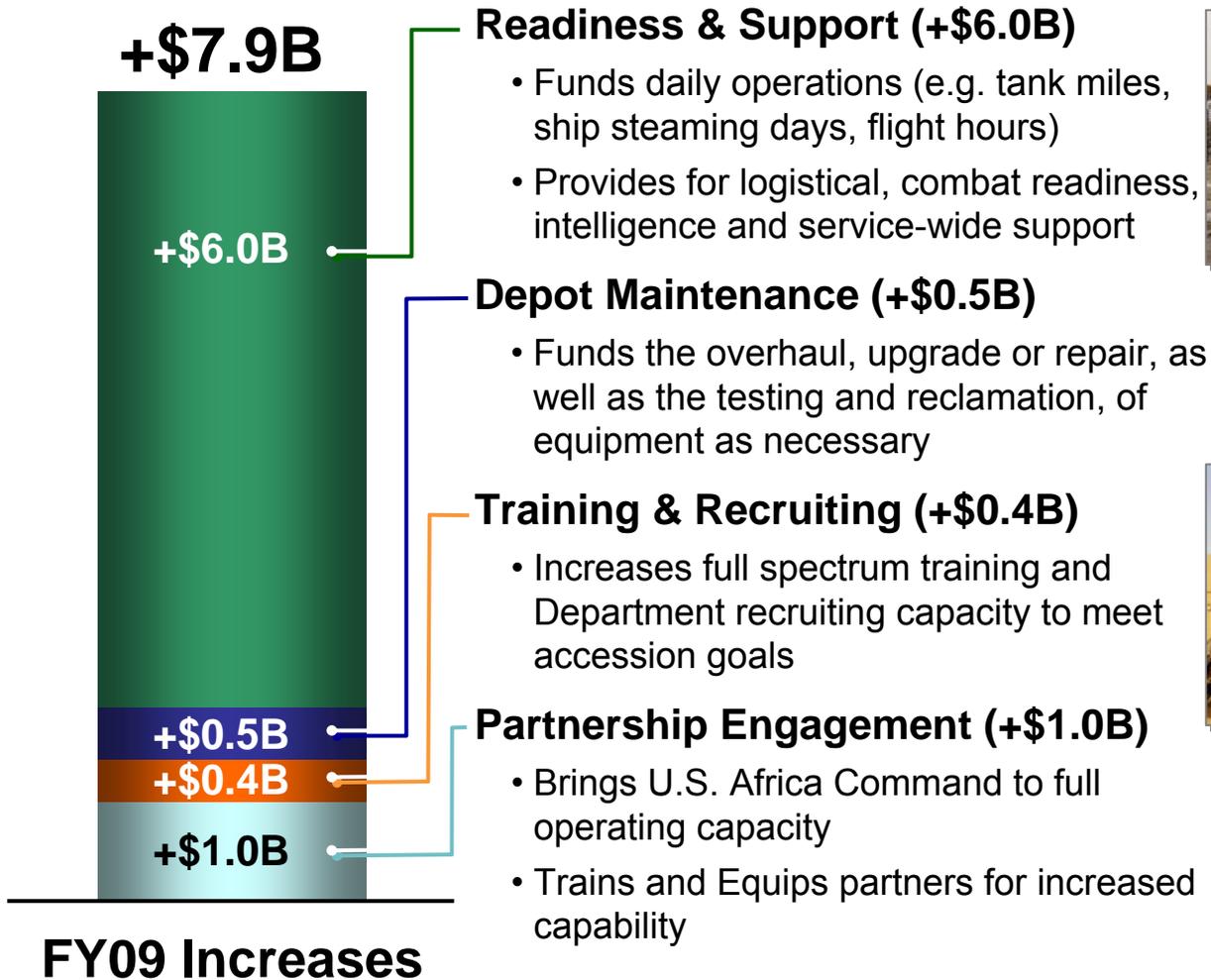


Source: FY 2009 DoD Budget Request; FY 2008 Budget; FY 2007 Supplemental

Numbers may not add due to rounding

Improve Force Readiness

+\$7.9B
FY08 - FY09



Budget ensures effective and available warfighting capability

Develop Future Combat Capabilities

+\$10.5B
FY08 - FY09

Joint Ground Capabilities	Joint Maritime Capabilities	Joint Air Capabilities	Space-based Capabilities
<ul style="list-style-type: none"> - Future Combat Systems: <ul style="list-style-type: none"> • Ground and air systems - 119 Stryker Vehicles - 5,249 High Mobility Multi-purpose Wheeled Vehicles - 1,061 Heavy Tactical Vehicles - 3,187 Medium Tactical Vehicles - 29 M1A1 Abrams Tank Upgrades - Chemical Weapons Demilitarization 	<ul style="list-style-type: none"> - CVN 21 Carrier Replacement - 1 Virginia Class Submarine - 1 DDG-1000 Destroyer - 2 Littoral Combat Ships - 2 T-AKE Auxiliary Dry Cargo Ships - CVN Refueling Complex Overhaul - 2 Joint High Speed Vessels 	<ul style="list-style-type: none"> - 16 F-35 Joint Strike Fighters - 20 F-22A Raptors - 36 V-22 Ospreys - 23 F/A-18 Hornets - 22 E/A-18G Growlers - 16 CH-47 Chinooks - VH-71 Helicopter - KC-X Aerial Refueling Tanker - 59 Predators, Reapers and Warriors 	<ul style="list-style-type: none"> - 2 Space Based Infrared Systems - 4 Expendable Launch Vehicles - GPS Satellite - 1 Mobile User Objective System - Transformational Satellite - Advanced Extremely High Frequency Satellite - Wideband Global SATCOM - Ballistic Missile Defense
<p><i>Basic Research +\$0.3B in FY 2009 (+\$1.4B FY09-FY13)</i></p>			

Budget strengthens joint capabilities to meet future threats

Source: FY 2009 DoD Budget Request. Note: Increase in Basic Research is from FY 2008 Request

Improve Quality of Life

+\$8.9B
FY08 - FY09

Military and Civilian Pay (+\$3.9B)

- 3.4% increase for Military Pay in FY 2009
- 2.9% increase for Civilian Pay in FY 2009

Housing and Subsistence (+\$1.6B)

- 5.0% increase to Basic Allowance for Housing (+\$1.2B)
- 3.8% increase to Basic Allowance for Subsistence (+\$0.4B)

Base Support (+\$1.4B)

- Improve conditions of bases

Strategic Realignment (+\$1.9B)

- Continued implementation of BRAC 2005 and global basing posture

Defense Health Program (+\$0.1B)

- Healthcare program includes legislative proposal to implement Task Force recommendations regarding Sustain-the-Benefit



- *On average, an E-6 (Army Staff Sergeant) will see basic pay increase by \$1,289 in FY 2009*
- *On average, an O-3 (Air Force or Army Captain or Navy Lieutenant) will see basic pay increase by \$1,943 in FY 2009*

Budget continues to provide for the health and well-being of our Service Members and their families

Note: Military and Civilian Pay total excludes \$0.7B annualization of the January 1, 2008 military pay raise of 3.5%
Source: FY 2009 DoD Budget Request

Numbers may not add due to rounding

President's Family Support Initiatives

Four Specific Initiatives:

- Transfer unused education benefits (GI Bill) to spouses and children of military members
- Expand and strengthen career opportunities for all military spouses
- Develop a public-private partnership to increase child care centers in communities surrounding bases
- Implement the Dole-Shalala recommendations



- *The GI Bill covers up to 36 months of education at a value of ~\$37,000; 97% of Service men and women enroll*
- *Two-thirds of those stationed in the U.S. live off base; these Service Members consistently report difficulty finding affordable and high quality child care*

Service men and women and their families deserve significant enhancements in family support

Key Points

- The Department is still awaiting Congressional action on \$102.5B of the FY 2008 GWOT Request
- The Administration requests an Emergency Allowance of \$70.0B for the Global War on Terror in FY 2009
- The FY 2009 Budget of \$515.4B represents an increase of \$35.9B (7.5%, 5.4% when adjusted for inflation) from FY 2008 and addresses a number of the Department's Priorities:
 - Increasing Ground Capabilities (+\$8.7B)
 - Improving Force Readiness (+\$7.9B)
 - Developing Future Combat Capabilities (+\$10.5B)
 - Basic Research Enhancements
 - Improving Quality of Life (+\$8.9B)

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 2009 Budget Request Summary Justification*

