OFFICE OF THE UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF FINANCIAL OFFICER

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Defense Budget Overview

UNITED STATES DEPARTMENT OF DEFENSE FISCAL YEAR 2023 BUDGET REQUEST



Preface

The Overview Book has been published as part of the President's Annual Defense Budget, since FY 2009. From FY 1969 to FY 2005, OSD published the "Annual Defense Report" (ADR) to meet 10 USC section 113 requirements. Subsequently, the Overview began to fill this role.

The Overview is one part of an extensive set of materials that constitute the presentation and justification of the President's Budget for FY 2023. This document and all other publications for this and previous DoD budgets are available from the public web site of the Under Secretary of Defense (Comptroller): <u>http://comptroller.defense.gov</u>.

The Press Release and Budget Briefing, often referred to as the "Budget Rollout," and the Program Acquisition Costs by Weapons System book, which includes summary details on major DoD acquisition programs (i.e., aircraft, ground forces programs, shipbuilding, space systems, etc.) are especially relevant.

Notable accomplishments and updates will be summarized in the forthcoming 2021 Annual Performance Report (APR). Unclassified versions of the Annual Performance Plan (APP) and APR will be posted at <u>https://dam.defense.gov/Performance/</u> when available.

Other background information can be accessed at <u>www.defense.gov</u>.

The estimated cost of this report or study for the Department of Defense is approximately \$38,000 in Fiscal Years 2021 - 2022. This includes \$5,030 in expenses and \$33,000 in DoD labor.

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Statement by Secretary of Defense on the President's Fiscal Year 2023 Budget

"I am proud to join President Biden in submitting the fiscal year 2023 Budget. Our department's budget will help us continue to defend the nation, take care of our people and succeed through teamwork with our allies and partners.

This \$773 billion budget request reinforces our commitment to the concept of integrated deterrence, allows us to better sequence and conduct operations around the globe that are aligned to our priorities, modernizes the Joint Force, and delivers meaningful support for our dedicated workforce and their families.

As I have said many times, we need resources matched to strategy, strategy matched to policy and policy matched to the will of the American people.

This budget gives us the resources we need to deliver on that promise. Our budget reflects our National Defense Strategy and the focus of that strategy on the pacing challenge of China. It will help us prepare for other future challenges, as well, including those posed by climate change. It preserves our readiness and deterrent posture against the threats we face today: the acute threat of an aggressive Russia and the constantly emerging threats posed by North Korea, Iran, and violent extremist organizations. And it absolutely supports our policy of U.S. global leadership of — and responsibility for — our vast network of alliances and partnerships.

I am proud of the work that has gone into this budget request, and I look forward to discussing it with members of Congress in the days and weeks ahead."

- Secretary of Defense Lloyd J. Austin III

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1. FY 2023 BUDGET SUMMARY

The 2022 National Defense Strategy (NDS) sets forth how the U.S. military will address growing threats to U.S. vital national security interests and to a stable and open international order.

2022 NATIONAL DEFENSE STRATEGY

The 2022 National Defense Strategy outlines the vision and direction for the Department of Defense to continue to provide a strong, principled, and adaptive U.S. military to defend the vital interests of the United States. For the first time, the Department conducted its strategic reviews in a fully integrated way – incorporating the Nuclear Posture Review (NPR) and Missile Defense Review (MDR) in the NDS – ensuring tight linkages between our strategy and our resources. Consistent with the President's Interim National

Sections

- 2022 National Defense Strategy
- FY 2023 Budget Request Overview
- Resourcing the 2022 NDS
- Conclusion

Security Strategic Guidance, the classified NDS sets out how the Department of Defense will contribute to advancing and safeguarding vital U.S. national interests – protecting the American people, expanding America's prosperity, and realizing and defending our democratic values.

In meeting this challenge set, the 2022 National Defense Strategy prioritizes four objectives:

- 1. Defending the homeland paced to the growing multi-domain threat posed by the People's Republic of China (PRC)
- 2. Deterring strategic attack against the United States, Allies, and partners
- 3. Deterring aggression while being prepared to prevail in a conflict when necessary, prioritizing the PRC challenge in the Indo-Pacific, then the Russia challenge in Europe
- 4. Building a resilient joint force and defense ecosystem

The Department will act urgently to sustain and strengthen deterrence, with the PRC as our most consequential strategic competitor and the pacing challenge for the Department. Russia poses acute threats, as illustrated by its brutal and unprovoked invasion of Ukraine. We continue to collaborate with our North Atlantic Treaty Organization (NATO) Allies and partners to reinforce robust deterrence in the face of Russian aggression. The Department will remain capable of managing other persistent threats, including those from North Korea, Iran, and violent extremist organizations.

Changes in global climate and other dangerous transboundary threats, including pandemics, are transforming the context in which the Department operates. We will adapt to these challenges, which increasingly place pressure on the Joint Force and the systems that support it. Recognizing growing kinetic and non-kinetic threats to the United States' homeland from our strategic competitors, the Department will take necessary actions to increase resilience – our ability to withstand, fight through, and recover quickly from disruption. Mutually-beneficial Alliances and partnerships are an enduring strength for the United States, and are critical to achieving our objectives, as the unified response to Russia's further invasion of Ukraine has demonstrated. Answering this "call to action," the Department will incorporate ally and partner perspectives, competencies, and advantages at every stage of defense planning.

The Department will advance our goals through three primary ways: integrated deterrence, campaigning, and actions that build enduring advantages.

Integrated deterrence entails developing and combining our strengths to maximum effect, by working seamlessly across warfighting domains, theaters, the spectrum of conflict, other instruments of U.S. national power, and our unmatched network of Alliances and partnerships. Integrated deterrence is enabled by combat-credible forces, backstopped by a safe, secure, and effective nuclear deterrent.

Campaigning will strengthen deterrence and enable us to gain advantages against the full range of competitors' coercive actions. The United States will operate forces, synchronize broader Department efforts, and align Department activities with other instruments of national power, to undermine acute forms of competitor coercion, complicate competitors' military preparations, and develop our own warfighting capabilities together with Allies and partners.

Building enduring advantages for the future Joint Force involves undertaking reforms to accelerate force development, getting the technology we need more quickly, and making investments in the extraordinary people of the Department, who remain our most valuable resource, and in our private sector and academic partners.

The Department will develop, design, and manage our forces – linking our operational concepts and capabilities to achieve strategic objectives. This requires a Joint Force that is lethal, resilient, sustainable, survivable, agile, and responsive.

The National Defense Strategy drives our decision-making – focusing our resolve and efforts on modernizing our military capabilities, while leading first with diplomacy – and working in concert with America's unmatched network of allies and partners.

FY 2023 BUDGET REQUEST OVERVIEW

"DoD needs resources matched to strategy, strategy matched to policy, and policy matched to the will of the American people."

- Secretary of Defense Lloyd J. Austin - Message to the Force

The Department of Defense (DoD) Fiscal Year (FY) 2023 budget request fully aligns and robustly resources the 2022 NDS to meet the Nation's most solemn obligation – protecting the security of the American people. Building upon the foundation of the President's *Interim National Security Strategic Guidance*, which focuses on making smart and disciplined choices regarding our national defense and the responsible use of our military, the budget is constructed to realize the 2022 NDS.

Figure 1.1. Department of Defense Budget

\$ in billions	FY 2021 Actuals	FY 2022 Enacted	FY 2023 Request	FY22-FY23 Change
Base	703.7	742.3	773.0	+30.7
Supplementals ¹	1.0	14.3		-14.3
Total	704.7	756.6	773.0	+16.4

Discretionary Budget Authority

¹ FY 2021 includes supplemental funding for U.S. Capitol Security (\$521 million) and Operation Allies Welcome (\$500 million).

FY 2022 includes supplemental funding for Operation Allies Welcome (\$6.512 billion), Natural Disaster Relief (\$895 million), Red Hill Bulk Fuel Storage Facility (\$350 million), and Ukraine (\$6.528 billion).

The President's FY 2023 budget request for DoD is \$773 billion. This budget represents a \$30.7 billion or 4.1 percent increase over the FY 2022 enacted base level of \$742.3 billion and an 8.1 percent increase from the FY 2022 requested level. Compared to the FY 2021 level, the FY 2023 request grows by nearly \$70 billion (9.8 percent) over a 2-year period. The request ensures the Department can sustain and strengthen integrated deterrence and investments that build enduring advantages, including: supporting our servicemembers and their families; strengthening our alliances and partnerships; and preserving America's technological edge. Further, this level of growth recognizes both the urgency of NDS implementation and the recent inflationary impacts driven in part by the COVID-19 pandemic's disruption of global supply chains and Russia's unjustified and unprovoked invasion of Ukraine.

Entrusted with these vast sums, the Department continues to expeditiously pursue the audit and implement corrections into our business processes to drive sustainable reform leading to improved efficiency, effectiveness, and increased public confidence in the DoD's stewardship of funds. The FY 2023 budget identifies \$5.3 billion in reform savings across the Department achieved through business process improvements, policy reforms, weapon system acquisition changes, and re-prioritization initiatives. These collective savings will enable the Services and the Department to improve the efficiency of the force and redirect resources to higher national defense priorities.

Figure 1.2 provides a historical look at the overall DoD budget back to FY 2001 and breaks out the base budget amounts from the Global War on Terror / Overseas Contingency Operations (GWOT/OCO), and other supplemental funding received. During the decade following 9/11, there was significant growth in both base and GWOT/OCO funding related to operations in Iraq and Afghanistan. This was followed by a decade of reduced budgets under the Budget Control Act (BCA), which lasted through FY 2021. Emerging from the BCA, the FY 2022 budget eliminated the separate OCO request, and the FY 2023 budget reinforces the capabilities of the Joint Force and allows the Department to field combat-credible forces today while simultaneously preparing

for the threats of the future.

Figure 1.2. DoD Budget FY 2001 – FY 2023*



RESOURCING THE 2022 NATIONAL DEFENSE STRATEGY

This overview document is designed to illustrate how the FY 2023 budget request is aligned with, and will advance the 2022 NDS objectives through each of the NDS strategic approaches –

- **Integrated Deterrence**: Demonstrated through major weapons programs, recapitalizing of the nuclear triad, space and cyberspace activities, and missile defeat and defense
- **Campaigning**: Evidenced by day-to-day activities and actions, overseas operations, readiness training and exercises, and continuous engagement and collaboration with our Allies and partners to advance our shared interests
- **Building Enduring Advantages**: Delivered through innovation and modernization, the defense ecosytem and partnerships, reforms, addressing the climate crisis, and fighting COVID-19

At the heart of each of these NDS strategic approaches, are the Department's most critical asset – people. The FY 2023 budget seeks to *cultivate the workforce we need* by --

- Strengthening the economic security of the force with a 4.6 percent pay raise for both military and civilian personnel and implementing a \$15-hour minimum pay rate for Federal employees
- Building resilience and force readiness through over \$55 billion invested in the world's preeminent military health care delivery operation and more than \$9.2 billion for military family support programs
- Ensuring accountable leadership by adding nearly \$500 million in FY 2023 to implement the

recommendations of the Independent Review Commission (IRC) on Sexual Assault in the Military, enhancing diversity, equity, inclusion, and accessibility (DEIA) programs, and addressing extremism in the ranks.

CONCLUSION

The FY 2023 budget aligns the Department's priorities and capabilities to a changing and dynamic threat landscape by capitalizing on the unmatched strength of America's innovative workforce, unwavering commitment to democratic values, and unrivaled global alliances and partnerships. Timely, predictable appropriations are needed to resource and field the capabilities required to realize the 2022 NDS.

The Department will advance our priorities through integrated deterrence, campaigning, and actions that build enduring advantages.

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2. INTEGRATED DETERRENCE

INTRODUCTION

The Department seeks to integrate and network its efforts across domains and theaters, across the spectrum of conflict, and in close cooperation with the broader U.S. government and our Allies and partners to ensure the U.S. military makes the folly and costs of aggression very clear. The combat credibility of the U.S. military to fight and win in defense of our Nation's interests is a cornerstone of integrated deterrence. This credibility is essential today and into the future across the air, sea, land, cyber and space domains. The

Sections

- Introduction
- Maintain Strategic Nuclear Deterrence and Deter Strategic, Non-Nuclear Attacks
- Major Weapons Programs

Administration's defense topline includes \$276 billion for modernization and investment, which includes procurement and research, development, test, and evaluation. Those resources deliver the combat credibility today and into the future. This budget also ensures that our forces are backstopped by a safe, secure and reliable nuclear deterrent by investing \$34.4 billion to recapitalize the nuclear triad and support nuclear command, control, and communications systems.

Integrated Deterrence entails working seamlessly across domains, the spectrum of conflict, all instruments of U.S. national power, and our network of Alliances and partnerships.

- 2022 National Defense Strategy

MAINTAIN STRATEGIC NUCLEAR DETERRENCE AND DETER STRATEGIC, NON-NUCLEAR ATTACKS

Recapitalization of the Nuclear Triad

Modernizing the Nation's nuclear delivery and command, control, and communications systems is the Department's number one priority, and these programs are funded in the FY 2023 budget request. The Department has steadily received strong, bipartisan congressional support for the nuclear deterrence modernization mission. Most of the Nation's nuclear deterrence delivery systems, built in the 1980s and prior, are reaching the end-of-service life in the 2025 to 2035 timeframe, with all currently-fielded systems having been extended well beyond their original service lives. Replacement programs are underway to ensure there are no gaps in capability when the legacy systems age-out. There is little schedule margin between legacy system age-out and fielding of the replacement systems. Recapitalizing nuclear platforms, delivery systems, and the associated support systems will require significant investment over the next 20 years. The following table reflects the funding for six critical weapons systems.

"Our existing nuclear forces are the minimum required to achieve our national strategy. We must modernize and recapitalize the nation's nuclear triad, nuclear command and control, nuclear complex and supporting infrastructure to meet presidential objectives."

- Navy Admiral Charles A. Richard, Commander U.S. Strategic Command

Weapon Systems	FY 2021 Actual	FY 2022 Enacted	FY 2023 Request	FY22– FY23 \$ Change
Sentinel	\$1.4	\$2.6	\$3.6	+\$1.0
Long Range Stand Off Cruise Missile	\$0.4	\$0.6	\$1.0	+\$0.4
COLUMBIA Class Submarines	\$4.5	\$5.2	\$6.3	+\$1.1
Trident II Missile Mods	\$1.5	\$1.6	\$1.7	+\$0.1
B-21 Bomber	\$2.7	\$3.0	\$5.0	+\$2.0
F-35 Dual Capable Aircraft	\$0.08	\$0.04	\$0.02	-\$0.02

Figure 2.1. Nuclear Modernization FY 2023 Funding* (DoD Funding only) (\$ in billions)

* Includes Procurement and RDT&E dollars

Ground Based Strategic Deterrent (GBSD) – Sentinel: The GBSD has officially been designated the LGM-35A Sentinel. Sentinel will replace the 1970s-era Minuteman (MM) III Intercontinental Ballistic Missile Weapon System (WS), including new missiles, WS Command and Control, and ground systems; and conversion, modernization, and replacement of the MM III infrastructure, beginning in the late 2020s. Sentinel will maintain the land-based triad leg's responsive and stabilizing attributes, while providing increased capability, enhanced security, improved reliability, and lowered lifecycle sustainment costs over MM III. The program's funding ramp-up in FY 2022 and FY 2023 reflects the continuation of the Engineering and Manufacturing Development (EMD). Sentinel is planning to conduct its first flight test in FY 2024.

Long Range Stand-Off (LRSO) cruise missile: The LRSO effort will develop a weapon system to replace the AGM-86B Air Launched Cruise Missile, which entered service in 1982. The LRSO weapon system will be capable of penetrating and surviving advanced Integrated Air Defense Systems from significant stand-off ranges to hold strategic targets at risk in support of the Air Force's nuclear deterrence operations core mission. The LRSO is also critical as a hedge against risks in the other, more complicated nuclear deterrence system development programs and in enhancing the credibility of the DoD deterrent to assure U.S. allies. The program is currently in the Engineering and Manufacturing (EMD) phase. The LRSO program is on track to meet its scheduled initial operational capability date.

COLUMBIA class Ballistic Missile Submarine (SSBN): The COLUMBIA class SSBN is being developed to replace the OHIO-class SSBNs starting in October 2030. The Navy will sustain the OHIO class to ensure a smooth transition for the sea-based leg of the triad with the COLUMBIA class SSBN. The COLUMBIA class program successfully completed Milestone B in January 2017. In September of 2020, the Defense Acquisition Executive authorized the



Navy to begin full ship construction for the first hull (SSBN 826), as well as advanced procurement and advanced construction efforts for the second hull (SSBN 827).

Trident II (D5) Submarine-Launched Ballistic Missile (SLBM) Life Extension (D5LE)/(D5LE2): The D5LE program extends the service life of the D5 SLBM and will be deployed on both OHIO-class and COLUMBIA-class SSBNs. The D5LE is in production and achieved Initial Fleet Introduction in February 2017. D5LE2 is required to replace D5LE in order to support COLUMBIA-class missile inventory and outloads starting in FY 2039 on COLUMBIA Hull 9. D5LE2 will leverage the highly reliable solid rocket motor design and couple it with modern

avionics electronics, guidance and structures to unlock inherent flexibility and adaptability for the future. D5LE2 investment will maintain and modernize the most survivable leg of the triad. On schedule delivery of D5LE2 is critical to ensure the Navy continues to meet its strategic deterrent requirements.

B-21 Raider Strategic Bomber: The B-21 Raider is being developed to acquire an affordable, long range, penetrating aircraft that incorporates proven, mature technologies. This bomber represents a key component to the joint portfolio of conventional and nuclear deep-strike capabilities.

F-35A Dual-Capable Aircraft (DCA): The F-35A DCA will replace the Air Force's F-16 DCA to support extended deterrence. The F-35A DCA is scheduled to achieve nuclear certification in FY 2024.

Space and Space-based Systems

"We are embarking on an unprecedented shift to more resilient, capable, and defensible architectures to protect the Nation and give the Joint Force a decisive advantage..."

- General Jay Raymond, Chief of Space Operations, United States Space Force

The FY 2023 budget request for space and space-based systems addresses Satellite Communications (SATCOM); Overhead Persistent Infrared (OPIR) capabilities; Positioning, Navigation, and Timing (PNT); and Space Launch systems. The Department continues to sustain existing systems, while moving out on development of follow-on capabilities supporting operations in a contested space environment. The simultaneous actions of sustaining and modernizing these critical space capabilities reflect the Department's emphasis on increasing the capacity and lethality of the Joint Force.



The FY 2023 budget request funds the development of the Protected Tactical Waveform (PTW) over commercial services as well as the development and fielding of ground terminals. The FY 2023 budget request also includes funding for Wideband Global Satellite (WGS-11) Ground Enhancements. Study continues for providing improved resiliency on strategic SATCOM systems. Rapid prototyping continues for the Protected Tactical SATCOM (PTS) and Protected Tactical Enterprise Services (PTES).

The FY 2023 budget request continues the Next-Generation Overhead Persistent Infrared (NG OPIR) strategic missile warning system and Resilient Missile Warning Systems and Missile Tracking (MW/MT) as part of a transition to the future OPIR architecture. The Next-Generation system incorporates mature resiliency features to increase strategic survivability in a contested environment. The FY 2023 budget request also funds the first tranche of the National Defense Space Architecture for Missile Warning and Missile Tracking of advanced missile threats. This architecture consists of a constellation of proliferated low earth orbit and medium earth orbit satellites.

Resiliency improvements in the PNT Enterprise, including the incorporation of the Regional Military Protection capability into Global Positioning System (GPS) Block IIIF satellites, continue with the FY 2023 budget request. This enhancement assures the availability of PNT information for critical weapon systems and platforms operating in contested environments and for

disadvantaged users. The request also funds improvements to the GPS ground segment to enable implementation of advanced Military code (M-Code), which improves anti-jamming and secure access of the military GPS signal in contested environments. The budget also continues investments in developing alternate sources of PNT to reduce the reliance on any single source of PNT such as GPS.

The National Security Space Launch (NSSL), formerly the Evolved Expendable Launch Vehicle (EELV), program has been aligned with satellite launch schedules in FY 2022 and FY 2023 and continues to pursue a public private partnership approach for future launch service acquisitions. The Space Force strategy is to ensure the existence of two commercially viable, domestically sourced space launch service providers with the requirement of also eliminating the use of foreign-made propulsion systems.

Our top priority is to enable Joint All Domain Command and Control to ensure United States Space Command and their joint and coalition warfighting partners have the capability to operate in and through contested domains.

MAJOR WEAPONS PROGRAMS

The performance of United States (U.S.) weapon systems are unmatched, ensuring that U.S. military forces have a tactical combat advantage over the growing multi-domain threat posed by the People's Republic of China (PRC), the acute threat of Russia, and the persistent threats from North Korea, Iran, and violent extremist organizations. Figure 2.2 summarizes the top DoD weapons programs in the FY 2023 budget to implement the National Defense Strategy (NDS) guidance. Further details may be found in the Department's "Program Acquisition Costs by Weapon Systems" book.

	Weapon Systems		Y 2022	FY 2023	
	Weapon Systems			Qty	PB Request
Aircraft					
F–35	Joint Strike Fighter	85	\$11.9	61	\$11.0
F-15EX	Eagle II	12	\$1.4	24	\$2.8
Air Force NGAD	Next Generation Air Dominance	-	\$1.5	-	\$1.7
KC-46A	Tanker	14	\$2.4	15	\$2.9
P-8A	Poseidon	-	\$0.2	-	\$0.2
F/A-18E/F	Super Hornet	12	\$1.1	-	\$0.3
CH-53K	King Stallion Helicopter	11	\$2.0	10	\$2.3
E–2D AHE	Advanced Hawkeye	5	\$1.2	5	\$1.3
AH–64E	Apache Helicopter	30	\$0.8	35	\$0.8
UH-60	Black Hawk Helicopter	57	\$1.2	53	\$0.9
VH-92A	Executive Helicopter	-	\$0.1	-	\$0.1
V–22	Osprey	12	\$1.8	-	\$0.6
MQ-4	Triton Unmanned Aerial Vehicle	2	\$0.8	3	\$1.0
MQ-25	Stingray Unmanned Aerial Vehicle	-	\$0.4	4	\$1.2
MQ-9	Reaper	12	\$0.7	5	\$0.5
TBD	Armed Overwatch (USSOCOM)	6	\$0.2	9	\$0.2

Figure 2.2. Major Weapons Programs*(\$ in billions)

		F	Y 2022	FY 2023	
	Weapon Systems	QTY	Enacted	QTY	PB Request
Missile Defens	e/Nuclear Deterrent				
MDD	Missile Defeat and Defense	-	\$21.9	-	\$24.7
B-21	Raider	-	\$3.0	-	\$5.0
SSBN	COLUMBIA Class Submarine	-	\$5.2	-	\$6.3
Trident II	Trident II Missile Mods	-	\$1.6	-	\$1.7
LRSO	Long Range Standoff Weapon	-	\$0.6	-	\$1.0
GBSD	Ground Based Strategic Deterrent	-	\$2.6	-	\$3.6
Ships					
SSN 774	VIRGINIA Class Submarine	2	\$6.9	2	\$7.3
DDG 51	ARLEIGH BURKE Destroyer	2	\$4.2	2	\$5.6
CVN 80/81	FORD Aircraft Carrier	-	\$2.9	-	\$3.2
FFG 62	Frigate (FFG 62)	1	\$1.2	1	\$1.3
LPD Flight II	SAN ANTONIO Amphibious Transport	-	\$0.4	1	\$1.8
LHA	America Class Amphibious Assault	-	\$0.1	1	\$1.1
T-AO	Fleet Replenishment Oiler	2	\$1.6	1	\$1.0
EPF	Expeditionary Fast Transport	2	\$0.6	-	-
USV	Uncrewed Surface Vessels (Large)	-	\$0.2	-	\$0.3
T-ATS	Towing, Salvage, and Rescue Ship	2	\$0.2	1	\$0.1
T-AGOS(X)	Ocean Surveillance Ship	1	\$0.4	-	\$0.0
Space					
NSSL	National Security Space Launch	5	\$1.7	6	\$1.6
GPS	Global Positioning System	3	\$2.0	2	\$1.8
NG OPIR	Space Based Missile Warning Systems	-	\$2.5	-	\$4.7

* Includes Procurement and RDT&E dollars and quantities

Air Power

The FY 2023 budget request continues procurement of the Joint Strike Fighter aircraft and modernization programs for existing Navy and Air Force strike fighter aircraft and bombers. Development of the B-21 Raider long range strike bomber is also funded with initial capabilities projected to be fielded in the mid-2020s. Technology Maturation and Risk Reduction for the next generation of air dominance systems is also included.



The major tactical air power investment is the F-35 Lightning II Joint Strike Fighter, which will form the backbone of the U.S. inventory. The F-35 program is developing, producing, and fielding three variants of a 5th Generation strike fighter: 1) Air Force F-35A Conventional Take-Off and Landing variant; 2) Marine Corps F-35B Short–Take Off and Vertical Landing (STOVL) variant; and 3) Navy F-35C Carrier variant. The F-35's stealth, advanced sensors, and interoperability allow seamless information exchanges that make all of our warfighters in the battlespace smarter, more lethal, and more survivable. As the F-35 program continues to field increasing numbers of the three variants of the aircraft across the globe, the Department remains committed to improving sustainment affordability and delivering cost-effective upgrades to prevail against future threats.

The FY 2023 budget also includes procurement for additional F-15 EX Eagle II aircraft. The aircraft program of record will relieve pressure on aging legacy platforms while providing enhanced capabilities to the warfighter. The budget continues to fund the Navy's MQ-25 uncrewed aircraft system, which will provide the Department with an uncrewed tanker capability that will extend the striking power of the carrier air wing while providing maritime surveillance for the carrier strike group. The Department continues to develop advanced combat aircraft for both the Navy and Air Force within the Next Generation Air Dominance programs. The FY 2023 budget also continues procurement of the KC-46A aerial refueling tanker, which will replace aging legacy tankers. The KC-46A provides increased refueling capability for Navy and Air Force aircraft.

The FY 2023 budget funds the continued Air Force and Navy procurement of both the AIM-120D Advanced Medium Range Air-to-Air Missile (AMRAAM) and the AIM-9X Block II Sidewinder short-range air-to-air missile.

The Navy, Marine Corps, and Air Force are investing in modernization programs that improve the capability and extend the utility of existing aircraft. Adding advanced Infrared Search and Track (IRST) sensors will significantly improve detection and targeting of threat aircraft despite complex enemy Electronic Attack, and the development and fielding of an Active Electronically Scanned Array radar will enable the F-16 aircraft to maintain relevance throughout its service life.

The FY 2023 budget funds development of the B-21 Raider, the next generation long range strike bomber, and modernization of the existing bomber fleet of B-52s, B-1s, and B-2s. The budget funds B-52 mission systems and communications upgrades as well as replacement for the B-52's inefficient and aging engines.

The FY 2023 budget funds multiple electronic warfare capabilities to improve platform survivability and enable power projection. In addition to the ongoing EA-18G Growler Capability modifications, the Next Generation Jammer (NGJ) will provide significantly improved Airborne Electronic Attack (AEA) capabilities against advanced integrated air defense radars, communications, and data links for the EA-18G aircraft. The FY 2023 budget also funds survivability improvements in the F-15 Eagle Passive Active Warning and Survivability System (EPAWSS) and the Integrated Defensive Electronic Countermeasures System for F/A-18 aircraft. These will autonomously detect, identify, locate, and defeat radio frequency (RF) threat systems. In addition, the FY 2023 budget funds the continued production of the Common Infrared Countermeasures (CIRCM) system to defeat current and emerging missile threats to rotary wing, tilt rotor, and small fixed wing aircraft across the Department.

Sea Power

Nuclear aircraft carriers (CVNs) provide forward presence for air power projection. The FY 2023 budget continues incremental funding for the GERALD R. FORD Class nuclear aircraft carriers: KENNEDY (CVN 79), ENTERPRISE (CVN 80) and the DORIS MILLER (CVN 81). Amphibious warships, along with their connector craft, are versatile, interoperable warfighting platforms and are critical enablers to projection of power by sea-based forces in theater. The FY 2023 budget request includes incremental funding for one LPD Flight II SAN ANTONIO ship and one LHA America Class amphibious assault ship and continues funding for systems development for existing ships; funding the Landing Craft Air Cushion (LCAC) 101 Service Life Extension Program (SLEP); and funding for the recapitalization of the Landing Craft, Utility (LCU) 1700 to support amphibious assault capability. Surface Combatant Ships are multi-mission warships designed and built to execute Sea Control and Power Projection missions. The FY 2023 budget continues procurement of two DDG 51 Flight III variant ships, which, with the addition of the AN/SPY-6(V) Air and Missile Defense Radar (AMDR), provides improved sensitivity for long-range detection and engagement of advanced Air, Surface, and Ballistic Missile threats. The FY 2023 budget request also supports procurement of the new CONSTELLATION class Frigate to address the

Navy's Small Surface Combatant requirements for a more lethal and capable follow-on to the Littoral Combat Ship. The FY 2023 budget request continues diversifying and expanding sea power strike capacity by continuing funding for offensively armed Uncrewed Surface Vessels (USVs) and provides funding for one additional Towing, Salvage, and Rescue ships to continue recapitalizing these important assets.

Submarines provide the Navy with unprecedented strike and special operation mission capabilities from a stealthy, clandestine platform. Armed with tactical missiles, the Navy's four OHIO class guided-missile submarines (SSGNs) carry up to 154 Tomahawk land-attack cruise missiles (TLAMs) and have the capacity to host up to 66 Special Operation Forces (SOF) personnel; however, they begin to decommission starting in 2027 at a rate of one per year. After the FY 2021 award of the first



COLUMBIA class ballistic missile submarine, which will replace the aging OHIO class submarine, the FY 2023 budget request continues critical research and development and other key funding for the program. Additionally, the FY 2023 request funds the final two VIRGINIA submarines in the FY 2018 – 2023 multi-year procurement (MYP) as well as advance procurement for four submarines in future years. The FY 2023 budget request also continues the development of the VIRGINIA Payload Module (VPM) in Block V VIRGINIA Class submarines (VCS), which will replace much of this critical capability by adding 28 additional TLAMs and space for SOF operations over Block I-IV VCS.

The FY 2023 budget request also funds programs that implement survivability improvements to the U.S. maritime defensive capabilities, which consist of the Surface Electronic Warfare Improvement Program (SEWIP) Block 3 electronic attack capability (pacing the advanced threats) and the Advanced Off-board Electronic Warfare Program, consisting of long duration, off-board decoys to address identified electronic warfare gaps.

Land Power

Army ground combat forces provide combat power to assure allies, deter aggressors, and win the Nation's wars. The FY 2023 budget improves upon the lethality and survivability of the Army's Infantry and Brigade Combat Teams (BCTs) by retiring vulnerable systems and investing in modernizing weapon platforms, training devices, and combat vehicles. Of note to the Army's Soldier portfolio, FY 2023 supports procurement and fielding of 1,704 Next



Generation Squad Weapon (NGSW) Automatic Rifles, as the planned replacement for the M249 Squad Automatic Weapon (SAW); and 15,348 NGSW Rifles, as the planned replacement for the M4A1 Carbine. Additionally, the FY 2023 budget procures 7,272 Integrated Visual Augmentation System (IVAS) Heads Up Displays. Of note to the Army's Ground Combat Vehicle portfolio, in FY 2023 the Armored Multi-Purpose Vehicle (AMPV) program will procure 72 Full Rate Production vehicles, and this year marks the program's transition from Low Rate Initial Production into Full Rate. Additionally, the FY 2023 budget will upgrade or procure 102 Stryker vehicles for Stryker BCTs. Beyond procurement and fielding, the FY 2023 budget maintains investments in research, development, test, and evaluation for the Remote Combat Vehicles (RCV) prototyping effort and the Optionally Manned Fighting Vehicle (OMFV) Next Generation Combat Vehicles.

Another key combat vehicle investment is the Marine Corps' procurement of 74 Amphibious Combat Vehicles. These systems replace the aging Amphibious Assault Vehicle and provide an armored personnel carrier with an appropriate balance in performance, protection, and payload to support Marines across the range of expected military operations. The Commandant of the Marine Corps Planning Guidance of March 2020 focuses on capabilities required to satisfy approved naval concepts of Distributed Maritime Operations (DMO), Expeditionary Advanced Base Operations (EABO), and Littoral Operations in a Contested Area (LOCE). The United States Marine Corps continues to divest of items that do not support the Force Design capabilities identified above and are identifying capability gaps for future acquisition efforts.

The FY 2023 budget continues to make great strides in Close Combat by investing in key recommendations provided by the Close Combat Lethality Task Force (CCLTF) that improve and enhance the lethality, survivability, and performance of the infantry in both the Army and the USMC. The FY 2023 budget continues the rapid fielding procurement of the Army's IVAS which provides leap-ahead technology for the Close Combat Forces. The FY 2023 budget also funds the Joint Artificial Intelligence Center's (JAIC) efforts for small unit maneuver.

Special Operations

The FY 2023 budget request for Special Operations Forces (SOF) focuses on creating a strategic, asymmetric advantage for the Nation by bolstering integrated deterrence capabilities, strengthening the Force and their families, and ensuring the enduring advantage through innovation and modernization. The USSOCOM will continue to sustain counterterrorism (CT) and Counter-Violent Extremist Organization operations and coordinate the Department's Countering Weapons of Mass Destruction mission while maintaining readiness. As DoD's Joint Proponent for Military Information Support Operations (MISO) and the Coordinating Authority for Internet-based MISO, USSOCOM is adapting its psychological operations forces for the evolving information landscape to counter strategic competitors.

The FY 2023 budget increases SOF lethality through modernizing approaches, tactics, and technologies to build enduring advantage, and continues to invest in new technologies that support SOF-unique requirements to include data-driven technologies such as artificial intelligence, machine learning, and algorithm development. The USSOCOM continues to progress across multiple programs, including the ongoing modernization of AC-130 and MC-130 platforms, successful testing of Precision Strike systems for ground or maritime platforms, and prototyping for the Armed Overwatch program. For future combat platforms, USSOCOM is working closely with the Services to introduce SOF requirements early in the development process – not only to receive next-generation systems that require minimal SOF modifications sooner, but to minimize future sustainment and upgrade costs. The USSOCOM will continue its history of innovative spirit and determination on countless battlefields over many decades, demonstrating the enduring advantage of maintaining the most credible and capable SOF in the world.

Munitions

A constant emphasis on innovation and modernization within the munitions portfolio is essential to addressing advanced and persistent threats around the world. These threats and priorities drive the Department's focus on rapid fielding and a buildup of high performance, survivable kinetic weapons systems. While significant efforts are being employed to develop long-range standoff hypersonic missiles for high value targets, there is still a need to maintain proper readiness levels for short-range munitions that offer an array of effects in permissive theaters. Ensuring the Department is prepared to deter in a dynamic threat landscape is paramount.

Forecasting munitions requirements remains a considerable challenge given the domains spectrum (ground, sea, and air) the Department covers, coupled with the range of combat effects demanded by different operational theaters. The parallel obligation to support coalition partner munitions needs and integrating them with Department actions is similarly essential in ensuring cooperative combat operations can be conducted successfully.

Major initiatives are underway to deliver munitions with greater penetration power. The Department has invested in and made long-range fires (LRF) a top priority, and is refocusing its efforts on long-range munitions and missiles across multiple domains. Many munitions are precision-guided, enhancing the attack of a broader target set, with limited low-collateral damage employed by more than one Service and U.S. allies. This family of weapon systems includes land-attack missiles such as the Precision Strike Missile (PrSM), Joint Air-to-Surface Standoff Missile (JASSM), and upgrades to TLAM. Achieving overmatch in our anti-ship capabilities with rigorously pursued development are the Standard Missile (SM-6), Long-Range Anti-Ship Missile (LRASM), and the Maritime Strike Tomahawks (MST), which will help to neutralize the enemy's anti-access/area denial (A2/AD) capabilities, ships, and air defenses.

Recent elevated requirements from all Services, coupled with that of coalition partners, collectively drive demand at all levels of this critical industry. The Department's procurement ramp increases over the last 5 years across this class of precision-guided munitions have strengthened industrial capacity among primary supply contractors for these select lines, resulting in quality products, high production rates, on-time deliveries, and competitive pricing. This success has allowed the Department to selectively adjust future rates downward accordingly and shift out-year procurements toward more high-performance tactical weapon systems for more advanced worldwide threats. In addition, the importance of long-range fires capability is dependent upon expanding the defense industrial base. The Department is investing in test ranges and instrumentation, partnering with industry to increase their capacity, and investing in the modernization of commercial and organic facilities.

Since munitions are unique military items, sub-tier suppliers do not have the commercial base to sustain their business during funding downturns. Success against strategic competitors will hinge on our ability to quickly leverage the performance and lethality that munitions bring to the battlefield.

Recurring threats in a challenging battlefield are cross-domain and require a cross-domain response. It is essential to our national security and the Department to ensure long-range fires are achieved as soon as possible.

The FY 2023 budget invests in weapons programs, shifting and balancing priorities accordingly, which equally contribute to strengthening the Department's lethal posture and our national security.

	FY 2021		FY 2022		FY 2023		FY22–FY23
Weapon Systems	Actual Qty	Actuals	Qty	Enacted	PB Qty	PB Request	Quantity Change
Precision Strike Missile (PrSM)	28	\$59.9	88	\$354.6	120	\$472.7	+32
Joint Air-to-Surface Standoff Missile	400	\$557.2	525	\$827.9	581	\$960.7	+56
Tomahawk	122	\$638.9	70	\$531.4	53	\$867.1	-17
Standard Missile-6	125	\$781.7	125	\$904.2	125	\$809.1	-
Long Range Anti-Ship Missile (LRASM)	49	\$199.3	48	\$232.0	88	\$464.3	+40
Guided Multiple Launch Rocket System (GMLRS)	6,932	\$1,127.0	6,374	\$999.8	4,718	\$812.8	-1,656
Hellfire	8,184	\$516.6	2,216	\$226.7	862	\$118.9	-1,354
Joint Air-to-Ground Missile (JAGM)	687	\$260.4	512	\$196.4	1,006	\$297.2	+494
Patriot MSE	146	\$678.1	180	\$771.7	252	\$1,037.1	+72

Figure 2.3. FY 2023 Funding for Munitions* (\$ in millions)

* Includes Procurement and RDT&E dollars and quantities

Cyberspace Activities

The Department of Defense (DoD), in aligning with the 2022 National Defense Strategy (NDS) and implementing the vision in the DoD Cyber Strategy, operates with cyber as a core element to reduce risk to the Nation and successfully execute its missions even in the face of advanced and persistent cyber adversaries. DoD's cyberspace objectives remain unchanged: improving cyber resiliency, enhancing U.S. military advantage, defending critical infrastructure, securing DoD information and systems, and expanding cyber cooperation.



With the approval of the Joint All Domain Command and Control (JADC2) Implementation Plan, the Department has energized the effort to create a new way to sense, analyze, and assess our adversaries' operational environment, actions, and intentions, thus improving the quality of leader's decisions. It will enable our leaders to make decisions and direct actions faster with more accurate data than our adversaries can. This new way is dependent on our ability to move vast quantities of data across networks from the tactical edge to the stateside headquarters. In order to achieve this vision, our cyberspace capabilities, operations, and activities must be up to the challenge that our adversaries represent.

Supporting the Defense priorities and goals described in the 2022 National Defense Strategy, the FY 2023 Cyberspace Activities budget of \$11.2 billion will continue to build on the pathway laid out in the Digital Modernization Strategy (DMS) and DoD Cyber Strategy. The budget has been optimized to fund programs and activities that advance cybersecurity, cyberspace operations, and advanced cyber research and development activities.

- A. The \$6.6 billion Cybersecurity budget for FY 2023 builds on the important initiatives established in FY 2021 and provides for a stronger cyber posture, Next-Generation Encryption Solutions, Zero Trust Architecture and Network Modernization. The DoD is building more agile, effective, and efficient cyber capabilities to provide cyber resilient platforms from which to execute kinetic and cyber missions by:
 - Implementing the Strategic Cybersecurity Program (SCP) to advance cyber resiliency for key mission areas within DoD to include associated Weapon Systems and supporting Defenses Critical Infrastructure (FY 2023, \$145.5 million)
 - Advancing the Department's cryptology and accelerating its integration with current and future systems and weapon platforms (FY 2023, \$1.18 billion)
 - Safeguarding DoD's Unclassified, Secret, Top Secret and compartmented information on and across networks to ensure our data resources are resilient, reliable and readily available to the warfighter (FY 2023, \$474.8 million)
 - Realizing the goals of DoD's "Zero Trust" (ZT) Architectures (ZTA) and developing baseline required "Zero Trust" (ZT) capabilities, including further investment in the deployment of Comply-to-Connect (C2C) applications (FY 2023, \$791.4 million)
 - Accelerating Identity and Credential Access Management (ICAM) modernization efforts to more effectively integrate emerging technology (FY 2023, \$214.9 million)
 - The Department recognizes the importance of the cybersecurity of private networks and digital resources of Defense Industrial Base (DIB) companies to our overall national defense, some of our most critical information rests in their networks and research. The Cybersecurity budget for FY 2023 is committed to protecting the Nation's technological, economic and military advantages within the DIB, and the associated supply chains, from malicious cyber actors through the Cybersecurity Maturity Model Certification (CMMC) program and the DIB Cybersecurity program (FY 2023, \$120.9 million)
 - In addition to the CMMC program, the Department is enhancing its engagement and information sharing with DIB partners through the activities of the Defense Cyber Crime Center (DC3) and the NSA's Cyber Collaboration Center. In order to actively engage with a greater percentage of DIB companies, the FY 2023 budget provides resources to continue and expand activities of these organizations.
 - The CMMC program was redesigned in 2021 to bring cybersecurity requirements in line with National Institute of Standards and Technology (NIST) and focus greater effort on the highest priority information. This will reduce the cost for small businesses and increase the level of collaboration with industry. The program will go through the federal acquisition rule making process in FY 2022 and come into effect in FY 2023.
- B. The Department will continue to its "hunt forward" approach to deter the Nation's adversaries in competition, crisis, and conflict. This approach depends on our ability to gather information about threat activities outside U.S. networks; share that information with interagency, industry, and international, partners; and act to disrupt threats. U.S. Cyber forces are integrated with the total force and will operate as part of the Joint Force in conflict.

The resources in the FY 2023 budget request will support the collection and analysis of cyberspace critical information, enable U.S. cyber forces to prepare for and conduct offensive and defensive cyber effects operations, and conduct joint operations and training in support of the National Defense Strategy. In addition, the budget will accelerate the Department's efforts to develop advanced modeling and simulation techniques, including digital twins that integrate models of cyberspace with those of the physical domains to understand complex interactions, emergent behaviors, and operational impacts of cyberspace operations.

The FY 2023 Cyberspace Operations budget (FY 2023, \$4.2 billion) supports the National Defense Strategy and continued implementation of the DoD Cyber Strategy by funding programs and activities in Cyber Collection, Intelligence Preparation for Operations, Offensive and Defensive Cyber Effects Operations in support of cyber activities and operations, and capabilities and infrastructure in direct support of joint operations. Ongoing activities include:

- Consistent with Congressional direction issued in Section 1507 of the FY 2022 NDAA, the Department has transferred, beginning in FY 2024, mission, resources, and manpower from the Military Departments and Defense-Wide organizations to USCYBERCOM. The Department has provided Commander, USCYBERCOM with enhanced authority, direction, and control of the Planning, Programming, Budgeting and Execution (PPBE) processes for the Joint Cyber Headquarters, the 147 Cyber Mission Force (CMF) Teams, and the supporting Joint Cyberspace Warfighting Architecture infrastructure.
- In the FY 2023 budget, USCYBERCOM and the Services continue to share the responsibility for training and equipping the CMF. Offensive and defensive cyberspace operations provide the Joint Force practical experience and critical live environment training. Additionally, they expand leaders' understanding of U.S. capabilities, techniques for conducting full spectrum multi-domain operations, and training requirements for this low-density skill set and the organizations employing it. This requires ongoing investment in increasingly capable dual-use cyber ranges and testing facilities.
- Cooperation with allies and partners in "hunt forward" defensive cyberspace operations to counter malign cyber actors (FY 2023, \$76.4 million)
- The development and integration of capabilities supporting Joint All Domain Command and Control (JADC2) as well as inter-agency command and control (FY 2023, \$181.1 million)
- Collaboration, testing, evaluation, risk mitigation, and other mission assurance activities to increase the resiliency of key weapon systems, capabilities, and infrastructure (FY 2023, \$799.1 million)
- The Cyberspace Activities budget will also extend and enhance the Department's Cyber Range infrastructure necessary to provide advanced training and grow unparalleled cyber forces. This investment also augments capability testing and mission rehearsal by providing sophisticated adversary emulations in highly realistic environments. (FY 2023, \$241.5 million)

The FY 2023 Cyberspace Operations budget includes funding (FY 2023, \$2.4 billion) to continue support for the manning, training, and equipping of the CMF. The CMF is engaged in day-to-day campaigning to disrupt adversary actions, demonstrate capability and resolve, shape adversary perceptions, and gain a warfighting advantage should

deterrence fail. The Department continues to expand this critical capability, grow service members with this low density skill set, and enhance the ability of its cyber forces to carry out missions in cyberspace and fielding the 147 CMF teams in FY 2023 composed of:

- 13 National Mission Teams to defend the United States and its interests against cyber attacks
- 68 Cyber Protection Teams to defend DoD networks and systems against rapidly evolving- threats and technologies in cyberspace
- 27 Combat Mission Teams to provide support to Combatant Commands by generating integrated cyberspace effects in support of operational plans and contingency operations
- 25 Support Teams to provide analytic and planning support to National Mission and Combat Mission teams
- 14 new CMF Teams created in FY 2022 and FY 2023 to support the Combatant Commanders in Space Operations and for countering cyber influence

In the FY 2023 budget, USCYBERCOM and the Services continue to share the responsibility for training and equipping the CMF. USCYBERCOM leads the development and procurement of various enabling tools for the CMF, including Joint Access Platforms, Joint Tools, Joint Analytics, and Joint Common Services. These capabilities support CMF operations across the Services. The Services equip the CMF through materiel solution analyses, prototyping, and the acquisition of cyber capabilities. The Army is the DoD Executive Agent for the Cyber Training Ranges and the acquisition lead for Persistent Cyber Training Environment (PCTE). The Air Force is the DoD Executive Agent for the Unified Platform and Joint Cyber Command and Control.

Military operations in cyberspace provide U.S. cyber forces with operational experience as well as insights into capability and training requirements. The Department also continues to make significant investments in dual-use cyber ranges with the flexibility to support both CMF training and the evaluation of Information Technology, control systems, and weapon systems.

C. The FY 2023 Cyberspace Activities budget resources research and development in key cyber-related areas ranging from network resilience to advanced applications (FY 2023, \$0.4 billion).

These activities will accelerate multiple innovative lines of effort across the Department to support the DoD Cyber Strategy and facilitate Information Advantage throughout the spectrum of competition, crisis, and conflict. The resulting capabilities enhance Integrated Deterrence by enabling power projection in and through cyberspace, and both increasing the cost of cyberspace operations for our adversaries and reducing their likelihood of success. Critical lines of effort within the Department's cyberspace research portfolio include:

- Dramatically increasing, and demonstrating, resilience to cyber-attack for both current and future DoD systems and networks, critical infrastructure, and key resources in conjunction with key allies and partners both at home and abroad, enabling trusted and assured operations in hostile cyber environments
- Developing breakthrough technologies, partnered with cyber operators via human-machine teaming, to enable both capability development and cyber operations at the scale and speed required for future conflict

 Expanding the Cyberspace frontier through exploration and maturation of novel computational paradigms; networking and analytic strategies to rapidly extract insights from data at massive scale; and the edge devices and processing nodes necessary for integrated sensing and sense-making across the cyber, electromagnetic spectrum, and cognitive domains for unified capability within Joint All-Domain Command and Control

Missile Defeat & Defense

The Department will support the 2022 Missile Defense Review calling for integrated missile defense, flexibility, and adaptability, to address new threats, tighter interoperability, and dominance in space. While the FY 2022 budget request continued foundational investments in lethality and shifted to strategic competition through innovation, the FY 2023 budget request continues to develop and field a diversified set of missile defeat and defense (MDD) capabilities to counter the advancing threat.

The FY 2023 budget builds on previous enhancements to U.S. MDD capabilities to defend the homeland, deployed forces, allies, and partners against an increasingly complex adversarial missile threat. This budget request increases missile defense capacity and capability to keep pace with advancing threats. The FY 2023 budget request includes \$24.7 billion for MDD, which includes \$9.6 billion for the Missile Defense Agency (MDA), \$10.4 billion in regional and strategic missile defense capabilities outside of MDA, and \$4.7 billion for missile defeat or left-of-launch activities.

In FY 2023, the Next Generation Interceptor (NGI) program will develop, integrate, test and deploy a highly capable, survivable, reliable strategic interceptor to protect the homeland against projected ballistic missile threats from rogue states. MDA will continue design and development activities with two competitive interceptor development teams, both of which are executing the 2021 contracts in accordance with their baseline plans.

The Ground-Based Midcourse Defense (GMD) budget supports completion of an additional missile field in Alaska to enable an operational fleet of 44 Ground-Based Interceptors (GBIs) and 20 NGIs in the future. FY 2022 saw the initial Technology Capability Declaration for the Long Range Discrimination Radar (LRDR) in Alaska to improve Missile Defense System (MDS) discrimination capability and will allow for more efficient use of the GMD inventory.

Improvements to current regional defense systems will include a continued assessment of the Sea-Based Weapons System (Aegis Ballistic Missile Defense (BMD)) and fielding of SM-3 Block IIA missiles. The SM-3 Blk IIA interceptor, designed to defeat midcourse and Intercontinental Ballistic Missile (ICBM) threats, will be modified with capability enhancements including increased engagement battle space, improved performance against a broader range of evolved threats, and engage on remote capability.

The budget reflects the Department's commitment to building integrated regional missile defenses that are interoperable with systems deployed by international partners to protect deployed forces, allies, and international partners against Short Range Ballistic Missiles (SRBM), Medium Range Ballistic Missiles (MRBM), and Intermediate Range Ballistic Missiles (IRBM).

For U.S. missile defense capabilities, the MDA FY 2023 budget request:

- Continues NGI All-Up Round (AUR) development to enhance homeland defense interceptor capability and capacity to increase current fleet size to 64 interceptors (44 GBIs and 20 NGIs) as early as the end of the decade.
- Supports the U.S. Forces Korea (USFK) to improve missile defense capability on the Korean peninsula.

- Includes Space Development Agency (SDA) missile defense investments to develop and demonstrate a hypersonic tracking layer by FY 2023. In addition, SDA is developing a data Transport Layer that will enhance several mission areas to include missile defense.
- Continues collaboration with United States Space Force and the SDA on space sensors to provide low-latency, tracking data for weapons engagement and the development of the Hypersonic and Ballistic Tracking Space Sensor (HBTSS) prototypes to meet a projected launch in March 2023.
- The Hypersonic Defense budget supports five activities to support development and fielding of hypersonic missile defense capabilities: 1) Identifying and developing new technology and capabilities with industry; 2) Conducting systems engineering activities required to evolve the Missile Defense System to address hypersonic threats; 3) Analyzing and upgrading existing capabilities to defend against hypersonic threats; 4) Demonstrating an operational defensive capability to engage and defeat hypersonic threats; and 5) Participating and collecting data during flight test events.
- Continues collaboration with the United States Navy, to support and operate the Aegis Ashore site in Romania and deployment of a second site in Poland, as an integral part of NATO's BMD architecture.
- Continues increasing BMD capability and capacity of the Aegis Fleet and procures additional Standard Missile-3 (SM-3) Block IB missiles to be deployed on Aegis BMD ships and at Aegis Ashore Sites as part of a Multiyear Procurement; continues the integration of the SM-3 Block IIA into the Aegis BMD Weapon Systems; procures additional SM-3 Block IIA missiles ensures the maturation of the manufacturing process; and continues development of the Sea Based Terminal capability to protect the Fleet and forces ashore.
- Provides funding for Terminal High Altitude Area Defense (THAAD) development efforts and software upgrades such as implementation of flexible threat packages and defense planning, improved capability to engage SRBM, MRBM, and limited IRBM threats and integration of the THAAD Battery capability into the Army's Integrated Air and Missile Defense Battle Command System (IBCS) planning process. The THAAD budget request also includes funding for THAAD Interceptors in FY 2023 as well as for operating



support to maintain and upkeep of BMD System-unique items of fielded THAAD Batteries and for training devices.

- Provides funding for collaboration with the Services to develop and field a land-based persistent 360-degree system for the Defense of Guam. To expedite development and fielding, existing missile defense systems, including the Navy's Aegis, PATRIOT missile system, and Terminal High Altitude Area Defense will be leveraged.
- Provides funding to perform the systems engineering required to design, build, test, assess, and field the integrated MDS.
- MDA continues refinement of the Cruise Missile Defense Homeland Architecture and demonstrating cruise missile defense capabilities using the Joint Tactical Integrated Fire Control (JTIFC) capability.
- Provides funding to execute a comprehensive, highly integrated, complex, cost-effective series of flight tests, ground tests, cybersecurity tests, war-games, and exercises to

ensure that MDS capabilities are credibly demonstrated and validated prior to delivery to the Warfighter.

• Continues support for Israeli Cooperative BMD Programs, to include United States funding for the Iron Dome system to defeat short-range missiles and rockets and co-development and co-production of the David's Sling Weapon System and Arrow-3 System.

Outside of MDA, the Department invested nearly \$10.4 billion in regional and strategic missile defense capabilities including:

- Air Force investments total \$450 million for a wide range of advanced missile defense technologies including Wide Area Surveillance in the National Capital Region, as well as long-range radar improvements.
- Space Force investments total \$4.7 billion to upgrade and sustain strategic and tactical missile warning and tracking systems. These investments include the Next Generation Overhead Persistent Infrared to track ballistic and hypersonic threats, Upgraded Early Warning Radars and service life extension of legacy early warning systems.
- Army investments total \$3.2 billion, bolstering regional missile defense capability. The FY 2023 investments include procuring 252 PAC-3/MSE missiles and will deliver three Lower-Tier Air and Missile Defense System (LTAMDS) planned urgent materials release by FY 2022 and four Maneuver Short Range Air Defense (M-SHORAD) battalions.
- Department of the Navy investments total \$1.9 billion, focusing on ship-based defense for regional and strategic threats. These investments include Aegis Ballistic Missile Defense Weapon System, Standard Missile procurement for cruise, ballistic, and hypersonic missile defense, close-in weapons systems, and E-2D Hawkeye sensor capabilities.



• Defense-Wide investments total \$247 million, focusing on joint air and missile defense research and development, advanced innovation technologies, and missile defense technology demonstrations.

Finally, the Department plans to continue significant investments for left-of-launch capabilities involving cyber operations as well as hypersonic strike.

3. CAMPAIGNING

INTRODUCTION

Our competitors are increasingly undertaking activities designed to erode U.S. deterrence and advance their own interests via gray zone activities. We, in turn, will operate forces, synchronize broader department efforts, and gain advantage on our terms by tying together the breadth of U.S.

Sections

- Introduction
- Overseas Operations
- Readiness

and Allied and partner defense activities through campaigning. Central to campaigning is ensuring that the Joint Force is ready now across the full battle space in which competitors operate. DOD's FY 2023 budget therefore invests almost \$135 billion in readiness.

The Department will focus its campaigning efforts in the Indo-Pacific and Europe, while remaining dynamic in its ability to respond to new threats across the globe. Through the Pacific Deterrence Initiative (PDI), as well as other efforts focused in the region, the Department is making investments to support our comparative military advantage, enhance its posture, provide for resilient logistics, and increase cooperation with our regional allies and partners. Similarly, the budget request makes investments that support U.S. European Command and deepen the ironclad U.S. commitment to NATO.

The President's Budget request for FY 2023 reflects DoD's clear focus on deterring and, if necessary, denying potential People's Republic of China (PRC) and Russian aggression against Allies and partners. In the Indo-Pacific region and in Europe, the force posture investments proposed in the President's Budget will improve deterrence by increasing the survivability, resilience, effectiveness, and responsiveness of the Joint Force. This includes investments in basing and facilities for combat-credible forces as well as prepositioned combat and enabling material in accessible, combat-effective locations. DoD will conduct campaigning activities from this posture to achieve clearly defined objectives such as reinforcing international rules and norms. DoD will also continue to work with the Department of State to expand the range of accessible locations and usable infrastructure, especially in the Indo-Pacific region. For other major threats, DoD will continue to conduct security cooperation and capacity building with key partners, backed by a monitor-and-respond posture and robust intelligence collection, which enable DoD to leverage its ability to deploy forces globally at times and places of the Nation's choosing.

Campaigning – the conduct and sequencing of logically-linked military initiatives aimed at advancing well-defined, strategy-aligned priorities over time.

- 2022 National Defense Strategy

OVERSEAS OPERATIONS

This section focuses on continued military operations, initiatives, and support for global operations such as:

- Providing Allies and partners with enhanced capacity or capability west of the International Date Line to deter or counter Chinese coercion and aggression
- Deterring adversarial threats by providing the right capabilities throughout Europe
- Supporting over-the-horizon counterterrorism capabilities that consist of personnel and platforms stationed outside of Afghanistan that prevent and deny terrorist safe-havens
- Sustaining personnel forward deployed to the Middle East to continue operations to ensure an enduring defeat of the Islamic State of Iraq and Syria (ISIS) and allow flexibility to achieve U.S. national security objectives
- Building capacity of the Iraqi Security Forces (ISF) and vetted Syrian groups and individuals (VSGI) to counter ISIS, including the secure and humane detention of ISIS fighters
- Conducting U.S. Central Command (USCENTCOM) in-country and in-theater support activities, including intelligence support to military operations
- Replenishing and replacing munitions used in combat and equipment destroyed, damaged, or worn out due to use in overseas operations

Indo-Pacific

The Department is prioritizing China as the number one pacing challenge; a great deal of the Department's investments and efforts are focused on this threat and strengthening Indo-Pacific deterrence. The Pacific Deterrence Initiative is a key subset of these efforts capturing the Department's efforts and investments that strengthen deterrence against China.

PDI emphasizes elements within the FY 2023 President's Budget (PB) that respond to congressional direction to highlight investments focused on the Indo-Pacific region. The investments under PDI support the DoD effort to prioritize China as its preeminent pacing challenge and develop capabilities, operational concepts, and planning to strengthen deterrence in the Indo-Pacific. The FY 2023 PDI is a \$6.1 billion subset of the Department's FY 2023 budget request, not a separate fund. It consists of targeted investments that enhance U.S. force posture, infrastructure, presence, and readiness as well as the capacity and capabilities of U.S. allies and partners, specifically in the Indo-Pacific region, west of the International Date Line.

The PDI investments for FY 2023-FY 2027 highlight key efforts towards modernizing and strengthening DoD's presence; improving logistics, maintenance, and pre-positioning; carrying out exercises, training, and experimentation; improving infrastructure; and building defense capabilities of allies and partners in the Indo-Pacific region. These include investments in INDOPACOM's three priority areas such as Guam missile defense; the Pacific Multi-Domain Training and Experimentation Capability (PMTEC) network of training ranges for U.S. and ally/partner forces; the Mission Partner Environment (MPE) framework for multinational information sharing; as well as a myriad of other capabilities and assets to improve deterrence and U.S. response capabilities in the region. PDI includes regional exercises and the construction to execute them such as PMTEC. These investments are only a small portion of DoD's broad Joint Force investments included in the FY 2023 President's Budget.

PDI investments, however, are not the totality of DoD resourcing and activities that support warfighting effectiveness, deterrence, and competition for the Indo-Pacific; in fact, the majority of

DoD investments are applicable, directly or indirectly, to this strategic imperative. In close consultation with Congress and in accordance with legislation, the Department has made modifications to this year's PDI display to ensure it is closely scoped to the Indo-Pacific region. Accordingly, DoD has excluded in the PDI display investments or activities that are:

- 1) designed to address or deter broader strategic threats;
- 2) easily transferrable between theaters; or
- 3) routine activities and exercises.

The intent of these guidelines is to ensure PDI serves as a regionally-focused and useful framework for understanding and measuring specific investments. Additionally, consistent with legislation, DoD has organized PDI investment displays according to the six categories identified in Figure 3.1.

Figure 3.1. Costs by Major Category (\$ in billions)

Major Category	FY 2023 Request
Modernized and Strengthened Presence	\$1.8
Improved Logistics, Maintenance Capabilities, and Prepositioning of Equipment, Munitions, Fuel and Materiel	\$0.3
Exercises, Training, Experimentation, and Innovation	\$2.3
Infrastructure Improvements to Enhance Responsiveness and Resiliency of U.S. Forces	\$1.2
Building the Defense and Security Capabilities, Capacity and Cooperation of Allies and Partners	\$0.5
Improved Capabilities Available to U.S. Indo-Pacific Command	<\$0.1
Total USINDOPACOM	\$6.1

The DoD's FY 2023 request includes \$6.1 billion in targeted investments to specific programs for PDI, per the categories listed above. As shown, PDI includes Military Construction, including planning and design for enhanced resilience operating locations west of the International Date Line. These investments and activities demonstrate the U.S. commitment to preserving a free and open Indo-Pacific. The DoD is focused on maintaining and extending our military advantage in the region, paced to threats posed by the PRC, while deterring and countering the destabilizing actions of North Korea.

Europe

The FY 2023 budget request continues to demonstrate the Department's focus on providing the right capabilities throughout Europe to deter adversary threats. The FY 2023 budget request of \$4.2 billion for the European Deterrence Initiative (EDI) supports capabilities that build and maintain an information advantage over our adversaries; conduct increased intelligence, surveillance, and reconnaissance; increase the overall readiness and interoperability of U.S. forces across all domains through additional exercises and training; and, enable DoD Components to leverage existing capabilities to employ advanced intelligence tools and platforms.

As the Department continues to adapt DoD capabilities to the evolving threat and changing strategic environment, the Department continues to execute the following lines of effort to accomplish EDI objectives:

- Increased U.S. military presence in Europe;
- Additional exercises and training with Allies and partners;
- Enhanced prepositioning of U.S. equipment in Europe;
- Improved infrastructure for greater readiness; and
- Building Allied and partner capacity.

The FY 2023 EDI budget request includes \$300 million for the Ukraine Security Assistance Initiative (USAI) to provide assistance and support to the military and national security forces of Ukraine, and for replacement of weapons or defensive articles provided to the Government of Ukraine from the inventory of the United States. Additional resources may be needed to continue our assistance to Ukraine to respond to the unprovoked invasion of Ukraine by Russia that occurred after this budget was developed.

Figure 3.2 breaks out the FY 2023 request by operations and activities while Figure 3.3 displays associated force levels.

Figure 3.2. Costs by Operation/Activity (\$ in billions)

Operation/Activity	FY 2022 Enacted	FY 2023 Request	Delta FY 2022 to FY 2023
European Deterrence Initiative (EDI)	\$3.8	\$4.2	+\$0.4
Total USEUCOM	\$3.8	\$4.2	+\$0.4

Figure 3.3. U.S. Force Level Assumptions in DoD Budget (Average Annual Troop Strength)

Operation/Location	FY 2021 Actuals	FY 2022 Enacted	FY 2023 Request
European Deterrence Initiative (EDI)	13,200	10,766	10,899
Total USEUCOM	13,200	10,766	10,899

The EDI budget request continues to support rotational force deployments. The force level assumptions are a point in time and can change as plans are adjusted to accommodate real world events.

Middle East

Combined Joint Task Force – Operation INHERENT RESOLVE (CJTF-OIR) advises, assists and enables vetted local partner forces in designated areas of Iraq and Syria to achieve the enduring defeat of ISIS.

Other Theater Requirements and Related missions focuses on continued military operations in the Middle East and South Asia, and global counterterrorism operations in the U.S. Central Command (USCENTCOM) area of responsibility, as well as operations outside of USCENTCOM, such as Combined Joint Task Force (CJTF)-Horn of Africa and Joint Task Force (JTF)-Guantanamo.

Figure 3.4 breaks out the FY 2023 request by operations and activities, Figure 3.5 displays associated force levels, and Figure 3.6 shows the request by functional/mission categories followed by brief explanations of select activities.

Figure 3.4. Costs by Operation/Activity (\$ in billions)

Major Category	FY 2022 Enacted	FY 2023 Request	Delta FY 2022 to FY 2023
Operation INHERENT RESOLVE (OIR)	\$7.0	\$5.5	-\$1.5
Other Theater Requirements and Related Missions ¹	\$27.3	\$21.8	-\$5.5
Subtotal USCENTCOM	\$34.3	\$27.3	-\$7.0
Prior-Year Rescissions	-\$1.1		+\$1.1
Total USCENTCOM	\$33.2	\$27.3	-\$5.9

^{1/}Includes operations outside of CENTCOM, such as CJTF-Horn of Africa and JTF-Guantanamo.

Figure 3.5. U.S. Force Level Assumptions in DoD Budget (Average Annual Troop Strength)

Operation/Location	FY 2021 Actuals	FY 2022 Enacted	FY 2023 Request
Operation FREEDOM'S SENTINEL (OFS)	3,637	0	0
Operation INHERENT RESOLVE (OIR)	5,138	4,017	3,949
Other Theater Requirements and Related Missions ¹	46,293	55,649	50,748
Total USCENTCOM	55,068	59,666	54,697

^{1/} Includes operations outside of CENTCOM, such as CJTF-Horn of Africa and JTF-Guantanamo

The FY 2023 budget request of \$27.3 billion reflects a \$7.0 billion decrease from the FY 2022 enacted level of \$34.3 billion to account for projected OIR and other mission and theater requirements. Major factors include:

- Shift of OIR towards an advise, assist, and enable role to support vetted local partners in achieving the enduring defeat of ISIS (-\$1.5 billion)
- Reduction in overhead costs supporting the theater such as Reserve mobilizations and equipment reset (-\$5.5 billion)

Category	FY 2021 Enacted	FY 2022 Enacted	FY 2023 Request	Delta FY 2022 to FY 2023
Operations/Force Protection	\$15.4	\$7.8	\$5.6	-\$2.2
In-Theater Support	\$21.3	\$20.2	\$16.9	-\$3.3
Afghanistan Security Forces Fund (ASFF)	\$3.1			
Counter-ISIS Train and Equip Fund (CTEF)	\$0.7	\$0.5	\$0.5	
Security Cooperation	\$1.3	\$1.45	\$1.93	+\$0.48
Equipment Reset and Readiness	\$7.5	\$4.3	\$2.4	-\$1.9
Subtotal USCENTCOM	\$49.4	\$34.3	\$27.3	-\$7.0
Prior-Year Rescissions	-\$1.9	-\$1.1		+\$1.1
Total USCENTCOM	\$47.5	\$33.2	\$27.3	-\$5.9

Figure 3.6. Overseas Operations Functional/Mission Category (\$ in billions)

Operations/Force Protection (\$5.6 billion): This category of incremental costs includes the full spectrum of military operations requirements for U.S. personnel operating in Iraq and Syria such as:

- Personnel special pays and subsistence for deployed forces;
- Personnel pay for mobilized forces;
- Operating tempo (ground vehicles/equipment, combat aviation, Special Operations Forces);
- Communications;
- Pre-deployment training;
- Various classes of supplies;
- Deployment and redeployment of combat and support forces;
- Life support and sustainment; and
- Additional body armor and personal protective gear.

In-Theater Support (\$16.9 billion): Funds requested in this category provide for critical combat and other support for personnel in-theater to include support from units and forces operating outside Iraq and Syria. The types of cost incurred for in-theater operations are similar to those outlined in the "Operations/Force Protection" category. However, this category also includes incremental costs for afloat and air expeditionary forces, engineers, fire support, and other capabilities located elsewhere that support operations in Iraq, Syria, and other important missions. It also includes support for some activities operating from the United States such as remotely piloted aircraft and reach back intelligence, surveillance, and reconnaissance (ISR) capabilities.

Counter-ISIS Train and Equip Fund (CTEF) (\$0.5 billion): The FY 2023 CTEF budget request strengthens capabilities of DoD's counter-ISIS partner forces, including to provide for the secure and humane detention of ISIS fighters, to achieve the enduring defeat of ISIS. The \$542 million request includes \$184 million to assist the Vetted Syrian Groups and individuals (VSGI) in Syria and \$358 million to assist the ISF.

Security Cooperation (\$1.93 billion): Security Cooperation (SC) funding and authorities enable the United States to build partner capacity to address shared national security threats and conduct

operations in tandem with or in lieu of U.S. forces. The International Security Cooperation Programs (ISCP) account, previously the Security Cooperation account, serves as a vital tool in strategic competition. Activities funded through the ISCP account support Geographic Combatant Command (GCC) efforts pursuant to Sections 333 (Train-and-Equip) and 332 (Institutional Capacity Building) of Chapter 16, and 10 U.S. Code. Permissible DoD activities under Section 333, 332, and 1263 authorities include training, capacity building and education, and equipping of national security forces. Through these authorities, the ISCP account assists the GCCs to conduct building partner capacity in their individual areas of responsibility.

Building partner capacity with allied and partner nation security forces enables allies and partners to counter transnational threats and promote regional and global stability. Beginning in FY 2022, the ISCP account funds all Institutional Capacity Building (ICB) program activities previously funded out of the Institute for Security Governance and Defense Institute of International Legal Studies accounts. The addition of these programs to the ISCP account reflects the Department's continued efforts to consolidate funding for SC authorities into a single appropriation which focuses the programming, coordination, and execution of available resources to meet the Department's objectives. The \$1.9 billion FY 2023 SC request is a breakout of overseas operations costs and is a \$0.5 billion increase from the FY 2022 enacted amount. This request supports over-the-horizon counterterrorism operations, partnership for the Atlantic basin, and security cooperation activities in support of reinvigorating and revitalizing alliances and partnerships.

In addition to the ISCP account, the FY 2023 Security Cooperation request includes \$30 million for support for Coalition forces to finance coalition, friendly forces, and a variety of support requirements for key foreign partners who wish to participate in U.S. military operations but lack financial means; and, Border Security funding in the amount of \$520 million, which provides support to allies and partner nations on a reimbursement basis for expenses incurred by these countries to develop and sustain increased security capabilities along their borders adjacent to conflict areas in an effort to prevent the free movement of weapons, narcotics, as well as ISIS and other violent extremist organizations.

Equipment Reset and Readiness (\$2.4 billion): The request funds the replenishment, replacement, and repair of equipment and munitions expended, destroyed, damaged, or worn out due to prolonged use in combat operations. The major items that will be repaired or replaced include unmanned aerial vehicles, helicopters, tactical vehicles, and various combat support equipment. The FY 2023 request funds the replenishment of rockets, missiles, and conventional ammunition including Hellfire, Guided Multiple Launch Rocket System, Small Diameter Bomb (SDB), Joint Direct Attack Munition (JDAM), and Joint Air-to-Surface Standoff Missile (JASSM). Upon returning from war zones, units restore their equipment to a condition that enables them to conduct training exercises, achieve required readiness levels, and prepare for future deployments. As personnel and equipment return from theater to their home stations, the need for equipment reset will continue.

READINESS

In Secretary Austin's *Message to the Force* dated March 4, 2021, he emphasized his commitment to developing the "right people, priorities, and purpose of mission to continue to defend our Nation from enemies foreign and domestic." Strategic readiness and the preparedness of the Joint Force is central to this effort. Strategic readiness is improving the Department's understanding of the comprehensive and cumulative impacts of the decisions we make today on our future readiness. The strategic readiness framework keeps the Department's eyes on the horizon, ensuring the urgent competing



demands of the present are carefully balanced with the importance of preparing for the future. Accordingly, the FY 2023 budget submission is designed to maintain our current readiness while simultaneously modernizing for the future, ensuring we can counter near-term threats and still prevail in long-term strategic competition or future high-end conflict.

The Joint Force faces a wide range of increasingly complex threats and remains challenged by ever-present global demands. To address the current operational reality and the potential for future high-end conflict and long-term strategic competition, the Department must balance investments across capacity and capability, while ensuring continued growth in high-end combat effectiveness. The Department's FY 2023 budget supports modernizing capabilities for the future fight and sustaining current force readiness.

To guide and inform readiness investments, the Department strives to assess current and long-term force readiness using a strategic readiness lens. The Department defines strategic readiness as the ability to build, maintain, and balance warfighting capabilities and competitive advantages that ensure the Department can achieve strategic objectives across threats and time horizons. This approach includes broadly assessing the Joint Force across core dimensions such as human capital, operational readiness, global force posture, mobilization, sustainment, and resilience. Success in the core strategic readiness dimensions is vital to compete with the People's Republic of China and Russia and address other emergent strategic challenges. Significantly, strategic readiness requires that the Department has data-driven visibility into the tradeoffs incurred by decisions made today, so that tomorrow's leaders have the most complete picture of strategic risk when they are making critical readiness decisions.

The Nation requires ready forces to face myriad complex near- and longer-term strategic challenges. Dynamic Force Employment (DFE) and the Directed Readiness Tables (DRT) are two mechanisms that assist the Department to proactively and efficiently meet national security priorities. Through DFE, the Military Departments prioritize the readiness of Joint Force capacity and capability for major combat, while providing options for proactive and scalable employment of the Joint Force to create operational unpredictability and preserve force readiness for future strategic competition. The DRT prescribes the capacity of forces required within specific availability windows over the fiscal year. The Secretary issues directed readiness guidance for budgetary planning and programming purposes to ensure the Department makes the readiness investments required to accomplish strategic objectives.

A critical contributing factor for sustaining strategic readiness is reliable, predictable, and on-time funding provided by the U.S. Congress. The timely passage of an appropriations bill helps set the conditions needed for the Military Departments to achieve their readiness goals as prescribed

by the Secretary. It enables the Military Services to properly plan training events and exercises, order long-lead depot supplies and parts, and make other key readiness investments. With the enduring support of Congress, the Joint Staff and Military Services will continue aligning resources and adjusting force generation to execute DFE, ensuring that the U.S. Military is a credible and effective deterrent and that Joint Force is ready to respond to any strategic challenge. The Department is ready when called upon; however, predictable resourcing will sustain the Joint Force's readiness and ensure that the U.S. Armed Forces remain the best trained and equipped force in the world.

The FY 2023 budget request funds readiness improvements in the following areas:

- The Army is investing \$29.4 billion in its core readiness and readiness enablers accounts, which is an increase of \$0.7 billion from FY 2022 enacted levels primarily due to increased Home Station Training readiness programs, including the Pacific Deterrence Initiative and European Deterrence Initiative. The FY 2023 readiness accounts include \$12.9 billion for home station training for ground maneuver forces and \$3.5 billion for aviation readiness.
- The Navy is investing \$47.4 billion, an increase of \$2.4 billion above FY 2022 enacted levels, in aviation, ship, and combat support readiness activities. The Navy continues to implement the Optimized Fleet Response Plan and reduce its long-term maintenance backlog by investing \$10.0 billion in ship depot maintenance and an additional \$1.2 billion in procurement appropriations to expand the U.S. Pacific Fleet maintenance pilot program to U.S. Fleet Forces Command. Further, the Department of the Navy is investing \$14.4 billion, an increase of \$1.6 billion above FY 2022 enacted levels, in aviation readiness to sustain proficiencies, intending to improve mission capable rates across the fleet.
- The Marine Corps is investing \$4.0 billion in ground combat readiness, an increase of \$0.4 billion above FY 2022 enacted levels, \$5.5 billion in aviation readiness accounts (Flying Hours funded in Operation and Maintenance, Navy), and an increase of \$0.5 billion above FY 2022 enacted levels to sustain critical operational, maintenance and training programs.
- The Department of the Air Force (DAF) is investing \$38.5 billion in core readiness and readiness enabler activities. The Air Force's \$28.0 billion budget request for flying hours and weapon system sustainment is an increase of \$0.6 billion above FY 2022 enacted levels. For DAF weapon system sustainment, the \$18.1 billion request is a \$1.3 billion increase from FY 2022 enacted levels, and is being invested to maintain the inventory of aircraft, space systems, and other weapon systems.

The following provides a detailed breakdown of FY 2023 readiness investments, by Service.

Army Readiness

The Army remains on track to meet Global Force Management Allocation Plan (GFMAP) and Directed Readiness Table requirements in FY 2023. As the Army continues to modernize to outpace strategic competitors, it continues a holistic approach to tactical, operational, and strategic readiness by balancing investments in training, equipping, and installations. The Army is advancing national security priorities to



support U.S. Indo-Pacific Command as well as U.S. European Command. The Army's modernization investments align with the 2022 National Defense Strategy (NDS) by investing in capabilities that preserve our strategic advantages and evaluating emerging technologies to enable Multi-Domain Operations.
The Army's collective and individual training readiness programs are comprised of operational training to provide units with decisive action capability, Training Support Systems (TSS) that enable training, institutional training for Soldier skills and leader development, and mission and other support to Combatant Commanders (CCDRs). To support collective and individual training, the Army resourced active Army Brigade Combat Teams (BCTs) and Combat Aviation Brigades (CABs) to meet the Directed Readiness Table Requirements. Army Reserve and Army National Guard BCTs and CABs are resourced to remain available for operational requirements.

Figure 3.7. FY 2023 Key Army Readiness Investments

Army	FY 2021	FY 2022	FY 2023
End Strength ¹	1,008,373	1,001,500	998,500
Ground Readiness ²	\$11.9B	\$12.0B	\$12.9B
Aviation Readiness ³	\$2.5B	\$3.0B	\$3.5B
Depot Maintenance ⁴	\$1.8B	\$1.6B	\$1.7B
Infrastructure ⁵	\$6.2B	\$8.4B	\$7.3B

¹ Total Active, Reserve, and National Guard end strength; FY 2021 Actual, FY 2022 Projected and FY 2023 Requested end strength

² Ground Readiness Sub Activity Groups (SAGs) 111, 112, 113, 114, 115

³ Aviation Readiness SAGs: 116

⁴ Depot Maintenance SAGs: 123

⁵ Infrastructure SAGs: 132, Military Construction (MILCON) appropriations (includes disaster relief funding)

The active component (AC) Army is postured to achieve its end strength target of 473,000 in FY 2023. The reserve component (RC) end strength objective is 189,500 in FY 2022 and FY 2023. The Army National Guard end strength objective is 336,000 in FY 2022 and FY 2023. The FY 2023 end strength balances structure to focus on enabling Large Scale Combat Operations (LSCO) as a waypoint for Multi-Domain Operations.

Ground readiness remains stable due to a holistic approach to readiness across training, Soldier availability, and equipment readiness. The Army's ground and aviation training strategies are resourced to meet the requirements outlined in the Directed Readiness Tables.

In addition to core readiness and readiness enabler activities, the Army's installation readiness program consists of base operations services, family programs, installation utilities, environmental programs, military construction, and facility sustainment, modernization, and restoration (FSRM). The FY 2023 Restoration and Modernization resources are prioritized to deploy renewable energy and storage, restore barracks, and improve quality of life, while the investments in Facilities Sustainment reflects the Army's commitment to the improvement of critical infrastructure to build readiness.

In FY 2023, the Army will continue to implement the new unit lifecycle model started in FY 2022 named the Regionally Aligned Readiness and Modernization Model (ReARMM). This new model will balance multiple regional requirements on the force with the Army's necessity to modernize units. The Army must prioritize unit modernization to ensure the Army remains both competitive and ready.

Figure 3.8 shows planned rotations for the critical joint training exercises funded in the FY 2023 budget. The Army resourced 22 decisive action Combat Training Center (CTC) rotations to assess brigade-level tactical readiness, including two exportable rotations. The Army has made significant progress recovering core mission readiness and is on a sustainable strategic path to provide the Joint Force with relevant and modernized forces, capabilities, training and support to meet future challenges.

Figure 3.8. Required, Planned, and Executed Army (Regular, Reserve, Guard) rotations through Maneuver CTCs DA/ULO, and Warfighter Exercises (WFX)

CTC Training	FY 2021 Actual	FY 2022 Planned	FY 2023 Planned
Combat Training Center (CTC) Capacity – Brigade Combat Teams (BCTs)	20	20	22
Culminating Training Exercise (CTE) – Security Force Assistance Brigade (SFAB)	2	2	0
Warfighter Exercises (WFX)	11	11	11
Emergency Deployment Readiness (EDRE) (CONUS)	4	4	4

Navy Readiness

The Navy and Navy Reserve are continuing to sustain readiness gains after several years of increased funding. In the FY 2023 budget, core readiness accounts grow by 5.1 percent from the FY 2022 enacted level.

Ship Depot Maintenance decreases by \$0.3 billion from FY 2022 to FY 2023, a 2.5 percent decrease, primarily due to a one-time spike for private sector contracted submarine maintenance in FY 2022 and funds 98 percent of the requirement. The program includes an executable maintenance schedule at validated shipyard capacity. The program also includes the continuation of submarine overhaul availabilities in the private sector. Increased investments have resulted in improved shipyard performance trends, such as reductions in days of maintenance delays and improved on-time deliveries. The



Navy is continuing its pilot program to fund private sector ship maintenance availabilities in the Other Procurement, Navy (OPN) appropriation, requesting \$1.2 billion in FY 2023 and expanding the pilot to U.S. Fleet Forces Command in addition to U.S. Pacific Fleet.

Ship Operations increases by \$0.3 billion, a 4.8 percent increase from FY 2022 enacted funding. This is a program modeled on force structure and GFMAP steaming requirements. The battle force inventory increases to 297 ships in FY 2022 and decreases to 285 by the end of FY 2023. This also includes the Navy's Military Sealift Command Support Ships.

Aircraft Operations (not including Marine Corps aviation) increases by \$1.2 billion from FY 2022 to FY 2023, a 13 percent increase from FY 2022 enacted levels. FY 2023 funding is based on current aircraft availability, manning, and funding priorities. The FY 2023 budget focuses on sustaining tactical aviation recovery despite increased aviation cost-perhour and increased contract maintenance for



training aircraft. Naval aviation needs sustained funding levels to continue to build on previous readiness recovery efforts such as:

• The Navy achieved 80 percent mission capable rates for F/A 18 E/F and EA 18G Navy aircraft on October 1, 2019. The Navy also improved accountability and implemented

process changes to enhance organic, intermediate, and depot aviation maintenance capacity and performance to achieve the 80 percent goal. The improved processes are being applied across Naval Aviation to increase and sustain readiness across all Type/Model/Series aircraft.

• An expanded inventory of operable aircraft will enable pilots to execute a larger portion of their training matrix by completing more "sets and reps," improving pilot proficiency for the fight. The long-term health and viability of the force will improve by spreading flight hours over more aircraft, and improving inventory management as aircraft age.

Aircraft depot maintenance and logistics (not including Marine Corps aviation) increases by \$0.3 billion, a 10.2 percent increase from FY 2022 enacted to FY 2023. This funds aircraft depot maintenance to executable capacity with growth attributed to revised workload standards incorporating process improvements, the Fleet Readiness Center infrastructure optimization plan, and pricing changes. Increased funding for aviation logistics supports increased inventory of F-35 and C/MV-22 aircraft.

The Navy continues data driven process improvement efforts to ensure the highest return on investment for scarce readiness resources. Performance to Plan (P2P) senior leader forums focus on output metrics to drive improved readiness performance. The P2P approach includes clearly accountable supported commanders; a leading measures performance framework using data and analytics to characterize performance gaps/high leverage performance drivers; and a cadence of accountability provided by a barrier removal forum co-chaired by the Vice Chief of Naval Operations and Assistant Secretary of the Navy for Research, Development and Acquisition (RDA). Current P2P efforts include aviation (F/A 18E/F & E-2D) readiness, DDG 51 maintenance, SSN availability, logistics, military personnel (MILPERS), cyber, and Naval Shipyard performance.

Through efforts such as P2P and the implementation of Availability Duration Scorecard 3.0, the Navy has implemented more thorough inspections and longer planning periods - arresting, and inverting, historically high duration delays in private contracted ship maintenance. The Navy continues to see improvements in its ability to award availabilities on time, and as planned, and has seen a marked decrease in duration variance since FY 2018. The average days of private maintenance delays has decreased by over 27 percent from 109 days in FY 2019 to 80 days in FY 2020. For FY 2021, the Navy experienced an average delay of 91 days. The naval shipyard days of maintenance delay were down 83 percent from FY 2019 to FY 2020, and although they increased slightly from FY 2020 to FY 2021, they are still below FY 2019 levels. In addition, the on-time completion rate was 42 percent in FY 2020, an 8 percent improvement over FY 2019. Similarly, on-time completion rate in FY 2021 was 44 percent, a 10 percent improvement from FY 2019. The Navy is also meeting or exceeding its contract award goals 71 percent of the time in FY 2020 and FY 2021.

Figure 3.9. FY 2023 Key Navy Readiness Investments

Navy	FY 2021	FY 2022	FY 2023
End Strength ¹	405,309	406,135	404,000
Ship Readiness ²	\$16.5B	\$17.7B	\$17.7B
Aviation Readiness ³	\$11.7B	\$12.8B	\$14.4B
Infrastructure ⁴	\$4.8B	\$6.3B	\$6.2B

¹ Total Active and Reserve end strength; FY 2021 Actual, FY 2022 Projected and FY 2023 Requested end strength

² Ship Readiness SAGs: 1B1B, 1B4B (FY 2021 – FY 2023 includes \$1B+ ship depot maintenance transfer to OPN)

³ Aviation Readiness SAGs: 1A1A, 1A2A, 1A5A, 1A9A, excludes funding for Marine Corps

⁴ Infrastructure SAGs: BSM1, BSMR, Military Construction (MILCON) appropriations (includes disaster relief funding)

By the end of FY 2023 the Navy will have grown military end strength by over 15,000 personnel since FY 2018, despite dropping 800 in FY 2023 from the FY 2022 Authorized level. This end strength level aligns with force structure requirements and maintains Navy commitment to increase Sexual Assault and Prevention programs and education opportunities at our flagship institutions.

As detailed in Figure 3.10, the FY 2023 budget includes 61 integrated training exercises for Carrier Strike Groups (CSGs), Amphibious Readiness Groups



(ARGs) and attack submarines. These training exercises are critical to address 4th and 5th generation adversary threats and ensure the Carrier Strike Groups operate seamlessly in a combat environment.

			<u> </u>			
	FY 2021 Executed		FY 2022 Planned		FY 2023 Planned**	
	BASIC	INT*	BASIC	INT*	BASIC	INT*
Carriers	4	3	4	2	5	5
Carrier Air Wings	4	4	4	2	4	4
CG/DDG/LCS	24	23	37	27	28	25
LHA/LHD/LPD/LSD	10	17	7	12	9	12
Attack Submarines	17	13	14	19	13	15

Figure 3.10. Programmed Navy Training Throughput

* Integrated refers to aggregated training of all units in a CSG /ARG

** The figures entered for FY 2023 represent a count of hulls expected to be in the given phase at some point during the year.

Marine Corps Readiness

Aligned with emerging joint and naval operating concepts, such as Littoral Operations in a Contested Environment (LOCE), Expeditionary Advanced Base Operations (EABO), Distributed Maritime Operations (DMO), and a Concept for Stand-in Forces, the Marine Corps is aggressively redesigning the force to deter conflict and actively persist as the Nation's Stand-in Force inside an adversary's weapons engagement zone (WEZ). The Fleet Marine Force (FMF) is in the process of transforming into a modernized force with new organic capabilities organized, trained, equipped and postured to meet the demands of the rapidly evolving future operating environment, and optimized for the challenges of naval expeditionary warfare in the maritime littorals.

As delineated in the Commandant's Planning Guidance (CPG) and Force Design 2030, the future FMF will enable the Navy and Marine Corps to restore the strategic initiative and to define the future of maritime conflict by capitalizing on new capabilities to operate persistently inside actively contested spaces as part of a naval expeditionary force. The FY 2023 budget continues to implement the Commandant's Force Design initiatives by identifying and divesting of legacy capability and excess capacity that are not aligned to meet the future threat, and reallocating



those resources toward investments in long range precision fires and anti-surface warfare capabilities, network, sensors, intelligence platforms, air defense, ground combat lethality modernization, and science and technology programs. As an inherently naval force, the FY 2023 budget enhances the Marine Corps' warfighting capability and readiness, both now and in the future, through naval integration and prioritizing investments that continue to evolve the Marine Corps toward a Force that has revolutionizing capability for new warfighting concepts. Through Force Design, the Marine Corps will contribute to the Joint Force by providing naval expeditionary forces to facilitate sea denial and sea control, persist inside actively contested spaces, compete with peer adversaries in the maritime gray zone, and complicate an adversary's decision calculus while maintaining its role as America's force in readiness, deterring adversaries and responding to crisis globally.

The Marine Corps is investing \$4.0 billion in ground combat readiness, an increase of \$0.4 billion from the FY 2022 enacted levels, and \$5.5 billion in aviation readiness accounts, an increase of \$0.4 billion above FY 2022 enacted levels, to sustain critical operations, maintenance, and training programs.

The FY 2023 ground combat readiness budget of \$4.0 billion enables the Marine Corps to meet the readiness requirements for Fleet Marine Forces, Field Logistics, Maritime Prepositioning, Cyberspace Activities, and Cyber Mission Forces. The Marine Corps uses a Total Force (Active and Reserve Components) approach for the planning and execution of ground equipment and readiness as it continues to make strategic choices in the retirement of older and low demand programs that do not meet future operating requirements and to reallocate these funds in capabilities that enable the Nation's naval expeditionary force-in-readiness to operate inside actively contested maritime spaces and facilitate sea control in support of fleet operations.

For FY 2023 Aviation Readiness, the Marine Corps requests \$5.5 billion across active and reserve aviation readiness accounts broken out as follows:

- \$3.1 billion for Mission and Other Flight Operations (1A1A Operation and Maintenance, Navy), i.e., the Flying Hour Program (FHP) – Funds to 92 percent of the executable requirement. Funds Aviation Fuel, Contract Maintenance, Aviation Depot Level Reparable (AVDLR), and Flying Hour Maintenance for USMC Type/Model/Series (T/M/S) platforms to include JSF F-35B/C, AV-8B, MV-22, CH-53 Series, KC-130J, UH-1, F/A-18, and Unmanned Aircraft System (UAS) platforms
- \$0.7 billion for Fleet Air Training (1A2A)
- \$0.6 billion for Aircraft Depot Maintenance (1A5A)
- \$1.1 billion for Aviation Logistics (1A9A) Primarily funds JSF F-35 B/C maintenance actions and FHP & KC-130J & MV-22 maintenance

The Marine Corps continues to lean forward and advance through its ongoing, comprehensive aviation readiness recovery effort, designed to increase the number and quality of mission capable aircraft along with highly trained and combat ready aircrew. Initiatives include:

- Increasing supply materiel readiness
- Decreasing aircraft downtime awaiting supply
- Improving training quality and proficiency, while completing in-stride modernization of older aircraft and transitioning to newer aircraft across all platforms
- Funding contractor support for aircraft at the Fleet Replacement Squadrons, which will further enable active duty Marines to fulfill their duties in deployable units

In addition, a large investment has been made in support of the Flying Hour Program to facilitate aircrew training requirements and projected flight hours required to meet training goals as established by the Fleet Marine Forces.

The Marine Corps proposes \$2.5 billion in support of infrastructure funding, which includes \$1.2 billion in FY 2023 Military Construction (MILCON) for operational facilities, Guam relocation, training facilities, design and Unspecified Minor Construction for urgent projects. Additionally, \$1.3 billion is requested for Facilities Sustainment, Restoration, and Modernization (FSRM), which reflects the Marine Corps commitment to the improvement of critical infrastructure to build readiness through facilities sustainment, the restoration and modernization of existing facilities, and the demolition of facilities no longer required.

The Marine Corps recognizes the importance of facilities programs to support warfighting capability. The Infrastructure Reset Strategy maximizes the value of every facilities investment dollar, ensuring funding is targeted and spent on the highest priorities at the lowest total lifecycle cost, instituting best practices, optimizing investment over the long-term to support mission requirements and aligning investment with strategic priorities. Infrastructure investments support critical projects providing installation resiliency, relocation and consolidation of forces, operational and training needs, modernizing inadequate and obsolete facilities, and life, health, and safety improvements. Importantly, the Marine Corps continues to focus on a robust demolition program to eliminate no longer required facilities, thereby reducing total cost of ownership.

Marine Corps	FY 2021	FY 2022	FY 2023
End Strength ¹	214,918	209,606	210,000
Ground Readiness ²	\$3.5B	\$3.6B	\$4.0B
Aviation Readiness ³	\$4.6B	\$5.1B	\$5.5B
Infrastructure ⁴	\$1.8B	\$3.6B	\$2.5B

Figure 3.11. FY 2023 Key Marine Corps Readiness Ac
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¹ Total Active and Reserve end strength; FY 2021 Actual, FY 2022 Projected, and FY 2023 Requested end strength

² Ground Readiness SAGs - 1A1A, 1A2A, 1B1B, 1CCY, 1CCF

³ Aviation Readiness SAGs - 1A1A, 1A2A, 1A5A, 1A9A (Marine Corps portions of O&M, Navy and O&M, Navy Reserve appropriations) ⁴ Infrastructure SAGs – BSM1, BSMR, Military Construction (MILCON) appropriations (includes disaster relief funding)

Annual Service Level training exercises provide critical opportunities to conduct missions in different environments generating combat readiness for all Fleet Marine Force (FMF) participants. The Marine Corps invests \$0.8 billion in FY 2023 in support of its Service-Level Training Installations to ensure Marines are properly trained to address all warfighting domains across the range of military operations. The two premier Service-Level Training Exercises within the Marine Corps' are the Integrated Training Exercise (ITX) and Mountain Exercise (MTX). ITX, conducted

at the Marine Corps Air Ground Combat Center at Twentynine Palms, California, prepares all elements of the Marine Corps Air Ground Task Force (MAGTF) for combat, with particular emphasis on live fire and maneuver, command and control and competitive Force-on-Force warfighting actions against a peer adversary in a multi-domain environment. MTX, conducted at the Marine Corps Mountain Warfare Training Center in Bridgeport, California, prepares units for combat in high altitude, cold weather, and/or mountainous operations.

	FY 2	FY 2021		FY 2022		FY 2023	
	ITX	MTX	ITX	MTX	ITX	MTX	
MAGTF CE	4	0	3	0	3	0	
Infantry Bn	8	6	8	5	8	5	
Artillery Bn (-)	5	0	3	0	3	0	
Logistics Bn	0	1	3	1	3	1	
Squadrons/Bn	20	0	15	0	15	0	

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Figure 3.12.	FY 20	23 Marine	Corps	Planned	l arge	Training	Exercises
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Air Force Readiness

The Air Force's overall FY 2023 budget request increases core readiness funding by \$0.8 billion, or 3.1 percent above FY 2022 enacted level. This budget results in sustained investments in core readiness accounts including Weapon System Sustainment (WSS) and flying operations. The FY 2023 budget request maintains current readiness to meet the missions described in the Interim National Security Strategic Guidance.

This year, the Air Force begins transition to the Air Force, Force Generation model to enable more stability and predictability for force employment. This will facilitate executing the training necessary to compete against the pacing threat, scheduling down time for fleet sustainment, and setting the conditions to improve the readiness of the Nation's first to the fight units over time. The FY 2023 request makes targeted divesture reductions to vulnerable systems that must occur to lower aircraft sustainment costs and enable the Air Force to invest in advanced technology and modernization to maintain our advantage over peer adversaries. The Air Force is committed to building a more lethal and ready force and prepared to defeat our adversaries in high-end combat.

Consistent with National Defense Strategy (NDS) priorities, the Air Force continues to make investments in relevant next-generation capabilities. This includes ground-based strategic deterrence recapitalization, common synthetic training environment, artificial intelligence, and sustained battlefield data management. The Air Force's Advanced Battlefield Management System (ABMS) contributes to the Joint All-Domain Command and Control (JADC2) concept, which will allow current and future platforms/sensors to instantly share critical operational data across the DoD enterprise in the future contested high-end warfighting environment.

Air Force	FY 2021	FY 2022	FY 2023
End Strength ¹	507,124	501,905	501,800
Maintenance ²	\$15.3B	\$15.4B	\$16.6B
Flying Hours & Operations ³	\$9.8B	\$10.3B	\$9.9B
Infrastructure ⁴	\$5.1B	\$8.4B	\$6.8B

¹ Total Active, Reserve, and National Guard end strength; FY 2021 Actual, FY 2022 Projected and FY 2023 Requested end strength (excludes Space Force)

² Maintenance SAGs: 011M, 011W, 011V (Funding for U.S. Space Force transferred in FY 2021)

³ Flying Hours & Operations SAGs: 011A (AFR), 011F (ANG), 011Y (AF)

⁴ Infrastructure SAGs: 011R, Military Construction (MILCON) appropriations (includes disaster relief funding)

As shown in Figure 3.13, total Air Force end strength declines in FY 2023. The Air Force continues to focus on producing and retaining critical skills in key readiness areas, such as aircraft maintenance, ISR, remotely piloted aircraft, and cyber operations. In addition, the Air Force continues to pursue force structure divestiture to repurpose manpower accordingly to mitigate critical shortfalls, manage experience, and enable readiness as new aircraft and systems come on line. Delays in divestiture have a deleterious impact on making these necessary changes.

The FY 2023 budget request increases Weapons System Sustainment (WSS, e.g. Depot Maintenance, Contract Logistics Support, Sustaining Engineering, Technical Orders and such) by \$1.2 billion and funds the overall portfolio to 85 percent of requirement. The FY 2023 WSS position balances structural (long-term) and operational readiness (near-term) weapon system readiness with emphasis on capabilities supporting NDS priorities, priority aviation sustainment programs including F-35, C-17, KC-135, F-22 and MQ-9.

The Service is addressing operational training infrastructure (OTI) shortfalls through targeted near term investment and a long-term funding strategy to upgrade both its live and synthetic training infrastructure. In the FY 2023 budget, the Air Force continues to develop the infrastructure necessary to train for the challenges of future combat operations. This funding will assist in upgrading critical training infrastructure to replicate realistic threat environments and improve training integration of 4th and 5th generation aircraft. The Nevada Test and Training Range (NTTR) and Joint Pacific Alaska Range Complex (JPARC) are being modernized to emulate a peer or near peer adversary environment. The Air Force hosts the following critical training exercises each year:

RED FLAG – ALASKA is a Pacific Air Forces (PACAF)-sponsored training exercise conducted three to four times a year and features large force employment exercise scenarios. The focus is at the tactical level and the goal is to give aircrew and pilots the equivalent of their first ten combat sorties. Units receive equivalent level of training whether they attend RED FLAG Nellis or Alaska.

RED FLAG - NELLIS is an Air Combat Command (ACC)-sponsored exercise and is the Air Force's premiere air-to-air combat training exercise, and participants include both United States and allied nations' combat air forces. The exercise provides aircrews the experience of multiple, intensive air combat sorties in the safety of a training environment.

RED FLAG - RESCUE is an ACC-sponsored, 2 week Combat Search and Rescue (CSAR) exercise. Detachment One, 414th Combat Training Squadron hosts this Personnel Recovery (PR) exercise through the United States Air Force Warfare Center. The missions are conducted throughout Arizona and western New Mexico. The primary objective is to provide participants the opportunity to plan and employ together, executing multiple PR scenarios at the tactical level, with integration up to the operational level.

GREEN FLAG (GF) – is a 2 week exercise held in conjunction with all Brigade Combat Team (BCT) rotations at the Army's National Training Center and Joint Readiness Training Center to train aircrews, Battlefield Airmen, and BCTs in the planning, integration and execution of airpower Close Air Support in support of Decisive Action campaigns. GF exercises are the only tactical exercises that jointly train Combat Air Force (CAF) units with brigade-sized Army units in a realistic scenario for the detailed integration required to effectively and safely conduct the joint counterland and counter-sea missions.

Exercise	FY 2021 Executed	FY 2022 Planned	FY 2023 Planned
RED FLAG ALASKA	3 executed of 3 planned	3	3
RED FLAG NELLIS	3 executed of 3 planned	3	3
RED FLAG RESCUE	3 executed of 3 planned	2	2
GREEN FLAG WEST	7 executed of 8 planned	9	8

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Figure 3.14.	Historical and Planned	I Full-Spectrum Air Fol	rce Training Exercises

Space Force Readiness

The Space Force is investing \$3.0 billion in its core readiness and readiness enablers' accounts, which is an increase of \$0.3 billion, or 9.3 percent above FY 2022 enacted levels. This increased budget enables us to enhance Guardian Readiness, to accelerate our pivot to resilient capabilities for today's contested space domain, and to ensure critical services for joint and allied warfighters.

The threat environment in space is changing rapidly; anti-satellites weapon capabilities have made a resurgence in the past decade, with a number of different Russian military "Cosmos" satellites believed to be designed to kinetically kill satellites in low Earth orbit. China, in the meantime, is exploring technologies like the robotic arm on the Shijian-17, something which could be used by a future system for grappling another satellite. These examples, as well as many others necessitate advanced training and increased readiness for the Space Force. In support of the 2022 NDS, Guardians continue to evolve their training to ensure they can defeat realistic threats and ensure joint force advantage versus potential adversaries. Equipped with a lean and agile end strength of 8,400, the Space Force is implementing a new Space Force Generation (SPACEFORGEN) model that optimizes our ability to present ready Guardians and space capabilities. Investment into Space Training and Readiness Command (STARCOM) enables modernized operational training infrastructures to include developing live, virtual, and constructed environments where Guardians can train against a professional, doctrinally sound, and threatrepresentative aggressor force. The National Space Test and Training Complex (NSTTC), a core element of the Space Force's Operational Test and Training Infrastructure (OTTI), is foundational to implementing and evaluating space warfighting requirements. The NSTTC and OTTI will aid in space capability development and testing in an operationally realistic environment, and increase lethality through development of tactics, techniques, and procedures. Specific investments that improve operational readiness include the following: the Space Test and Training Range (STTR) which provides infrastructure, environment, and range control for weapon systems training and joint exercises; the Standard Space Trainer (SST) which provides space simulators for 17 space weapon systems; simulators that support multi-domain Flag-exercises/training events to facilitate space warfighter training; and the stand-up of the STARCOM, which provides

manpower, contract support, equipment, and facilities to conduct advanced training and readiness exercises.

The Space Force provides support to 27 exercises including both Service and joint events and will add two more service-specific exercises focused on Space Domain warfighting concepts. Polaris Hammer is a Space C2 exercise to evaluate Space Operations Command (SpOC) authorities, C2 roles and responsibilities, lines of effort across multiple agencies, and assess gaps in SpOC personnel preparedness, effectiveness and training. Large scale, joint and coalition integrated exercises provide an opportunity to assess and determine the Service's ability to generate, present, and sustain combat ready space forces to Combatant Commands in a contested, degraded, and operationally limited space environment. Two primary Space Force exercises include SPACE FLAG and POLARIS HAMMER:

SPACE FLAG – Space Force's sole large-force employment exercise, focused exclusively on gaining and maintaining space superiority. One out of the three iterations of SPACE FLAG is an annual coalition exercise which includes participants from Australia, Canada, Great Britain, and the U.S. It provides tactical space forces with realistic, threat-based training to enhance their ability to analyze and respond to current and future threats around the globe within a broader warfighting context.

POLARIS HAMMER - An exercise that evaluates SpOC authorities, C2 roles and responsibilities, and lines of effort across multiple agencies, and assessing gaps in SpOC personnel preparedness, effectiveness and training.

An additional aspect of readiness is the Space Force's investment into a Force Design approach to delivering new capabilities. Capabilities on-orbit today were not designed for a warfighting domain; therefore the Space Force is investing in resilient architectures designed for a contested space domain. Through the Space Warfighting Analysis Center (SWAC), the Space Force is utilizing a cost-conscious, threat-informed, data-driven force design process to deliver a series of robust space architecture designs that advance joint force capabilities. These analytic efforts in conjunction with inputs from stakeholders across the Department of Defense, the Intelligence Community, and our allies and partners help shape future requirement strategies to ensure the Service invests in the right capabilities to effectively and efficiently meet future needs. Based on the ever changing environment of the space domain, force design analysis hinges on detailed threat information. The Space Force derives this information from the National Space Intelligence Center (NSIC) which articulates threats and provides updates, assessments of adversary capabilities and intent in the space domain.

Another area of focus for Space Force readiness is the ability to deliver critical services to Joint warfighters. Support to warfighters via Satellite Communications (SATCOM) downrange is a paramount responsibility of the Space Force. The Space Force is continuing development efforts on future disaggregated strategic and tactical SATCOM systems to meet emerging threats in the 2030s timeframe. Key aspect of readiness include integration with international partners, commercial SATCOM, and various acquisition pathways to rapidly deliver capability. Various investments are being made to the following programs in order to continue to deliver capability in the event of conflict: Protected Tactical SATCOM (PTS); Protected Tactical Enterprise Service (PTES); Mobile User Objective System (MUOS); Commercial SATCOM (COMSATCOM) Integration (develop tools to operate SATCOM as a single, hybrid enterprise); Wideband Global SATCOM (WGS); and Polar SATCOM.

This year's budget request highlights specific modernization efforts to improve the resiliency of Global Positioning System (GPS). Commercial, civil, allied, partner, and military users depend on assured positioning, navigation, and timing systems for precise and accurate geolocation,

navigation, and time reference services. These capabilities are mission-essential for virtually every modern weapon system. Specific enhancements include increased anti-jamming performance, upgrades to the military user equipment, and advanced cyber protection for the ground operating systems.

Finally, the Enterprise Ground Services (EGS) program, which provides cyber-secure tactical command and control (C2) services, using open standards and a common platform to transition away from legacy stove-piped ground systems. The EGS continuously delivers enterprise-wide tactical C2 services, that when integrated with mission specific capabilities, will fully enable warfighting effects. Due to significant mission scaling, the EGS program was able to decrease funding by 40 percent for FY 2023 while still establishing common enterprise tactical C2 requirements.

All of these capabilities are supported by an infrastructure that supports over 50 weapon systems via the Space Force Weapon Systems Sustainment (SWSS) and Facility Sustainment, Restoration, and Modernization (FSRM). The Space Force is prioritizing these effort to ensure optimized readiness across all aspects of the Space Force portfolio.

Space Force	FY 2021	FY 2022	FY 2023
End Strength ¹	6,563	8,401	8,600
Space Operations ²	\$0.91B	\$1.28B	\$1.36B
Space System Sustainment ³	\$1.37B	\$1.46B	\$1.64B
Infrastructure ⁴		\$0.22B	\$0.24B

Figure 3.15. FY 2023 Key Space Force Readiness Investments

¹ Total Active, end strength; (Allocation org = SF).

^{2.} Space Operations SAGs: 012A, 013A, 013C

³ Space System Sustainment SAGs: 013M, 013W

⁴ Infrastructure SAG: 013R

United States Special Operations Command (USSOCOM) Readiness

The FY 2023 budget request invests in USSOCOM readiness and supports the National Security priorities by ensuring U.S. Special Operations Forces (SOF) are prepared to execute operations with the Joint Force, conduct counterterrorism (CT) and counter violent extremist organization (C-VEO) operations, serve as the Coordinating Authority for Countering Weapons of Mass Destruction, conduct internet-based Military Information Support Operations (MISO), compete with strategic adversaries below the level of armed conflict, and conduct global crisis response missions. Further, the FY 2023 budget request supports USSOCOM's ability to meet the Secretary of Defense's FY 2023 Directed Readiness Tables.

Overall, SOF maintains a relatively stable readiness posture while simultaneously modernizing the force and maintaining a persistent global presence. In the FY 2023 budget, USSOCOM continues to focus on three core challenges: 1) balancing demands on SOF readiness for day-to-day operations, major contingency operations, and crisis response missions; 2) closing gaps and sustaining Service support to SOF; and 3) mitigating risks in near and long-term readiness. The FY 2023 budget request provides USSOCOM with sufficient funding to address these challenges. The USSOCOM continues to rely heavily on the Services for materiel, logistics, and infrastructure support across the spectrum of operations.

The FY 2023 budget provides USSOCOM with the resources to pursue gains in areas with existing or emerging readiness concerns. Specific investments include funding that: continues the accelerated SOF fixed-wing aircraft conversion to an entirely A/MC-130J fleet to improve

capability and availability; modernizes SOF training ranges and simulators; enables full-spectrum SOF-specific training events and exercises; expands training integration with the conventional forces; sustains flying-hours for SOF fixed-wing and rotary-wing aircraft; invests in artificial intelligence to increase the speed of processing, exploitation, and dissemination for ISR; and increases support for the Preservation of the Force and Family program to maximize personnel readiness.

USSOCOM	FY 2021	FY 2022	FY 2023
Personnel ²	72,589	74,441	74,003
Flying Hours	\$0.69B	\$0.63B	\$0.63B
Formal Training	\$0.39B	\$0.40B	\$0.41B
Exercises	\$0.05B	\$0.07B	\$0.07B

Figure 3.16. FY 2023 Key USSOCOM Readiness Investments¹

¹ Funding reflects only a portion of what the Department considers core readiness spending in USSOCOM's annual budget ² Total Personnel includes Active, Reserve, and National Guard end strength and Civilian Full-Time Equivalents

The FY 2023 budget provides funding for SOF participation in support of CJCS-directed training and priority exercises within every Geographic Combatant Commander's Area of Responsibility. These funds are also provided for the execution of USSOCOM Component exercises to provide training, validation, and certification of O-6 and above Joint SOF headquarters preparing to deploy for named operations which are crucial to sustaining SOF readiness. The FY 2023 budget also continues to sustain the USSOCOM Joint Combined Exchange Training program, which is crucial to the Mission Essential Task List training and continued readiness of small U.S. SOF units to train overseas with friendly foreign forces.

The FY 2023 budget request continues to invest in recapitalization efforts critical to rebuilding SOF platform readiness and enhancing the capacity of certain high-demand, low-density force elements to improve readiness. The budget request supports SOF transitioning to sustainable Force Generation Models to meet DoD Deployment to Dwell goals while maintaining consistent force offerings and utilization. These relatively small but crucial capacity enhancements include expanded capabilities to reduce stress on SOF enablers, initiatives to improve SOF aviation platform availability, as well as support ISR, force protection, direct action, cyber, and classified units.

An example of USSOCOM's approach to balancing modernization and readiness are SOF fixedwing aircraft for precision strike (AC-130 aircraft) and specialized air mobility (MC-130 aircraft). Current challenges in these platforms are a combination of the relatively small inventory of these aircraft, high day-to-day demand for current operations, and the ongoing recapitalization effort to transition aircraft to common J-model configurations. In FY 2023, USSOCOM will complete transition to the AC-130J (30 aircraft) as the primary gunship platform and the MC-130J (59 aircraft) as the primary multi-mission platform; divestment of the AC-130H, AC-130U, AC-130W, and MC-130H platforms is complete. The recapitalization effort is vital to improving aircraft capabilities and availability. The FY 2023 budget request enables USSOCOM to continue an accelerated pace of model conversions that is critical to improving the readiness of these aircraft and mitigating second order impacts on aircrew readiness.

Joint Capabilities

Joint Training, Exercise, and Evaluation Program (JTEEP)

The Combatant Command Exercise and Engagement (CE2) and Training Transformation (T2) program, collectively referred to as CE2T2, was modernized in 2021 and renamed JTEEP. JTEEP is the Department's primary means to prepare U.S. forces for globally-integrated joint and combined operations across the competition continuum. JTEEP provides resources to Combatant Commands (CCMDs) and Military Departments to enable joint training of U.S. forces in collective, staff, and individual training events. The program is now viewed through its three pillars of action:

- 1. CCMD Joint Training and Campaigning
- 2. Service Joint Training
- 3. Joint Training Enablers

The FY 2023 budget requests \$679.3 million to support the exercise and engagement requirements of the eleven CCMDs, increase joint context in service exercises, train individuals in key joint skills, and provide joint training enablers to the CCMDs and Services. The FY 2023 request includes an increase of \$106.7 million to conduct an annual Large Scale Global Exercise (LSGE) that will stress global integration of the force across multiple levels of command and control in the conduct of Joint All Domain Operations. The Secretary has provided guidance to make this exercise a priority event in the Department in order to prepare the force to execute global campaign plans against peer adversaries and achieve National Defense Strategy objectives.

CCMD exercise and engagement events are a key DoD lever for campaigning, both in preparedness for warfighting and day-to-day competition. This funding enables over 100 major CCMD exercises annually that prepare U.S. forces to execute operational plans, train the CCMD staffs in demanding and realistic environments, provide presence and regional expertise for U.S. allies and partners, and build relationships and trust.

JTEEP pays for the planning and execution of exercises, transportation of personnel and equipment, and incremental costs incurred by the Services to participate in CCMD exercises. Selected major exercises for FY 2023 include:

- Large Scale Global Exercise 23 (LSGE): LSGE 23 is a Secretary and Chairman of the Joint Chiefs of Staff priority exercise that will link multiple CCMDs with allies and partners to exercise warfighting plans on a global scale. LSGE 23 will be led by USINDOPACOM as the coordinating authority. The exercise will stress the integration of joint/combined major force elements to conduct Joint All Domain Operations across multiple echelons of command and control against a peer adversary. Development and integration of live, virtual and constructive training capabilities will be required to execute the LSGE and close Department wide joint operational training gaps.
- U.S. Africa Command (USAFRICOM): AFRICAN LION is the Combatant Commander's (CCDR) #1 priority exercise. It is an AFRICOM-led Tier 1 annual exercise driving Joint Force Commander and Component headquarters staff and leader training for regional crises and Global Competition. This three phase exercise culminates in a U.S. Army Europe/Africa-led joint combined all-domain exercise to counter malign activity in North Africa and Southern Europe while increasing interoperability between U.S., African, and international partners. Execution validates U.S. Army Southern European Task Force, Africa as a Combined Joint Task Force and focuses on large scale combat operations to

include: command and control, combined arms maneuver, naval gunfire, and close air support with linkage to LSGE. A Senior Leader Symposium (SLS) and academics accompany the event.

- U.S. Central Command (USCENTCOM): INTERNAL LOOK is a HQ USCENTCOM and Service Component Battle Staff exercise with Allies and Interagency partners. It is conducted as a Tier 1 Command Post Exercise (CPX) to rehearse crisis action planning and execution processes, rehearse and refine the HQ USCENTCOM Joint Battle Command System to ensure maximum readiness to operate against designated operational plans in a trans-regional, all-domain, multi-functional operating environment.
- U.S. Cyber Command (USCYBERCOM): CYBER LIGHTNING (CL) is USCYBERCOM's premier Tier-1 exercise which provides the venue to validate CCMD battle staff Joint Mission Essential Task List (JMETL) execution. CL focuses on the strategic to operational threshold and centers on training the CCMD headquarters and Component Staffs. This exercise focuses on the command's global cyberspace coordination role and mission to combat peer adversaries. CL has options to execute in conjunction with other CCMD Tier-1 Command Post Exercises (CPXs) to improve cyberspace operations as a key component of our Nation's ability to sustain Joint Force military advantages, both globally and in key regions.
- U.S. European Command (USEUCOM): ASTRAL KNIGHT is a capstone exercise incorporating Integrated Air and Missile Defense (IAMD) sensor, shooter, and Command and Control Architecture Theater wide from the tactical to operational levels. It exercises joint theater-level Ballistic Missile Defense and regional air defense to integrate elements of the Theater IAMD architecture, processes and procedures and includes partners and allies.
- U.S. Indo-Pacific Command (USINDOPACOM): TALISMAN SABER is a biennial, joint multilateral exercise with Australia, and 12 other allies and partners. It features large-scale force employment including: carrier strike group, expeditionary strike group, air wing, and division maneuver focusing on combat operations against near-peer adversaries.
- U.S. Northern Command (USNORTHCOM) and North American Aerospace Defense Command (NORAD): VIGILANT SHIELD is an annual homeland defense exercise focused on the single, unyielding priority of defending North America from attack. This exercise will focus on ensuring the NORAD and USNORTHCOM, in coordination with the other CCMDs, can support the Department's ability to execute integrated deterrence by implementing a globally integrated (between and across CCMDs) defense of the North American continent. The key task is to ensure the resiliency (e.g., protecting critical assets, ensuring continuity of government, providing decision space to senior leaders) required to ensure the Joint Force can generate and deploy while the Homelands (US and Canada) are under attack. The exercise incorporates the Canadian Joint Operations Command, other CCMDs, Services, appropriate U.S. Government agencies, and allies. It develops and assesses the readiness, resilience and capability to defend Canada and the United States and respond to a wide variety of military and national security contingencies.
- U.S. Southern Command (USSOUTHCOM): INTEGRATED ADVANCE is a biennial CPX that will also include a Field Training Exercise (FTX) in FY 2023. The exercise will focus on training participants for globally integrated operations in a contested environment against peer/near-peer competitors. In FY 2023 the exercise will include an FTX that deploys U.S. forces to the Area of Responsibility to conduct all-domain operations as a JTF to maintain the security of a key sea line of communication.

- U.S. Space Command (USSPACECOM): Annual CCMD exercises will validate command readiness and set a path towards Full Operational Capability. The command will conduct an annual Tier 1 level exercise (Space Challenge or Space Fury) alternating linkages annually between USINDOPACOM's and USEUCOM's Tier 1 exercise. Concurrently, the command will also maintain a Command Exercise Response Team (CERT) focused on the off-year command's Tier 1 exercise. This will ensure an annual global focus of space problem sets and allow for needed Command Relationship discussions between USEUCOM and USINDOPACOM. USSPACECOM is fully nested within the Large-Scale Global Exercise concept and will also exercise a linked Field Training Exercise annually. The command is working towards integrating support into every CCMD's Tier 1 exercise to accomplish its Unified Command Plan responsibility for "Joint Space Operations Training." These annual exercises will emphasize globally integrated operations in coordination with other CCMDs, Services, appropriate U.S. government agencies, and Allies for missions in, from, and to space.
- U.S. Special Operations Command (USSOCOM): USSOCOM has six CCMD exercise programs consisting of 22 exercise rotations planned in FY 2023 - each aligned with a Special Operations Force (SOF) Service Component. They focus on pre-deployment joint combined arms warfighting and mission essential task readiness by synchronizing SOF, conventional force, interagency, and partner nation efforts within multi-domain, multifunctional, SOF-led training environments. The SOF exercise programs also advance strategic competition by leveraging SOF's unique capabilities to exploit strategic opportunities and expand the competitive space below armed conflict and to prepare for war should deterrence and competition fail.
- U.S. Strategic Command (USSTRATCOM): GLOBAL THUNDER is an annual exercise providing training opportunities to assess USSTRATCOM mission areas and operational readiness. This exercise employs global operations in coordination with other CCMDs, Services, appropriate U.S. government agencies, and allies to deter, and, if necessary, provide a decisive response to strategic attacks against the United States and its allies.
- U.S. Transportation Command (USTRANSCOM): TURBO CHALLENGE (TC), a Tier 1 Command Post Exercise, focuses on senior leader decision-making and battle-staff action underpinning USTRANSCOM's capability to meet wartime contingency or natural disaster requirements. TC historically exercises for high-end requirements resulting from major theater conflict, or catastrophic natural disaster scenarios. TC partners with the Geographic Combatant Commands and specifically supports deterring and defeating aggression and defending the homeland.

The Secretaries of the Military Departments use JTEEP funding to increase readiness and expand the joint context of Military Department-specific exercises and training events that include globallyintegrated joint and combined operations across the spectrum of conflict where all domains of warfare are contested. They also leverage the program to develop innovative ways to increase training effectiveness of Military Service-specific training events and exercises. The program enables the Services to provide joint capable units to the CCMDs. The major elements of the Service pillar funded by the program include:

 The Joint National Training Capability (JNTC) program advances joint capabilities and interoperability by concentrating on emerging joint training requirements through collective training experiences using a managed set of globally distributed capabilities and activities. The program resources Service, USSOCOM and JS J7 joint training and enabling capabilities that improve interoperability and realism of tactical and operational joint training between the Services and USSOCOM. JNTC enables joint collective training for 36 accredited programs across the Services and USSOCOM by developing relevant joint training context and ensuring global distributed access.

 The Joint Training Coordination Program (JTCP) enables the Services and U.S. Special Operations Command to participate in the exercises of the other Services. Through such participation, U.S. forces develop the skills and cross-Service familiarity that is necessary to operate in a joint environment. Specific exercises receiving JTCP funding in FY 2023 include: Air Force RED FLAG exercises held at Nellis Air Force Base, NV and Eielson AFB, AK; Navy Composite Training Unit Exercise/Joint Task Force Exercises; Marine Corps Service Level Training Exercise Program in Twenty-nine Palms, CA; Army National Training Center in Fort Irwin, CA; and USSOCOM Navy Special Warfare Command's TRIDENT series of exercises. These joint training venues use JTEEP funds to bring joint context into Service training activities.

JTEEP program Joint Training Enablers provide enterprise-level capabilities for individual and collective training, exercise expertise, networking infrastructure, and Modeling and Simulation (M&S) support. The major enablers the program funds include:

- The Joint Training Enterprise Network (JTEN) is a persistent global network that links the geographically separated Joint Live, Virtual, and Constructive (JLVC) training capabilities of the CCMDs and the departments, and integrates them into a realistic joint training environment. The JTEN/JLVC bridges the gap between tactical and operational level training and mission rehearsal activities by providing real-time connectivity and simulations of higher headquarter authorities.
- Joint Knowledge Online (JKO) develops and delivers training content and tools to increase joint context and generate ready forces. JKO is a distributed learning platform that provides persistent global access to web-based training and education tools, and content for responsive, just-in-time individual and staff training opportunities. JKO is used by over 2 million personnel across all CCMDs, Combat Support Agencies (CSAs), Services, and other DoD organizations.
- Joint Functional Schools provide individual joint skill training for key skills necessary for the U.S. Forces to conduct joint, global, multi-domain, and integrated operations. Those schools include:
 - The Joint Deployment Training Center that provides functional training on the Joint Command and Control doctrinal processes and system applications, to facilitate joint planning, deployment/redeployment, management, and operational intelligence/awareness of forces, equipment, and supplies worldwide.
 - The Joint Targeting School that provides doctrinally-based joint targeting education and training in order to prepare personnel for operational-level targeting duties.
 - The Joint Interoperability & Data Link Training Center Mission that trains the Warfighter in networked datalink interoperability concepts and procedures in order to meet Joint and Coalition Commanders' enduring and emerging mission needs.

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4. BUILDING ENDURING ADVANTAGES

INTRODUCTION

The strategy's third approach, to support both integrated deterrence and campaigning, is to build enduring advantages across the Department's enterprise. This effort begins by building the workforce that we need, investing in our most critical asset, our people. We will provide a 4.6 percent pay raise for our civilian and military personnel, and invest in providing quality, affordable child care as well.

Building enduring advantages also means that the Department must also continue to innovate and modernize. Of the \$130.1 billion that we are investing in Research, Development, Test and Evaluation (RDT&E), our largest request ever, \$16.5 billion is dedicated to

Sections

- Introduction
- Innovation and Modernization •
- Defense Ecosystems and • Partnerships
- Reforms
- Addressing the Climate Crisis •
- Fighting COVID-19 •
- Cultivating the Workforce We Need

science and technology. Within these categories, we will make significant investments in maturing artificial intelligence and 5G programs.

Achieving an enduring advantage also requires investments in the Nation's defense industrial base. In line with our strategy, the Department will focus on key industrial base sectors such as microelectronics; casting and forging; batteries and energy storage; kinetic capabilities; and strategic and critical minerals. The budget request makes historic investments in all of these areas to create more resilient and secure supply chains.

Combating climate change is a vital component of building enduring advantages. By transforming the context in which we operate, our climate change investments improve our readiness and have the potential to decrease demands on the Joint Force. We invest more than \$3 billion to create platform efficiencies, deploy new technologies, and harden our critical infrastructure, fully aligned with our warfighting needs and mission objectives.

To shore up the foundations for integrated deterrence and campaigning, we will act urgently to build enduring advantages across the defense ecosystem the Department of Defense, the defense industrial base, and the array of private sector and academic enterprises that innovate and support the systems on which our military depends.

- 2022 National Defense Strategy

INNOVATION AND MODERNIZATION

The Fiscal Year (FY) 2023 budget request for the Department of Defense (DoD) lays the foundation for the next 30 years of strategic competition. Effective competition requires agility in initiating new technology development, rapid experimentation in relevant mission environments, and rapid transition to the users.

The Department's work to ensure an enduring technological advantage, now and in the future, is anchored by three



strategy pillars: Mission Focus, Foundation Building, and Teamwork. We will leverage the United States' incredible technology innovation potential to identify and solve the Department's toughest operational, engineering, and mission-focused challenges. We will set the foundation to attract and build a diverse and talented workforce that operates in modernized laboratories and test facilities. Finally, we will succeed through teamwork by partnering with the larger innovation ecosystem, from industry to universities and laboratories to allies and partners.

The FY 2023 request underscores the Secretary of Defense's commitment to science, technology, innovation, and modernization. The FY 2023 RDT&E budget of \$130.1 billion is the largest ever requested by the Department and an increase of 9.5 percent over the FY 2022 enacted level.

Science and Technology Foundations

"Innovation lies at the heart of American security. Nobody innovates better than the United States of America. But we can't take that for granted."

- Secretary of Defense Lloyd J. Austin – Speech to Reagan National Defense Forum, December 12, 2021

The Department relies upon the science and technology (S&T) enterprise to research, develop, and demonstrate high pay-off technology solutions to the hard problems faced by our warfighters in ever-changing, complex environments against an increasingly diverse set of threats. The Department's investments in S&T provide solutions that are innovative, affordable, and versatile to ensure that our military remains the most capable in the world.

The FY 2023 budget request for S&T, comprised of Basic Research (Budget Activity (BA-01), Applied Research (BA-02), and Advanced Technology Development (BA-03), is \$16.5 billion. The S&T budget constitutes 13 percent of the FY 2023 overall RDT&E funding request, consistent with the Department's practice of providing a strategic foundation for the military's future competitive edge. See Figure 4.1.

To ensure U.S. technological competitiveness now and in the future, the Department's investments in S&T are underpinned by early-stage basic research. While the pay-off of this funding might not be seen for many years, the Department has demonstrated time and again that basic research yields transformational capabilities for warfighters and often wider commercial use. Indeed, many technologies we benefit from today—artificial intelligence, lithium-ion batteries, the internet, GPS, microelectronics, and Silicon Valley itself—all exist thanks to the Department's investments in basic research. The budget request includes \$2.4 billion in funding for Basic Research for FY 2023.

Program	FY 2021 Actuals	FY 2022 Enacted	FY 2023 Request	FY22-FY23 Change
Basic Research (BA01 or 6.1)	2.5	2.7	2.4	-0.3
Applied Research (BA02 or 6.2)	6.3	6.9	5.8	-1.1
Adv Tech Dev (BA03 or 6.3)	7.5	9.2	8.3	-0.9
Total S&T	16.4	18.8	16.5	-2.3

Figure 4.1. Funding Levels 6.1 – 6.3 (\$ in billions)

Laboratory Funding

The Department's science and technology reinvention laboratories engage in activities ranging from basic research to defense system acquisition support, and all the way through to direct operational support of deployed warfighters. These laboratories are comprised of dozens of facilities across 22 states and employ tens of thousands of scientists and engineers, both civilian and military. The Department's laboratories execute a substantial fraction of the Department's S&T accounts, particularly in Budget Activities 02 and 03 (also known as 6.2 and 6.3). In addition, they conduct substantial amounts of reimbursable research and development (R&D) for the Department and Intelligence Community customer organizations. Basic Research programs that support laboratory funding also help develop the future workforce through training in fields critical to the Department, as well as fostering a community of U.S. experts to mitigate against technological surprise.

Testing Funding

The Department's Major Range and Test Facility Base is comprised of 23 major sites across the continental United States, Alaska, Hawaii, and the Kwajalein Atoll. It employs 30,000 people and covers about 18,000 square miles of land and 180,000 square miles of airspace, which when combined account for more than half of all the Department's land. The Department must invest in new test technologies and test capabilities to accelerate strategic modernization and innovation for the warfighter. The Department's funding for strategic test infrastructure improvements is \$1.26 billion in the FY 2023 budget, with a large addition this year of \$2.1 billion over the Future Years Defense Plan (FYDP) to support testing of hypersonic weapons, electronic warfare, nuclear modernization, trusted AI, and multi-domain operations.

Innovation Training Programs

National Defense Education Program (NDEP): NDEP provides funding for programs providing Science, Technology, Engineering and Mathematics (STEM) outreach beginning at pre-Kindergarten (pre-K) to address critical STEM and other technology-related education and talent development challenges. NDEP is the largest STEM program across the Department that aims to inspire, develop, and attract a diverse and agile technical workforce, now and into the future. The FY 2023 President's Budget requests \$132.3 million to support NDEP efforts. NDEP programs include:

- The Science, Mathematics, and Research for Transformation (SMART) Scholarship-for-Service Program: SMART offers scholarships for undergraduate, masters, and doctoral students currently pursuing a degree in one of 21 STEM disciplines. SMART scholars receive full tuition, annual stipends, and guaranteed employment with the Department after graduation.
- The Defense STEM Education Consortium (DSEC): Launched in 2019, DSEC is a 5-year collaborative partnership, scoped for approximately \$19 million per year among 28 academic, industry, and not-for-profit organizations that aims to broaden pre-K-16

STEM literacy and develop a diverse and agile workforce.

The Department's Research and Education Program for Historically Black Colleges & Universities (HBCUs) and Minority Institutions (MIs) is funded in the FY 2023 President's Budget at \$33.3 million. The HBCU/MI program aims to improve:

- Research and education programs and capabilities in scientific and engineering disciplines critical to the national security functions of the Department.
- The capacity of HBCU/MIs to participate in Department research programs and activities.
- The number of graduates, including underrepresented minorities, in science, technology, engineering, and mathematics (STEM) fields.

The Department's Basic Research Initiatives, that includes funding for the Vannevar Bush Faculty Fellowship and the Minerva Research Initiative, are funded in the FY 2023 President's Budget at \$62.4 million.

- The Vannevar Bush Faculty Fellowship (VBFF) is the Department's most prestigious single-investigator award, supporting basic research with the potential for transformative impact. As a 5-year fellowship with up to \$3 million in funding, the VBFF supports new, out-of-the box ideas where researcher creativity intersects with the unknown. Vannevar Bush Fellows represent a cadre of experts that provide invaluable direction to the Department in its scientific efforts and also train the next generation of scientists and engineers.
- The Minerva Research Initiative supports social science research aimed at improving our basic understanding of security, broadly defined. From political instability caused by climate migration to nation state cyber hacking, the Minerva program's goal is to improve the Department's basic understanding of the social, cultural, behavioral, and political forces that shape regions of the world of strategic importance to the United States.

Components fund Basic Research in multiple different ways. The University Research Initiative (URI) Program Elements (PEs) in all three Military Departments fund the Joint Basic Research Program focused on university research. Most of the funding supports the highly competitive and transformative Multi University Research Initiatives (MURI) program that gathers teams of researchers across disciplines and across geographic boundaries to focus on DoD-specific hard science problems. The URI PEs also fund other aspects of the Joint Basic Research program such as the Defense University Research Instrumentation Program (DURIP) to support scientific equipment needs, and the National Defense Science and Engineering Graduate (NDSEG) Fellowship Program for outstanding US STEM PhD students. This year, the Department funding the URI lines at a total of \$332 million.

Service core basic research programs fund single investigator awards as well as a plethora of other service basic research initiatives, to include centers of excellence, and deeper connections with regional scientific hubs. Finally, intramural basic research funding allows for DoD laboratory scientists to develop and transition research concepts from the scientific community quickly and efficiently into the laboratories. The FY 2023 President's Budget request for this core basic research effort in the Services is \$1.6 billion.

Advanced Component Development and Prototypes

The Department is committed to supporting transition of science and technology over the valley of death and into acquisition programs, rapid fielding, and the hands of warfighters. This year's budget emphasizes the importance of prototyping, demonstrating, and experimenting with innovative technologies, allowing us to rapidly close capability gaps in the Joint Warfighting

Concepts, to test commercial technologies in military applications, and to demonstrate new scientific and technological capabilities that have yet to be proven. The FY 2023 budget request for Advanced Component Development and Prototypes (BA-04, or 6.4) is \$34.2 billion, which is \$1.5 billion, or 5 percent, more than the FY 2022 enacted level.

Critical Technology Areas

"America's integrated deterrence relies on both innovation and investment. Innovation requires the resources to develop new ideas and scale them appropriately. And investment pays off when it's focused on the challenges of tomorrow, and not yesterday"

- Secretary of Defense Lloyd J. Austin – Speech at Global Emerging Technology Summit July 13, 2021

Ensuring that our military can protect the homeland and project power to support our partners and allies requires that we prioritize the research, experimentation, and prototyping that lead to breakthroughs for the future force. The Under Secretary of Defense for Research & Engineering (R&E) has identified 14 Critical Technology Areas, grouped into three categories, (see figure 4.2 below) that are vital to maintaining the United States' national security. While many technologies may cross between these categories, these groupings represent the broad and different approaches that are required to advance technologies crucial to the Department. By focusing efforts and investments into these 14 critical technology areas, the Department will accelerate transitioning key capabilities to the Military Services and Combatant Commands.

Figure 4.2. Critical Technology Areas

Seed Areas of Emerging Opportunity	Effective Adoption Areas	Defense-Specific Areas
 Biotechnology Quantum Science Future Generation Wireless Technology Advanced Materials 	 Trusted AI and Autonomy Microelectronics Integrated Network Systems-of-Systems Space Technology Renewable Energy Generation and Storage Advanced Computing and Software Human-Machine Interfaces 	 Directed Energy Hypersonics Integrated Sensing and Cyber

R&E Major Investments

- Microelectronics: Virtually every military and commercial system relies on microelectronics. The decline in domestic microelectronics manufacturing and supply chain concerns have highlighted the national economic and security risks of not having onshore microelectronics production and access to state-of-the-art technology. The Department is working to ensure the security of all our microelectronics and the ability to engage in next generation warfare with cutting edge microelectronics. The FY 2023 President's Budget requests \$3.3 billion to fund microelectronics initiatives such as RAMP-C,SHIP 2.0, DARPA's ERI 2.0 effort, the tech transition of prototypes, and radiation hardening, and legacy system sustainment, which are all microelectronics efforts crucial to our long-term national security. Major efforts include:
 - Investing in domestic design, fabrication, and packaging capabilities; the capacity to improve access to trusted, state of the art microelectronics; and creating more

options for access to radiation hardened parts;

- Procuring enough legacy microchips and retaining capacity to sustain weapons systems in the near-term; and
- Expanding coordination across the Department and with the whole-of-government to ensure effective transition of advanced capability microchips into existing and next generation weapons systems.
- Future Generation Wireless Technology (FutureG)/Fifth Generation Wireless (5G): FutureG is a suite of emerging wireless technologies enabled by the DoD and commercial industry cooperation to enable military operations and ensure a free and open internet. 5G wireless networks offer transformational network bandwidth and speed, enabling a trillion-sensor world, thereby creating vastly more data from more sensors and sources. As 5G wireless technology is adopted and provides building blocks for capability, the Department will also look to FutureG for leap-ahead technologies to lead in creating future standards. The FY 2023 President's Budget requests \$250 million to support FutureG/5G efforts.
- Hypersonics: Hypersonic systems fly within the atmosphere for significant portions of their flight at or above 5 times the speed of sound, or approximately 3,700 miles per hour.



Hypersonic systems dramatically shorten the timeline to strike a target, and their maneuverability increases survivability and unpredictability. Our strategic competitors are pursuing and rapidly fielding advanced hypersonic missiles and other high-end systems creating highly contested Anti-Access/Area Denial environments. The Department will accelerate fielding of transformational capability enabled by air, land, and sea-based hypersonic strike weapon systems to overcome the challenges to our future battlefield domain dominance. The FY 2023 President's Budget requests \$4.7 billion to support Hypersonic system efforts. Notable Department investments include an increase in the Army's Long Range Hypersonic Weapon (LRHW) batteries, funding for the Navy's Conventional Prompt Strike (CPS) to integrate with DDG 1000 class destroyers as launch platforms, funding to implement the Air Force's Air-Launched Rapid Response Weapon (ARRW) initial operational capability, and funding to mature the Air Force's Hypersonic Attack Cruise Missile (HACM) and the Navy's Offensive Anti-Surface Warfare (OASuW) Increment 2 for air-launched hypersonic cruise missile capability.

R&E Strategic Investments

- Rapid Defense Experimentation Reserve (RDER): RDER was established to close capability gaps and to demonstrate the Joint Warfighting Concepts through continuous experimentation and iteration. The President's FY 2023 Budget requests \$358 million to support RDER. RDER will bring four benefits to the Department:
 - 1. Introduce new capabilities to the Joint Force, transitioning systems and approaches more rapidly.
 - 2. Better align current experimentation efforts to Joint missions.
 - 3. Leverage end-to-end mission analysis and experimentation to yield warfighting utility in the near-term.

- 4. Provide feedback to future Joint Concept development to inform the Joint mission.
- Biotechnology: Biotechnology is an emerging engineering discipline that uses living systems to produce a wide range of technologies and capabilities. From fighting global pandemics and avoiding technological surprises to reducing logistics and sustainment costs and increasing energy efficiency, biotechnology can help change the way the Department conducts missions, performs in contested logistics environments, and adapts to major global changes. Bio-industrial manufacturing (i.e., the industrial scale production of molecules using microbial fermentation) can be exploited to ensure domestic sourcing and production of raw materials and products needed for non-medical supply chain resiliency. The FY 2023 President's Budget requests \$1.3 billion to support Biotechnology efforts across the Department. Major efforts include:
 - Continued support and government directed project funding for two Manufacturing Innovation Institutes: BioMADE and BioFab – that are leading US innovation in bio-industrial manufacturing and tissue manufacturing, respectively
 - Advanced development and operational testing of biomanufacturing capabilities to provide alternative sources for critical supply chain materials, including fuels, lubricants, energetics, optical materials, fire resistant resins and epoxies, and rare earth extraction.
 - Expanding domestic bio-industrial manufacturing capacity and capabilities through Defense Production Act Title III program to support the scale-up manufacturing of defense materials.
 - DARPA investments in basic and applied research with the objective to counter novel forms of bioterrorism, deploy innovative biological countermeasures to protect U.S. forces, and accelerate warfighter readiness and overmatch to confront adversary threats.
- Artificial Intelligence (AI): AI is the software engineering discipline of expanding capabilities of software applications to perform tasks that currently require human intelligence. Today's AI technologies are helping the Department's analysts discover targets within a tsunami of sensor data, combine these target indicators with other sources such as social media reports or commercial information, and help planners make high-quality rapid decisions at the pace of relevance. AI holds tremendous promise to improve the ability and function of nearly all systems and operations. Tomorrow's AI must further accelerate these capabilities, while limiting their vulnerabilities and increasing their robustness, all while discovering new applications through scientific discovery and expediting the Department's modernization efforts. As AI, machine learning, and autonomous operations continue to mature, the Department will focus on evidence-based AI-assurance and on enabling operational effectiveness. The FY 2023 President's Budget request includes \$1.1 billion for core AI.
- Cyber: The FY 2023 President's Budget request would allow for the upgrade of the National Cyber Range Complex for rigorous testing of Department weapons systems, as well as mission rehearsal and training for cyber mission forces in realistic environments. The President's FY2023 budget request accelerates the Department's efforts to test and field advanced multi-function digital sensors at lower cost and shorter timescales. By doing so we are enabling expeditionary and tactical cyber operations from multiple platforms and multiple Services. The Department is developing technologies necessary for automated red-teaming, ensuring the resilience of the Department's systems and networks in a hostile cyber environment. Doing so improves security analysis and trust in

the large open-source software ecosystem upon which the Department relies. The FY 2023 President's Budget requests \$384 million to support cyber development. In order to provide advantage for the joint force in highly contested environments, the Department must focus on developing wideband sensors that operate at the intersection of cyberspace, electronic warfare, radar, and communications. Sensors must be able to counter advanced threats and can no longer be stove-piped and single function. The Department must accelerate its efforts to test and field advanced digital sensors at lower cost and shorter timescales to enable expeditionary and tactical cyber operations across the Joint Force.

DEFENSE ECOSYSTEMS AND PARTNERSHIPS

To shore up the foundations for integrated deterrence and campaigning, the Department is moving urgently to build enduring advantages across the defense ecosystem – the Department of Defense, the defense industrial base, and the array of private-sector and academic enterprises that spur innovation and support the systems upon which our military depends. The Department will prioritize joint efforts with the full range of domestic and international partners in the defense ecosystem, and adapt and fortify the ecosystem by fostering supply chain resilience. This includes making use of the Defense Production Act Title III and the Industrial Base Analysis Sustainment Programs and maximizing Made in America manufacturing and procurement where appropriate. The Department's ability to strengthen the defense ecosystem and project military force is inextricably linked to industry.

Defense Industrial Base

The Defense Industrial Base (DIB) is the total industrial capability and capacity to provide goods and services to meet current and future Defense requirements, supporting research and development, design, production, deployment, and sustainment of Defense platforms and weapons systems.

A healthy DIB requires resilient, diverse, and secure supply chains. Supply chains are becoming increasingly global and complex, so building resilience in the DIB must be a whole-ofnation effort that includes internal DoD initiatives as well as cooperation with interagency, industry, and international partners and allies. In pursuit of strategic partnerships to strengthen the DIB, the DoD prioritized key sectors for operational readiness kinetic capabilities, batteries, castings and forgings, microelectronics, and critical minerals and materials—and is



aligning resources to address vulnerabilities in the supply chains of each. DoD captured the challenges and recommendations for these key sectors in a report responding to President Biden's Executive Order (EO) 14017, *America's Supply Chains*.

To support efforts tied directly to the EO 14017 key sectors, the Department increased Defense Production Act (DPA) Title III Program funding to \$659.9 million in FY 2023. Of this, \$568.8 million is planned to be allocated to these critical lines of effort across the DIB:

- \$216.6 million to improve existing production capacities and on-shoring of critical chemicals required for missiles and munitions,
- \$67.5 million to sustain existing and establish new radiation-hardened microelectronics capabilities essential to strategic systems,
- \$43.0 million to secure DoD equities in microelectronics, and accelerate the expansion of printed circuit boards and advanced packaging,

- \$154.0 million to expand required industrial capabilities to support hypersonic weapons such as high temperature composites, advanced propulsion systems, and navigation and guidance components,
- \$51.0 million to invest in establishing industrial capabilities to process rare earth elements,
- \$36.7 million to mitigate risks impacting the National Security Space industrial supply base.

In addition, to the sectors above that are prioritized in the E.O. 14017 one-year report, in FY 2023 DPA Title III will provide \$13.5 million to continue to expand the small unmanned aerial system (sUAS) domestic industrial base and will invest \$60.0 million to develop domestic capacity to modularly bio-manufacture multiple critical materials. Finally, \$17.6 million of the budget will be used to cover execution and administration support costs.

To complement the DPA investments in key sectors, other offices within DoD plan to invest an additional \$1.6 billion, this includes:

- \$40.1 million to establish production lines to meet High-Energy Laser (HEL) needs,
- \$230.6 million to boost production capacity for hypersonic weapons and components,
- \$150.0 million to expand the capability to provide kinetic weapons supply chain visibility for missiles, and to on-shore domestic production of high-priority, at-risk chemicals and materials,
- \$43.8 million to improve tracking and analysis of vulnerabilities in battery supply chains and engaging with industry to align standards,
- \$48.0 million to secure supply chains for cast and forged parts, develop a Departmentwide investment strategy that includes an additive manufacturing strategy, and further develop organic forge capability,
- \$1.1 billion to secure a robust supply chain for DoD microelectronics by developing a defense microelectronics strategy, and working with the interagency to develop a whole-of-government national strategy to ensure the unique national security requirements of microelectronics are addressed.

Workforce and manufacturing are two strategic enablers that are required for mission success. For the submarine industrial base (SIB) in particular, the DoD intends to invest \$207.0 million in workforce development to collect and integrate workforce data to identify skill deficiency and shortages and better direct future investments and to increase student recruitment and throughput at the existing regional training centers in New England and Virginia.

Navy plans to use an additional \$543.0 million SIB investment to support critical efforts in several key areas including: supplier development of capability and capacity, strategic outsourcing of large scale fabrication and heavy manufacturing, shipbuilder infrastructure, technology innovation to include additive manufacturing, and government oversight of submarine quality and material. These investments will de-risk current submarine industrial base constraints and fragilities, and will in parallel provide many Navy-Enterprise-wide gains and benefits.

In the bio-manufacturing industry, the DoD plans to invest \$69.8 million to expand the bioindustrial manufacturing base for critical materials. The investment will construct facilities to accelerate commercialization of DoD biotechnology, mitigate logistics bottlenecks, and integrate bio-manufactured products into DoD acquisition pathways.

As these planned investments demonstrate, the DoD is committed to partnering with the interagency and industry for a whole-of-nation approach to strengthening the DIB and building

resilience in key supply chains. These efforts support U.S. national and economic security, contributing to a strategy of integrated deterrence that supports overall National Defense Strategy initiatives by ensuring Warfighters have reliable access to the decisive advantages they need in a dynamic threat landscape.

REFORMS

We will continuously review programs and systems for capabilities that are less relevant to advancing the force planning guidance, design transition pathways to divest from those systems, and equip the defense industrial base to support more relevant modernization efforts.

- 2022 National Defense Strategy

Numbers may not add due to rounding

The 2022 National Defense Strategy (NDS)
emphasizes making the right technology
investments needed to sustain the United States'
technological edge, which has long been a
foundation of our military advantage.Figure 4.3. FY 2023 Defense Reforms
Reform AreasReform AreasFY
(\$ b)Business Process Improvement

Reform areas (Figure 4.3) depict FY 2023 processes, systems, policies, and procurement that aimed to increase effectiveness, efficiency, or reliability in order to best align the Department's resources with its priorities.

Reform Areas	FY 2023 (\$ billions)
Business Process Improvement	1.8
Policy Reform	0.7
Weapon System Acquisition	0.2
Re-Prioritization Initiatives	2.7
TOTAL	5.3

FY 2023 Reform Savings

The military departments have driven program

reforms totaling \$5.3 billion in FY 2023 to realign spending towards the Secretary's priorities to Defend the Nation, Take Care of People, and Succeed Through Teamwork.

The Components are using the following reform types (with examples) to achieve these savings:

• **Business Process Improvements** – Refining actions, personnel, and timelines to increase effectiveness, efficiency, and reliability of the Department's delivery of goods and services.

Air Force Squadron Officer School Hybridization

 The Air Force is converting its 6.5 week in-resident Squadron Officer School course to a hybrid 4-week in-residence/2.5 week virtual in-place format, resulting in a \$2.9 million/year savings in student Temporarily Duty (TDY) costs. Cost savings in the FY 2023 President's Budget is \$2.9 million.

<u>Army Program Executive Office/Program Management Office (PEO/PMO) Business Process</u> <u>Savings</u>

The Army is implementing an aggressive reform agenda to improve performance and affordability through the evaluation and incremental reduction of 53 separate, lower priority programs within the PEO/PMO shops, resulting in increased efficiencies and significant cost savings in FY 2023. The resulting savings will be realigned to support Army policy, strategy, and guidance. Reallocation of this funding coincides with increased investment in select Cross-Functional Team (CFT) modernization efforts, multi-domain (MDO) capable large scale combat operations (LSCO) force capabilities, all in support of future Army requirements. Cost savings in the FY 2023 President's Budget is \$716.5 million.

Navy Under-execution Review Reductions

The Navy under-execution review reduces FY 2023 requested funding for identified programs whose execution has not met established procurement obligation or development expenditure benchmarks. Proposed reductions are based on June 30, 2021, obligations reflected in the Execution Documentation System (EDS). For procurement, the end-of-June obligations benchmark is 60 percent of total funds availability, based on OUSD(C) procurement execution metrics. For the Research, Development, Test, & Evaluation, Navy appropriation, the June expenditure benchmark was 41.3 percent, based on the OUSD(C) End-of-Year benchmark of 55 percent. The proposed reductions are restored to the same budget lines in FY 2024 (60 percent) and FY 2025 (40 percent). This is a refining action resulting in increased budget efficiencies. Cost savings in the FY 2023 President's Budget is \$498.9 million.

Navy Headquarters (HQ) Reserve Support Reductions

The Navy is reducing its HQ Reserve Support, focusing on the Reserve Component (RC) Force Structure that does not have a direct tie to Great Power Competition. Eliminates all Office of the Chief of Navy Operations (OPNAV) part-time Selected Reserves (SELRES) unit billets, except OPNAV N3N5 watch-standers and Site R support. In order to mitigate the risk to codes reliant upon SELRES support, Navy retains \$300 thousand/year fenced Active Duty for Training (ADT) to enable some continued Navy Reserve access in support of Echelon I staff. The reduction eliminates SELRES billets that don't have a direct mobilization warfighting role, and maintains critical support to OPNAV N3N5 and Site R. Cost savings in the FY 2023 President's Budget is \$2.2 million.

U.S. Marine Corps (USMC) Military Personnel (MILPERS) Reductions

The USMC historic under-execution/over-programming within the Military Personnel (MILPERS) accounts has resulted in the reduction of funding over the last decade due to Congressional marks, re-programming priorities, and End-of-Year (EOY) unobligated balances and reversions. This reform initiative will analyze, evaluate, and make recommendations to improve current MILPERS Planning, Programming, Budgeting, and Execution (PPBE) business practices across the responsible organizations, primarily in Combat Development & Integration (CD&I), Manpower & Reserve Affairs (M&RA), Marine Forces Reserve (MARFORRES), and Personnel and Readiness (P&R). The goal is to reduce the variance between the budgeted amount and the execution actuals, which increases accuracy, creates budgeting decision space for non-MILPERS priorities, and improves MILPERS efficiency going forward. Cost savings in the FY 2023 President's Budget is \$169.2 million.

Naval Air Systems Command (NAVAIR) Personnel Savings – Defense Working Capital Funds (DWCF)

 Reduces NAVAIR Fleet Readiness Center (FRC) civilian personnel full-time equivalent (FTE) levels through workforce efficiencies, right sizing and workforce shaping. By driving down the total cost of the workforce, the FRCs can drive down the cost per repair and generate customer savings. These efficiencies result in a 3.99 percent rate reduction to FRC, which results in significant savings. Cost savings in the FY 2023 President's Budget is \$92 million.

Remove Legacy Accounting Systems costs - DWCF

 Reduces the Navy legacy accounting systems costs and manpower for the Defense Industrial Financial Management System (DIFMS) from FY 2023 to FY 2027 for Navy Working Capital Funds (NWCF) activities. The DIFMS is being replaced by the Navy Enterprise Resource Planning (Navy ERP) system, which provides efficiencies and moves the Department towards successfully meeting auditability standards, reduces overhead costs, and passes on the savings to Navy customers. Cost savings in the FY 2023 President's Budget is \$78.2 million.

• **Policy Reforms** – Changing the Department's procedures to best empower the warfighter with the knowledge, equipment, and support systems to fight and win.

Navy Total Force Manpower Savings

As part of Navy's Total Force Management review, commands reduced contractual services. This integrated Total Force Management (TFM) approach for civilian personnel, military personnel, and contractors increased the Navy's ability to drive best value decisions related to workforce needs. The approach will drive a culture of constant performance improvement that will result in improved organizational productivity. Ultimately, this issue was approved as a contracted services reduction spread to programs based on review and analysis of historical data. Cost savings in the FY 2023 President's Budget is \$338.7 million.

Naval Reserve Officer Training Corps (NROTC)

The Navy is disestablishing the standardized 2-week Naval Reserve Officers Training Corps (NROTC) Indoctrination Program at Recruit Training Command (RTC). This prevents an earlier attrition opportunity for midshipmen, which would equate to potential savings to the Navy as compared to losing an individual further along in the program to which the Navy has already invested time/funds. Disestablishes two weeks of training; training currently conducted across 166 colleges and universities (77 host units + 89 cross-town affiliations) operated by 63 NROTC commands. Cost savings in the FY 2023 President's Budget is \$2.3 million.

USMC End Strength Reductions

This initiative continues the implementation of Force Design 2030 from the FY 2021 and FY 2022 President's Budgets. The USMC is reducing its planned end strength by 1,500 Active Component Marines (4,000 total across the Future Years Defense Program (FYDP)) and 100 Reserve Component Marines (400 total across the FYDP) in FY 2023 from the FY 2022 PB levels as part of its strategy to fund and implement its Commandant's Force Design 2030 initiatives. Cost savings in the FY 2023 President's Budget is \$59.2 million.

USMC Major Defense Acquisition Program (MDAP) Reductions

- The Marine Corps reduced its planned MDAP for the Joint Light Tactical Vehicle (JLTV) procurement quantities over FY 2023 to FY 2027 in support of Force Design 2030 implementation. This will delay the buy-out of JLTV approved acquisition objective (AAO) quantities until FY 2060. Cost savings in the FY 2023 President's Budget is \$176.8 million.
- Weapon System Acquisitions Procuring and sustaining weapon systems differently to prioritize speed of delivery, continuous adaptation, and frequent modular upgrades.

Navy Guided Missile Destroyer (DDG) MOD 2.0 Upgrade

 Implements program adjustments to increase the lethality of Guided-missile Destroyers (DDGs), as directed by the Resources and Requirements Review Board (R3B) on May 3, 2021. Due to unacceptable technical complexity and execution risk, DDG Mod

"2.0" execution was slowed and spread out over time to accommodate organizational learning; this revised execution schedule was within program controls, so all funding adjustments reflect additional "assets" remaining above funding required to execute the updated fielding profile. This issue uses assets from the revised Guided Missile Destroyer (DDG) Mod "2.0" execution profile to fund higher priorities in the Navy. Cost savings in the FY 2023 President's Budget is \$178.5 million.

Re-Prioritization Initiatives – Re-prioritization (Formerly Divestments) efforts vary by Service and individual platform and involve the selling or discontinued use of equipment or weapon systems, no longer optimized for military need. Some equipment or weapon systems are obsolete when more capable, less expensive, or more efficient replacements become operational. Re-prioritization also occurs when the operational, maintenance, and IT support costs become unaffordable; due to changing mission and operational requirements; or as part of the planned end of lifecycle of the equipment or

Figure 4.4. FY23 Re-Prioritization (\$ in millions)

Component	FY 2023 Savings
Department of the Army	(\$23.6)
Department of the Navy	(\$1,004.3)
Department of the Air Force	(\$1,651.1)
Defense-Wide: SOCOM	(\$14.1)
TOTAL	(\$2,693.1)

weapons system. Strategic re-prioritization is critical to modernizing for the challenges of today and tomorrow.

For the FY 2023 President's Budget, the Military Departments reported re-prioritization totaling \$2.7 billion as shown in Figure 4.4. These collective re-prioritization savings will enable the Services and the Department to improve the efficiency of the force and redirect resources to higher national defense priorities.

Department of the Army

The Army is implementing a re-prioritization Figure 4.5. Department of the Army FY 2023 agenda in FY 2023 to improve performance Re-Prioritization (\$ in millions) and affordability through the elimination of three lower priority programs totaling \$23.6 million. The program savings are from the cancellation or delay of the night vision upgrades; sniper rifle scheduled modifications and eliminating the protection kits acquisition and installation for the Medium Tactical Vehicle (MTV). Cost savings in the FY 2023 President's Budget is \$23.6 million.

Optimization	FY 2023 Savings
Night Vision AN/PVS-14 Mods	(\$12.1)
Sniper Rifle Modifications	(\$4.3)
Medium Tactical Vehicle (MTV) Protection Kits	(\$7.2)
TOTAL	(\$23.6)

Department of the Navy

The Department of the Navy continues to drive a data-centric, transparent, and outcome-oriented culture for fiscal responsibility, focusing on valuation and prioritization of requirements to improve the allocation of resources and maximize naval power. The Navy strategically retired less capable platforms, reducing costs and realigning funds to source higher priority efforts, while maintaining the strongest balance of overall capabilities.

The Navy optimizes roughly \$1 billion of capabilities in FY 2023, including:

<u>Vertical Kill of Snakehead Large</u> <u>Displacement Unmanned Undersea</u> <u>Vehicle (LDUUV) Program</u>

 The Snakehead Large-Displacement Unmanned Undersea Vehicle (LDUUV) is a long endurance unmanned system designed to be launched and recovered by submarines and surface ships to conduct Intelligence Preparation of the

Figure 4.6. Department of the Navy FY 2023 Re-Prioritization (\$ in millions)

Re-Prioritization	FY 2023 Savings
SLCM-N	(\$199.2)
Snakehead LDUUV Program	(\$185.9)
Decommission LCS 5,11,13, 15, 17 and 19	(\$151.9)
LCS ASW Mission Package	(\$82.5)
Return CVN 68 Decommission to FY25	(\$74.0)
Virginia Class Hull Treatment	(\$70.6)
Reduce LCS 6, 8 to Single Crew	(\$125.8)
Decommission CG 63,64,65, 69,71	(\$30.5)
Helicopter Sea Combat Sq. 85	(\$21.6)
Decommission LCC 20	(\$9.9)
All Other Re-Prioritizations	(\$52.4)
TOTAL	(\$1,004.3)

Operational Environment (IPOE) missions in deep and otherwise inaccessible waters. The LDUUV program implemented an incremental development approach. Misalignment of Snakehead LDUUV design and procurement efforts with submarine hosting interfaces resulted in limited availability of host platforms to conduct Snakehead operations, specifically the integration of the Snakehead's primary submarine hosting interface, Payload Handling System (PHS), into the Virginia Payload Module (VPM). This has created a further delay until Virginia Class Block VI mid-life backfit, estimated in the 2032 timeframe. Alternate submarine launch and recovery interface is limited to Modernized Dry Deck Shelter (Mod DDS), of which three are planned in the FY22 – FY26 FYDP timeframe. These are shared assets with Naval Special Warfare. Cost and schedule delays associated with LDUUV development and Virginia Class SSN integration prohibited further investment. This divestment cancels the FY 2022 Phase 2 contract award and all planned procurements in the FY23 – FY27 FYDP. Cost savings for the FY 2023 PB is \$185.9 million.

Decommission Six Littoral Combat Ships (LCSs)

The Navy is decommissioning Littoral Combat Ships (LCS) 5, 11, 13, 15, 17, and 19, beginning in FY 2023, due to fiscal constraints and based on the Department of the Navy (DON) strategic valuation process. In order to resource higher priority capabilities, several lower priority ships are being decommissioned early, to include the LCSs. The decision was based on the review and analysis of the current and future needs of the fleet, and governed by internal Navy guidance on the inactivation, retirement, and disposition of U.S. naval vessels. The replacement capability for the LCS is the guided missile frigate (FFG) 62, Constellation class of ships. Cost savings for FY 2023 PB is \$151.9 million.

LCS ASW Mission Package

The Navy is discontinuing LCS Anti-Submarine Warfare (ASW) Mission Package (MP). It will transition the ASW-assigned LCS to the Surface Warfare (SUW) or Mine Countermeasures (MCM), maintaining funding for maturation of the Variable Depth Sonar (VDS) system to deliver FFG program. Reasons the shift in platforms include: ASW MP is not currently fielded; and LCS hulls assigned ASW mission transitions to either MCM or SUW missions allows for investment in higher NDS aligned priorities. The replacement capability maintains DDGs/CGs and its programming Frigate, Guided Missile Ship (FFG) 62s can cover the ASW Mission Area. The Cross Functional Team (CFT) considered every available offset/legacy retirement in FY 2023 and the transition of the ASW-assigned LCS to Surface Warfare (SUW) or Mine Countermeasures Ships (MCM) was the best option. This recommendation is also supported by the 2020 Type Commander (TYCOM) LCS Study. ASW mission is a foundational mission set for the FFG 62 program, which makes it a more suitable platform. Lastly, VDS capability will be added to the fleet through the FFG 62 class. Cost savings in FY 2023 President's Budget are \$82.5 million.

Single Crew and Decommission of Littoral Combat Ships (LCSs) 6 and 8

The Navy is reducing LCSs 6 and 8 to single crews in FY 2023, followed by decommissioning of the ships in FY 2024. This initiative shifts from dual to single crew support for LCS assigned the SUW mission. LCS Ships 6 and 8 will transition to a single crew, which will be manned with approximately 25 more billets than each of the dual crews, resulting in a net reduction of personnel. This allows the ships to maintain similar readiness levels even though they are no longer supported by the second off-hull crew. Cost savings in the FY 2023 PB is \$125.8 million.

Department of the Air Force

The Department of the Air Force seeks to invest in technologies and field systems that are both lethal and survivable against a peer threat. This ultimately means re-prioritization of many outdated and costly platforms in order to free up manpower and resources to field more capable systems to address emerging threats.

For the FY 2023 President's Budget, the Air Force reported aircraft retirements totaling over \$1,651 million. These collective savings will enable the Air Force to improve the efficiency of the force and redirect resources to higher national defense priorities.

Airborne Warning and Control System (AWACS) (E-3)

Figure 4.7. Department of the Air Force FY 2023 Aircraft Re-Prioritization (\$ in millions)		

Re-Prioritization	FY 2023 Quantity	FY 2023 Savings
A-10 Thunderbolt	(21)	\$184.9
F-15E	0	(\$262.4)
E-3 AWACS	(15)	(\$370.5)
KC-135	(13)	(\$210.9)
F-22 Raptor	(33)	(\$32.6)
C-130H	(12)	(\$27.9)
E-8 (JSTARS)	(8)	(\$131.9)
RQ-4 Global Hawk	(0)	(\$30.0)
MQ-9 Reaper	0	(\$343.8)
Aircraft Support Savings	0	(\$426.1)
TOTAL	(102)	(\$1,651.1)

The Air Force is re-prioritizing the E-3 AWACS to allow it to invest in a follow-on Airborne Moving Target Indicator (AMTI) "family of systems" solution, beginning in FY 2023, and across the FYDP. The follow-on AMTI capabilities allow the U.S. to compete with nearpeer adversaries. Cost savings in the FY 2023 President's Budget is \$370.5 million.

Intelligence Surveillance Reconnaissance (ISR) & Command and Control (C2)

The Air Force is re-prioritizing several systems such as the MQ-9 (Blocks 1 & 5) and the E-8 Joint Surveillance Target Attack Radar System (JSTARS) aircraft. Resources from these systems provides resources to fund emerging Intelligence Surveillance Reconnaissance (ISR) capabilities that can better penetrate and collect data in a highly-contested environment, and meeting NDS mission requirements for the Air Force. Since current ISR forces are not survivable in contested environments, the Air Force must accelerate investment in competitive capabilities that can persist, penetrate, and survive. Cost savings in the FY 2023 President's Budget is \$343.8 million for MQ-9 Reaper, and \$131.9 million for JSTARS.

Global Mobility

The Air Force continues transitioning to the KC-46 aircraft to maintain its edge in Rapid Global Mobility for the future fight. This investment effort means continuing to reduce legacy tanker aircraft such as the KC-135s. Retirement of older tankers allows the Air Force to transition critical manpower from KC-10s and KC-135s to the KC-46. Additionally, the Air Force will continue to provide rapid global mobility with C-17s. Tactical airlift requirements will also be addressed by a "right-sized" C-130 fleet that meets present warfighting requirements. Cost savings for the KC-135s in the FY 2023 President's Budget is \$210.9 million.

Defense-Wide – U.S. Special Operations Command (USSOCOM)

 USSOCOM is modernizing its capabilities in alignment with the NDS by re-prioritizing specific legacy platforms. For FY 2023, SOCOM plans to discontinue the Special Operations Command Pacific (SOCPAC) Afloat Staging Base, which is in its last option year of the current lease. While the base has been a beneficial asset to SOCPAC operations, it is no longer needed and other modernization efforts are higher priorities. Cost savings in the FY 2023 President's Budget is \$14.1 million.

Performance Improvement Framework in FY 2024

Notwithstanding the great reform efforts of the Military Departments, there is a need for the Department to transform how it conducts business and change from duplicative and irrelevant systems that are designed to accomplish yesterday's problems to an agile and modernized enterprise to enable a lethal Joint Force by solving tomorrow's problems, today. The time for change is now more than ever in the light of the strategic competition and predatory economics exacerbated by a global pandemic. As such, the Department has recently launched an effort to create a framework by which it identifies, prioritizes and reports on Defense Reform initiatives. As part of this undertaking, the Department aims to define "reform" more broadly as "performance improvement", to better account for the continuum of change and the diversity of initiatives the Department undertakes to improve the delivery of its mission.

The Performance Improvement Framework will encompass:

- Continuous process improvement initiatives, which focus on efforts by DoD leaders and managers to improve everyday management practices within the authority, direction, control of each organization's leadership;
- Re-prioritization initiatives, which evaluate and retire vulnerable systems and programs that no longer meet mission and/or security needs to support more relevant modernization efforts;
- Reform initiatives, which are larger-scale and time-bounded efforts, often involving more than one DoD component, designed to remediate structural or process gaps within the DoD's

existing business model; and

• Transformation initiatives, which fundamentally alter the DoD's business model often through reorganization or the creation of new capabilities, or the incorporation of management innovation practices.

The new framework will align the identification, prioritization and consistent reporting of performance improvement efforts within the FY 2024 Planning, Programming, Budgeting, and Execution (PPBE) cycle.

ADDRESSING THE CLIMATE CRISIS – DOD CLIMATE ADAPTATION PLAN

"Climate change is an existential threat to our Nation's security, and the Department of Defense must act swiftly and boldly to take on this challenge and prepare for damage that cannot be avoided."

- Secretary of Defense Lloyd J. Austin - DoD Climate Adaptation Plan Release, October 2021

Climate change is reshaping geostrategic, operational, and tactical environments with significant implications for U.S. national security and defense. Increasing temperatures, changing precipitation patterns, and more frequent, intense, and unpredictable weather conditions are impacting military readiness and imposing significant costs on the Department while exacerbating risk and creating new challenges to U.S. interests around the world. To train, fight, and win in this increasingly complex environment, the Department must consider the effects of climate change at every level of the enterprise and invest accordingly. In responding to this challenge, the Department is prioritizing investments that enhance operational capability, mission resilience, and readiness.



Through increasing platform efficiencies to mitigate logistics risk in contested environments, hardening critical infrastructure against climate impacts, and deploying new technologies that strengthen capability, the Department is committed to solutions that are mission essential and provide climate benefits. The budget request reflects that commitment and includes over \$3 billion of investments that will bolster U.S. security in the near term and lay the groundwork for a more capable future force.

- Installation Resiliency and Adaptation (\$2 billion) investments are focused on (1) adapting
 military facilities to withstand increasingly challenging conditions and deploying advanced
 technologies to strengthen the ability to rapidly recover from disruptions to public
 infrastructure from climate-induced extreme weather; (2) ensuring the Department can
 leverage private sector investment to improve installation energy and mission resilience;
 and (3) modernizing Department operations to keep pace with industry, including the auto
 sector's rapid shift to electric transportation.
- Operational Energy and Buying Power (\$247 million) includes investments to improve the energy efficiency of existing operational platforms and propulsion systems. Investments are aimed at gaining capability and reducing logistics supply requirements for deployed forces and digital flight planning tools, programs to optimize turbine engine compressor performance, and aircraft drag reduction technologies.

- Science and Technology (S&T) (\$807 million) includes investments in basic and applied research and technology prototyping to keep the U.S. military at the cutting edge. This includes investments to accelerate development of hybrid tactical vehicles to strengthen capability through extended range and persistence, silent watch, and the ability to support advanced weapons. Investments also support the prototyping of new platforms like blended wing body aircraft that have the potential to provide capability through increases in range and payload while improving efficiency. S&T also includes investments in climate modeling and technologies like advanced energy storage, fuel cells, and energy management systems.
- Contingency Preparedness (\$28 million) includes investments to incorporate climate risks into wargames, exercises, and other planning tools to ensure the Department understands climate impacts on missions and is prepared to respond. This includes black-start exercises to identify vulnerabilities and remediate risks to installation power systems. As climate-induced extreme weather is increasing demand for DoD support, Contingency Preparedness investments include support for Humanitarian Assistance and Disaster Relief (HADR) and Defense Support to Civil Authorities (DSCA) activities.

FIGHTING COVID-19

"Working together, the Department will act boldly to continue the fight against COVD-19 while we also prepare for future biological threats."

- Secretary of Defense Lloyd J. Austin - Biodefense Vision, November 2021

The Department has acted boldly and quickly to support the Federal Government's fight against the COVID-19 pandemic and will continue to work with domestic and international partners to protect the Nation from potential novel and deadly viruses of the future.

 Since the beginning of COVID-19 response, the Department has received 578 Federal Emergency Management Agency (FEMA) mission assignments and



72 requests for assistance from other Federal departments and agencies in response to the COVID-19 pandemic.

- More than 90,400 personnel, including National Guard from all 50 States, 3 territories, and the District of Columbia have supported the fight against COVID-19.
- Since January 27, 2021, over 1,800 of the Department's medical professionals deployed to 29 States and one Indian Nation, many times to multiple locations within one State. Army, Navy, and Air Force medical teams provided surge medical support in civilian hospitals.
- Since January 27, 2021 more than 4,600 DoD personnel have supported the national vaccination effort in California, Colorado, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Texas, Virginia, Washington, Wisconsin, Guam, the U.S. Virgin Islands, and the Commonwealth of Northern Mariana Islands.
- To date, the Defense Assisted Acquisition Cell, on behalf of and in coordination with the Department of Health and Human Services, has invested approximately \$70.5 billion across over 219 contract actions. These investments include

\$66.1 billion in procurement efforts and \$4.4 billion in industrial base expansion efforts to increase domestic medical manufacturing capacity across a myriad of areas including screening and diagnostics, personal protective equipment, pharmaceuticals, vaccines, and therapeutics.

- The Defense Logistics Agency (DLA) has delivered more than 274 million rapid "point-of-care" (POC) antigen tests to support Health and Human Services (HHS) nationwide COVID-19 relief efforts in more than 14,500 locations, including States, nursing homes, and schools. DLA delivered more than 5.5 million additional POC tests and 3.4 million over-the-counter tests to DoD and other whole-of-government partners.
- The DoD also provided assisted acquisition support for the procurement of 1 billion at-home test kits to the Nation. In support of that effort, DLA has transshipped over 350 million tests to the United States Postal Service for onward movement in support of HHS Coordination Operation Response Element Mission for free tests to the American public.
- DLA has executed 43,381 contract actions, obligating more than \$6.16 billion to provide critical lifesaving medical supplies, including test kits, ventilators, pharmaceutical drugs, and Personal Protective Equipment (PPE), such as masks, gloves, and gowns, to meet customer demands and support the Strategic National Stockpile. Along with PPE, DLA also provided food, clothing, fuel, construction materials, and repair parts to DoD and other Federal agencies.
- Since the start of the pandemic, the Department has used its decades' worth of experience studying infectious diseases of military importance, including HIV/AIDS, Ebola, and coronaviruses such as Middle East Respiratory Syndrome (MERS) at the Department's DoD laboratories to help defeat the COVID-19 pandemic.
 - In January 2020, the Department began research and development (R&D) on diagnostics, therapeutics, and vaccines for SARS-CoV-2, the strain of coronavirus that causes COVID-19.
 - The Defense Health Program Medical R&D funds provided the initial infusion required to support early COVID-19 research efforts.
 - In order to sustain the momentum in the COVID-19 fight, continue to defend the force against further evolutions of the virus, and to prepare for future pandemics, the FY 2023 budget supports pandemic readiness and response in the Military Health System (MHS) by enhancing capabilities to conduct rapid research and medical countermeasure (MCM) development such as diagnostics, treatments, and vaccines, while strengthening the capability of the Department to quickly identify and characterize new variants and other emerging biological threats.
- Vaccination
 - Since the pandemic began, National Guard Soldiers and Airmen have vaccinated more than 13 million civilians while activated in support of COVID operations.
 - As of March 7, 2022, 1,648,219 military personnel (Active/Reserve/National Guard) have been fully vaccinated and an additional 342,078 have received the first doses. Additionally, 335,384 have received boosters.
 - In total, DoD has administered over 7.8 million doses to its Service members, DoD civilians, contractors, and beneficiaries, including over 794 thousand booster doses.
- DLA has delivered 1.2 million doses of COVID-19 vaccine to 97 OCONUS Military Treatment Facilities in 35 countries.
- International Support
 - From the beginning of the COVID-19 pandemic to the present date, DoD has provided \$306.7 million for the provision of immediate relief and capacity building commodities in support of the U.S. Government's international response to the COVID-19 disease.
 - This DoD support is critical in the larger U.S. Government fight against COVID-19 around the world to pave the way to shorten the lifespan of and ultimately end the COVID-19 pandemic globally and mitigate its wider harms to people and regional stability. DoD's COVID-19 international response directly supports the January 2021 National Strategy for the COVID-19 Response and Pandemic Preparedness and the July 2021 U.S. COVID-19 Global Response and Recovery Framework.
 - DoD COVID-19 support addressed acute needs of allies and partners and contributed to the reduction of morbidity and mortality from COVID-19 by mitigating transmission and strengthening health systems.
 - Geographic Combatant Commands used Overseas Humanitarian, Disaster, and Civic Aid funds to rapidly respond and support the whole of government approach for emergent requirements, vaccine readiness, and non-vaccine related support; Cooperative Threat Reduction – Biological Threat Reduction Program, which facilitates the detection and reporting of diseases that could affect the U.S. and its allies and partners' armed forces, utilizing existing partnerships to provide laboratory training and support; and the Outside Continental United States medical research laboratories and Global Emerging Infections Surveillance leveraging existing activities to share expertise with partners in the spread and mutation of the disease.
 - Significant support includes:
 - Support to 141 countries and International Organizations
 - Provision of PPE, medical/non-medical emergency supplies, test kits, and laboratory support
 - 580 ventilators
 - 101 mobile clinics/hospitals
 - 32 isolation clinics/pods
 - 745 cold storage devices
 - \$20 million in oxygen equipment
 - Mobile clinic add-on intensive care units
 - Modular disaster camps
 - Vaccination assistance
 - \$6.2 million in COVID-19 related Foreign Disaster Relief aid for India
 - Subject matter exchanges and training

As the U.S. shifts from pandemic response to a focus on staying protected, returning to work, preparing for new variants, and biodefense planning, the FY 2023 budget request adds nearly \$500 million to provide COVID-19 testing, surveillance, variant identification, PPE, and

investments in capabilities for future surveillance, identification, vaccines, and therapeutic countermeasures against emerging biological threats.

CULTIVATING THE WORKFORCE WE NEED

"Our people and our readiness remain inextricably linked, and we remain the preeminent fighting force in the world because we strive to continuously improve how we care for our people."

- Secretary of Defense Lloyd J. Austin – Strengthening Economic Security in the Force

The Department of Defense (DoD) Workforce: Military — Active, Reserve, and National Guard — and Civilian personnel are the foundation of the Department and constitute its most valued asset. As such, DoD personnel must have the full support of the Nation to ensure the DoD successfully accomplishes the foundational mission of defending the United States. That means the DoD must have the right manpower and human capital resources in the right places, at the right time, at the right levels, and with the right skills to provide for the Nation's defense, while simultaneously being good stewards of taxpayers' dollars. Recruiting, developing, and retaining a highly skilled military and civilian workforce of diverse talent is essential for warfighting success. The budget submission is designed to strengthen the ability to achieve a Total Force reflective of the vast diversity and



talents of our Nation, and ensure the Department is prepared to provide the forces needed to deter war and keep the Nation secure. We must invest in human capital initiatives to compete for, hire, develop, and retain highly skilled experts in the ever-changing talent acquisition landscape. The FY 2023 budget request will diversify and dynamically shape the mix of skills and expertise in the workforce to meet mission needs in a cost effective manner now and in the future.

The Secretary of Defense, in his *Message to the Force* dated March 4, 2021, identified taking care of people as one of his top priorities. Only with the right people and constructive, inclusive workplace practices will we be able to cultivate the workforce we need. The FY 2023 budget request and investments we are making will help us recruit, train, and retain a skilled defense workforce capable to addressing myriad of national security challenges in a highly complicated and technologically evolving global environment. To do this, the Department is committed to providing a competitive compensation package for those individuals willing to serve their country. This commitment is built into the FY 2023 budget request and is demonstrated by the number of initiatives and programs to support Service members' professional development and take care of them and their families. The Department also remains dedicated to ensuring the health and safety of its personnel, which requires an enduring culture of safety with overarching safety governance supported by regular and consistent reporting. The FY 2023 budget includes resourcing of requirements based on recommendations from the 2020 National Commission on Military Aviation Safety to establish uniform safety data collection standards and processes.

Ensuring participation of a diverse workforce also demands investments in attracting diverse talents to meet our critical operational mission needs for the 21st Century to fill our most demanding science, technology, engineering, and mathematics (STEM) priorities. Emphasis on expanding partnerships with Historically Black Colleges and Universities and Minority Servicing Institutions is focused on leveraging directing hiring authorities and internship opportunities with students and graduates who come from these institutions.

Expanding capacity and access to child care and support to families with dependents with special educational and/or medical needs also remain as a priority. The FY 2023 budget request supports care for children at either on-base child development centers or through off-base child care fee assistance programs, and extends income-based fee assistance programs to DoD civilian families. A substantial investment in child development center facilities is included in this request. The FY 2023 request supports public-private partnerships to increase child care capacity in high demand, low capacity areas, and also continues funding for a pilot program providing financial assistance to service members to offset the cost of in-home child care, such as care

4.6 percent military and civilian pay raise – the largest increase in 20 years.

provided by nannies. The FY 2023 request continues to support the Department's standardization efforts for the Exceptional Family Member Program (EFMP) by further closing the gap in the number of family support staff who assist families enrolled in the EFMP by identifying and connecting them to community resources and services. The FY 2023 budget also supports the Family Advocacy Program intimate partner response by providing additional installation resources to support the expanded population.

The FY 2023 budget request continues to advance the National Security goals by sustaining the gains in recent budgets and continuing to build enduring advantages. Recognizing the importance of the Total Force, the FY 2023 budget includes a 4.6 percent pay raise for both military and civilian personnel.

Grow Our Talent

Our most critical asset as a Department is our people. We remain the preeminent fighting force in the world because of our personnel, both in and out of uniform. The experience, professionalism, and commitment of our people has always been our decisive advantage.

Military Compensation

Comprising roughly one-third of the DoD budget, military pay and benefits, to include healthcare, housing, DoD schools, commissaries, child care, and a myriad of military family support programs are, and will likely continue to be, the single largest expense category for the Department. People are the Department's most valuable asset, and these investments are necessary if we are to maintain our competitive advantage. Providing a robust pay and benefits package is essential and must be sustained to ensure the best warfighters are available to defend the Nation.

Military pay and benefits funding grows by more than \$6.5 billion over the FY 2022 enacted level. This increase includes funding for a 4.6 percent military pay raise, which builds on last year's 2.7 percent increase and is key to retaining the best of today's force as we create new opportunities for advancement that drive promotion and retention for tomorrow's total force. The FY 2023 Total Force end strength will decrease by approximately 4,600 from the currently projected FY 2022 levels. Overall anticipated FY 2022 end strength has remained



close (within 1 thousand) to the FY 2022 enacted level; however, this belies the impact of COVID-19 on Service accession and retention goals. The active component has had to manage historically high levels of retention and the Services have had to adapt their accession pipelines to accommodate force health protection guidelines. The reduction in end strength in FY 2023 is

a function of the optimization of outdated platforms across multiple Services and components (e.g. older F-16s, Landing Ship Docks, tank companies and Helicopter Sea Combat Squadrons, etc.) in order to invest in future capabilities. Looking forward, the Services will focus growth in advanced capabilities like cyber, electronic warfare, and special operations, which are needed to contend with our most capable, potential adversaries.

In addition to the annual basic pay raise proposal, the FY 2023 budget requests funding for a full range of compensation programs, including monthly special and incentive pays.

Strengthening Economic Security in the Force

Economic security of Service members and military families is critical to mission readiness and a priority for the Secretary of Defense. Military compensation must remain competitive with the private sector, and the FY 2023 budget request addresses the high stress and demands on the force, the current tight labor market, and the general inflation affecting our Service members. Actions will be taken across the Department to enhance family readiness, increase access to healthy food, improve financial resources, reduce stigma and increase awareness of resources, and expand data.

In November 2021, Secretary of Defense Lloyd J. Austin III issued a memorandum announcing Department-wide efforts to strengthen economic security in the force. The Department recognizes service members and families are experiencing economic challenges related to the COVID-19 pandemic and to increasingly competitive housing markets. To ease the financial burden of rising housing costs, the Department authorized temporary increases in Basic Allowance for Housing (BAH) rates for 56 Military Housing Areas. The temporary BAH rate increases were available to Service members in areas where the COVID-19 pandemic had a significant impact on rental housing costs until the updated 2022 BAH rates were put into effect.

While additional data collection and analyses are underway to understand the full scope of the issue, particularly around food insecurity, the Department is implementing solutions to aid those in need. With the understanding that a military family's economic security is critical not only a Service member's well-being, but to command climate and mission readiness, the Military Departments and Service leadership are taking action to educate leaders at all levels of command on how to identify Service members experiencing economic insecurity, and direct them, and their spouses, to military and community resources. Department support in this area includes, among financial assessments and counseling; improved access to and increased other things: assistance with child care; education subsidies and employment support for spouses; and increased access to nutritious and affordable food options. All these efforts are designed to reduce stigma and increase financial help seeking behaviors, and increase stability for Service members and families. The Department created a web-based Economic Security toolkit for commanders and service providers on Military OneSource to provide military leaders with existing resources and flexibilities to address housing availability, financial well-being and food security. The Department is reviewing overseas tour lengths and extending prescribed tour lengths, where feasible. The Department is prioritizing the development of the policy to implement the Basic Needs Allowance, enacted in the FY 2022 NDAA, by January 2023.

The Department is also working across the Federal government to build collaborations to identify underlying issues. The Department is leading a Federal interagency policy sub-committee sponsored by the White House Joining Forces initiative to build a research agenda on food insecurity in the military. The actions taken to date are not intended to be all-inclusive. As the Department increases our knowledge of the underlying issues that undermine economic security of the force, we will modify our response accordingly.

DoD Civilians

The FY 2023 budget request supports a properly sized and highly capable civilian workforce that is aligned to mission, workload, and is shaped to reflect changes commensurate with the Department's military force structure. As critical enablers of our warfighters, DoD civilians serve in a wide variety of roles and areas around the country and the globe. Civilians perform functions in intelligence, equipment maintenance, medical care, family support, base operating services, and other activities that directly support the military forces and readiness. The DoD civilian workforce possesses capabilities, expertise, and skills that directly impact DoD's operational warfighting capabilities, employing those skills all over the world, in direct support of military operations. The DoD continuously strives to improve its ability to recruit, retain, develop and reward the civilian workforce in order to support the warfighter and encourage innovative best practices throughout the armed forces.

The FY 2023 direct civilian pay and benefits budget increases by approximately \$4.2 billion over the FY 2022 enacted level. The increase is primarily the result of the 4.6 percent requested pay raise, which is critical to compete for, hire, develop, and retain highly skilled experts. Authorities for incentives, special pay rates, and workforce development programs will be crucial to growing and ensuring the readiness of the workforce. The requested increases allow the Department to achieve and maintain technical and intellectual superiority and remain competitive with private industry in attracting and sustaining the talent workforce.

In conjunction with the requested federal pay increase, the Office of Personnel Management (OPM) issued a memorandum on January 21, 2022 to Executive departments and agencies, entitled "Achieving a \$15 Per Hour Minimum Pay Rate for Federal Employees." In total, these changes will impact over 67,000 federal employees, most of whom work at the Department of Defense. The DoD continues the concentrated effort to implement the minimum pay rate for appropriated and non-appropriated fund employees whose pay rate would otherwise be below \$15 per hour.

Our investments in the civilian workforce focus on the importance of federal employees as an element of the Department's Total Force. The FY 2023 budget request supports the strengthening of the national security workforce, consistent with President's National Security Memorandum (NSM-3), *"Revitalizing America's Foreign Policy and National Security Workforce, Institutions, and Partnerships."* Authorities for incentives, special pay rates, and workforce development programs will be crucial to growing and retaining the Department's high-caliber civilian workforce. The requested increases allow the Department to achieve and maintain technical and intellectual superiority while remaining competitive with private industry in attracting and sustaining the workforce. Additionally, investments in hiring assessment tools, succession planning policies, and promoting career growth and development across the Department supports the President's Management Agenda Vision and Priority Goal of Empowering the Federal Workforce.

Every element of the Total Force brings unique strengths to the Department as a whole. Among other things, civilian personnel provide organic skills and expertise, as well as institutional continuity. Effective and appropriate use of civilians allows the Department to focus its Soldiers, Sailors, Airmen, Marines, and Guardians on the tasks and functions that are truly military essential—thereby enhancing the readiness and lethality of our warfighters. There is no "onesize-fits-all" aspect to the Total Force. Right-sizing the Department's Total Force—including its civilian workforce—can mean targeted growth in critical areas alongside reductions and efficiencies in others. Successfully executing the Department's mission means having the right people in the right place at the right time, and the answers to those questions may be different for each Defense Component.

The FY 2023 budget takes prudent, well-reasoned actions to shape the civilian workforce, including targeted growth to support Administration and Department priorities, such as expanding and resourcing the innovation workforce by recruiting, upskilling, reskilling, and retaining tech-savvy civilian talent, training and growing a professional sexual harassment and assault prevention workforce, and expanding diversity, equity, inclusion and accessibility initiatives. The Department estimates the number of civilian Full-Time Equivalents (FTEs) (excluding Cemeteries and Foreign National Indirect Hires) will increase by 0.7 percent, from approximately 785,200 in FY 2022 to 790,800 in FY 2023.

The Department is exploring options to narrow the talent gap between defense strategy and emerging technologies. The FY 2023 budget supports these efforts and ensures that strategic workforce planning and human capital management activities support the Department's need to shape a professional, agile, and ready civilian workforce that is ready to meet mission-critical needs now, as well as emerging mission requirements of the future.

Program	FY 2022 Enacted	FY 2023 Request	Percent Change
Army	185.9	187.1	0.6%
Navy	211.6	213.6	0.9%
Air Force	175.0	176.0	0.6%
Defense-Wide	212.7	214.0	0.6%
Total DoD	785.2	790.8	0.7%
U.S. Direct Hires	768.3	773.3	0.7%
Foreign Direct Hires	16.9	17.6	4.1%

Figure 4.8. Civilian FTEs^{1/} (in thousands)

Numbers may not add due to rounding

^{1/} Excludes Cemetery Expense and Foreign National Indirect Hire (FNIH) FTEs and includes FMS FTE allocation.

Building Resilience and Force Readiness

"We will focus our efforts on...removing barriers that limit our people from realizing their full potential as partners in the work of the DoD. We will never spare support for our people..."

- Secretary of Defense Lloyd J. Austin – Message to the Force, March 4, 2021

We enhance force readiness and develop the capabilities we need to protect America when we fully embrace diversity of backgrounds, experiences, and thought. The Department will lead with our values—building diversity, equity, and inclusion into everything we do.

Managing the Military Health System

The Military Health System (MHS) provides the DoD with a clinically ready medical force that is able to deliver medical capabilities in support of administration priorities including, *Maintaining and Enhancing Readiness* and *Taking Care of Our People* in the defense of our Nation. Army, Navy, and Air Force medical professionals ensure those in uniform are medically ready to deploy anywhere around the globe in a moment's notice. Complementing the MHS's operational role is the organization's global benefit mission that improves the health of those entrusted to our care.

The MHS supports the Secretary's goals by increasing the operational readiness of the Joint Force ensuring that it is medically deployable; strengthening partnerships with industry, allies, and interagency teammates to provide opportunities for medical professionals to improve their readiness skills; and reforming business processes to streamline management of enterprise-wide health activities. Key amongst these are Military Medical Treatment Facilities whose goals include of providing Great Outcomes, a Ready Medical Force, and Satisfied Patients in an integrated and affordable health care system.



This complex operation integrates health care delivery, public health, medical education, private sector partnerships, and cutting edge medical research and development. The MHS readiness mission spans a broad portfolio of operational requirements, including combat casualty care, disaster relief, global health engagement, and humanitarian assistance. Key enablers of the system include the DoD medical school, the Uniformed Services University of the Health Sciences (USUHS), plus a full spectrum of graduate medical education programs, training platforms for all members of the health care team, and robust research capabilities.

The MHS is one of America's largest and most complex health care institutions, and the world's preeminent military health care delivery operation.

With a \$55.8 billion unified medical budget, the MHS saves lives on the battlefield, combats infectious disease around the world, and cares for 9.6 million beneficiaries in one of the nation's largest health benefit plans.

The Military Health Care Budget

The MHS delivers a comprehensive health care entitlement to 9.6 million beneficiaries comprised of active military members and their families, military retirees and their families, dependent survivors, and certain eligible Reserve Component members and their families. The funding and personnel to support the MHS's mission is referred to as the Unified Medical Budget (UMB). The Department's investment to the UMB reflects its commitment to ensure the delivery of timely, safe, and effective medical care to our beneficiaries.

The FY 2023 UMB request is \$55.8 billion, up 0.2 percent from the FY 2022 enacted budget. The difference between FY 2022 and FY 2023 is driven predominantly by four factors. First, an increase in the Defense Health Program is driven by moderate increases in health care costs and updated forecasting and analysis of Private Sector Care requirements. Second, COVID-19 requirements discussed in more detail below are expected to decrease as we transition to COVID becoming endemic. Third, medical research, development, and acquisition capabilities were transferred from the Army in accordance with Sec 737 of the FY 2020 National Defense Authorization Act. Finally, the balance of the UMB increase is associated with the health care accrual for Medicare-eligible retirees. The accrual increase is driven by actuarial updates for actual claims experience and updates to other actuarial assumptions as approved by the DoD Board of Actuaries.

The Private Sector Care change supports the provision of the TRICARE benefit to the DoD beneficiary population. In FY 2023, the Department assumes healthcare will begin to

Figure 4.9.	Military Health	າ Care Fur	nding
(\$ in billions)		
			1

Program	FY 2022 Enacted	FY 2023 Request
Defense Health (DHP)	37.3	36.9
Military Personnel 1	8.5	8.7
Military Construction ¹	0.5	0.5
Health Care Accrual ²	9.3	9.7
Unified Medical Budget	55.7	55.8
Treasury Receipts for Current Medicare-Eligible Retirees ³	11.4	12.6

Numbers may not add due to rounding

¹ Funded in Military Personnel & Construction accounts.

² Includes health care accrual contributions into the Medicare-Eligible Retiree Health Care Fund to provide for the future health care costs of personnel currently serving on active duty – and their family members – when they retire.

³ Transfer receipts in the year of execution to support

2.5 million Medicare-eligible retirees and family members.

return to pre-pandemic levels and COVID-related costs for protection, testing, and treatment will diminish. FY 2023 Private Sector Care execution will be closely monitored to ensure resources are appropriately balanced to meet beneficiary demand.

The Department continues to pursue efforts focused on internal business process improvements and structural changes to find greater efficiencies; such as further integrating the MHS, continuing the deployment of MHS GENESIS – DoD's electronic health record, implementing the health benefit reforms authorized by Congress, modernizing clinical and business processes, and streamlining internal operations.

COVID-19 Response

The COVID-19 pandemic had and continues to have a major impact on the DoD and the MHS. This impact extends beyond the management of the pandemic inside DoD. Specifically, the MHS has been a key participant in the whole-of-government counterattack against the virus. The DoD and the MHS performed admirably in combating the virus, keeping America's warfighters fully ready to accomplish their missions while providing invaluable practical and psychological support to the American people. The MHS pivoted quickly and effectively to respond to the pandemic across a wide range of requirements, both internal to DoD and across the public health universe.

The urgent demands of the pandemic forced the MHS to build new capabilities, implement new customer-care techniques, and launch massive new research efforts. As a result, new and rapidly developed health care procedures have kept warfighters on post, ships at sea, and military medical professionals on the front lines in the fight against the coronavirus. COVID-19 has already irrevocably changed how we deliver care and will continue to do so. The MHS Virtual Medical Center (VMC) has expanded virtual health tools for military patients and medical personnel across the services to ensure continuity of care during the COVID-19 pandemic. In FY 2022, the Defense Department deployed active duty medical personnel to civilian hospitals to help take pressure off medical staffs. In FY 2023, we are anticipating COVID costs to come down, driving a reduction in the DHP budget in Direct Care and Private Sector Care. We continue to invest in testing, surveillance, and genomic sequencing to protect against and treat COVID-19 and prepare for new variants, while applying lessons learned in order to prepare for future biological threats and other major public health emergencies.

Continued Transformation of the MHS

The National Defense Authorization Acts (NDAAs) for FY 2017, FY 2019, and FY 2020 contained language to drive a wide range of structural and management reforms within the MHS. These adjustments have been catalysts for the transformation of the MHS into a more integrated system of readiness and health. As we develop new ways of doing business, our commitment is to build an improved system of military health. This system will continuously evolve to ensure success in our missions to ensure troops are fit to fight; medical professionals are ready to support them in training and on the battlefield; and our patients receive the highest quality care possible.

The MHS is laser-focused on three key areas of organizational reform:

- 1. consolidated management of the direct care and purchased care systems;
- 2. a reinvigorated approach to readiness within the direct care system; and
- 3. optimizing the size and composition of the military medical force, including the recruitment, education, training, and sustainment of skills to deliver on our readiness mission.

The FY 2023 budget continues the MHS reform efforts underway by focusing on improving access to services for our patients by better integrating the direct and purchased care systems. Standardization will lead to improved safety and the availability of options for patients to more easily manage their health care. The sweeping organizational changes underway represent a historic opportunity for the MHS to better support the warfighter and care for the patient. To date, we have built a system that has achieved the highest battlefield survival rates in history, provided world-class health care for millions of beneficiaries, remained at the global forefront of cutting-edge research and development, and built the strongest and most extensive arsenal of military medical combat support capabilities on the planet. As of FY 2022, all 20 Direct Reporting Markets (DRMs) and the Small Markets and Stand-Alone MTFs Organization (SSO) have been established at Initial Operating Capability (IOC). Lastly, the process for establishing the Defense Health Agency Regions (DHARs) is underway with a projected establishment timeframe of late FY 2022.

In response to Section 719(c) of the NDAA for FY 2020 and Sections 721 and 725 of the NDAA for FY 2017 (Public Law 114-328), the Department is optimizing military medical end strength to match operational requirements and enable MHS to increase the medical readiness of the force, as well as the readiness of our medical force. The plan is founded on the requirements each Military Department developed to meet strategic guidance and operational plans. Each Service provided a review of its force structure assessment process and an analysis of strategies for effecting this optimization at military medical treatment facilities (MTFs). The FY 2023 President's Budget delays all planned medical military end strength divestitures by 1 year. This strategic

pause will allow the Department to adjust divestiture ramps to address any updates in operational plans and/or national security and defense strategies and match congressional direction, while also integrating mitigation plans between the Services and the Defense Health Agency. With this direction, the DHA is formulating plans to ensure that beneficiaries continue to have uninterrupted access to high-quality care through a combination of new civilian and contract personnel, outside partnerships, and the TRICARE network. The Department will continually reassess these requirements as strategies and plans change, ensuring the Department's military force structure, including military medical end strength, remains optimized to meet the operational requirements of the Department.

Continued Deployment of the Electronic Health Record

The Department of Defense (DOD) continues its deployment of the new electronic health record (EHR) system, along with the Department of Veterans Affairs (VA) and U.S. Coast Guard, bolstering cybersecurity, and streamlining system capabilities from multiple legacy systems that are approaching end-of-life. MHS GENESIS, the new electronic health record for the Military Health System, provides enhanced, secure technology to manage health information. MHS GENESIS integrates inpatient and outpatient solutions that will connect medical and active duty dental information across the continuum of care, from point of injury to the military treatment facility. This includes garrison, operational, and in-route care, increasing efficiencies for beneficiaries and healthcare professionals. When fully deployed, MHS GENESIS will provide a single health record for service members, veterans, and their families. As of January 2022, MHS GENESIS deployment is over 50 percent complete and remains on track for full delivery by the end of calendar year 2023, with eight waves going live before the end of FY 2022.

Strengthening Military Families

The Department will keep faith with military members and their families by continuing to provide military family assistance through programs that include child care, youth development and school liaisons, support for family members with special needs, relocation assistance, nonmedical counseling, Morale, Welfare, and Recreation (MWR), and other military family support programs.

The major initiatives to improve the quality-of-life of military members and their families are designed to mitigate the demands of military life — especially the challenges of deployments and frequent relocations. The Department continues to promote and support spouse employment initiatives to include the noncompetitive military spouse employment program and military spouse preference for relocating spouses of active duty members. Moreover, DoD



is currently conducting an Army and Air Force military spouse overseas employment pilot to improve military spouse hiring in the overseas environment. Additionally, section 625 of NDAA FY 2022 allows DoD to implement a Direct Hire Authority for military spouses at locations outside of the United States. The Spouse Education and Career Opportunities program supports spouse educational and career development, recognizing that spouses' lives are disrupted when they relocate every few years with their service member. Military OneSource, a 24/7 information and assistance service, links military members and their families to resources and support, and provides non-medical counseling to preemptively address stressful situations. The MWR program provides much needed recreational and fitness resources for all members of the family to promote overall well-being. These are just a few examples of the network of support designed to ensure

that military members can confidently attend to the larger Defense mission, as the Department recognizes that family readiness is a key enabler to mission readiness.

The FY 2023 budget request includes \$9.2 billion for military family support programs. The \$0.1 billion net increase from the FY 2022 enacted level for military family support programs is primarily driven by increased funding for child care either at installation-based Child Development Programs or through community-based child care fee assistance programs.

Figure 4.10 displays a summary of the Department's FY 2021 — FY 2023 budget request for these programs. Key programs are:

- Child Care and Youth Programs: Includes funding for child development programs, which serve over 160,000 children, and youth and teen programs, which serve over 853,000 military-affiliated youth between the ages of 6 and 18.
- Morale, Welfare, and Recreation programs: Includes funding for mission sustaining programs such as fitness centers, libraries, and single service member programs; voluntary education; and recreation programs such as outdoor recreation and auto skills centers.
- Warfighter and Family Services: Includes funding for family support centers, and non-medical counseling support services for Active Duty, National Guard, and Reserve members and their families.
- Commissary: Includes funding for the Defense Commissary Agency to operate 236 commissary stores on military installations worldwide, employing a workforce of over 12,000 civilian employees.
- Department of Defense Education Activity (DoDEA) Schools: Includes funding to support the education of students.

Program	FY 2021 Actual	FY 2022 Enacted	FY 2023 Request
Child Care and Youth Programs	1.5	1.8	1.9
Morale, Welfare and Recreation	1.7	1.9	1.9
Warfighter and Family Services	1.6	1.8	1.9
Commissary	1.2	1.2	1.2
DoDEA Schools	2.2	2.4	2.4
Total	8.2	9.1	9.2

Figure 4.10. Military Family Support Programs (\$ in billions)

Numbers may not add due to rounding

As the Department continues to reshape its forces for current and future missions, it is committed to sustaining a balanced portfolio of family assistance programs that are fiscally sustainable and continue to promote service member and family readiness. The overall funding for family assistance programs was determined strategically, based on the number of military members and families served, but without degradation in the quality of the programs provided.

Suicide Prevention and Response

Every death by suicide is a tragedy and weighs heavily on the military community. The Department is steadfast in its commitment to suicide prevention and the overall well-being of our Service members and their families. While there has been meaningful progress in some areas, the rate of suicides in the military is still far too high. Our evolving approach addresses suicide within the broader context of integrated prevention, which targets factors that contribute to multiple readiness-detracting behaviors. Current high-priority efforts include reducing stigma and barriers to seeking help (e.g., career and confidentiality concerns), increasing protective supports (such

as lethal means safety), and ensuring program evaluation of suicide prevention programs is implemented across the Department as well as advancing data surveillance and analysis. The FY 2023 budget request includes \$193 million for suicide prevention efforts across the Department, which includes a specific increase of \$19 million and additional manpower for suicide prevention efforts through the Defense Suicide Prevention Office. These funds will support expanded suicide prevention and response efforts across the Department to enhance lethal means safety, installation safety, postvention support, and resource education and outreach campaigns.

Consistent with the NDAA, and to further complement the Department's ongoing efforts and investments, Secretary Austin established the Suicide Prevention and Response Independent Review Committee (SPRIRC) on March 22, 2022. The SPRIRC will conduct a comprehensive review of the Department's efforts to address and prevent suicide. The SPRIRC will conduct specific visits to military installations to capture lessons learned and actionable improvements to policies, programs, processes, and resources that can prevent suicide behavior throughout the force.

Military Housing Privatization

The Department is steadfast in its commitment to ensure our privatized housing projects provide safe, quality, well-maintained housing, and to address resident concerns in a timely, transparent, and accountable manner.

Under the Military Housing Privatization Initiative (MHPI) legislation enacted in 1996, the Department has made dramatic improvement to the quality of on-base housing, addressing a \$20 billion maintenance backlog and building and renovating \$32 billion in housing by leveraging less than \$4 billion in government funding. The Military Departments have privatized 99 percent (more than 200,000 units) of installation family housing in the U.S., with 79 MHPI family housing projects currently in place across approximately 150 installations.

Under the MHPI, the Military Departments conveyed their existing government family housing units to competitively selected privatization entities (i.e., the MHPI housing projects). The MHPI housing projects operate under long-term (typically 50-year) ground leases and associated legal agreements with a Military Department, with a 25-year option period. In return, the MHPI housing projects assumed responsibility for operation, maintenance, construction, renovation, and replacement of the housing during the lease term, in accordance with the MHPI authorities as defined in law. At present, MHPI housing projects constructed more than 80,000 new family housing units and major renovations of more than 50,000 units.

Despite these improvements, the Department has recognized that a lapse in oversight gave rise to concerns in early FY 2019 about conditions in some privatized housing units. In response, the Department's focus has been, and continues to be, on implementing actions to enhance the MHPI program, consistent with our commitment to ensure MHPI housing projects provide safe, quality, well-maintained housing where our military members and their families will want and choose to live. This includes implementing MHPI reforms enacted as part of the National Defense Authorization Act (NDAA) for FY 2020, FY 2021, and FY 2022, including requirements for a Tenant Bill of Rights, a universal lease, a dispute resolution process, and other elements - all impacting DoD's oversight of the MHPI program and projects.

The Department was already working on a number of actions to address MHPI housing concerns and has made significant progress implementing MHPI reforms set out in the FY 2020 and FY 2021 NDAAs. We have developed Department-wide privatized housing policies to reinforce and expand our programmatic oversight over MHPI housing projects, with a focus on five key aspects that 1) senior leader engagement to include: and collaborate internallv with MHPI companies on housing issues and necessary



corrective actions; 2) rebuilding trust with military members and their families; 3) accountability at all levels within DoD and by MHPI companies to perform our oversight as originally intended at the outset of housing privatization; 4) transparency and more frequent communication with MHPI Tenants (i.e., military members and their families who reside in MHPI housing); and 5) ensuring the long-term financial viability of the MHPI projects and MHPI program.

Senior leaders are actively engaged to address MHPI housing challenges, led by the Assistant Secretary of Defense for Energy, Installations, and Environment, who the Secretary of Defense designated as the Department's Chief Housing Officer (CHO) to oversee all aspects of DoD housing, including privatized housing, consistent with the requirements in the FY 2020 and FY 2021 NDAAs. The Department established a Deputy Assistant Secretary for Housing in October 2020 to support execution of the CHO's responsibilities.

Under the overall direction of the CHO, the Department has made significant progress implementing actions to enhance the MHPI program, prioritizing our MHPI reform efforts on actions that will improve the tenant experience, rebuild tenant trust, and maintain MHPI housing project financial viability. Our initial phase focused on implementing the MHPI Tenant Bill of Rights, and the NDAA requirements imbedded in those rights, as a visible commitment to military members and their families. On August 1, 2021, the DoD issued a revised Tenant Bill of Rights that includes all 18 rights set out in section 2890 of title 10, United States Code (as authorized by the FY 2020 NDAA as amended), expanding the version submitted to Congress in February 2020. As a result of our collaboration with the private-sector MHPI companies that own and operate the MHPI housing projects, all 18 rights are fully available at all but 5 of the nearly 200 installations with privatized housing. This represents a foundational step in our ongoing effort to improve to the Department's privatized housing program and ensure a positive living experience for military members and their families.

Other key initiatives completed include strengthening oversight through improved training; reinforcing installation commander responsibilities; hiring more than 600 housing-related staff including resident advocates and increasing training; improving communication with residents and the annual tenant satisfaction survey; ensuring increased transparency and reporting of maintenance and repair work orders; revising project performance incentive fee metrics; establishing housing standards and inspection requirements; and establishing policies and procedures for health hazard assessments and mitigation; and expanded MHPI project and program oversight at all levels, under the leadership of the CHO.

Our next phase of MHPI reform actions will continue to prioritize key reform actions that will improve the safety, quality, and habitability of DoD's privatized housing, enforcing performance standards established for the MHPI companies, and monitoring of individual MHPI project performance to ensure the long-term financial viability of the MHPI projects and program.

The FY 2023 budget request of \$167.8 million supports a funding increase of \$45 million from FY 2022 enacted amount established for Military Housing Privatization Support. This funding level will enable the Department's continued enhanced oversight of MHPI housing consistent with the FY 2020, FY2021, and FY 2022 NDAA requirements, to include staff augmentation, improved quality control measures, database development and management, housing inspections, and additional training and contract costs.

The DoD understands that family is important and honors the sacrifice that military members and their families make to serve our Nation. We recognize the environment where Service members and their families live impacts their quality of life, their ability to do their jobs, and the Department's ability to recruit and retain the force. We remain committed to the long-term success of the MHPI program, and will continue to remain diligent in our oversight to ensure delivery of quality housing for military members and their families over the life of the projects.

Ensure Accountable Leadership

"I have been clear since my first full day as Secretary of Defense that we must do more to eliminate sexual assault and sexual harassment from the ranks. I stated from the outset that this is a leadership issue, and we will lead."

- Secretary of Defense Lloyd J. Austin – Commencing DoD Actions and Implementation to Address Sexual Assault and Sexual Harassment in the Military

The Department is committed to building a safe environment to serve. This includes fully embracing a diversity of backgrounds, experience, and thought to build unity within the DoD. The Department continues its efforts to eliminate sexual assault/harassment, extremism, and discrimination.

Sexual Assault/Harassment

The DoD aspires to be an employer of choice where all can contribute their individual capacities and capability to the collective defense of our Nation. To realize that ideal, we remain committed to eliminating sexual misconduct and other behaviors that have persisted for too long. Sexual assault and harassment are not only damaging to individual Service members, these behaviors also harm our military readiness and must be eradicated. The Total Force – active and reserve Service members, and the civilian employees and contractors that support them – deserve to work in an inclusive culture built on dignity and respect. Ridding the Department of sexual assault and harassment requires courage and commitment from leaders at all organizational levels.

In early 2021, the Secretary of Defense directed three immediate actions to bolster ongoing efforts: complete assessments to benchmark Component compliance with prevention and response policy; conduct on-site installation evaluations to gauge program implementation at the ground level; and identify and train an initial violence prevention workforce. Additionally, the Secretary chartered an Independent Review Commission (IRC) on Sexual Assault in the Military to examine the DoD's sexual misconduct prevention and response efforts and make recommendations to address gaps in programming or policy as well as strengthen existing approaches. The IRC returned 82 recommendations to advance four lines of effort: Accountability, Prevention, Climate and Culture, and Victim Care. In September 2021, the Secretary approved a tiered approach to systematically implement each recommendations address sexual assault and harassment in the context of a broader integrated prevention approach, which enables advancements in those areas to benefit the range of harmful behaviors from suicide,

harassment, sexual assault, and domestic violence, to child abuse. This *Implementation Roadmap* also directed the development of a methodological framework to continuously assess progress and adjust implementation strategy to promote expediency and sustainability. Full implementation is a multi-year, long-view effort to change culture, but the Department is committed to accelerating prescribed timelines where possible.

The FY 2023 President's Budget supports the work of the OSD components and Military Departments to operationalize the *Implementation Roadmap*, many provisions of the National Defense Authorization Act of FY 2022, and Government Accountability Office recommendations. Significant work is already in motion to staff, resource, and professionalize the response workforce to advance victim care and access to resources, including over 2,300 dedicated prevention and response personnel. The FY 2023 President's Budget adds almost \$500 million to implement the recommendations of the IRC. Examples of these efforts include the establishment of a violence prevention workforce and enabling service members who experience sexual harassment to access services from a sexual assault victim advocate. The Department has developed a Prevention Workforce Model and has credentialed the initial cohort of specialized prevention personnel, the centerpiece to establishing a robust, integrated prevention system that defeats multiple harmful, readiness detracting behaviors. The FY 2023 President's Budget will not only sustain momentum for these pivotal efforts, but also fund the hiring of the first-ever, DoD-wide prevention workforce. Funding will also support seminal changes to the military justice paradigm, including a new oversight office and key specialized personnel.

Last year, the Department published the DoD Harassment Prevention Strategy for the Armed Forces. The intent of the strategy is to achieve unity of purpose in harassment prevention across the entire Department, including at the Military Service Academies. The strategy involves a 5-year plan to establish a Department-wide prevention system that facilitates data-informed actions and allows for integration of prevention activities, while leveraging existing capabilities where possible. Over the long term, the DoD Harassment Prevention Strategy aims to prevent or decrease the prevalence of all forms of harassment, victimization and perpetration, which will, in turn, increase readiness and decrease the likelihood of self-directed harm and prohibited abusive or harmful acts. The budget request reflects the resources necessary for full implementation and further enhancement of the strategy.

Diversity, Equity, Inclusion and Accessibility

In policy and in practice, the Department does not tolerate or condone unlawful discrimination, harassment, retaliation, or reprisal of any kind. These problematic behaviors jeopardize combat readiness and mission accomplishment, weaken trust among personnel, and erode cohesion. Leaders at all levels are responsible for fostering a climate of inclusion that supports diversity, is free from problematic behaviors, and does not tolerate retaliation or reprisal against those filing complaints.



DoD has taken a number of actions to strengthen its anti-discrimination posture and advance diversity and inclusion throughout the Department. Notably, DoD expanded endeavors historically known as diversity, equity, and inclusion to include a distinct focus on accessibility in an effort to highlight the importance of an accessible workplace and further ensure equal opportunity for all. Diversity, equity, inclusion, and accessibility (DEIA) are the bedrock for all operations pursuant to preventing and responding to unlawful discrimination and other problematic behaviors. The FY 2023 budget request demonstrates DoD's commitment to DEIA, and includes \$86.5 million for dedicated diversity and inclusion activities. Specifically, this funding across the three Military Departments, the OSD Office of Diversity Equity, and Inclusion, and the

Defense Equal Opportunity Management Institute is helping to fund our equal opportunity employment, diversity and inclusion, and disability/reasonable accommodation programs. This resourcing is just a portion of our commitment to promoting and advancing DEIA, consistent with the President's Executive Orders. Across the DoD, Components are investing in a number of programs and initiatives aimed at furthering DEIA, and incorporating DEIA values, objectives, and considerations in how we do business and execute our missions. Efforts in this space are fundamental to growing our talent, building resilience and readiness, and ensuring accountable leadership.

Enhancing DEIA across our Department maximizes our ability to recruit and retain top talent, and DoD strives to ensure DEIA underpins every aspect of our approach to talent management. Over the last year, the Department continued to forge ahead in implementing recommendations made by the 2020 DoD Board on Diversity and Inclusion (D&I). Additionally, to facilitate, inform, and advance agency progress on issues relating to DEIA, DoD established the DoD Equity Team (DET) in 2021. The DET addressed a broad range of DEIA issues, including the need for increased diversity within the talent pipeline; challenges pertaining to DEIA data collection, analysis, and management; and integration of D&I curriculum into leadership development training.

Consistent with the President's efforts, DoD carried out a number of actions corresponding with DEIA-related executive actions from the White House. In accordance with Executive Order (EO) 13985 and EO 14035, and through the efforts of the DET, the Department completed the DoD 200-Day Equity Assessment, developed the DoD Equity Action Plan, and completed the DoD Self-Assessment. These accomplishments contributed to DoD's progress in the DEIA space. The budget request reflects the significant resourcing required to continue our progress and build on these achievements.

The Department continued to assess policies to identify and address potential gaps. Through effective teamwork across DoD Components, last year, the Department attained 100-percent compliance with written reasonable accommodation policies. DoD is taking action on matters specified by the Equal Employment Opportunity Commission using the reasonable accommodation policies compliance framework.

While DoD is focused on DEIA, the Department can do more to include understanding the individual, interpersonal, and institutional factors that promote racial, ethnic, and gender diversity and inclusion in the military and eliminating any causal factors that prevent this diversity or lead to discriminatory practices. We will continue to advance DEIA in the Department by implementing D&I Board recommendations, Equity Action Plan requirements, DEIA Strategic Plan actions, and more. We are taking steps to ensure our Service members and DoD civilian employees are provided an opportunity to achieve their professional goals based on merit, remove any barriers that prevent equal opportunity, and ensure a cohesive and ready force that reflects the diversity of our Nation.

Extremism in Ranks

The DoD places the highest importance on treating all personnel with dignity and respect, in an inclusive environment free from impermissible discrimination, harassment, and maltreatment. While we believe the vast majority of those who serve in the military and the civilian workforce that supports them do so with honor, dignity and respect, recent events have taught us that we must be ever vigilant in our efforts to identify and combat extremist behavior within our ranks.

The FY 2023 budget includes \$34.2 million for countering extremist activities. These resources will improve the Department's capability to deter, detect, and address concerning behaviors, especially extremism, suicides and domestic violence before they manifest into harm to the

Department. These resources will establish a centralized Prevention, Assistance and Response (PAR) capability, Behavioral Threat Analysis Center (BTAC), and a DoD Workforce Insider Threat Hotline. The hotline provides a virtual reporting capability to receive Department-wide reports and promulgate them to appropriate insider threat hubs and PAR coordinators. Finally, creating an Insider Threat Assessment program will enable the DoD Insider Threat Management and Analysis Center (DITMAC) Case Management System to evaluate all DoD programs based on appropriate risk-management criteria and to make improvements for a more robust case management system.

Safety

To build enduring advantage, we must protect and preserve the people and capabilities that we have, and ensure the safety and health of our greatest asset, the Department's military and civilian personnel. The FY 2023 budget includes resourcing of requirements based on recommendations from the 2020 National Commission on Military Aviation Safety to support an elevated Department-wide safety governance forum and validate consistent safety data collection standards and processes. To achieve and promote a culture of safety across the Department, we have reinvigorated the Department's senior safety governance, the Defense Safety Oversight Council (DSOC), to provide governance on DoD-wide efforts to reduce mishaps, manage safety hazards, and ensure actionable, Departmental-level safety data to support DoD's business processes for managing safety and minimizing risk.

5. THE DEPARTMENT OF DEFENSE AUDIT

"We must recommit our efforts to learning from the audit and implementing corrections into our business processes, while instituting strong internal controls that demonstrate stewardship of taxpayer dollars."

- Secretary of Defense Lloyd J. Austin - January 31, 2022

The financial statement annual audit regimen continues to be a foundational element of defense reform. Data from the audits drives the Department's strategy, goals, priorities, and enables leaders to focus on areas that yield the most value to the warfighter. The audits are invaluable and a catalyst for long-term, sustainable reform leading to improved efficiency, better buying power, and increased public confidence in Department of Defense's (DoD) stewardship of funds.

Sections

- The DoD Consolidated Audit Strategy
- Audit Remediation
- Budget
- Data Analytics

During an annual financial statement audit, an independent public accounting (IPA) firm or the DoD Office of Inspector General (DoD OIG) examines the Department's balances, processes, and internal controls. Audit results provide DoD management benchmarks regarding each reporting entity's ability to accurately present their financial position, display sound and repeatable business practices, and reduce the risk of fraud and abuse. The Department's leaders use results from audits to help identify root causes of issues and hold DoD Components accountable for improvement efforts.

"It's not only important—it's critical. We've made progress—a lot of progress since I was last affiliated with the Department. There's still work to be done and we will move out on this as expeditiously as possible."

> -Secretary of Defense Lloyd J. Austin June 23, 2021 U.S. House Committee on Armed Services

The Department received а disclaimer of opinion for its FY 2021 consolidated audit. Nine DoD reporting entities sustained unmodified opinions for their standalone audits. The combined total assets of entities with an unmodified opinion amounts to \$1.2 trillion more than or 35 percent of DoD FY 2021 total assets. The DoD consolidated

financial audit continues to provide independent, actionable feedback. The DoD owes accountability and transparency to the American people, as the taxpayers deserve a level of confidence that DoD's financial statements present a true and accurate picture of its financial condition and operations. Transparency, accountability, and insights that inform business process reform are some of the benefits the Department will receive from its financial statement audits even before the Department achieves a positive opinion on its consolidated financial statements.

THE DEPARTMENT OF DEFENSE CONSOLIDATED AUDIT STRATEGY

The DoD completed its fourth annual consolidated financial statement audit in FY 2021. The FY 2021 audit covered the Department's total assets of more than \$3.2 trillion and involved more than 1,200 auditors, who conducted over 1,350 site visits, both virtual and in-person. Figure 5.1 shows the DoD-wide consolidated audit structure and the Components pursuing or sustaining standalone audit opinions. The financial statement audit and remediation effort is all-encompassing. It acts as a catalyst to drive reform and innovation to best support the

Department's mission readiness and lethality, reinforces accountability to taxpayers, and generated detailed findings and recommendation to further guide corrective actions. This continuing effort will result in greater financial management excellence and improve transparency, enabling timely insights that support focused and sustainable solutions for the Department's complex environment.

IPAs conducted 27 standalone audits of DoD reporting entities. The DoD OIG oversaw the work of the IPAs and issued the overarching consolidated audit opinion. In FY 2021, nine reporting entities received unmodified (clean) opinions and one received a qualified (modified) opinion.

All other DoD reporting entities and the DoD consolidated audit received a disclaimer of opinion. A disclaimer of opinion means the auditor was unable to obtain sufficient audit evidence on which to base an opinion on the financial statements. Despite the disclaimer of opinion, DoD continues to make progress towards a favorable audit opinion. Figure 5.1 shows the resulting opinion or disclaimer of opinion for each reporting entity.

		l	FY 2021 Audit Resu	lts				
	Standalor	ne Audits		Ir	cluded in	the Conse	olidated Auc	lit
	Consolidated Auditor) co by an independent pub				in the forms intern	consolidate	and substantiv	
Military	Navy	Air Force	Medicare-Eligible Retiree Health	WHS	MDA	DSCA	DoDEA	DARPA
Retirement Fund	General Fund U.S. Army Corps	General Fund	Care Fund	DCMA	DTRA	CBDP	JCS (incl. NDU)	DHRA
Army General Fund	of Engineers – Civil Works	DON Working Capital Fund	U.S. Marine Corps General Fund	DAU	DCSA	DTIC	OEA	DMA
Air Force	DLA	Defense Health	Army	DOTE	DPAA	DTSA	DFAS GF	MHPI
Working Capital Fund	Working Capital Fund	Program	Working Capital Fund			TI-97 Funds d to Air Force		
USSOCOM	DISA	DLA	USTRANSCOM Working Capital	by OSE		by OSD		oy OSD
General Fund	General Fund	General Fund	Fund			ation Support 3. Relocation		
DHA-CRM	DISA Working Capital	Defense Commissarv	DLA	Allies, Det		ctivities, Def		ies, Defense
DE40	Fund	Agency	Strategic Materials	DoD Educat Benefits Fu	Resp		omeowners istance Fund,	Defense Gift Fund
DFAS Working Capital	Defense Contract Audit Agency	DoD OIG	NSA DoD Classified	Voluntary	Fund, D		Defense	National
Fund	<u> </u>		DOD Classified	Separation	Mutu Benef		Defense Cooperation	Security Education
DIA DoD Classified	NRO DoD Classified	NGA DoD Classified		Incentive Trust Fund				Trust Fund
		Unmodified	Qualified	Disc	laimer			

Figure 5.1 FY 2021 Audit Results

Note: DoD classified reporting entities are ordered by year established. Reporting entities under standalone audit are listed in order of total FY 2021 assets.

AUDIT REMEDIATION

The Secretary named three foundational goals as Department-wide audit priorities for FY 2022. For each priority, the Deputy's Management Action Group established goals and closely monitors progress measures to ensure the Department is addressing some of its most pivotal challenges.

- 1. Improve Fund Balance with Treasury: Clear undistributed disbursements and collections in 60 days or less; Reduce undistributed disbursement to 1 percent or less of the total Fund Balance with Treasury
- 2. Establish User Access Controls: Implement Identify Credential and Access Management solutions
- 3. Create a Universe of Transactions and Financial Reporting Internal Controls: Implement adequate internal controls across all financial reporting processes identified as material; Produce a supportable universe of transactions balance; Process all intragovernmental reimbursable transactions using the Department of the Treasury's G-invoicing application

More broadly, Department leaders use the number of auditor findings closed and material weaknesses downgraded from year to year as an initial independent benchmark for measuring progress toward achieving an unmodified audit opinion. As of February 28, 2022, the DoD closed 660 (19 percent) of the notices of findings and recommendations (NFRs) issued in FY 2020, approximately 72 percent of which were identified as previously contributing to a Component-level material weakness. Additionally, during FY 2021, auditors confirmed that the DoD downgraded or resolved one Under Secretary of Defense Comptroller Department-wide material weakness related to the Military Housing Privatization Initiative as well as four other component-level material weaknesses.



Michael McCord speaks during a press conference presenting 2021 DoD's audit results, the Pentagon, Washington D.C., November 15, 2021

The Department will continue to use audit findings to drive and sustain remediation efforts, focusing on findings that are integral to material weaknesses. As the audits mature and testing expands, DoD leaders expect findings to increase in number and complexity. This is also the result of resolving many of the short term findings. The Department realizes benefits by addressing findings, which helps identify vulnerabilities in cyber security, improve inventory management, and provide better data for decision-making. The audit enables faster insights to develop focused, sustainable solutions for the Department's complex problems.

Additionally, the Department measures audit progress by:

- Tracking the achievement of major milestones toward the remediation of complex NFRs; •
- Assessing the effectiveness of corrective action plans in successfully remediating associated NFRs;
- Evaluating progress in the results of Statement on Standards for Attestation Engagements (SSAE) No. 18 examination System and Organization Controls reports over service providers;
- Leveraging Advana to monitor the completion of remediation activities and distill analytical insights for use in decision-making;

- Implementing audit roadmaps to strengthen accountability for aligning actions to the budget; tracking major milestones for remediation of material weaknesses (MWs) at the component and Department level; and
- Implementing Secretary of Defense (SECDEF) audit priorities and metrics to better align audit priorities and roadmaps with Services' priorities.

Ultimately, the Department tracks audit progress by the number of reporting entities moving from disclaimers of opinion to qualified opinions and from qualified opinions to unmodified opinions. Progress of remediation is closely tracked by management with the ultimate closure through the annual audit process when auditors confirm an audit finding/condition is closed by not re-issuing the finding. As part of the remediation process, the Department focuses on the material weaknesses most impactful to the Department's audit opinion. As material weaknesses are resolved, audit opinions will improve.

The Department has actionable and achievable plans in place and is making progress toward an unmodified audit opinion. However, achieving an unmodified audit opinion will take many years. Each reporting entity under standalone audit with a disclaimer has established an audit roadmap to facilitate and track progress toward resolution. Each roadmap details corrective action completion dates by fiscal year and financial statement line-item or audit focus area. Leadership continues active engagement in overseeing the progress. The Department established functional councils that meet regularly to share best practices and collaborate on developing solutions for NFRs that have an impact DoD-wide. The Deputy Secretary of Defense meets periodically with Military Department Under Secretaries and management to review audit NFR and CAP metrics using the Advana NFR database. The Advana NFR database uses near real-time data, providing leadership with visibility into the current status of all NFRs and CAPs across the Department.

BUDGET

The Department expects to spend \$1.155 billion during FY 2023 in support of the DoD Audit; with approximately 21 percent of these resources are required to pay the independent auditors; 15 percent representing the cost of supporting the audit to include addressing auditors' request for information; and 64 percent of total costs are directed at remediating findings. The Department also prioritized reducing undistributed Fund Balance with Treasury disbursement and collection balances.

The FY 2023 budget request includes an additional \$15.4 million to provide funding for the Defense Advanced Research Projects Agency (DARPA), the Defense Threat Reduction Agency (DTRA), and the Defense Human Resources Activity (DHRA) by hiring IPAs to perform standalone audits and properly resourcing the audit response capability within the Defense Agencies and Field Activities (DAFAs) to demonstrate the Department's progress towards achieving additional unmodified opinions.

DATA ANALYTICS

"Part of that reform process is ensuring that the department conducts a consolidated financial audit. Not only does audit assist in informing strategy but it provides transparent accountability to the American people."

-Deputy Secretary of Defense Kathleen Hicks May 28, 2021 Remarks on President Biden's Fiscal Year 2022 Defense Budget Request

A valuable by-product of the audit is the ability to generate a consistent view of our enterprise financial transaction data. The increasing reliance upon Advana, the Comptroller's advanced data analytics platform, for audit sampling, supporting transaction details in response to auditor requests, monitoring remediation activities, and inspiring data-driven conversation with Components and other stakeholders allows for improved decision-making and better informed budget execution.

With audited data as its foundation, Advana's capability has grown considerably in just a few short years. It is now the go-to analytic platform for a range of enterprise-level use cases, from executive analytics to business health metrics to logistics and readiness needed for day–to-day force management.

Conclusion

The financial statement audits support the Department's business transformation strategy. The tone-at-the-top is being echoed throughout the organization's chain-of-command. The workforce's understanding of audit requirements continues to grow, and, as efficiencies are gained, value is being realized. Systems are being made more reliable, and audits are providing the tools needed to effect sustainable improvements. The audit is helping galvanize change that advances cybersecurity, property management, inventory management, and readiness—for the benefit of the warfighter and the American people.

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6. MILITARY DEPARTMENTS

The Military Departments generally use several means to report their activities to Congress. Consistent with Title 10, Section 113 (c)(1)(A), each of the Military Departments is providing a summary of their Fiscal Year (FY) 2023 budget submissions for inclusion in the DoD Budget Overview. Additional data are contained in Appendix A, Resource Exhibits.

DEPARTMENT OF THE ARMY OVERVIEW

Discretionary Budget Authority in Thousands Department of the Army	FY 2022 Enacted**	FY 2023 Request	Δ FY22 – FY23
Military Personnel	66,185,135	69,073,043	+2,887,908
Operation and Maintenance	67,194,949	69,699,541	+2,504,592
Procurement	22,702,851	21,284,160	-1,418,691
RDT&E	14,448,674	13,710,273	-738,401
Military Construction	2,600,474	1,310,427	-1,290,047
Family Housing	579,140	605,750	+26,610
Revolving and Management Funds	499,711	29,937	-469,774
Pass Thru (ASFF, CTEF, & CHEM-DEMIL*)	643,252	1,601,510	+958,258
Subtotal Department of the Army	174,854,186	177,314,641	+2,460,455
Arlington National Cemetery	228,000	155,900	-72,100
Total Department of the Army	175,082,186	177,470,541	+2,388,355

Numbers may not equal total due to rounding

*Afghanistan Security Forces Fund (ASFF), Counter-Islamic State of Iraq & Syria Train and Equip Fund (CTEF); Chemical Agents & Munitions Destruction (CHEM DEMIL)

** FY 2022 enacted amounts include prior year rescissions and supplemental funding for Operation Allies Welcome, Red Hill, and Ukraine.

"Our purpose remains constant – To deploy, fight, and win our Nation's wars by providing ready, prompt, and sustained land dominance by Army forces across the full spectrum of conflict as part of the Joint Force."

- The Army Mission

Introduction

The Army continues to meet extraordinary demands at home and abroad with fit, trained and ready forces. We maintain our commitment to build on our strong foundational priorities of people, readiness and modernization to help guide the force through dynamic times. As we emerge from two decades of counterinsurgency and counterterrorism operations, we must transform to meet large-scale combat operations, reduce singe points of failures in the supply system and decrease reliance of foreign supply chains and resources.

Over the last year, the Army answered the Nation's call at home and abroad. As part of the whole-of-government approach to fighting COVID-19, the Total Army provided over 60 percent of the medical teams that supported local hospitals. The Army continues its support to various interagency partners in response to crises across the country. The Total Army provided 120,000 ready Service Members to the Joint Force across 6 continents and 140 different countries. When the order came to withdraw from Afghanistan, the Army deployed and secured the Hamid Karzai International Airport and evacuated American citizens and Afghans. Following evacuation, the Army housed, fed, and assisted in welcoming over 44,000 Afghans to America.

This is a testament to the U.S. Army's preparedness and commitment to adapt to any mission it is given in support of the Nation's Defense.

The Army's FY 2023 budget request fully supports the National Defense Strategy and continues to meet operational demand at home and abroad through regionally aligned ready forces. This budget enables the Army to maintain a high state of readiness for emerging missions and requirements while continuing modernization of the Army of 2030. In support of integrated deterrence, campaigning, and building enduring advantages, this budget ensures we continue to transform our organizations and technology while maintaining readiness to enable the Joint Force to win our Nation's wars.

"The United States Army exists for one reason, to protect this great Nation – from all enemies, both foreign and domestic. We do this by remaining ready to fight and win the Nation's wars as a member of the Joint Force."

- General James McConville, 40th Chief of Staff, Army

Integrated Deterrence

The Army's FY 2023 budget continues to invest in advanced capabilities to enable integrated deterrence across all warfighting domains. The Army remains committed to a sustainable strategic path to develop and field cutting-edge capabilities for Joint All-Domain Operations. The focus remains on the Army's modernization priorities (Long Range Precision Fires; Next Generation Combat Vehicle; Future Vertical Lift; Network; Air and Missile Defense; Soldier Lethality), supported by eight Cross Functional Teams (CFTs) and the Rapid Capabilities and Critical Technologies Office (RCCTO). The CFTs and the RCCTO continue to concentrate on signature efforts, and the Army is seeing real results from experimentation, prototype development, and Soldier Touch Points. Modernizing the Army now will enable American land power dominance to meet the demands of future strategic competition and conflict represented by threats in the European and Indo-Pacific theaters. The Army must modernize its equipment and doctrine to generate the future readiness required to support and win in Joint All-Domain Operations. It is imperative to fund these long-term efforts from the beginning of research and development, into procurement and through the completion of fielding to ensure we meet the challenges of our pacing threat of China, acute threat of Russia, regional threats of North Korea and Iran, and violent extremist organizations.

Campaigning

The Army is, and will always be, prepared to answer the Nation's call to compete abroad or to respond during times of need at home. The Army provides ready, combat-credible forces that support enduring campaigns and active response missions as part of the Joint Force. The Army leads the Joint Force in day-to-day campaigning all over the globe. The Army does this by executing deliberately sequenced and logically linked military operations to achieve strategy-aligned objectives over time. In order to prevail on the future battlefield and conduct operations in contested environments, the Army is becoming more data-centric and initiating strategies to digitally enhance forces on the battlefield. The continual funding of Security Force Assistance Brigade (SFAB) rotations in EUCOM and INDO-PACOM, Pathways in the Indo-Pacific, and Defender Europe with NATO allies demonstrates enhanced interoperability and combined training with allies and partner nations while showing the world America's commitment to freedom.

Building Enduring Advantages

The cornerstone of America's Army is our people. We are expanding our base of enduring advantages by investing in our people, our values, operational and institutional resilience, and our industrial and commercial partners. We are committed to building positive command climates at scale across all Army formations. In combination with a positive command climate, the Army is focused on reducing harmful behaviors within our formations. In FY 2022, the Army began implementing the Independent Review Commission (IRC) recommendations aimed at preventing sexual assault, harassment, and other harmful behaviors, while restructuring the reporting infrastructure and strengthening the workforce who expertly respond when violence occurs.

In addition to improving the command atmosphere, we must ensure we are keeping talented and skilled Service Members and Civilians while bringing in equally professional future personnel. Matching the right person with the right job at the right time is key in creating a positive and efficient environment. The Army People Strategy is designed to ensure that the Total Army will recruit, develop, employ and retain the diversity of Soldier and Civilian talent needed to achieve Total Army readiness.

The Army must also improve its installations, acquisition programs and training to better operate in a changing environment while also decreasing operational energy demands. The Army Climate Strategy published earlier this year provided a framework for combating the effects of weather and environmental hazards. In support of this strategy, the FY 2023 budget request sustains investments in electrifying our non-tactical fleet and sets the conditions to electrify our tactical fleet. Other investments include incorporating green technology and clean energy projects to build climate resiliency at our installations, increasing operational capability while reducing sustainment demands, and expanding environmental research and development.

Fiscal Environment

In FY 2023, the Army remains committed to financial stewardship through focused and deliberate prioritization as it executes the Army portion of the National Defense Strategy to meet the demands of the Interim National Security Strategy. Timely receipt of requested funding in the future is necessary to maintain the strategic path of the Army. Operating under Continuing Resolutions (CR) allows the Army to execute its day-to-day mission; however, these delays in funds receipt create detours to the Army's path to develop, field and maintain cutting-edge technologies in support of the Army of 2030. Timely enactment provides resource predictability and enables commanders and leaders to effectively and efficiently execute their annual training and operational plans for the entire fiscal year, and to build Army Readiness at all three echelons – tactical, operational and strategic. Resourcing support is invaluable to the Army's ability to achieve the Army of 2030.

People



The Army's most enduring advantage is our highly qualified and capable people – the cornerstone of America's Army. The future force needs fit, highly skilled and trained Soldiers who are equipped to adapt to the rapidly changing operational landscape. As a people-centric service, the Army ensures it puts the right people in the right place at the right time, enabling the Army to move efficiently, deploy, fight and win in support of Joint All-Domain Operations. Our "People First" focus sustains investments across the Army

People Strategy's three critical enablers of culture, talent management and quality-of-life

programs. Army leadership is focused on establishing a positive command climate at scale and reducing harmful behaviors throughout the Army. The Army is implementing 28 Sexual Assault Prevention and Response Independent Review Committee (SAPR IRC) recommendations in FY 2023. The Army's three primary SAPR IRC initiatives are establishing the prevention workforce, eliminating collateral duties with full-time response coordinators and victim advocates, and criminal justice reforms. The Army's 21st Century Talent Management System combines new approaches, systems and processes to help place the right Soldier in the right job at the right time. The approach changes how we identify and select future battalion and brigade commanders - the most consequential leadership positions in the Army. These commanders set the culture to take care of our people and drive readiness at echelon. The Army continues to implement the Civilian Talent Management System to recruit and retain a talented workforce. These people-based priority efforts are foundational to the Army's overall readiness and our ability to support Combatant Commanders' requirements around the world. The most important thing the Army does is take care of its Soldiers and their Families by ensuring Soldiers are trained and ready to win when confronted with a myriad of tasks at home and abroad.

"The Army is by nature a people-centric service, and our people truly are our most important weapons system."

- Honorable Christine E. Wormuth, Secretary of the Army

The Army is focused on improving the quality of life for our Soldiers, their Families, and Army Civilians. The 4.6 percent pay raise for Service Members and Army Civilians, the largest in 20 years, facilitates the Army's ability to acquire and retain its talent while also recognizing their dedication and commitment to our Nation. The Army will continue the implementation of Holistic Health and Fitness (H2F), expanding H2F capabilities to an additional 10 units. Our military construction program includes five barracks projects. Child Development Center (CDC) improvements include one new military construction project and 10 restoration and modernization projects across the Army. These essential caregiving efforts also support the President's national family infrastructure improvement initiatives.

Readiness

"We are transforming to provide the Joint Force with the speed, range and convergence of cutting-edge technologies to gain the decision dominance and overmatch we will need to win the next fight."

- General James McConville, 40th Chief of Staff, Army

The Army must be ready to fight and win as a member of the Joint Force to protect the Nation and respond to requests for support to local and state governments. This means be prepared to be contested in every single domain, campaigning to reinforce deterrence, and achieving objectives to support the National Defense Strategy. In the last 4 years, the Army prioritized its efforts on preparing for high-intensity, full-spectrum conflict by focusing training toward Large Scale Combat Operations and less toward Counter Insurgency Operations. The Army will continue to focus our readiness to meet the Directed Readiness Tables set by the Joint Staff and Combatant Commands, providing a force ready for any threat the Nation may face. Army readiness is built on the foundation of tactical units composed of highly trained, disciplined and fit Soldiers, squads, platoons and companies.

In FY 2022, the Army transitioned to a new readiness model, the Regionally Aligned Readiness and Modernization Model (ReARMM). This model enables the Army to align both modernization and readiness requirements necessary to build future readiness at the strategic, operational and tactical levels. ReARMM incorporates all aspects of manning, training, equipping, and sustaining the force in order to achieve strategic readiness. Through ReARMM, the Army is better able to measure and influence Strategic readiness; evaluating how rapidly the service can deploy forces in support of Combatant Commanders.

The Army is developing and testing tactics for Arctic operations and initiatives to enhance operational readiness while accounting for climate resiliency. The Arctic is simultaneously an arena of competition, a line of attack in conflict, a vital area holding many of our Nation's natural resources, and a platform for global power projection. This strategy incorporates a Total Army approach to adapt how it generates, postures, trains and equips forces to execute extended Multi-Domain Operations in extreme conditions in support of the Joint Warfighter. The Army's Arctic Strategy adopts a view that allows us to see the opportunities of "northern routes" that will speed force generation and deployment from Alaska to points around the globe. The FY 2023 budget allows the Army to initiate this strategy.

The Army led the way in publishing a climate strategy focusing on installation resilience, improved warfighting capability, and reduced logistical burdens through vehicle electrification and adaptive training in extreme weather environments. To maintain operational readiness while ensuring a balanced approach to leader development and training requirements, the Army will focus on exercise efficiencies, prioritized proficient tactical unit training integrated with battalion, and brigade staff exercises. Exercise efficiencies consist of removing brigade and battalion live-fire and field training events to exercise the staff. The Army's training strategy emphasizes mission command focusing on synchronizing small-unit maneuver and integration of combat enablers to enhance warfighting functions. Multi-echelon command post exercises will produce lethal, ready formations prepared for competition, crisis or conflict. To ensure readiness for decisive Joint All-Domain Operations, the Total Army will conduct 22 Combat Training Center rotations in FY 2023 (20 for the Active Component and two for the National Guard).

The Army assesses its strategic readiness based on the speed of mobilizing and deploying its trained tactical and operational forces, as demonstrated by the recent deployments to Europe. As such, strategic readiness incorporates all aspects of manning, training, equipping and sustaining the force. Installation readiness and on-post quality of life, supported by the Army "People Strategy," provide the Army the ability to rapidly move and transition forces between competition and crisis.

The Army is building new formations capable of operating at needed speed and ranges, and in multiple domains across the full spectrum of conflict. Through internal reorganization and modernization, the Army will continue developing multi-domain capabilities. The Army established a Multi-Domain Task Force (MDTF) consisting of capabilities Combatant Commanders need to compete effectively and, if necessary, penetrate adversary anti-denial systems to enable freedom of maneuver for all land, air and maritime forces. Within this FY 2023 request, the Army will field a 3rd MDTF. The Army's three MDTFs will support Combatant Commanders in competition against adversaries through exercise support, and provide the capability to rapidly transition to conflict if necessary. MDTFs are actively experimenting in the Indo-Pacific theater today, filling a gap in capabilities that are in high demand by commanders, and they will participate in Project Convergence 2022.

Modernization

"The Army has not been standing still...far from it. We are designing new formations to bring us into the future. We are innovating and experimenting. We are developing new weapons systems, so we remain the world's premiere land force."

The FY 2023 budget carries modernization efforts forward through continued investment aimed at providing the Nation a Joint All-Domain Operations ready force now, while rapidly advancing in force transformation and next-gen capabilities. The Army Modernization Strategy (AMS) focuses on the Army of 2030 along with its signature modernization priorities: Long-Range Precision Fires; Next-Generation Combat Vehicle; Future Vertical Lift; Network; Air and Missile Defense; and Soldier Lethality.

- Honorable Christine E. Wormuth, Secretary of the Army



The Army's Modernization Strategy enables

American land power dominance to meet the demands of great power competition and great power conflict, as demonstrated by evolving threats in the Indo-Pacific and European theaters. The Army's eight Cross-Functional Teams (CFTs), focused on the Army's signature modernization efforts, continue to demonstrate their ability to streamline research, acquisition and fielding processes by collaborating with representatives from the operations, science and technology, testing, resourcing, costing, sustainment and program management communities, and the end user, the Soldier. These collaborative efforts produce initiatives to deliver the best developing technologies, which are rapidly delivered to the force and quickly put in the hands of Soldiers. This is one of the approaches that allows the Army to maintain a competitive advantage and provide the Joint Force integrated capabilities to deter our adversaries. As an outcome of this approach, the FY 2023 budget supports increased procurement of Next Generation Squad Weapon, Mobile Protected Firepower, Precision Strike Missile, and the Armored Multi-Purpose Vehicle.

It is important for the Army to provide firepower capability with great range, speed and convergence to provide decision-dominance for combat overmatch against near-peer competition. The Army leverages a series of joint, multi-domain engagements to integrate artificial intelligence, robotics and autonomy to improve battlefield situational awareness, connect sensors with shooters, and accelerate the decision-making timeline. Additionally, there are four other lines of effort, which fall under the Rapid Capabilities and Critical Technologies Office (RCCTO), that are essential to the future of Joint All-Domain Operations and engaging with strategic competitors:

- 1. Long-Range Hypersonic Weapon (LRHW): The budget supports fielding the first prototype hypersonic battery with all ground and support equipment and combat rounds in FY 2023.
- 2. Directed Energy Mobile Short-Range Air Defense System (DE-M/SHORAD): Resources applied facilitate fielding the first combat-relevant laser weapon (50KW) on Stryker vehicles in FY 2023 in support of Air Defense Artillery Operations.

- Indirect Fire Protection Capability High Energy Laser (IFPC-HEL) and High Power Microwave (IFPC-HPM): Funding supports a 300KW HEL mobile, ground-based laser integrated onto a Family of Medium Tactical Vehicles (FMTV) and an HPM system by FY 2024 in support of future Multi-Domain Task Forces (MDTFs).
- 4. Mid-Range Capability: Funding supports the fielding of a prototype mid-range operational capability, which includes munitions, a launcher, and command and control by FY 2024 at the battery-level as part of the Strategic Fires Battalion in support of Multi-Domain Operations.

Project Convergence is the Army's campaign of learning, organized around a continuous, structured series of experiments to advance and integrate our Army's contributions to the Joint Force. Project Convergence expands the scope, range and scale of previous experiments by focusing on Joint and Multinational integration through a number of land, air, maritime, space, and cyber experiments. This year's exercise will explore how a Combined and Joint Force conduct: Integrated Air and Missile Defense networks, fires and effects to defeat Anti-Access and Area Denial defenses, penetrate and exploit in a pulsed operation to achieve positions of relative advantage, and the establishment of a Mission Partner Environment (MPE). Project Convergence is how the Army demonstrates its ways and means to achieving its modernization efforts.

By partnering with academia and industry, the Army achieves rapid innovation, experimentation, demonstration and rapid prototyping to deliver the next generation of weapons, vehicles and equipment required to conduct Joint All-Domain Operations. The Army must field cutting-edge formations to advance integrated deterrence and to conduct Multi-Domain Operations; we are deliberately choosing investments to maximize effects to win the future fight across all components. On our installations, the Army is working towards enhancing resilience and sustainability by adapting infrastructure and natural environments to climate challenges, securing access to training and testing lands into the future, and mitigating greenhouse gas emissions. We plan to provide 100 percent carbon-pollution-free electricity for Army installations by 2030, field an all-electric light-duty non-tactical vehicle fleet by 2027, and an all-electric non-tactical vehicle fleet by 2035. The Army proactively considered the security implications of climate in the Army Climate Strategy published earlier this year, which addresses climate considerations throughout planning, acquisition, supply chain, and programming documents and processes.

Army Futures Command (AFC) has the single focus of developing the Army's warfighting doctrine and providing new warfighting capabilities faster and more cost effectively. The Army has a consistent plan to fund our six modernization priorities using AFC to fully operationalize and bring unity of command and unity of effort to the Army Modernization Strategy (AMS). Investments such as the Army's data scientist and data technician programs at Carnegie Mellon University aggressively pursue artificial intelligence technologies. The Army Software Factory in Austin will bring the necessary digital expertise to Soldiers, allowing commanders to rapidly adapt to the challenges faced on a very fluid battlefield.

Allies and Partners

"We are stronger when we fight along our allies and partners."

- General James McConville, 40th Chief of Staff, Army

America does not fight alone. Alliances and partnerships are among the greatest sources of our The Army is stronger when we coordinate, work in unison, and have military strength. interoperability with partner nations and allies to stage, support, maneuver and execute the fight together. Multinational partners participate in the Army's warfighter exercises, combined training exercises, and multinational activities to support Combatant Commands. The Army hosts key leader engagements and conducts military personnel exchanges and multinational conferences to sustain key relationships and increase interoperability. The Army is also employing Security Force Assistance Brigades (SFABs) to build partner nation capacity and strengthen relationships with partners and allies. The Army has regionally aligned its SFABs to train, advise, assist, enable and accompany operations with Combatant Commands. Mutually beneficial alliances and partnerships are critical to the Army and they provide an enduring, unmatched strategic and competitive advantage. Through SFABs, International Military Education and Training, and tactical unit partnerships, the Army will continue building relationships and interoperability with allies and partners. The Army will further its support to Partners and Allies through the Defender series in both the Pacific and Europe to leverage interoperability and ground force partnerships in Joint, combined and multi-component exercises. Through Project Convergence, the Army will test and evaluate interoperability of new programs to address challenges and rapidly field Strengthening alliances and attracting new partners support Army integrated capabilities. deterrence objectives and the Joint Force, and set conditions for the Army to fight and win with its Allies and Partners.

Conclusion

The Army's FY 2023 budget request prioritizes resources to take care of our people, build readiness, win the current and future fight, and deploy a more lethal and ready Total Army focused on Joint All-Domain Operations and achieving the Army of 2030. None of this is possible without timely, adequate, predictable and sustained funding. To counter the threats we face today and into the future, the Army must take care of our people, continue to improve our readiness, accelerate modernization, and implement smart reforms. Soldiers, Families and Civilians empower the Army in everything we do. While the Army meets the Nation's demands it must continue to stay ready and modernize in order to maintain overmatch against the Nation's strategic competitors. All of these efforts are critical and need to be balanced and synchronized in order to compete and win and provide the Nation a professional, lethal and decisive force that will win against any of our adversaries. This budget allows the Army to meet the demands asked of it; it enables the Army to modernize and ensures the Army is able to compete and win now and into the future.

PEOPLE FIRST, WINNING MATTERS, ALWAYS STRONG

DEPARTMENT OF THE NAVY

Discretionary Budget Authority in Thousands Department of the Navy	FY 2022 Enacted*	FY 2023 Request	Δ FY23 – FY22
Military Personnel	56,450,125	58,484,305	+2,034,180
Operation and Maintenance	74,383,273	77,704,776	+3,321,503
Procurement	63,101,269	65,985,288	+2,884,019
RDT&E	22,084,416	24,078,718	+1,994,302
Military Construction	4,685,142	3,889,392	-795,750
Family Housing	447,957	705,521	+257,564
Revolving and Management Funds	150,000	0	-150,000
Total Department of the Navy	221,302,182	230,848,000	+9,545,818

* FY 2022 enacted amounts include prior year rescissions and supplemental funding for Operation Allies Welcome, Disaster Relief, Red Hill, and Ukraine.

The United States is a maritime nation: our security and prosperity depend on the seas. Since the end of World War II, the U.S. has built and advanced a rules-based international system through shared commitments with our allies and partners. Free and open access to the world's oceans ensure the delivery of the resources required to protect America's economy and security. Today, competitors and adversaries challenge our Nations' prosperity and security. For over 200 years, our Navy and Marine Corps team has safeguarded our



territorial waters and lands as well as projected power across the globe to protect the interests of the U.S. and its allies. In recent years, major strategic competitors to the U.S. and its allies have grown in capability and capacity, challenging the rules based order while forging closer ties with each other. These developments threaten to rebalance global power and influence, creating a more hostile international order, reinforcing the need for a potent, integrated, forwardmaneuverable Navy and Marine Corps as a key contributor to the joint force and the preservation of rules-based international order. Seapower's strength comes from its inherent and pervasive mobility, self-reliance, survivability, and distributability: our ability to strategically position overwhelming lethal naval force across the globe poses a uniquely effective deterrent to adversaries. Strategic competition with China and Russia takes on more of a military nature with each passing year. As Russia invades Ukraine, positioning overwhelming military force in and around Ukraine on land and in the Black Sea, China continues to menace Taiwan and other countries in the region. Both countries continue advancements in weapons technology, and



China in particular is building all domain capabilities at a capacity to challenge U.S. influence in the Pacific. America needs a flexible, forward deployed, engaged fleet that keeps the seas open and free, generates credible deterrence at sea, and provides quick response options for U.S. leadership. It needs to be a fleet that can control the seas and that can project power across all domains at a time and place of our choosing. For the Department of the Navy, our mission is to deliver combat ready naval forces to campaign, deter, and as necessary,

win conflicts and wars while we accelerate the development of a modernized, integrated all-

domain naval force for the future. To overcome threats and achieve this mission we must maintain maritime dominance by strengthening our strategic partnerships and empowering our incredible people.

The Department continues to optimize resources to develop, produce, field, operate, and maintain capabilities in support of the Joint Force. The budget builds on the Secretary of Defense's vision of integrated deterrence, campaigning, and building enduring advantages, with an agile and ready force. The budget is aligned with the Secretary of the Navy's priorities of strengthening maritime dominance in defense of our Nation, empowering our people, and strengthening strategic partnerships. The budget builds on the Commandant of the Marine Corps' Force Design 2030 to modernize the expeditionary posture of the Marine Corps. The budget implements the Chief of Naval Operations' Navigation Plan to expand our fleet capabilities for distributed operations. The budget prioritizes COLUMBIA class construction, a strategic deterrent, and balances readiness, capability, capacity across the near term and future. The FY 2023 President's Budget continues investments in more lethal, networked capabilities and concepts, integrated with the joint force. It funds critical warfighter training and education to grow talent, build resilience, and ensure an environment of accountability. The budget covers a once-in-a-century requirement to recapitalize our national ship repair infrastructure as part of our Shipyard Infrastructure Finally, this budget continues reformative efforts throughout the Optimization Program. Department, maintaining fiscal accountability and propriety of taxpayer dollars.

Strategic Guidance and Themes

President's Interim National Security Strategic Guidance

The FY 2023 President's Budget is aligned to the President's Interim National Security Strategy (NSS) Guidance. The three key goals of the interim NSS are:

1. Defend and nurture the underlying sources of American strength, including our people, our economy, our national defense, and our democracy at home;



- 2. Promote a favorable distribution of power to deter and prevent adversaries from directly threatening the United States and our allies, inhibiting access to the global commons, or dominating key regions; and
- 3. Lead and sustain a stable and open international system, underwritten by strong democratic alliances, partnerships, multilateral institutions, and rules.

Defense Strategy

The current Defense Strategy stresses the need for the Department to act urgently to sustain and strengthen U.S. deterrence, with the Peoples's Republic of China (PRC) as "the Department's pacing challenge." There are four key priorities the Department must pursue to strengthen deterrence:

- 1. Defend the homeland
- 2. Deter strategic attacks
- 3. Deter aggression and be prepared to prevail in conflict when necessary
- 4. Build a resilient defense ecosystem and joint force



The Department will advance these priorities through integrated deterrence (working seemlessly across warfighting domains), campaigning (conducting logically linked military initiatives aimed at advancing well-defined priorities over time), and building enduring advantages (modernize the joint force making its supporting systems more resilient and agile).

Secretary of the Navy Strategic Guidance



The Secretary of the Navy, Carlos Del Toro, in October 2021 issued his priorities in *One Navy-Marine Corps Team: Strategic Guidance from the Secretary of the Navy.* His vision is:

"All Sailors, Marines, and Civilians in the Department of the Navy will operate as one team to protect the American people and our interests in the most effective and efficient way possible, with our actions guided always by our core values. We will invest in the health, readiness, capability, and the leadership ability of our

force. We will maintain forward maneuverability, build our maritime advantage, and strengthen partnerships across government and the joint force, with industry, and around the world."

The Secretary identifies three enduring priorities: Strengthening Maritime Dominance in Defense of Our Nation, Empowering Our People, and Strengthening Strategic Partnerships.

<u>Strengthening Maritime Dominance in Defense of Our Nation</u>: The Department of the Navy (DON) will build, train, and equip the world's most powerful naval force in order to defend the Nation, our allies, our values, and our interests. We will build toward more integrated all-domain power within the Navy, Marine Corps, and Coast Guard. To accomplish this priority, we will expand forward presence, enhance warfighting readiness, innovate and modernize, and combat climate change. In the FY 2023 budget request we enhance warfighter readiness by financing investments in industrial capability and infrastructure to improve maintenance and logistics responsiveness and capacity; make investments in training methods, ranges, and facilities; invest in cybersecurity and systems that are critical in supporting combat forces; and developing a climate-cognizant force.

Empowering Our People: Our people provide the foundational strength for this Department. We will build and sustain a strong, diverse, and healthy force, ready at all times and focused on warfighting and leadership at every level. The FY 2023 President's Budget supports this by eliminating harmful behaviors; leveraging naval education to enable the warfighter; cultivating talent and teamwork through recruiting, retaining, and promotion; and taking care of our people through review of promotion practices



and getting senior leaders more involved in quality of life programs and mental health readiness.

Strengthening Strategic Partnerships. The Department of the Navy's partnerships internally, across the U.S. Government, and among our global network of naval allies and partners – provide an unmatched and irreplaceable advantage. We will work to sustain and expand that advantage by seeking achieve seamless integration. to communication, and collaboration with each of our partners. Leaders across the Department will strive to build a culture of trust, leading to a



unity of purpose and teamwork which will provide a warfighting advantage. The DON will modernize business systems, enhancing our ability to utilize data-driven decision-making to achieve savings and enhance effectiveness, responding to audit results, improving overall efficiency and public trust. Finally, the DON will continue to work closely with allies and partners, operating side-by-side with allied forces, integrating operations to deter those hostile to us.

Chief of Naval Operations (CNO) Strategic Guidance



"For America to retain control of the seas, we must maintain a clear-eyed resolve to compete, deter, and win today while accelerating the development of a more lethal fleet. We must do so while integrating more closely with the Marine Corps and Coast Guard to generate Integrated All-Domain Naval Power." - Admiral Michael Gilday

The Chief of Naval Operations (CNO) strategic priorities outlined in the *CNO Navigation Plan (NAVPLAN) 2021* are focused on the Navy's efforts across four main priorities: Readiness, Capabilities (Modernization), Capacity, and Sailors. The direction in the

NAVPLAN 2021 remains valid and relevant. An update is being prepared to build on this strong foundation.

Readiness touches all elements of our Navy – from our shipyards and aviation depots to the steaming and flying hours our Sailors use to hone their skills. Over the last several years, the Navy has improved its readiness through sustained funding and a relentless focus on reform. We will sustain these gains and increase the speed of our recovery to field a more ready, lethal force.

Delivering emerging capabilities at speed and scale requires every member of our Navy team, including our industry, academic, and research partners, to embrace the urgency of the moment: our maritime supremacy is being challenged. This means developing innovative systems, modernizing legacy ones, and rigorously aligning our acquisition enterprise with operational requirements. It also requires coordinating capabilities with our robust network of allies and partners.

For capacity, sea control and sea denial from beneath the seas is one of our core advantages – we will not yield any ground to our competitors. Unmanned platforms play a vital role in our future fleet. Successfully integrating unmanned platforms—under, on, and above the sea—gives our commanders better options to fight and win in contested spaces.

Our Sailors—active and reserve, and the civilians who enable them—are the true source of our naval power. Controlling the seas and projecting power requires our Sailors to operate seamlessly in all domains and across the competition continuum. We recognize the strength we

gain from a diverse force and actively pursue combat-minded Sailors with varied sets of knowledge, skills, and experiences to operate, sustain, and maintain the fighting power of the Navy. We will accelerate their development and harness their talents to keep America safe and prosperous.

Commandant of the Marine Corps (CMC) Strategic Guidance

"We cannot accept or accede to recommendations for incremental change or better versions of legacy capabilities, but must pursue transformational capabilities that will provide Naval Fleets and Joint Force Commanders with a competitive advantage in the gray zone and during contingency."

- General David H. Berger in United States Marine Corps Force Design 2030



Aligned with emerging joint and naval operating concepts, such as Littoral Operations in a Contested Environment (LOCE), Expeditionary Advanced Base Operations (EABO), Distributed Maritime Operations (DMO), and a Concept for Stand-in Forces, the Marine Corps is aggressively redesigning the force to deter conflict and actively persist as the Nation's Stand-in Force inside an adversary's weapons engagement zone (WEZ). The Fleet Marine Force (FMF) is in the process of transforming into a modernized force with new organic capabilities organized, trained, equipped, and postured to meet the demands of the rapidly evolving future operating environment, and optimized for the challenges of naval expeditionary warfare in the maritime littorals.

As delineated in the *Commandant's Planning Guidance (CPG)* and *Force Design 2030*, the Commandant's Force Design initiatives encompass a comprehensive modernization effort to transform the organization through a threat informed, concept based approach. The future FMF will enable the Navy and Marine Corps to restore the strategic initiative and to define the future of maritime conflict by capitalizing on innovative capabilities to operate persistently inside actively contested spaces as part of a naval expeditionary force. Force Design in FY 2023 maintains focus on three overarching priorities: Equipment Modernization, Talent Management Reform, and Training and Education Reform.



Equipment Modernization: The Marine Corps continues to aggressively adapt, organize, train, and equip to meet the demands of the increasingly competitive future operating environment, developing new capabilities and modernizing equipment in order to deter malign behavior, fight inside peer-threat weapon sensors and weapons engagement zones, and facilitate sea denial and sea control in support of fleet operations and the joint force. Supported by a campaign of

analysis, to include wargaming, modeling and simulation, the Marine Corps has continued to identify and divest of legacy capability and excess capacity that is not best aligned to meet the future threat. The ability to reinvest divested savings into investments in long range precision fires and anti-surface warfare capabilities, networks, sensors, intelligence platforms, air defense, ground combat lethality and science and technology programs will sustain the velocity of modernization efforts, the speed of which has been set by strategic competitors. Through prioritized investments in warfighting capabilities, the Marine Corps will contribute to the joint force by providing naval expeditionary forces actively persisting inside contested spaces, leveraging all-domain tools as the eyes and ears of the fleet and joint force, completing naval and joint kill webs, competing with strategic competitors in the maritime gray zone, and complicating an
adversary's decision calculus while maintaining its role as America's force in readiness, deterring adversaries and responding to crisis globally.

<u>Talent Management Reform:</u> First and foremost, the strength of the Marine Corps is still Marines. To be successful in the competitions and conflicts of the 21st century, the Marine Corps must take full advantage of the talents, strengths, skills and perspectives of every Marine. The Commandant has identified that the Marine Corps' current industrial age manpower management processes and systems require fundamental changes to support Force Design 2030 and the requirements of the future operating



environment. As articulated in Talent Management 2030, the Marine Corps will implement new models for recruiting talent, establish an assignment process consistent with the Marine Corps' warfighting philosophy, introduce new measures to increase career flexibility, and adopt modern digital tools, processes and analytics consistent with industry standards, human resource research and best practices of adjacent services. The Commandant's goal is to develop a talent management system that measures success by an ability to attract, recruit, identify, incentivize, and retain the most talented individuals across the entire force. By recruiting, developing and retaining the right Marines, modern Marine Corps operational concepts will be able to reach their full warfighting potential. This talent management system will enable the Marine Corps to better harness and develop the unique skills and strengths of Marines, improve the performance of units in competition and combat, and ensure the Marine Corps remains 'most ready when the Nation is least ready,' today and into the future.

<u>Training and Education Reform</u>: The complexity and change of the modern battlefield requires a highly trained and educated force. The Marine Corps is changing the Training and Education Continuum from an industrial age model to an information age model. The warfighting impact of all future capabilities is directly tied to the level of commitment made to training and education modernization. The Marine Corps cannot assume it will maintain a technical advantage over strategic competitor military forces. As such, it is even more critical to maintain a competitive edge in decision-making at both the individual Marine and unit level of competence. The goal of this initiative is to adopt an "information age approach" toward training and education that produces better leaders and warfighters. This approach includes focusing on identifying, developing, and sustaining the unique talents of individual Marines, increasing intellectual standards, focusing training and education on critical thinking and practical judgement under pressure, expanding the use of wargaming and force-on-force training, making Live-Virtual-Constructive training a normal part of the training continuum, and incorporating more naval education and training within the existing service-centric architecture.

Security and Operational Environment



China's ascendance as a great military power poses the most serious potential threat to the U.S. and its allies. For the first time since the defeat of the Soviet Union, we have a strategic competitor with naval capabilities and capacities that rival, and in some areas, surpass, our own. Though the People's Liberation Army Navy (PLAN) has only about half the tonnage of the U.S. Navy, it has 355 ships, constituting the largest navy in the world. In addition, the PLAN's overall battle force is expected to grow to 460 ships by 2030. Given

its narrower scope of operations and geographic commitments than our Navy, the PLAN has enough ships to pose a serious challenge to the U.S. Navy. This reality becomes particularly stark when one considers the likely areas of aggression lie close to the Chinese mainland, home to the largest missile force in the world. China is rapidly developing new capabilities. In October last year, the Chinese tested a hypersonic vehicle that partially circumnavigated the globe. They are building next-generation strategic missile submarines, fifth-generation fighter aircraft, and by 2023, China expects to launch its third aircraft carrier.

As China ascends, the DON must remain ready to respond to threats from Russia, North Korea, and Iran, as well as non-state actors such as those in the Middle East, Africa, and South and Central Asia. The Russian Federation continues to modernize its forces and is pushing the technological envelope with its development of hypersonic missiles, tactical nuclear weapons, and modern submarines. Recent events in Eastern Europe highlight Russia's willingness to leverage its military to achieve its objectives. Threats to the security of the U.S., its allies, and the international rules-based order abound with Russia and the PRC headlining the potential aggressors.

Figure 6.1. Security and Operational Environment



Photo Sources: J1 CSIS/AMTI Digital Globe; J2 China Daily; J3 Picture Alliance; J4 Associated Press, J5 Statista/Ministry of National Defense (Taiwan)

China challenges international norms and laws at home and abroad. It has trodden the rights of its neighboring countries by its territorial claims and challenge to freedom of navigation in the South China Sea. The PRC uses every advantage in a coercive, extractive, and dangerously irresponsible manner. Beijing uses economic leverage like predatory lending to force governments from Asia to Africa to South America to cede critical infrastructure and natural resources. It uses diplomatic leverage to exact political retribution against other countries and to expand its sphere of influence. It leverages technology to steal personal information and intellectual property, and subvert the free flow of communication around the world. And finally, it uses military leverage to threaten its neighbors, challenge established norms, and attempt to control international waters as its own. The PRC threatens U.S. interests, undermine alliances and partnerships, and degrades the free and open international order.

The spectrum of potential conflict the U.S. must prepare for is wide. Potential adversaries can attack in multiple domains and geographic locations. The U.S. and its allies currently defend against offensive cyber operations on multiple fronts, to include regular operations from both China and Russia. Even small-scale actors have potential to threaten the U.S. with asymetric attacks. The DON must have the capability to defend the country and our allies in multiple domains to include the sea, air, and the cyber realm; it must be able to do this in cooperation with sister services and allies, and it must be able to succeed in multiple domains simultaneously.



* FY22 and out represent end of fiscal year ship counts from the latest Shipbuilding Plan

Since the time of the Barbary pirates, our Navy and Marine Corps team has protected the seaways that are the lifeblood of U.S. global economic activity. The vast majority of the world's manufactured goods are transported by ocean freight, a substantial amount of the world's internet traffic traverse seafloor communication lines, and a large amount of natural resources reside in ocean environments. With so much depending on safe access to the world's oceans, priority must be given to the sea-going military services. China, in particular has chosen to enhance its ability to project military power into the maritime domain. From more aggressive overflight of Taiwan airspace, to the militarization of reefs and islands in the South China Sea, China grows more aggressive in asserting territorial claims as its military power grows. In the north, Russia has invaded Ukraine while badgering neighboring nations, to solidify its grip on its near abroad while being a global disrupter. Meanwhile, Iran, North Korea, and non-state actors represent potential asymmetric threats to global maritime commerce and transportation. Figure 6.1 displays the extent of the Chinese and Russian presence in the world's oceans.

In light of this global security environment, the Navy and Marine Corps are postured globally to quickly respond to any contingency. Forward deployed sea-based forces shown in Figure 6.2, consist of 53,200 Sailors and 29,200 Marines currently deployed or underway on 114 ships, to

include two carrier strike groups, and two expeditionary strike groups. Additionally, the DON maintains cyber mission teams across the globe conducting cyber operations in support of naval forces. Our joint Navy and Marine Corps role is clear: provide a flexible, forward-deployed, engaged fleet and fleet marine force that keeps the seas open and free, generates credible deterrence at sea, and provides quick response options for U.S. leadership, thus assuring allies and deterring our adversaries.

FY 2023 President's Budget Overview

The FY 2023 President's Budget delivers the resources necessary to build a potent, integrated, forward-maneuverable Navy and Marine Corps capable of defending our Nation, preserving freedom of navigation, deterring aggression, and Figure 6.3 breaks out the winning wars. \$230.8 billion budget by major appropriation group. This budget will enable the DON to strengthen maritime dominance while empowering our people to succeed and strengthening strategic partnerships. This budget represents a \$9.1 billion increase over our FY 2022 enacted President's Budget (including supplementals for disaster relief. Red

Figure 6.3. FY 2023 Total Budget Request by Appropriation Group (\$ in Millions)



Hill, Operation Allies Welcome and Ukraine funding, but excluding prior year rescissions). Our procurement accounts increase by 4 percent, operation & maintenance increases 4.5 percent, military personnel increases 3.6 percent, research and development increases 8.7 percent, and military construction/family housing accounts decrease 10.5 percent, overall providing much needed relief from over a decade of flat budgets, allowing the funds to successfully pursue our strategic objectives for FY 2023.

Strengthening Maritime Dominance in Defense of Our Nation

The FY 2023 President's Budget provides the funding needed to build, train, and equip the world's most powerful naval force in order to defend the Nation, our allies, our values, and our interests. The FY 2023 request expands our forward presence, enhances warfighter readiness, innovates and modernizes our capabilities, and combats climate change.

Procurement

The shipbuilding procurement request is \$27.9 billion in FY 2023 and includes nine battle force ships. The Department continues to invest in modern capabilities while stabilizing the industrial base. Incremental funding for the FY 2021 Columbia class ballistic missile submarine (SSBN) maintains a credible, survivable, and modern sea-based strategic deterrent. Two Block V Virginia class fast attack submarines (SSNs) will ensure we



maintain the SSN force structure needed to deliver the undersea capabilities required to operate effectively in anti-access and area-denial environments. The two Arleigh Burke class destroyers (DDG-51) with the Flight III upgrade are centered on the Advanced Air and Missile Defense Radar system which satisfies the Navy's critical need for an enhanced surface combatant Integrated Air and Missile Defense capability. With the one guided missile frigate (FFG), the Navy will maximize

the small surface combatant capabilities in the anti-surface warfare, anti-submarine warfare, electromagnetic maneuver warfare, and anti-air warfare mission areas, while keeping the ship affordable and as part of a 'high-low' mix of surface ships. The budget supports the amphibious and logistics platforms with the request of one San Antonio class amphibious transport dock (LPD 17 Flight II) and one America class amphibious assault ship (LHA 6) to support the embarkation, deployment, and landing of a marine landing force and supporting forces. The request also includes one Navy fleet replenishment oiler, T-AO 205, to provide fuel for ships and their embarked aircraft at sea. Lastly, one T-ATS towing salvage and rescue ship is requested to operate as the primary open ocean towing for all U.S. vessels, and will have salvage operations and submarine rescue mission support capabilities.



The aircraft procurement request is \$16.8 billion in FY 2023 and includes 96 fixed-wing, rotary-wing, and unmanned aircraft to build a modernized and tactically diverse fleet. Robust, technologically superior naval airpower has long been and will continue to be a critical deterrent to aggression against the U.S. and its allies and partners. This budget funds 48 fixed-wing aircraft to include 15 F-35B and 13 F-35C Lightning IIs with a multi-role to form the backbone of air combat superiority; five

E-2D Advanced Hawkeyes designed to extend task force defense perimeters; new start for ten Multi-Engine Advanced Training Systems to replace the aging T-44C fleet and modernize multiengine aircraft training; and five KC-130J Super Tankers for cargo, tanker, and troop carrier operations. The request also funds 36 rotary-wing aircraft to include ten CH-53K King Stallions as the Marine Corps' only heavy-lift helicopter and 26 TH-73A Advanced Helicopter Training

Systems to provide the capability to train advanced rotarywing and intermediate tilt-rotor students. Unmanned aircraft system (UAS) investments include three MQ-4C Tritons to provide persistent maritime ISR of nearly all of the world's high density sea-lanes, littorals, and areas of national interest; four MQ-25 Stingrays to provide an unmanned capability to embark on aircraft carriers; and five MQ-9A Marine Corps' Medium-Altitude Long Endurance (MALE-T) UAS's. The account also decreases in FY 2023 due to end-of-purchase for V-22 Osprey.



The FY 2023 President's Budget provides \$4.7 billion for the Weapons Procurement, Navy appropriation. This provides for continued modernization of our weapons inventory with critical capabilities to enhance warfighter readiness. FY 2023 ship weapons procurement includes: 53

Block V Tactical Tomahawks to provide an attack capability against fixed and mobile targets; Tomahawk mod 300 recertification kits, 27 navigation/ communications kits, and 82 maritime strike kits; 125 Standard Missile-6s; 100 Rolling Airframe Missiles; 136 Evolved Sea Sparrow Missiles; 28 MK 48 Advanced Capability heavyweight torpedoes; 82 MK-54 anti-submarine torpedoes; 154 Naval Strike Missiles; and 30 Littoral Combat Ship Surface-to-Surface Missile Modules. Aircraft weapons procurement includes: 128 AIM-9X/Sidewinders, 337 Advanced Medium Range Air-to-Air Missiles; 69 Advanced Anti-Radiation Guided Munitions-Extended Range; 293 Joint Air-to-Ground Missiles; 61 Miniature Air Launched



Decoys; 60 Long-Range Anti-Ship Missiles; 31 Joint Air-to-Surface Standoff Missiles Extended Range; 110 Hellfire Captive Air Training Missiles; and 481 Small Diameter Bombs Increment II.

The FY 2023 budget reflects the Marine Corps' investment in modernization and innovation in support of *Force Design 2030*. Force Design investments enable the Marine Corps to be a more collaborative and equipped naval expeditionary force in readiness, prepared to operate inside actively contested maritime spaces in support of fleet operations. The FY 2023 Procurement, Marine Corps budget is \$3.7 billion. Major procurements include: 413 Joint Light Tactical Vehicles to perform multiple mission roles that provide protected,



sustained, networked mobility for personnel and payloads across the full range of military operations; 74 Amphibious Combat Vehicles as the next-generation vehicle designed to move Marines from ship to shore; 115 Naval Strike Missiles with the Ground Based Anti-Ship Missile capability for a ground based anti-access/area-denial, anti-ship capability; twelve Marine Air Defense Integrated Systems for ground based air defense capability; and Marine Air-Ground Task Force Electronic Warfare Family of Systems.

Research and Development

This budget request of \$24.1 billion for the Research, Development, Test and Evaluation, Navy (RDTE, N) appropriation places a heavy emphasis on development of future capabilities, targeting key emerging technologies, and making the right investments which will lead to enduring advantages for the future fleet. The Science and Technology efforts are focused on maintaining technological superiority, avoiding technological surprise, fostering knowledge expansion, and spurring innovative



technological breakthroughs to ensure our Sailors and Marines have the decisive technological advantage. The request recapitalizes the survivable leg of the nuclear triad with funding for Take Charge and Move-Out (TACAMO) recapitalization, Columbia class ballistic missile submarine as the country's sea-based nuclear deterrent, Trident D5 Life Extension, and nuclear command Research and Development (R&D) ship efforts include control and communications. development of the SSN(X) future attack submarine which will be designed for multi-mission capability and have greater transit speed under increased stealth conditions in all ocean environments while carrying a larger inventory of weapons and diverse payloads, as well as the Next-Generation Large Surface Combatant (DDG(X)) which will feature increased missile capacity, sensor growth, long range offensive anti-surface capability, high power lasers, increased survivability, and an Integrated Power System. R&D aircraft efforts include furthering F-35 Joint Strike Fighter capabilities as a multi-role, 5th generation, stealthy strike fighter, as well as advancing the USMC CH-53E program, as a next-generation fly-by-wire heavy-lift helicopter providing significant improvements in range, payload, performance, and maintainability over current systems. The budget also continues development of unmanned vehicles such as MQ-4 Triton, large and extra-large unmanned undersea vehicles, and MQ-9A. In the area of weapons development, we are providing for longer range, and hypersonic weapons to include investments in the Conventional Prompt Strike program and our Standard Missile family of missiles. The budget request continues investment in key Marine Corps development programs such as funding Initial Operational Test and Evaluation for the Navy/Marine Expeditionary Ship Interdiction System which is a Force Design priority central to the Marine Corps' contribution to the naval expeditionary

force's anti-surface warfare campaign. The budget also funds the Ground Based Air Defense, an umbrella program which includes multiple Force Design priority programs including the Marine Air Defense Integrated System Family of Systems and the Medium Range Intercept Capability. The FY 2023 President's Budget also continues development and testing of the Amphibious Combat Vehicle and funds prototyping efforts for the Advanced Reconnaissance Vehicle, the replacement for the Light Armored Vehicle (LAV).

Readiness

The Navy and Marine Corps Team must be ready to generate and bring to bear integrated, alldomain naval power against evolving threats to secure and protect our homeland, allies, and economic interests. To reduce the time our platforms are offline for maintenance and repairs, this budget invests in sustainment, critical readiness infrastructure, and the industrial workforce, while adopting the best practices of private industry to increase overall efficiency and reduce preventable mishaps.

This budget request supports requirements for our carrier strike groups (CSGs), amphibious ready groups (ARGs), and Navy and Marine aviation units to train and respond to persistent and emerging threats. The FY 2023 budget request funds public and private depots, global ship, air, amphibious, and cyber operations, and prioritizes critical shore investments to increase fleet readiness and ensure maritime dominance. The FY 2023 budget improves upon FY 2022 funding to sustain current readiness in key accounts including ship maintenance, ship operations, flying hours, and aviation depot maintenance.

This budget funds ship maintenance at \$11.3 billion (98 percent of the requirement) at the Navy's four public shipyards, regional maintenance centers, intermediate maintenance facilities, and private shipyards. In addition to continued support for ongoing maintenance availabilities, the FY 2023 budget funds various ship maintenance improvements and continues to expand the use of the Other Procurement Navy appropriation for private contracted maintenance. Ship operations is the Navy's core capability and the foundation of maritime



dominance. The budget provides \$6.5 billion (96 percent of the requirement) to support ship operations for a battle force of 285 ships at the end of FY 2023. This level of operational funding supports 11 aircraft carriers and 9 large deck amphibious ships that serve as the foundation upon which our strike groups and amphibious readiness groups are based. Ship operations funding supports a target deployment length of seven months, allowing for 58 days underway while deployed and 24 days underway while non-deployed per quarter to conduct training.

The FY 2023 budget continues to prioritize the Marine Corps' commitment to remain the Nation's naval expeditionary force in readiness, capable of responding to any crisis at any time. With continued focus on *Force Design 2030*, the request reflects the Commandant's guidance to organize, train, equip, and posture to meet the demands of the rapidly evolving and increasingly competitive future operating environment. To achieve objectives within fiscal constraints, the Marine Corps continues divestment of legacy capabilities and excess capacity and reallocates savings for initiatives that support readiness and modernize the force. This budget provides \$0.2 billion for Marine Corps ground equipment, supporting material readiness of the Fleet Marine Force and funding 80 percent of the depot maintenance requirement. The Marine Corps readiness accounts are funded to \$4.0 billion, building a more lethal force through innovation, training, and modernization.

The Flying Hour Program is funded to \$10.1 billion, improving naval aviation's ability to meet operational availability demands. The FY 2023 budget increases flying hours over the FY 2022 President's Budget levels to support greater operational availability, additional F-35s entering in the fleet, and the ongoing strike fighter pilot production recovery, and meets 91 percent of the executable requirement. Continued investments will support strike fighter pilot production recovery. Aircraft depot



maintenance and logistics funding of \$1.7 billion (87 percent of the requirement) provides for improvement in high-end readiness, funding repairs, overhauls, and inspections of aircraft and aircraft components to ensure sufficient quantities are available to meet fleet requirements to decisively win combat operations.

The FY 2023 budget prioritizes critical shore investments, creating enduring advantages that increase fleet readiness. Facilities Sustainment, Restoration, and Modernization (FSRM) funding for the Navy is \$3.5 billion, while the USMC FSRM funding is \$1.3 billion. The lower FSRM funding amount for the Marine Corps is due to a new Facilities Investment Strategy to shift the focus from sustainment to repair and modernization of critical infrastructure coupled with demolition of failing facilities in order to improve the overall portfolio. The FY 2023 budget also includes funding to address impacts to facilities and installations caused by climate change and to reflect the major effort to modernize naval shipyards under the Shipyard Infrastructure



Military Construction

Optimization Program (SIOP) with an investment of \$1.7 billion. Base Operating Support (BOS) funding for the Navy is \$5.5 billion and the USMC BOS is \$2.7 billion to prioritize taking care of our people through emphasis on childcare and youth programs; ensuring the fifteen dollar minimum wage for federal employees and contractors; morale, welfare and recreation programs; sexual assault prevention; as well as funding traditional requirements like utilities, security, transportation, and port and airfield operations.

The mission of the Department could not be achieved without high quality facilities that support our Sailors and Marines. Further, our ability to rapidly deploy around the globe is directly connected to an effective home and forward-postured shore infrastructure. The DON will enhance the readiness of our warriors through targeted investments in facilities on naval installations, particularly those in support of our increasing responsibilities in the Indo-Pacific region. Through affordable investments in facilities and infrastructure, the FY 2023 President's Budget helps expand our forward presence and maintain maritime dominance. The FY 2023 budget request of \$3.9 billion supports the Department's critical goals, financing 28 military construction baseline projects. Of these, 15 are for the active Navy and 13 for the active Marine Corps. The key facilities investments within the FY 2023 request include the Guam Defense Policy Review Initiative, the Shipyard Infrastructure Optimization Plan, as well all other investments in new platforms, new technology, and the replacement of aging infrastructure.

Empowering Our People

People provide the foundational strength for the DON. This budget empowers our people, works toward elimination of harmful behaviors, cultivates teamwork, prioritizes education, and takes care of our people and their families. The FY 2023 President's Budget recognizes naval education as a critical warfighting enabler and an enduring advantage, providing the minds of naval leaders with the capability to attain strategic advantage over competitors and global adversaries. To enhance the quality of life for individuals and families, the Department will provide excellent support programs, ensuring Sailor, Marine, and family readiness. In the FY 2023 budget request, the DON continues its commitment to education, sexual assault prevention and response (SAPR), child and youth programs, and morale, welfare, and recreation programs.



Maritime dominance is founded on the quality of our people. The budget funds recruitment and retention programs, aligns manpower to force structure to meet mission objectives, and focuses on a culture of excellence to promote innovation, leadership, diversity, and inclusion. This budget takes care of our people, providing a 4.6 percent pay raise to uniformed and civilian personnel.

For the Navy, the FY 2023 request provides \$38.6 billion for a force of 346,300 and active Sailors and \$2.6 billion for almost 57,700 Selected Reservists and full-time support personnel. The active Navy end strength request is 100 more than the FY 2022 President's Budget, aligning with force structure requirements and maintaining a force necessary to meet mission objectives. The FY 2023 request includes strength changes for the decommissioning of ships. These reductions are offset by the retention of medical personnel. In FY 2023, the Navy Reserve will decrease by 900 end strength. This accounts for reductions in personnel tied to force structure changes and shifts reserve strategic depth from some shore and installation support activities toward fleet operations and operational units focused on great power competition.

For the Marine Corps, the FY 2023 budget request provides \$16.4 billion for an active duty end strength of 177,000 Marines and \$933 million for 33,000 reservists. The Marine Corps continues to reduce active duty end strength as part of a larger effort to modernize the Marine Corps with the intent of investing in modernization. This end strength represents a reduction of 1,500 from the FY 2022 President's Budget. However, the end strength levels emphasize forward posture and enhanced multilateral exercises to strengthen alliances and attract new partners. These efforts will help ensure the Marine Corps is prepared to operate inside actively contested maritime spaces in support of fleet and joint force operations. The Marine Corps Reserve maintains a "Relevant-Ready-Responsive" force capable of seamlessly operating as a part of the total force to fulfill combatant command (COCOM) and service rotational and emergent requirements. The reserves support each COCOM by providing forces capable of regional security cooperation, crisis response and prevention activities, and major combat operations.

The FY 2023 budget requests funding for 225,992 civilians, including foreign national indirect hires, an increase of less than one percent from the FY 2022 President's Budget. The DON civilian workforce includes a wide range of specialties, including scientists, engineers, and cyber experts. They complement our Sailors and Marines, serving in a variety of capacities to include designing, acquiring, and maintaining the weapons and equipment that enable generation of all-domain naval power that is critical to maritime dominance. This budget includes growth in the ship maintenance workforce to meet scheduled maintenance, reduce backlogs, and increase maintenance availabilities through the FYDP. Additional personnel for the Sexual Assault Prevention and Response Office (SAPRO) will provide support services for at-risk populations to

reduce incidents of destructive behavior. The DON continues to protect our Sailors and Marines with increased security at our bases and facilities, including experts to assess the physical security and incident response at our installations.

For family housing, the budget request of \$705.5 million invests in three construction projects in Guam, one improvement project in Japan, and maintains 8,800 government owned units.

Strengthening Strategic Partnerships

Throughout our history, the United States Navy and Marine Corps Team have been joined by our allies and partners in the effort to keep the world's seas open and free. Together, we have helped sustain a maritime order based on international law that has benefitted the whole of humankind. Today, after more than three quarters of a century of relative maritime stability, that order is in jeopardy. The People's Liberation Army Navy (PLAN) of China has radically expanded both its size and



capabilities, growing to become the world's largest fleet. Russia, Iran, and other authoritarian states use aggression and coercion to challenge the rules-based international order. The Department of the Navy will be expected to contribute our unique warfighting potential to compete in the gray zone, deter further aggression, and prepare to prevail in conflict as part of an integrated warfighting approach with our fellow Services. The FY 2023 request strengthens strategic partnerships, building trust, modernizing business systems, and strengthening alliances and partnerships.

As shown in Figure 6.4, the Navy and Marine Corps are engaged in joint, integrated operations around the globe, deterring aggression from competitors and assuring our allies by projecting power through our forward presence.



Figure 6.4. Secure Maritime Advantage with Allies and Partners

Reform

The DON continues its pursuit of meaningful reform to gain budget efficiencies in order to overcome budget shortfalls and maximize its ability to implement strategic objectives. As in past years, the Navy and Marine Corps through program reviews, and the DON through budget reviews, have rigorously reviewed budget submissions scrutinizing alignment to strategic objectives and pursuing efforts to gain more efficiency and cost effectiveness in management and operations. Through these processes, leaders have made difficult decisions, weighing the risk of retiring or scaling back certain capabilities against the need to develop or expand other capabilities. Identified resources are categorized by: business process improvements (BPI), business system improvements (BSI), divestment of legacy systems and programs/re-prioritization initiatives (DIV), policy reform (POL), and weapons systems acquisition process (WSA). The DON saved \$2.9 billion in FY 2023 through reform initiatives which were reinvested within the department.

Audit

The Department of the Navy (DON) must produce annual financial statements that are audited and demonstrate progress toward a clean audit opinion. Without a DON clean audit opinion, the Department of Defense, and the U.S. Government, cannot achieve a clean audit opinion on the financial statements. The DON developed an Audit Roadmap to strategically identify remediation priorities, dependencies with other DoD Entities and industry, legacy systems for consolidation, and other financial management transformation efforts as the critical path to an audit opinion by FY 2028. The roadmap gives leadership visibility into audit remediation efforts to measure progress and assess the impact of delays to the timeline. The Marine Corps is undergoing a two-year continuous audit for FY 2022 and FY 2023. This two-year audit will provide additional time for necessary year-end testing of both balances and internal controls to support an audit opinion. The DON is committed to promoting a business culture in which all stakeholders understand their roles in obtaining an opinion, from senior leaders, business managers, and operators who directly support the warfighter.

Conclusion

The DON FY 2023 President's Budget implements the strategic guidance in order to strengthen maritime superiority by strengthening integrated deterrence and campaigning to achieve strategic objectives today while building enduring advantages for the future fleet. It transforms the future force, makes the right technological investments, creates climate resiliency, and empowers our people to succeed. This budget funds readiness for the fight today and invests in the future Navy and Marine Corps needed to protect our national interests and assure our allies against future strategic competitors.

DEPARTMENT OF THE AIR FORCE

Discretionary Budget Authority in Thousands Department of the Air Force	FY 2022 Enacted*	FY 2023 Request	Δ FY22 – FY23
Military Personnel	38,617,369	40,364,763	+1,747,394
Operation and Maintenance	69,020,777	72,027,257	+3,006,480
Procurement	27,110,920	29,319,056	+2,208,136
RDT&E	41,672,029	49,195,667	+7,523,638
Military Construction	3,492,485	2,368,273	-1,124,212
Family Housing	441,161	588,010	+146,849
Revolving and Management Funds	486,453	80,448	-406,005
Pass-Through	41,437,416	40,172,768	-1,264,648
Total Department of the Air Force	222,278,610	234,116,242	+11,837,632

Numbers may not add due to rounding

* FY 2022 enacted amounts include prior year rescissions and supplemental funding for Operation Allies Welcome, Disaster Relief, Red Hill, and Ukraine.

Introduction

The Department of the Air Force's (DAF) Fiscal Year 2023 budget request of \$234.1 billion, includes \$40.2 billion in pass-through funding, with \$194.0 billion to invest in platforms and programs that integrate deterrence, advance campaigning with our Allies and partners, and build enduring advantages for our Nation. This budget request balances short-term risk of legacy platform replacement with modern, more-lethal capabilities required for success in tomorrow's high-end fight. Systems and platforms within the Department of the Air Force directly support these initiatives through the Air Force Core Missions and the Space Force's main efforts.

The charts below display the budget by Service (Air Force and Space Force), appropriation, and total force component (Active Duty Air Force, Space Force, Air Force Reserve (AFR), and Air National Guard (ANG)).



Program (Quantities)	FY22 Enacted	FY23 PB
Aircraft		
F-35A Lightning II	48	33
KC-46A Pegasus	14	15
F-15EX	12	24
HH-60W	14	10
MH-139	8	5
Munitions		
Joint Direct Attack Munition (JDAM)	1,180	4,200
Small Diameter Bomb - II	976	761
AGM-158 JASSM-ER	525	550
Small Diameter Bomb - I	748	356
AIM-120D AMRAAM	168	271
AIM-9X Sidewinder	230	255
LRASM	0	28
National Security Space Launch	5	3
Space Dev. Agency Launch	0	3
GPS III Follow-On	3	2

The FY 2023 DAF budget request of \$234.1 billion, including the \$40.2 billion in pass-through, is a 4.6 percent or \$10.4 billion increase from the FY 2022 enacted budget (excluding prior year rescissions). This budget invests in our Airmen and Guardians, resources the Air Force core functions, and enables the Space Force's main efforts in support of the National Security Strategy and National Defense Strategy.

Specific dollar amounts and details are listed in the following sections. The chart to the left provides procurement quantities for our major aircraft, space, and munition programs.

Department of the Air Force

The Department of the Air Force (DAF) has the responsibility and possesses the unique competencies

to achieve the National Defense Strategy (NDS) priorities of defending our homeland, deterring strategic attacks, deterring aggression while being prepared to prevail in conflict when necessary, and building a resilient defense ecosystem and joint force. The Department of Defense (DoD) will advance these priorities through the avenues of integrated deterrence, campaigning, and building enduring advantages. We guided our budget request around this framework. Additionally, the DAF 7 operational imperatives outlined below further support our role in advancing the DoD priorities.

Integrated Deterrence, Campaigning, & Building Enduring Advantages

In line with the Department of Defense, we will advance the NDS priorities through integrated deterrence, campaigning, and building enduring advantages. Airmen and Guardians understand that superiority in the air and space domains must be aggressively gained and ferociously protected. We also understand future conflicts will occur as a battle between operational capabilities, not individual platforms.

The DAF continues heavily investing in integrated deterrence through nuclear enterprise modernization, Next Generation Air Dominance, and resilient missile warning and missile tracking systems. Owning two-thirds of the nuclear triad, our Department possesses the unprecedented ability to deliver global strike at a moment's notice around the globe. To continue to achieve this objective, the Department is recapitalizing the land-based leg of the nuclear triad by developing the Ground Based Strategic Deterrent (GBSD) as the backstop to our Nation's integrated deterrence and provide the bedrock for a stable international order.

Campaigning is the dynamic day-to-day interaction with competitors to reinforce integrated deterrence and achieve other NDS objectives while limiting, frustrating, and disrupting competitor activities that negatively affect U.S. interests. The Air Force prioritizes funding to maintain and grow the readiness of our forces, including weapons system sustainment, munitions and flying hour programs. The Space Force is leveraging partnerships with industry to drive innovation and increase National Security Space Launch capabilities while investing in the critical Space Test and Evaluation enterprise to design tactics through advanced training and develop and maintain a credible force able to protect sensitive capabilities.

In this evolving era of strategic competition, we must build enduring advantages in the air and space domains. Building Enduring Advantages is how the defense enterprise will undertake a series of urgently needed reforms to bolster the defense ecosystem and ensure enduring Joint Force advantages. For the DAF, our Total Force is the foundation of our advantage, so we are

investing in new Professional Military Education efforts to better grow the future force, but also remain committed to programs supporting a positive and safe work environment, including Diversity and Inclusion and Sexual Assault Prevention and Response. The DAF also recognizes the need for resilient infrastructure and continues to innovate and modernize our installations to maintain readiness in the wake of climate change and other critical global issues. Lastly, our Department is paving the way for the DoD in digital transformation, particularly in the Space domain, investing in ways to innovate and deliver capabilities and effects to joint operations and the warfighter.

Operational Imperatives

The DAF has evaluated the threat landscape and derived seven priority operational imperatives. Driving outcomes from these will make us a more lethal force better equipped to meet the threats we face. These imperatives support the Department of Defense's priorities, create efficiencies through improved alignment, directly tie to budgetary requests, and provide a focused set of goals we must pursue to maintain our ownership of the high ground.

First, the Department of the Air Force must establish a resilient space capacity by integrating military, ally, and partner, interagency and commercial capabilities. While combat capabilities provided and enabled by space have proven integral to the joint force over the last three decades, we still lack an appropriate definition regarding battle order and architecture. Space is a contested environment, and we need a more resilient architecture that includes capitalizing on commercial applications. This initiative also aligns the Air Force and Space Force with the Secretariat's optimal execution of National Defense.

Second, we must achieve operationally-optimized Advanced Battle Management System (ABMS), the Air Force's contribution to Joint All-Domain Command & Control (JADC2). These two interconnected systems will provide better situational and data awareness for effective battle management in the dynamic and contested battlespace of the future. The disorienting realities of military execution can cause missed targets of opportunity, friendly fire incidents, and unacceptable collateral damage. ABMS and JADC2 look to increase decision speed, targeting accuracy, and lethality while lowering friendly fire and civilian casualties. This budget resources ABMS at \$231 million.

Third, the Next Generation Air Dominance (NGAD) family of systems must be defined to design, build, and operationalize this essential capability. NGAD is funded at \$1.7 billion. The Cold War approach of a single fighter is neither conducive to modern engagements nor capable of meeting the warfighters' needs in the future. NGAD must be able to link current and future capabilities like Airborne Moving Target Indication, command and control, sensors, weapons, advanced collaborative weapons systems, and those capabilities not even yet under development. Together, this family of systems will ensure seamless support to the joint force commanders as they accomplish their mission.

Fourth, achieving moving target engagements at scale in a challenging operational environment will prove critical to future engagements. The Department of the Air Force can destroy moving targets across multiple domains. However, striking a single, moving target will be insufficient in near-peer competition. Instead, the ability to hold at risk larger numbers of targets is required.

Fifth, we must define what optimized, resilient basing, sustainment, and communications look like in a contested environment. The last two decades of conflict saw our airfields operating with comparably little interruption or threat. This reality of the past should not be our expectation in a future high-end fight. Ensuring our bases and airfields are resilient, sustainable, and able to both send and receive communications will prove pivotal to ensuring sortie generation and mission execution. Sixth, the family of systems supporting the B-21 long-range strike capabilities must be defined. The B-21 Raider will be the most capable bomber the world has ever seen. Similar to NGAD, the B-21 will operate as a part of the family of systems. The DAF is funding the B-21 at \$5.2 billion. Single platforms, even high-end ones, require a complete family of systems in future engagements. We must continue defining what this capability looks like and work diligently to get this capability into the hands of our warfighters as quickly as possible.

Lastly, the Department of the Air Force must be ready to transition to a wartime posture against a peer competitor. To do so, we require better metrics and preparation to ensure a coordinated, optimized response. Platform placement, weapon and supplies prepositioning, logistical and communication agility, and operational planning represent just a few of the considerations we must make to be prepared for war. While we remain ready when called upon at all times, preparation now will shorten the transition time to a wartime posture, if required in the future.

Investing in Airmen and Guardians

"One Team, One Fight" has been more than a mantra for the Department of the Air Force over the last nine months—it has been our guiding principle. We are two distinct Services united under one Department with shared locations, skills, resources, and competencies. Our capabilities affect all members of the joint force, every geographic and functional combatant command, each of our allies and partners, and every single American.

At the same time, the Department of the Air Force must continue to maximize opportunities for all members to serve to their fullest potential. We remain committed to eradicating sexual assault and harassment from within our ranks. This budget provides \$154.3 million for enterprise wide Sexual Assault & Integrated



Violence Prevention and Response programs. Supporting victims and prosecuting offenders through the Uniform Code of Military Justice remains a priority. We must also continue to confront racial disparity, interpersonal violence, and suicide which degrade our ability to execute our mission. Diversity and Inclusion programs total \$16.1 million in the FY 2023 request. Dedicated, talented, and selfless Airmen and Guardians enable our success and must be valued and supported.

Included in the \$588 million request for Air Force Family Housing Construction and Operation & Maintenance is \$233 million to support planning for future projects, facilitate the financial restructure of three Military Housing Privatization Initiative (MHPI) projects, and provide construction funding for a new home for the Chief Master Sergeant of the Space Force.

United States Air Force

Air Superiority

The F-35 Joint Strike Fighter remains the cornerstone of the United States' future fighter force. Full-spectrum dominance is requisite in future fights, and the F-35's 5th-generation capabilities outpace key competitors. As our fleet continues to grow, the deliberate process of fielding and sustaining these aircraft ensures we can meet the demands of the Nation and our allies and partners in deterring and if necessary, defeating adversaries globally. This budget procures 33 F-35 Aircraft.

Given the expectation that our ability to achieve air superiority in future conflicts will be challenged by our adversaries, we remain committed to fielding and employing the world's most lethal and



capable fighter force. NGAD ensures the Air Force maintains air superiority in the future by focusing on mitigating capability gaps, not creating a single-role, or single-use platform. NGAD provides survivable, persistent, and lethal options through a mix of manned, unmanned, and optionally-manned aircraft armed with long-range and advanced stand-off weapons.

Global Strike

America's ability to hold any target at risk anywhere in the world is essential to our national power. Our strategic competitors are challenging our ability to sense, see, and strike any target. Maintaining our strategic and conventional competitive advantage requires modernization of our ICBMs, bombers, and weapons. Our ability to strike must also remain precise with the ability to deliver effects through stand-off capabilities and penetrating platforms.



This budget funds the Sentinel/GBSD program at \$4.1 billion. The GBSD has officially been designated the LGM-35A Sentinel. Sentinel is critical to modernizing the ground-based leg of the nuclear triad. Its on-time delivery is critical as our pacing challenge is investing heavily in nuclear weapons modernization. For example, China recently built more than 100 new intercontinental ballistic missile silos in its

western desert, while Russia's nuclear modernization efforts are more than 80 percent complete and placed on high alert recently. We've delayed nuclear recapitalization for too long, and investment in the Sentinel comprehensive weapon replacement is an absolute necessity.

Our nuclear-capable bomber force represents the second leg of the Nation's nuclear triad, and the B-21 Raider represents the future of that force. The employment flexibility afforded by this leg of our nuclear triad underscores a unique national security capability that only the Air Force can deliver. As a nuclear and conventional bomber, the B-21's range, payload, and ability to penetrate even the most highly-contested threat environments allow it to hold a target at risk anytime, anywhere. To secure a conventional and nuclear-capable bomber, funding for the B-21 Raider is \$5.2 billion in FY 2023.

Hypersonic weapons are no longer theoretical capabilities, as our strategic competitors have demonstrated over the last year. The Air Force must continue to invest in hypersonic and other long-range weapons development, testing, and fielding to bolster our own capability and negate

adversary advantages. The Air Force Air-Launched Rapid Response Weapon (ARRW) must maintain funds to remain on track to be the Nation's first operational hypersonic weapon. Additionally, the Long-Range Standoff Weapon (LRSO) and Joint Air-to-Surface Standoff Missile-Extreme Range (JASSM-ER) must continue development and production to provide nuclear and conventional long range strike options.

Rapid Global Mobility



The United States' ability to expeditiously project and sustain combat power through the air domain is provided only by our Air Force. Rapid global mobility provides the Nation an unparalleled asymmetrical advantage as Airmen combine speed, flexibility, and range across incredibly short timelines through permissive and contested environments. The FY 2023 budget includes \$13 billion for this core function, allowing us to expeditiously project and sustain combat power in the air domain through effective positioning of

personnel, fuel, and supplies.

Global power projection requires air refueling capability to extend range and ensure over watch and persistent air superiority. In order to maintain our air refueling edge, the Air Force must continue to field KC-46 aircraft. The KC-46 aircrews operate the world's most capable refueling platform, significantly increasing the range, flexibility, and capability of our Air Force while lowering risk to force in a near-peer conflict. Legacy platforms, like the KC-10, must be allowed to fully retire to build up the KC-46 fleet and ensure continued access to this critical capability. This budget procures 15 KC-46.

Air Force tactical and strategic airlift underpin our rapid global mobility capability. The Air Force continues to fine-tune its fleet of tactical and strategic airlift capabilities respectively provided by specific C-130 configurations and the C-17. The joint force demands continue to increase, and as the only service capable of delivery, we must continue to invest in critical capability. The Air Force's resilience and ability to adopt technical advances in airlift will enable our success in any future conflict.

Command and Control



Command and control (C2) remains pivotal to our ability to swiftly and decisively employ combat airpower, and this request includes \$6.9 billion for this core function. Our ability to eliminate targets faster than our adversaries is pivotal to the C2 advantage we currently hold. Current C2 architecture is based on old, analog designs vulnerable to failure or attack. We must field systems and architectures that enable warfighters the ability to gather, interpret, and share data and information faster than our adversaries across the joint force in

real-time.

In FY 2023, this budget funds \$231 million towards the Advanced Battle Management System (ABMS). ABMS is a family of systems that provide unprecedented sensing, processing, and data

integration across multiple domains. This enables faster decision-making and execution than adversaries, providing a decision advantage in warfare. The continued investment in this capability remains critical.

Detecting, tracking, monitoring, deciding, and striking moving targets is a requirement in modern warfare. The Air Force's legacy Airborne and Ground Moving Target Indicator (AMTI/GMTI) capabilities are neither effective nor survivable in contested environments. In order to achieve desired effects on moving targets, advanced capabilities must be researched, invested in, and fielded. AMTI/GMTI will provide critical data to ABMS to maximize information sharing at operationally-required speeds across all domains.

Furthermore, our Nuclear Command, Control, and Communication (NC3) program is funded at \$919 million. The Air Force provides three-fourths of the Nation's nuclear command, control, and communications (NC3) systems. These NC3 systems have ensured relative stability and peace in the world for more than six decades, but require updates in order to stay viable. NC3 is pivotal to ensuring continuous C2 of our nuclear forces, without which, the effectiveness of our strategic deterrence is in question.

Intelligence, Surveillance, and Reconnaissance (ISR)

Intelligence, Surveillance, and Reconnaissance (ISR) underlies all military action. ISR analyzes, informs, and provides commanders with the knowledge needed to achieve and maintain decision advantage. We must replace ISR capabilities by modernizing platforms, sensors, and cyber protection, including the ability to tie all the data together into a meshed network. The Global Integrated ISR portfolio is funded at \$8.3 billion in FY 2023.

The Air Force must accelerate the development of Autonomous Collaborative Platforms to leverage Artificial Intelligence (AI) and increase lethality in highly-contested environments. Human-machine teaming enables Airmen to process massive amounts of data and arrive at targeting decisions more rapidly. Al is funded at \$266 million in FY 2023.

Future ISR capabilities must focus on being persistent, survivable, and connected to provide joint force commanders the knowledge needed for decision advantage. A comprehensive investment strategy is necessary, one that synchronizes the replacement of legacy platforms, intelligently upgrades existing platforms, and introduces the nextgeneration family of systems. This robust, multilayered network of people, platforms, sensors, and devices must supply accurate, predictive, timely, and holistic depiction of the operational environment.



United States Space Force

Delivering a More Capable, Resilient Space Architecture

The Space Force is utilizing a cost conscious, threat-informed, data-driven force design process to create a more robust space architecture that advances joint force capabilities. The Space Warfighting Analysis Center (SWAC) leads this work within the Space Force through integrated analysis incorporating stakeholders across the Department of Defense, the Intelligence Community and our Allies and Partners. In FY 2023, the SWAC is funded at \$58 million.

The SWAC's first application of the revamped force design approach was utilized for the missile warning and missile tracking missions. Unlike prior analysis assuming a permissive space

domain optimized for technical performance and cost, SWAC's analysis assumes a contested environment. The resulting force design requires a larger constellation with distributed systems in multiple orbits to provide resilience and enhanced capability. This new resilient Missile Warning/Missile Tracking (MW/MT) architecture initiates the Space Force's pivot to a series of resilient architectures that adapt more survivable, capable, and modern.



Effective design of new capabilities depends on dedicated intelligence support to operations and acquisitions. The National Space Intelligence Center (NSIC) serves as the nexus of intelligence activity, assessing the capabilities and intent of competitors in the space domain. The Space Force leverages the NSIC to coordinate with the Intelligence Community in order to inform senior leaders, policymakers, acquisition community, and warfighters in order to optimize force design, development and operations.

Modernized to Defend American Interests in Space

The fast-growing array of threats that can attack American interests in, through, and from space pose a challenge to legacy space systems designed for an uncontested domain. To ensure advantage in a contested domain we must modernize. We will sustain critical capabilities in mission areas that our Nation depends on for deterrence and joint force advantage until our modernization program delivers new systems needed for the future.

Space domain awareness (SDA) is essential for identification and attribution, enhancing all military operations by detecting, tracking, maintaining custody of, and communicating the orbits of friendly, commercial, and competitor satellites. The Space Force is evolving its space domain awareness in all orbital regimes and supports a U.S. civil agency taking on the United States commercial Space Traffic Management mission. The FY 2023 budget request funds \$1.8 billion for SDA.

The unprecedented success record and accuracy of the U.S. Space Force's National Security Space Launch (NSSL) program, using its proven government mission assurance process, is one of the key factors in maintaining Assured Access to Space for our Nation's assets. The very successful NSSL Phase 2 competition achieved commercial-like prices for commercial-like orbits and reduced launch costs over 50 percent for more challenging National Security Space orbits. This effort is funded at \$1.2 billion in FY 2023.

This year's budget request highlights specific modernization efforts to improve resiliency through improvements to three elements of GPS. First, the continued production of the GPS III and GPS IIIF satellites, which provides increased anti-jamming performance and a redesigned Nuclear Detonation detection system. Second, the upgrades to military user equipment, which provide more secure and accurate data in GPS degraded environments. Third, advanced ground operating systems equipped with a robust suite of cyber protection.

Empowering Resilient Guardians

Resilient operations begin with a diverse and highly talented set of Guardians. In order to secure and defend United States' interests, the Space Force requires a highly educated and diverse workforce comprised military and civilians with the right skill sets to operate some of the world's most complex systems. The Space Force is advancing space education through the standup of Space Training and Readiness Command. Specific efforts include incorporating space-



centered training for new accessions (basic military training, ROTC, and Military Academies), integrating inter-service transfers, developing space-focused programs at Air University, expanding University Partnership Programs, revamping talent management, publishing the Guardian Ideal and Space Force Values.

The Guardian Ideal represents a transformational talent management approach that empowers Guardians to fulfill maximum potential by aligning skillsets to mission sets to build high-performing teams. These mission-focused teams require bold, innovative, and empowered leaders. The Space Force is determined to recruit, develop and retain Guardians prepared to defend our Nation. This year the Space Force will focus on Guardian Ideal objectives to include integrating and developing procedures for talent management boards and talent placement.

The Space Force is embracing the information age by developing Guardians and the tools necessary to ensure the space domain is secure, stable, and accessible for generations. The transformation of the Space Force to become the world's first Digital Service aims to deliver a force capable of winning in data-centric conflict. This vision to build the first digital service is a warfighting imperative that ensures Guardians and their weapons systems are equipped to act swiftly and decisively across all aspects of leadership, acquisition, engineering, intelligence, and operations.

Audit

A clean set of books is a top priority for the DAF in driving reform and eliminating duplication within our business processes and systems. The DAF will perform over 150 walk-through site visits in FY 2023 to progress remediation of audit findings. Airmen and Guardians at every level, including COCOMS, are engaged to ensure we eliminate material weaknesses and significant deficiencies that create vulnerabilities in our processes and expose the enterprise to greater cyber risks. The DAF will execute its Audit Roadmap and Information Technology Roadmap to eliminate wasteful processes and sunset legacy systems. We will leverage automation to modernize and provide accurate, reliable, and timely information to decision makers.

The execution of the annual budget is reported on as part of the DAF financial statements, which includes the Statement of Budgetary Resources (SBR). In FY 2023, \$137.7 million is added to audit remediation for enterprise initiatives related to efforts associated with meeting established roadmap timelines. DAF is prioritizing financial improvements and audit requirements to enhance financial operations through accelerated remediation of audit findings, establishing and implementing compliant business processes and controls to enable financial reporting improvements, and modernizing accounting systems to increase financial data visibility. Relevant and timely audits improve insights into where and how the American taxpayers' dollars are spent and increases transparency into funding available for the warfighter to execute the mission.

Conclusion

In this era of strategic competition, the air and space domains' significance cannot be overstated, and neither can the capabilities of our pacing adversaries. Adversarial space vehicles, aggressive hypersonics, and nuclear expansion are not fictitious threats our competitors may one day obtain; they are weapons our challengers currently wield. The DAF must continue to change in mindset and posture to continue to dominate our air and space domains.

The budget plays a critical role in not only the air and space capabilities in the next Future Year Defense Program, but is also essential to prepare the baseline for capabilities to come and ensure our resources are put towards the highest operational return. Every year that delays the retirement of outdated platforms or enacts unnecessary restrictions to spending is another year we allow our pacing competition unearned, no-cost advances. Previous years of allowing our pacing competition to make gains on our capabilities must end now. With this budget, the Department of the Air Force is empowered to defend the Nation, take care of our people, and succeed through teamwork. <u>One Team, One Fight!</u>

NATIONAL GUARD BUREAU

Discretionary Budget Authority in Thousands National Guard Bureau	FY 2022 Enacted	FY 2023 Request	Δ FY22 – FY23
Military Personnel	14,918,333	15,662,383	+774,050
Operation and Maintenance	14,500,893	15,057,916	+557,023
National Guard and Reserve Equipment	570,000		-570,000
Military Construction	953,411	446,161	-507,250
Subtotal National Guard Appropriations	30,942,637	31,166,460	+223,823
Service Proc Pgms. Reserve Comp. (P-1R)	4,274,115	3,197,769	-1,076,346
Total National Guard	35,216,752	34,364,229	-852,523

Introduction

The National Guard has transformed over the past years and is no longer a part-time force that only drills one weekend per month. Today, the National Guard is an integral part of the Joint Force and ready to maintain our Nation's competitive edge in the new strategic environment focused on China and Russia. Our primary role is to answer the Nation's call as the Combat Reserve of the Army and Air Force. We are organized, trained, and equipped to win Wars. We are also ready to use our battle-tested skills, equipment, training, and personnel across more than 2,800 locations across the 54 states, territories, the District of Columbia, which are located around the globe.

The National Guard is a community-based force that brings unique advantages defending the Nation. The strength of the National Guard is amplified by our integrated efforts with partners at every level: local, state, tribal, territorial, federal, and international. The National Guard continues to work with local and state law enforcement to respond to the needs of the Governors. We understand trust cannot be surged in a time of crisis—it takes a long-term commitment in relationships. By working closely and communicating frequently with our partners, we improve our understanding and our abilities to execute the mission.

The past 2 years have seen the National Guard perform at historic levels. We faced challenges simultaneously: projecting American strength overseas, continuing the national fight against COVID-19, and addressing countless natural disasters across the country. During this time, the National Guard never missed a deployment, and never failed to fulfill a mission directed from the States.

The National Guard manages, on behalf of the Department of Defense, 87 State Partnership Programs (SPP), a unique security cooperation program that pairs a state's National Guard with a partner nation. The investments made into these unique relationships demonstrated its value as the California National Guard has been training Ukrainian service members for 28 years.

Today's National Guard is a tremendous value to the American taxpayer. The National Guard provides approximately 20 percent of the total Joint Force, yet only represents four percent of the Department's budget. With all the missions completed and the national and international challenges over the past few years, the National Guard's retention rate remains high -- people believe in what we're doing and they want to be a part of it.

Army National Guard (ARNG) Budget Request

The FY 2023 Army National Guard (ARNG) budget request supports an end strength of 336,000, including 30,845 AGR Soldiers, unchanged from FY 2022. It resources 26,900 Civilians and adds 296 full-time support for the Sexual Harrassment/Assault Response and Prevention (SHARP) Program and suicide prevention. It increases funding for Air operating tempo (OPTEMPO) to

Numbers may not add due to rounding

7.4 hours/crew/month and funds Facility Sustainment at 85 percent and Base Operations Support at 89 percent. As the combat reserve of the Army, the ARNG continues to support the active force in sustaining joint operations through a responsive and ready force-generating capability. Two Combat Training Center rotations are funded in FY 2023. ARNG readiness continues to provide both federal and state support in response to domestic emergencies to include COVID-19, hurricanes, wildfires, and other requirements, in addition to overseas operations.

Air National Guard (ANG) Budget Request

The FY 2023 Air National Guard (ANG) budget request supports an end strength of 108,400 an increase of 100 Guard Members from FY 2022. FY 2023 maintains foundational readiness accounts with the Flying Hour Program funded at a higher rate per Primary Aircraft Assigned than in FY 2022. As a Total Force Partner, the ANG continues to provide both federal and state support in response to domestic emergencies to include COVID-19, hurricanes, wildfires, and other requirements, in addition to overseas operations.

We are the National Guard, and this is our promise to America: Always Ready, Always There.

"This is an important and pivotal time in the history of the National Guard. We have never been busier or more visible, and our missions have never been more complex and more important. What we do now, and what we do next, will ultimately shape our nation's future."

- GEN Daniel R. Hokanson

7. PERFORMANCE PLAN AND ANNUAL PERFORMANCE REPORT

Introduction

In FY 2021, the Department was successful in meeting or exceeding many of the Annual Performance Plan (APP) performance targets, including those related to achieving efficiency, effectiveness, and cost savings; audit remediation; and reforming the Department's business operations. Notable accomplishments and updates will be summarized in the forthcoming 2021 Annual Performance Report (APR).

This chapter provides a brief overview of the Department's newly revised approach to strategic planning, performance management and quarterly progress reviews.

Strategic Planning and Enterprise Performance Management

The Department is currently finalizing the Strategic Management Plan for DoD which articulates the Secretary of Defense's strategic priorities, consistent with the *National Defense Strategy* (NDS). The FY 2022 – FY 2026 Strategic Management Plan (SMP) directly aligns to NDS priorities and focuses on strengthening the management capabilities of the Department to ensure successful implementation of the NDS.

The development of the SMP has steered away from the Department's traditional methodology that included a large number of data calls and manual processes. The articulation of strategic objectives and performance goals has been a collective endeavor involving Principal Staff Assistants (PSA) in the Office of the Secretary of Defense, with periodic reviews through the Defense Business Council (DBC) occasionally presided over by the Deputy Secretary of Defense.

In addition to releasing the SMP, each year the Department communicates its commitment to strategic planning and performance management by publishing an Annual Performance Plan (APP) and Annual Performance Report (APR). The APP links strategic goals and objectives from the SMP to performance goals, measures, targets and milestones for the upcoming fiscal year. The APR consolidates prior year performance results across all DoD components and communicates overall implementation progress against the SMP. Unclassified versions of the APP and APR will be posted at https://dam.defense.gov/Performance/ when available.

Progress tracking of identified performance goals and metrics for the SMP will be structured quarterly, following specific targets identified in the APP for FY 2023. These reviews will take place during DBC sessions, supporting Department-wide consideration of opportunities and roadblocks to ensure successful realization of strategic goals. To support DBC quarterly reviews of the SMP, the Department will rely on Advana's Executive Data Analytics as the Department's authoritative enterprise data platform. These efforts will enable the Department to monitor implementation and provide timely information in support of programmatic and budgeting decisions at the Secretary and Deputy Secretary of Defense levels.

Leaders at all levels throughout the Department are responsible for meeting the performance goals and measures set out in the APP that relate to their functional areas. Additionally, the APP performance goals and measures are used to inform critical elements of Senior Executive Service (SES) and Senior Leader (SL) performance plans to empower leaders to focus on achieving measurable outcomes that align with the SMP and NDS.

In addition to the APP performance goals and measures, the Department employs hundreds of other performance measures to help assess progress in key areas such as reform, acquisition performance, military readiness, audit remediation, and business process improvement. Together, these data analytics help Department Senior Leaders manage the entire breadth and scope of the Department's worldwide responsibilities and guide DoD Components in the effective and efficient use of resources. Performance-based data contributes to support multiple decision-

making and accountability efforts such as Deputy Secretary and Secretary of Defense Management decisions, budget justification exhibits, and a wide range of reports to the Congress to facilitate proper legislative oversight.

President's Management Agenda and Cross-Agency Priority Goals

The President's Management Agenda (PMA) sets forth the administration's top priorities for improving the way Government works. Through the PMA, cross-agency teams will advance collaborative efforts across Government organizations to overcome the most pressing management challenges facing the Federal workforce and the people and communities they serve. To deliver whole of government solutions that strengthen our Government's capacity to meet the needs of all Americans, the President's Management Agenda for the Biden-Harris Administration will focus on advancing three core priorities:

- 1. Strengthening and Empowering the Federal Workforce
- 2. Delivering Excellent, Equitable, and Secure Federal Services and Customer Experience
- 3. Managing the Business of Government to Build Back Better

As co-lead for core priority 1, the Deputy Secretary of Defense will leverage the Deputy's Workforce Council and the considerable depth and breadth of the Department's expertise to partner with other Federal Agencies strengthen and empower the Federal Workforce.

Each PMA Priority is supported by multiple Cross-Agency Priority (CAP) Goals. In support of Priority 1, the Department co-leads the CAP Goal "Make Every Federal Job a Good Job" and contributes expertise to two additional CAP Goals. As implementation of the Biden-Harris Administration's PMA continues and additional priorities are defined, the Department will contribute to additional CAP Goal initiatives, as appropriate.

For detailed information and updates on the Defense Department's contributions to the PMA and related Cross-Agency Priority (CAP) Goals, please refer to <u>www.Performance.gov</u>.



5.2%

Table A-1. DoD Total (Base + Supplemental) Budget by Appropriation Title (\$ in millions)

Total Budget	FY 2021*	FY 2022**	FY 2023	Δ FY22-23
Military Personnel	163,025	167,379	173,883	+6,504
Operation and Maintenance	284,396	307,402	309,343	+1,941
Procurement	140,704	145,440	145,939	+499
RDT&E	105,909	118,917	130,097	+11,180
Revolving and Management Funds	2,155	2,521	1,583	-938
Defense Bill	696,188	741,660	760,846	+19,186
Military Construction	7,144	13,375	10,198	-3,177
Family Housing	1,401	1,525	1,956	+431
Military Construction Bill	8,545	14,900	12,154	-2,746
DoD TOTAL	704,734	756,560	773,000	+16,440
Source: Comptroller Information System Numbers may not add due to rounding				d due to rounding.

* FY 2021 actuals

** FY 2022 reflects enacted

Table A-2. DoD Total (Base + Supplemental) Budget by Military Department (\$ in millions)

Total Budget	FY 2021*	FY 2022**	FY 2023	Δ FY22-23
Army	174,040	174,854	177,315	+2,461
Navy	206,936	221,302	230,848	+9,546
Air Force	204,574	222,279	234,116	+11,837
Defense-Wide	119,184	138,125	130,721	-7,404
DoD TOTAL	704,734	756,560	773,000	+16,440

Source: Comptroller Information System * FY 2021 actuals

Numbers may not add due to rounding.

** FY 2022 reflects enacted

Table A-3. DoD Total (Base + Supplemental) Budget by Military Department and Appropriation Title (*\$ in millions*)

Department of the Army Budget	FY 2021*	FY 2022**	FY 2023	Δ FY22-23
Military Personnel	65,778	66,185	69,073	+2,888
Operation & Maintenance	67,411	66,745	70,241	+3,496
Procurement	24,665	23,796	22,344	-1,452
RDT&E	13,899	14,449	13,710	-739
Military Construction	1,480	2,600	1,310	-1,290
Family Housing	496	579	606	-27
Revolving and Management Funds	311	500	30	-470
ARMY TOTAL	174,040	174,854	177,315	+2,460

Department of the Navy Budget	FY 2021*	FY 2022**	FY 2023	Δ FY22-23
Military Personnel	54,388	56,450	58,484	+2,034
Operation & Maintenance	68,858	74,383	77,705	+3,322
Procurement	60,807	63,101	65,985	+2,884
RDT&E	19,967	22,084	24,079	+1,994
Military Construction	2,164	4,685	3,889	-796
Family Housing	409	448	705.521	+258
Revolving and Management Funds	342	150	0	-150
NAVY TOTAL	206,936	221,302	230,848	+9,546

Department of the Air Force Budget	FY 2021*	FY 2022**	FY 2023	Δ FY22-23
Military Personnel	42,858	44,744	46,326	+1,582
Operation & Maintenance	65,556	70,010	73,096	+3,086
Procurement	47,772	49,988	51,704	+1,717
RDT&E	46,233	53,117	59,954	+6,836
Military Construction	1,315	3,492	2,368	-1,124
Family Housing	434	441	588.01	+147
Revolving and Management Funds	405	486.453	80.448	-406
AIR FORCE TOTAL	204,574	222,279	234,116	+11,838

Defense-Wide Budget	FY 2021*	FY 2022**	FY 2023	Δ FY22-23
Military Personnel				
Operation & Maintenance	82,571	96,264	88,301	-7,963
Procurement	7,461	8,555	5,905	-2,650
RDT&E	25,810	29,267	32,355	+3,088
Military Construction	2,186	2,597	2,630	+32
Family Housing	61	56	57	+1
Revolving and Management Funds	1,096	1,385	1,473	+88
DEFENSE-WIDE TOTAL	119,184	138,125	130,721	-7,404

DoD TOTAL	704,734	756,560	773,000	+16,440
Source: Comptroller Information System		NL	mbers may not ac	d due to rounding.

* FY 2021 actuals ** FY 2022 reflects enacted

Table A-4. Combat Force Structure Overview

Service	FY 2021	FY 2022	FY 2023	Δ FY22-23
Army Active			ĺ	
Brigade Combat Teams (BCT)	31	31	31	-
Combat Aviation Brigades (CAB)	11	11	11	-
Army National Guard				
BCT	27	27	27	-
CAB/Theater Aviation Brigade	10	10	10	-
Army Reserve				
CAB	2	2	2	-
Navy				
Number of Battle Force Ships	295	297	285	-12
Carrier Strike Groups	10	10	10	-
Marine Corps Active				
Marine Expeditionary Forces	3	3	3	-
Infantry Battalions	23	22	21	-1
Marine Corps Reserve				
Marine Expeditionary Forces	-	-	-	-
Infantry Battalions	8	8	8	-
Air Force Active				
Combat Coded Squadrons	42	42	42	-
Aircraft Inventory (TAI)	4,123	4,069	3,953	-116
Air Force Reserve				
Combat Coded Squadrons	3	3	3	-
Aircraft Inventory (TAI)	322	336	292	-44
Air National Guard				
Combat Coded Squadrons	21	21	21	-
Aircraft Inventory (TAI)	1,010	1,011	933	-78

Table A-5. Active Component End Strength (in Thousands)

Service	FY 2021*	FY 2022**	FY 2023	Δ FY22-23
Army	486.5	476.0	473.0	-3.0
Navy	347.7	347.5	346.3	-1.2
Marine Corps	179.7	177.2	177.0	-0.2
Air Force	328.1	323.3	323.4	+0.1
Space Force	6.6	8.4	8.6	+0.2
TOTAL	1,348.5	1,332.4	1,328.3	-4.1

* FY 2021 actuals

Numbers may not add due to rounding.

** FY 2022 reflects projected end strength levels

Table A-6. Reserve Component End Strength (in Thousands)

Service	FY 2021*	FY 2022**	FY 2023	Δ FY22-23
Army Reserve	184.4	189.5	189.5	
Navy Reserve	57.6	58.7	57.7	-1.0
Marine Corps Reserve	35.2	32.4	33.0	+0.6
Air Force Reserve	70.6	70.3	70.0	-0.3
Army National Guard	337.5	336.0	336.0	
Air National Guard	108.5	108.3	108.4	+0.1
TOTAL	793.8	795.1	794.6	-0.5

* FY 2021 actuals

* FY 2022 reflects projected end strength levels

Numbers may not add due to rounding.

Table A-7. DoD Base Budget by Appropriation Title (\$ in millions)

Base Budget	FY 2021*	FY 2022**	FY 2023	Δ FY22-23
Military Personnel	162,765	166,714	173,883	+7,169
Operation and Maintenance	283,635	294,550	309,343	+14,793
Procurement	140,704	145,212	145,939	+727
RDT&E	105,909	118,787	130,097	+11,310
Revolving and Management Funds	2,155	2,112	1,583	-529
Defense Bill	695,167	727,375	760,846	+33,471
Military Construction	7,144	13,375	10,198	-3,177
Family Housing	1,401	1,525	1,956	+431
Military Construction Bill	8,545	14,900	12,154	-2,746
DoD BASE TOTAL	703,713	742,275	773,000	+30,725

Source: Comptroller Information System

* FY 2021 actuals

* FY 2022 reflects enacted

Numbers may not add due to rounding.

Numbers may not add due to rounding.

Table A-8. DoD Base Budget by Military Department (\$ in millions)

Base Budget	FY 2021*	FY 2022**	FY 2023	Δ FY22-23
Army	173,590	173,427	177,315	+3,888
Navy	206,936	220,262	230,848	+10,586
Air Force	204,502	220,639	234,116	+13,477
Defense-Wide	118,684	127,948	130,721	+2,773
DoD BASE TOTAL	703,713	742,275	773,000	+30,725

Source: Comptroller Information System

* FY 2021 actuals

** FY 2022 reflects enacted

Table A-9. DoD Base Budget by Military Department and Appropriation Title(\$ in millions)

Department of the Army Budget	FY 2021*	FY 2022**	FY 2023	Δ FY22-23
Military Personnel	65,547	65,893	69,073	+3,180
Operation & Maintenance	67,192	65,609	70,241	+4,632
Procurement	24,665	23,796	22,344	-1,452
RDT&E	13,899	14,449	13,710	-739
Military Construction	1,480	2,600	1,310	-1,290
Family Housing	496	579	606	+27
Revolving and Management Funds	311	500	30	-470
ARMY BASE TOTAL	173,590	173,427	177,315	+3,888

Department of the Navy Budget	FY 2021*	FY 2022**	FY 2023	Δ FY22-23
Military Personnel	54,388	56,300	58,484	+2,184
Operation & Maintenance	68,858	73,524	77,705	+4,181
Procurement	60,807	63,101	65,985	+2,884
RDT&E	19,967	22,053	24,079	+2,025
Military Construction	2,164	4,685	3,889	-796
Family Housing	409	448	706	+258
Revolving and Management Funds	342	150		-150
NAVY BASE TOTAL	206,936	220,262	230,848	+10,586

Department of the Air Force Budget	FY 2021*	FY 2022**	FY 2023	Δ FY22-23
Military Personnel	42,829	44,521	46,326	+1,805
Operation & Maintenance	65,514	69,264	73,096	+3,832
Procurement	47,772	49,774	51,704	+1,930
RDT&E	46,233	53,070	59,954	+6,884
Military Construction	1,315	3,492	2,368	-1,124
Family Housing	434	441	588	+147
Revolving and Management Funds	405	77	80	+3
AIR FORCE BASE TOTAL	204,502	220,639	234,116	+13,477

Defense-Wide Budget	FY 2021*	FY 2022**	FY 2023	Δ FY22-23
Military Personnel				
Operation & Maintenance	82,071	86,153	88,301	+2,148
Procurement	7,461	8,541	5,905	-2,635
RDT&E	25,810	29,215	32,355	+3,139
Military Construction	2,186	2,597	2,630	+32
Family Housing	61	56	57	+1
Revolving and Management Funds	1,096	1,385	1,473	+88
DEFENSE-WIDE BASE TOTAL	118,684	127,948	130,721	+2,773

 DoD BASE TOTAL
 703,713
 742,275
 773,000

Source: Comptroller Information System

Numbers may not add due to rounding.

+30,725

* FY 2021 actuals

** FY 2022 reflects enacted

Table A-10. DoD Supplemental Funding by Purpose (\$ in millions)

Supplemental Funding	FY 2021	FY 2022*	FY 2023	Δ FY22-23
Capitol Security	521			-1,428
Afghan Resettlement	500	6,512		-1,041
Natural Disaster Relief		895		-1,639
Ukraine		6,528		-6,528
Red Hill Bulk Fuel Facility		350		-10,178
DoD SUPPLEMENTAL TOTAL	1,021	14,285		-14,285

Source: Comptroller Information System

Numbers may not add due to rounding.

* Disaster relief and funding for Afghan resettlement operations from Public Law 117-43, Extending Government Funding and Delivering Emergency Assistance Act. Afghan resettlement operation funding from Public Law 117-70, Further Extending Government Funding Act. Red Hill remediation funding from Public Law 117-86, Further Additional Extending Government Funding Act. Ukraine security assistance funding from Public Law 117-103, Consolidated Appropriations Act, 2022.

Table A-11. DoD Supplemental Funding by Appropriation Title (\$ in millions)

Supplemental Funding	FY 2021	FY 2022*	FY 2023	Δ FY22-23
Military Personnel	260	665		-665
Operation and Maintenance	761	12,853		-12,853
Procurement		228		-228
RDT&E		130		-130
Revolving and Management Funds		409		-409
Defense Bill	1,021	14,285		-14,285
Military Construction				
Family Housing				
Military Construction Bill				
DoD SUPPLEMENTAL TOTAL	1,021	14,285		-14,285

Source: Comptroller Information System

Numbers may not add due to rounding.

* Disaster relief and funding for Afghan resettlement operations from Public Law 117-43, Extending Government Funding and Delivering Emergency Assistance Act. Afghan resettlement operation funding from Public Law 117-70, Further Extending Government Funding Act. Red Hill remediation funding from Public Law 117-86, Further Additional Extending Government Funding Act. Ukraine security assistance funding from Public Law 117-103, Consolidated Appropriations Act, 2022.

Table A-12. DoD Supplemental Funding by Military Department (\$ in millions)

Supplemental Funding	FY 2021	FY 2022*	FY 2023	Δ FY22-23
Army	450	1,428		-1,428
Navy		1,041		-1,041
Air Force	71	1,639		-1,639
Defense-Wide	500	10,178		-10,178
DoD SUPPLEMENTAL TOTAL	1,021	14,285		-14,285

Source: Comptroller Information System

Numbers may not add due to rounding.

* Disaster relief and funding for Afghan resettlement operations from Public Law 117-43, Extending Government Funding and Delivering Emergency Assistance Act. Afghan resettlement operation funding from Public Law 117-70, Further Extending Government Funding Act. Red Hill remediation funding from Public Law 117-86, Further Additional Extending Government Funding Act. Ukraine security assistance funding from Public Law 117-103, Consolidated Appropriations Act, 2022.

Table A-13. DoD Supplemental Funding by Military Department andAppropriation Title (\$ in millions)

Department of the Army Budget	FY 2021	FY 2022*	FY 2023	Δ FY22-23
Military Personnel	231	292		-292
Operation & Maintenance	219	1,136		-1,136
Procurement				
RDT&E				
Military Construction				
Family Housing				
Revolving and Management Funds				
ARMY SUPPLEMENTAL TOTAL	450	1,428		-1,428

Department of the Navy Budget	FY 2021	FY 2022*	FY 2023	Δ FY22-23
Military Personnel		150		-150
Operation & Maintenance		859		-859
Procurement				
RDT&E		31		-31
Military Construction				
Family Housing				
Revolving and Management Funds				
NAVY SUPPLEMENTAL TOTAL		1,041		-1,041

Department of the Air Force Budget	FY 2021	FY 2022*	FY 2023	Δ FY22-23
Military Personnel	29	223		-223
Operation & Maintenance	43	746		-746
Procurement		214		-214
RDT&E		48		-48
Military Construction				
Family Housing				
Revolving and Management Funds		409		-409
AIR FORCE SUPPLEMENTAL	71	1,639		-1,639

Defense-Wide Budget	FY 2021	FY 2022*	FY 2023	Δ FY22-23
Military Personnel				
Operation & Maintenance	500	10,112		-10,112
Procurement		14		-14
RDT&E		52		-52
Military Construction				
Family Housing				
Revolving and Management Funds				
DEFENSE-WIDE SUPPLEMENTAL	500	10,178		-10,178

DoD SUPPLEMENTAL TOTAL	1,021	14,285		-14,285
Sources Comptroller Information System		lal aliza ta mazzna aliza az		

Source: Comptroller Information System * Disaster relief and funding for Afghan resettlement operations from Public Law 117-43, Extending Government Funding and Delivering Emergency Assistance Act. Afghan resettlement operation funding from Public Law 117-70, Further Extending Government Funding Act. Red Hill remediation funding from Public Law 117-86, Further Additional Extending Government Funding Act. Ukraine security assistance funding from Public Law 117-103, Consolidated Appropriations Act, 2022. This page intentionally left blank

APPENDIX B: Acronym List

NOTE: This is not a comprehensive list of all acronyms used in the Overview.

A2/AD	Anti-Access/Area Denial
ABMS	Advanced Battle Management System
AC	Active Component
ACC	Air Combat Command
AEA	Airborne Electronic Attack
AFC	Army Futures Command
AFR	Air Force Reserve
AI	Artificial Intelligence
AMDR	Air and Missile Defense Radar
AMPV	Armored Multi-Purpose Vehicles
AMRAAM	Advanced Medium Range Air-to-Air Missile
AMS	Army Modernization Strategy
AMTI	Airborne Moving Target Indicator
ANG	Air National Guard
APP	Annual Performance Plan
APR	Annual Performance Report
ARGs	Amphibious Ready Groups
ARRW	Air-Launched Rapid Response Weapon
ASFF	Afghanistan Security Forces Fund
ASW	Anti-Submarine Warfare
AUR	All-Up Round
AVDLR	Aviation Depot Level Reparable
BAH	Basic Allowance for Housing
BCA	Budget Control Act
BCT	Brigade Combat Team
BMD	Ballistic Missile Defense
BOS	Base Operating Support
BTAC	Behavioral Threat Analysis Center
C2	Command and Control
C2C	Comply-to-Connect
CAB	Combat Aviation Brigades
CAF	Combat Air Force
CAP	Corrective Action Plan
CCDR	Combatant Commander
CCLTF	Close Combat Lethality Task Force
CDC	Child Development Center
CE2	Combatant Command Exercise and Engagement
CE2T2	Combatant Command Exercise and Engagement/ Training
	Transformation
CERT	Command Exercise Response Team
CFTs	Cross-Functional Teams

СНО	Chief Housing Officer
CIO	Chief Information Officer
CIRCM	Common Infrared Countermeasures
CL	CYBER LIGHTNING
CMC	Commandant of the Marine Corps
CMF	Cyber Mission Force
CMMC	Cybersecurity Maturity Model Certification
CNO	Chief of Naval Operations
CONUS	Continental United States
CPG	Commandant's Planning Guidance
CPS	Conventional Prompt Strike
CPX	Command Post Exercise
CSA	Combat Support Agency
CSAR	Combat Search and Rescue
CSF	Coalition Support Fund
CSGs	Carrier Strike Groups
СТ	Counterterrorism
СТС	Combat Training Center
CTE	Culminating Training Exercise
CTEF	Counter-ISIS Train and Equip Fund
DAF	Department of the Air Force
DARPA	Defense Advanced Research Projects Agency
DBC	Defense Business Council
DC3	Defense Cyber Crime Center
DCA	Dual-Capable Aircraft
DCOI	Data Center Optimization Initiative
DEIA	Diversity, Equity, Inclusion, and Accessibility
DFE	Dynamic Force Employment
DHA	Defense Health Agency
DHP	Defense Health Program
DHRA	Defense Human Resources Activity
DIB	Defense Industrial Base
DIFMS	Defense Industrial Financial Management System
DLA	Defense Logistics Agency
DMO	Distributed Maritime Operations
DMS	Digital Modernization Strategy
DoD	Department of Defense
DoDEA	Department of Defense Education Activity
DON	Department of the Navy
DPA	Defense Production Act
DRT	Directed Readiness Tables
DSCA	Defense Support to Civil Authorities
DSEC	Defense STEM Education Consortium
DSOC	Defense Safety Oversight Council

DTRA	Defense Threat Reduction Agency
DURIP	Defense University Research Instrumentation Program
DWCF	Defense Working Capital Funds
EABO	Expeditionary Advanced Base Operations
EDI	European Deterrence Initiative
EDRE	Emergency Deployment Readiness
EDS	Execution Documentation System
EELV	Evolved Expendable Launch Vehicle
EFMP	Exceptional Family Member Program
EGS	Enterprise Ground Services
EHR	Electronic Health Record
EMD	Engineering and Manufacturing Development
EPAWSS	Eagle Passive Active Warning Survivability System
ERP	Enterprise Resource Planning
FEMA	Federal Emergency Management Agency
FHP	Flying Hour Program
FMF	Fleet Marine Force
FMS	Foreign Military Sales
FMTV	Family of Medium Tactical Vehicles
FNIH	Foreign National Indirect Hire
FRC	Fleet Readiness Center
FSRM	Facilities Sustainment, Restoration, and Modernization
FTEs	Full-Time Equivalents
FTX	Field Training Exercise
FY	Fiscal Year
GBI	Ground-Based Interceptors
GBSD	Ground Based Strategic Deterrent
GF	Green Flag
GFMAP	Global Force Management Allocation Plan
GMD	Ground-Based Midcourse Defense
GMLRS	Guided Multiple Launch Rocket System
GPS	Global Positioning System
GWOT	Global War on Terror
H2F	Holistic Health and Fitness
HACM	Hypersonic Attack Cruise Missile
HADR	Humanitarian Assistance and Disaster Relief
HBTSS	Hypersonic and Ballistic Tracking Space Sensor
HEL	High-Energy Laser
HHS	Health and Human Services
IAMD	Integrated Air and Missile Defense
IBCS	Integrated Air and Missile Defense Battle Command System
ICAM	Identity and Credential Access Management
ICB	Institutional Capacity Building
ICBM	Intercontinental Ballistic Missiles

IFPC-HEL	Indirect Fire Protection Capability - High Energy Laser
IFPC-HPM	Indirect Fire Protection Capability - High Power Microwave
IPA	Independent Public Accounting
IPOE	Intelligence Preparation of the Operational Environment
IRBM	Intermediate Range Ballistic Missiles
IRC	Independent Review Commission
IRST	Infrared Search and Track
ISCP	International Security Cooperation Programs
ISF	Iraqi Security Forces
ISIS	Islamic State of Iraq and Syria
ISR	Intelligence, Surveillance, and Reconnaissance
ITX	Integrated Training Exercise
IVAS	Integrated Visual Augmentation System
JADC2	Joint All-Domain Command and Control
JAIC	Joint Artificial Intelligence Center
JAGM	Joint Air-to-Ground Missile
JASSM-ER	Joint Air-to-Surface Standoff Missile-Extended Range
JDAM	Joint Direct Attack Munition
JKO	Joint Knowledge Online
JLVC	Joint Live, Virtual, and Constructive
JMETL	Joint Mission Essential Task List
JNTC	Joint National Training Capability
JPARC	Joint Pacific Alaska Range Complex
JSTARS	Joint Surveillance Target Attack Radar System
JTCP	Joint Training Coordination Program
JTEN	Joint Training Enterprise Network
JTEEP	Joint Training, Exercise, and Evaluation Program
JTIFC	Joint Tactical Integrated Fire Control
LCAC	Landing Craft Air Cushion
LCS	Littoral Combat Ship
LCU	Landing Craft, Utility
LDUUV	Large Displacement Unmanned Undersea Vehicle
LOCE	Littoral Operations in a Contested Environment
LPD	Landing Platform Dock
LRASM	Long-Range Anti-Ship Missile
LRDR	Long Range Discrimination Radar
LRF	Long-Range Fires
LRHW	Long Range Hypersonic Weapon
LRSO	Long Range Stand-Off
LSCO	Large Scale Combat Operations
LSGE	Large Scale Global Exercise
LTAMDS	Lower-Tier Air and Missile Defense System
M-Code	Military code
M-SHORAD	Maneuver Short Range Air Defense
	Manouver enert tange / in Defense

MAGTF	Marine Air Ground Task Forces
MAJCOM	Major Command
MALE-T	Medium Altitude Long Endurance-Tactical
MCM	Mine Countermeasures
MDA	Missile Defense Agency
MDAP	Major Defense Acquisition Program
MDD	Missile Defeat and Defense
MDO	Multi-Domain Operations
MDR	Missile Defense Review
MDS	Missile Defense System
MDTF	Multi-Domain Task Force
MERS	Middle East Respiratory Syndrome
MHPI	Military Housing Privatization Initiative
MHS	Military Health System
MILCON	Military Construction
MISO	Military Information Support Operations
MPE	Mission Partner Environment
MRBM	Medium Range Ballistic Missiles
MST	Maritime Strike Tomahawks
MTF	Military Treatment Facility
MTX	Mountain Exercise
MTV	Medium Tactical Vehicle
MURI	Multi University Research Initiative
MW/MT	Missile Warning/Missile Tracking
MWR	Morale, Welfare, and Recreation
MYP	Multi-Year Procurement
NATO	North Atlantic Treaty Organization
NC3	Nuclear Command, Control, and Communications
NDAA	National Defense Authorization Act
NDEP	National Defense Education Program
NDS	National Defense Strategy
NDSEG	National Defense Science and Engineering Graduate
NGAD	Next Generation Air Dominance
NGSW	Next Generation Squad Weapon
NG OPIR	Next-Generation Overhead Persistent Infrared
NGI	Next Generation Interceptor
NGJ	Next Generation Jammer
NORAD	North American Aerospace Defense Command
NPR	Nuclear Posture Review
NROTC	Naval Reserve Officers Training Corps
NSIC	National Space Intelligence Center
NSSL	National Security Space Launch
NTTR	Nevada Test and Training Range
NWCF	Navy Working Capital Funds

O&M	Operation & Maintenance
OASuW	Offensive Anti-Surface Warfare
000	Overseas Contingency Operations
OES	Operation ENDURING SENTINEL
OFS	Operation FREEDOM'S SENTINEL
OIR	Operation INHERENT RESOLVE
OMFV	Optionally Manned Fighting Vehicle
OPIR	Overhead Persistent Infrared
OPM	Office of Personnel Management
OPN	Other Procurement Navy
OSD	Office of the Secretary of Defense
OTI	Operational Training Infrastructure
P&R	Personnel and Readiness
P2P	Performance to Plan
PACAF	Pacific Air Forces
PB	President's Budget
PCTE	Persistent Cyber Training Environment
PDI	Pacific Deterrence Initiative
PEO	Program Executive Office's
PHS	Payload Handling System
PMA	President's Management Agenda
PMO	Program Management Office
PMTEC	Pacific Multi-Domain Training and Experimentation Capability
PNT	Positioning, Navigation, and Timing
PPBE	Planning, Programming, Budgeting and Execution
PPE	Personal Protective Equipment
PR	Personnel Recovery
PRC	People's Republic of China
PrSM	Precision Strike Missile
PSA	Principal Staff Assistants
PTES	Protected Tactical Enterprise Services
PTS	Protected Tactical SATCOM
PTW	Protected Tactical Waveform
R&E	Research and Engineering
R3B	Resources and Requirements Review Board
RC	Reserve Component
RCCTO	Rapid Capabilities and Critical Technologies Office
RCV	Remote Combat Vehicles
RDA	Research, Development and Acquisition
RDER	Rapid Defense Experimentation Reserve
RDT&E	Research, Development, Test, and Evaluation
ReARMM	Regionally Aligned Readiness and Modernization Model
REPI	Resource and Environmental Protection Integration Program
RF	Radio Frequency

RTC	Recruit Training Command
S&T	Science and Technology
SAPRO	Sexual Assault Prevention and Response Office
SATCOM	Satellite Communication
SAW	Squad Automatic Weapon
SBR	Statement of Budgetary Resources
SC	Security Cooperation
SCP	Strategic Cybersecurity Program
SDA	Space Development Agency
SDB	Small Diameter Bomb
SELRES	Selected Reserves
SEWIP	Surface Electronic Warfare Improvement Program
SFAB	Security Force Assistance Brigade
SIB	Submarine Industrial Base
SIOP	Shipyard Infrastructure Optimization Program
SLBM	Submarine-Launched Ballistic Missile
SLEP	Service Life Extension Program
SM-3	Standard Missile-3
SM-6	Standard Missile-6
SMART	Science, Mathematics, and Research for Transformation
SMP	Strategic Management Plan
SOF	Special Operations Forces
SOCPAC	Special Operations Command Pacific
SpOC	Space Operations Command
SPRIRC	Suicide Prevention and Response Independent Review Committee
SRBM	Short Range Ballistic Missiles
SRRB	Service Requirements Review Board
SSAE	Statement on Standards for Attestation Engagements
SSBN	Submersible, Ballistic, Nuclear (submarine)
SST	Standard Space Trainer
STEM	Science, Technology, Engineering and Mathematics
STTR	Space Test and Training Range
STOVL	Short Take Off and Vertical Landing
sUAS	Small Unmanned Aerial System
SWAC	Space Warfighting Analysis Center
SWSS	Space Force Weapon Systems Sustainment
T2	Training Transformation
TFM	Total Force Management
THAAD	Terminal High-Altitude Area Defense
TLAMs	Tomahawk Land-Attack Cruise Missiles
TSS	Training Support Systems
UAS	Unmanned Aerial Systems
UMB	Unified Medical Budget
URI	University Research Initiative

U.S.	United States
USAFRICOM	United States Africa Command
USAI	Ukraine Security Assistance Initiative
USCENTCOM	U.S. Central Command
USCYBERCOM	U.S. Cyber Command
USD(C)	Under Secretary of Defense for Comptroller
USEUCOM	U.S. European Command
USFK	U.S. Forces Korea
USINDOPACOM	U.S. Indo-Pacific Command
USMC	United States Marine Corps
USNORTHCOM	U.S. Northern Command
USSPACECOM	U.S. Space Command
USSOCOM	United States Special Operations Command
USSOUTHCOM	United States Southern Command
USSTRATCOM	United States Strategic Command
USTRANSCOM	United States Transportation Command
USUHS	Uniformed Services University of the Health Sciences
USVs	Uncrewed Surface Vessels
VCS	VIRGINIA Class submarines
VEO	Violent Extremist Organization
VPM	VIRGINIA Payload Module
VSGI	Vetted Syrian Groups and Individuals
WEZ	Weapon Engagement Zone
WFX	Warfighter Exercises
WGS-11	Wideband Global Satellite
WSS	Weapon System Sustainment
ZTA	Zero Trust Architectures