

**February 5, 2007**

## **President Bush's FY 2008 Defense Budget Submission**

President Bush's Fiscal Year (FY) 2008 budget requests \$481.4 billion in discretionary authority for the Department of Defense base budget, an 11.3 percent increase over the projected enacted level for FY 2007, for real growth of 8.6 percent; and \$141.7 billion to continue the fight in the Global War on Terror (GWOT) in FY 2008.

The FY 2008 Defense base budget sustains the President's commitment to ensure a high state of military readiness and ground force strength; to enhance the combat capabilities of the United States Armed Forces; to continue the development of capabilities that will maintain traditional U.S. superiority against potential threats; and to continue the Department's strong support for service members and their families.

The FY 2008 Global War on Terror Request funds urgent needs associated with Operations Enduring Freedom and Iraqi Freedom and other costs of the Global War on Terror; including the costs of repairing, replacing or replenishing equipment lost in combat by both the Active and Reserve Components.

The FY 2008 Global War on Terror Request is consistent with the direction of Congress to include the cost of ongoing operations in the Global War on Terror with the FY 2008 Department of Defense Base Budget. .

Accompanying the FY 2008 Defense base budget and the President's GWOT Request is a request for \$93.4 billion in emergency supplemental funding to cover equipment reconstitution and the cost of operations in the Global War on Terror for the remainder of FY 2007.

## **FY 2008 Base Budget: Ensuring a High State of Military Readiness**

Recognizing that threats to U.S. security exist beyond the war on terror in Iraq and Afghanistan, the United States must increase the strength and capabilities of its forces, maintain a high state of military readiness and support, and continue strategic modernization.

### **Increasing Ground Force Strength and Capability**

The FY 2008 Defense base budget includes funding to increase force structure in both the Army and Marine Corps. Army Active Duty permanent end strength will grow by 7,000 annually starting in FY 2008 until reaching the increase of 65,000 by FY 2012 for a total of 547 thousand. The number of Active Army Brigade Combat Teams (BCTs) will increase from 42 to 48 by FY 2012.

Marine Corps end strength will grow annually by 5,000 starting in FY2008 until reaching 27,000 by FY 2011 for a total of 202 thousand. The combined total increase in permanent end strength for Army and Marines will be 92,000 troops by 2012. Marine Expeditionary Forces (MEF) will also rise, growing from 2.5 to 3 balanced MEFs. To accomplish this, the Budget provides \$12.1 billion in FY 2008.

These increases in Army and Marine Corps permanent end strength will improve the Nation's security and ensure a ready and available warfighting force. The increase will also provide longer periods of time at home station for military personnel and their families. Army time at home will double -- from the current one year at home station for every year deployed, to two years at home station for every one year deployed. Time at home for Marines will also double -- from the present rotation of 7 months at home and 7 months deployed, to 14 months at home station for each deployment of 7 months duration.

In addition, the Army's continuing conversion to Brigade Combat Teams will reduce the frequency of deployments, again providing more time at home for soldiers and, while also making the Army combat force more flexible, effective, and deployable against a wide variety of adversaries.

### **Improving Force Readiness and Support**

The FY 2008 Defense base budget provides increases to operations and procurement accounts of almost \$36 billion over the projected enacted level in FY 2007. Increases in these accounts will ensure that our military forces are ready and available. About \$16.8 billion in these accounts will go to improve readiness. This additional funding will enable the Department to increase full spectrum training operations on land, at sea, and in the air. Training operations include increased Combat Training Center rotations, sustained air crew training, and increased ship-deployed steaming days.

## **FY 2008 Base Budget: Developing the Capabilities to Meet Future Threats**

In addition to strengthening the combat readiness of America's Armed Forces, the Department continues to develop capabilities to meet future threats from land, sea, air or space, as well as to maintain the Nation's significant advantages in conventional warfighting capabilities.

### **Improving Joint Ground Capabilities**

The Defense base budget provides \$3.7 billion, a \$0.3 billion increase over the FY 2007 projected enacted budget for the Army's Future Combat System. Major areas of investment include unmanned aerial vehicles, manned and unmanned ground vehicles, non-line of sight launch systems, and battlefield command and communications systems. The Future Combat System continues the process of modernizing and integrating ground forces, while increasing the lethality and effectiveness of the individual soldier.

### **Improving Joint Maritime Capabilities**

To improve Joint Maritime capabilities and develop deep water and coastal maritime support to Joint forces operations, the Defense base budget provides \$14.4 billion for ship building. This is an increase of about \$3.2 billion over the FY 2007 projected enacted budget to continue the modernization and recapitalization of the fleet.

In FY 2008, the Defense base budget funds one aircraft carrier (CVN-21), one Virginia class submarine (SSN), one Amphibious Assault Ship (LPD), one Logistics Ship (T-AKE), and three Littoral Combat Ships (LCS), and continues building the two lead Destroyers of the DDG-1000 class and LHA(R) amphibious assault ship. In addition, the Army contributes one Joint High Speed Vessel (JHSV).

### **Improving Joint Air Capabilities**

To improve Joint Air Dominance, which permits freedom of maneuver for air, land and sea forces, the FY 2008 Defense base budget provides \$27.0 billion, an increase of about \$4.1 billion over the FY 2007 projected enacted budget to fund acquisition of 20 F-22As, 18 EA-18Gs, 24 F/A-18 aircraft, 26 V-22 aircraft, Unmanned Aerial Vehicles, the continued development and procurement of 12 Joint Strike Fighter (F-35) aircraft, as well as enhancements to existing aircraft.

### **Improving Space-Based Capabilities**

To provide continued space-based command and control, navigation, strategic/tactical communications, and meteorological information, the Defense base budget provides \$6.0 billion an increase of about \$1.2 billion more than the enacted budget in FY 2007. The FY 2008 Defense base budget continues development of the Space Based Infrared System – High (SBIRS-H) satellite, the Transformational Communications Satellite (TSAT), the Advanced

Extremely High Frequency Satellite, Environmental Satellites, and the next generation NAVSTAR Global Positioning System (GPS) satellite.

## **Improving the Quality of Life**

Recognizing the vital role of the men and women in uniform, the FY 2008 Defense base budget provides the resources necessary to sustain recruitment and retention of the all-volunteer force; to provide the finest training, equipment and force protection for those who serve in harm's way; and to continue the Department's commitment to provide a high quality of life for service members and their families.

The 2008 Defense base budget increases military pay by 3 percent over FY 2007. Since 2001, military pay has increased by an average of 32 percent. In FY 2008, the average enlisted E-6 (Sergeant) will see his or her pay increase by \$1,099. The average O-3 (Air Force Captain of Navy Lieutenant) will see a pay increase of \$1,657 in FY 2008.

The FY 2008 Defense base budget provides \$15.0 billion an additional \$1.6 billion over the FY 2007 projected enacted budget to increase the basic housing allowance by 4.2 percent, to ensure no out-of-pocket housing costs for service personnel, and to continue the privatization of housing units for military families.

The Defense Base Budget also provides \$38.7 billion in FY 2008 for health care for military personnel and their families. The Department of Defense's health benefit program, TRICARE, is the best in the Nation, and the Department will seek legislative support to maintain those exceptional benefits for those who serve by placing the program on a fiscally sound foundation for the long-term.

Other areas of investment include an increase of \$1.9 billion over the FY 2007 projected enacted budget to improve the quality of life at military installations worldwide, and an additional \$5.7 billion to continue the strategic realignment of our forces through the BRAC process.

## **The FY 2008 Global War on Terror Request**

To prevail in the global war on terror, the FY 2008 Global War on Terror Request provides a total of \$141.7 billion to fund urgent needs associated with the Operations Enduring and Iraqi Freedom, and other incremental costs of the global war on terror through all of FY 2008.

### **Continuing the Fight**

To continue combat operations for the Global War on Terror, including operations in Iraq and Afghanistan, the FY 2008 Global War on Terror Request includes \$70.6 billion to sustain warfighting operations, and to provide supplies, support, and maintenance.

In addition, \$15.2 billion is requested for force protection and defeating improvised explosive devices (IEDs), including \$4.0 billion for the development and fielding of measures to defeat IEDs.

The FY 2008 GWOT Request also provides \$2.7 billion to sustain military intelligence requirements for the Global War on Terror.

Iraqi and Afghan Security Forces: To speed the transition of responsibility for security to Iraqi control, the FY 2008 Global War on Terror Request provides \$2.0 billion to train and equip Iraqi Security Forces and help them achieve self-reliance.

Another \$2.7 billion is provided for the training and equipping Afghan Security Forces (ASF) capable of conducting independent counterinsurgency operations to defeat the threat today and provide for the long-term security and stability of Afghanistan.

To assist our Coalition allies and help military commanders on the ground carry out their security and stabilization mission, the FY 2008 Global War on Terror Request provides \$1.7 billion for Coalition Support and \$1.0 billion for the Commander's Emergency Response Program.

The FY 2008 GWOT request includes \$.7 billion for operational construction projects in direct support of GWOT.

### **Reconstituting the Force**

To maintain a high state of military readiness and restore a necessary depth of military capability and preparedness, the FY 2008 GWOT request includes \$37.6 billion to repair or replace equipment lost or damaged to combat and to reset the force to a ready warfighting condition.

### **Enhancing Ground Forces**

About \$1.6 billion is provided to sustain two additional Army brigade combat teams and three Marine battalions that were accelerated into FY 2007 to meet deployment requirements

## **The FY 2007 Emergency Supplemental**

Submitted at the same time as the FY 2008 Budget Submission, the President's FY 2007 Emergency Supplemental requests \$93.4 billion to cover the cost of operations in the Global War on Terror for the remainder of FY 2007. The FY 2007 Supplemental is in addition to the \$70 billion previously provided by Congress.

## **Continuing the Fight**

To continue combat operations in the Global War on Terror, including Iraq and Afghanistan, the FY 2007 Supplemental provides \$39.3 billion to sustain warfighting operations, including supplies, support and maintenance; and

- \$10.4 billion for force protection and IED Defeat, which includes improved armor for personnel and vehicles; this includes \$2.4 billion for the development and fielding of counter-IED measures
- \$3.8 to train and equip Iraqi Security Forces and \$5.9 billion to train and equip Afghan Security Forces
- \$2.7 billion for military intelligence; and
- \$1.1 billion for critical military construction projects in direct support of deployed troops.

## **Reconstituting the Force**

To maintain a high state of military readiness and restore a necessary depth of military capabilities and preparedness, the FY 2007 Supplemental provides \$13.9 billion to repair or replace equipment lost or damaged in combat.

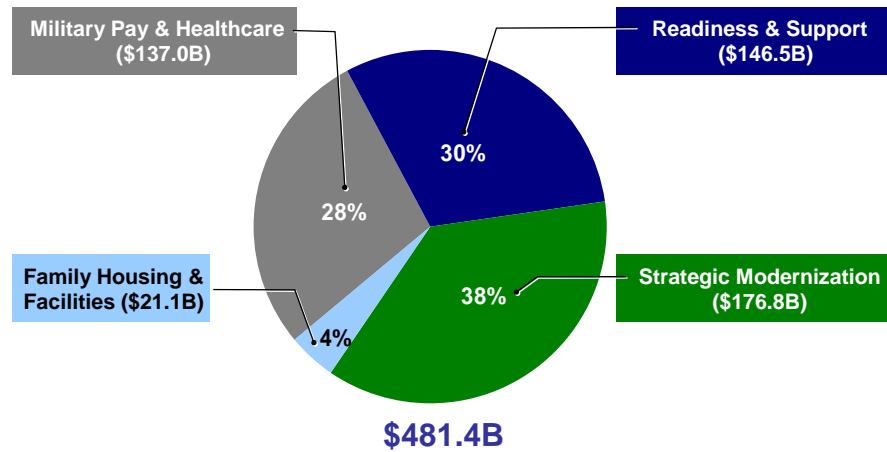
## **Enhancing Ground Forces**

The FY 2007 Supplemental request also invests \$1.7 billion to support the permanent end strength increases for the Army and Marine Corps forces in order to strengthen the U.S. Military.

## **Summary**

The FY 2008 President's Budget request for the Department of Defense sustains the President's commitment to invest in America's security and prepare for the threats and challenges of a new age by funding a high state of military readiness and ground force strength; strengthening combat capabilities of America's Armed Forces; developing the capabilities to deter and defeat future threats to the Nation's security; and improving the quality of life for service members and their families.

## The FY 2008 President's Budget for Defense: \$481.4B



***Improves Force Readiness and Modernizes Warfighting Capabilities***

Source: Defense Appropriation Act and Emergency Supplemental Appropriation FY 2007 and FY 2008 DoD Budget Request; FY06 Base Structure Report

## Joint Ground Capabilities

(Dollars in Billions)

<b><u>COMBAT AND TACTICAL SYSTEMS</u></b>		<b>Change FY 08</b>			
<b><u>FCS</u></b>	<b><u>Future Combat System</u></b>	<b><u>FY 07</u></b>	<b><u>FY 08</u></b>	<b><u>FY 07/08</u></b>	<b><u>Qty</u></b>
		3.4	3.7	+0.3	-

Note: Dollar figures are RDT&E only. FCS has no procurement.

## Joint Maritime Capabilities

(Dollars in Billions)

<b><u>Ships</u></b>		<b><u>FY07</u></b>	<b><u>FY08</u></b>	<b><u>FY07/08</u></b>	<b><u>Qty</u></b>
DDG-1000*	Destroyer	2.6	3.0	+0.4	0
CVN-21 *	Carrier Replacement Program	1.1	2.8	+1.7	1
LPD-17	San Antonio Class Amphib Ship	0.4	1.4	+1.0	1
LHA *	LHA Replacement	1.1	1.4	+0.3	-
LCS	Littoral Combat Ship	0.5	0.9	+0.4	3
T-AKE	Auxiliary Dry Cargo Ship	0.5	0.5	-	1
RCOH	CVN Refueling Complex Overhaul	1.1	0.3	-0.8	-
DDG-51	Destroyer	0.4	0.1	-0.3	-
JHSV	Joint High Speed Vessel (Army Fu	0.0	0.2	+0.2	1
<b><u>Submarines</u></b>					
SSN 774	Virginia Class Submarine	2.6	2.5	-0.1	1
	Auxiliaries, Craft, and Prior Year	<u>0.9</u>	<u>1.3</u>	<u>+0.4</u>	<u>-</u>
	<b>Total</b>	<b>11.2</b>	<b>14.4</b>	<b>+3.2</b>	<b>8</b>

\*Indicates split funding

Note: Dollar figures only include procurement. RDT&E is not included.



## Joint Air Capabilities

(Dollars in Billions)

<b>Tactical Aircraft</b>		<b>FY07</b>	<b>FY08</b>	<b>Change FY07/08</b>	<b>FY08 Qty</b>
F-35	Joint Strike Fighter	5.0	6.1	+1.1	12
F-22	Raptor	4.0	4.6	+0.6	20
F/A-18E/F	Hornet	3.0	2.6	-0.4	24
E/A-18G	Growler	1.0	1.6	+0.6	18
V-22	Osprey	2.1	2.6	+0.5	26
UAV	Global Hawk	0.7	0.9	+0.2	5
UAV	Predator	0.5	0.7	+0.2	28
	Aircraft Enhancements	<u>6.6</u>	<u>7.9</u>	<u>+1.3</u>	-
<b>Total</b>		<b>22.9</b>	<b>27.0</b>	<b>+4.1</b>	

Note: Dollar figures include procurement and RDT&E.

## Space-Based and Missile Defense Capabilities

(Dollars in Billions)

<b>SPACE PROGRAMS</b>		<b>FY 07</b>	<b>FY 08</b>	<b>FY 07/08</b>	<b>Qty</b>
EELV	Evolved Expendable Launch Vehicle	0.9	1.2	+0.3	5
SBIRS-H	Space Based Infrared System	0.7	1.1	+0.4	
TSAT	Transformational Satellite	0.7	1.0	+0.3	-
GPS	Global Positioning System	0.6	0.9	+0.3	-
MUOS	Mobile User Objective System	0.7	0.8	+0.1	-
AEHF	Advanced EHF Satellite	0.6	0.6	-	-
WGS	Wideband Gapfiller System	0.4	0.3	-0.1	1
MLV	Medium Launch Vehicles	<u>0.2</u>	<u>0.1</u>	<u>-0.1</u>	-
<b>Total</b>		<b>4.8</b>	<b>6.0</b>	<b>+1.2</b>	
<b>Missile Defense</b>					
MD	Missile Defense **	9.4	8.9	-0.5	70
PM CAP	Patriot Meads CAP	0.9	0.9	-	108
JTAMDO		<u>0.1</u>	<u>0.1</u>	<u>-0.5</u>	
<b>Total</b>		<b>10.4</b>	<b>9.9</b>	<b>-0.5</b>	

Note: Dollar figures include procurement and RDT&E.

## FY 2008 Title Breakout

(Discretionary Budget Authority, Dollars in Billions)

	<u>FY07*</u>	<u>FY08</u>	<u>Increase</u>
Military Personnel	111.1	116.3	+5.2
O&M	149.2	164.7	+15.5
Procurement	81.3	101.7	+20.4
RDT&E	75.1	75.1	—
Military Construction	9.3	18.2	+8.9
Family Housing	4.0	2.9	-1.1
Working Capital Funds	<u>2.4</u>	<u>2.5</u>	<u>+0.1</u>
<b>Total</b>	<b>432.4</b>	<b>481.4</b>	<b>+49.0</b>

\*Note: FY07 excludes Title IX and includes projected Military Construction/Quality of Life programs

## FY 2008 Budget by Service

(Discretionary Budget Authority, Dollars in Billions)

	<u>FY07*</u>	<u>FY08</u>	<u>Increase</u>
Army	109.7	130.1	+20.4
Navy	110.3	119.3	+9.0
Marine Corps	16.2	20.5	+4.3
Air Force	128.4	136.6	+8.2
Defense Wide	70.9	74.9	+4.0
BRAC	<u>-3.1</u>	<u>N/A</u>	<u>+3.1</u>
<b>Total</b>	<b>432.4</b>	<b>481.4</b>	<b>+49.0</b>

\*Note: FY07 excludes Title IX and includes projected Military Construction/Quality of Life programs

## FY 2008 Global War on Terror Request

### Funding by Functional Category

*\$ in Billions*

Continuing the Fight	FY 2006 <sup>1</sup>			FY 2007			FY 2008
	Title IX	Supplemental	Total	Title IX	Supplemental	Total	
Operations	31.8	35.3	67.2	30.6	39.3	69.9	70.6
Force Protection	1.7	3.7	5.4	3.4	8.0	11.4	11.2
IED Defeat	1.3	2.0	3.3	1.9	2.4	4.3	4.0
Military Intelligence Program	.2	1.3	1.5	.8	2.7	3.5	2.7
Iraq & Afghan Security Funds	-	4.9	4.9	3.2	9.7	12.9	4.7
Coalition Support	-	1.2	1.2	.9	1.0	1.9	1.7
CERP	.5	.4	.9	.5	.5	1.0	1.0
Military Construction	-	.2	.2	-	1.1	1.1	.7
Regional War on Terror	-	-	-	-	.3	.3	-
Modularity	1.2	3.8	5.0	-	-	-	-
<b>Reconstituting the Force</b>							
Reconstitution	9.0	10.2	19.2	23.6	13.9	37.6	37.6
<b>Enhancing Ground Forces</b>							
U.S. Forces "Plus Up"	-	-	-	-	5.6	5.6	-
BCTs / RCT	-	-	-	-	3.6	3.6	1.6
Grow the Force	-	-	-	-	1.7	1.7	-
Non-DoD Classified & Non-GWOT	2.7	3.0	5.7	5.1	3.6	8.7	5.9
<b>Total</b>	<b>48.5<sup>2</sup></b>	<b>66.0</b>	<b>114.5</b>	<b>70.0</b>	<b>93.4</b>	<b>163.4</b>	<b>141.7</b>

<sup>1</sup> Reflects FY 2006 Enacted amounts

<sup>2</sup> Does not include \$1.5B for Non-GWOT activities

*Numbers may not add due to rounding*

## FY 2008 Global War on Terror Request

### Funding by Appropriation Title

*\$ in Billions*

	FY 2006 <sup>1</sup>			FY 2007			FY 2008
	Title IX	Supplemental	Total	Title IX	Supplemental	Total	
Military Personnel	6.1	10.3	16.4	5.4	12.1	17.5	17.1
Operation and Maintenance	29.2	30.0	59.2	37.6	37.2	74.7	71.4
Procurement	6.5	13.9	20.4	16.6	23.1	39.7	32.9
Research and Development	.01	.1	.1	.2	.7	.9	2.0
Military Construction	-	.2	.2	-	1.9	1.9	.9
Iraqi Freedom Fund /JIEDDO	1.4	1.9	3.3	2.0	2.6	4.6	4.1
Defense Health Program	-	1.2	1.2	-	1.1	1.1	1.0
Iraq and Afghan Security Forces	-	4.9	4.9	3.2	9.7	12.9	4.7
Working Capital Fund	2.5	.5	3.0	-	1.3	1.3	1.7
<b>Subtotal</b>	<b>45.7</b>	<b>63.1</b>	<b>108.8</b>	<b>64.9</b>	<b>89.8</b>	<b>154.6</b>	<b>135.7</b>
Non-DoD Classified & Non-GWOT	2.8	3.0	5.7	5.1	3.6	8.8	5.9
<b>Total</b>	<b>48.5<sup>2</sup></b>	<b>66.0</b>	<b>114.5</b>	<b>70.0</b>	<b>93.4</b>	<b>163.4</b>	<b>141.7</b>

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