Request For Additional Fiscal Year 2017 Appropriations

March 16, 2017

Office of the Under Secretary of Defense (Comptroller)/CFO
Purpose

• Provide a summary of what is included in the $30 billion March request for additional appropriations

  (Dollars in Billions)

  – Base budget request $+24.9
  – Overseas Contingency Operations (OCO) budget request +5.1
  – Total budget request $+30.0

• Request the Congress pass a full year Defense Appropriations bill that includes this request for additional appropriations

• Under a CR,
  – There is a tremendous mismatch of appropriations compared to the request - not enough operating funds, too much procurement funds
  – Inability to increase rate productions hampers planned programs; may result in increased unit costs
  – No new start restrictions affect planned deliveries of equipment to the warfighter
  – DoD could be limited in its ability to counter the Islamic State of Iraq and Syria (ISIS)
What the FY 2017 Additional Request Does

• Execute the President’s direction to:
  – Conduct a 30-day Readiness Review
  – Develop a Military Readiness request for additional resources based on the results of the review
  – Develop a plan to accelerate the campaign to defeat ISIS and other worldwide violent extremists organizations

• Require additional funding to:
  – Improve near-term readiness (i.e., maintenance, spare parts, training time, peacetime flying hours, munitions, etc.)
  – Fund “must pay” bills (e.g., pay raise increase to 2.1%, denied healthcare reforms, storm damage to military facilities, NDAA added end strength)
  – Avoid 4th quarter reprogramming actions especially in the operating accounts
  – Invest in items to begin improving mid-term and long-term readiness
DoD Funding from 9/11 Through FY 2018 Request

DoD Topline, FY 2001 – FY 2018
(Current Dollars in Billions)

March Request for FY 2017
Base = $+25B
OCO = +5B
Total = $+30B

The Defense Budget Picture Today
(Base Budget Dollars in Billions)

FY 2018 PB
FY 2017 = $549B
FY 2018 = $574B

FY 2018 PB
FY 2017 = $549B
FY 2018 = $574B

FY 2013 PB
Enacted/Current Law
FY 2017 PB

PB 2013
PB 2017
PB 2018

$+52B
$+25B

FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21
Changes to Original FY17 Base Budget Request by Title

Changes to Feb 2016 Budget Request

+4.8%

Military Construction/Family Housing*
$+0.2B
+3.5%

RDT&E
$+2.0B
+2.9%

O&M/WCF
$+8.2B
+3.9%

Military Personnel
$+1.0B
+0.7%

Procurement
$+13.5B
+13.0%

(Dollars in Billions)

$524
FY17 Request

$549
FY17 Request for Additional Appropriations

$+24.9B

*Reflects enacted division A of P.L. 114-223 except it excludes $307.663 million of prior year rescissions
Summary of Services’ Readiness Improvements

• Army:
  – Funds additional home station training and depot maintenance to ensure future deploying forces are properly trained and equipped.
  – Supports increases in rotational exercises in Korea and defensive cyber operations

• Navy:
  – Fills critical shortfalls in ship maintenance to reduce backlogs and funds increased ship operations
  – Supports additional spare parts and maintenance to improve aircraft reliability and increased flying hours to support tactical training
  – Enhances shore readiness by ensuring security forces provide the necessary security environment to protect the military and their families

• Marine Corps:
  – Funds critical gaps in combat power through additional counter-UAS capabilities, precision fires, and additional exercises and training
  – Increases investments to sustain and modernize Marine Corps aircraft inventory

• Air Force:
  – Expands capacity to fill critical gaps in maintenance; aircrew; Intelligence, Surveillance, and Reconnaissance (ISR); cyber, and Battlefield Airmen
  – Supports increases in pilot production, weapon system sustainment, and cyber and command communications

• USSOCOM:
  – Supports participation in expanded training events and modernization of additional intelligence, targeting, and strike enablers
  – Increases ISR, maintenance, and C4I support to deployed and deploying; supports operational enhancements and procures critical platform shortfalls

Services focused on improving near-term readiness and sustaining it
## Military End Strength

**FY 2017 PB Request vs. FY 2017 Authorized vs. FY 2017 Amended Request**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Active Forces</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Army</td>
<td>475,400</td>
<td>460,000</td>
<td>476,000</td>
<td>+16,000</td>
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<tr>
<td>Navy</td>
<td>324,557</td>
<td>322,900</td>
<td>323,900</td>
<td>+1,000</td>
<td>326,492</td>
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<tr>
<td>Marine Corps</td>
<td>183,604</td>
<td>182,000</td>
<td>185,000</td>
<td>+3,000</td>
<td>184,426</td>
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<tr>
<td>Air Force</td>
<td>317,883</td>
<td>317,000</td>
<td>321,000</td>
<td>+4,000</td>
<td>321,125</td>
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<td><strong>Total, Active Forces</strong></td>
<td><strong>1,301,444</strong></td>
<td><strong>1,281,900</strong></td>
<td><strong>1,305,900</strong></td>
<td><strong>+24,000</strong></td>
<td><strong>1,308,043</strong></td>
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<td><strong>Guard and Reserve Forces</strong></td>
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<tr>
<td>Army Reserve</td>
<td>198,395</td>
<td>195,000</td>
<td>199,000</td>
<td>+4,000</td>
<td>199,000</td>
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<tr>
<td>Navy Reserve</td>
<td>57,980</td>
<td>58,000</td>
<td>58,000</td>
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<td>58,175</td>
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<tr>
<td>Marine Corps Reserve</td>
<td>38,453</td>
<td>38,500</td>
<td>38,500</td>
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<td>38,940</td>
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<tr>
<td>Air Force Reserve</td>
<td>69,364</td>
<td>69,000</td>
<td>69,000</td>
<td>-</td>
<td>69,000</td>
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<tr>
<td>Army National Guard</td>
<td>341,589</td>
<td>335,000</td>
<td>343,000</td>
<td>+8,000</td>
<td>343,000</td>
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<tr>
<td>Air National Guard</td>
<td>105,887</td>
<td>105,700</td>
<td>105,700</td>
<td>-</td>
<td>105,700</td>
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<tr>
<td><strong>Total, Selected Reserve</strong></td>
<td><strong>811,668</strong></td>
<td><strong>801,200</strong></td>
<td><strong>813,200</strong></td>
<td><strong>+12,000</strong></td>
<td><strong>813,815</strong></td>
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<tr>
<td><strong>Total End Strength</strong></td>
<td><strong>2,113,112</strong></td>
<td><strong>2,083,100</strong></td>
<td><strong>2,119,100</strong></td>
<td><strong>+36,000</strong></td>
<td><strong>2,121,858</strong></td>
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</tbody>
</table>

**FY 2017 NDAA End Strength +36K over Original Request**
# Request Supports Future Capabilities (Base Budget)

(Dollars in Millions)

<table>
<thead>
<tr>
<th>Army $+4.6B</th>
<th>Navy $+5.8B</th>
<th>Air Force $+4.1B</th>
<th>Defense-Wide $+1.0B</th>
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</thead>
<tbody>
<tr>
<td>MQ-1 UAV +13/$+130</td>
<td>F/A-18E/F +24/$+2,320</td>
<td>F-35 +5/$+596</td>
<td>THAAD +12/$+151</td>
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<tr>
<td>AH-64 Apaches +20/$+708</td>
<td>V-22 +2/$+171</td>
<td>HC/MC-130 +5/$+500</td>
<td>USSOCOM $+198</td>
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<tr>
<td>UH-60 +17/$+376</td>
<td>V-22 Mods $+99</td>
<td>F-16 Mods $+160</td>
<td>ACWA $+127</td>
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<tr>
<td>RQ-7 UAV Mods $+248</td>
<td>P-8 +6/$+920</td>
<td>C-130 Mods $+137</td>
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<tr>
<td>MSE Missiles +60/$+279</td>
<td>C-40A +2/$+208</td>
<td>Bombs $+60</td>
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<tr>
<td>Javelin +591/$+104</td>
<td>Aircraft Spares $+302</td>
<td>Vehicles $+361</td>
<td></td>
</tr>
<tr>
<td>Guided MLRS +1188/$+155</td>
<td>Tomahawks +96/$+85</td>
<td>Physical Security Eq $+145</td>
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<tr>
<td>Patriot Mods $+228</td>
<td>Standard Missile $+43</td>
<td>EOD Eq $+221</td>
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<tr>
<td>Abrams Upgrade +27/$+330</td>
<td>DDG-51 $+433</td>
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<tr>
<td>Bradley Mods $+214</td>
<td>Ship-to-Shore Connector +3/$+190</td>
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<tr>
<td>Ammunition $+304</td>
<td>Javelin $+515/$+77</td>
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</tr>
<tr>
<td>Ammo Industrial Facility $+182</td>
<td>G/ATOR $+3/$+125</td>
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<tr>
<td>I³MP $+195</td>
<td></td>
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</tr>
</tbody>
</table>

 Investments Improve Near-term and Mid-term Warfighter Readiness

*Includes procurement and RDT&E funding

I³MP = Installation Info Infrastructure Mod Program
G/ATOR = Ground/Air Task Oriented Radar
EOD = Explosive Disposal Ordinance
MDA = Missile Defense Agency
THAAD = Terminal High Altitude Area Defense
ACWA = Assembled Chemical Weapons Alternatives
Highlights of Additional Request for OCO Activities

(Dollars in Billions)

March FY 2017 OCO Request Total $5.1

- Acceleration of the Defeat of ISIS $2.0
  - Funds additional force management levels, enablers, and intelligence support as approved to support the new strategy to defeat ISIS and other worldwide violent extremists
  - Requests funds in the Overseas Contingency Operations Transfer Fund to enable DoD to respond to changing operational conditions

- Operation FREEDOM’S SENTINEL (Afghanistan) and Theater Posture $1.1
  - Funds emerging Intelligence, Surveillance and Reconnaissance (ISR) requirements, and other capabilities (e.g., Counter-Rocket Artillery and Mortar intercept systems)
  - Includes Special Operations Forces requirements and Air Force military personnel costs for Reserve Component personnel

- Operation INHERENT RESOLVE (Iraq and Syria) $1.4
  - Funds Joint Urgent Operations Needs including Counter-Unmanned Aerial systems and high priority ISR requirements that can be quickly fielded
  - Includes Joint Direct Attack Munitions tail kits and JAVAMAN global positioning system improvements

- Counter-ISIS Train and Equip Fund (CTEF) $0.6
  - Consolidates efforts and increases funding for assistance to Iraqi Security Forces and Vetted Syrian Opposition as they retake the city of Mosul and the city of Raqqah
Summary

• Need Congress to enact a Department of Defense appropriations bill in lieu of extending the Continuing Resolution (CR) for the Department of Defense

• Under a CR,
  – There is a tremendous mismatch of appropriations compared to the request - not enough operating funds, too much procurement funds
  – Inability to increase rate productions hampers planned programs; may result in increased unit costs
  – No new start restrictions affect planned deliveries of equipment to the warfighter
  – DoD could be limited in its ability to counter ISIS

• DoD needs its full appropriation to include:
  – $30 billion increase to rebuild the Joint Force and to accelerate the campaign to defeat ISIS worldwide

• Full support from Congress is key to:
  – Improving warfighter readiness
  – Providing the most capable, modern force
  – Increasing the BCA funding cap for Defense
## FY 2017 President’s Budget
### By Appropriation Title

(Discretionary Budget Authority, Dollars in Billions)

<table>
<thead>
<tr>
<th>By Appropriation Title</th>
<th>Prior Requests + Enacted</th>
<th>March Request</th>
<th>Revised</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base*</td>
<td>OCO</td>
<td>Total</td>
</tr>
<tr>
<td>Military Personnel</td>
<td>135.3</td>
<td>3.7</td>
<td>139.0</td>
</tr>
<tr>
<td>Operation &amp; Maintenance</td>
<td>206.0</td>
<td>50.1</td>
<td>256.1</td>
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<tr>
<td>Procurement</td>
<td>102.6</td>
<td>9.9</td>
<td>112.5</td>
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<tr>
<td>RDT&amp;E</td>
<td>71.4</td>
<td>0.5</td>
<td>71.9</td>
</tr>
<tr>
<td>Military Construction</td>
<td>6.7</td>
<td>0.2</td>
<td>6.9</td>
</tr>
<tr>
<td>Family Housing</td>
<td>1.3</td>
<td>--</td>
<td>1.3</td>
</tr>
<tr>
<td>Other</td>
<td>1.4</td>
<td>0.1</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>524.6</td>
<td>64.6</td>
<td>589.2</td>
</tr>
</tbody>
</table>

| Defense Bill           | 516.6 | 64.4 | 581.0 | +24.7 | +5.1 | +29.8 | 541.3 | 69.5 | 610.7 |
| Military Construction Bill* | 8.0 | 0.2 | 8.2 | +0.2 | +<0.1 | +0.2 | 8.2 | 0.2 | 8.5 |

**Numbers may not add due to rounding**

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*Does not include enacted prior year military construction bill rescissions of $307.662 million

Note: Air Force’s March request includes a $12.3 million rescission from Military Construction, Air Force, 15/17
## FY 2017 President’s Budget
### By Military Department

(Discretionary Budget Authority, Dollars in Billions)

<table>
<thead>
<tr>
<th>By Military Department</th>
<th>Prior Requests + Enacted*</th>
<th>FY 2017 March Request</th>
<th>Revised</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base</td>
<td>OCO</td>
<td>Total</td>
</tr>
<tr>
<td>Army</td>
<td>123.1</td>
<td>29.5</td>
<td>152.6</td>
</tr>
<tr>
<td>Navy</td>
<td>155.7</td>
<td>9.8</td>
<td>165.5</td>
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<tr>
<td>Air Force</td>
<td>151.2</td>
<td>16.4</td>
<td>167.6</td>
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<tr>
<td>Defense Wide</td>
<td>94.6</td>
<td>9.0</td>
<td>103.6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>524.6</strong></td>
<td><strong>64.6</strong></td>
<td><strong>589.2</strong></td>
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For More Information

• Visit the website for the Office of the Under Secretary of Defense (Comptroller) at
  – www.budget.mil
  – Download the Department of Defense’s FY 2017 Budget Request