Fiscal Year 2010 Budget Request
Office of the Under Secretary of Defense (Comptroller) • CFO
May 2009
“This is a budget crafted to reshape the priorities of America’s Defense establishment. If approved, these recommendations will profoundly reform how this Department does business.”

– Secretary of Defense, Robert M. Gates
Agenda

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

• Additional Themes
  – Efficiencies
  – Process Reform

• Budget Request Overview by Appropriation
Take Care of Our People

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

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

Focus on current warfighter needs
Reshape and Modernize the Force

• Improve theater missile defenses
  – Includes conversion of 6 additional Aegis ships by FY 2015
  – Invest in additional THAAD/SM-3 Missiles

• Improve cyber capability

• Increase Intelligence, Surveillance and Reconnaissance (ISR) capabilities

• Complete aircraft production
  – End production of F-22 with 187 planned aircraft
  – End production of C-17 with 205 planned aircraft

• Delay amphibious production
  – San Antonio-class (LPD 17) and Mobile Landing Platform (MLP) ships deferred to FY 2011
Reshape and Modernize the Force

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

*Retain balanced capability to deter aggression*
Reform How the Department Buys Equipment and Services

- Reinvigorate the acquisition workforce
- Reduce reliance on contractor support services
- Terminate troubled programs
  - Terminate Presidential Helicopter (VH-71)
    - Immediately develop follow-on program
  - Terminate Combat Search and Rescue Replacement (CSAR-X)
  - Terminate Transformational Satellite Communication System (TSAT)
  - Focus missile defense on rogue threats
    - Terminate second Airborne Laser (ABL) aircraft and Multiple Kill Vehicle (MKV)
  - End DDG-1000 Destroyer production with third ship
  - Transition to Arleigh Burke-class Destroyer (DDG-51)
  - Restructure the Future Combat System (FCS)
Support the Troops in the Field
FY 2010 Overseas Contingency Operations
(Dollars in Billions)

- Continuing the Fight: $108.5B
- Force Protection: $15.2B
- IED Defeat: $1.5B
- Military Intelligence: $4.7B
- Afghan National Security Forces: $7.5B
- Pakistan COIN Capability: $0.7B
- Coalition Support: $1.9B
- CERP: $1.5B
- Military Construction: $1.4B
- Operations: $74.1B
- Non-DoD Classified: $3.9B
- Reconstitution: $17.6B

$130.0B

Numbers may not add due to rounding
Support the Troops in the Field
FY 2010 Overseas Contingency Operations

• Provides $74.1 billion to fund incremental cost of military operations subsistence and logistics, to include predeployment, deployment and redeployment

• Supports average troop strength of 168,000 troops
  – Iraq 100,000
  – Afghanistan 68,000

• Funds procurement of 1,080 additional MRAP-ATVs

• Provides improved intelligence, surveillance and reconnaissance capabilities

• Provides $7.5 billion to train and equip Afghan security forces

• Provides $0.7 billion to develop Pakistan counterinsurgency capabilities

• Requests $1.5 billion for the Commander’s Emergency Response Program

• Invests $1.4 billion in military construction infrastructure needs

• Provides $21.4 billion for the procurement of equipment
Agenda

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Efficiencies in FY 2010 Budget

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

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

**Recruiting and Retention**
- Reduce funding based on recent success
- Projected savings of $0.8 billion
Process Changes

• Submit full war request with base budget

• Tighten definition of war costs
  – Address only OIF/OEF costs
  – Replace only equipment lost or damaged
  – Properly fund base activities in the base

• War budget not designated as emergency funding
Agenda

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• Budget Request Overview by Appropriation
## Summary By Component
**FY 2010 Base Budget**
*(Dollars in Billions)*

<table>
<thead>
<tr>
<th>Component</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>Δ FY 2009 – FY 2010</th>
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</thead>
<tbody>
<tr>
<td>Army</td>
<td>139.2</td>
<td>142.1</td>
<td>+2.1%</td>
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<tr>
<td>Navy</td>
<td>147.4</td>
<td>156.4</td>
<td>+6.1%</td>
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<tr>
<td>Air Force</td>
<td>141.2</td>
<td>144.5</td>
<td>+2.3%</td>
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<tr>
<td>Defense-wide</td>
<td>85.5</td>
<td>90.8</td>
<td>+6.1%</td>
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<td><strong>Total</strong></td>
<td>513.3</td>
<td>533.8</td>
<td>+4.0%</td>
</tr>
</tbody>
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*Numbers may not add due to rounding*
# Summary By Appropriation Title

**FY 2010 Base Budget**

(Dollars in Billions)

<table>
<thead>
<tr>
<th>Appropriation Title</th>
<th>FY 2009</th>
<th>FY 2010</th>
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<tbody>
<tr>
<td>Military Personnel</td>
<td>124.9</td>
<td>136.0</td>
<td>+8.9%</td>
</tr>
<tr>
<td>Operation &amp; Maintenance</td>
<td>179.1</td>
<td>185.7</td>
<td>+3.7%</td>
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<tr>
<td>Procurement</td>
<td>101.7</td>
<td>107.4</td>
<td>+5.6%</td>
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<td>RDT&amp;E</td>
<td>79.5</td>
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<td>Military Construction</td>
<td>21.9</td>
<td>21.0</td>
<td>-4.1%</td>
</tr>
<tr>
<td>Family Housing</td>
<td>3.2</td>
<td>2.0</td>
<td>-38.0%</td>
</tr>
<tr>
<td>Other</td>
<td>3.2</td>
<td>3.1</td>
<td>-1.1%</td>
</tr>
<tr>
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<td>513.3</td>
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### Military Personnel

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#### Highlights:

- Funds the accelerated attainment of the ground forces grow the force initiative
- Provides for an annual military pay raise of 2.9%
  - Enlisted E-6 (Army staff sergeant) will see a pay increase of $1,226
  - Officer O-3 (Army Captain/Navy Lieutenant) will see a pay increase of $1,849
- Increases basic allowance for subsistence by 5.0%
- Increases basic allowance for housing on average 6.0%
- Fully funds recruiting and retention initiatives in base budget
• **Highlights:**
  
  – Sustains readiness levels at the FY 2009 level
    • 550 tank miles per year
    • 45 deployed steaming days per quarter
    • 14 Air Force fighter flying hours per crew per month
  – Funds facility sustainment at 91% of requirement
  – Increases funding for building partnership capacity
  – Increases acquisition workforce by 4,080
  – Provides increased intelligence, surveillance & reconnaissance sustainment
  – Provides high quality health care for 9.3 million eligible beneficiaries
  – Reflects no military health care out-of-pocket cost share increases
  – Reflects savings for federal pricing of retail pharmaceuticals
Highlights:
- Procures 9 ships in FY 2010
  - 8 Navy and 1 Army
  - Includes 3 Littoral Combat ships
  - Includes Joint High Speed Vessels for both the Army and Navy
  - T-AKE auxiliary cargo ships funded in National Defense Sealift Fund
- Procures 30 Joint Strike Fighter and 31 F/A-18E/F/G aircraft
- Funds growth in inventory of unmanned aerial vehicles
- Funds enduring JIEDDO efforts in base budget
- Increases procurement of THAAD and SM-3 missiles
- Procures one AEHF satellite
- Funds additional Army helicopters
• **Highlights:**
  - Funds robust science and technology program, particularly basic research (6.1)
  - Fully funds Joint Strike Fighter (F-35) development
  - While reducing total missile defense spending, robustly fund R&D to improve capability against long-range rogue missile threats
  - Restructure the Future Combat System to retain and accelerate the spin out technology enhancements to combat brigades
• **Highlights:**
  – Fully funds BRAC 2005 to meet the statutory deadline of Sep 15, 2011
    • Reduced funding because peak construction needs funded in previous years
  – Provides for infrastructure investment to support:
    • Relocation of Marines from Japan to Guam
    • Recapitalization of schools and medical facilities
    • Marine Corps force growth
    • Reduced Army need for grow the force infrastructure
    • First phase of a large NSA data center project
  – Reduces family housing funding due to near completion of privatization projects
• **Highlights:**
  
  – Sustains commissary benefits for military members and their families
  
  – Procures two T-AKE auxiliary cargo ships
  
  – Fuel based on crude price of $60.98/barrel
    • Lower than recent years
  
  – Supports warfighter supply, depot and transportation needs at wartime optempo
  
  – Provides transformational Global Information Grid access for increased bandwidth needs
  
  – Supports continued progress as Pentagon Renovation project nears completion
  
  – Enhances anti-terrorism/force protection at Pentagon Reservation
Reshaping Defense Priorities

• Provides the troops in the field the resources needed to succeed

• Reaffirms the nation’s commitment to the all-volunteer force

• Rebalances the Department’s programs between fighting the wars we are in today and preparing for future scenarios

• Changes the way we buy
For More Information

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