

U.S. Department of Defense

FISCAL YEAR 2009 BUDGET REQUEST

Summary Justification

February 4, 2008





On behalf of the President, I am pleased to transmit to Congress this volume that presents the Department of Defense's budget request of \$515.4 billion for Fiscal Year 2009.

This is the first Defense summary justification volume of its kind. Its purpose is to inform Congress and provide the American people a clear understanding of how their tax dollars are being invested to provide for our Nation's defense. It includes:

- An explanation of the Department's missions, accomplishments, and priorities;*
- A summary of the request by Military Department and Defense agency;*
- Information on special areas of interest and emphasis for Fiscal Year 2009; and*
- Details on the Department's major weapons programs.*

The Military Departments and Defense agencies will provide Congress with additional detailed justification materials on this request.

The requested funds would: provide military pay, benefits, and world-class healthcare for 2.2 million Soldiers, Sailors, Marines, and Airmen (\$149.4 billion); support military operations and force readiness (\$158.3 billion); invest in strategic modernization (\$183.8 billion); and support family housing and facilities (\$23.9 billion).

In addition to the \$515.4 billion request, the Administration requests \$70 billion for an emergency allowance for the Global War on Terror. Details will be provided to Congress once the specific needs of our troops on the ground are better known. However, it remains imperative that Congress complete action on the remaining \$102.5 billion Fiscal Year 2008 Global War on Terror request. Further delay in providing these funds will have a detrimental effect on our military's ability to carry out its vital missions.

*Robert M. Gates
Secretary of Defense*



COMPTROLLER

*This volume has been developed under the leadership of the
Office of the Under Secretary of Defense (Comptroller)
to provide transparency and accountability to the
American people and Congress.*

*Tina W. Jonas
Under Secretary of Defense (Comptroller)*

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OVERVIEW

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Overview

The mission of the Department of Defense (DoD) is to defend the United States and provide for the security of the American people. In times of peace, the Department fulfills this mission by anticipating threats and challenges to the Nation's security. The military trains and equips the forces needed to deter aggression and advance U.S. interests around the globe. In times of war, the goal is victory over our adversaries. Since 2001, the Department has been engaged in developing the forces and capabilities that the Nation needs to meet the threats and challenges of the 21st century; at the forefront of these challenges is fighting the Global War on Terror (GWOT).

THE DEPARTMENT'S MISSION

The Department fulfills its mission by following the guidance of the President's National Security Strategy (NSS) and, in turn, the National Defense Strategy (NDS). The NSS describes an approach to U.S. defense based on two pillars: 1) promoting freedom, justice, and human dignity by working to end tyranny, promote effective democracies, and extend prosperity; and 2) confronting the challenges of our time by leading a growing community of democracies. The NSS identifies nine tasks for the national security community, and the Department plays a critical role in four of these tasks:

- Strengthening alliances to defeat global terrorism and working to prevent attacks against the U.S., our Allies, and our friends;
- Working with others to defuse regional conflicts, including conflict intervention;
- Preventing our enemies from threatening the U.S., our Allies, and our friends with weapons of mass destruction; and
- Transforming America's national security institutions to meet the challenges and opportunities of the 21st century.



A U.S. Army Soldier runs under a CH-47 Chinook helicopter while hooking up equipment during an airlift mission at Forward Operating Base Fenty in Jalalabad, Afghanistan

U.S. Army photo by Sgt. Brandon Aird - December 2007

The Department also contributes to achieving five additional goals:

- Championing aspirations for human dignity, including ending tyranny and promoting effective democracy;
- Igniting a new era of global economic growth through free markets and free trade;

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- Expanding the circle of development by opening societies and building the infrastructure of democracy;
- Developing agendas for cooperative action with other main centers of global power; and
- Engaging the opportunities and confronting the challenges of globalization.

These tasks translate into several mission areas for the Department in support of a common goal: protecting American lives and U.S. interests. The attacks of September 11, 2001 and subsequent events have awakened the Nation and the Department to the need for new modes of thinking and active measures to detect, disrupt, and respond to potential attacks, whether from terrorist groups, adversary states, or cyber attackers.

The preeminent struggle of our time is the global effort to defeat violent extremism. For our sake and that of future generations, the Nation must prevail in the Global War on Terror. The central fronts in the GWOT remain Iraq and Afghanistan. Since 2001, over one million Service members have been deployed in support of Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). The U.S. and its Coalition partners in the GWOT remain committed to establishing a stable, democratic, and secure Iraq and Afghanistan. Both countries are allies in the GWOT, and the U.S. will assist each nation to provide for its own security.

In Iraq and Afghanistan, Coalition forces continue to work alongside Iraqi and Afghan security forces to provide security for their people and the relief from violence needed to advance political reconciliation and economic improvements. The Department continues to help organize, train, equip, and sustain the Iraqi and Afghan National Armies and Police, as these nations develop the capacity to provide for their own security and stability and establish the rule of law. In other regions

around the world, the U.S. is working with partner countries to defeat terrorist cells, build local capacity, and eliminate terrorist safe-havens. That work has yielded results in diverse areas including the Philippines, Pakistan, Lebanon, the Horn of Africa, and the Trans-Sahel.

In addition to prosecuting the current fight and institutionalizing the lessons learned from irregular conflicts, the Department must ensure that the U.S. can respond to state-based aggression by maintaining the ability to prosecute complex campaigns, including the use of conventional military capabilities. In addition to the personnel currently engaged in Iraq and Afghanistan, thousands more are stationed throughout the world ensuring security, deterring aggression, assisting partner nations, and at the ready to respond to crises and disasters.

In concert with U.S. Allies and partners, the Department deters conflict and promotes security, which is fundamental to peace and economic growth. During the Cold War, stability was the product of a balance of power between two superpowers with thousands of nuclear weapons. Since the end of the Cold War, the dampening effect of the superpowers on instability has lifted, and conflicts based on religion, ethnic strife, and power politics have expanded. The new security environment requires a multi-faceted and multi-dimensional approach to deterring conflict and coercion that relies on all instruments of national power. The focus of this volume will be on the military element of national power.

THE DEPARTMENT'S ACCOMPLISHMENTS

Since 2001, the Department has made remarkable progress in advancing these missions and pursuing a multi-dimensional approach. It has:

- Removed two brutal regimes, reduced terrorist safe havens,

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- and captured or killed terrorists who threatened the U.S., the American people, and our interests around the globe;
- Adapted effectively to evolving, asymmetric threats, improved our ability to conduct counter-insurgency operations, and maintained our effectiveness in more traditional warfighting tasks;
- Developed a new National Defense Strategy and established or reorganized four Combatant Commands to lead the GWOT, transform the military, protect the homeland, defend against long-range attack, and engage in Africa;
- Launched the most significant transformation of the Army in a generation, transitioning from a Division-based Army to more lethal, agile, and capable Brigade Combat Teams;
- Provided battlefield commanders with unprecedented situational awareness through the development of the Global Information Grid – a net-centric information infrastructure that enables rapid data processing and analysis;
- Fielded a broad range of unmanned aerial vehicles that perform reconnaissance, strike, and force protection activities, transforming the way U.S. forces fight;
- Developed and procured new technologies that detect, disarm, destroy, and protect against improvised explosive devices;
- Transformed America's global defense posture, enabling forces to deploy quickly in times of crisis and ensuring a new global military presence prepared for 21st century challenges;
- Continued to maintain and sustain an initial Missile Defense system to protect the U.S., our Allies, friends, and deployed forces against attack;
- Delivered aid to millions affected by natural disasters, at home and abroad;

- Converted over 31,000 military positions to civilian positions to relieve strain on the military force and ensure all military personnel are performing “military essential” activities;
- Transformed its financial management into a high-performing enterprise program that delivers critical information to decision-makers and warfighters to achieve mission success;



U.S. Navy Capt. John B. Nowell Jr., Commodore of Africa Partnership Station (APS), along with the international APS staff, congratulates Ghanaian Navy Petty Officer 1st Class Bennet Botchway Obro after completion of leadership training from Expeditionary Training Team, in Tema, Ghana. APS is scheduled to bring international training teams to Senegal, Liberia, Ghana, Cameroon, Gabon, and Sao Tome and Principe, and will support more than 20 humanitarian assistance projects in addition to hosting information exchanges and training with partner nations during its seven-month deployment.

U.S. Navy photo by Mass Communication Specialist 2nd Class R.J. Strachko – November 2007

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- Established the National Security Personnel System, now serving 130,000 civilian employees, to create a flexible and responsive 21st century national security workforce; and
- Eliminated, via privatization or military construction, over 90 percent of all inadequate domestic military family housing units. By end of Fiscal Year (FY) 2009, the Department will eliminate all inadequate family housing in the U.S.

THE DEPARTMENT'S PRIORITIES

Today's strategic environment is defined by a struggle between the civilized world and extremist terrorist networks. However, other challenges remain and are growing. These threats include the proliferation of irregular challenges, rogue states' quest for nuclear weapons, and the rise of regional military powers. The FY 2009 President's Budget provides the resources necessary to address today's challenges and anticipate future threats by funding the following priorities:

- Prevail in the Global War on Terror;
- Increase Ground Combat Capability;
- Improve Force Readiness;
- Develop Future Combat Capabilities; and
- Improve Quality of Life for Service Members and Families.

Prevail in the Global War on Terror

To ensure freedom and security and advance peace and stability throughout the world, the U.S. must succeed in Iraq and Afghanistan and work with Allies and partners to prevail in the ongoing struggle. Military success in the GWOT requires a wide range of capabilities including: a highly trained, mobile, agile fighting force that is well-versed in counterinsurgency operations; financial flexibility through programs like the Commander's Emergency Response Program; airlift and global

reach; sophisticated targeting, tracking, and locating capabilities; the ability to acquire and rapidly field appropriate technologies; and state of the art force protection equipment. The U.S. will enjoy an even higher likelihood of success if our partners are able to defend themselves, deny terrorist sanctuary within their borders, and participate in coalitions. The Department is committed to developing these capabilities and providing the warfighter the right resources whenever and wherever they are needed.

Increase Ground Combat Capability

Recognizing that threats to U.S. security exist beyond the war on terror in Iraq and Afghanistan, the U.S. military must be structured to meet current and projected needs. At the direction of the President, the Department is increasing the size of the Army and Marine Corps. This enhancement to ground forces will increase the Nation's combat capability and significantly increase the amount of time that Soldiers and Marines can spend at home with their families between deployments. The growth in the Army and Marine Corps is a continuation of the "Grow the Force" initiative first funded in the FY 2007 budget.

Improve Force Readiness

To ensure warfighting capability is ready when the Nation calls, the Department will sustain and improve force readiness. Equipment is central to maintaining U.S. military warfighting capabilities. The Department must ensure force readiness by rapidly repairing or replacing this equipment and providing critical equipment and technology for future deploying forces. In addition to being properly equipped, the Department must maintain operational readiness of our forces through increased recruitment, retention, and training efforts and position those personnel so that they are ready to respond to unexpected contingencies.

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Develop Future Combat Capabilities

The Department must be ready to meet future threats from land, sea, air, or space and to address new realms of conflict, such as cyberspace. To ensure its ability to respond to state-sponsored or other aggression, the U.S. must continue strategic modernization to maintain its significant advantages in conventional war capabilities and work to prevent adversaries from acquiring or using weapons of mass destruction, particularly nuclear weapons. Through research and development, the Department must identify new technologies to ensure its comparative advantage.

Improve Quality of Life for Service Members and Families

The Active, Guard, and Reserve components of our military forces are critical to the Department's ability to meet military objectives. Success in everything we do depends upon the dedication and skill of the men and women who willingly sacrifice their own comfort and safety to safeguard the freedom Americans enjoy every day. The Department is focused on recruiting, training, educating, supporting, and retaining the finest military force in the world. The Department's focus on people includes: 1) sustaining an all-volunteer force with more predictable deployment schedules and the high quality benefits that they deserve; 2) ensuring an appropriate mix of personnel for the mission; 3) rewarding civil service performance through the National Security Personnel System and new Senior Executive Service system; and 4) implementing programs that will bring the best possible care and medical facilities to our wounded warriors.

SUMMARY

The Department operates in a complex environment with multiple crosscutting missions. In spite of the challenges this presents and six years of continuous operations in support of the Global War on Terror, the Department's Soldiers, Sailors, Marines, Airmen, and civilians have accomplished a great deal to advance the security of our Nation and that of our Allies and friends. The FY 2009 President's Budget funds critical capabilities that will enable the Department and the U.S. to prevail in the current conflict, while preparing for future contingencies.



U.S. Air Force 2nd Lt. Jay Macaraeg is pinned by family members during a joint commissioning ceremony held aboard USS Peleliu (LHA 5) while in port San Diego, Calif. Thirteen Reserve Officer Training Corps cadets were commissioned during the event.

U.S. Navy photo by Mass Communication Specialist 1st Class Jason McKnight – December 2007

JUSTIFICATION

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Justification

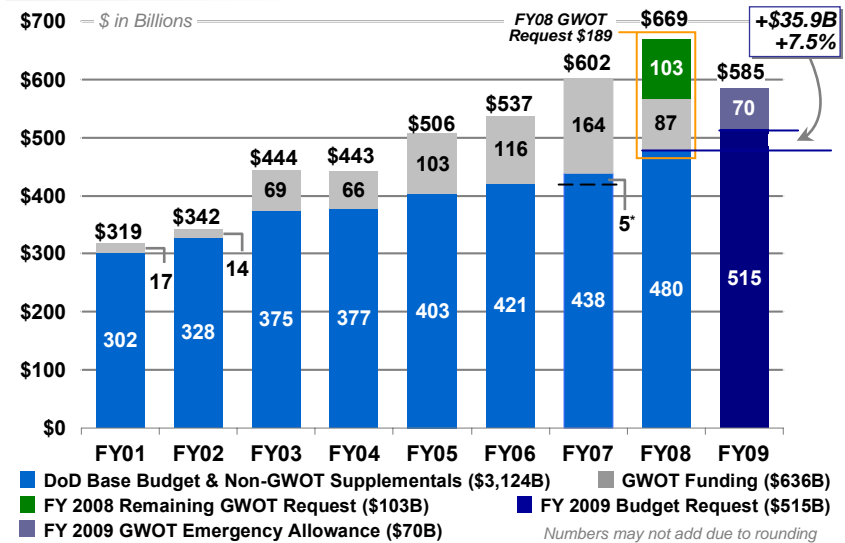
The FY 2009 President's Budget requests \$515.4 billion for the Department of Defense. This is a \$35.9 billion increase over the FY 2008 appropriated level, a 7.5 percent nominal increase in funding (5.4 percent real growth) (Figure 1.1). The Department's request is 3.4 percent of projected U.S. Gross Domestic Product (GDP), one of the lowest levels of funding for any comparable period of conflict (Figure 1.2). The Department's request funds non-GWOT costs associated with the U.S. Army, Navy, Marine Corps, and Air Force. It supports the activities of the 10 Combatant Commands (including the recently established Africa Command), the majority of funding for the U.S. Intelligence Community, and the Department's 33 agencies, field activities, and specialized offices. (All numbers in this volume are budget authority unless otherwise indicated and do not include emergency supplemental appropriations).

In addition to the \$515.4 billion request, the Administration requests \$70 billion for an emergency allowance for the Global War on Terror. Details will be provided to Congress once the specific needs of our troops on the ground are better known.

Since September 11, 2001, Congress has appropriated \$636 billion for the GWOT. This funding provides for the incremental costs for military and intelligence operations, force protection, training, overseas facilities and base support, communications, transportation, maintenance, supplies, weapons and equipment refurbishment or replacement, and other essentials. The funds also support deployed personnel with special pay and benefits, food, medical and other services, and training and equipping of Iraqi and Afghan security forces.

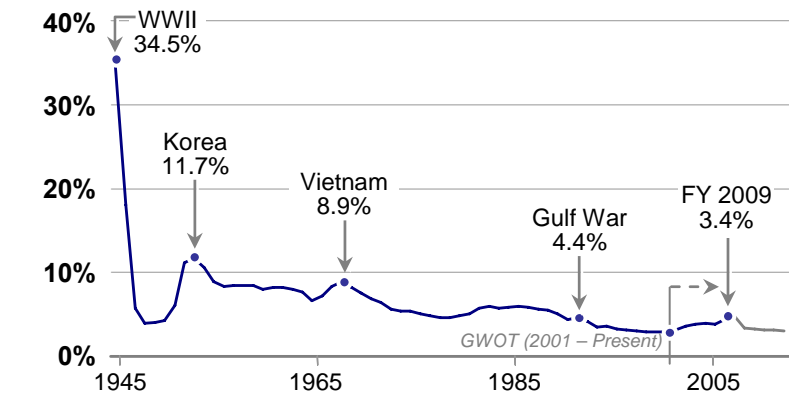
In FY 2008, Congress appropriated \$86.8 billion or 46 percent of the President's \$189.3 billion request for GWOT. Congress has not yet appropriated the remaining balance – \$102.5 billion – requested for U.S. forces in combat (Figure 1.3). These additional funds are required to pay our military, continue

Figure 1.1 Historical Budget and GWOT Funding



*FY08 base figure includes \$5 billion for Non-GWOT activities appropriated in supplementals
 Source: Defense Appropriation Acts FY 2001 – FY 2008; FY 2009 Budget Request; FY 2008 GWOT Request and Amendments; National Defense Budget Estimates for FY 2008
 106-14

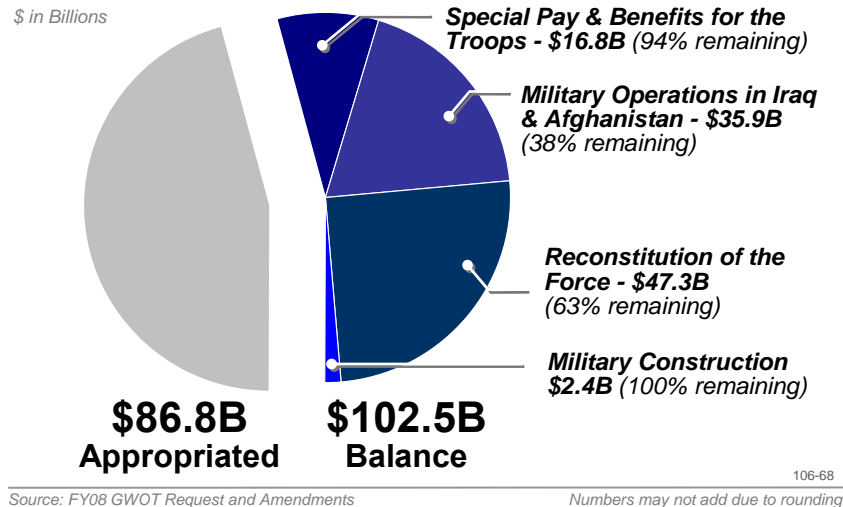
Figure 1.2 Defense Outlays as a Percentage of GDP in Times of War



Source: Historical Tables, Budget of the US Government FY 2008; FY 2009 Budget Request
 Notes: FY 2008 and beyond use President's Budget request rather than outlays; FY 2009 figure does not include GWOT funding
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Figure 1.3 FY 2008 GWOT Request - \$189.3B



operations in Iraq and Afghanistan, reconstitute our force, provide for protection for our troops, and fund the Iraq and Afghan security forces.

A CHALLENGING ECONOMIC ENVIRONMENT

As the world's largest unified global enterprise, the Department and its funding are directly affected by the U.S. and world economies. External economic factors such as inflation, fuel costs, and currency fluctuations diminish the value of appropriated funds and strain military readiness. Internal fiscal trends, such as the rising cost of healthcare, contribute to the economic challenges facing the Department.

- **Inflation.** While inflation throughout the last decade has been relatively low, escalation of purchase price inflation affects the Department's overall purchasing power. Approximately \$10.0 billion – about 2 percent of the Department's \$515.4 billion request – can be attributed to inflation.

- **Fuel Cost Increases.** The Department is one of the world's largest purchasers of fuel. It feels the impact of rising crude oil prices, which have more than tripled in the past four years. The Department's FY 2008 projected fuel cost is \$15.1 billion for 122 million barrels, including refinement costs. The FY 2009 budget request projects fuel cost of \$14.1 billion for a comparable number of barrels of fuel as in FY 2008. While FY 2009 fuel prices are forecasted to be lower than FY 2008 prices, they are still significantly higher than last year's projections for FY 2009 of approximately \$67.60 per barrel.
- **Currency Fluctuations.** The Department is a global organization with a foreign currency exposure of \$5.9 billion. This includes funding for payrolls, housing, and operations in nine different foreign currencies. The impact of currency fluctuation has been negative in recent years due to the relatively weak value of the dollar. This will increase the cost of foreign operations by \$238 million in FY 2009.
- **Military Healthcare.** The Department remains concerned with the cost of providing healthcare. Healthcare funding included in the FY 2009 budget request is \$41.6 billion. Projections indicate that military healthcare costs will increase by 5 to 7 percent per year through FY 2013 if no changes are made to the current healthcare program fee and benefit structure. This continued growth is largely due to:
 - Increasing use of the healthcare benefit by eligible beneficiaries who previously elected not to use it;
 - Healthcare inflation and higher utilization of healthcare services; and
 - Expanded benefits authorized by Congress, such as TRICARE for Reservists.

As these costs increase, more of the Department's budget is likely to be spent on healthcare and less on warfighting capabilities and readiness.

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GLOBAL DEFENSE POSTURE

In addition to being shaped by the economic environment, the FY 2009 budget request was also informed by the strategic position of U.S. forces. The Department continues to realign U.S. global defense posture to better contend with post 9-11 security challenges by transforming overseas legacy forces, Cold War basing structures, and host-nation relationships into a flexible, forward network of capabilities with Allies and partners. These efforts include:

- Continued force posture realignments within and from Central Europe which enable advanced training and lighter, more flexible ground capabilities to support NATO's own transformation goals;
- Shifting our European posture south and east by transforming the 173rd Airborne Brigade in Italy and establishing a headquarters and infrastructure support for rotational presence in Romania and Bulgaria;
- Setting conditions for future realignments in the Pacific as part of U.S.-Japan force posture changes that will have far-reaching, beneficial impacts for the alliance;
- Continued consolidation and reduction of forces on the Korean peninsula to strengthen our overall military effectiveness for the combined defense of the Republic of Korea;
- Developing base infrastructure for new deterrent and other capabilities in Guam, Hawaii, and Alaska; and
- Developing basic infrastructure and capabilities for current and future operations in the Central Command (CENTCOM) area of responsibility and GWOT operating regions.

The Department continues to maintain strong host-nation support for these posture changes. We must also build and strengthen the military and security capabilities of these and other global partners to increase the effectiveness of U.S. forces and provide a formidable combination of actual and potential power.

Key Facts

FY 2009 Budget (\$ in billions)	FY08	FY09	Δ	Δ%
Military Pay & Healthcare	140.4	149.4	+9.0	+6.4%
Ops, Readiness & Support	143.4	158.3	+14.9	+10.4%
Strategic Modernization	175.5	183.8	+8.3	+4.7%
Family Housing & Facilities	20.2	23.9	+3.7	+18.5%
Total Request by Category	479.5	515.4	+35.9	+7.5%

Department of the Army	128.4	140.7	+12.3	+9.6%
Department of the Navy	139.1	149.3	+10.2	+7.3%
Department of the Air Force	134.3	143.9	+9.6	+7.1%
Defense-Wide Agencies	77.7	81.6	+3.9	+5.1%
Total Request by Component	479.5	515.4	+35.9	+7.5%

New Initiatives (\$ in billions)	FY08	FY09	Δ	Δ%
AFRICOM*	0.1	0.4	+0.3	–
Building Partnership Capacity	–	0.8	+0.8	–
BMD – European Site	–	0.3	+0.3	–
Nat'l Cybersecurity Initiative		Classified		
Total Initiatives (excluding Classified)	–	1.5	+1.4	–

Budget Savings (\$ in billions)	FY08	FY09	Δ	Δ%
Aircraft Retirement	–	-0.5	-0.5	–
Healthcare Fees	–	-1.2	-1.2	–
Total Savings	–	-1.7	-1.7	–

Personnel Levels** (in thousands)	FY08	FY09	Δ	Δ%
Soldiers	1,075.0	1,090.0	+15.0	+1.4%
Sailors	395.4	392.0	-3.4	-0.9%
Marines	228.6	233.6	+5.0	+2.2%
Airmen	502.8	490.7	-12.1	-2.4%
Subtotal Military Personnel	2,201.8	2,206.3	+4.5	+0.2%
Civilians	708.9	713.9	+5.0	+0.7%
Total Personnel	2,910.7	2,920.2	+9.5	+0.3%

Source: FY 2008 Defense Appropriation Act, FY 2009 Budget Request. Does not include GWOT except the FY 2008 Army and Marine Corps Personnel levels, which include 36,000 Soldiers and 9,000 Marines, respectively, funded through GWOT. *AFRICOM will reach full operational capabilities in FY 2009; **Include Active, Guard, and Reserve Numbers may not round due to rounding

106-29

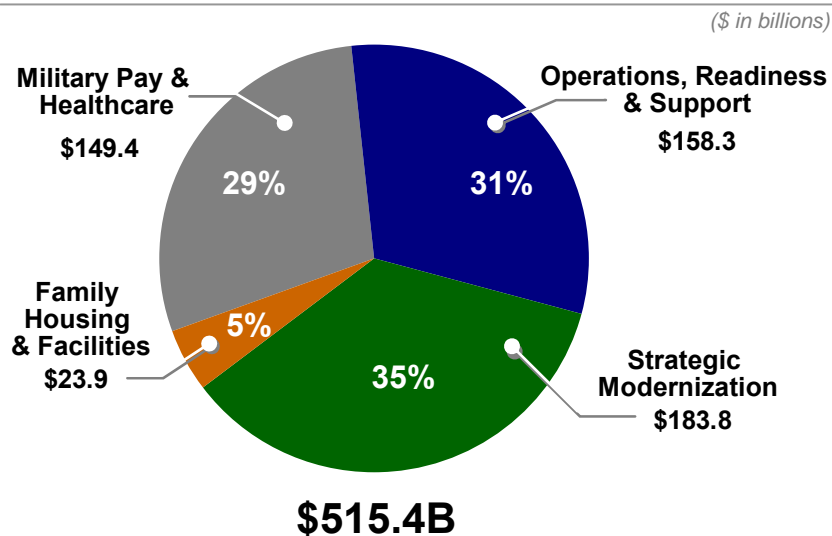
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BUDGET REQUEST BY FUNCTIONAL CATEGORY

Typically, the Department requests its budget by appropriation accounts. While the Department continues to present its budget detail by these accounts, this volume seeks to organize data into broader categories for the ease of the general reader. The categories tie to the traditional appropriation accounts, yet are more intuitive for the general reader. These categories will appear through this volume in each of the Department and Defense-Wide chapters. A cross-walk between appropriation accounts and categories is provided in the Resource Exhibits at the end of this volume (p. 213-4).

Accordingly, the \$515.4 billion budget request is divided into four functional categories (Figure 1.4):

Figure 1.4 Budget by Category



106-SP

Source: FY 2009 Budget Request

Numbers may not add due to rounding

See cross-walk on pages 213-4 for detail on how the categories tie to appropriation.

- Military Pay & Healthcare;
- Operations, Readiness & Support;
- Strategic Modernization; and
- Family Housing & Facilities.

Military Pay & Healthcare (\$149.4 billion)

Competitive compensation and world-class healthcare are essential to attract and retain the all-volunteer force. The Department requests \$149.4 billion, or 29 percent, of its FY 2009 request for military pay, benefits, and healthcare.

- **Military Pay and Benefits** (\$107.8 billion): Military pay and benefits (e.g., housing allowance) for 2.2 million Active and Reserve Soldiers, Sailors, Marines, and Airmen, including funding for increasing U.S. ground forces to strengthen the Army and Marine Corps (with the exception of healthcare benefits, included below).
- **Healthcare** (\$41.6 billion): Funds the Defense Health Program (\$23.6 billion) to sustain the best healthcare program in the world for 9.2 million eligible beneficiaries, including Medicare-eligible beneficiaries, and medical military construction and personnel.

Operations, Readiness & Support (\$158.3 billion)

The Department is sustaining critical readiness to ensure it can respond to military contingencies. The Department requests \$158.3 billion, or 31 percent, of its FY 2009 request for operations, readiness, and support.

- **Readiness** (\$68.0 billion Readiness, \$33.1 billion Support Activities): Daily military operations such as ship steaming days (45 days per quarter), tank miles (608 driven per year, up from 459 in FY 2008), and aircraft flight hours (13.9 per month for Air Force fighters, 14.5 for bombers) at a high rate of operational tempo (Figure 1.5, p. 14).

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- **Base Operations and Facility Maintenance** (\$32.6 billion): Basic operation and maintenance of bases worldwide. Facility sustainment is budgeted at 90 percent.
 - **Equipment Maintenance** (\$11.8 billion): Increased maintenance of equipment at 75 percent of depot maintenance requirements. Also funds the transition of systems from development to fielded systems.
 - **Training, Recruiting, and Retention** (\$10.7 billion): Full spectrum training, combat training center rotations, and recruiting and retention efforts to maintain combat readiness, and attract and retain Service members possessing critical skills.
 - **Revolving Funds for Ongoing Operations** (\$2.2 billion): Funding is required in revolving funds for war reserves (\$0.2 billion), commissary operations (\$1.3 billion), vessel investments and expenses through the National Defense Sealift Fund (\$2.0 billion), and a net transfer from the National Defense Stockpile Fund to the Defense Health Program (-\$1.3 billion).
- Strategic Modernization** (\$183.8 billion)
- Maintaining our technological edge today is central to military superiority in the future. The Department requests \$183.8 billion, or 35 percent, of its FY 2009 request for strategic modernization, which includes procurement and research and development.
- **Aircraft** (\$45.6 billion): The FY 2009 request continues the implementation of the Administration's long-term tactical aircraft acquisition plan and advances development and procurement of three advanced tactical aircraft: 1) Air Force F-22 Raptor; 2) F-35 Joint Strike Fighter (JSF); and 3) Navy F/A-18E/F Super Hornet. The budget supports procurement of aircraft including the Navy EA-18G Growler, the modernization of the A-10 Thunderbolt, tactical and strategic aircraft, and the new air refueling tanker.
 - **Communications and Mission Support Systems** (\$68.5 billion): Our air, sea, and land systems need to be able to communicate securely and effectively, necessitating the continued development of Command, Control, Communications, Computers, and Intelligence (C4I) systems, including the Joint Tactical Radio System. Funding for mission support equipment, which includes items such as night vision goggles and howitzers, sustains critical technologies that enable an effective military force and a high state of readiness.
 - **Ground Vehicle** (\$9.2 billion): Ground capabilities – including tanks, personnel carriers, armored vehicles, and trucks – and support equipment are fully supported in the FY 2009 budget. Key initiatives include development of the Army's Future Combat Systems, upgrades to the Abrams and Stryker weapon systems, and armored High Mobility Multipurpose Wheeled Vehicles (HMMWVs).
 - **Missile Defense** (\$10.5 billion): The request continues to support the development and testing of an increasingly integrated Ballistic Missile Defense System (BMDS) (\$10.0 billion) and procurement and development of Patriot missiles (\$0.5 billion). BMDS provides protection for the U.S., our Allies, and deployed forces from attacks by ballistic missiles of all ranges in all phases of flight.
 - **Munitions and Missiles** (\$11.0 billion) Funds for munitions and missiles builds tactical, strategic, and conventional weapons, ensuring the Department's ability to defend against threats and strike military targets.
 - **Shipbuilding and Maritime Systems** (\$16.9 billion): The goal of the shipbuilding program is to acquire a 313-ship Navy fleet by FY 2020. In support of this program, the FY 2009 request includes procurement funding for eight ships. These include two Joint High Speed Vessels (one for

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the Army), one DDG 1000 Zumwalt Class Destroyer, two Littoral Combat Ships, one Virginia Class Submarine, and two Lewis and Clark Class (T-AKE) Auxiliary Dry Cargo ships, and construction of the first of the CVN-21 class.

- **Space-Based and Related Programs** (\$10.7 billion): The space program provides communications, navigation, missile warning, space situational awareness, and environmental monitoring capabilities. The FY 2009 request includes funding for the next generation early warning satellite (Space Based Infrared System), communications satellites (Advanced Extremely High Frequency (EHF), Wideband Global Satellite, Transformational Communication Satellite), and Global Positioning Satellite Block IIF and III.
- **Science and Technology** (\$11.5 billion): The Science and Technology program responds to the present day needs of the Department and warfighter, while providing the foundation for superior future capabilities. The FY 2009 request of \$11.5 billion is a 7 percent increase over the FY 2008 request, but a decrease compared to the enacted level. This year, the Department increased its investment for the Basic Research segment of Science and Technology by nearly \$0.3 billion to \$1.7 billion. As the rest of the world invests more in research, the risk of technology surprise against U.S. capabilities is increasing. The investment in Science and Technology and Basic Research, in particular, provides insurance against an uncertain future.

Family Housing and Facilities (\$23.9 billion)

Caring for the warfighter, their families, and the facilities in which they work and live is essential. The Department requests \$23.9 billion, or 5 percent, to improve and maintain family housing and facilities.

- **Family Housing** (\$3.2 billion): Funds eliminate inadequate units overseas, operate and maintain government-owned housing, and privatize 12,324 family housing units.

- **Base Realignment and Closure (BRAC) Implementation** (\$9.5 billion): Includes 24 major realignments, 25 base closures, and 765 lesser actions. Funding will pay for military construction and operation and maintenance to relocate personnel and equipment, conduct environmental studies and remediation, and install communications, automation, and information management system equipment in support of construction projects.
- **Maintain Training Centers and Base Infrastructure** (\$11.2 billion): Maintenance of training centers and infrastructure, including construction in support of the Army and Marine Corps Grow the Force initiative at Forts Hood and Riley and Camp Lejeune.

NEW INITIATIVES FOR FY 2009

The budget includes a number of new initiatives to increase national defense. These include:

- Establishment of Africa Command (AFRICOM);
- Building Partnership Capacity;
- Ballistic Missile Defense (BMD) European Site; and
- Comprehensive National Cybersecurity Initiative.

Establishment of AFRICOM (\$0.4 billion)

This year, the Unified Command Plan was revised to establish AFRICOM. The Department requests \$0.4 billion to continue the standup of AFRICOM, which will reach Full Operational Capability (FOC) in FY 2009.

AFRICOM will strengthen U.S. security by assisting the African people with developing peace and security, through engagement that promotes their health, education, and economic growth. Unlike a traditional Combatant Command (COCOM), AFRICOM will focus on building regional security and crisis response

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capacity and will include a significant number of representatives from other U.S. agencies within its staff, including officers from the Department of State and the U.S. Agency for International Development (USAID).

AFRICOM funding in FY 2009 would provide for:

- Operation of the AFRICOM Headquarters;
- A special operations command for the AFRICOM theater of operations;
- Operational support aircraft to provide dedicated access to one of the world's largest continents;
- Establishment of two of five proposed regional offices on the African continent;
- Training, exercises, and theater security cooperation activities; and
- An information/intelligence analysis capability to aid the Commander and assist with security.

Building Partnership Capacity (\$0.8 billion)

Building Partnership Capacity (BPC) includes programs to build the capacity of foreign partners to counter terrorism and promote security. Congress provided \$0.3 billion of \$0.5 billion requested in the FY 2008 budget in the FY 2008 GWOT appropriation. The Department is requesting \$0.8 billion in the FY 2009 budget for a variety of BPC programs to:

- Reduce stress on U.S. forces by helping partners to solve problems before they become crises;
- Multiply the global force by allowing partners to manage their own security problems; and
- Improve the effectiveness of U.S. forces by teaming with foreign partners that know the local language, culture, and political terrain.



The citizens of Bamna, Bangladesh, wave good-bye to the crew of a CH-46E Sea Knight helicopter after the crew delivered over 20 bundles of clothes to help aid the victims of Tropical Cyclone Sidr. The amphibious assault ship USS Kearsarge (LHD 3) and the embarked 22nd Marine Expeditionary Unit (Special Operations Capable) are conducting humanitarian assistance/ disaster relief efforts in response to the government of Bangladesh. The Department of Defense effort is part of a larger United States response coordinated by the U.S. Department of State and U.S. Agency for International Development.

U.S. Navy photo by Mass Communication Specialist Seaman Ash Severe – November 2007

The primary elements in this initiative are:

- **Global Train and Equip (\$0.5 billion):** Global Train and Equip programs allow Combatant Commanders and Ambassadors to train and equip foreign military forces to respond to urgent and emergent threats and opportunities to solve problems

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before they become crises requiring military intervention. Combatant Commanders consider this the single most important tool for the Department to shape the environment and counter terrorism outside Iraq and Afghanistan.

- **Security and Stabilization Assistance** (\$0.2 billion): This authority and funding allows the U.S. to provide assistance to partners, such as the State Department, that compliments efforts in other non-military areas to promote stability and to reduce terrorist space and influence. Assistance is often provided in the same places in which U.S. forces are operating or may be forced to operate if conditions worsened.
- **Combatant Commanders Initiative Fund (CCIF) for Urgent Humanitarian Relief and Reconstruction** (\$0.1 billion): CCIF is an authority similar to the Commander's Emergency Response Program, which allows the Department to provide funds for urgent and unanticipated humanitarian relief and reconstruction assistance, particularly in a foreign country where the armed forces are engaged in a contingency operation.

In addition to the \$0.8 billion of new BPC programs, the Department is requesting continuation of other programs that support engagement and help ensure the long-term sustainability of our capacity building initiatives, including the Regional Centers for Security Studies.

Ballistic Missile Defense – European Site (\$0.3 billion)

To improve the security of U.S. forces deployed overseas and to support Allies in the region, the Department continues to realign BMDS and plans to deploy the third BMDS site in Europe.

The Department requests \$0.1 billion for Military Construction of the BMDS-European Interceptor Site. The request will fund site preparation on the missile field and provide facilities for a complete Ground-Based Mid-Course Defense System capability.

An additional \$0.1 billion is requested for Military Construction of the European Mid-Course Radar site. This would fund site preparation of the installation and mobilization of the general contractor to construct a new European radar site for operations against potential threat trajectories.

Comprehensive National Cybersecurity Initiative (Multiple Departments)

The global information environment that the Department relies on for mission success is the same environment in which our Allies and adversaries operate. There is no meaningful distinction between "friendly" cyberspace and "hostile" cyberspace. Securing cyberspace will require us to not only reduce vulnerabilities by strengthening information assurance, but to put a new focus on addressing the threat posed by entities that seek to do harm to the U.S. No single U.S. Government (USG) entity can successfully address the threat; it must be a concerted effort across the Federal government.

To that end, the Administration established the Comprehensive National Cybersecurity Initiative in 2007. Spearheaded by the Department of Homeland Security (DHS), the initiative seeks to improve the security of all Federal networks through the coordinated efforts of multiple Departments and Agencies. To support the initiative, the FY 2009 budget increases funding for selected cyber security activities. The Department will play a critical role in this initiative through enhancing the security of Defense networks and by supporting other Departments and Agencies as necessary.

INCREASED INVESTMENTS FOR FY 2009

Grow the Force (+\$8.7 billion): In FY 2009, \$20.5 billion, an increase of \$8.7 billion over enacted FY 2008 levels, will provide needed resources to Grow the Force. This funding will help to increase Army active end strength to 532,400, which includes an increase of 7,000 Soldiers over FY 2008, and increase Marine

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Corps active end strength to 194,000, which includes an increase of 5,000 Marines over FY 2008. This growth will strengthen combat capabilities, meet global force demand, and reduce stress on our forces by increasing the amount of time between deployments.

To stand up and sustain the additional Army and Marine Corps forces, the FY 2009 request includes an additional \$4.5 billion for pay and benefits, \$2.8 billion for operations and support, and \$2.9 billion for infrastructure.

Training and Readiness (+\$5.7 billion): In FY 2009, \$5.7 billion will provide enhanced readiness for active forces across the Department (Figure 1.5). Measured in terms of tank miles, flying hours, and ship steaming days, readiness includes:

- An increase of \$1.1 billion for the Army to increase tank

Figure 1.5 Readiness Metrics FY 2008-2009¹

Readiness Program	FY 2008		FY 2009		Δ 08-09	
	\$B	Metric	\$B	Metric	\$B	Metric
Army² <i>Tank Miles/Year (& Air Support)</i>	4.1	459	5.2	608	+1.1	+149
Navy <i>Ship Steaming Days/Qtr</i>	4.0	45	4.2	45	+0.2	-
Navy <i>Flying Hours/Crew/Month</i>	5.1	18.3	5.5	18.5	+0.5	+0.2
Marine Corps <i>Readiness, Equip. & Train</i>	1.2	85%	1.4	85%	+0.2	-
Air Force <i>Fighter Flying Hrs/Crew/Month</i>	7.5	14.4	8.4	13.9	+0.9	-0.5
Air Force <i>Bomber Flying Hrs/Crew/Month</i>		15.3		14.5		-0.8
Additional Readiness Support	27.6	n/a	30.4	n/a	+2.8	n/a
Total	49.4	n/a	55.1	n/a	+5.7	n/a

¹Excludes GWOT; ²Army readiness metrics reflect tank miles only, where as Army readiness funding includes funding for both tank miles and air support
Source: Departments of the Army, Navy, and Air Force Numbers may not add due to rounding

- miles and support flying hours, provide more robust full spectrum training, and accommodate force mix changes to maintain readiness status for Soldiers in the training cycle;
- An increase of \$0.7 billion for the Navy to support the Fleet Response Plan, fund 45 days underway per quarter for deployed ships, support a net increase of three ships, and continue to increase additional force capability through a new Naval Expeditionary Combat Command;
- An increase of \$0.2 billion for the Marine Corps to provide full spectrum training and capability to maintain readiness status for Marines in the training cycle;
- An increase of \$0.9 billion for the Air Force because of changes in aircraft mix, decreasing crew flight hours per month while increasing flight simulation use, and changes in live fire training programs and consumption rates. Flying hours are fully funded; and
- An increase of \$2.8 billion for readiness support including necessary logistical support provided by the Defense Information Systems Agency, Defense Logistics Agency, Defense Contract Management Agency, and Defense Threat Reduction Agency; space, combat, and weapons support; Special Operations Command (SOCOM) and Joint Staff support; and lift and prepositioning support.

Military Pay Raise (+\$2.7 billion): In FY 2009, \$2.0 billion will provide for a pay raise for Service members equal to the Employment Cost Index (ECI) as of September 30, 2007. The ECI is based on the wages and salaries for private industry workers. This sets the FY 2009 pay raise at 3.4 percent.

Total funding for military pay raises in FY 2009 is \$2.7 billion, of which \$2.0 billion is due to the January 1, 2009 pay raise of 3.4 percent and \$0.7 billion is due to the annualization of the January 1, 2008 pay raise of 3.5 percent.

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Civilian Pay Raise (+\$1.9 billion): In FY 2009, \$1.9 billion will provide for a 2.9 percent civilian pay raise, which equals ECI minus 0.5 percent. The FY 2008 pay raise was increased by Congress by 0.5 percent over the President's requested level of 3.0 percent to 3.5 percent.

BRAC Implementation (+\$1.9 billion): In FY 2009, \$1.9 billion will increase BRAC efforts above the FY 2008 level of \$7.5 billion. This includes funds to execute realignments and closures for the approved BRAC 2005 Commission recommendations and to satisfy utilizing land sales revenue. The Department has fully funded BRAC 2005 requirements throughout the six-year implementation period (FY 2006 through FY 2011) consistent with detailed business plans developed by the assigned business plan managers. The Department anticipates recurring savings of about \$4.0 billion annually after full implementation in FY 2011.

Basic Allowances for Housing and Subsistence (+\$1.6 billion): In FY 2009, \$1.6 billion will provide for a 5.0 percent increase (\$1.2 billion) in the Basic Allowance for Housing (BAH) and a 3.8 percent increase (\$0.4 billion) in the Basic Allowance for Subsistence (BAS), which are tax-free, cash allowances that compensate military personnel for housing costs and daily meals. The increase reflects inflation and maintains entitlement programs at current standards.

Facility Sustainment (+\$0.6 billion): In FY 2009, an additional \$0.6 billion of facilities sustainment funding will provide for the maintenance and repair activities necessary to keep the Department's facilities in good working order (e.g., regularly scheduled maintenance, major repairs, replacement of facility components). Funding at this level achieves 90 percent of the Facilities Sustainment Requirement for the Department, which is the minimum acceptable level; full sustainment continues to be

A Navy F/A-18C Hornet aircraft is a blur as it rushes past a flight deck crewmember while catapulting from the flight deck of the aircraft carrier USS Harry S. Truman (CVN 75) during operations in the Persian Gulf .

DoD photo by Petty Officer 3rd Class Ricardo J. Reyes – January 2008



the goal. Anything less than this will result in continued deterioration and degradation of existing facilities and will not provide for a maximum return on investment in new facilities.

Strategic Modernization (+\$8.3 billion): In FY 2009, an additional \$8.3 billion will provide a wide range of modernization (including procurement and research and development) efforts across the full spectrum of warfighting capabilities. Some of the top programs include:

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- **Space Based Infrared System (SBIRS)** (+\$1.3 billion): The FY 2009 request includes \$2.3 billion, a \$1.3 billion increase over FY 2008 for SBIRS. SBIRS is a constellation of four satellites, two in Geosynchronous Earth Orbit (GEO) and two hosted payloads in Highly Elliptical Orbit (HEO). This system will enhance collection of data and reporting of ballistic missile launches around the globe. SBIRS will replace the legacy Defense Support Program (DSP). The initial launch of SBIRS is planned for the first quarter of FY 2010. FY 2009 funding continues the assembly, integration, and testing of the first two GEO satellites, operational testing of the first HEO payload, and development of the ground segment.
- **Virginia Class Submarines** (+\$0.2 billion): The FY 2009 request for the Virginia Class Submarine program is \$3.6 billion, a \$0.2 billion increase over FY 2008. One new Virginia Class submarine is scheduled in FY 2009, and the Department has budgeted to commence a two per year build rate in future years. These submarines seek and destroy enemy ships across a wide spectrum of scenarios, working independently and in consort with a battle group and other ships, providing joint commanders with early, accurate knowledge of the battlefield. The Navy plans to procure 30 boats through FY 2019 to replace Los Angeles SSN as they reach the end of service life.
- **CVN 21 Carrier Replacement** (+\$0.8 billion): The FY 2009 request for the CVN 21 is \$4.2 billion, an increase of \$0.8 billion over FY 2008. Aircraft carriers provide credible, sustainable, independent forward presence during peacetime without access to land bases. They operate as the cornerstone of a joint and/or allied maritime expeditionary force in response to crisis and carry the war to the enemy through joint multi-mission offensive operations. Like its predecessor, the Nimitz class, CVN 21 will carry approximately 90 aircraft. However, due to automation, it will require fewer sailors to operate.
- **Littoral Combat Ship (LCS)** (+\$0.6 billion): The FY 2009 request for the LCS is \$1.3 billion, a \$0.6 billion increase over FY 2008. LCS will be a fast, agile, stealthy surface combatant capable of operating in support of anti-access missions against asymmetric threats in the littorals or near-coast line areas. It will be able to engage small attack boats and provide mines countermeasures and littoral anti-submarine warfare.
- **New Tanker Program** (+\$0.8 billion): The FY 2009 request for the New Tanker program is \$0.9 billion, a \$0.8 billion increase over FY 2008. The New Tanker program begins replacement of the KC-135 aerial refueling fleet, which has an average age of 47 years old. The Department will procure 179 new tankers to replace roughly one-third of the current tanker fleet. The New Tanker will be able to provide fuel to joint and coalition receivers via a boom or drogue system on every mission and will augment the airlift fleet with cargo, passenger, and medical evacuation capabilities.
- **VH-71 Presidential Helicopter** (+\$0.8 billion): The FY 2009 request for the VH-71 Presidential Helicopter is \$1.0 billion, a \$0.8 billion increase over FY 2008. The program includes a fleet of 28 aircraft by 2019. This helicopter will replace the current Presidential Helicopter fleet and provides safe and timely transportation for the President. It will enable the President to execute the duties of office while in transit by providing a wide range of communications systems. It will be capable of operating in adverse climatic and environmental conditions and provide unique survivability capabilities. It will incorporate executive accommodations, such as dignified entry and exit.

FY 2009 budget requests for major weapons systems are included later in this volume.

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BUDGET SAVINGS FOR FY 2009

Aircraft Retirements (-\$0.5 billion): In FY 2009, the Department plans to retire 357 aircraft, with a total cost avoidance of \$0.5 billion.

- The Air Force proposes retiring 182 aircraft, which will generate an estimated FY 2009 savings/cost avoidance of \$0.4 billion. The retirements include a number of legacy platforms and will permit the Air Force to continue recapitalization and transformation of its air, space, and cyberspace capabilities.
- The Army and Navy propose retiring 135 and 40 aircraft, respectively. Both Department's will replace them with more modern airframes. Approximately \$0.1 billion in savings will be re-applied to the newer aircraft operation and support costs.

Healthcare Fees (-\$1.2 billion): The budget includes \$41.6 billion to provide high quality healthcare to 9.2 million eligible beneficiaries. To sustain this program, the budget proposes adoption of the recommendations made by the Task Force on the Future of Military Health Care in December 2007, including higher co-pays for beneficiaries' prescriptions and enrollment fees and deductibles.

The Department's healthcare costs more than doubled from \$19 billion to \$42.8 billion between FY 2001 and FY 2009 and are projected to reach \$64 billion by FY 2015 if no changes are made. This growth would mean that the percentage of the Department's budget devoted to healthcare will grow from 6 percent in 2001 to 11.3 percent by FY 2015.

Although active duty military members receive benefits, most costs for military healthcare are driven by military retirees and their beneficiaries. It is projected that, by FY 2011, up to 65 percent of spending will go toward retirees (including Medicare eligible retirees), up from 45 percent in FY 2001. Cost



U.S. Army Spc. Megan M. McKinzie, a crew chief with the 45th Medical Company (Air Ambulance), straps her helmet on in preparation for a run up on a UH-60A Black Hawk helicopter before a mission being flown from Al Asad Air Base, Iraq. Run ups are done to ensure that all equipment and the helicopter itself are properly working before conducting missions.

U.S. Marine Corps photo by Sgt. Maryalice Leone – May 2007

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sharing, through fees, is a component of the Department's effort to decrease the pressure of military healthcare spending on the overall budget. This issue will remain a challenge over the next several years and the Department continues to seek legislative relief to sustain the healthcare benefit.

PROGRAM TERMINATIONS FOR FY 2009

The FY 2009 budget does not propose any major program terminations.

SUMMARY

The Department's FY 2009 budget request:

- Maintains a highly trained fighting force of 2.2 million Soldiers, Sailors, Marines, and Airmen;
- Recruits, trains, and equips 65,000 additional active duty Soldiers and 27,000 additional Marines over five years;
- Provides pay increases of 3.4 percent for military members, improves benefits for the all-volunteer force, and provides pay increases of 2.9 percent for the civilian workforce;
- Provides world-class healthcare for 9.2 million eligible Service members, families, and retirees;
- Procures and maintains an arsenal of the world's most advanced weapon systems;
- Improves warfighting capabilities and invests in science and technology to maintain U.S. advantage over the Nation's enemies;
- Maintains 545,000 facilities at 5,300 sites in the U.S. and around the globe; and
- Maintains vital intelligence capabilities.



U.S. Air Force Tech. Sgt. Richard Rositas, of the 332nd Air Expeditionary Wing Honor Guard, holds an American flag at a change command ceremony on Balad Air Base, Iraq. *U.S. Air Force photo by Airman 1st Class Jonathan Steffen – July 2007*

These funds will advance the President's priorities, maintain a robust national defense, and position the U.S. to succeed against the challenges of today and prepare for the challenges of tomorrow.

SERVICES AND DEFENSE AGENCIES

Services and Defense Agencies

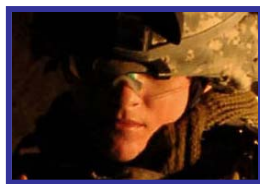
HIGHLIGHTS

Overview

The FY 2009 budget request organizes, trains, and equips an agile, highly trained, lethal fighting force of 2.2 million Soldiers, Sailors, Marines, and Airmen.

Funding Components

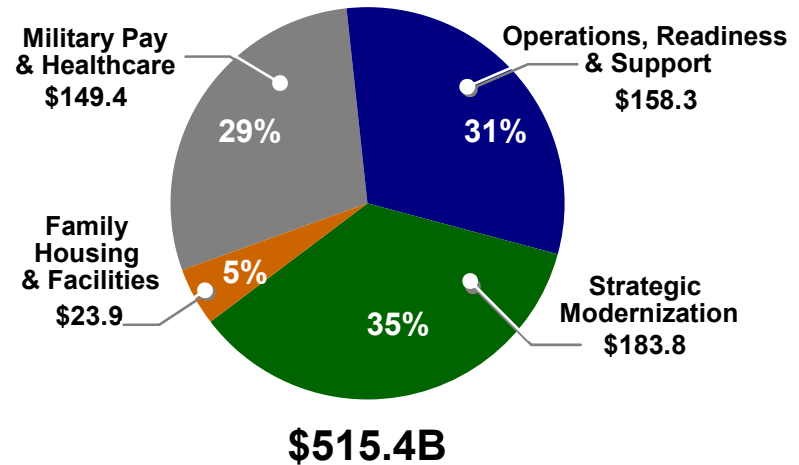
- Department of the Army
- Department of the Navy, including the U.S. Marine Corps
- Department of the Air Force
- Defense-Wide Agencies



FY 2009 Budget by Category

(\$ in billions)

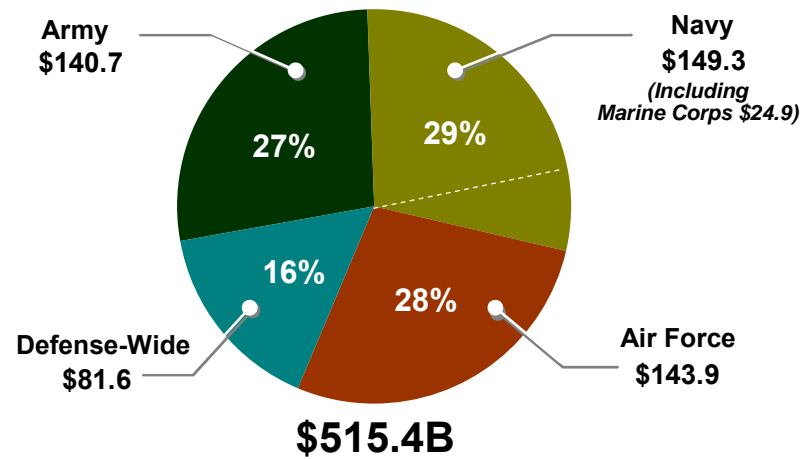
Numbers may not add due to rounding



FY 2009 Budget by Service

(\$ in billions)

Numbers may not add due to rounding



DEPARTMENT OF THE ARMY

Department of the Army

HIGHLIGHTS

Mission

The mission of the Department of the Army is to provide organized, trained, and equipped ground and combat support forces to the Combatant Commanders in support of National Security and Defense Strategies.

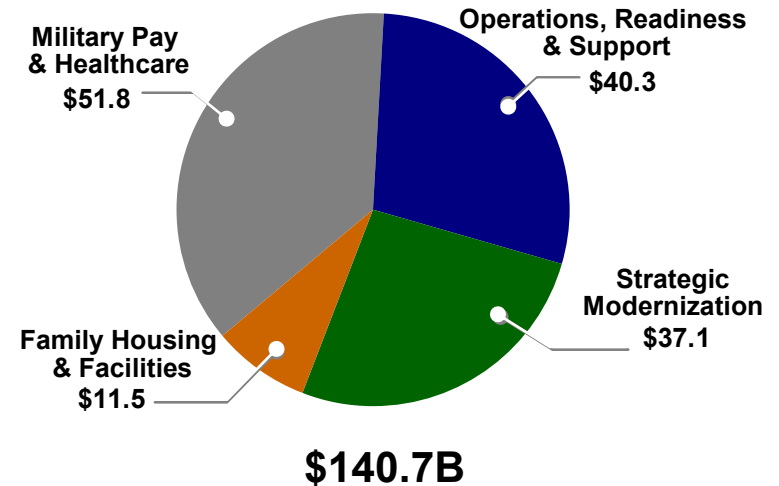
Funding Priorities

- Sustain – Enhancing quality of support for our Soldiers, families, and civilians to preserve the All-Volunteer Force
- Prepare – Readying of Soldiers, units, and equipment to succeed in the current operational environments
- Transform – Continuous, comprehensive evolution of Army capabilities over time to move from the current to the future force

FY 2008 to FY 2009 is a +\$12.3 billion or 9.6% increase

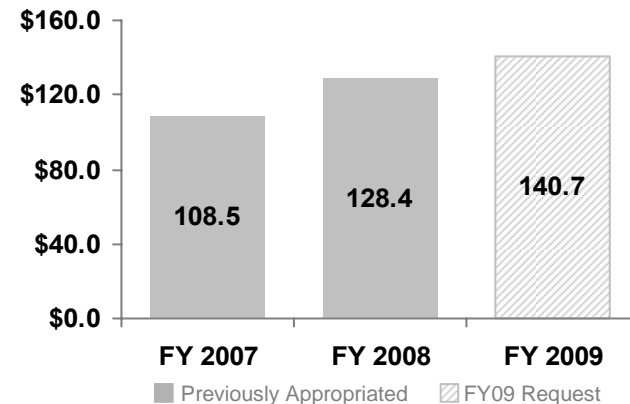
FY 2009 Army Request

(\$ in billions)



Total Annual Cost

(\$ in billions)



*Does Not Include GWOT
Numbers may not add due to rounding*

DoD FY 2009 Budget Request Summary Justification

Department of the Army <i>\$ in Billions</i>	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Military Pay & Healthcare	42.4	46.3	51.8	+5.6	12.0%
Operations, Readiness & Support	30.9	35.9	40.3	+4.4	12.3%
Strategic Modernization	29.5	36.3	37.1	+0.8	2.1%
Family Housing & Facilities	5.7	10.0	11.5	+1.5	15.4%
Total Department of the Army	108.5	128.4	140.7	+12.3	9.6%

Military End Strength <i>(in thousands)</i>	FY 2007 Actual	FY 2008 Projected	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Active Component ¹	522.0	525.4	532.4	+7.0	1.3%
Army National Guard	352.7	351.3	352.6	+1.3	0.4%
Army Reserve	189.9	198.3	205.0	+6.7	3.4%
Total Military End Strength	1,064.6	1,075.0	1,090.0	+15.0	1.4%

Notes: ¹ FY 2007 and FY 2008 Active Component end strength includes 36,000 authorizations funded by GWOT.

Numbers may not add due to rounding

OVERVIEW

The Army remains the strongest fighting force in the world. It is a resilient, committed, professional force. Continued combat over six years, however, has stretched its capabilities. Current operational tempo in the Global War on Terror provides limited recovery time for personnel and equipment. Capabilities are focused on counterinsurgency operations, while full-spectrum preparedness is the Army's goal. The Reserve Component is performing an operational role for which it was neither structured nor resourced. To maintain the all-volunteer force and its ability to respond to the full spectrum of threats, the Department is working to balance to the force.

The FY 2009 President's Budget increases the Army's budget by 10 percent. In addition to the realignment of 36,000 temporary "over strength" personnel to the base budget, the President increased the active Army's strength by 29,000

personnel over five years. This is a combined total increase of 65,000 Soldiers, the most significant increase to Army end strength in more than three decades. This places the Army on a path to stand up 76 brigade combat teams by 2012. Raising Army end strength requires a commensurate increase in recruiting, training, base operations, family support, weapons procurement, and construction. Further, military pay and healthcare funding will increase by 12 percent from FY 2008 to FY 2009. This reflects the military pay raise of 3.4 percent.

*On average, an E6 will realize
a \$1,289 increase in basic pay in 2009.*

The Department places a high priority on family housing and facilities. Therefore, the FY 2009 budget increases by 15 percent over FY 2008 to upgrade and build new family

DoD FY 2009 Budget Request Summary Justification

housing to meet the needs of current and future Soldiers and their families and to provide facilities to accommodate the increase to Army end strength.

FISCAL YEAR 2007 ACCOMPLISHMENTS

Even though the Army has been engaged heavily in combat for an extended period, it has made progress on many of its objectives to increase combat capability. The Army continues its transition from a division-based force structure to a Brigade Combat Team (BCT) modular force structure. The brigade design itself has been changed, as well, making each more capable and deployable than the Army brigade of the recent past. The Army's overall transformation plan is on track to achieve a combined total of 76 modular BCTs by 2012, 48 in the Active Component and 28 in the Army National Guard. 70 BCTs have been converted or are converting through FY 2009 (Figure 2.1). The first phase of the transformation process includes training, manning, and organizing. Equipment transformation will be completed in FY 2015.

- By the end of FY 2007, the Active Component (AC) had built 35 of the 48 programmed BCTs to the modular design. Four brigades were converting in FY 2007; two more in FY 2008. It can take up to 12 months for Active Component heavy and infantry brigades to complete the transition and 24 months for a Stryker brigade.
- The Army National Guard (ARNG) began the switch to modular units in FY 2005 with an accelerated plan allowing early reorganization, manning, and training under the new BCT design. At the end of FY 2007, the ARNG was in the process of transforming 26 brigade combat teams. In FY 2008, all 28 BCTs will be converted organizationally to the modular design. They will be manned and trained by FY 2012.
- The Army Reserve will continue transformation of Combat Support and Combat Service Support structure to modular

Figure 2.1 Brigade Combat Team Modular Conversion Summary

	FY 2007	FY 2008	FY 2009	08-09 Δ
Active Component Converted	35	38	40	+2
Army National Guard Converted	–	–	7	+7
Total Converted	35	38	47	+9
Active Component Converting	4	2	2	–
Army National Guard Converting	26	28	21	-7
Total Converting	30	30	23	-7
Total Transformation	65	68	70	+2

At the end of FY 2007, 65 of 76 programmed BCTs reached E-Date (86%) – E-Dates only begin the process of becoming a Modular Force

- BCT transformation occurs within 12 months of E-Date for AC Heavy BCTs (HBCTs) and Infantry BCTs (IBCTs); 24 months for AC Stryker BCTs (SBCTs); and 48 months for all ARNG BCTs.
- 100% fielding of some equipment items for these units will be an on-going process well past their E-Date. Under current equipping plan, the fielding of programmed items will not be completed until 2015 for BCTs.
- Numbers reflect status as of 30 September for each indicates FY
- **Converted:** Completed initial reorganization and re-equipping to modular design (Unit is MODULAR).
- **Converting:** Undergoing initial reorganization and re-equipping to a modular design (Unit is MODULAR).

106-06

Source: U.S. Army, 20 Sept 2007 SAMAS

units to provide sustainment depth to the Army. By the end of FY 2009, 48 USAR Support Brigades will have completed conversion. In addition, the Army Reserve will rebalance the force by reducing low-demand force structure and increasing high-demand structure needed for operational requirements. In FY 2009, more than 2,000 billets within 34 units will be

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reallocated from legacy administrative and headquarters forces to deployable forces.

In FY 2007, the Army maintained and strengthened its warfighting readiness through a variety of training, mobility, and sustainment programs. Despite a highly dynamic period of rotational deployments, the Army continued to execute its Combined Arms Training Strategy for non-deployed units through the flying hour program and ground systems training. Both were accomplished through live exercises and simulations and have been executed at the appropriate levels, given the Army's deployment requirements and schedule. The Army also completed a rigorous program of tough, realistic combat training at its combat training centers, including 10 Active Component brigade rotations through the National Training Center, 10 brigade rotations through the Joint Readiness Training Center, and five brigade rotations through the Joint Multi-National Readiness Center. The Battle Command Training Program conducted three Corps Warfighter exercises and trained seven division-level command and staff groups.

Sustaining the all-volunteer force remains a fundamental strategic objective. The Army ended the 2007 recruiting year successfully with almost 183,000 men and women becoming Army Strong by joining units across all components. The Active Component and Army Reserve exceeded their accession objectives by achieving 100.5 percent and 100.6 percent, respectively. The Army National Guard, though only achieving 95.2 percent of its accession mission, still exceeded its end strength objective of 350,000 by 2,707 Soldiers.

During 2007, the Army continued a five-year record of achieving goals for retaining Soldiers. Each component exceeded its retention goals, contributing to an aggregate rate across the Army of 109 percent (127,256 reenlistments against a goal of 116,349). The Army continues to reenlist two out of every three eligible Soldiers and one out of every two first-term Soldiers.



U.S. Army Soldiers from Alpha Company, 2nd Battalion, 508th Parachute Infantry Regiment move into position to support Afghan National Police who are moving in to apprehend a suspect during a cordon and search of Pana, Afghanistan.

U.S. Army photo by Staff Sgt. Michael L. Casteel – June 2007

The Army continued to improve base operations support programs worldwide with an emphasis on services, family programs, environmental programs, force protection, and audio visual and base communication services. Facility Sustainment, Restoration, and Modernization (SRM) accounts supported barracks modernization, Army Family Housing and focused facilities sustainment management.

The Army also spent considerable time and resources on Soldier and family well-being efforts, which are inextricably linked to readiness. Well-being programs and family support systems were synchronized with rotation schedules and

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optimized to support deployed units. Army Community Service and Reserve Component family programs provided a network of integrated support services that directly affected Soldier readiness and retention, as well as spouse adaptability to military life during peacetime and through all phases of mobilization, deployment, and demobilization.

The health of our all-volunteer force depends on the health of the family. Families are concerned about funding and support for family programs, physical and mental healthcare, housing, education, childcare, and employment opportunities for spouses. The Army wants to provide Soldiers and their families with a level of support commensurate with their level of service, and the Army established the Family Covenant in direct response to concerns from Army families. Army leaders around the world signed the Army Family Covenant and pledged to support Soldiers' families while they defend the nation.

TRANSFORMATION STRATEGY

In FY 2008, the Army implemented a plan to increase strategic depth, reestablish balance, increase capacity, and reduce the level of stress on Soldiers and units by 2012. One major element of this plan is to raise the Army's end strength by 65,000 Soldiers and to build 48 Active Component BCTs by 2012. This growth will ensure that the supply of forces is sufficient to sustain current and anticipated strategic demands.

The Army also is reforming the Reserve Component (RC). The Army National Guard and U.S. Army Reserve are being utilized to fulfill operational requirements, which enables the Army to sustain its expansive and extended missions, as well as to provide support during national emergencies. In order for the RC to fill this new role, the Army is restructuring units along the modular design, improving equipment so that it matches that of the Active Component (AC), and rebalancing the resident skills and occupational specialties of the Soldiers assigned to RC units.

The Army Family Covenant

We recognize:

- *The commitment and increasing sacrifices that our Families are making every day*
- *The strength of our Soldiers comes from the strength of their Families*

We are committed to:

- *Providing Soldiers and Families a Quality of Life that is commensurate with their service*
- *Providing our Families a strong, supportive environment where they can thrive*
- *Building a partnership with Army Families that enhances their strength and resilience*

We are committed to Improving Family Readiness by:

- *Standardizing and funding existing Family programs and services*
- *Increasing accessibility and quality of health care*
- *Improving Soldier and Family housing*
- *Ensuring excellence in schools, youth services and child care*
- *Expanding education and employment opportunities for Family members*

Source: U.S. Army 106-64

The Army also has begun to employ a new force management tool called the Army Force Generation (ARFORGEN) model. Made possible by the greater number of brigade combat teams and their modular, interchangeable design, ARFORGEN will ensure that enough units are fully ready to fulfill Combatant Commanders' needs. Deployment cycles will become predictable and will include two years of home-station time out of every three for the Active Component (in the current surge environment, but with a goal of three years at home out of every four) and five years out of every six for the Reserve Component.

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This will ease stress on the force and provide stability to Army families, which in turn will help recruiting and retention. ARFORGEN depends upon growing the Army and fully implementing the modular force design, both of which are supported by the FY 2009 budget request.

Accompanying these changes is the modernization of combat and support systems, which ensures that Soldiers retain a decisive advantage over all potential enemies. The Army is upgrading existing systems and incorporating new technologies, some developed in response to the specific needs of the unconventional battlefields of Iraq and Afghanistan and some developed through the Future Combat Systems (FCS) program. Ultimately, warfighting units will undergo an evolution in capability when complete FCS brigade combat teams are fielded.

FCS is the core of Army research and development (R&D). The Army's first comprehensive modernization effort in nearly four decades, FCS is designed for full-spectrum operations, from major combat to stability and support activities to defense of the homeland. FCS consists of manned and unmanned ground vehicles, sensors, launch systems, and unmanned aerial vehicles linked by a network that also connects the FCS BCT to the Global Information Grid. This ensures interoperability and secure operations not only with the Army but also with joint and coalition forces. The FCS program will release new technologies as they become available to the field through the spin-out process.

FY 2009 BUDGET REQUEST

The FY 2009 Defense budget includes \$140.7 billion to support the Army's strategic objectives and includes adjustments necessary to support the Army Campaign Plan and Army Modernization Strategy, synchronize Grow the Army decisions with modularization of the force, and incorporate lessons learned from ongoing operations in Iraq and Afghanistan.



U.S. Army Command Sgt. Maj. Gregory Frias points in the direction he wants a Stryker Light Armored Vehicle to stage as it navigates a muddy road during a stop at a combat outpost in Muquadhiah, Iraq. Frias is attached to the 2nd Battalion, 23rd Infantry Regiment, 4th Brigade Combat Team, 2nd Infantry Division.
DoD photo by Spc. LaRayne Hurd, U.S. Army – December 2007

Military Pay and Healthcare (\$51.8 billion)

The FY 2009 budget includes \$51.8 billion for military pay and healthcare, an increase of \$5.6 billion or 12 percent over the prior year. The FY 2009 budget continues the Grow the Army initiative. The most notable aspect of the FY 2009 Army Military Personnel account is the decision to move the requirement for 36,000 personnel previously considered "over strength" from GWOT emergency appropriation requests to the base budget. In addition to this 36,000, the Army included funding to add an additional 7,000 new Soldiers to the force in FY 2009. This is additive to the 7,000 Soldiers added in FY 2008 for a total of 50,000 additional Soldiers funded in the FY 2009 budget. These

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two initiatives will help to ensure that the right number of high-quality Soldiers with the appropriate grades and skills are available to satisfy mission needs.

Operations, Readiness, and Support (\$40.3 billion)

The FY 2009 budget includes \$40.3 billion for operations, readiness, and support, an increase of \$4.4 billion or 12 percent over the prior year.

Recruiting and Training

Recruiting and training are integral contributors to the success of expanding the Army. The Army increased recruiting and advertising programs by 13 percent from FY 2008 to FY 2009. This funding will enable the Army to add 324 recruiters and to expand the number of recruits entering initial training by 37,968 to a total of 98,525. The Army also will add 3,270 Senior Reserve Officer Training Corps (SROTC) scholarships to help grow the officer corps.

One station unit training capability, which combines Basic Combat Training and Initial Skill Training for enlisted personnel, will increase by 19,417 seats, and specialized-skill training capacity in the Active Component by nearly 95,455 seats. Flight training will expand to support the Army's transition to the CH-47F and UH-60M aircraft.

To accommodate the Army's growth, Combat Training Center (CTC) capability will be increased and the focus of exercises revamped. The budget request covers various CTC improvements, such as additional Exportable Training Capability, which includes the support necessary to conduct a BCT-level exercise at home station or other remote training areas. Funding for contractor logistics to support additional training aids, devices, simulators, and simulations (TADSS) at CTCs is higher, as well, and the budget takes into account greater CTC transportation costs.



U.S. Army Sgt. William Edward, from 1st Squadron, 2nd Stryker Cavalry Regiment, provides security while on a patrol in Baghdad, Iraq.

U.S. Army photo by Spc. Jeffery Sandstrum - October 2007

A significant increase in funding to Army National Guard training reflects the mobilization policy that now requires much of the individual and collective pre-deployment training to occur while Soldiers are in pre-mobilization status.

Army Reserve end strength will grow to 205,000 in FY 2009. In line with this goal, the budget funds increased recruiting and retention bonuses and incentives. Pay, benefits, and allowances

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for Soldiers on annual training, inactive duty training (drills) and special training status are included. The FY 2009 request also enables 50,000 Reserve Soldiers to attend training at Army schools.

The FY 2009 budget expands and continues the practice of utilizing Army Reserve Soldiers and units to perform day-to-day missions during their drill periods and annual training in order to reduce the demands on the active force. Army Reserve units provide medical care and construct roads for developing countries, conduct professional development schooling for Soldiers of all components, operate communications systems for Combatant Commanders, and perform a myriad of other functions needed to sustain a worldwide defense capability

Modularization

The Army's ability to meet the demands of Combatant Commanders now and in the future hinges on instituting a modular force structure. The FY 2009 budget continues funding for equipment, personnel, and training for the conversions and activations of modular units, including building toward a total of six additional Brigade Combat Teams in the Active Component.

The Army National Guard will continue the conversion from a division-based force to a more readily deployable brigade-centric force and, as part of the Army National Guard Rebalance initiative will convert combat brigades to multi-functional support brigades. Additionally, the Army National Guard and the Army Reserve will continue restructuring to build additional combat support and combat service support organizations.

Soldier and Family Support

The Army is committed to mitigating the impacts of repeated deployments; encouraging mid-grade leaders to remain in service; enhancing the quality of our support to the force; and treating Soldiers, families, and civilians with the dignity and respect they deserve. The Army recognizes the strength of our

Soldiers comes from the strength of their families, and we are dedicated to building a partnership with Army families that enhances their vitality and resilience.

With this in mind, the Army is increasing family programs by 85 percent in FY 2009. These programs provide a full range of services to Soldiers and families to help them respond to transitions, separations, and deployments and to alleviate the everyday stress of military life. Services include Child Development Centers, Family Readiness Group Training, Financial Readiness, Family Advocacy, the Exceptional Family Member Program, and Employment Readiness. The Army also will augment its community recreation programs, which include a variety of activities linked to Soldier readiness and retention, such as sports and fitness programs, libraries, outdoor recreation, recreation centers, arts and crafts, and automotive skills.

Strategic Modernization (\$37.1 billion)

The FY 2009 budget includes \$37.1 billion for strategic modernization, an increase of \$0.8 billion or 2 percent over the prior year. The Army's top ten procurement and research and development programs total nearly half of its request for strategic modernization funds (Figure 2.2).

Research, Development, Test, and Evaluation (RDT&E)

The Army's science and technology investment strategy is focused on enhancing the current force while pursuing long-term objectives and exploration. It has three major investment components: 1) basic research to create new understanding of technologies for future application, 2) turning applied research into militarily useful technology applications in the mid term, and 3) demonstrations of mature technology, in relevant operational environments, that can be applied to acquisition programs in the near term. The entire program is adaptable and responsive to the needs of Soldiers on the battlefield.

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Figure 2.2 Army's Strategic Modernization Programs (selected)

System	(\$ billions)
Future Combat Systems (Includes NLOS-C/NLOS-LS)	3.6
Training Ammunition	1.4
Stryker Vehicle	1.3
CH-47 Chinook (Includes Mods)	1.2
UH-60 Blackhawk	1.1
Patriot (MEADS & PAC-3)	1.0
HMMWV	1.0
Family of Medium Tactical Vehicles	0.9
Family of Heavy Tactical Vehicles	0.9
AH-64 Apache Mods	0.8
Total	13.3

Numbers may not add due to rounding

Source: United States Army – Includes RDT&E and Procurement

106-07

A large portion of FY 2009 R&D dollars will be directed to the FCS program, including two key subsystems: the Non-Line-of-Sight Cannon (NLOS-C), which will provide sustained volume of long-range precision fires in all weather conditions; and the Non-Line-of-Sight Launch System (NLOS-LS), which will give the maneuver commander immediately responsive precision fires against high-payoff targets and instant battle damage assessment capabilities. The Army's objective is to achieve initial operating capability for one FCS brigade combat team in FY 2015 and full operating capability of that brigade by FY 2017. In FY 2011, the Army intends to field a package of FCS technologies to existing brigade combat teams.

Procurement

Army acquisition in FY 2009 is geared largely toward completing the equipping of modular brigade combat teams by FY 2015 and modular support brigades by FY 2019, and modernizing existing heavy brigade combat teams and aviation units.

The FY 2009 budget supports procurement of 119 Stryker vehicles, including 79 Mobile Gun Systems and 40 nuclear, biological, and chemical reconnaissance vehicles. The Army also will accelerate implementation of the Warfighter Information Network-Tactical, Increment 1 in FY 2008, bringing initial operating capability to Stryker brigade combat team No. 7 between June and September 2008.

As part of the modernization of heavy BCTs, the Army will reduce Abrams tank variants to two by FY 2013: the M1A2 SEP and the M1A1 AIM. In FY 2009, the Army will initiate procurement of 29 M1A2 SEP tanks, as well as Abrams Power Pack improvements, operational enhancements, field upgrades, Abrams Integrated Management (AIM) tanks, and armor.

To meet the Army's Tactical Wheeled Vehicle modularity requirements and to further modernization of the medium fleet, the Family of Medium Tactical Vehicles program is funded to procure 3,187 trucks and 2,718 trailers with 2.5-ton and 5-ton capacity. The FY 2009 budget also contains money to procure 5,249 HMMWVs, including up-armored M1151A1s, M1152A1s, and M1165A1s with integrated armor.

By FY 2013, the Army also will reduce the Bradley Fighting Vehicle to two variants: the M2A3 and M2A2 Operation Desert Storm (ODS). The request covers procurement of M2A3 and M2A2 ODS Enhanced Version vehicles and upgrades the Bradley's urban survivability capabilities, electrical power, and system architecture.

The request also includes funding for the Family of Heavy Tactical Vehicles, such as the Palletized Load System, flat racks, the Container Handling System, the Movement Tracking System, Heavy Expanded Mobility Tactical Trucks, and the Heavy Equipment Transporter System.

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As part of the aviation modernization effort, the Army in FY 2009 will procure seven Joint Cargo Aircraft; 28 Armed Reconnaissance Helicopters; 36 Light Utility Helicopters; 16 new and 23 remanufactured F-model CH-47s; Apache upgrades and conversions, including 32 Longbow (Block II) models, Target Acquisition Designation Sights/Pilot Night Vision Sensors, and other safety and reliability modifications; 63 Black Hawk aircraft; and aircraft survivability equipment.

Additionally in FY 2009, the Army will fund procurement of 88,964 M4 Carbine/Combat Optics Machine Guns, which will support BCT modularity efforts, and multiple types of night vision devices, including AN/PVS-14, ENVG, AN/PEQ-2A, thermal sights for the Long-Range Sniper Rifle, Laser Target Locating Systems, and AN/VAS-5 Driver Vision Enhancement systems.

Within the missile program, the Army will continue procurement of 108 Patriots/PAC-3s and proceed with the transition from the PAC-3 to the new Missile Segment Enhancement missile.

Family Housing and Facilities (\$11.5 billion)

The FY 2009 budget includes \$11.5 billion for family housing and facilities, an increase of \$1.5 billion or 15 percent over the prior year. The Army is committed to enhancing Soldier and family quality of life by improving housing and base facilities and providing facilities to accommodate the increase to Army end strength.

The FY 2009 Military Construction and SRM programs include funding to build new and to renovate existing military facilities for both the Active and Reserve components. The focus of these efforts is upgrading living conditions and support facilities, both of which are key factors in maintaining readiness and retaining the best Soldiers and their families.

The Army National Guard will concentrate on creating state-of-the-art, community-based installations and training sites that facilitate communications, operations, training, and equipment sustainment. The ARNG's program is centered around six investment areas: ranges, training facilities, maintenance support shops, readiness centers, minor construction, and planning and design.

The Army Reserve construction program will improve local and regional facilities to support the training and readiness of Soldiers and units. The Army Reserve will build new reserve centers and training facilities in communities where our Soldiers and families live and work. The construction program incorporates design improvements, reduces environmental impacts, provides state-of-the-art secure communications, and enhances physical security.

Base Realignment and Closure (BRAC)

The Army's BRAC budget for FY 2009 initiates 83 military construction projects plus planning and design for FY 2010 projects. It fully supports the transformation and re-stationing of the operational force, including Global Defense Posture and Realignment, as well as Reserve Component transformation in 29 states and Puerto Rico.

SUMMARY

The Army's FY 2009 base budget supports modularization, modernization, and end-strength growth. These three intertwined and complementary efforts are essential to the future of the Army and its ability to maintain its position as the world's dominant land force. The funding requested in the FY 2009 President's Budget is necessary to ensure that the Army is ready and able to support the President's national security objectives.

DEPARTMENT OF THE NAVY

Department of the Navy

HIGHLIGHTS

Mission

It is the mission of the Department of the Navy to develop, maintain, organize, train, and equip combat-ready Navy and Marine Corps forces capable of winning wars, deterring aggression, and maintaining freedom of the seas, both today and tomorrow.

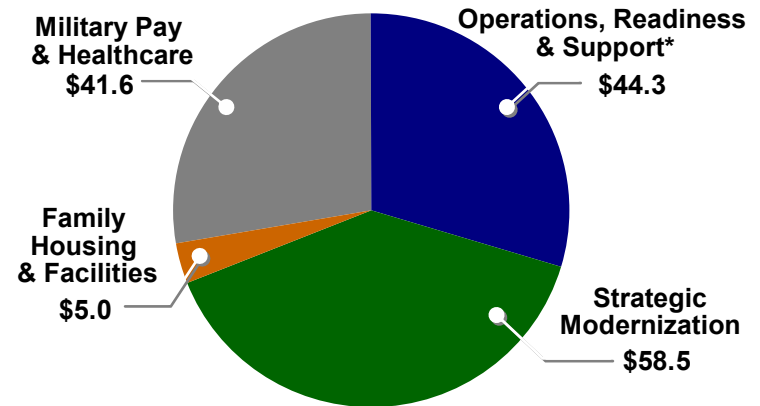
Funding Priorities

- Develop the Total Force
- Aggressively Prosecute Military Contingencies, including the GWOT
- Build the Force for Tomorrow
- Provide First Rate Facilities

FY 2008 to FY 2009 is a +\$10.2 billion or 7.3% increase

FY 2009 Department of the Navy

(\$ in billions)

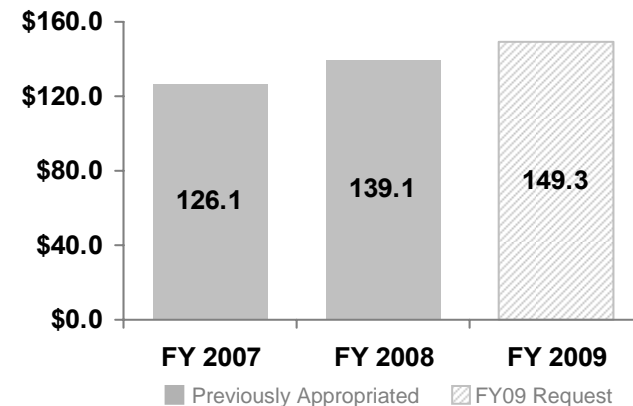


\$149.3B

*Includes ship construction and other investment funding for National Defense Sealift vessels, for which \$1.6 billion is requested in FY 2009.

Total Annual Cost

(\$ in billions)



Does Not Include GWOT
Numbers may not add due to rounding

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Department of the Navy <i>\$ in Billions</i>	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Military Pay & Healthcare	37.8	39.4	41.6	+2.1	5.4%
Operations, Readiness & Support ¹	37.5	40.7	44.3	+3.6	8.8%
Strategic Modernization	48.7	55.3	58.5	+3.2	5.7%
Family Housing & Facilities	2.1	3.7	5.0	+1.3	34.1%
Total Department of the Navy	126.1	139.1	149.3	+10.2	7.3%

Military End Strength <i>(in thousands)</i>	FY 2007 Actual	FY 2008 Projected	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Navy Active Component	337.5	327.6	325.3	-2.3	-0.7%
Marine Corps Active Component ²	186.5	189.0	194.0	+5.0	2.6%
Navy Reserve	69.9	67.8	66.7	-1.1	-1.6%
Marine Corps Reserve	38.6	39.6	39.6	—	—
Total Military End Strength	632.5	624.0	625.6	+1.6	0.3%

Notes: ¹ Includes ship construction and other investment funding for National Defense Sealift vessels, for which \$1.6 billion is requested in FY 2009. ² Actual FY 2007 end-strength includes over-strength of 11,492, funded from the FY07 Emergency Supplemental. FY 2007 baseline funded at 175,000. FY 2008 end-strength includes over-strength of 9,000 requested in FY 2008 GWOT Request. FY 2008 baseline funded at 180,000. Numbers may not add due to rounding

OVERVIEW

The Department of the Navy requests \$149.3 billion for FY 2009, a \$10.2 billion or 7 percent increase over FY 2008, to support 286 commissioned surface ships, submarines, and other support vessels; associated fixed wing and rotary aircraft; ground support, communications, and logistics capabilities; base infrastructure and community support; military and civilian personnel; and research, development, and procurement. A worldwide presence, credible deterrence capability, ability to project power from naval platforms anywhere on the globe, and the ability to prevail at sea are non-negotiable elements of the U.S. Navy's strategic posture. The health of our economy, security of our people, and stability of our national interests depend on the strength of our maritime strategy. The Nation's

interests are best served by fostering a peaceful global system comprised of interdependent networks of trade, finance, information, law, people, and governance.

Recently, the Chief of Naval Operations and the Commandants of the U.S. Marine Corps and U.S. Coast Guard announced a maritime strategy. *A Cooperative Strategy for 21st Century Seapower* addresses the core capabilities of security, stability, and seapower. Maritime forces remain the first line of defense, and today's naval forces must be able to deploy quickly to difficult locations. Most of the world's population lives near a coastline, and 90 percent of the world's commerce is dependent on safe waterways. Any disruption in international commerce

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has a direct impact on America's quality of life. Seapower is the unifying force and common denominator that enables global security, stability, and prosperity.

Preventing wars is as important as winning wars. There is a tension, however, between the requirements for continued peacetime engagement and maintaining proficiency in the critical skills necessary to fighting and winning in combat. U.S. Navy and Marine Corps forces can surge when necessary to respond to crises. Yet maritime forces must contribute to winning wars decisively while enhancing the U.S. ability to prevent war. Trust and cooperation cannot be surged; they must be built over time, with continuous attention to strategic interests which foster mutual understanding and respect among our international partners.

Today the U.S. and its partners find themselves competing for global influence in an era in which they are unlikely to be fully at war or fully at peace. A range of disruptions can produce cascading and harmful effects far from their sources. Major power war, regional conflict, terrorism, lawlessness, weapons proliferation, and natural disasters all have the potential to threaten U.S. national security and world prosperity. While the enemies of yesterday were predictable, homogenous, hierarchical, and resistant to change, today's enemies are unpredictable, diverse, networked, and dynamic. These enemies do not operate on conventional battlefields. Such changes in the strategic landscape result in more competitors for the U.S. and its friends, more complex contingencies for which the Joint Force must prepare, and a broader range of mission sets for the Department of the Navy (DON). The Department's challenge is to apply seapower in a manner that protects U.S. vital interests globally even as it promotes greater collective security, stability, and trust.

FISCAL YEAR 2007 ACCOMPLISHMENTS

The Navy and Marine Corps team continued to answer the Nation's call, both to maintain the peace – establishing stability and security around the world – as well as fight the GWOT. The Department met its FY 2007 objectives to provide a total workforce capable and optimized to support the National Defense Strategy, to aggressively protect the peace and prosecute the GWOT, while also building the Navy and Marine Corps force for tomorrow. From combat operations in Iraq and Afghanistan to humanitarian assistance and disaster relief throughout the world, the Department of the Navy has proven ready to meet any task and answer any challenge.

Two F/A-18C Hornet aircraft fly over the Nimitz-class aircraft carrier USS John C. Stennis (CVN 74) prior to landing. The John C. Stennis Carrier Strike Group is on a regularly scheduled deployment in the 5th Fleet area of operations supporting ground forces in Iraq and Afghanistan.

U.S. Navy photo by Mass Communication Specialist 3rd Class Jon Hyde – July 2007



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Operations

While operating in the Arabian Gulf, the Carrier Strike Groups and Expeditionary Strike Groups, with their associated forces, conducted missions in FY 2007 in direct support of OIF and OEF and provided a maritime presence in global waters. One surge deployment was also executed under the Navy's Fleet Response Plan.

While operating in the Persian Gulf, the strike groups also conducted Maritime Security Operation (MSO) with coalition partners, operating under international maritime conventions to provide security and safety in international waters, which helped ensure the seas were free, safe, and secure for trade and commerce. In FY 2007, strike groups collectively flew over 40,000 sorties and logged over 105,000 flight hours.

During the past year, Sailors and Marines continued to demonstrate their versatility and flexibility across the spectrum of the GWOT. There are over 11,300 Sailors ashore (including Individual Augmentees supporting ground forces in core mission areas and new capability areas) and 12,000 at sea in the U.S. CENTCOM region alone engaged in the GWOT. Their efforts include maritime infrastructure protection, shallow water interdiction, littoral patrol, combat engineering and construction, explosive ordnance disposal (EOD), and combat operations. Over 23,000 deployed Marines conducted combat operations in Iraq and Afghanistan. Riverine Squadron 1, with more than 100 Sailors, deployed to the Middle East to integrate with Marines from the II Marine Expeditionary Force (II MEF) to conduct maritime security operations along rivers and other inland waterways. The deployment marked the first for a riverine squadron since the Vietnam War.

The Navy and Marine Corps also participated in numerous international and joint training exercises. As a part of the Global Fleet Station (GFS) 2007 exercise, the High Speed Vessel (HSV

2) Swift was deployed to advance two objectives. First as a pilot deployment designed to analyze the GFS concept of a persistent sea base of operations from which to coordinate and employ adaptive force packages within a regional area of interest for the Navy. The second objective was to support U.S. Southern Command objectives for its area of responsibility by enhancing cooperative partnerships with regional maritime services and improving operational readiness for the participating partner nations. Embarked on board Swift was the task group staff and several training teams from various Navy and Coast Guard commands. Marine Corps and Department of State units also hosted information exchanges and training with the partnership countries.

Humanitarian Assistance

Sailors volunteered to provide assistance to help prevent flood damage to homes and businesses from Des Plaines and Skagit River flooding in Illinois and Washington, respectively. When the Interstate-35 bridge collapsed in Minneapolis, Minnesota, the Department of Transportation requested assistance from DoD in recovery efforts. The Navy answered the call by sending 17 divers and a five-person command and control element from Navy Expeditionary Combat Command. In May of 2007, Sailors of Assault Craft Unit (ACU) 5 from Camp Pendleton, California, assisted local firefighters and worked nonstop, loading and off-loading fire engines and other fire equipment.

Aerial delivery of relief supplies to Nicaraguan victims of Hurricane Felix began from USS Wasp (LHD 1) on September 7, 2007, and continued from USS Samuel B. Roberts (FFG 58). The objective of delivering emergency relief supplies was to help local governments and relief organizations achieve self-sufficiency as they rebuilt from Felix's destruction.

The U.S. Naval hospital ship, USNS *Comfort*, returned home after a four-month, 12-country, humanitarian assistance and

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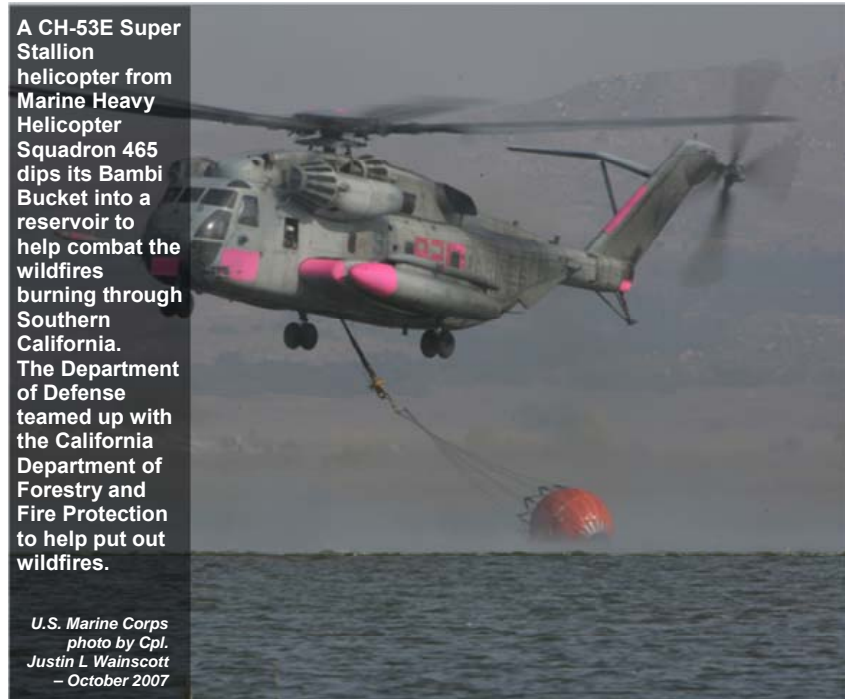
training deployment in Latin America and the Caribbean. *Comfort's* medical crew, Air Force and Air National Guard medical personnel, SeaBees (construction battalions), and international partners helped to treat more than 98,000 patients and renovated and completed construction projects at 27 sites throughout the region.

During Pacific Partnership 2007, the crew of the USS Peleliu undertook a four-month humanitarian mission that included personnel from Navy, Army, and Air Force medical units; the U.S. Public Health Service; U.S. Navy SeaBees; and a fleet surgical team. They joined host nation medical personnel, partner nation military medical personnel, and non-governmental organizations (NGOs) to provide medical, dental, construction, and other humanitarian-assistance programs ashore and afloat in the Philippines, Vietnam, Papua New Guinea, the Solomon Islands, and the Marshall Islands.

Recruiting and Retention

The DON focused its FY 2007 staffing efforts on three fronts: recruiting the right people, retaining the right people, and achieving targeted attrition. Resources were dedicated to those programs best suited to ensuring the proper combination of grade, skill, and experience in the force – the right person for the right job at the right time and place with the right education and the right skills. Navy Recruiting's main objectives are:

- To increase the quality of the Total Force by aggressively seeking qualified Sailors in 71 total occupational fields, or ratings, in both the Active and Reserve components, with emphasis on specific areas: SEALs, Navy Special Warfare (NSW), Navy Special Operations (NSO), Special Warfare Combatant-Craft Crewmen, Explosive Ordnance Disposal, Divers, Hospital Corpsmen, Reserves, and Women in Non-traditional Ratings (Master-at-Arms and SeaBees);



- To maintain, manage, and mentor a healthy pool of young men and women in the Delayed Entry Program (DEP) in order to smooth the flow of recruits into boot camp; and
- To continue providing needed support to GWOT demands by meeting the mission requirements for the other ratings that support NSW/NSO missions.

The Marine Corps continued to reshape its forces to meet the growing demands of the GWOT and to provide trained forces in support of other contingencies. The Marine Corps Active Component is expected to increase to 202,000 by FY 2011 as approved by the President. The additional forces will enhance the Marine Corps' ability to maintain operations indefinitely

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without drastic changes to procedures, policies, organization, or operations. Additionally, the Marine Corps anticipates continued success in meeting recruiting and retention goals to maintain the planned force level.

Training

Training and education are critical to the continued growth and development of our Sailors and Marines and enhances their contribution to our joint warfighting ability. In FY 2007, the Navy began implementation of Spiral One Sea Warrior – a family of training, education, and career management systems. The Navy also continued to develop its language, regional expertise, and cultural programs to improve communications with adversaries, Allies, and partners.

Marine Corps training and education remained stalwart components of an individual Marine's professional development. The Military Occupational Specialty (MOS) Roadmaps, in particular, continued to guide Marines through general and specific career training, education requirements, and voluntary education. Institutionally, MOS Roadmaps will increase the combat effectiveness of all Marine organizations. Additionally, Marine Corps' distributed operations in FY 2007 placed a premium on the situational awareness and judgment of junior leaders, thereby necessitating enhancements to professional development. These enhancements have been designed to empower individual Marines to assume greater responsibilities utilizing decentralized decision-making and operating in diverse cultures.

Shipbuilding

The future fleet of ships, as represented in the Department's 30-year shipbuilding plan, will sustain operations in forward areas longer, be able to respond more quickly to emerging contingencies, and generate more sorties and simultaneous



attacks against greater numbers of multiple targets and with greater effect than our current fleet. The DON continued to see the future fleet take shape with ongoing ship construction programs including the following:

- Dry Cargo and Ammunition Ship (T-AKE);
- Guided-Missile Destroyers (DDG);
- Nuclear-Powered Attack Submarine (SSN);
- Landing Helicopter Assault - Replacement (LHA(R));
- Carrier Replacement Program (CVN 77);
- Landing Platform Dock Ship (LPD 17);
- Littoral Combat Ship (LCS); and
- Amphibious Assault Ship (LHD 1).

DoD FY 2009 Budget Request Summary Justification

Aviation Procurement

The DON is in the midst of an extensive, long-term consolidation and recapitalization of naval aircraft to develop the optimum balance between requirements and usage. To sustain global air superiority, in FY 2007 the DON invested in several naval aviation acquisition programs and procured 157 aircraft including: E-2C, T-45TS, F-5E, JPATS, F/A-18E/F, EA-18G, MH-60R/S, MV-22B, AH-1Z/UH-1Y, MQ-8B, and KC-130J.

TRANSFORMATION STRATEGY

The Department of the Navy transformation strategy focuses on prevailing in the Global War on Terror, strengthening joint warfighting capabilities, meeting the needs of the men and women who make up the Navy and Marine Corps, and transforming enterprise management. Major initiatives in support of transformation are:

Prevail in Global War on Terror

- **Swiftly improve high value target tracking and locating capabilities.** The DON budget for FY 2009 supports efforts to develop an enhanced capability to identify threats within the Maritime Domain as early and as distant from our shores as possible, by integrating intelligence, observation, and navigation systems into a common operating picture accessible throughout the USG. The Maritime Domain Awareness initiative will combine the efforts of Federal, state, and local governmental agencies, international governments, non-governmental organizations, and commercial and private enterprises to create an understanding of anything associated with the global maritime domain that could impact the security, safety, economy, or environment of the U.S.

Strengthen Joint Warfighting Capabilities

- **Sustain Special Operations Forces expansion plan.** In FY 2007, the DON took additional steps to enhance recruiting efforts for Naval Special Warfare/Naval Special Operations (NSW/NSO). The unique skill sets in the NSW/NSO communities demand intensive training of exceptionally bright, physically fit and mentally tough individuals. Significant investments in training these operators have been made and the Navy must utilize every available incentive tool to retain them and capitalize on that investment. The Marine Corps Special Operations



U.S. Naval sea cadets execute pushups at the coastline of Little Creek Amphibious Base, VA, during explosive ordnance disposal (EOD)/diving training. The EOD/diving training is a three-week long course that not only educates sea cadets about the naval special warfare community, but also emphasizes teamwork along with individual accomplishments in the team environment.

U.S. Navy photo by Mass Communication Specialist 3rd Class Katherine Boeder

DoD FY 2009 Budget Request Summary Justification

Command (MARSOC), established in 2006, is a complimentary force that will ease the strain on the elite units of other Services and contribute to the Nation's readiness in the GWOT. Within the next two years, MARSOC will grow to an end strength of 2,600, including 24 foreign military training units that will deploy worldwide in support of U.S. Special Operations Command and the various combatant commanders.

- **Strengthen cultural awareness and language capabilities.** DON continues to focus significant effort on transforming and enhancing its expertise in foreign language, regional expertise, and cultural awareness. Navy implemented a Language, Regional Expertise, and Culture (LREC) strategy that galvanizes and aligns related efforts across the Navy Total Force. The workforce was surveyed for existing language proficiency, bonuses were increased for language competencies, heritage recruiting became a focused effort, a new Foreign Area Officer (FAO) community was established, and training and education programs in regional issues were implemented. To systematically capture foreign language proficiency in the future, Navy began mandatory foreign language screening at military accession points and expanded eligibility requirements for the Foreign Language Proficiency Bonus.
- **Grow the Force.** Today's Marine Corps shoulders a critical part of the GWOT with over 32,000 Marines forward deployed. Fighting across the spectrum of conflicts, the USMC's ability to sustain deployed forces for extended periods supports COCOMs prosecuting the war throughout the world. To posture forces for the GWOT and support the Marine Corps' aggressive deployment tempo, the Marine Corps is in the process of increasing its active duty end strength to 202,000 Marines no later than FY 2011. This additional end strength will provide a balanced operating force

that will be large enough to sustain a 1:2 deployment-to-dwell ratio. Achieving this operating tempo ensures that Marines have the time to train for the full range of military operations as well as continuing the nation's fight against global terrorism. The Marine Corps continues to emphasize priorities that ensure success of the Grow the Force initiative, including increases in recruiting and personnel retention incentives, adjustments and increases in force structure and facilities, and transformational shifts in training support. Accordingly, the DON budget supports a considerable increase in end strength funding.

Focus on People

- **Provide a total workforce capable and optimized to support the National Defense Strategy.** The DON continues to focus on sizing, shaping, and stabilizing the total force to apply the right skill sets to projected requirements in the most cost efficient manner. Development and retention of quality people are vital to continued success. America's naval forces are combat-ready largely due to the dedication and motivation of individual Sailors, Marines, and civilians. The FY 2009 budget reflects leadership priorities to support quality of life improvements for Service members and families.

Transform Enterprise Management

- **Continue Navy Enterprise Resource Planning (ERP) Implementation.** Navy ERP will integrate and improve Navy processes for logistics, acquisition, and financial operations. The first major command to implement an ERP system was the Naval Air Systems Command on October 1, 2007. The program is a cornerstone of the DON's business transformation strategy and a key enabler to transform business processes, which will increase productivity and generate efficiencies.

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- **Adopt Lean Six Sigma Methodology.** Lean Six Sigma (LSS) has been implemented throughout the DON to create dollar and readiness assets in service, support and transaction processes. The DON's major commands have launched Lean Six Sigma training programs and are applying LSS concepts, techniques, and tools to various segments of business operations, which should result in process efficiencies.

BUDGET REQUEST

The FY 2009 budget fully supports the Department's maritime strategy, as well as the recently published "Department of the Navy Objectives for FY 2008 and Beyond." The strategy objectives also support the strategic guidance established by the Secretary of Defense and focus on key efforts that will increase the effectiveness of the entire Department. Working from the FY 2008 President's Budget, the DON has built on the foundation of three sets of guidance in constructing FY 2009 budget submissions. The 2006 Quadrennial Defense Review, the Strategic Planning Guidance, and the GWOT Campaign Plan delineated many consistent and clear requirements for the Joint Force. The FY 2009 budget balances capabilities to support traditional and irregular warfare demands while transforming a blue water Navy into one that can fight and win in the blue, green, and brown waters, and expanding the lethality of the Marine Corps. The FY 2009 budget will enable the Navy to:

- Provide a total Navy workforce – Recruit, retain, and train personnel to provide the workforce needed for the 21st century;
- Aggressively prosecute any military contingency, such as the GWOT – Provide a persistent forward presence for proactive shaping, disrupting, and attacking terror networks and for readiness to conduct conventional campaigns;
- Build the force for tomorrow – Procure a fleet that is



capabilities based, threat oriented, and ready to defeat any potential adversary;

- Safeguard people and resources – Integrate safety and risk management into all on and off-duty evolutions;
- Strengthen ethics as a foundation of exemplary conduct – Reinforce core values as a framework for making decisions and;
- Provide first-rate facilities for our personnel – Support Quality of Life programs and align shore infrastructure to provide effective support to the fleet.

America's Marines remain fully engaged in the fight for freedom around the globe. The FY 2009 budget submission will support those at war today, while ensuring Marines are ready to serve

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the Nation tomorrow. To meet these responsibilities, the Marine Corps must simultaneously train, maintain, reconstitute, and modernize its force, and the Commandant has charged Marines at every level to focus the resources available, including time and effort, on accomplishing a number of important objectives:

- Achieve victory in GWOT;
- Grow the Force;
- Provide the Nation a naval force that is fully prepared for employment across the spectrum of conflict; and
- Reset and modernize to be ready when the Nation is least ready.

The Department of the Navy's FY 2009 budget supports a forward posture and readiness for agile response. It positions the DON to play an integral role in global maritime security and humanitarian efforts, alongside other Federal and international agencies. The Department continuously trains for humanitarian assistance missions in order to respond rapidly and efficiently to large-scale disasters and to reduce loss of life and human suffering.

FY 2009 BUDGET HIGHLIGHTS

FY 2009 funding priorities are balanced to support the right Navy and Marine Corps team for the future Joint Force.

Provide a Total Naval Workforce

Navy Strength

Manpower adjustments were made to further align the DON's Total Force to mission objectives. Navy manpower is increased for the new Naval Expeditionary Combat Command (NECC) to meet growing GWOT requirements. This increase was more than offset by a decrease in active manpower based on force structure reductions and civilian and/or contract labor.

Marine Strength

The FY 2009 submission fully supports the President's Grow the Force initiative. The Marines will grow by 27,000 and transition to an active duty end strength of 202,000 no later than FY 2011. The Marine Corps has rebalanced the baseline program to shift resources from conventional to irregular capabilities and capacities. As part of the President's plan, the Marine Corps will grow to sustain three balanced Marine Expeditionary Forces (MEFs). This growth will occur in stages. In FY 2009, the Marine Corps will add over twenty types of combat, combat support, and combat service support units.

Civilian Personnel

Civilians are an integral part of the DON's total workforce, consisting of military, civilian, and contractor personnel who support the mission and functions of the Navy and Marine Corps. To support the Total Force view, competency-based management is being introduced to align critical skills and capabilities across all segments of the workforce. Authorized in the FY 2004 National Defense Authorization Act, the National Security Personnel System provides flexibility in hiring and managing civilian workers and links pay and performance to the mission and accomplishment of organizational goals.

Aggressively Prosecute Any Military Contingency, including the GWOT

Readiness

The DON budget reflects a commitment to properly price and fund readiness to meet the demands of the COCOMs in the near term. Funding the Fleet Response Plan (FRP) to 6+1 meets essential COCOM readiness and surge requirements. Additionally, the budget funds 45 deployed steaming days per quarter and 22 non-deployed days per quarter in FY 2009, which

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sustains FY 2008 budgeted steaming levels and is sufficient to meet baseline readiness needs while fully supporting contingency operations, including the GWOT.

Build the Force for Tomorrow

Maritime Domain Awareness

Support is increased for the Navy's efforts to develop an enhanced capability to identify threats within the Maritime Domain as early and as distant from U.S. shores as possible by integrating intelligence, observation, and navigation systems into a common operating picture accessible throughout the USG.

Shipbuilding

The next generation of aircraft carrier, the Ford Class or CVN-21, will be the future centerpiece of the carrier strike group and a major contributor to the future Expeditionary Strike Group. CVN-21 has a major role in Sea Shield, projecting Navy combat power anywhere in the world.

The DDG 1000 program, formerly the DD(X) program, is the next generation of multi-mission surface combatants tailored for land attack and littoral dominance, with capabilities designed to defeat current and projected threats. The FY 2009 budget provides funding for DDG 1002, the third ship of the class, and advance procurement funding for DDG 1003.

The Navy continues the effort to modernize the fleet of SSN, SSGN, and SSBN submarines. Virginia Class fast attack submarines have joined the existing fleet of SSN-688 and Seawolf Class ships to project power covertly throughout the world's oceans. The FY 2009 budget accelerates achievement of an annual procurement rate of two Virginia Class SSN hulls to FY 2011 from FY 2012.

Aviation

Navy and Marine Corps aviation continues to be at the forefront of the Nation's defense. The FY 2009 budget supports the best balance of naval aviation requirements. The Department continues to decrease the average age of the aircraft inventory to 17 years in FY 2009, from a high of above 20 years in the 1990s and 18 years in 2006. Based on the current Future Years Defense Program (FYDP) procurement plan, the average age will approach 14 years by 2013.

Multi-year procurement contracts for F/A-18E/F, EA-18G, MH-60R/S, MV-22B, and KC-130J have enabled the Department to realize significant savings. Development funding continues for the P-8A and CH-53K. The FY 2009 budget includes Low Rate Initial Production (LRIP) for three E-2D aircraft and eight F-35 Short Take Off and Vertical Landing (STOVL) variants.



Two U.S. Marine Corps KC-130J Hercules aircraft from Marine Aerial Refueler Transport Squadron 352 stagger themselves during an air refueling training exercise off the coast of San Diego, CA.

U.S. Marine Corps photo by Lance Cpl. Kelly R. Chase – February 2007

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Weapons

Continued investments in advanced technology ensure conventional warfare advantage for the U.S. Examples include the Navy's investment in the SM-6 standard missile and its associated Naval Integrated Fire Control – Counter Air (NIFC-CA) capabilities, the next-generation maritime surveillance aircraft, and weapons to attack moving targets (dual-mode Joint Direct Attack Munition (JDAM) and Hellfire). The DON took calculated risk in funding solutions for these challenges.

Provide First-Rate Facilities

The FY 2009 budget request achieves the DON's key goals, financing 106 military construction projects for the active Navy and Marine Corps and five military construction projects for the Navy and Marine Corps Reserves. To support the Grow the Force initiative and the Marine Corps growth in end strength over the next five years, additional military construction to accommodate, train, and house these personnel and their families is required. The DON has concluded detailed facilities planning that has restructured and refined the military construction baseline and provides an executable profile to support and sustain three balanced Marine Expeditionary Forces. The budget also continues to fully support the Marine Corps' initiative to achieve 2+0 Quality of Life standard room design by FY 2012.

SUMMARY

Support of the Department of the Navy FY 2009 budget is critical if the Navy and Marine Corps are to achieve their missions to support the DON transformation strategy. This budget delivers a proposal that rebalances, recapitalizes, and sustains the force; stabilizes the long range shipbuilding plan; and continues to pursue aviation sustainment, recapitalization, and modernization in anticipation of a new long range aviation



U.S. Navy Petty Officer 2nd Class Summer M. Anderson, of Fleet Combat Camera Group Pacific, documents the recovery of an explosive ordnance disposal vehicle near Camp Taji, Iraq.

U.S. Navy photo by Mass Communication Specialist 2nd Class Scott Taylor – August 2007

procurement plan. The FY 2009 budget seeks a balance between the traditional, the irregular, and the transformational, while recapitalizing and building the force. Readiness is properly priced and funded to meet the demands of COCOMs. Warfighting capability investments support all national military strategy goals, while procuring a 313-ship Navy and its associated capabilities. The DON is funded to procure 47 ships and 1,102 airplanes during the FYDP. It supports the right-sized force, trained and ready for tasking in any waterway of the world to meet both traditional and irregular threats.

DEPARTMENT OF THE AIR FORCE

Department of the Air Force

HIGHLIGHTS

Mission

It is the mission of the Department of the Air Force to deliver sovereign options for the defense of the United States of America and its global interests – to fly and fight in air, space, and cyberspace.

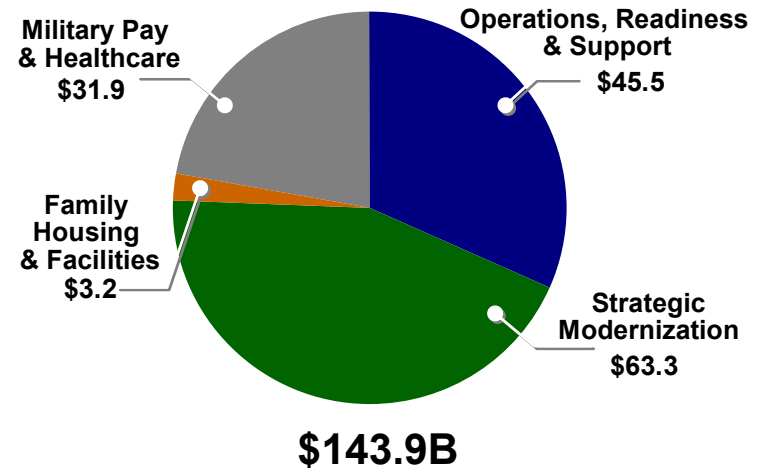
Funding Priorities

- Winning Today's Fight
- Taking Care of Our People
- Preparing for Tomorrow's Challenges

FY 2008 to FY 2009 is a +\$9.6 billion or 7.1% increase

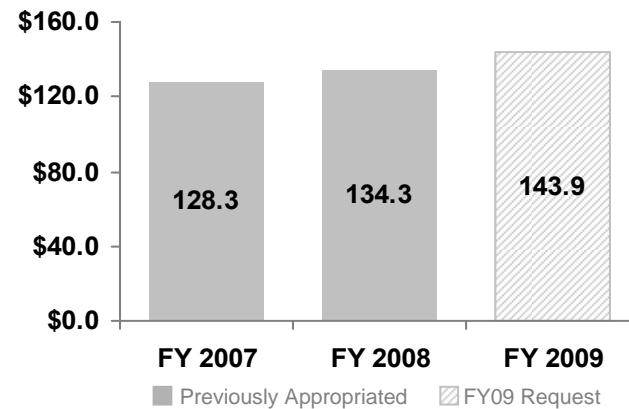
FY 2009 Air Force Request

(\$ in billions)



Total Annual Cost

(\$ in billions)



*Does Not Include GWOT
Numbers may not add due to rounding*

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Department of the Air Force <i>\$ in Billions</i>	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Military Pay & Healthcare	30.2	30.8	31.9	+1.1	3.5%
Operations, Readiness & Support	38.6	40.8	45.5	+4.7	11.6%
Strategic Modernization	55.8	58.9	63.3	+4.4	7.4%
Family Housing & Facilities	3.7	3.8	3.2	-0.6	-15.7%
Total Department of the Air Force	128.3	134.3	143.9	+9.6	7.1%

Military End Strength <i>(in thousands)</i>	FY 2007 Actual	FY 2008 Projected	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Active Component	333.5	328.6	316.6	-12.0	-3.7%
Air Force National Guard	106.3	106.7	106.7	—	—
Air Force Reserve	71.1	67.5	67.4	-0.1	-0.1%
Total Military End Strength	510.9	502.8	490.7	-12.1	-2.4%

Numbers may not add due to rounding

OVERVIEW

The U.S. Air Force is unsurpassed in the world because of its technology, combat experience, and military prowess. To maintain these capabilities, the FY 2009 budget increases the Air Force's funding by 7 percent. Nonetheless, the challenges of 17 years of contingency operations have weighed heavily on the Air Force – Operations Desert Shield, Desert Storm, Northern Watch and Southern Watch, Operation Noble Anvil, Operations Enduring Freedom, Operation Iraqi Freedom, and Operation Noble Eagle.

For the Air Force, manning for Iraqi deployments began in 1990, and there have been no breaks in the high operations tempo (OPTEMPO) since then. It has been 17 years of continuous combat in which the Air Force delivered decisive military power on a global scale. While accomplishing today's mission, Air Force leaders are concerned about the pace of modernization

and recapitalization in light of emerging threats across the spectrum of air, space, and cyberspace.

Winning today's fight, taking care of our people, and preparing for tomorrow's challenges are the Air Force's highest priorities. The FY 2009 President's Budget supports these priorities, ensuring the Air Force's ability to support Combatant Commanders worldwide and to operate effectively in the joint warfighting environment today and the uncertain environment of the future.

FISCAL YEAR 2007 ACCOMPLISHMENTS

The mission of the U.S. Air Force is to deliver sovereign options for the defense of the U.S. and its global interests—to fly and fight in air, space, and cyberspace. Sovereign options refers to the spectrum of choices that the Air Force's air, space, and cyberspace capabilities offer U.S. policy makers for determining

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when, how, and where to engage an enemy. In peacetime, these options include activities that compel positive behavior through means short of war, by moving forces into contested regions as a show of commitment, and providing humanitarian aid. In wartime, Air Force capabilities provide a range of options including actions in conjunction with Allied ground forces, or direct attacks and strikes against enemy centers of gravity to accomplish strategic outcomes. These options provide the nation with credible and scalable options to counter potential enemy actions and increase U.S. influence. The Air Force accomplishes this mission in a very challenging and dynamic environment while ensuring that the Nation's most critical warfighting needs are met. FY 2007 marked another year of fighting a war and supporting humanitarian needs at home and abroad. The wars in Iraq and Afghanistan continue to stress our equipment and people.

Most sorties in OIF and OEF are flown by the Air Force, and during FY 2007, the Air Force:

- Flew over 80,000 sorties;
- Carried out an average of 300 sorties each day, including close air support, strike, inter- and intra-theater airlift, refueling, aero-medical evacuation, and Command, Control, Communications, Computer, Intelligence Surveillance, and Reconnaissance (C4ISR); and
- Conducted more than 900 air strikes, employing more than 2,600 air-to-ground weapons.

These operations are supported by more than 25,000 Airmen who are deployed in support of the Central Command area of responsibility.

In OIF alone, the Air Force delivers the equivalent of 3,500 trucks worth of cargo per month. As a result, more than 8,600 people do not have to traverse dangerous roads to transport cargo, allowing the Army and Marines to retask those vehicles and associated troops to other missions. The focus of



this airlift is to provide the capability to deploy the Nation's armed forces anywhere in the world and help to sustain them in a conflict. The Air Force also provides vital lift assets to keep the homeland secure and to respond to crises at home. In the fall of 2007, Air Force Reserve C-130s supported civil and military forces engaged in battling wildfires in southern California. In FY 2007, the Air Force's airlift mission delivered maximum warfighting and humanitarian relief through rapid and precise delivery of global air mobility, including humanitarian support at home and around the world. Additionally, air refueling capability provides the lifeline of Global Reach – the capability to move people and equipment across the world quickly, ensuring the right force – increasing range, payloads, and flexibility. Increasingly, U.S. Allies rely upon America's airlift capabilities around the world. In FY 2007, Air Force members supported the Rwandan military by moving United Nations

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armored personnel carriers, Rwandan soldiers, food, medicine, and equipment in and out of the Darfur region.

In an effort to address emerging missions, the Air Force established a Cyberspace Task Force and stood up a provisional Air Force Cyberspace Command. Cyberspace dominance goes beyond communications and Information Technology (IT). It requires superiority across the entire electromagnetic spectrum, which includes radio waves, microwaves, infrared, x-rays, directed energy, and applications the Air Force has yet to discover and exploit. The primary mission of this new command is to integrate global kinetic and non-kinetic strike capability and to organize, train, and equip to ensure the full spectrum of integrated global effects. The Command will be responsible for integrating cyber and physical weapons on targets. This new command stands alongside Air Force Space Command, Air Mobility Command, and Air Combat Command as the provider of forces for preserving the freedom of access and commerce in air, space, and cyberspace. Full Operational Capability of this command is projected for October 2009.

The mission of the Air Force necessitates quality people performing at optimal levels. Recruiting and retaining the right people and skill sets is key to ensuring the Air Force workforce will be available to execute today's missions, while preparing for tomorrow's. In FY 2007, the Air Force met its overall recruiting goals and focused on filling needs in career fields with shortfalls such as para-rescue, linguists, and security forces. Bonuses and incentives are one tool to attract this talent. These investments save time as well as money recruiting and training for new personnel. Congressional support for these programs – along with increases in pay, benefits, and quality of life initiatives – has kept recruiting on target to meet goals and allowed retention of the right people in these career fields.

While recruiting talent and maintaining the correct force balance, the Air Force must also meet reduced end strength levels. For



U.S. Air Force Pararescuemen from the 58th Rescue Squadron out of Nellis Air Force Base, Nev., conduct military operations in urban terrain training, as part of the exercise Angel Thunder in Playas, N.M. The exercise is a combat search and rescue (CSAR) exercise designed to provide realistic CSAR task force training that tests theater spin-up capabilities and examines the integration of all Air Force assets in mission planning procedures and mission execution.

U.S. Air Force photo by Senior Airman Christina D. Ponte – July 2007

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the past few years, the Air Force has been working to balance and reduce its end strength to authorized levels. From FY 2004 through FY 2009, the Air Force is decreasing its end strength by about 60,000. The goal is to get to approximately 316,600 active duty personnel by the end of FY 2009. To meet this goal, the Air Force is offering voluntary separation pay to officers in overage career fields, and a Selective Early Retirement Board will convene to identify retirement-eligible officers for early retirement if necessary. Achieving these reductions will be difficult, and the new end strength levels will demand transformation of many practices, policies, and behaviors.

The high tempo of military operations—and the demand placed on people and resources—has led the Air Force to turn more and more to its Reserve and National Guard partners to balance the force. Recognizing that this reliance will continue to be a feature of Air Force operations and that the partnership has led to enhanced capability across the Total Force, the Air Force has embraced the Total Force Integration (TFI). Expanding the Reserve associate unit program, where reservists operate and maintain equipment with their active duty counterparts and which has been traditionally successful in the mobility arena, to include the National Guard and a variety of weapons systems is one of the key initiatives. The Air Force has established associate units at multiple locations for a variety of aircraft. These include F-22s in Virginia and Alaska, C-17s in Hawaii, F-16s in Utah, and C-130s in Wyoming. Also, Guardsmen are analyzing GWOT intelligence in Kansas, and Reservists are flying operational GWOT unmanned aerial system missions from Nevada.

TRANSFORMATION STRATEGY

Transformation across the Air Force includes changes in operational concepts, organization, and/or technologies that significantly improve warfighting capabilities or ability to meet the demands of a changing security environment.



Air Force officials are looking at proposals for a new strategic refueling aircraft, referred to as the KC-X, to replace the aging KC-135 Stratotanker.

U.S. Air Force
Photo

The Air Force continues to implement the Air Force Smart Operations for the 21st century (AFSO21) initiative. Led by the Secretary of the Air Force, this initiative focuses on new ways of meeting warfighter requirements to generate efficiencies and improve combat capabilities across the Air Force. Proven efficiency processes like Lean and Six Sigma, theory of constraints, and business process reengineering principles, govern the initiative. The ultimate goal is to establish an environment where various tools and techniques are employed to change the Air Force's day-to-day operating style and fully integrate continuous improvement into the full spectrum of Air Force operations.

Another transformational initiative, introduced in the last section, that has been undertaken to change operational concepts is TFI, which was discussed in the last section and combines the current Air Force Strategic Plan goal to "improve the total force quality of life" and the 2006 Quadrennial Defense Review (QDR)

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recommendations for “Developing a 21st Century Total Force.” Today’s senior leaders believe “the Total Force is one force” including Regular Component, Air Force Reserve, Air National Guard, Air Force civilians, and contractors. In a reconfigured Total Force, there must be expanded opportunities to integrate personnel from all Total Force components. These efforts enable the Air Force to meet the challenges of a shrinking budget, an aging aircraft inventory, and emerging missions and to capitalize on the inherent strengths of the Air Force, ensuring partnership among elements of the Total Force in virtually every facet of Air Force operations.

The current Air Force Strategic Plan also calls for retirement of legacy aircraft to ensure the right force mix while investing in technologically superior systems. The air and space inventory that the U.S. relies on today is largely what Congress appropriated 20 or 25 years ago. The aging inventory must be recapitalized and modernized to prepare for an uncertain, complex, and threatening future. This effort includes retiring old and obsolete aircraft and replacing them with fewer numbers of more capable systems. The Air Force’s top five procurement priorities are a step in that direction and are: the Tanker program, Combat Search and Rescue (CSAR-X) program, Space programs including TSAT and SBIRS, the Joint Strike Fighter (F-35), and the New Bomber (Figure 2.3, p. 51).

The QDR’s vision for joint air capabilities includes systems with greater range and persistence, larger and more flexible payloads, the ability to penetrate and operate in denied areas, and the ability to destroy moving targets in all weather conditions. To achieve this, the Air Force is making changes in the strategic bomber fleet. The resources made available by these changes will go toward modernizing the remaining B-52 fleet, along with B-1s and B-2s.

Procuring new aircraft and space systems on schedule and at reduced cost requires transformation of the Air Force’s

acquisition processes. A number of projects have contributed to the improvement of acquisition, and FY 2009 promises more progress. For example, the Air Force is working to establish and enforce standards for transparency in acquisition and other business processes that are commensurate with “best-in-class” public and private sector organizations. Financial transparency is essential to good governance, and good governance is vital to ensure that the Air Force can produce and field systems to fly and fight. The Air Force will continue to perfect the processes that promote good governance through transparency and accurate, reliable, and timely life cycle financial data throughout the Planning, Programming, Budgeting, and Execution (PPBE) process. The Air Force has revitalized its Acquisition Strategy Panel, providing a systematic and disciplined approach to acquisitions. The Air Force Review Board process provides a structured, repeatable system that aids decision making on critical aspects of selected acquisition programs. The periodic review processes have been streamlined by combining several independent reviews into a single event, saving both preparation and travel time.

IT modernization efforts are moving forward rapidly, and the Air Force should reach its targets for 2012, ahead of schedule. AFSSO21 IT initiatives – such as server and help desk consolidation, standard desktop configuration, and the adoption of industry best practices – will drive down total cost of ownership (TCO). The standard desktop configuration alone will bring TCO down by over \$140 million. These and other initiatives will yield nearly \$120 million in savings over the next two years, while only requiring a \$7 million investment. The Air Force’s goal over the next six years is to go from a Service-wide total of 1,700 separate systems and 19,000 applications to 700 systems and 10,000 applications. The eventual goal is to have fewer than 100 systems and 1,000 applications. Air Force logistics is leading this wave of transformation with its Expeditionary Combat Support System (ECSS) enterprise

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resource planning suite. ECSS will merge base-level and wholesale logistics systems, and integrate a number of logistics business functions. This will result in the migration from over 400 systems to fewer than 10 by 2012.

FUNDING PRIORITIES

The Air Force's funding priorities support the Department's priorities: winning today's war, taking care of our people, and preparing for tomorrow's challenges. The Air Force budget was developed on four funding "pillars"—people, readiness, infrastructure, and modernization. These four "pillars" provide the funding for the Air Force's overarching capabilities—Global Vigilance, Global Reach, and Global Power.

Economic realities such as rising personnel costs and the increasing cost of fleet operations (Depot Programmed Equipment Maintenance, Contractor Logistics Support, and Flying Hour Program) underscore the need to recapitalize. Operating costs have increased steadily over the last 10 years and investment funding for modernization of the Air Force as a percent of Total Obligation Authority has declined over the past 22 years. Together with a high OPTEMPO and a smaller, older fleet, these developments have resulted in declining readiness since 2001.

People

Despite these economic realities, taking care of people is still a priority for the Air Force. However, maintaining this priority comes with a price. The Air Force will continue to fund increases in base pay, cost of living allowances, basic allowances for housing and subsistence, retirement pay accruals, and taxes. These items are required to maintain the force at the standard of living that will attract and retain Airmen. Additionally, the Air Force will continue to fund retention initiatives to keep quality Airmen on active duty. For example, major programs include



initial enlistment/selective reenlistment bonuses, aviator continuation pay, professional special pays, foreign language proficiency pay, and programs to increase regional affairs and political-military affairs strategists.

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Readiness

Air Force readiness requires adequate flying hours for training aircrews, maintaining a fleet of over 5,600 aircraft, and funding 84 major installations and 1,200 pilots. It also includes support and training programs to develop Airmen for the expeditionary environment and to keep them prepared to deploy when and where they are needed. The Air Force must also conduct space control and satellite operations for over 140 Department and national satellites and operate two space lift ranges, while providing global, seamless command and control and interoperable communications.

Infrastructure

Infrastructure continues to support the Air Force's top three priorities. While infrastructure is a foundation for all facets of mission accomplishment, the Air Force is accepting risk in this area to free up funds for transformation and weapons modernization, both of which must be balanced against rising business operations costs (e.g., rising utility and manpower costs). This does not mean that this area is being neglected. The FY 2009 request funds 49 construction projects worldwide, including mission beddowns for F-35, F-22, and C-17, improved joint training and repair facilities, six Quality of Life projects, and five in support of CENTCOM operations. The FY 2009 budget sustains an infrastructure plant worth more than \$240 billion. Funding for military family housing remains focused on revitalizing overseas housing and completing the initiative to revitalize housing here at home; as privatization continues, costs for Basic Allowance for Housing increase (discussed in the People Section) while military family housing costs decline. Finally, the FY 2009 program continues construction activities in support of recommendations of the 2005 BRAC Commission and the Air Force commitment to meet BRAC closure deadlines of September 2011.

Modernization

The final key to success is the Air Force's modernization effort. The Air Force continues to become more capable, more efficient, and more lethal. Modernization includes aggressive divestment of legacy platforms, significant investments in new platforms with increased capabilities and reliability, and a focus on maintaining a responsive modern individual base. Meanwhile, the average age of inventory continues to increase. The average age of aircraft is now 24 years and the aircraft recapitalization rate is approaching 50 years.

FY 2009 BUDGET REQUEST

Formulating a budget today requires an appreciation for the impact financial decisions have on the Air Force's ability to respond to multiple threats around the globe with a wide range of capabilities. The current Air Force Strategic Plan states that "persistent, lethal, overwhelming Air, Space, and Cyberspace power massed and brought to bear anywhere, anytime" is the common foundation for the Air Force today and in the future. To ensure that this foundation is sustained as effectively and efficiently as possible, it is important that the Air Force know the impact of budget decisions.

The Air Force will continue to refine its methods for understanding how performance affects priorities. The Strategic Plan addresses new responsibilities for aligning performance measures with Air Force priorities, goals, and objectives. The Air Force has established "Priority Champions" and "Objective Champions" aligned to each priority, goal, and objective. This new process for looking at performance measures will demand additional accountability for meeting strategic goals at the Secretary of the Air Force and Chief of Staff of the Air Force level and in an "enterprise-wide" manner. Continuing to refine measures and metrics will be a major step toward ensuring that strategic priorities are achieved.

DoD FY 2009 Budget Request Summary Justification

To ensure the ability to fulfill roles and missions and dominate air, space, and cyberspace, the Air Force has embarked on the biggest and most important recapitalization and modernization effort in its history. The dynamic nature of the world's geopolitical climate and the increasing pressures of an extended warfighting posture require continual analysis and adjustments to the Air Force budget. Summarized below are highlights of the FY 2009 budget request organized around the four pillars.

People

The FY 2009 budget request includes a 3.4 percent across-the-board pay raise for officer and enlisted personnel, a 4.9 percent increase for Basic Allowance for Housing, and an increase to Permanent Change of Station (PCS) funding. The change in PCS is to support full value replacement of household goods and increases the amount allowed for moving household goods as part of the Department's *Families' First* program. These funding increases are offset by decreases in officer and enlisted end strength.

Readiness

The FY 2009 request includes increases for aviation fuel, inflation, utilities costs, and aircraft depot maintenance and contract logistics support. Targeted increases in key readiness areas such as realistic live fire combat training, individual combat skills, and intelligences application are also funded. These increases are offset by decreases in flying hour training due to planned OPTEMPO demands, increased usage of flight simulators, and reduced operational costs due to the retirement of the F-117.

Infrastructure

The FY 2009 budget includes increases for Facility Sustainment at 90 percent of the requirement, the Pentagon Reservation Maintenance Fund, and Base maintenance contracts. Military construction project funding is nearly at the FY 2008 President's Budget requested levels.



Multiple C-130 aircraft taxi in at Nellis Air Force Base, after completing airdrop missions during the Mobility Air Forces exercise over the Keno range in Nevada. The exercise is hosted by the 57th Wing, which included approximately 15 C-130 Hercules and 15 C-17 Globemaster III aircraft from across the nation.

U.S. Air Force photo by Staff Sgt. Scottie McCord – November 2007

Modernization

The FY 2009 budget request for RDT&E and procurement continues emphasis on the Air Force's top five programs (Figure 2.3). The budget also procures 20 F-22 Raptors, six MC/HC-130s, six CV-22s, 38 Predators, nine Reapers, five Global Hawks and four Evolved Expendable Launch Vehicles, munitions, legacy modifications and classified programs.

MAJOR PROGRAMS

The key to providing transformational warfighting capability is the development of superior programs. The Air Force's top five priorities are the Tanker program, Combat Search and Rescue Helicopter (CSAR-X) program, Space Programs (TSAT and SBIRS), the F-35, and the New Bomber (Figure 2.3).

Figure 2.3 Air Force’s Strategic Modernization Programs (selected)

System	(\$ billions)
F-35 Lightning II Program	3.4
Space Programs	
<i>Space Based Infrared System (SBIRS)</i>	2.3
<i>Transformational Satellite Comm. System (TSAT)</i>	0.8
New Bomber Phase 1	1.1
New Tanker Program	0.9
Combat Search and Rescue (CSAR-X) Helicopter	0.3
Total	8.8

Numbers may not add due to rounding

106-67

Source: United States Air Force – Includes RDT&E and Procurement

Tanker Recapitalization: Aerial refueling capability is essential to the expeditionary nature of the U.S. armed forces. Aerial refueling serves as a force multiplier and provides U.S. and Coalition air forces with increased range, persistence, and duration. For the past 50 years, the Air Force’s primary tanker platform has been the KC-135, and it has served with distinction. Yet, given the increased OPEMPO and the requirements of the GWOT, procurement of a new tanker aircraft has become both an operational necessity and the most fiscally prudent option for the future. The new tanker will provide increased availability, more adaptable technology, and greater capability. Enhancements in every aspect of aircraft operation will help to provide the Joint warfighter with more flexible employment options.

Combat Search and Rescue Helicopter (CSAR-X): The Air Force must recapitalize the CSAR forces to recover isolated Joint or Coalition personnel engaged across the spectrum of military operations, as well as to support non-combatant evacuation and disaster relief operations. The CSAR-X will relieve the high OPEMPO strain placed on the current “low-density/high-demand” (LD/HD) inventory of HH-60G Pave Hawk helicopters. The CSAR-X dramatically improves mission reaction time, range, cabin space, survivability, battlespace awareness, and ability to conduct adverse weather and high-altitude hover

operations. The CSAR-X will provide personnel recovery forces with an aircraft that is quickly deployable and capable of main base and austere location operations for worldwide recovery missions. It will operate day or night, during adverse weather conditions, and in all environments, including nuclear, biological, and chemical conditions. Onboard defensive capabilities will permit the CSAR-X to operate in an increased-threat environment, and in-flight refueling will provide an airborne alert capability and extend its combat mission range.

Space Programs: The Air Force continues to strengthen its core competency in space through the robust enhancements in each of the space mission areas: Communication; Missile Warning; Position, Navigation, and Timing; and Space Situational Awareness. Providing a robust missile warning capability to the nation through enhanced space-based intelligence, surveillance, and reconnaissance (ISR) systems remains a priority in the FY 2009 budget. Development of SBIRS continues with hardware and software integration, which will lead to a planned launch of the SBIRS Geosynchronous Earth Orbit (GEO)-1 satellite in late 2009. Once fielded, SBIRS will provide a transformational leap in capability over the aging Defense Support Program system. Additionally, the Air Force continues to pursue next-generation satellite communications technology with the TSAT. The TSAT program will employ Internet Protocol (IP) networks, onboard routing, and high bandwidth laser communication relays in space, dramatically increasing warfighter communications connectivity. TSAT capabilities will enable the realization and success of the Department and Joint visions of future network-centric operations of the Air Force, Army, and Navy.

F-35 Lightning II: The F-35 Lightning II Joint Strike Fighter (JSF) multi-role aircraft is optimized for air-to-ground attack. The F-35 Conventional Take-off and Landing (CTOL) variant will recapitalize combat capabilities currently provided by the F-16 and A-10 and will complement the capabilities of the F-22. The F-35 will specifically provide affordable precision engagement

DoD FY 2009 Budget Request Summary Justification

and global attack capabilities for the Air Force, Navy, and Marines, and for international partners. The F-35 will be four times more effective than legacy fighters in air-to-air engagements, eight times more effective in prosecuting missions against fixed and mobile targets, and three times more effective in non-traditional ISR and Suppression of Enemy Air Defenses and Destruction of Enemy Air Defense (SEAD/DEAD) missions. It will support all of these capabilities at about the same procurement cost as legacy fighters but will require significantly less infrastructure and a smaller basing footprint.

New Bomber: Long Range Strike continues as a vital and unique Air Force contribution to national defense. The Air Force has a three-phased strategy to help ensure the U.S. meets its enduring Long Range Strike capability requirements. Phase One includes near-term maintenance and modernization of current bombers and air-to surface weapons. Phase Two will deliver, by 2018, a new manned bomber that has state-of-the-art technologies. This system will combine speed, stealth, payload, and improved avionics/sensors suites to be effective across the full range of military operations in meeting Combatant Commanders' global needs. In Phase Three, the Air Force plans to field a revolutionary Long Range Strike capability in the 2035 time frame using an advanced system-of-systems approach. By then, technology maturation could include advancements such as hypersonic propulsion and non-kinetic weapons.

SUMMARY

The warfighting capability of the nation depends on adequate funding to achieve Air Force goals and priorities. If the Air Force does not receive the funds requested in the FY 2009 budget request, current readiness will degrade and modernization and recapitalization priorities will be delayed. This significantly increases risk to the air, space and cyberspace missions the U.S. likely needs to fight future wars. Delaying modernization and recapitalization efforts will also mean increased costs for both current and future programs.

The Air Force is meeting its commitments today. But along with the stresses of the continued GWOT, emerging threats are a concern. The challenges to air and space dominance include proliferation of integrated air defenses, growth of fourth generation combat aircraft worldwide, proliferation of low-observable and cruise missiles, and threats to our current ability to leverage space and cyberspace. Recapitalization is an urgent national security need. The fiscal challenges of aging aircraft, aging facilities, increased personnel costs, and the cost of operating at wartime levels for 17 years have affected decisions to continue to transform and modernize the force. This FY 2009 budget submission balances the Air Force's modernization needs with operational and personnel program needs. The investments the Air Force is making in the systems and technologies will help the U.S. to maintain, and even increase, the technological advantage it has over its enemies. These investments will bring more capability and flexibility to Combatant Commanders for decades to come.



A U.S. Air Force F-16 Fighting Falcon aircraft flown by Maj. Marc Himelhoch from the 77th Fighter Squadron, Shaw Air Force Base, SC., looks for simulated targets and hostile aircraft during exercise Operation Iron Thunder. The aircraft is armed with AIM-120 Advanced Medium Range Air-to-Air Missile (AMRAAM) missiles on each wing and an AIM-9M Sidewinder missile (left wing).

U.S. Air Force photo by Staff Sgt Suzanne Day – February 2007

DEFENSE-WIDE AGENCIES

Defense-Wide Agencies

HIGHLIGHTS

Mission

It is the mission of the Department's agencies and field activities to produce and provide high quality products and services for the warfighter and a variety of support senior leaders.

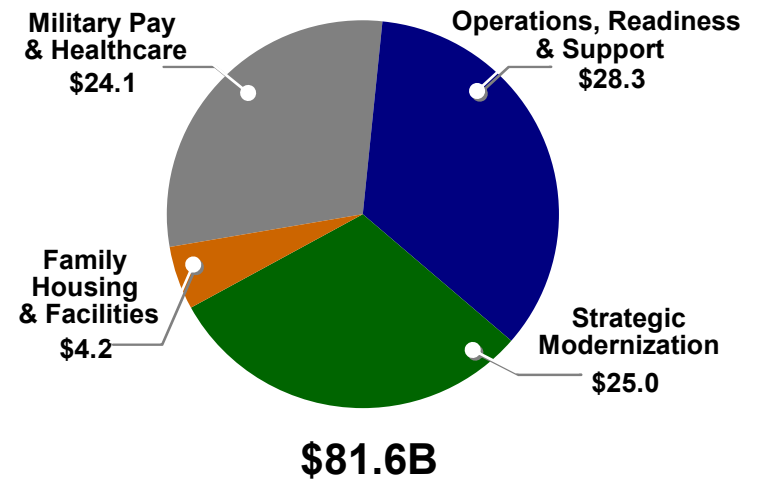
Funding Priorities

- Caring for Service members and their families
- Prevailing in the Global War on Terror
- Defending the Homeland
- Ensuring technology and information superiority

FY 2008 to FY 2009 is a +\$3.9 billion or 5.1% increase

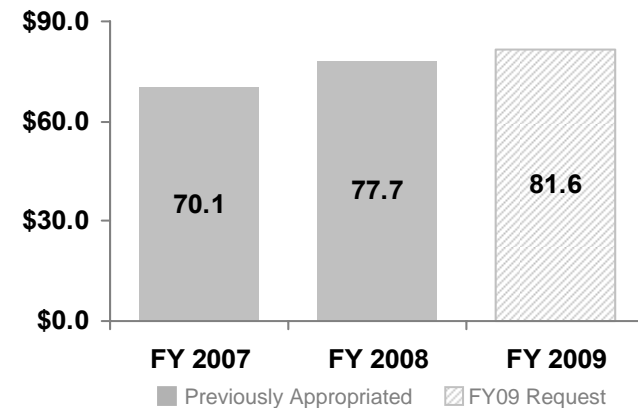
FY 2009 Defense-Wide Request

(\$ in billions)



Total Annual Cost

(\$ in billions)



Does Not Include GWOT
Numbers may not add due to rounding

DEFENSE-WIDE AGENCIES

DoD FY 2009 Budget Request Summary Justification

Defense-Wide <i>\$ in Billions</i>	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Military Pay & Healthcare	21.5	23.9	24.1	+0.2	0.8%
Operations, Readiness & Support	21.9	26.0	28.3	+2.2	8.5%
Strategic Modernization	25.5	25.0	25.0	+0.0	0.0%
Family Housing & Facilities	1.3	2.7	4.2	+1.5	56.7%
Total Defense-Wide	70.1	77.7	81.6	+3.9	5.1%

Numbers may not add due to rounding

OVERVIEW

The FY 2009 President's Budget request includes \$81.6 billion to fund the Department's eighteen defense agencies, eleven field activities, select programs receiving their own budget allocation, SOCOM, the Joint Staff, and the Office of the Secretary of Defense. Defense agencies and field activities serve an important role by providing common capabilities centrally rather than establishing redundancies in each Military Department. The Department's organizational structure for defense agencies and field activities are shown in the Resource Exhibits (p. 227-8).

Defense agencies provide a variety of support services used throughout the Department. DoD Field Activities also consolidate initiatives and perform missions more limited in scope than defense agencies. Select organizations and activities – such as the Defense Health Program (discussed in the Healthcare and Wounded Warrior chapter) – receive their own budget allocations to ensure adequate funding is provided for these special interest programs.

The Defense-Wide submission advances key Department objectives including:

- Caring for Service members and their families through provision of high quality services including healthcare, education, and legal services;
- Prevailing in the Global War on Terror through the efforts of SOCOM to defeat terrorist networks through direct and indirect approaches and the Defense Security Cooperation Agency (DSCA) to build partnership capacity through the training and equipping of U.S. Allies and partners;
- Defending the Homeland through investments in missile, chemical, and biological defense and counternarcotics; and
- Ensuring technology and information superiority through research, development, test, and evaluation.

Further, this request includes critical enabling processes that ensure the Department is prepared to prosecute today's conflicts and respond to tomorrow's challenges through:

- Combat Support Agencies; and
- Management organizations that provide support to the Department's leadership.

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CARING FOR SERVICE MEMBERS AND THEIR FAMILIES

A key Department priority is caring for service members and their families. DoD recognizes that military families' quality of life is an important consideration, and the Department is committed to providing a high level of support to meet their needs and expectations. This responsibility is particularly significant as Service members and their families sacrifice daily to guarantee our security and further U.S. national interests around the world.

Congress has placed heavy emphasis on supporting active duty and Guard and Reserve members and their families. Both the Senate and the House supported continuity of family support funding in the baseline budget since these programs are an enduring need. This request reflects the importance placed on caring for Service members and their families. Agencies and field activities in support of that effort include:

Military Healthcare*

- Defense Health Program (DHP) – \$23.6 billion; and
- Military Medical Construction – \$0.5 billion.

Service Member and Family Assistance

- DoD Education Activity (DoDEA) – \$2.1 billion; and
- Defense Commissary Agency (DeCA) – \$1.3 billion plus approximately \$6.9 billion in Working Capital Funds

Personnel Support and Care

- Defense Human Resources Activity (DHRA) – \$0.6 billion;
- Defense Security Service (DSS) – \$0.5 billion;
- Defense Media Activity (DMA) – \$0.2 billion;
- Defense Acquisition University (DAU) – \$0.1 billion;
- Defense Prisoner of War/Mission Personnel Office (DPMO) – <\$0.1 billion; and

**Other Military Health Care costs are funded in the Service Accounts: Military Personnel in support of Health Care - \$7.1 billion; Health Care Accrual - \$10.4B*

- U.S. Court of Appeals for the Armed Forces – <\$0.1 billion.

Military Healthcare

For a detailed discussion of Military Healthcare, including the Defense Health Program, refer to the chapter on Healthcare and Wounded Warrior.

Service Member and Family Assistance

The DoD Education Activity (DoDEA) provides a world-class education program that prepares K-12 students in military communities around the world to be successful and responsible citizens in a dynamic global environment. The Department of



U.S. Navy Operations Specialist 1st Class Oliver Williams greets his family after returning to Naval Station Norfolk, VA., following a six-month deployment in support of maritime security operations aboard the guided-missile destroyer USS Arleigh Burke (DDG 51). Arleigh Burke is a part of the Enterprise Carrier Strike Group.

U.S. Navy photo by Mass Communication Specialist 2nd Class Julie Matyascik – December 2007

DoD FY 2009 Budget Request Summary Justification

Defense Dependents Schools educate 57,748 students in 132 schools located in 12 countries, while their domestic equivalent educates 29,286 students in 68 schools located in seven states. The DoDEA FY 2009 budget request of \$2.1 billion supports a continuation of the President's Foreign Language Initiative which promotes the study of critical need languages in grades K-12, the Educational Partnership Program designed to ease the transition of dependents to stateside schools as a result of global rebasing, and an initiative to strengthen the high school (grades 9-12) program to include advanced studies and enhanced college and career counseling.

The Department established the Joint Guard and Reserve Family Assistance program. Families with limited previous exposure to military systems now must deal with the likelihood of multiple and longer deployments for the Service member. This program creates a joint family support platform that integrates Federal, state, local, and non-profit resources creating a community in each state. This effort began in six states, and has been expanded to nine additional states. Ten more states will begin implementation by March 2008.

The commissary benefit, administered by the Defense Commissary Agency (DeCA), enhances military families' quality of life by providing them high quality grocery and household products at significant savings. DeCA continues to meet or exceed its performance goals, including increased sales without increased non-inflation costs; superior stewardship of funds; independent customer satisfaction ranking second among the U.S. largest private sector supermarket chains; and grocery savings of at least 30 percent compared to civilian supermarkets. Military personnel and families consistently rate the commissary among their most highly valued non-pay benefits. The FY 2009 budget submission for DeCA is \$1.3 billion and supports the delivery of the commissary benefit as an integral part of the total compensation package for military personnel.

Personnel Support and Care

The Defense Human Resources Activity (DHRA) enhances the operational effectiveness and efficiency of a host of dynamic and diverse programs supporting the Office of the Under Secretary of Defense for Personnel and Readiness. DHRA supports policy development for cutting-edge research and expert analysis, supports readiness and departmental reengineering efforts, manages the largest automated personnel data repositories in the world, prepares tomorrow's leaders through robust developmental programs, supports recruiting and retaining the best and brightest, and delivers both benefits and critical services to warfighters and their families. The Field Activity's missions have expanded between FY 2008 and FY 2009 to support emerging requirements and new initiatives. DHRA is able to implement new technologies and leverage existing data repositories to support critical initiatives. These include: implementing Presidentially mandated Federal credentials for physical and logical access, accommodating and mitigating the wide-ranging impacts of BRAC decisions, and supporting the integration of pay and benefit delivery systems with significant changes in personnel management and policy. In FY 2009, DHRA also takes on centralized support of critical National Security Education initiatives and language capability programs needed by our operational commanders to support emerging requirements around the world.

The Defense Security Service (DSS) as the premier provider of personnel and industrial security services in the Department, supports national security and the warfighter, secures the Nation's technological base, and oversees the protection of U.S. and foreign classified information in the hands of industry. The DSS requests \$0.5 billion to accomplish this mission by clearing industrial facilities, accrediting information systems, facilitating the personnel security clearance process, delivering security education and training, and providing information technology

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services that support the industrial and personnel security missions of DoD and its partner agencies.

In FY 2009, the Defense Media Activity (DMA) assumes the resources and functions of the former American Forces Information Service (AFIS), Air Force News Service Agency, Army and Air Force Hometown News Service, Marine Corps News, Naval Media Center, and the majority of the Soldiers Media Center. The Deputy Secretary directed this consolidation to implement a Base Closure and Realignment Commission recommendation and to achieve a streamlined organizational structure and opportunities for additional economies of scale in the execution of media functions. The Department requests \$0.2 billion for DMA to provide a common service of high-quality news, DoD and command information, and entertainment. This activity meets the requirements of the Military Services and Combatant Commands' U.S. forces stationed worldwide to promote and sustain unit and individual readiness, situational awareness, quality of life, and morale. Through its news production, television, radio, newspaper, print news service, and World Wide Web distribution services and facilities, the DMA is the primary tool for the Secretary and senior leaders to communicate important messages, news, and information about DoD programs and activities.

The Defense Acquisition University (DAU), with a \$0.1 billion request, is a corporate University providing mandatory, assignment specific, and continuing education courses for military and civilian personnel serving in 14 acquisition career fields. It educates and trains professionals for effective service in the Defense acquisition system. The DAU coordinates the DoD acquisition education and training program to meet the training requirements of more than 125,000 personnel serving in acquisition positions. Through its regional campuses, the DAU sponsors acquisition curriculum and instructor training to provide a full range of basic, intermediate, and advanced

courses to support the career goals and professional development of the acquisition workforce. The DAU also provides research, publications, symposia, and consulting in areas related to the acquisition functional areas. DAU is accredited by the Council on Occupational Education, a national institutional accrediting agency.

The Defense Prisoner of War/Missing Personnel Office (DPMO) is a Field Activity that recovers and accounts for missing personnel from previous and current military operations. The FY 2009 funding request is \$17 million for DPMO and remains stable, supporting case investigations, family outreach, and accounting of Americans lost in past conflicts (including World War II, the Cold War, the Korean War, the Vietnam Conflict, and the 1991 Gulf War). With White House sponsorship, DPMO proposed a national personnel recovery strategy that will, for the first time, direct USG agencies to plan, train, and equip for personnel recovery at the national and interagency levels. This will ensure USG efforts are synchronized and all USG personnel recovery operational and intelligence capabilities are fully integrated and prepared to respond to personnel recovery events. In FY 2009, DPMO will finalize and implement the Department's personnel recovery policy.

The U.S. Court of Appeals for the Armed Forces reviews cases from all of the Armed Services which involve serious court-martial felony convictions and sentences which present legal issues of serious constitutional magnitude. Costs in FY 2009 total \$13 million and include greater security and IT support requirements. This includes the use of more contracted security personnel and other security services.

PREVAILING IN THE GLOBAL WAR ON TERROR

The entire Department is committed to prosecuting the GWOT and succeeding in the Nation's fight against terrorists. Three Defense-Wide elements play particularly important roles:

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- Special Operations Command (SOCOM) – \$5.7 billion;
- Defense Security Cooperation Agency (DSCA) – \$1.0 billion; and
- The Joint Improvised Explosive Defeat Organization (JIEDDO) – \$0.5 billion. Its FY 2009 request is included in the Army Procurement account.

U.S. Special Operations Command

Unlike other Combatant Commands, SOCOM receives direct Defense-Wide appropriations to ensure continuous support for and management of the unique training and equipment requirements of Special Operations Forces (SOF). SOCOM's mission is to provide fully capable SOF to defend the U.S. and its interests, and to plan and synchronize operations against terrorist networks.

The U.S. is at war with a global enemy that can blend in with local populations and threaten our way of life. For this reason, the U.S. requires a small, yet highly skilled and robust organization that has the ability and resources to combat this enemy. SOCOM has been designated the lead DoD agency in the planning and synchronizing of operations for the GWOT. SOCOM also organizes, trains, equips, and deploys SOF to support Geographic COCOMs, Ambassadors, and their country teams. SOF are comprised of specially selected, trained, and organized Soldiers, Sailors, Marines, and Airmen, whose training, education, initiative, and experience set them apart from all others in the Department.

The SOCOM FY 2009 budget request of \$5.7 billion focuses on building SOF capabilities, capacity, and readiness to support a coherent strategy to find and fix terrorist networks through direct and indirect approaches. To support this strategy, SOCOM's FY 2009 budget estimate emphasizes increased capabilities to find and fix terrorist networks, synchronize GWOT planning and



execution efforts, and begins a transitional shift in the global posture of SOF.

Significant resources are required to support the growth of SOF personnel necessary to accomplish these initiatives and enhance SOCOM's ability to place its forces in exactly the right place on the global battlefield with the appropriate equipment, technology, and training. SOCOM's long term success in the GWOT depends largely upon its ability to rapidly employ a sustainable mix of capabilities. Non-traditional approaches are required to counter and defeat the elusive, asymmetric, and disruptive threats pervasive in today's operational environment. To meet this demand, SOCOM has invested in capabilities to improve systems, advance force operations, specialized training,

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institutional training, organizational structure, leap ahead technology, and force structure and manpower to support the Command's most important asset – its personnel. The SOCOM FY 2009 budget request includes the resources necessary to continue providing full spectrum, multi-mission global SOF that will provide our nation with a comprehensive set of unique capabilities.

SOCOM FY 2009 investments include:

- Unmanned Vehicles for Reconnaissance, Surveillance, Target Acquisition, Battle Damage Assessment, Intelligence Collection, and other beyond-visual-line-of-sight missions;
- Modified CV-22 aircraft for long range, high speed infiltration, exfiltration, and resupply to Special Forces teams in hostile, denied, and politically sensitive areas;
- Specialized aircraft capable of worldwide rapid deployment operations and penetration of hostile areas – MH-47 aircraft (currently the SOF platform of choice for executing the GWOT), the MH-60, and non-standard aviation assets;
- Replenishment of SOF ammunition for required training, combat missions, and war reserve stock;
- Recapitalization of the aging MC-130E/P airframes for clandestine or low visibility air refueling for SOF helicopters;
- Soldier Individual Protection and Survival Systems, which provide specialized equipment for SOF soldiers; and
- The Tactical Local Area Network (TACLAN), which provides advanced automated data processing and display capabilities to support situational awareness, mission planning and execution, and command and control of forces.

Changes from the FY 2008 budget include increased funding of flight operations, communications, intelligence, management, equipment maintenance, and specialized skills training. The FY 2009 budget also supports five additional Special Forces battalions over the FYDP. Decreases in the FY 2009 budget

include combat development activities and a decrease from the FY 2008 military construction request, which included the necessary facilities to support the growth of SOF, as stipulated in the 2006 QDR.

Defense Security Cooperation Agency (DSCA)

The mission of the Defense Security Cooperation Agency (DSCA) is to lead, direct, and manage security cooperation programs and resources. DSCA's objectives are to build partner capacities, strengthen defense relationships, and support partner nations' abilities to fight the global war on terror and to participate in other coalition operations. It also seeks to foster access and influence through the management and execution of assigned security cooperation programs and activities, and to promote the growth of democratic ideals through international defense education, training, and other programs

DSCA's FY 2009 request of \$1.0 billion includes funding for:

- Global Train and Equip programs, which allows COCOMs and Ambassadors, working together, to train and equip foreign military forces in response to urgent and emergent threats or opportunities to solve problems before they become crises that require major military interventions (See chapter on Building Partnership Capacity for more detail);
- Security and Stabilization Assistance authority, which allows DoD to transfer funds to the Department of State to facilitate civilian stabilization and reconstruction missions, bringing to bear non-military tools critical for success in complex security environments;
- The Regional Centers for Security Studies, which help counter ideological support for terrorism, harmonize views on common security challenges, and build the capacity of partner national security institutions consistent with the norms of civil-military relations;

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- The Partnership for Peace Information Management System, which provides an infrastructure in support of bilateral and multilateral security cooperation;
- Regional International Outreach, which develops and fields common information technology to improve international outreach and collaboration efforts;
- The Humanitarian Assistance program, which assures friendly nations and Allies of our support and provides basic humanitarian aid and services to populations in need;
- The Humanitarian Mine Action (HMA) program, which provides access, training, and readiness-enhancing benefits to forces and contributes to alleviating the highly visible, worldwide problem of landmines, unexploded ordnance, and small arms ammunition;
- The Foreign Disaster Relief and Emergency Response (FDR/ER) program, which enables COCOMs to respond timely and effectively to disasters in their areas of responsibility and to manage the humanitarian considerations of security crises; and
- The Defense Coalition Support Account provides military equipment that many coalition partners require to deploy with U.S. forces, to participate in stability operations and counterterrorism operations through the world. This account purchases, and keeps on hand, items most needed by our coalition partners.

Joint Improvised Explosive Defeat Organization (JIEDDO)

The mission of the Joint Improvised Explosive Defeat Organization is to reduce the strategic influence of all forms of Improvised Explosive Devices (IEDs) against Joint and Coalition Forces in Iraq and Afghanistan. This requires a comprehensive approach that combines an aggressive offense with a solid

defense. Prior to FY 2008, JIEDDO was funded entirely by supplemental appropriations.

The \$0.5 billion FY 2009 request funds three of JIEDDO's four line of operations:

- Attack the Network (\$0.3 billion): Funds support fusing information, integrating new capabilities, and developing new tools for modeling and simulation. The JIEDDO provides the warfighter operationally integrated products to enable deployed forces to conduct offensive operations;
- Train the Force (\$0.1 billion): Funds support individual and collective unit training prior to and during deployment for operations in an intense, fluid IED environment;
- Staff and Infrastructure (\$0.1 billion): Funds provide the critical support structure of civilian personnel, facilities and personnel contracts, professional training and information contracts, travel, and supplies that enable the other lines of operation to produce results required in the C-IED effort; and
- Defeat the Device: No funds requested at this time.

DEFENDING THE HOMELAND

Defending the homeland is the U.S. military's most basic mission. It involves the deterrent posture and capabilities to convince adversaries that they cannot achieve their objectives by attacking the U.S. and consequence management capabilities should an attack occur. These capabilities include:

- Missile Defense Agency (MDA) – \$9.3 billion;
- Chemical and Biological Defense Program (CBDP) – \$1.5 billion; and
- Counternarcotics (CN) – \$1.1 billion.

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Missile Defense Agency

The mission of the Missile Defense Agency (MDA) is to develop, test, and prepare for deployment a missile defense system. Using complimentary interceptors, land-, sea- air- and space-based sensors, and battle management command and control systems, the planned missile defense system will be able to engage all classes and ranges of ballistic missile threats in all phases of flight. The programmatic strategy is to develop, rigorously test and continuously evaluate production, deployment and operational alternatives for the ballistic missile defense system to provide emerging warfighting capability.

In its FY 2009 request, the Department continues to develop, field, and sustain a layered Ballistic Missile Defense System (BMDS) to protect the U.S., our Allies, and deployed forces from attacks by ballistic missiles of all ranges in all phases of flight. The strategic objectives for the BMDS are to maintain and sustain the initial capability, while continuing to close gaps and improve this capability against the current threat and provide options to address future emerging threats. Initiatives will continue the production and fielding of the integrated ground-based Missile Defense system; development of mobile Terminal High-Altitude Area Defense (THAAD) ground-based system; continued production and fielding of forward based radars; production and delivery of the Aegis Ballistic Missile Defense mobile sea-based capability. See the Major Weapons Systems chapter for a further discussion of Missile Defense.

Chemical and Biological Defense

The Department's Chemical and Biological Defense Program (CBDP) is a key part of a comprehensive national strategy to counter the threat of chemical and biological weapons. The CBDP provides research, development, and acquisition programs primarily to support counterproliferation and consequence management. In support of counterproliferation,

the DoD CBDP provides passive defenses tailored to the unique characteristics of the various chemical and biological weapons, including emerging threats. These capabilities provide U.S. forces the ability to rapidly and effectively mitigate the effects of a Chemical and Biological (CB) attack against deployed forces. In support of consequence management, the DoD CBDP provides capabilities to respond to the effects of weapons of mass destruction (WMD) used against U.S. forces deployed abroad and the homeland.



U.S. Army Maj. Don Troxell, 115th Mobile Public Affairs Detachment commander, watches his unit as they leave the gas chamber in a chemical, biological, radiological and nuclear attack training exercise at Fort Dix, N.J. Troxell walked through the chamber as well and wears the black residue of a decontamination kit on his face.

U.S. Army Photo - July 2007

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The CBDP funds research to exploit leading edge technologies to ensure that U.S. forces are equipped with world class capabilities to defend against CB threats in the coming years. The FY 2009 budget request includes support for a comprehensive science and technology base program to ensure continued advances in CB defense capabilities. CBDP Science and Technology research provides core capabilities to ensure U.S. technological advantages through the far term, including research into advanced chemical and biological detection systems, advanced materials for improved filtration systems and protection systems, advanced decontaminants, investigations into the environmental fate of chemical warfare agents, advanced information technologies, medical biological defense research, and medical chemical defense.

Counternarcotics

The clear linkages between international narcotics trafficking and international terrorism constitute a threat to U.S. national security interests. The global and regional terrorists who threaten U.S. interests can finance their activities with the proceeds from narcotics trafficking. The Department's counternarcotics efforts contribute to homeland defense, foster cooperation with U.S. agencies, strengthen alliances with partner nations, and form relationships with new international partners otherwise reluctant to cooperate with DoD in counterterrorism and other military activity.

In accordance with its statutory authorities, the Department will continue to use its counternarcotics resources as effectively and efficiently as possible to achieve national counternarcotics priorities, as well supporting efforts in the GWOT. The FY 2009 budget request of \$1.1 billion will fund mandatory counternarcotics detection and monitoring missions; permissive counternarcotics support (information sharing and building partner capacity) to domestic and host nation law enforcement and/or military forces; and drug demand reduction activities internal to the Department.

ENSURING TECHNOLOGY AND INFORMATION SUPERIORITY

Technology and information are critical enablers to success in both asymmetric and conventional warfare. The Department strives to stay on the leading edge of innovation through its investments in:

- Defense Advanced Research Projects Agency (DARPA) – \$3.3 billion;
- Test Resource Management Center (TRMC) – \$0.2 billion;
- Defense Technical Information Center (DTIC) – \$0.1 billion; and
- Defense Technology Security Administration (DTSA) – <\$0.1 billion.

DARPA's mission is to maintain the technological superiority of the U.S. military and prevent technological surprise from harming national security by sponsoring revolutionary, high-payoff research that bridges the gap between fundamental discoveries and their military use. DARPA conducts its mission by searching worldwide for revolutionary high-payoff ideas and then sponsoring research projects that bridge the gap between fundamental discoveries and their military use. DARPA is the Department's only research agency not tied to a specific operational mission; it supplies technological options for the entire Department and is designed to be a specialized "technological engine" for transforming DoD. DARPA's FY 2009 request for \$3.3 billion would fund a joint Air Force/DARPA program to develop technologies for rapid access to space and hypersonic cruise vehicles; enhancements to Command, Control, and Communications systems; and DARPA agency relocations.

The Test Resource Management Center (TRMC) oversees proposed budgets and expenditures for DoD's test and evaluation facilities, develops a strategic plan for test and

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evaluation at these facilities, and assesses the adequacy of the Major Range and Test Facility Base to support the development and fielding of major weapon systems. It administers and executes the Science and Technology/Test and Evaluation Program, which develops technologies to verify the performance of advanced weapon systems. TRMC's FY 2009 request of \$0.2 billion would enable it to complete and continue efforts to improve test and evaluation capabilities.

The Defense Technical Information Center (DTIC) provides timely and effective exchange of Scientific and Technical Information and Research & Engineering Information. DTIC's FY 2009 request of \$0.1 billion funds continued development, technical support, and hosting services for more than 100 DoD websites with an average of 65 million accesses per month. It also provides core funding, management, and oversight for 10 Information Analysis Centers, which collect, analyze, synthesize, and disseminate scientific and technical information.

The Defense Technology Security Administration (DTSA) prevents the transfer of sensitive technologies that threaten U.S. military superiority to countries that pose security threats. DTSA's FY 2009 \$34 million request will fund continued protection of critical technologies.

PROVIDING COMBAT SUPPORT

Combat Support Agencies (CSAs) fulfill combat support or combat service support functions for joint operating forces across the range of military operations, and in support of combatant commanders executing military operations. Combat Support Agencies include:

- Defense Information Systems Agency (DISA) – \$2.1 billion appropriated (\$8.0 billion including Working Capital Funds);
- Defense Threat Reduction Agency (DTRA) – \$1.2 billion;
- Defense Contract Management Agency (DCMA) – \$1.1 billion;

- Defense Logistics Agency (DLA) – \$0.9 billion appropriated (\$38.9 billion including Working Capital Funds); and
- Intelligence Agencies and Activities – Classified.

Defense Information Systems Agency (DISA)

DISA is responsible for planning, engineering, acquiring, fielding, and supporting global net-centric solutions. The goal of net-centricity is to provide the right information to the right person at the right time. DISA focuses on connecting warfighters to one another and to critical information in a trusted and timely manner. DISA seeks to provide a network and capabilities that



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will meet the demands of the GWOT and commanders' needs for information; be available and secure to effect military operations around the globe; and be agile and flexible enough to keep pace with technology and the increasing demands for authentic trusted information. DISA also provides systems to help simplify the complex interoperability issues associated with coalition warfare and homeland security.

The FY 2009 request of \$2.1 billion would fund DISA's key missions:

- Transition to a net-centric environment, including Net-Centric Enterprise Services, in which data is continuously available in a trusted environment to enable decision-making superiority that results in increased mission effectiveness;
- Build and sustain a secure Global Information Grid (GIG) transport infrastructure that eliminates bandwidth constraints and rapidly surges to meet demands, wherever and whenever needed. In addition to its appropriated funds DISA finances sustainment of the GIG via the Defense Working Capital Fund (DWCF) and reimbursements from customer accounts; and
- Transition to enterprise-wide capabilities for command and control and combat support that exploit the GIG for improved decision-making. The Net-Enabled Command Capability (NECC) dynamically and persistently matches warfighter command and control (C2) requirements to capability development to identify and prioritize Joint warfighter needs and expedite getting solutions to the field.

Defense Threat Reduction Agency (DTRA)

The Defense Threat Reduction Agency provides a variety of means supporting a layered defense strategy to counter WMD. DTRA's efforts cut across the three pillars of the National Strategy to Combat WMD: nonproliferation, counterproliferation,

and consequence management. DTRA further serves as the primary Combat Support Agency for the U.S. Strategic Command in its role as lead COCOM for integrating and synchronizing combating WMD efforts. DTRA provides integrated technical and operational solutions and provides the intellectual capital to shape both DoD and national-level policies and strategies to address WMD. The \$1.2 billion FY 2009 budget request will allow DTRA to bring a dedicated, full-time,



U.S. Navy Damage Controlman 3rd Class Ryan Howard clears a sprinkler system of debris on the flight deck of USS Kitty Hawk (CV 63) as the ship tests its countermeasure wash down system, while under way in the South China Sea. Wash downs provides a blanket of water protection to the exterior of a ship during a chemical, biological or radiological attack. Kitty Hawk operates from Fleet Activities Yokosuka, Japan.

U.S. Navy photo by Mass Communication Specialist 3rd Class Kyle D. Gahlau – November 2007

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and integrated focus to its mission of safeguarding the U.S. and our Allies from WMD (chemical, biological, radiological, nuclear, and high-yield explosives (CBRNE)) by providing capabilities to reduce, eliminate, and counter the threat and mitigate its effects.

Defense Contract Management Agency (DCMA)

The Defense Contract Management Agency serves as America's vital link between the warfighter and industry. The DCMA uses its insight into contractor operations to produce predictive information about contractor capability to meet program goals and schedules. As a combat support agency, DCMA provides customers with contract management and acquisition support services wherever and whenever needed. The FY 2009 budget request of \$1.1 billion reflects a decrease in full time equivalent personnel (FTEs) and the associated reduction in travel, training, and equipment purchases.

Defense Logistics Agency (DLA)

The Defense Logistics Agency is responsible for providing worldwide logistics support for the missions of the Military Departments and the COCOMs under conditions of peace and war. Responsibilities include the acquisition, storage, and distribution of most of the Department's spare parts and other consumable items, reutilization and marketing of excess military property, document automation services, and operation of the Defense National Stockpile. The FY 2009 budget request of \$0.9 billion includes an increase for recapitalization of fuel facilities and continued levels of funding for research, development, testing, and evaluation.

Intelligence Functions

Combat support agencies with intelligence functions are discussed in detail in the chapter on Intelligence.

Leadership Support

A number of Defense-Wide agencies and activities exist to support civilian and military leaders as they guide the Department and support the warfighter:

- Office of the Secretary of Defense (OSD) – \$4.2 billion;
- Washington Headquarters Services (WHS) – \$0.9 billion;
- Joint Staff (JS) – \$0.5 billion;
- Defense Contract Audit Agency (DCAA) – \$0.4 billion;
- Business Transformation Agency (BTA) – \$0.3 billion;
- Office of the Inspector General (OIG) – \$0.2 billion;
- Office of Economic Adjustment (OEA) – \$0.1 billion;
- National Defense University (NDU) – \$0.1 billion;
- Defense Finance and Accounting Service (DFAS) – <\$0.1 billion appropriated (\$1.4 billion including the Working Capital Fund); and
- Defense Legal Services Agency (DLSA) – <\$0.1 billion.

Office of the Secretary of Defense (OSD)

The Office of the Secretary of Defense is the principal staff element of the Secretary for the exercise of policy development, planning, resource management, fiscal, and program evaluation responsibilities. The FY 2009 request of \$4.2 billion funds the staff, offices, and special projects for each of the Secretary's Principal Staff Advisors (\$1.7 billion). The single largest program funded in the Operation and Maintenance account is the Commanders' Exercise Engagement and Training Transformation (CE2T2) Program (\$0.7 billion), which is managed by the Under Secretary of Defense for Personnel and Readiness. The Science and Technology program of the Director for Defense Research and Engineering constitutes the majority of the RDT&E program (\$2.4 billion). The OSD also requests \$0.1 billion for procurement of equipment.

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Washington Headquarters Services (WHS)

The Washington Headquarters Services is a field activity that provides centralized, consolidated administrative and operational support to DoD activities in the National Capital Region. The FY 2009 request of \$0.9 billion funds Pentagon and General Services Administration (GSA) rents, information technology, supplies and support services for OSD and other components, and BRAC-related costs (\$0.3 billion). The Operation and Maintenance account request of \$0.5 billion includes additional funding (<\$0.1 billion) and 75 civilian billets to provide the level of support required by the OSD and other components. The WHS also requests military construction and procurement funding (<\$0.1 billion).

Joint Staff (JS)

The Joint Staff supports the Chairman of the Joint Chiefs of Staff in his role as the principal military adviser to the President, the Secretary, and the National Security Council. The Chairman relies upon the expertise resident on the Joint Staff to craft and promulgate guidance for combatant forces' unified strategic direction, operation under unified command, and integration into an efficient team of land, naval, and air forces. In this capacity, the Joint Staff meets the Nation's security challenges and facilitates its strategic objectives by providing Combatant Commands, Services, and U.S. warfighters with joint policy, strategy, and doctrine.

Joint Staff funding, requested at \$0.5 billion for FY 2009, guarantees the joint readiness and training needed to ensure U.S. capability to employ joint combat forces worldwide. Several programs combine to make up the Joint Staff's funding request. Historically, 58 percent of all Joint Staff funding directly supports Combatant Command operations. The Combating Terrorism Readiness Initiatives Fund; the COCOM Initiatives Fund; the COCOM Command and Control Initiatives Program; the

Command, Control, Communications, Computers, and Intelligence for the Warrior program; the Planning and Decision Aid System; and the Joint Theater Air and Missile Defense Organization all directly support the COCOMs. The Joint Staff also budgets for the joint data and analytic support programs and the day-to-day operations and facility rent of the Joint Staff.

Defense Contract Audit Agency (DCAA)

The Department requests \$0.4 billion for the Defense Contract Audit Agency, which is responsible for performing all necessary contract audits for the Department and providing accounting and financial advisory services regarding contracts and subcontracts to all DoD Components responsible for procurement and contract administration. These services are provided in connection with negotiation, administration, and settlement of contracts and subcontracts. DCAA also provides contract audit support to all DoD components as part of the military operations and reconstruction effort in Iraq. DCAA's contract audit function is an integral part of the oversight and management controls instituted by the DoD to ensure integrity and regulatory compliance by Defense contractors.

Business Transformation Agency (BTA)

As the single agency responsible for DoD Enterprise business transformation functions, the BTA establishes and enforces requirements, principles, standards, systems, procedures, and practices governing business transformation. For FY 2009, with a request of \$0.3 billion, the BTA will work to support business operations.

Office of the Inspector General (OIG)

The Office of the Inspector General independently and objectively audits, investigates, inspects, and evaluates the program and operations of the Department to recommend policies and process improvements that promote economy,

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efficiency, and effectiveness and detect and prevent fraud, waste, and abuse in DoD programs and operations. Over the last three years, the OIG has achieved \$23.9 billion in savings and \$4.9 billion in recoveries for the nation. The Inspector General is the only DoD official qualified to issue opinions on the financial statements of the DoD. The OIG also informs DoD management and Congress about the problems and deficiencies in programs and operations and the progress of corrective actions.

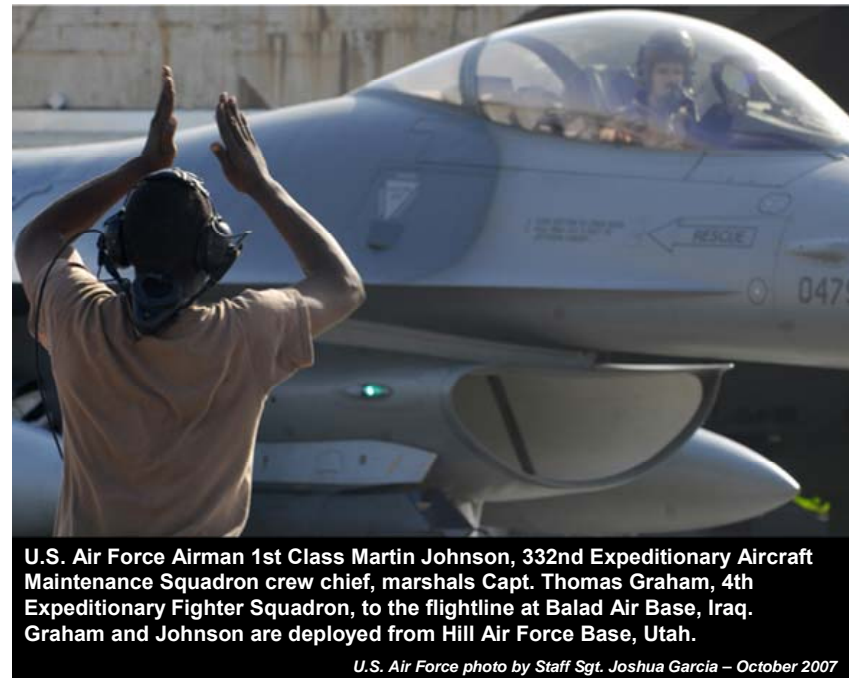
In FY 2008, Congress increased OIG funding to provide enhanced contractor oversight. The OIG hired 73 additional auditors, evaluators, criminal investigators, and required support staff to meet this need. The OIG implemented an initiative to improve training for Combatant Command and joint inspectors general supported by five additional positions. The FY 2009 budget request supports the annualized civilian FTEs staffing (growth of 78 FTEs compared to FY 2007 levels). The FY 2009 program also includes the implementation of the Secretary's decision to transfer the Intelligence Oversight function with nine FTEs from the Office of the Assistant Secretary of Defense for Intelligence Oversight to the OIG.

Office of Economic Adjustment (OEA)

The Department's Office of Economic Adjustment assists communities that are adversely impacted by Department changes. Technical and financial assistance provided under this program ensure affected communities can plan and carry out local adjustment strategies, engage the private sector in ventures to plan and/or undertake economic development and base redevelopment, and partner with the Military Departments as they implement BRAC actions in support of the DoD mission. The amount of OEA funding gradually declines as the BRAC execution timeline ends. The funding levels also vary depending on actual community needs

National Defense University (NDU)

The National Defense University's \$0.1 billion in funding supports the premier academic center for joint professional military education, preparing military and civilian leaders from the U.S. and other countries to evaluate national and international security challenges through multidisciplinary educational and research programs, professional exchanges, and outreach. Components of the Washington, DC based university include, but are not limited to, the National War College, Industrial College of the Armed Forces, Information Resources Management College, Institute for National Strategic Studies, and Joint Forces Staff College. NDU is a primary DoD center for seminars and symposia and frequently supports DoD



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and Congressional representatives with professional development and conferencing. NDU is accredited by the Commission on Higher Education of the Middle States Association of Colleges and Schools.

Defense Finance and Accounting Service (DFAS)

The Defense Finance & Accounting Service serves as the Executive Agent, responsible for finance and accounting activities within the DoD. It is the single organization responsible for finance and accounting operations, procedures, and systems. DFAS provides finance and accounting management and operational support for appropriated, non-appropriated, revolving and trust funds. DFAS operations touch a large population of customers through the payment of civilian and military personnel, military retirees, and annuitants; and through the collection and disbursement of a wide variety of funds for contracts, debt management, security assistance, transportation, and travel. The Defense Working Capital Fund finances all DFAS functions.

Defense Legal Services Agency (DLSA)

DLSA provides legal services to the OSD, Field Activities, and Defense Agencies. The largest component, the Defense Office of Hearings and Appeals (DOHA), adjudicates cases that arise from all Military Departments and Defense Agencies. The DOHA provides hearings and issues decisions in personnel security clearance cases for contractors performing classified work for DoD components and other Federal Agencies. In addition, the Office of Military Commissions facilitates preparation for and trial of cases before military commissions, consisting of an



Amphibious assault ship USS Tarawa (LHA 1) transits the Indian Ocean. Tarawa and embarked 11th Marine Expeditionary Unit are on a scheduled deployment

*U.S. Navy photo by
Mass Communication
Specialist Seaman
Jon Husman –
December 2007*

appointing authority function, prosecution, and defense functions. The FY 2009 budget request of \$35 million includes customary expenses including salaries and benefits, travel, rental of office space, rental of equipment, communications, and the cost of supplies and equipment.

SPECIAL TOPICS

Special Topics

HIGHLIGHTS

Overview

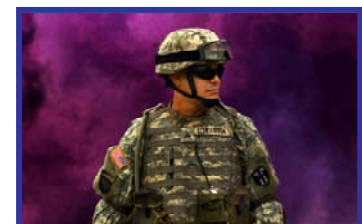
The FY 2009 budget request includes six budget priorities and four enterprise initiatives, identified for their strategic importance or new focus this year. In each of these priorities, advances have been made.

Budget Priorities

- Intelligence
- Healthcare and Wounded Warrior
- Combatant Commands, particularly the standup of Africa Command
- Building Partnership Capacity
- National Guard and Reserve
- Cyberspace Initiatives

Enterprise Initiatives

- Capability Portfolios
- President's Management Agenda
- Performance Improvement
- Financial Management Accomplishments



CAPABILITY PORTFOLIOS

Capability Portfolios

OVERVIEW

The Department constantly strives to reshape its defense enterprise to better support the joint warfighter and ensure it is best positioned to respond to the threat environment of today and tomorrow. To advance these objectives, the Department has been shifting away from a threat-based and toward a capabilities-based approach to force development since 2001. The Department's historically threat-based approach was designed during the Cold War to ensure success against a limited set of specific threat scenarios. A capabilities-based approach, on the other hand, is designed to deal with an uncertain threat environment by focusing on developing capabilities for a wide range of threat scenarios. This framework is better suited to building the multi-capable, agile, and adaptive joint forces needed to deal with the dynamic nature of current and future threat environments.

CAPABILITY PORTFOLIOS

Developing a common understanding of the Department's capabilities was a necessary step in moving towards a capabilities-based approach. In May 2005, the Secretary of Defense directed that the Department begin using common capability definitions, known as Joint Capability Areas (JCAs), to describe missions and functional activities performed by the joint force. Since that time, the Department has been finalizing the definition and composition of each JCA. Joint Capability Areas are the basis for Capability Portfolios, which provide the Department a cross-component view of capability investments.

CAPABILITY PORTFOLIO MANAGEMENT

In 2006, the Department selected four of the most mature portfolios – Command and Control, Net Centric, Battlespace Awareness, and Logistics – to serve as pilots in capability



Fleet Composite Squadron Six (VC-6) conducts boat operations off the coast of Naval Station Norfolk, VA. VC-6 provides training and support to maximize fleet readiness and mission accomplishment with vital real time airborne reconnaissance capabilities and provides realistic aerial and sea-borne threat simulations.

U.S. Navy photo by Mass Communication Specialist 3rd Class David Danals – August 2007

portfolio management. A Capability Portfolio Manager (CPM), typically a component such as a Combatant Command or Under Secretary, was assigned to each portfolio to act as an advocate, similar to how a Service would advocate for and assess risk across its programs. CPMs participated in the FY 2009 Program Review process and in developing the Department's guidance for development of the force. The type of analysis conducted by the four pilot CPMs can be seen below. Each has established an agreed upon definition, a vision for the future capability, and identified focus areas.

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Battlespace Awareness

Battlespace Awareness is the ability to understand dispositions and intentions as well as the characteristics and conditions of the operational environment that bear on national and military decision-making.

Today's threat environment is complex, ranging from irregular warfare endemic of the major campaigns in Iraq and Afghanistan to nation-states and non-state actors determined to develop and obtain sophisticated weapons systems. The environment is also multi-dimensional, including land, sea, air, space, and cyberspace. The Battlespace Awareness (BA) Capability Portfolio must continue to improve the Department's capability to gain access, monitor these developments, and provide timely and accurate assessments. An optimal BA portfolio ensures a professional, fully integrated, and seamless enterprise providing the best Intelligence, Surveillance, and Reconnaissance (ISR) and Environmental Information possible, whenever and wherever, in support of the warfighter and Nation. The BA enterprise will work to strengthen capabilities that anticipate and counter threats posed by nation-states, non-state actors, and ungoverned spaces of the world to meet the challenges of a protracted, irregular, and global war against terror.

The number one focus of the portfolio is the warfighter. The military relies heavily on the systems and capabilities that the BA Portfolio brings to the fight. Each component supports that effort through the operation of unique and specialized capabilities. In addition to the warfighter on the frontline, the BA Portfolio supports Department and national policy-makers and weapons acquisition communities.

To this end, the BA Portfolio is focused on effectively integrating the Department's programs and capabilities with the overarching Intelligence Community and the Director of National Intelligence (DNI) National Intelligence Program (NIP). The integration and

synchronization of these capabilities magnify the BA CPM's ability to serve both Departmental and national missions. Further, expanding intelligence sharing with national and international partners will enhance the Department's capabilities, as well as those of its partners.

Moving forward, the BA CPM will extend, expand, and explore those critical capabilities' and technologies that better leverage National Intelligence to meet operational warfighter requirements while simultaneously seeking to eliminate threats to our own forces and capabilities. By definition, the CPM intends to: 1) extend the U.S. Intelligence Enterprise to the warfighter and then back into the enterprise with key tactical capabilities as appropriate; 2) expand by providing new capabilities the warfighter needs not currently provided by the BA portfolio; and 3) explore by looking for new opportunities to address emerging needs and threats and eliminate by ensuring we protect the Intelligence Enterprise from our adversaries.

Focus Areas

The main components of the BA Portfolio are ISR and Environment. ISR is the ability to conduct required activities to meet intelligence needs of national and military decision makers. Environment depicts the ability to obtain and maintain situation specific information on objects, events, people, system status, interactions, environmental conditions, and other factors that affect the operational environment from a non-adversarial perspective.

Proposed BA enhancements over the Future Years Defense Program (FYDP) focus on areas including persistence, survivability, and situational awareness to achieve an optimal mix of BA capabilities. By exploring new technologies within ISR areas, particular emphasis was placed on capabilities and capacity to "find, fix, and finish" high value individuals, assets, and WMD. Similarly, resources were committed to expanding ISR with

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sufficient access, coverage, dwell, revisit, responsiveness, and quality to provide required levels of persistence. Finally, the BA CPM stressed operationalizing and strengthening defense intelligence by extending national strategic capabilities forward to the tactical level and improving distributed operations for intelligence collection systems and analytic capabilities.

The BA FYDP request responds to the Defense Intelligence Guidance published in June 2007 and includes the following priorities:

- Operationalizing and strengthening intelligence – Initiatives that will move us toward that goal include: enhancements to full motion video; operational implementation of the Joint Intelligence Operations Center enterprise; balanced investments between transformation and recapitalization of key capabilities; and investments in measurement and signatures intelligence and human derived intelligence;
- Enhancing security and reducing vulnerabilities via improvements to our counterintelligence capabilities, expansion of high value target locating and tracking ability, and enhanced human intelligence, language skills, and cultural awareness;
- Developing the defense intelligence workforce in-line with recent Congressional direction authorizing a Defense Civilian Intelligence Personnel System (DCIPS), giving defense intelligence components the authorities necessary to hire, develop, and retain a diverse, versatile, and professional workforce; and
- Improving management and alignment of defense intelligence resources by improving the portfolio processes within which we can manage the Military Intelligences Program (MIP), DoD elements of the NIP, and resources supporting Situational Awareness. To provide greater visibility, transparency, flexibility, more efficient management, and better investment decisions.

Command and Control (C2)

Command and Control is the ability to exercise authority and direction by a properly designated commander, or decision maker, over assigned and attached forces in the accomplishment of the mission. Command and control functions are performed through an arrangement of personnel, equipment, communications, facilities, and procedures employed by a commander in planning, directing, coordinating, and controlling forces and operations.

Today's missions are simultaneously more complex and dynamic requiring the collective capabilities and efforts of many organizations to achieve desired outcomes across the range of military operations. Commanders must have the ability to command and control (C2) an interdependent force in rapidly changing scenarios involving complex, distributed, simultaneous, and/or sequential operations. Capabilities underpinning future operations must be able to disseminate commander's intent, enable collaborative and adaptive planning and execution, and enable the synchronized application of linear, non-linear, kinetic, and non-kinetic effects across a global landscape.

In support of these capabilities, the Department's efforts in the C2 area must be guided and remain true to the principle maxim of command and control, which is that technology enables the human interface and supports "command" and the decision-maker, rather than forcing the decision-maker to operate within the constraints of the "control" technology. The force development community must remain cognizant of this so that C2 technical solutions meet the Commander's needs. Efforts must extend beyond the technology aspect of C2 and recognize that our networks will never be impervious to enemy attack and degradation. Our forces must be trained, educated, and organized to lessen our reliance on technical solutions and

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strengthen our C2 capability, from Joint Task Force (JTF) capable service headquarters through small high performing units, thus lessening our vulnerability to enemy attacks.

Transformation of current C2 capabilities from Service and Agency oriented constructs must reflect a balanced mix of Doctrine, Organization, Training, Materiel, Leadership, Personnel, and Facility (DOTMLPF) solutions. These solutions must satisfy warfighter desired operational needs and provide capabilities that are interoperable, timely, accessible, complete, secure, accurate, simple, and relevant. They must improve non-interoperable legacy capabilities, migrate to future capabilities, identify and mitigate capability gaps and be balanced by an integrated DOTMLPF approach that reduces over reliance on complex technologies and enterprise networks.

Focus Areas

The C2 CPM, in coordination with the Services and COCOMs, conducted detailed analysis of C2 programs of interest and associated non-materiel solutions. CPM analysis provided the basis to develop a recommended investment strategy beginning in FY 2009 for addressing capability gaps, redundancies, and enhancements required to satisfy validated warfighter mission needs. Key components of the recommended capability enhancements and associated investment strategy include:

- Net-Enabled Command Capability (NECC) – NECC dynamically and persistently couples warfighter C2 requirements to capability development to identify and prioritize Joint warfighter needs and expedite getting solutions into the field. This enables responsive, flexible, and adaptable management structures that fully support the rapidly changing requirements and provides timely C2 capabilities to the warfighter. NECC development supports Department objectives to develop integrated strategic, operational, and tactical C2 capabilities by employing



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enhanced capabilities under service oriented architecture. While sustaining critical point-to-point and circuit-switched systems, NECC execution supports Department objectives to migrate current C2 functionality to a net-centric construct with phase-out of the Global Command and Control Family of Systems (GCCS FoS);

- Integrated Fires/Blue Force Tracking – Provides more accurate, timely, and efficient identification of entities within the Battlespace and reduces the time to deliver weapons on the target while reducing the possibility of fratricide;
- Deployable Command and Control – Provides the capability to rapidly establish command and control capabilities for new or emerging missions and facilitates command and control activities; and
- Common Tactical Picture – Promotes critical capability for automated planning and execution that will provide operational flexibility for the accurate and timely use of net enabled weapons and facilitate delivery of a Common Tactical Picture to the Joint Force.

Net-Centric

Net-Centric is the ability to provide a framework for full human and technical connectivity and interoperability that allows all Department users and external mission partners to share the information they need, when they need it, in a form they can understand and act on with confidence, and protects information from those who should not have it.

The Net-Centric (NC) Capability Portfolio contains the end-to-end information infrastructure for the Department that provides the above-defined capability. The NC portfolio serves and enables all other Capability Portfolios and users within the Department. As a central focus of the Department's transformation efforts, the

development, synchronization, and integration of NC capabilities delivered from across various Service and Agency providers is critical to making information a shared resource and a force multiplier.

The Net-Centric Capability Portfolio vision is to harness the power of information and network connectivity. By enabling critical relationships among organizations and people, the Department is able to improve the quality of decisions and accelerate the speed of business process, information sharing, operational decision-making, and actions that achieve desired outcomes.

The focus of the NC portfolio over the FYDP includes the following goals:

- Transform the Force – From an information perspective, NC capabilities must be fully aligned with the Department's transition from Service-centric capabilities to a net-centric enterprise that meets the global requirements of the entire Department, while increasing Joint warfighter effectiveness;
- Operationalize Cyberspace – Dominant operations in cyberspace will remain a necessary condition for military and non-military mission success in global, regional, and domestic theaters; and
- Optimize Information Sharing – To reach the Department's Information Sharing Strategic vision – deliver the power of information to ensure mission success – an effective operational net-centric environment is critical. The Department is shaping and transforming relevant culture, policies, and governance toward information sharing, as well as developing and deploying capabilities to discover, access and exchange information in an assured and timely manner, with an increasing emphasis on edge users and the extended enterprise.

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Focus Areas

The NC Capability Portfolio is comprised of four areas that combine to provide end-to-end network connectivity, assured information sharing services, associated hosting and storage infrastructure, and the means to operate, optimize, and defend all network resources including management of the electromagnetic spectrum.

Information Transport capabilities provide the end-to-end communications for the NC environment. Information Transport includes military satellite communications systems, the global terrestrial wire and fiber backbone, leased commercial communications capacity and managed services, operational and tactical wired and wireless networking capabilities, post, camp, and station communications facilities and purchased services, among others. Major development programs delivering these capabilities include the Wideband Global System, Mobile User Objective System, TSAT, Advanced EHF system, Warfighter Information Network-Tactical, Joint Tactical Radio System, and the Defense Information System Network.

Information Assurance (IA) capabilities provide the measures that protect, defend, and restore information and information systems. IA capabilities enable secure information exchange, protection of data and networks, and detection and response to computer network attack. These capabilities are delivered largely by Service and Agency Information Systems Security Programs (ISSPs). In addition, specific IA programs, such as the DoD Public Key Infrastructure, Key Management Initiative and High Assurance Internet Protocol Encryptors deliver transformational capabilities.

Enterprise Services capabilities provide to all authorized users an awareness of and access to all Department information and Department-wide information services. This includes “core” enterprise services designated by the Chief Information Officer for

enterprise-wide use, such as discovery (i.e. of data, people or services such as “web” services), collaboration, mediation between diverse computer-based services and data sources, and messaging (e.g. instant messaging). The Net-Centric Enterprise Services (NCES) program is a key program delivering core



U.S. Marine Corps Lance Cpl. Blythe Jones prepares to install a global positioning system in an F/A-18D Hornet aircraft at Al Asad Air Base, Iraq. Jones is assigned as an aviation electrician with Marine All Weather Fighter Attack Squadron 121.

DoD photo by Cpl. Sheila M. Brooks, U.S. Marine Corps. – April 2007

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enterprise services. Computing infrastructure and information sharing capabilities provide scalable, distributed, and enterprise data processing, storage/shared space, and adaptable hosting resources Department-wide that work inter-dependently with core services to enable sharing of information, applications, and services globally, regionally, and to the tactical edge, to meet dynamic mission and operational needs. Computing infrastructure capabilities are exemplified by computing nodes such as enterprise (e.g. Defense Enterprise Computing Center (DECC)), regional, modular deployable, mobile tactical, and end user devices. Also included in Enterprise Services are the Department's Position, Navigation, and Timing capabilities, including the Global Positioning System program and associated user equipment currently being modernized to take advantage of new robust and precision capabilities.

Net Management capabilities provide the ability to operate, optimize, and defend the net to include configuration and re-configuration of networks, applications, services, and the underlying physical assets that provide assured connectivity and end-user services. The NC Capability Portfolio includes Net Management capabilities and operations ranging from global, exemplified by the Joint Task Force for Global Network Operations (JTF-GNO), to system-oriented capabilities such as the TSAT Mission Operations System. The emergence of cyberspace as a distinct warfighting domain imposes additional Net Management capability needs to ensure situational awareness and the impact on network and spectrum resources is managed and controlled across offensive and defensive cyberspace operations.

Logistics

Logistics is the ability to project and sustain a ready joint force through the deliberate sharing of national and multi-national resources to effectively support operations, extend operational reach and provide the Joint Force Commander (JFC) the freedom of action necessary to meet mission objectives.

The future operating environment will present joint logisticians with complex challenges. The joint force will operate in densely populated urban areas, inhospitable regions, along the littorals, and in remote austere locations. In an increasingly interconnected world, regional crisis can quickly expand well beyond the boundaries of the affected region or the immediate cause of the conflict, necessitating non-contiguous sustainment support obligations and demanding requirements of the DoD global supply chain. The Department must continue to improve its logistics capability and processes to meet the demands of this new operational environment as well as secure, enhance, and protect its global supply network and en-route infrastructure.

The mission of Joint Logistics is to support the projection and sustainment of a ready, capable total force across the range of military operations through globally responsive, operationally precise, and cost-effective logistics support for the Joint Force. There are three goals underpinning this effort:

- Unity of effort is the synchronization and integration of joint, multinational, interagency, and nongovernmental logistics capabilities focused on the Joint Force Commander's intent;
- Visibility assures access to information about logistics processes, resources, and requirements in order to gain the knowledge necessary to make effective decisions; and
- Rapid and precise response ensures the ability of Joint Logistics to meet the constantly changing needs of the joint force.

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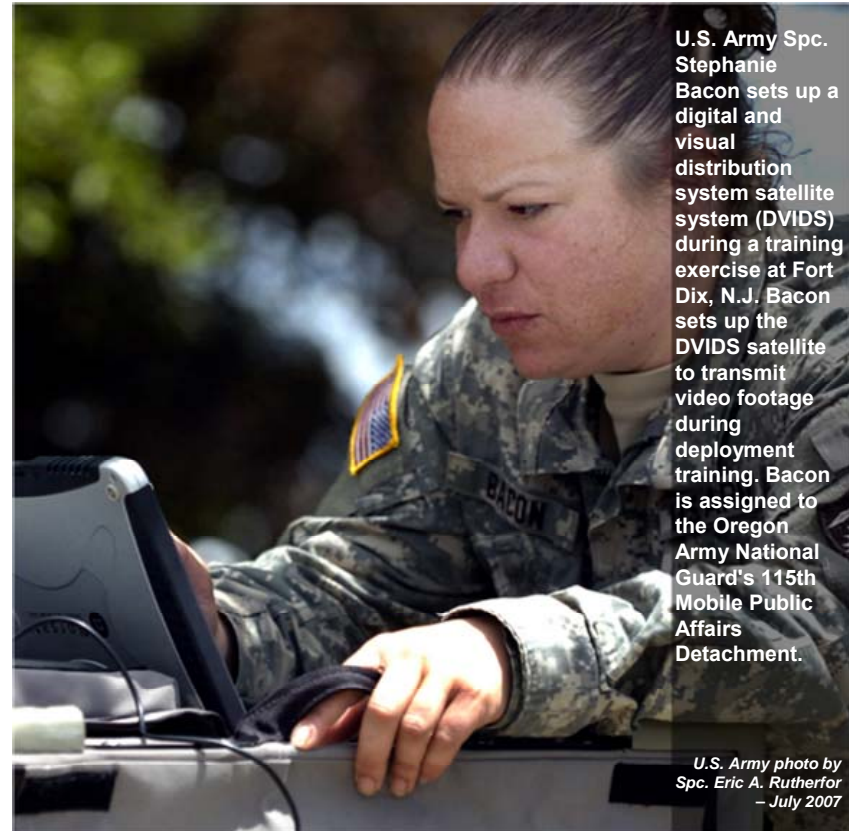
Focus Areas

The Joint Logistics Capability Portfolio Manager (CPM) has developed an overarching strategic vision for future logistics capabilities. Joint Logistics consists of seven areas that combine to integrate and improve end-to-end Joint Logistics first across DoD components, agencies, and global industry partners; then with other Federal agencies and alliances or coalitions in order to achieve better outcomes for joint warfighters. A Joint Logistics Capability Area Manager is assigned to each one of the seven areas. DoD Components, working in tandem with the Joint Logistics Capability Area Managers, will map initiatives and key programs of record to goals and objectives and will review the way in which Logistics Portfolio capabilities are managed, allocated, and used.

Supply is the ability accurately forecast requirements, identify and select supply sources, schedule deliveries, receive, verify and transfer product and authorize supplier payments. It includes the ability to see and manage inventory levels, capital assets, business rules, supplier networks, and agreements (to include import requirements) as well as the assessment of supplier performance. The focus on supply will leverage procurement processes to provide best value support to the warfighter.

Maintain is the ability to manufacture and retain or restore materiel in a serviceable condition to achieve world class, agile maintenance capabilities that support the full spectrum of military operations is the focus of maintain. It includes inspecting, testing, servicing, repairing, rebuilding, overhauling, upgrading, and manufacturing.

Deployment/Distribution is the ability to plan, coordinate, synchronize, and execute force movement and sustainment tasks in support of military operations. Deployment and distribution includes ability to strategically and operationally



U.S. Army Spc. Stephanie Bacon sets up a digital and visual distribution system satellite system (DVIDS) during a training exercise at Fort Dix, N.J. Bacon sets up the DVIDS satellite to transmit video footage during deployment training. Bacon is assigned to the Oregon Army National Guard's 115th Mobile Public Affairs Detachment.

U.S. Army photo by Spc. Eric A. Rutherford - July 2007

move forces and sustainment to the point of need and operate the Joint Deployment and Distribution Enterprise (JDDE). Key components include: moving and sustaining the force and operating the JDDE.

Operational Contract Support is the ability to orchestrate and synchronize the provision of integrated contract support and management of contractor personnel providing that support to the joint force in a designated operational area.

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Operational Engineering is the ability to execute and integrate engineering capabilities to assure mobility, provide infrastructure to position, project, and sustain the joint force, and enhance visualization of the operational area, to meet the National and JFC requirements. Three key components include general, combat, and geospatial engineering

Logistics Services is the ability to provide laundry/shower/textile repair; food service; water and ice services; basecamp services; hygiene services; and mortuary affairs functions essential to the technical management and support of the joint force in an expeditionary environment.

Force Health Protection is the ability to: assess, develop, and implement capabilities that support psychological health of our warfighters; identify and prioritize gaps to improve speed and precision for delivery to warfighter care; identify and enhance joint theater medical command and control to improve patient and medical commodity visibility and enhance effective decision-making; and assess and develop combat multiplier programs to substantively enhance human performance on the battlefield.

SUMMARY

The Capability Portfolio Management pilot program has demonstrated that there is value in viewing Department activities through a capability portfolio lens to offer an alternative to the traditional component perspective in determining risk and resource trades. Future roles of the CPMs will include developing guidance for development of the force, evaluating and recommending changes to the Department's resource execution plans, managing the identification of solutions to prioritized capability gaps, and monitoring resource execution to ensure strategy alignment.

Managing resources by Capability Portfolio, in addition to by Service and by appropriation account allows the Department to better align outputs to strategic objectives and make informed



tradeoffs. The goal is to provide capabilities to the joint warfighter more rapidly and efficiently, while improving interoperability, minimizing redundancies and gaps, and maximizing effectiveness.

The Department's approach to Capability Portfolios will evolve over the next year as business rules and methodologies for aligning resources are finalized. For example, the Department is developing budget displays that will show each budget element linked to the appropriate capability portfolio. Viewing the budget in terms of Capability Portfolios is another way to explain to Congress and the American people how the Department is meeting new and emerging requirements. We look forward to continuing this dialogue as we advance the capability portfolios construct.

INTELLIGENCE

Intelligence

OVERVIEW

Intelligence plays a critical role in providing national leadership and military commanders information about events and issues that impact national security. Decision-makers need accurate and timely information about the intentions and capabilities of foreign adversaries including terrorists – those we face on the battlefields of Iraq and Afghanistan today and those we may face at home and abroad tomorrow. Actionable military intelligence can save the lives of Americans, particularly those on the front lines – the men and women of the Military Services – and assist in identifying, tracking, and apprehending of our enemies.

The Intelligence Community (IC) is a hybrid organization within the Federal government. It includes independent agencies and elements of major Federal departments. It is coordinated and overseen by the Director of National Intelligence (DNI) who is the President's principal authority on national intelligence. The Secretary of Defense, through the Under Secretary of Defense (Intelligence) oversees military intelligence in coordination with the DNI. The budget for national intelligence is presented to Congress by the DNI; the budget for military intelligence is presented to Congress by the Secretary of Defense through the offices of the Under Secretary of Defense (Intelligence) and the Under Secretary of Defense (Comptroller).

INTELLIGENCE REFORM

In the wake of 9/11, the *Intelligence Reform and Terrorism Prevention Act of 2004* reorganized the IC by establishing the position of DNI. The DNI became responsible for determining the annual budget for national intelligence activities, facilitating information sharing throughout the community, and establishing strategic direction and common standards for personnel. The

Members of the Intelligence Community (IC)



DoD Funded:

- Defense Intelligence Agency
- Army Intelligence
- Office of Naval Intelligence
- Marine Corps Intelligence Agency
- Air Force Intelligence, Surveillance, and Reconnaissance
- National Geospatial-Intelligence Agency
- National Reconnaissance Office
- National Security Agency

Non-DoD Funded:

- Director of National Intelligence
- Department of State's Bureau of Intelligence and Research
- Department of Homeland Security's Office of Intelligence & Analysis
- Coast Guard Intelligence
- Intelligence elements of the Department of the Treasury, Department of Energy, Drug Enforcement Administration, and Federal Bureau of Investigation

Independent Agencies:

- Central Intelligence Agency

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law preserved the existing chain of command and left all intelligence agencies, organizations, and offices in their current departments. The Department of Defense retained responsibility for its intelligence-related components, including the Defense Intelligence Agency (DIA), National Geospatial-Intelligence Agency (NGA), National Reconnaissance Office (NRO), National Security Agency (NSA), and the Counterintelligence Field Activity (CIFA).

Outside of the Defense Department, the IC continues to include the Central Intelligence Agency (CIA), the State Department's Bureau of Intelligence and Research, and the intelligence components of: the Department of Homeland Security, including the Coast Guard; Department of Energy; Department of the Treasury; Federal Bureau of Investigation; and Drug Enforcement Agency – all of which report to the DNI on national intelligence matters.

FUNDING AND CONGRESSIONAL OVERSIGHT

The President's budget requests for military intelligence and national intelligence are provided to Congress under separate cover by the Secretary of Defense and the DNI, respectively.

For reasons of national security, the amount of funding appropriated for intelligence organizations, the number of their employees, and their operations are all classified. This year, however, a new Federal law—*Implementing Recommendations of the 9/11 Commission Act of 2007* – required the DNI to disclose the aggregate amount of funds appropriated for National Intelligence within 30 days of the end of the fiscal year.

Detailed budget justification of these programs and activities can be found in classified annexes to the FY 2009 President's Budget, which will be presented to at least six Congressional committees: the House Permanent Select Committee on Intelligence, the Senate Select Committee on Intelligence, House Armed Services Committee, Senate Armed Services

Committee, the House Appropriations Committee, and the Senate Appropriations Committee. Other congressional committees are briefed on intelligence activities when they have jurisdiction over parts of the Intelligence Community, such as the House Homeland Security Committee, the Judiciary Committees, the House Foreign Affairs Committee, or the Senate Foreign Relations Committee.

MILITARY AND NATIONAL INTELLIGENCE PROGRAMS

Appropriations for intelligence activities are divided between the Military Intelligence Program (MIP) and National Intelligence Program (NIP).

The MIP is prepared by the Secretary of Defense and funds all programs, projects, or activities that support the Department's intelligence, counterintelligence, and related surveillance and reconnaissance activities. The MIP was established in September of 2005 and replaced the previous aggregation of intelligence activities known as Tactical Intelligence and Related Activities (TIARA) and the Joint Military Intelligence Program (JMIP). TIARA covered individual Service programs for tactical military intelligence, and JMIP included programs that responded to Defense-Wide and national intelligence requirements.

The DNI is responsible for developing and determining the annual NIP budget, formerly known as the National Foreign Intelligence Program, which funded activities related only to foreign intelligence. Today the DNI is explicitly responsible for oversight of both foreign and domestic intelligence. The DNI is responsible for consulting and coordinating with the Secretary of Defense when directing changes to the DoD-funded national intelligence programs. Likewise, the Secretary of Defense consults with the DNI when directing changes to the military intelligence programs.

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DEFENSE INTELLIGENCE

The Department's intelligence effort serves two primary purposes. First, it assists the Secretary in discharging his responsibility to anticipate, prepare for, and direct military operations and, in the aftermath of those operations, provide support to other elements of the USG to manage the effects of those military operations. Second, DoD also assists the Director of National Intelligence in discharging his responsibility to provide national intelligence to the President and Congress.

Accordingly, the Department undertakes three types of intelligence activities:

- Activities that are uniquely associated with DoD's military missions or are fundamental to it. These include tactical human intelligence, intelligence preparation of the battlespace, advance force operations, counterintelligence activities by the Military Departments for force protection overseas, and surveillance and reconnaissance through technical means. These activities are typically funded in the MIP;
- Activities that may support either the Secretary or the DNI as they execute their missions. For example, these include high altitude airborne ISR (U2, Global Hawk systems) and imagery and signals intelligence in support of CBRNE render safe missions. Aspects of these activities may be funded in either the MIP or the NIP; and
- Activities that are uniquely associated with the national mission of the DNI or are fundamental to it and are executed by direction of DNI through agencies or personnel within DoD. They include counterterrorism activities executed by the National Counterterrorism Center, foreign signals intercept, foreign imagery collection and analysis, human source collection and analysis, and counterintelligence.

On balance, the DoD intelligence effort is weighted toward the first two types of these activities. Within the Department of Defense, components with intelligence-related functions include:

- Under Secretary of Defense for Intelligence;
- Defense Intelligence Agency;
- National Geospatial-Intelligence Agency;
- National Reconnaissance Office;
- National Security Agency;
- Service Intelligence Activities;



U.S. Air Force Airmen from the 910th Security Forces Squadron out of Youngstown Air Reserve Base, Ohio, run past yellow smoke wearing their gasmasks during a simulated chemical attack during Air Mobility Command's Rodeo 2007 at Fort Lewis, WA. Rodeo 2007 is a readiness competition of U.S. & international mobility forces and focuses on improving warfighting capabilities.

U.S. Air Force photo by Staff Sgt Ave I. Pele-Sizelove – July 2007

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- Special Operations Command; and
- Counterintelligence Field Activity.

Under Secretary of Defense for Intelligence (USD(I))

USD(I) is the principal advisor to the Secretary regarding intelligence, counterintelligence, security, and other intelligence-related matters. This official also plays an important coordinating role in intelligence-related matters across military and national intelligence spheres.

Defense Intelligence Agency (DIA)

DIA is a major producer and manager of foreign military intelligence, with military and civilian employees deployed worldwide. DIA provides military intelligence to warfighters, defense policymakers, and force planners in the Department and the IC, in support of U.S. military planning and operations and weapon systems acquisition. Funding for DIA is found in both the national and military intelligence programs.

DIA responds to the needs of customers, from the President to the warfighter in the field. It covers all aspects of military intelligence requirements—from highly complex missile trajectory data to biographical information on foreign military leaders. Its analysts are highly skilled, world-class intelligence professionals who provide tailored intelligence products in a complex environment using leading edge technology.

These capabilities are enhanced by effective mission management and sustained by streamlined enterprise IT and enterprise management. FY 2009 investments emphasize DIA's six core mission areas:

- *All-Source Analysis.* DIA will: strengthen analysis of transnational issues including terrorism, weapons of mass destruction, and associated proliferation activities; strengthen standards for all-source analysis within the

Defense Intelligence Analysis Program community; and, enhance chemical/biological warfare analysis;

- *Persistent but flexible global overlay of Human Intelligence (HUMINT).* DIA will: align HUMINT capabilities to maximize collection against hard targets and imminent and emerging threats; sustain advanced HUMINT training; improve counterterrorism analytic support to field collection elements; and enhance training for embassy-based collectors;
- *Measurement and Signature Intelligence (MASINT).* DIA will continue to provide the centralized management for all national and DoD MASINT activities and will strengthen MASINT's contribution to intrusive, persistent surveillance capabilities;
- *Mission Management.* DIA will lead the IC by integrating intelligence, operations, and plans to operationalize intelligence. For example, the Defense Intelligence Operations Coordination Center integrates the Defense Joint Intelligence Operations Center and the Joint Functional Component Command for ISR to develop more agile and responsive intelligence operations across the national-to-tactical intelligence enterprise;
- *Enterprise Information Technology.* DIA will improve efforts to streamline information technology and data sharing capabilities and implement commercial information management practices; and
- *Enterprise Management.* DIA will continue to provide its workforce with the resources, facilities, and infrastructure necessary to accomplish their mission, including foreign language training and professional education. DIA will continue to improve its strategic human capital management to recruit, train, and retain an innovative and results-focused workforce.

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National Geospatial-Intelligence Agency (NGA)

NGA's mission is to deliver timely, accurate, and actionable geospatial intelligence across the Department, other elements of the IC, and civil agencies. NGA provides its customers the ability to geospatially orient and visualize their mission environments by recording, manipulating, integrating, analyzing, and making available data from a range of sources. MIP resources enable NGA to support defense intelligence through improved tasking, collection, processing, exploitation, and dissemination of geospatial data – to provide DoD mission partners the most comprehensive and effective Geospatial Intelligence (GEOINT) possible. NGA's funding strategy advances the Department's goals by making critical investments in integrated and persistent GEOINT systems and analysis.

National Reconnaissance Office (NRO)

The NRO is a joint organization engaged in the research and development, acquisition, launch and operation of space-based reconnaissance systems necessary to meet the needs of the IC and DoD.

National Security Agency (NSA)

NSA provides signals intelligence for a decisive information advantage for policy-makers and warfighters; facilitates network warfare operations; and delivers responsive, reliable, effective, and expert Signals Intelligence (SIGINT) and Information Assurance services.

NSA's funding strategy for the NIP focuses on three interdependent areas:

- Sustaining current operations in the face of a dramatically increased and constantly evolving operations tempo;
- Modernizing the agency's information technology and physical plant infrastructures to assure robust support; and



U.S. Navy Sonar Technician 1st Class Marcelo Cadiente monitors a surface search radar in the combat information center aboard the guided-missile destroyer USS Paul Hamilton as part of exercise Valiant Shield 2007 while under way in the Pacific Ocean. The joint exercise consists of 28 naval vessels, more than 300 aircraft, and approximately 20,000 service members from the Navy, Army, Air Force, Marine Corps and Coast Guard.

U.S. Navy photo by Mass Communication Specialist 2nd Class Davis Anderson – August 2007

- Transforming the cryptologic enterprise to keep pace with rapid technological advances.

NSA is pursuing three main mission imperatives:

- Ensuring effective and actionable SIGINT support to military operations, including OIF and OEF;
- Providing enhanced or new capabilities to exploit hard targets and to provide global intelligence sensing capabilities; and
- Enhancing analytic tradecraft and operational infrastructure needed to provide information on and respond to threats to the U.S. and its Allies.

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In the past, NSA and the Military Services have operated independently to develop intelligence capabilities. Today, cooperation and synchronization across the enterprise are essential. Accordingly, NSA is partnering with the Services to fuse SIGINT with other “INTs” and open source data to provide the most comprehensive view of the military battlespace. NSA is also continuing its efforts to establish a unified cryptologic community with the Services, creating a fully capable, mobile component of a single, global, integrated cryptologic system. To realize this vision, FY 2009 MIP investments are focused in three areas:

- Connect – fully integrate the Services into the SIGINT production chain;
- Equip – ensure the provision of the most effective equipment, doctrine, and training to the Services; and
- Enable – expand Services’ role in the cryptologic environment to improve their ability to detect, attribute, and respond to unauthorized incursions into the Nation’s critical networks.

Service Intelligence Activities

The U.S. Army, Navy, Marine Corps, and Air Force intelligence elements aim to:

- Provide commanders and decision makers accurate, tailored, timely, mission-essential intelligence that provides a high level of situational understanding;
- Establish an “unblinking eye” over the battlespace through persistent surveillance; and
- Meet the critical information needs of decision makers, Allies, and combatant forces.

Special Operations Command (SOCOM)

SOCOM’s intelligence effort is focused on providing timely intelligence support to tactical operations. This includes investments in, contractor maintenance of, and logistic support for unmanned vehicles. These provide SOF reconnaissance, surveillance, target acquisition, battle damage assessment, intelligence collection, and other beyond visual line of sight mission requirements.

Counterintelligence Field Activity (CIFA)

CIFA’s mission is to develop and manage DoD counterintelligence programs and functions that transcend command, Service, and agency organizational boundaries. CIFA provides the Department the capability to coordinate efforts to counter clandestine or covert threats to DoD personnel, operations, and facilities and to protect selected, high priority DoD research and technology undertakings and critical infrastructures.

CIFA is responsible for integrating NIP (via the DoD Foreign Counterintelligence Program) and MIP resources to accomplish national and defense counterintelligence missions. CIFA developed a performance-based counterintelligence strategy and implementing plans that link to the National Counterintelligence Strategy, National Intelligence Strategy and the National Security Strategy.

SUMMARY

Members of the IC provide critical support to the warfighter and inform senior leaders as they make national security decisions. IC elements provide specialized and complementary capabilities, and funding ensures they are able to sustain baseline operations and respond to new and evolving demands.

HEALTHCARE AND WOUNDED WARRIOR

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Healthcare and Wounded Warrior	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
<i>\$ in Billions</i>					
Defense Health Program (DHP)	21.2	23.5	23.6	+0.1	0.6%
Military Personnel ¹	7.2	7.1	7.1	—	-0.1%
Military Construction ¹	0.3	0.5	0.5	—	8.5%
Healthcare Accrual ²	11.2	11.2	10.4	-0.8	-7.5%
Total Unified Medical Budget	39.9	42.2	41.6	-0.7	-1.6%
<i>Treasury Receipts for Current Medicare-Eligible Retirees³</i>	<i>7.0</i>	<i>8.3</i>	<i>9.0</i>	<i>+0.7</i>	<i>8.4%</i>

Notes: ¹ Not included in Defense Health Program O&M Appropriation; ² Includes contributions into the Medicare-Eligible Health Care Fund to provide for future healthcare costs of active duty personnel, and their families, when they retire; ³ Transfer receipts from the Department of Treasury in the year of execution to support the delivery of healthcare to the current 2.0 million Medicare-eligible retirees and their family members. Numbers may not add due to rounding

OVERVIEW

The Military Health System (MHS) consists of the medical services of the Army, Navy (including the Marine Corps) and Air Force, the TRICARE Management Activity, and the Office of the Assistant Secretary of Defense for Health Affairs. The MHS provides healthcare services to approximately 9.2 million eligible beneficiaries – Active Duty, Reserve and National Guard Soldiers, Sailors, Marines, Airmen, and their family members, plus military retirees and their family members (Figure 3.1). The MHS strives to be a world-class healthcare system that supports military missions by fostering, protecting, sustaining, and restoring health. The Department's FY 2009 request includes \$41.6 billion to that end.

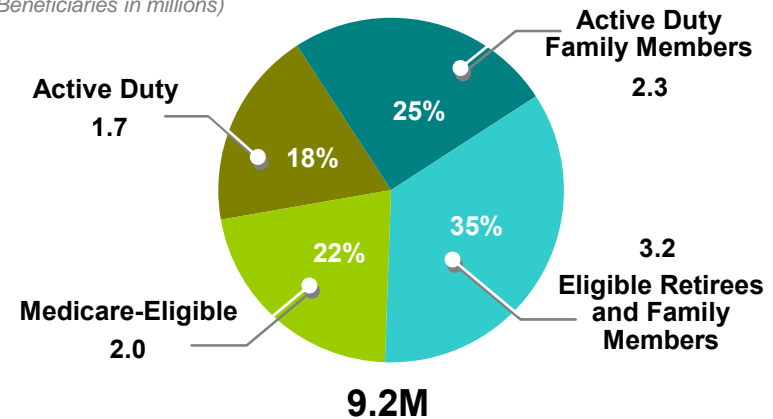
CURRENT ISSUES IN HEALTHCARE

The MHS is committed to providing a fit and protected force, optimal deployable medicine, satisfied beneficiaries, healthy communities, and a world-class health benefit, while controlling costs to the Department (Figure 3.2). The Department is particularly focused on ensuring wounded warriors are receiving the best care, treatment, and support while they recover, rehabilitate, and reintegrate. Achieving these goals, while

keeping Department spending on healthcare manageable, is a challenging endeavor due to stress on the medical force to support continuing operations, a growing and aging patient population, and higher than anticipated medical cost growth. At

Figure 3.1 MHS Eligible Beneficiaries

(Beneficiaries in millions)



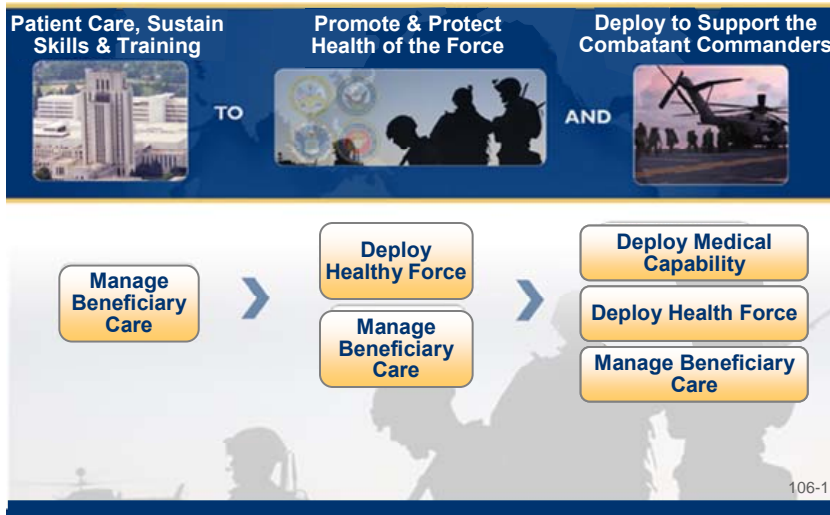
Source: MCFAS FY 2006.0 Version. FY 2009 estimate.

106-21

Figure 3.2 MHS Mission

The MHS has three primary missions in peacetime and wartime:

- 1) deliver the healthcare benefit, 2) protect the health of the force, and
- 3) deploy medical support capability worldwide.



the same time, the Department is committed to optimizing the medical force structure to improve overall cost efficiency by conducting military-civilian conversations.

Sustaining the Military Healthcare Benefit

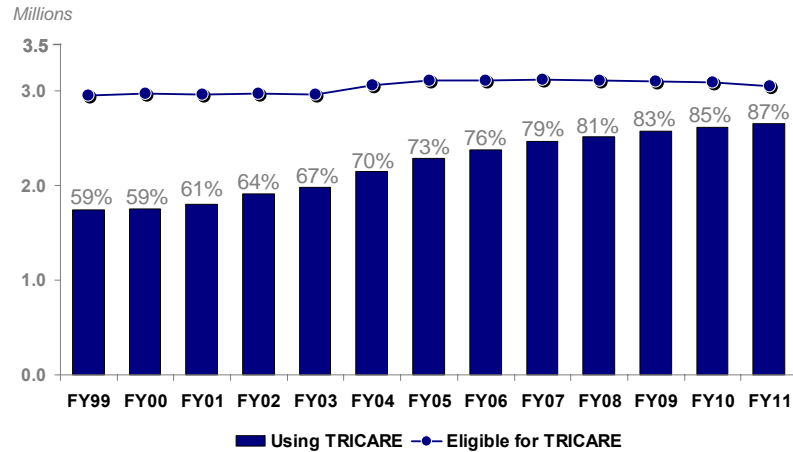
The Department’s healthcare costs are rising rapidly and they consume an increasingly larger share of its budget. The Defense Health Program (DHP) – a separate Defense appropriation that funds the cost of TRICARE health benefits and many of the Department’s other healthcare activities – grew by 97 percent between FY 1999 and FY 2007, a 10.2 percent annual increase. Primarily, this has been driven by expanded TRICARE benefits and the attractiveness of TRICARE’s extremely low out-of-pocket costs for working-age retirees.

TRICARE has continually improved its service over the past several years, and independent surveys show that as a health plan, it ranks as one of the Nation’s best. Unique benefits include a national network of more than 220,000 physicians, access to all U.S. hospitals, a mail order pharmacy, and 55,000 retail pharmacies that supplement the Department’s military medical facilities. The MHS has one of the best electronic health record systems in the world. Regardless of these advances, individual cost shares for TRICARE (annual fees and deductibles) have remained essentially the same since 1995. TRICARE Prime Family Enrollment Fee has remained constant at \$460, the Prime Outpatient Visit Cost Share constant at \$12, and the Standard Deductible constant at \$300. As a result, the Department pays a continually increasing percentage of its beneficiaries’ health costs. In 1995, beneficiaries paid approximately 27 percent of their healthcare costs. Today they pay only 12 percent. As premiums for employer-sponsored plans continue to rise, military retirees are increasingly electing to use the attractive TRICARE health benefit instead of the health insurance options provided by their employers (Figure 3.3).

With the many benefit enhancements, increased beneficiary use, stable cost shares, and high healthcare inflation, the Department’s total health costs – the Defense Health Program plus medical military personnel, medical military construction, and actuarial normal cost contributions to the Medicare Eligible Retiree Health Care Fund – have more than doubled in five years. Costs have increased from \$19 billion in 2001 to \$38 billion in 2006, and now represent 8 percent of the Defense budget. Trend analysis projects that these costs will reach \$64 billion by 2015, which would be 11.3 percent of the anticipated Department budget, if no changes are made to the current fee and benefit structure. Over time, such cost growth may diminish the health benefit and impact Defense capabilities and national security (Figure 3.4).

Figure 3.3 TRICARE Benefits

Military Retirees are Increasingly Using Their TRICARE Benefits

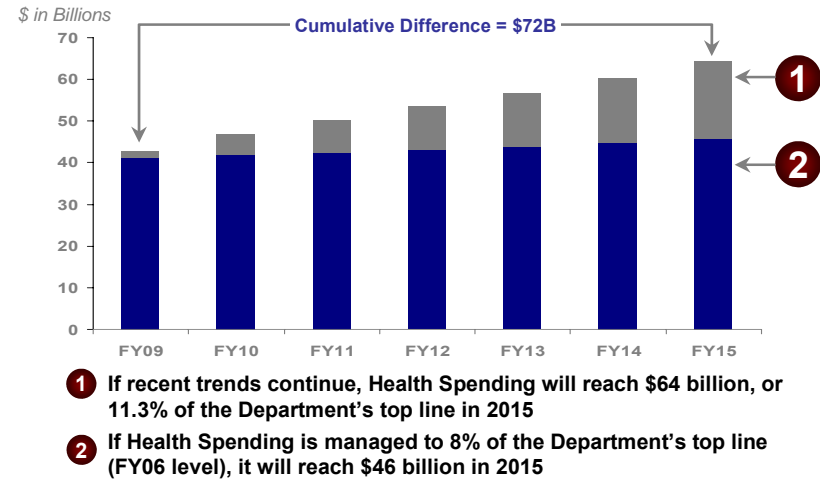


Source: Office of the Assistant Secretary of Defense for Health Affairs 106-12

To help sustain a superior military health benefit and to ensure necessary support for future national security missions, the Department endorses the recommendations of the Congressionally mandated Task Force on the Future of Military Health Care to adjust TRICARE cost shares. These adjustments would help realign the government and individual cost shares to begin to approach the 1995 cost share levels. Even with adjustments, the TRICARE benefit would remain a comprehensive health plan with smaller cost shares than those for the Federal Employees Health Benefit Program and nearly all other health benefit plans in the U.S. Notably, only the retail pharmacy adjustments would have a minimal effect on Active Duty family members. There would be no change for Active Duty members themselves. The FY 2009 budget request assumes savings of \$1.2 billion from the implementation of increased

Figure 3.4 Managing Defense Health Spending

Annual Defense Health Expenditures



Source: Office of the Assistant Secretary of Defense for Health Affairs 106-18

TRICARE premiums and co-pays for working-age military retirees and their families.

Supporting Wounded Warriors

The MHS has demonstrated outstanding success managing injuries on the battlefield and preparing wounded service members to live productive lives. However, much remains to be done to help America's injured warriors return to full duty or to move on to the next phase of their lives. The MHS is working closely with the Veterans Administration, improving case management and access to medical information, which enables patients to play a bigger role in treatment no matter where it takes place. MHS members are working to specifically improve diagnosis and compassionate care for traumatic brain injury (TBI) and post-traumatic stress disorder (PTSD). These

DoD FY 2009 Budget Request Summary Justification

signature illnesses of the GWOT have created significant challenges in providing responsive, coordinated, patient-centered healthcare. The MHS is working to overcome these challenges and to develop more effective therapies, leveraging research within the Department, at other Federal agencies, including the Department of Veterans Affairs (VA), and at national healthcare research institutions.

To ensure the Department's efforts in this area are integrated, implemented, coordinated and resourced, the Wounded, Ill and Injured Senior Oversight Committee (WII SOC) was established. WII SOC will streamline, de-conflict, and expedite the Department's efforts to improve the provision of medical care, disability processing and transition activities to the Department of Veterans Affairs for all military personnel. The committee is chaired by the Deputy Secretaries of Defense and VA and includes senior civilian and military leadership from both departments.

The Department has begun and will continue to take action on the recommendations set forth in the President's Commission on Care for America's Returning Wounded Warriors (Dole/Shalala) report including steps to:

- *Enhance case management.* The Department seeks to provide an integrated continuum of case/care management that includes world-class quality care and service delivery for wounded, ill, and injured Service members and their families from recovery and rehabilitation to reintegration into society. The Department will develop and implement a Federal Individual Recovery Plan (FIRP) for each injured warrior, a resource directory, and training for Federal Recovery Coordinators;
- *Restructure Disability and Compensation Systems.* To improve and streamline the disability evaluation system, the Department will institute a single, comprehensive medical exam for each wounded Service member. Based on this



Air Force Capt. David K. Berling performs abdominal training with a medicine ball during routine therapy in the new Comprehensive Combat and Complex Casualty Care (C5) at Naval Medical Center San Diego. The C5 is a program of care that manages severely injured or ill patients from medical evacuation through in patient care, out patient rehabilitation, and eventual return to active duty or transition from the military. The 30,000 square foot facility, recently completed as part of a \$4.4 million upgrade, allows wounded service members from the West Coast to remain closer to their families rather than undergoing treatment and rehabilitation at military hospitals in Texas, Maryland, or Washington, D.C.

U.S. Navy photo by Mass Communication Specialist 2nd Class Greg Mitchell – October 2007

exam, the Military Services would determine fitness for continued active duty service and VA would determine the disability rating for potential benefits. WII SOC is also working on a document management system and DoD interfaces with existing information management systems on both the DoD and VA side;

DoD FY 2009 Budget Request Summary Justification

- *Treat Traumatic Brain Injury/Post-Traumatic Stress Disorder.* The Department is working to provide Service members with lifelong standardized and comprehensive screening, diagnosis, and care for all levels of TBI and PTSD, in conjunction with education for leadership, patient, and family members;
- *Improve Department of Defense/Veterans Affairs Data Sharing.* The Department will develop a user-friendly, tailored services and benefits portal for Service members, veterans, and their family members. The portal will display customized benefit information based on each user's profile, leverage existing web-based sites, and be a "one stop shop" for the injured warrior on all available Federal benefits. The Department will also work to transmit electronic digital radiographs and scanned medical records from DoD medical centers to VA Polytrauma Centers; and
- *Standardize Facilities.* The WII SOC has approved housing standards for all facilities used to house wounded warriors. Currently, the Department is conducting inspections of existing facilities and each will be standardized.

Military-to-Civilian Conversions

The Department initiated conversion of military-to-civilian personnel within the DHP for those military authorizations or billets that were identified as not essential to support the readiness or warfighting requirements of the Department. These converted authorizations will be filled by civilians and will result in improved overall cost efficiency. DHP conversions are intended to reduce costs without harming operational readiness or access to quality healthcare (Figure 3.5).

The Medical Readiness Review (MRR) commenced in 2004 to examine the military medical force structure and to set the foundation for future military-to-civilian conversion initiatives.

Figure 3.5 Medical Military-to-Civilian Conversions

Prior Conversions of Military Medical Positions to Civilian

Department of the Army	FY 2005	FY 2006	FY 2007	FY 2008
Total Military-to-Civilian Conversions Reported in FY 2007 NDAA Certification	0	1,068	601	438 ¹
Conversions Certified by Service Secretary (or designee)	n/a	1,068	436	438
Number of Conversions Not Certified	n/a	0	165	0

¹ 300 positions are not for the provision of health care functions and thus are not subject to the certification requirement per Office of General Counsel guidance

Department of the Navy	FY 2005 ²	FY 2006	FY 2007	FY 2008
Total Military-to-Civilian Conversions Reported in FY 2007 NDAA Certification	1,772	215	689	1,036
Conversions Certified by Service Secretary (or designee)	n/a	215	667	1,016
Number of Conversions Not Certified	n/a	0	22	20

² FY2005 conversions did not require certification

Department of the Air Force	FY 2005	FY 2006	FY 2007	FY 2008
Total Military-to-Civilian Conversions Reported in FY 2007 NDAA Certification	0	403	813	954
Conversions Certified by Service Secretary (or designee)	n/a	403	813	954
Number of Conversions Not Certified	n/a	0	0	0

Source: Letters of Certification from Service Secretaries
 Note: Data current as of 29 October 2007

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The MRR analyzed a significant portion of the medical force structure and identified 17,201 military medical positions that could potentially be converted to civilian positions. The FY 2009 request includes 2,036 military-to-civilian conversions for military billets that support the DHP. The FY 2007 National Defense Authorization Act required certification by the Secretaries of the Military Departments that the conversions would not increase costs or decrease access to or quality of care. The Military Department Secretaries have already certified that all or part of the planned FY 2007 and 2008 conversions are executable without compromising cost, quality, or access. The Department continues to refine the conversion process by reviewing and improving civilian personnel recruitment and retention strategies and allowing greater flexibility in the use of contractors when suitable civilian candidates cannot be found. Restricting or prohibiting medical military-to-civilian conversions will harm healthcare by inhibiting the MHS' ability to select the most qualified and cost-effective candidates for its work force.

DOD HEALTHCARE PRIORITIES

MHS operates according to six strategic priorities that guide its ability to respond to these current issues in healthcare and have influenced the Department's FY 2009 budget request:

- *Enhance deployable medical capability, medical readiness of the force, and homeland defense by reducing the time from "bench to battlefield" for more effective mission-focused products, processes, and services.* The needs of Commanders and Service members will be anticipated and a rapid response with innovative solutions will be provided. New opportunities will be identified and high performance services and products provided. Focus will be on coordination of research and development infrastructure to rapidly design, develop, and deploy "bench to battlefield" solutions for the warfighter;
- *Sustain the military health benefit through top quality patient-centered care and long-term patient partnerships with a focus on prevention.* The MHS will improve the integration of all parts of clinical practice, while empowering patients and families, relieving acute suffering, and promoting long-term wellness. This focus on prevention and disease management will extend to healthcare support contractors that partner in providing and arranging healthcare. Military medical practice and procedures, including the physical layout of facilities, will support healthcare that is compassionate, comprehensive, confidential, coordinated, and under the patients' control;
- *Provide globally accessible, real time, health information.* The Armed Forces Health Longitudinal Technology Application (AHLTA) is the patients' electronic health record and has been implemented in all military hospitals, medical clinics and dental clinics, and many deployed field units. Effective use of AHLTA will lead to more accurate diagnoses, fewer mistakes, and greater patient satisfaction. The data stored in AHLTA enables disease surveillance and true force health protection. Groundbreaking technologies like the Joint Trauma Registry and Theater Management Information Program are improving combat medicine and providing the capability to track casualties from initial injury to definitive treatment. All patient data, which previously never left the war zone hospital where it was documented, will be available to military healthcare providers worldwide;
- *Provide incentives to achieve quality in everything the MHS does.* The MHS is committed to a culture of continuous improvement that reduces excessive rules while promoting customer-focused, front-line innovation. The goal is to transition to performance based management for both force health protection and delivery of the healthcare benefit.

DoD FY 2009 Budget Request Summary Justification

Performance -based incentive systems and accountability processes that guide and control operations will replace regulatory-based controls;

- *Unleash the potential of the MHS' people.* The people of the MHS value the opportunity to serve the warfighter, do meaningful work, and make a difference. They are the key to system-wide success and the organization's most valuable asset. The MHS is working hard to improve joint leadership training and to develop common curricula via a shared campus at the Military Education and Training Center. Coordinated programs to improve recruiting and retention for the total Active Duty, Reserve, and National Guard military force are being implemented. Training at the Uniformed Services University of the Health Sciences and other sites has resulted in combat theater hospitals working more jointly than ever before and medical professionals who have the capabilities to best support the warfighters; and
- *Build and sustain the best hospitals and clinics and nurture a caring environment.* Implementation of BRAC actions, particularly in the National Capital Region and San Antonio markets, offer opportunities to create state-of-the-art hospitals, where Army, Navy, and Air Force professionals work shoulder-to-shoulder caring for patients, educating medical leaders, and conducting ground-breaking research that meets patient needs. To achieve those goals, the MHS is streamlining administration, becoming more joint, and aligning authority with accountability.

FY 2009 BUDGET REQUEST

The Department's total request for healthcare – referred to as the Unified Medical Budget above – is \$41.6 billion. The Defense Health Program (DHP), the largest segment with \$23.6 billion in the FY 2009 President's Budget, includes:

- \$23.1 billion for Operation and Maintenance, which funds most day-to-day operational costs of healthcare activities;
- \$0.2 billion for Research, Development, Test and Evaluation, which funds healthcare-related information management and information technology development, Small Business Innovative Research, In-House Laboratory Independent Research, and the Armed Forces Radiobiology Research Institute; and
- \$0.3 billion for Procurement, which funds equipment or systems with a unit cost of \$250,000 or more. This includes equipment for outfitting of new, expanded, or refurbished healthcare facilities, modernization and replacement of equipment past its useful life, and automation equipment for central purchase of information systems.

The DHP Operation and Maintenance request includes:

- *In-House Care* (\$6.5 billion) – medical and dental care and pharmaceuticals provided in the Department's medical and dental treatment facilities;
- *Private Sector Care* (\$12.1 billion) – similar services from private sector providers;
- *Consolidated Health Support* (\$1.3 billion) – readiness and military unique functions including Armed Forces examination and entrance stations, aeromedical evacuation, and certain contingency operations costs;
- *Information Management* (\$1.1 billion) – Central Information Management/Information Technology program management, system and infrastructure sustainment, software licensing and equipment lease costs, and specific military medical service and TRICARE Management Activity functional area applications;

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- *Management Activities* (\$0.3 billion) – C2 activities of the MHS, including the Army Medical Command, the Navy Bureau of Medicine and Surgery, Surgeons' Offices of Air Force Major Commands, and the TRICARE Management Activity;
- *Education and Training* (\$0.5 billion) – scholarship and financial assistance programs, the Uniformed Services University of the Health Sciences; and military medical service health training activities, such as specialized skill training and professional development programs; and
- *Base Operations and Communications* (\$1.2 billion) – costs of operating and maintaining certain installations and facilities.

Military Personnel and Construction

Funding for military medical personnel and certain deployable healthcare activities is included in the budget requests of the Military Departments. More than 150,000 military and civilian medical personnel provide healthcare services when deployed in military theaters of operations and in fixed healthcare facilities around the world, including 63 inpatient medical facilities and more than 800 medical and dental clinics. They conduct global aeromedical evacuation, perform shipboard and undersea medicine, deliver humanitarian assistance, and respond to medical crises around the world. The Department conducts ground-breaking healthcare research, developing new technologies that save lives on the modern battlefield and advancing treatment protocols for TBI, PTSD, and a wide variety of diseases that pose significant threats to military operations.

DoD Medicare-Eligible Retiree Health Care Fund

The DoD Medicare-Eligible Retiree Health Care Fund (MERHCF) was established in FY 2003 to pay the Department's healthcare costs for Medicare-eligible military retirees, retiree



family members, and survivors. MERHCF operations are overseen by the DoD Medicare-Eligible Retiree Health Care Board of Actuaries, appointed by the Secretary of Defense. An actuarial estimate of the “normal cost” contribution for all military members that is made into the MERHCF each year to pay for their healthcare once they retire from the military and they, their family members, or their survivors become eligible for Medicare. Estimated FY 2008 MERHCF distributions to DoD include \$7.9 billion to the DHP to provide healthcare in military treatment

DoD FY 2009 Budget Request Summary Justification

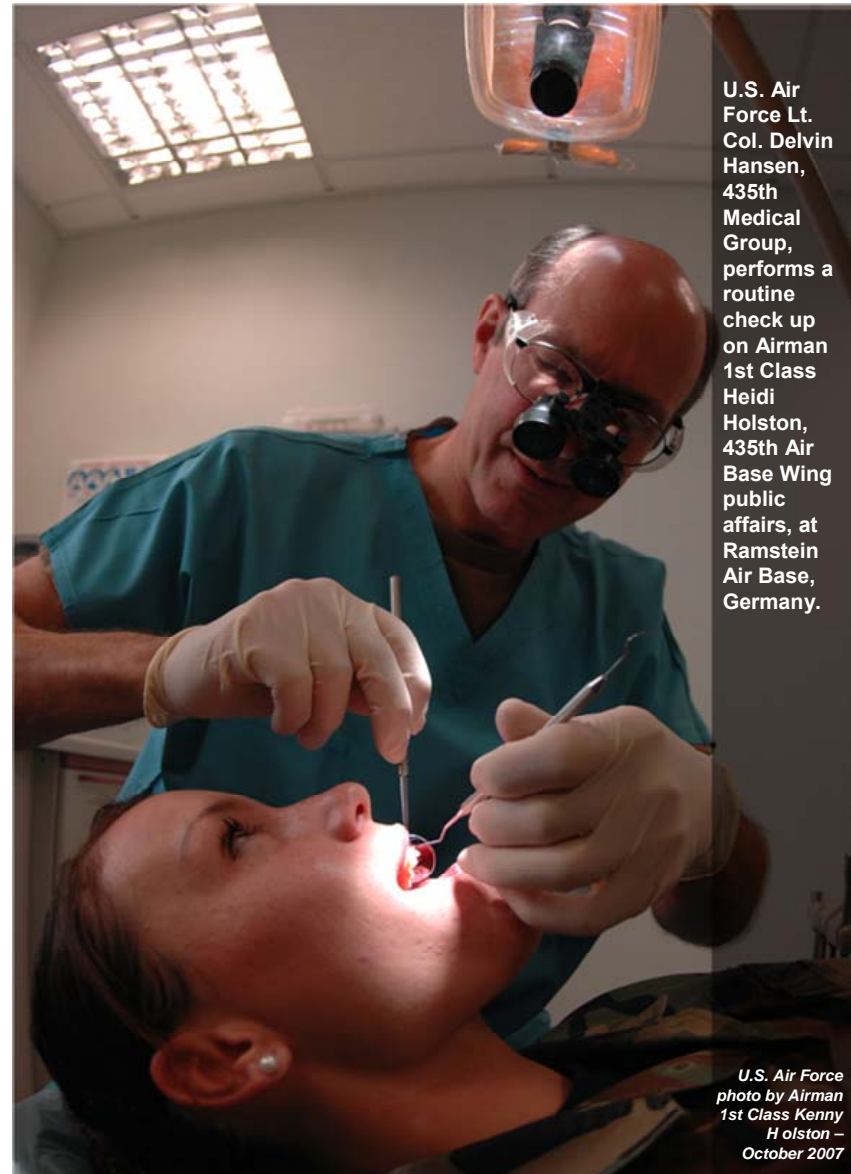
facilities and to purchase it from private sector providers, and \$0.4 billion to the Military Personnel accounts of the Army, Navy, Marine Corps, and Air Force to reimburse them for the cost of military labor used to provide healthcare in military treatment facilities. The FY 2009 estimate is \$9.0 billion.

RECENT DEVELOPMENTS

The FY 2009 DHP request includes \$0.6 billion for the revised TRICARE Reserve Select program, which came into effect on October 1, 2007. This program offers healthcare coverage to the Reserve Component, which is comparable to the TRICARE Standard option that is available to Active Duty family members, retirees, and their family members.

The MHS continues to plan, prepare, and protect against the potential pandemic influenza outbreak, and the FY 2009 budget request includes \$0.1 billion for pandemic influenza requirements for vaccination, treatment, and surveillance activities. In the event of a pandemic influenza outbreak, the Department's mission is to preserve combat capabilities and readiness and to support Federal efforts to save lives, reduce human suffering, and slow the spread of infection.

In FY 2009, the Department will seek funding to continue the new Warrior Care Support Program, now operating in TRICARE's North Region (Rosslyn, Virginia), which provides wounded Service members with one point of contact and minimizes the stress of obtaining and managing healthcare for beneficiaries and their families. The program identifies eligible severely ill or injured Service members through military treatment facility referrals, health records identification, or Service member requests. When a Service member is accepted into the program, a healthcare coordinator from a team of nurses, doctors, and administrative staff will assist with a timely and seamless transition and coordination of physical and behavioral healthcare services from the military treatment facility



U.S. Air Force Lt. Col. Delvin Hansen, 435th Medical Group, performs a routine check up on Airman 1st Class Heidi Holston, 435th Air Base Wing public affairs, at Ramstein Air Base, Germany.

U.S. Air Force
photo by Airman
1st Class Kenny
Holston –
October 2007

DoD FY 2009 Budget Request Summary Justification

to the civilian sector and the Department of Veterans Affairs. In addition to coordinating care, the team assists the warrior and family members by educating them on healthcare choices, providing resources, and assisting with claims resolutions and authorizations for medical equipment.

SUMMARY

The MHS augments the care that is available from military treatment facilities through the TRICARE health benefit. TRICARE provides eligible beneficiaries with access to a global network of private-sector healthcare providers, hospitals, and pharmacies. The MHS exists to provide a fit and protected force, optimal deployable medicine, satisfied beneficiaries, healthy communities, and a world-class health benefit at a reasonable cost to the Department. Significant risks to these goals include stress on the medical force to support continuing operations, a growing and aging patient population, and higher-than-anticipated medical cost growth.

In addition, the MHS must help America's injured warriors return to full duty or move on to the next phase of their lives. DoD is

working closely with the Department of Veterans Affairs to improve case management and access to medical information. Their goal is to enable patients to play a larger role in their own treatment—no matter where it takes place.

MHS staff members are working to improve diagnosis and compassionate care for traumatic brain injury and post traumatic stress disorder. Overall, the MHS is endeavoring to develop more effective therapies by leveraging research at DoD activities, other Federal agencies—including the Department of Veterans Affairs—national healthcare research institutions, and industry. Throughout all of its endeavors, the MHS seeks increased efficiency and effectiveness from such joint medical services as contracting, logistics, human capital, information technology, and facility management.

The MHS is like no other health system. Its people—the military doctors, nurses, and technicians — are driven by a dedication to medicine and country. The MHS is a different kind of medicine, nursing, and public health. Every day the MHS delivers good medicine in bad places. For these services, there is no civilian comparison.

COMBATANT COMMANDS

DoD FY 2009 Budget Request Summary Justification

Combatant Commands¹	FY 2007 Actual	FY 2008 Request	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
<i>\$ in Billions</i>					
U.S. Africa Command	0.1	0.1	0.4	+0.3	172.0%
U.S. Central Command	0.1	0.2	0.2	—	8.8%
U.S. European Command ²	0.1	0.1	0.1	—	-2.5%
U.S. Joint Forces Command	0.7	0.9	0.9	—	-0.7%
U.S. Northern Command	0.2	0.2	0.2	—	-11.1%
U.S. Pacific Command	0.2	0.2	0.2	—	-0.2%
U.S. Southern Command	0.3	0.2	0.2	—	2.9%
U.S. Special Operations Command	5.5	6.0	5.7	-0.3	-4.9%
U.S. Strategic Command	0.5	0.6	0.6	+0.1	11.0%
Total Combatant Commands (Excluding TRANSCOM)³	7.6	8.6	8.6	—	—
<i>U.S. Transportation Command⁴</i>	<i>9.8</i>	<i>10.8</i>	<i>10.5</i>	<i>-0.3</i>	<i>-2.6%</i>

Notes: ¹ These amounts reflect funding executed by the Combatant Command and best available information; ² AFRICOM and OEF-Trans Sahara amounts are included in AFRICOM line; ³ Total does not include TRANSCOM as it is Obligation Authority, not Discretionary Budget Authority; ⁴ Amounts reflect DWCF Obligating Authority. Numbers may not add due to rounding

OVERVIEW

The FY 2009 budget request includes \$8.6 billion for Combatant Commands (COCOMs) to:

- Sustain current operations and missions, as well as amounts for new, emerging missions, such as the European Command (EUCOM) North Atlantic Treaty Organization Special Operations Forces Coordination Center;
- Continue the stand-up and fund the operational costs of the newly established Africa Command (AFRICOM);
- Fund specific COCOM building partnership capacity initiatives, such as Southern Command's (SOUTHCOM) Developing Countries Combined Exercise program;
- Fund the Department's overarching combined exercise program for all COCOMs;
- Support the further expansion of interagency coordination

and integration in the COCOM headquarters;

- Improve Pacific Command's (PACOM) interoperability and communications with coalition partners; and
- Support Strategic Command's (STRATCOM) expansion of its Combating WMD mission and its cyber and space operations.

To improve COCOM resource visibility, in part in response to Congressional interest, the FY 2009 budget request includes an Operation & Maintenance (O&M) budget for COCOM resources. Although COCOM funding, with the exception of Special Operations Command, is embedded in the Military Services requests, the new O&M special activities group is an important step to increase transparency and facilitate an understanding of COCOM resourcing.

DoD FY 2009 Budget Request Summary Justification

AFRICA COMMAND

In FY 2009, AFRICOM will reach full operational capability. Africa was seen by some in the past as a problem to be solved – a continent of failed states, faltering economies, regional conflicts, and weak leadership. Working closely with the international community and Allies in Africa, we have made important progress promoting democratic access and accountability, improving economic opportunity, and building sustainable African security capacities. The credit for this progress goes to the African people who, with the support of international partners, are slowly but surely instituting democracy and good governance across the continent, enabling more people to enjoy the benefits of freedom and security, choice, and opportunity.

Without doubt, challenges remain. Poverty, disease, and conflict persist. Corruption flourishes where the rule of law is weak. Gaps in infrastructure, technology, and legal protections discourage local and foreign investment. The U.S. is helping African nations develop the capacity to address these challenges.

Strengthening the U.S. Relationship with Africans

Security cooperation is one aspect of U.S. collaboration with Africa, but only a small part of the overall relationship. Security assistance includes joint training exercises to improve the level of professionalization and technical proficiency in African militaries across the continent, as well as to instill respect for human rights, the rule of law, and the proper role of a civilian controlled military in a democracy. The U.S. provides equipment and funds to meet African defense and security needs; established the Africa Center for Strategic Studies in Washington, DC to promote a continuous dialogue between African military and civilian leaders, and their U.S. counterparts; and instituted the Regional Disaster Management Center of



U.S. Navy Adm. Henry Ulrich, left, commander of U.S. Naval Forces Europe, and U.S. Army Gen. William E. Ward, commander of U.S. Africa Command, then Lt. Gen., brief reporters in the Pentagon on a new cooperative initiative called Africa Partnership Station.
DoD photo by Robert D. Ward – October 2007

Excellence in Nairobi to enhance African abilities to respond to natural or manmade disasters.

The U.S. is now taking this relationship a step further. In February 2007, the President announced his decision to create a Unified Command for Africa AFRICOM. Although this structure is new, U.S. military engagement on the African continent will remain focused primarily on building partnership capacities, conducting theater security cooperation, building important

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counter-terrorism skills and, as appropriate, supporting USG agencies in implementing other programs that promote regional stability.

For many years, U.S. military relationships on the continent have been managed by three separate commands (Figure 3.6): EUCOM, CENTCOM, and PACOM. AFRICOM will allow the Department's civilian and military leaders to take a holistic and operationally efficient approach to the opportunities and challenges in future African security affairs.

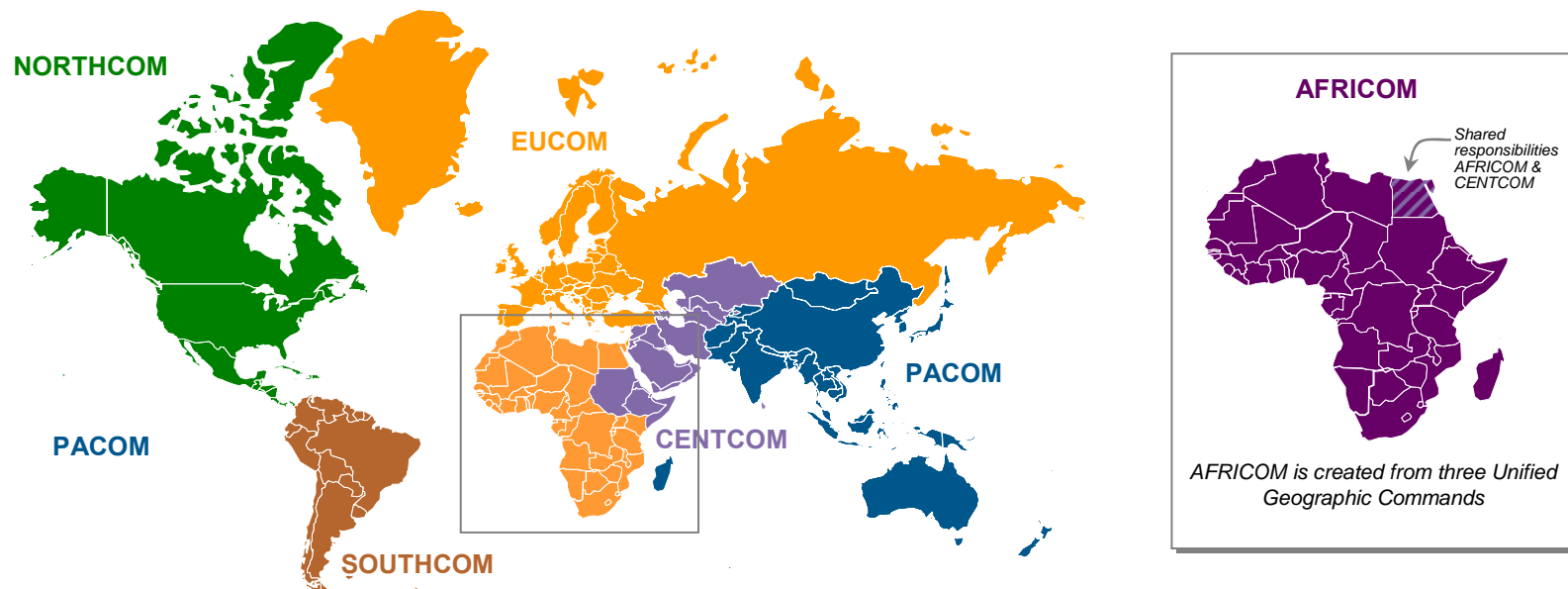
Rationale for AFRICOM's Creation

A stable, healthy, more prosperous Africa will contribute to global security and a stronger world economy. Many of Africa's

security challenges are not limited by country boundaries but are transnational and regional in nature. African governments and institutions are using new approaches to address these challenges, and the U.S. approach to engagement in Africa must also evolve.

AFRICOM is the logical next step in a course set almost a decade ago as the U.S. began to increase its emphasis on supporting trade, development, and health initiatives on the continent. U.S. health and development programs for Africa currently total nearly \$9 billion and include major initiatives such as the Millennium Challenge Account, the African Growth and Opportunity Act, the President's Emergency Plan for AIDS Relief, and the President's recent initiative to combat malaria.

Figure 3.6 U.S. Geographic Combatant Commands – The Creation of AFRICOM



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DoD FY 2009 Budget Request Summary Justification

In contrast, U.S. security assistance programs on the continent amount to no more than \$250 million annually, only 1/36th of the resources provided for non-security related programs. Despite newspaper headlines and uninformed rhetoric to the contrary, trade, health, development, and governance issues and programs – not military programs – dominate U.S. policy toward Africa today and will continue to do so in the future. The creation of a DoD command for Africa will in no way change this U.S. policy focus.

AFRICOM's Innovations

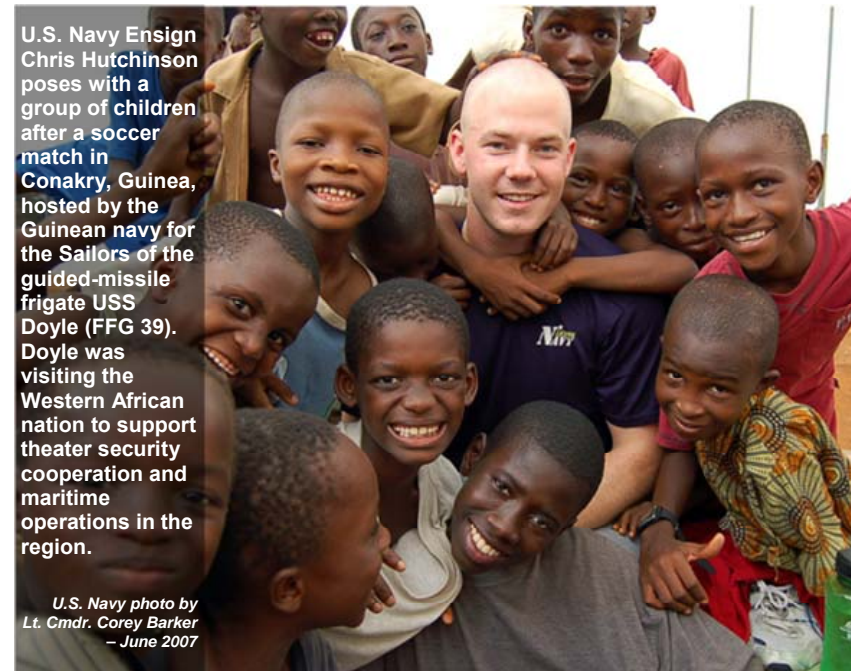
AFRICOM is an innovative command in several ways. First, unlike a traditional Combatant Command, it will focus on building regional security and crisis response capacity. AFRICOM will promote greater security ties between the U.S. and Africa, provide new opportunities to enhance bi-lateral military relationships, and strengthen the capacities of Africa's regional and sub-regional organizations.

Second, AFRICOM will include a significant number of representatives from other U.S. agencies within its staff, including officers from the Department of State and the USAID. These interagency officers will contribute their knowledge and expertise to the command so that AFRICOM will be more effective as it plans for security capacity initiatives, humanitarian relief, and disaster response capacity in Africa, in support of U. S. foreign policy.

Third, AFRICOM's focus is on war-prevention rather than war-fighting, theater security cooperation activities, and preventing the escalation of problems or crises.

Myths versus Reality

There are a number of misconceptions about what AFRICOM will look like and what it will do. First, some believe that the DoD is establishing AFRICOM solely to fight terrorism, or to secure oil



resources, or to discourage China. These beliefs are false. While violent extremism is cause for concern, and must be addressed, it this is not AFRICOM's singular mission. Natural resources represent Africa's current and future wealth, but in a fair market environment, many will benefit. With regard to China, the U.S., China, and other countries have a common interest in a secure environment. AFRICOM is about helping Africans build greater capacity to assure their own security.

Second, some have raised the concern that AFRICOM will take control of security issues on the continent. The intent of the Department is quite the contrary. DoD recognizes and applauds the leadership role that individual African nations and multi-lateral African organizations are taking in the promotion of peace, security and stability on the continent. For example,

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AFRICOM can provide effective training, advisory and technical support to the development of the African Standby Force. This is exactly the type of initiative and leadership needed to address the diverse and unpredictable global security challenges the world currently faces.

Third, there are fears that AFRICOM represents a militarization of U.S. foreign policy in Africa and that AFRICOM will somehow become the lead USG interlocutor with Africa. This fear is unfounded. AFRICOM, just like EUCOM, CENTCOM, and PACOM today, is firmly committed to maintaining its focus on security engagement and cooperation, but is a key supporting organization in the implementation of U.S. foreign policy as articulated by the Secretary of State. The creation of a single U.S. DoD point of contact for Africa will simply allow for the better synchronization and coordination of DoD efforts to help build security capacity in Africa, and with Department of State and USAID efforts to improve governance and development capacity and opportunities. AFRICOM will act as a facilitating mechanism for the important humanitarian work being carried out by these agencies, as well as by local and international NGOs. DoD will not be the lead U.S. agency for those efforts, and AFRICOM will not seek to encroach on the humanitarian efforts of NGOs.

AFRICOM FY 2009 Budget Request

The establishment of AFRICOM, and the participation of the Department of State, USAID, and other U.S. agencies, demonstrates the importance the USG places on strengthening ties with Africa. Once AFRICOM becomes fully operational in October 2008, the U.S. will be working in partnership with African governments, institutions, and organizations to foster an environment of security and peace – an environment that will

enable Africans themselves to further strengthen their democracies, institutionalize respect for human rights, pursue economic prosperity, and build effective regional institutions. A more stable Africa serves the goal of a more stable global environment.



U.S. Navy Utilitiesman 2nd Class Gregory Knight volunteers with members of the Organization of Limbe United Youth Associations to build a doorframe in Limbe, Cameroon, Dec. 11, 2007, as part of the African Partnership Station (APS). APS is a multinational effort to bring the latest training and techniques to maritime professionals in nine West African countries.

U.S. Navy photo by Mass Communication Specialist 2nd Class Elizabeth Merriam – December 2007

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The FY 2009 request includes \$0.4 billion to stand up and operate AFRICOM. Resources from within the Army, Air Force, and Special Operations Command baseline programs have been realigned to fund this request, which supports:

- Operation of the AFRICOM Headquarters in Stuttgart, Germany;
- An AFRICOM intelligence capability, including a Joint Intelligence Operations Center;
- A standalone Theater Special Operations Command (TSOC);
- Operational support aircraft;
- A limited presence on the African continent with the establishment of two of five regional offices; and
- Training, exercises, and theater security cooperation activities.



BUILDING PARTNERSHIP CAPACITY

DoD FY 2009 Budget Request Summary Justification

Building Partnership Capacity	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
<i>\$ in Billions</i>					
Global Train and Equip ^{1,2}	0.3	—	0.5	0.5	—
Security and Stabilization Assistance ¹	0.1	—	0.2	0.2	—
Combatant Commanders' Initiative Funding for Urgent Humanitarian Relief and Reconstruction requirements	—	—	0.1	0.1	—
Total Building Partnership Capacity	0.4	0.0	0.8	0.8	—

Notes: ¹ Funds for FY 2007 were reprogrammed. ² FY 2008 funds were requested in the base but \$0.3 billion were appropriated in the supplemental.

Numbers may not add due to rounding

“Arguably the most important military component in the War on Terror is not the fighting we do ourselves, but how well we enable and empower our partners to defend and govern their own countries. The standing up and mentoring of indigenous armies and police -- once the province of Special Forces -- is now a key mission for the military as a whole.”

Secretary Robert Gates

OVERVIEW

The U.S. has historically underinvested in building the capacity of foreign partners to conduct operations with or instead of U.S. forces. In an era in which many threats emanate from countries with whom the U.S. is not at war, this need becomes even more acute. Rather than ignoring problems or taking action on foreign soil, building capacity of our partners to address their own threats provides an alternative that solves problems early, minimizes direct U.S. engagement, and over time builds a cooperative capability of like-minded forces that can mitigate potential instability and terrorism, reducing the long-term risk of costly military deployments. As Secretary Gates has said, working by, through, and with partners – once an activity ancillary to our national security -- is now arguably the most important military component of the GWOT.

The Department began correcting this underinvestment with a comprehensive request in FY 2008 to improve USG tools to

perform these tasks and continues this effort with a \$0.8 billion request for Building Partnership Capacity (BPC). Building foreign partner capacity is critical because:

- It can reduce stress on U.S. forces, both by sharing today's burdens and by helping partners to solve problems before they become crises that require major U.S. military interventions in the future;
- The U.S. does not have sufficient forces to deny terrorists sanctuary everywhere in the world and must rely on partners, who often have shared interests but lack capacity, to manage their own security problems;
- Combined efforts with Allies are often more effective than unilateral action – it takes networks to defeat networks;
- If properly trained and equipped, foreign forces can often be more effective than U.S. forces on the ground because they know the language, culture, and political terrain;
- Large U.S. military footprints abroad can be used by the enemy as a recruiting tool. Capable foreign forces can alleviate requirements for large U.S. military footprints;
- The U.S. is at peace with many countries where terrorists enjoy sanctuary and exploit ungoverned spaces. The U.S. must work through these countries to help reduce terrorist

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safe havens, capability, and influence on their soil and waters; and

- It bolsters soft power approaches that emphasize setting conditions and building goodwill – giving U.S. forces tools other than bullets, thereby reducing risk to life and limb.

With these considerations in mind, the Departments of Defense and State conducted a systematic review of gaps in existing authorities and resources to achieve these ends. The review led to the development of an omnibus request for changes to authority called the Building Global Partnerships Act (BGPA), which the Administration submitted to Congress as part of its request for the FY 2008 National Defense Authorization Act (NDAA). To incorporate lessons learned in FY 2008 and new needs identified by commanders in the field, the Department will submit an updated Partnership Act for FY 2009.

The resources for BPC requested in the FY 2009 President's Budget reflect the funds that Combatant Commanders and Ambassadors need to execute this mission and make these authorities operative in a meaningful way. Among their needs, key funding priorities include:

- Global Train and Equip Authority (FY 2006 NDAA Section 1206) to build partner nation security capacity (\$0.5 billion);
- Security and Stabilization Assistance (FY 2006 NDAA Section 1207) to facilitate whole-of-government responses and provide civilian agencies with tools to facilitate the non-military elements of stabilization missions (\$0.2 billion); and
- The Combatant Commanders' Initiative Fund to allow Commanders to meet unanticipated humanitarian relief and reconstruction requirements (\$0.1 billion).



U.S. military personnel from Combined Joint Task Force - Horn of Africa and French Foreign Legion servicemembers conduct equipment familiarization at Camp Lemonier, Djibouti, prior to a parachute jump to ensure interoperability between the two forces.

U.S. Navy photo by Chief Mass Communication Specialist Philip A. Fortnam – March 2007

GLOBAL TRAIN AND EQUIP

Global Train and Equip programs allow Combatant Commanders and Ambassadors, working together, to train and equip foreign military forces in response to urgent and emergent threats and opportunities, solving problems before they become crises that require significant military interventions. The geographic Combatant Commanders consider global train and equip authority the Department's single most important tool for building partner operational capacity, shaping the environment, and countering terrorism outside Iraq and Afghanistan. The annual demand from Combatant Commanders and Ambassadors for train and equip funds has significantly

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exceeded current authority. In fact, over the past two years, Combatant Commanders have submitted more than \$1.6 billion of proposals. While the Global Train and Equip authority has been in effect less than three years, it has rapidly become the gold standard for interagency cooperation to meet emerging threats and opportunities because of the revolutionary way it is managed. Beneficial program characteristics include:

- *Speed and Prevention.* Traditional security assistance takes three to four years from concept to execution. Global Train and Equip authority allows a response to urgent and emergent threats or opportunities in six months or less. Early successes included:
 - Augmenting Pakistani air assault capability, enabling a rapid response to a resurgent Taliban threat and resulting in an increased operations tempo and capture and kill rates; and
 - Rapidly moving vehicle spare parts, ammunition, and other basic supplies to the Lebanese Armed Forces to assist in establishing a stronger stabilizing presence throughout the country.
- *Rigor.* Thorough vetting of submissions results in strategically sound choices with a high national security return on investment. Proposals for Global Train and Equip funds are scored by SOCOM, the Joint Staff, Defense Security Cooperation Agency (DSCA), the Office of the Under Secretary of Defense for Policy, and separately by numerous Department of State components, with independent review by regional, functional, and programmatic experts. Both Departments of Defense and State must agree explicitly before any program can go forward. Planning requirements also far exceed those for comparable programs. Combatant Commands and Embassies must lay out detailed proposals that are assessed on the full range of issues that impact program success, including operations and maintenance plans, absorptive capacity and executability, adherence to broad foreign policy objectives, military feasibility, integration with other USG efforts, and mitigation of human rights concerns. Leveraging the range of core competencies resident in U.S. Departments and Agencies results in the selection of proposals the need for which is strategically clear.
- *Targeted National Security Investments.* Under traditional security assistance programs, most countries get roughly equivalent levels of assistance year after year, independent of new needs or changes in the strategic environment. Moreover, recipient countries have significant say in what they purchase with the money. With Global Train and Equip programs, countries must compete for funds yearly for projects that support shared security goals. There is no “fair share” each year, nor entitlement that any Embassy or Command will receive funding from one year to the next. Also, each proposal is generated by an Ambassador or Combatant Commander, ensuring that the projects meets a U.S. requirement, rather than partner-nation wish list.
- *Dual-Key Authority.* DoD and Department of State coordinate on all security cooperation activities, but the Global Train and Equip authority takes cooperation to a new level. It encourages joint formulation of programs between embassies and Combatant Commands, and both must approve each program explicitly in writing. This brings the best competencies of both departments to bear, including the diplomacy that is required to achieve buy-in from foreign partners.

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The Department will continue to build on the success of this program in several ways. Metrics are under development to measure operational and strategic effects. DoD has asked the Inspector General to do a three-year systemic review of Global Train and Equip programs and to make its own recommendations to improve program performance. When operations tempo allows, the Department will use U.S. forces to conduct and supervise training in order to improve the quality of training and build military-to-military relationships. Finally, the Department will integrate partners into combined exercise programs to periodically test their capabilities and assess how well they are maintained or improved over time.

SECURITY AND STABILIZATION ASSISTANCE

Recent experience has made clear that many of our challenges do not have purely military solutions; foreign partners also require non-military assistance to promote stability or reduce terrorist space and influence. The Security and Stabilization Assistance authority ("Section 1207" authority) allows DoD to transfer funds to the Department of State to help meet this need. This program allows DoD and State, working together, to facilitate whole-of-government solutions to complex security challenges. By bringing civilian stabilization and reconstruction tools to bear in situations where U.S. forces might otherwise be forced to assume the burden, this program reduces strain on U.S. forces.

To date, this authority has been used to provide innovative security and stabilization projects in Haiti, Somalia, Nepal, Colombia, Trans Saharan Africa, Yemen, and Southeast Asia. Projects have been used to provide assistance to foreign police forces; to improve governance, rule of law, economic development, or essential services; and for humanitarian assistance. For example, in the Haiti Stabilization Initiative, DoD supported this innovative State program in Cite Soleil, Port au Prince's largest slum, providing \$20 million to combine

community policing with small-scale employment and infrastructure projects to improve security and stability and bolster the reach of central authorities. Positive reaction of the populace within the project area has reinforced efforts of peacekeeping forces to wrest control from rapacious gangs and reinforced legitimacy of government authority.

In FY 2007, DoD and State piloted a few small focused activities in various critical countries/regions to demonstrate proof of concept. While they have been largely successful, most could have more significant impact if continued or expanded. The demand in critical regions is much greater than these pilot projects support. For example, tripling the resources to expand the Haiti Stabilization initiative in FY 2008 to Gonaives and Cap Haitien would maximize that program's effectiveness. DoD is also seeking a change to legislation to allow transfers of funds, at the request and with the concurrence of the Secretary of State, to other USG departments and agencies, making 1207 a true whole-of-government mechanism. Finally, 1207 complements the State Department's Civilian Stabilization Initiative (CSI), which will establish a corps of trained civilian experts to respond to stabilization missions, by providing a source of funding for programs developed, coordinated with DoD, and overseen by civilians available for deployment through CSI. To meet these program needs and expansion to a wider set of government entities, for FY 2009, DoD seeks to expand this program to \$0.2 billion, and a corresponding increase in authority.

Like Global Train and Equip authority, these programs are developed under "dual key" procedures, producing programs that have demonstrable benefit in areas where the Combatant Commands are operating. In the future, DoD and State may consider synergies between these authorities, where security capacity provided using Global Train and Equip funding could be augmented by non-military measures to improve the underlying sources of instability.

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COMBATANT COMMANDERS' INITIATIVE FUND

Combatant Commanders outside of CENTCOM have requested an authority similar to the Commander's Emergency Response Program (CERP), which that has been enormously successful in Iraq and Afghanistan. To meet this need, Congress granted DoD a similar authority in the FY 2007 NDAA (Section 902) by expanding authorized uses of the Combatant Commanders Initiative Fund (CCIF). Like CERP, CCIF provides commanders with funds for urgent relief and reconstruction in their areas of responsibility. The operational tool allows commanders to shape the local environment and counter ideological support for terrorism by building goodwill, lessening potential requirements for military force, and enhances prospects for mission success in other regions of the world. Conferees noted the importance of providing Combatant Commanders with additional authority, resources, and flexibility to respond to urgent and unanticipated humanitarian relief and reconstruction needs in their area of responsibility (AORs), particularly in countries where U.S. forces are engaged in a contingency operation.

In the past, CCIF has served as a small account used to fund up to \$25 million annually in priority projects identified by the Chairman of the Joint Chiefs. With this change, CCIF can also be used to fund urgent Humanitarian Relief and Reconstruction Assistance globally. In the NDAA conference report, the conferees "urged the Department of Defense to request sufficient funds in the CCIF for this purpose in future years budget requests" and to "develop guidance for the use of this authority to ensure that the authority can be used quickly and without bureaucratic delay in urgent situations." The Department will develop guidance for the use of this expanded authority globally to ensure responsiveness to Commanders' needs.

ADDITIONAL BUILDING PARTNERSHIP CAPACITY EFFORTS

The Department also executes a number of additional programs critical to improving engagement and for ensuring the long-term sustainability of our capacity building initiatives. For example, the Department seeks increases in funding and authority for its fellowship programs and the Regional Centers for Security Studies. These programs create the strategic-level human and



The Military Sealift Command hospital ship USNS Comfort (T-AH 20) arrives at Naval Station Norfolk, VA., after a four-month humanitarian deployment to 12 countries in Latin America and the Caribbean.

*U.S. Navy photo by
Mass
Communication
Specialist 2nd Class
Joan E. Kretschmer
— October 2007*

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institutional capacity required to sustain U.S. investments in training and equipment, and they build networks of like-minded security experts to combat global threats. Expanded Regional Center funding will sustain the FY 2008 investment Congress made in the Centers and enhance their ability to develop human capital and conduct strategic outreach.

The Department is also seeking funding and authority to establish a Defense Coalition Support Account. This account would allow the Department to maintain an inventory of items commonly needed by our partners (such as night vision devices, communication equipment, and body armor) or to expedite the award of contracts to procure such equipment so it will be readily available when it is required for transfer to coalition partners. Advance purchases will focus on high-demand warfighter support equipment that has long procurement lead times. Long procurement lead times are often the main limiting factor in our ability to provide coalition partners with critical equipment to make them operationally effective. This account has been identified by the Department as a useful tool that could help speed the provision of necessary equipment to Iraq – a matter of Congressional interest this year – but could also speed the provision of equipment to other partners, increasing the U.S.’

ability to respond rapidly to emerging threats or opportunities worldwide. Funding in FY 2009 would help capitalize the account, which would ultimately operate as a self-sustaining revolving fund.

Other capacity building initiatives do not require dedicated funding lines, but amend laws to streamline or improve the capabilities of our Combatant Commanders and others to engage effectively abroad. Cumulatively, these efforts will fill gaps needed to build the capacity of our partners, ultimately solving problems before they become crises requiring military forces. The Department has conducted 19 major stabilization and reconstruction operations since the end of the Cold War, but the outdated tools to act to avoid these, or to operate effectively with partners during them, do not provide enough flexibility or responsiveness to execute today’s missions effectively. Providing tools to meet today’s missions is critical to setting the U.S. on the right long-term security footing for future contingencies and future Administrations – beyond Iraq and Afghanistan. These efforts have the unequivocal support of all Combatant Commanders, the Chairman of the Joint Chiefs of Staff, the Secretary of Defense, and the Secretary of State.

NATIONAL GUARD AND RESERVE

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National Guard and Reserve <i>\$ in Billions</i>	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Army Reserve	8.0	8.1	8.9	+0.8	9.7%
Navy Reserve	3.6	3.4	3.7	+0.3	9.6%
Marine Corps Reserve	1.2	1.0	1.1	+0.0	4.3%
Air Force Reserve	4.7	4.8	5.3	+0.5	10.2%
Army National Guard	18.3	18.7	19.8	+1.1	5.7%
Air National Guard	9.4	10.2	10.3	+0.1	0.9%
Total National Guard and Reserve	45.0	46.3	49.1	+2.8	6.0%

Military Strength <i>(in thousands)</i>	FY 2007 Actual	FY 2008 Projected	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Army Reserve	189.9	198.3	205.0	+6.7	3.4%
Navy Reserve	69.9	67.8	66.7	-1.1	-1.6%
Marine Corps Reserve	38.6	39.6	39.6	—	0.0%
Air Force Reserve	71.1	67.5	67.4	-0.1	-0.1%
Army National Guard	352.7	351.3	352.6	+1.3	0.4%
Air National Guard	106.3	106.7	106.7	—	0.0%
Total Military Strength	828.5	831.2	838.0	+6.8	0.8%

Numbers may not add due to rounding

OVERVIEW

The Department's FY 2009 budget request supports the Reserve Components (RC) of the Army, Navy, Marine Corps, and Air Force and their continued transition from a strategic to a more operationally employed reserve. Like the Active Components (AC), National Guard and Reserve units and individual members are heavily utilized across the full spectrum of current operations, ranging from combat missions in support of the GWOT to homeland emergencies.

The budget request includes \$49.1 billion to fund pay and allowances to support Reserve Component training, incentives, equipment operation and maintenance costs, and readiness

training costs for eligible military personnel. This amount includes \$9.0 billion for Reserve Component equipment procurement, which is funded by the Military Departments as a subset of their Active Component procurement budget.

The FY 2009 budget request supports the Department's Ready Reserve, which totals 1.1 million members and contributes about 44 percent of the total military end strength at a cost of about 9.5 percent of the total base budget. The Ready Reserve consists of the Selected Reserve (about 838,000), the Individual Ready Reserve (IRR) (about 250,000), and the Inactive National Guard (ING) (about 2,000). The FY 2009 budget request funds Ready

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Reserve training and support, with the emphasis on the Selected Reserve. There are two other Reserve categories, the Standby Reserve (about 20,000) and Retired Reserve (about 650,000), are not funded on an ongoing basis and can only be activated under a Full Mobilization requiring a formal Declaration of War by Congress.

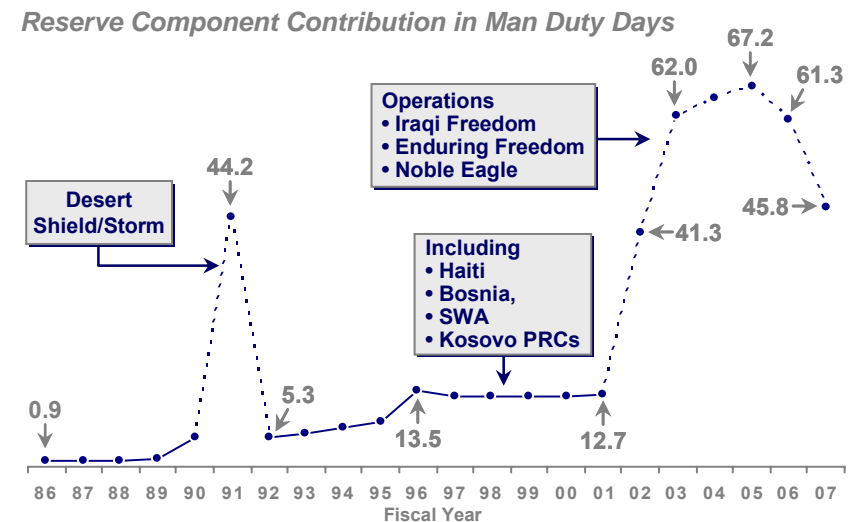
Transition to an Operational Reserve

Since 2001, Reserve Components have been transitioning to an Operational Reserve. As an Operational Reserve, the RC will operate across the continuum of military missions, performing both strategic and operational roles in peacetime, wartime, contingency, domestic emergencies, and homeland defense operations. Previously, the RC had typically played a strategic role, which meant that they were held in reserve for use during a major war and were not normally deployed for daily operations. As an Operational Reserve, the Services organize, resource, equip, train, and utilize their Guard and Reserve components to support mission requirements to the same standards as their Active Components, although they are generally equipped and resourced to meet a lower level of readiness when not mobilized. Each Service's force generation plan prepares both units and individuals to participate in missions across the full spectrum of military operations, in a cyclic or periodic manner that provides predictability for the COCOMs, Services, Service members, their families, and civilian employers.

This budget request supports a National Guard and Reserve that has both strategic and operational roles and is as accessible as needed to meet the National Military Strategy. Portions of the RCs still serve as a strategic hedge, such as the Individual Ready Reserve and certain hardware units, but others are integrated into day-to-day military operations and participate at a higher level in operational missions than ever before. Figure 3.7 illustrates the increased man-days the RC has historically contributed to the Total Force effort.

Prior to September 11, 2001, RC members could expect to be mobilized once or twice in their career and train 39 days a year. Today, all RCs are moving towards a more rotational process, characterized by a period of active service followed by an extended period at home. In January 2007, the Secretary of Defense mandated that involuntary mobilizations be limited to no more than 12 months, which might not include individual skill training days required for mobilization or deployment or terminal leave. The Secretary of Defense also set a goal of not more than one year mobilized in any six year period for the Reserve components. The Services are moving toward this goal as

Figure 3.7 Total Reserve Component Force Contribution



Source: Office of the Assistant Secretary of Defense for Reserve Affairs 106-09
 Note: Data Shows "Direct Support" Only, Not "Indirect Support" (e.g., Recruiting, USPFO, Most AGR Support).
 Includes mobilizations, domestic emergencies, exercises, counter drug operations, Combatant Commander and Service Support

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quickly as possible given current operational requirements. Unlike before, when the RCs were usually funded at less than full readiness because they were not first to fight, specific units now must be fully resourced in any given year. This new train-mobilize-deploy construct means that the RCs must be manned, equipped, trained, and ready when their scheduled availability comes up, and they must be funded accordingly.

Training and Resourcing an Operational Reserve

The ongoing shift to an Operational Reserve affects training schedules and funding requirements. In the past, normal training consisted of about two days per month plus 14-15 days of active duty for training annually, during which time RC personnel were required to train to the same standards as their Active counterparts. While that training profile remains for some units, those with planned deployments (particularly land-based components in the Army and Marine Corps) undergo increased training days prior to mobilization. With more training pre-deployment and less post-deployment, this new profile minimizes mobilized time away from families and civilian jobs.

This new profile will also require a different resourcing approach. Funds which had been consumed after mobilization from the Active accounts are now required and expended prior to mobilization from the Reserve accounts. This significant change in training profiles means that a simplistic comparison to prior year execution funding models can be very misleading.

To resource an operational reserve, the FY 2009 budget seeks modest end strength growth for the Army Reserve Components to support the Defense Strategy and Army requirements, while Navy, Marine Corps, and Air Force remain fairly level in size. The Department requests a continuation of Congress' traditionally strong support to adequately compensate members of the RCs through a 3.4 percent pay raise and funds for strong recruiting and retention programs. The FY 2009 budget also supports the



Department's continuing efforts to rebalance skills within and across all components to minimize stress on the force.

Following a highly beneficial two-year pilot program and with Congressional support, the RC FY 2009 budget requests for Military Personnel are being submitted using a consolidated

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budget activity structure. The updated single total is titled "Reserve Component Training and Support" and synchronizes the budget submission with Congressionally approved execution, which facilitates analysis and supports transformation to an Operational Reserve force.

Equipping and Basing an Operational Reserve

The Department continues to ensure that deployed and next-to-deploy units, whether in the Active or Reserve Component, receive the highest equipping priority. Effective and realistic readiness training at home requires that the National Guard and Reserve have access to equipment compatible with the Active components and used in the assigned operational environment. For FY 2009, force structure and new mission assignments are changing equipping requirements. Modernizations, mission transformation, equipment replacement due to the war losses, and homeland defense are catalysts for a new approach to equip the Reserve components.

Equipment utilization will continue at a high rate for the foreseeable future, necessitating a higher percentage of available equipment than what was prescribed in the past. The FY 2009 budget requests \$9.0 billion for RC equipment procurement. These funds are needed to repair and replace war-damaged equipment and to correct longstanding deficiencies. This request will not only improve combat readiness but will also allow the National Guard to further improve its ability to respond to local domestic emergencies.

The Reserve components request \$0.9 billion in FY 2009 for 58 Military Construction (MILCON) projects. The Army National Guard and the Army Reserve account for over 88 percent of the funds requested for RC MILCON and over 83 percent of the number of RC MILCON projects. These projects will meet both current and new mission requirements for RC operation, readiness, and training facilities and include 15 Army Reserve

Centers, 12 Army National Guard Readiness Centers, eight weapons qualification training range projects, three aviation maintenance support facilities, five operations facilities, and three Air National Guard projects to meet new Air Force Total Force Integration (TFI) missions.

During FY 2009, the Department will continue to implement decisions approved through the BRAC 2005 process. With the closure and consolidation of selected facilities around the country, the RCs will achieve savings by co-locating many units into new Joint (Multi-Component) Armed Forces Reserve Centers.

Homeland Defense and Civil Support

Events of recent years – from terrorist attacks to domestic emergencies, such as Hurricane Katrina – have shown that civil authorities continue to rely upon the Department for support in times of crisis. As locally based, community-oriented units with a presence in every State, territory, and region, the National Guard and Reserve are uniquely positioned to play a large role in local Homeland Defense and Civil Support missions. The Department continues to work with the Department of Homeland Security, other Federal agencies, various State Governors, and others to define specific military requirements. The budget request funds Civil Support Teams across the nation, as well as CBRNE Enhanced Force Package activities in selected localities.

The Army and Air National Guard specifically have dual mission responsibilities — 1) a Federal national defense mission under the President, and 2) a State mission during which they are under control of the Governor. While National Guard members are being trained and equipped to undertake Federal Active service, they are paid from Defense Department appropriations; for State missions, they are paid from State funds, although they can sometimes be Federally funded or reimbursed from Defense Department appropriations if approved by the Secretary of

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Defense. Acting in their State capacity, qualified National Guard members may perform specific law enforcement functions which they are restricted from performing when serving in an active Federal status. Given this additional flexibility while in State status, it may be advantageous for the National Guard to be under State control in certain circumstances, such as the aftermath of a natural disaster like Hurricane Katrina or for assistance in southwest border patrol.

Employer Support

The Department shares members of the National Guard and Reserve with civilian employers. These employers contribute significantly as enablers of the Nation's defense when their serving employees are called to active military service. The Department's National Committee for Employer Support of the Guard and Reserve (ESGR) works closely with Reservists, employers, and other USG entities to inform and educate all parties of their legal obligations under the Uniformed Services Employment and Re-employment Rights Act. ESGR's chartered mission is to gain and maintain employer support for Guard and Reserve service by recognizing outstanding support, increasing awareness of the law, and resolving conflicts through informal mediation. The FY 2009 budget provides for a community-based national network of 56 State, district, and territory Field Committees consisting of over 4,500 volunteers. These volunteers and a small headquarters staff support a comprehensive outreach effort to the approximately 125,000 employers of Reserve component members of the Selected Reserve. Additionally, about 900 trained ESGR Ombudsmen mediate workplace challenges and disputes between Service members and their employers to further ensure continued support for the all-volunteer force.



U.S. Army Sgt. Eric Johnson, from the 218th Infantry Regiment, South Carolina National Guard, pulls security during a quick halt while on a dismounted patrol in the Kapisa province of Afghanistan.

U.S. Army photo by Staff Sgt. Isaac A. Graham – August 2007

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Civil Military Programs

The FY 2009 budget continues to support the Department's Civil Military Programs, including National Guard Youth Challenge, Science and Technology Academies Reinforcing Basic Aviation and Space Exploration (STARBASE), and Innovative Readiness Training (IRT). The Challenge Program is designed to enable selected young adults to attain a high school diploma or GED and to develop as future leaders using a military training model that teaches leadership skills. STARBASE is aimed at encouraging science and mathematics interest in grades K-12 by direct exposure to scientific examples and applications. Both Challenge and STARBASE often utilize existing National Guard and Reserve military facilities for training. The IRT program allows National Guard and Reserve members on duty to accomplish military readiness training, while also providing tangible benefits to America's underserved communities. An example is the work by RC engineers and builders gaining and polishing their skills while constructing a road serving remote Americans in parts of Alaska.



Fourth-grade through sixth-grade students at Marine Corps Air Station (MCAS) Beaufort, SC, participating in STARBASE, a Department of Defense (DOD)-funded community service program that focuses on enhancing math, science and goal-setting skills. The children hold their model rockets in the air while celebrating the launch of other students rockets at counting down.

DoD photo by: LCPL EDWARD BROWN, USMC

CYBERSPACE INITIATIVES

Cyberspace Initiatives

OVERVIEW

The Department relies on global information infrastructures for mission success. Mission essential functions, emergency services, and critical infrastructures depend on the uninterrupted use of the Internet and trusted communications systems, data, and control systems that comprise our cyber infrastructure. National security depends on the availability and trustworthiness of a shared critical information infrastructure. A variety of sophisticated adversaries threaten the security of the cyber infrastructure – terrorists, hostile foreign governments, criminal hackers, and the insider, and the Intelligence Community has shown intent and willingness of our adversaries to target our cyber capabilities.

Acknowledging that a major cyber attack would be debilitating to U.S. security and the economy, the President set forth guidance critical to national defense in the 2003 National Strategy to Secure Cyberspace. The strategy was developed in close collaboration with key private sectors as the first step in a long-term effort to secure our information infrastructure and avoid a “Cyber 9/11” against our nation. The three strategic objectives outlined in the strategy are:

- Prevent cyber attacks against America’s critical infrastructures;
- Reduce national vulnerability to cyber attacks; and
- Minimize damage and recovery time from cyber attacks that do occur.

THE DEPARTMENT’S ROLE

The Department has a crucial role in defending its own networks within the Global Information Grid (GIG) and in assisting the Federal government with defense of the U.S. networked critical

infrastructure. Accordingly, the Department developed the National Military Strategy for Cyberspace Operations (NMS-CO) to secure cyberspace and guide all military operations in this new warfighting domain.

The NMS-CO is the comprehensive strategy for U.S. Armed Forces to ensure U.S. military superiority in cyberspace. The NMS-CO set forth a military strategic framework that orients and focuses DoD action in the areas of military, intelligence, and business operations in and through cyberspace. The NMS-CO identified four strategic priorities to focus DoD efforts to help translate the strategy into action:

- Gain and maintain the initiative to operate within the adversary decision cycle;
- Integrate capabilities across the full range of military operations using cyberspace;
- Build capacity (i.e. personnel, training, and infrastructure) to conduct cyberspace operations; and
- Manage risk for cyberspace operations.

Each of the Services, Commands and DoD Agencies in the Department are critical to U.S. success in cyberspace. This success is predicated on being able to understand and respond to the threat, reduce vulnerabilities, and investigate cyber incidents. Each have assigned missions to increase security and improve the Department’s collective situational awareness. These efforts are expanding to support national focus on cyber threats and an increasing mission set. Moreover, because cyber threats are not unique to the DoD, the Department must be ready to share its technology, knowledge and experiences with others in the Federal Government.

- The National Security Agency/Central Security Service, Strategic Command, and the Defense Information Systems

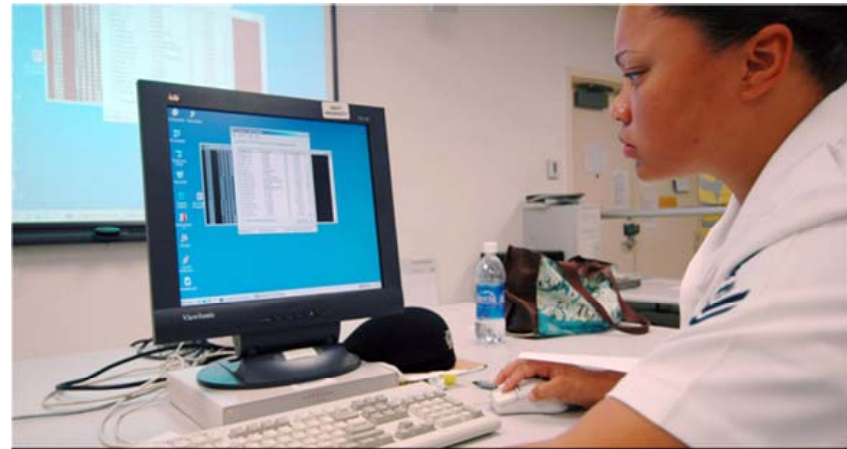
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Agency have key roles because of their missions, authorities, expertise and capabilities.

- In 2007, the Air Force stood up a provisional Air Force Cyberspace Command, which will reach full operational capability in FY 2009. The primary mission of this new command is to integrate its global kinetic and non-kinetic strike capability and to organize, train, and equip to ensure the full spectrum of integrated global effects in cyberspace.
- The Army Network Enterprise Technology Command (NETCOM) ensures centralized network monitoring and security management. In 2007, NETCOM leveraged the Army's event correlation tool to maintain an enterprise management capability of over 600,000 IT assets.
- The Naval Network Warfare Command (NETWARCOM) integrates the Navy's protection, monitoring, detection, analysis, and response of security situational awareness for operations at both afloat/shore installations. In 2007, NETWARCOM continued to deploy DoD standardized automated secure configuration compliance, verification, and remediation capabilities throughout the Navy and Marine Corps infrastructure.

COMPREHENSIVE NATIONAL CYBERSECURITY INITIATIVE

The Administration established the Comprehensive National Cybersecurity Initiative in 2007 to address the growing threats to USG information systems. In particular, the Federal government must greatly reduce the risk associated with its unclassified networks. Spearheaded by DHS, the initiative seeks to improve the security of all Federal networks through the coordinated efforts of multiple departments and agencies. These efforts involve both technical solutions and policy changes; for example, the Federal government must increase its ability to share threat and vulnerability data with those who should analyze and act on it. To support the initiative, the FY 2009



U.S. Navy Information Systems Technician 2nd Class Athena Stovall, from Commander U.S. 3rd Fleet in San Diego, CA., scans the network on her computer for intrusions during a cyber war training course at the Space and Naval Warfare Systems Center in Pearl City, Hawaii.

U.S. Navy photo by Mass Communication Specialist 3rd Class Michael A. Lantron – July 2007

budget increases funding for selected cyber security activities. The Department will play a critical role in this initiative through enhancing the security and Defense networks and by supporting other Departments and Agencies as necessary.

SUMMARY

The real threat of cyber attack has spurred the NMS-CO, focused attention on cyber security throughout the Department, and engaged the interagency through the Comprehensive National Cybersecurity Initiative. Each effort calls resources and attention to focus on the fight in cyberspace. These efforts will further strengthen protection of DoD critical systems and networks as well as to begin fulfilling its National Security roles in aiding the other Federal agencies protect against cyber attacks. Sustained funding will be needed to man, train, and equip cyber forces of the future.

PRESIDENT'S MANAGEMENT AGENDA

President's Management Agenda

The President has called for a government that focuses on priorities and executes them well. Securing the homeland, waging war on terror abroad, and revitalizing the economy are some of the Administration's most important priorities, but even these will not be addressed by simply devoting money to them. The assumption that more government spending gets more results is not generally true and is seldom tested. It is potentially wrong for two reasons. First, the program may not actually achieve the results everyone expects. Second, it ignores the fact that improvements in the management of programs can produce results for less money by realizing the same productivity gains commonly expected in the private sector. By focusing on performance, we can achieve desired results at limited additional cost or, in some cases, a reduction in spending. We can and should get more for less.

The President's Management Agenda (PMA) is an aggressive strategy for improving the management of the Federal government. The PMA provides the managerial and operational discipline that leads to better results and attainment of goals, both internally and externally. The President's Management Agenda includes five government-wide initiatives:

- Strategic Management of Human Capital;
- Competitive Sourcing;
- Improved Financial Performance;
- Electronic Government (e-Gov); and
- Performance Improvement.

In addition, the President's Management Agenda includes four program initiatives that apply to the Department:

"Government likes to begin things—to declare grand new programs and causes and national objectives. But good beginnings are not the measure of success. What matters in the end is completion. Performance. Results. Not just making promises, but making good on promises. In my Administration, that will be the standard from the farthest regional office of government to the highest office of the land."

President George W. Bush

- Cost of War Reporting;
- Eliminating Improper Payments Initiative;
- Privatization of Military Housing; and
- Real Property Management Initiative.

The President's Management Agenda was designed to "address the most apparent deficiencies where the opportunity to improve performance is the greatest." It focuses on remedies to problems generally agreed to be serious and commits to implement them fully.

Federal departments and agencies are evaluated and expected to: 1) define measurable results, 2) monitor the progress in achieving those results, and 3) make management and resource decisions based on such progress. Each Quarter, the departments and agencies receive "stoplight" grades of green, yellow, or red from the Office of Management and Budget (OMB) on both their current status and progress toward meeting the standards for success established for each performance initiative. Although the Department's grades were mixed as of September 30, 2007 (Figure 3.8), DoD has made significant progress since PMA's implementation in 2002.

Figure 3.8 President’s Management Agenda Scorecard Results

Initiative	Status Score	Progress Score
Government-wide Initiatives:		
Strategic Management of Human Capital	Y	G
Competitive Sourcing	Y	Y ↑
Improved Financial Performance	R ↑	G
Electronic Government (e-Gov)	Y ↑	R ↓
Performance Improvement	Y	R
Program Initiatives:		
Cost of War Reporting	R	G
Eliminating Improper Payments Initiative	Y ↑	G
Privatization of Military Housing	Y ↑	G
Real Property Management Initiative	Y ↑	Y ↓

G = Success
 Y = Mixed Results
 R = Unsatisfactory
 ↑ ↓ = Change in score since FY 2005

* = Results as of September 30, 2007

Source: Executive Branch Management Scorecard, www.results.gov 106-10

GOVERNMENT-WIDE INITIATIVES

Strategic Management of Human Capital

Goal: To maintain a competent, motivated, and mission-ready workforce to support and respond to emerging threats, now and in the future.

Taking care of people, building and sustaining a high performing organization, and positioning the Department’s Human Resources (HR) systems for 21st century challenges are critical elements of the Department’s human capital strategy. The Department’s objective is to focus on initiatives and programs that ensure that the military components and activities can recruit and maintain high-performing employees who have the right skills and are employed at the right time to fulfill DoD’s national security mission.

The Department is optimizing its core mission and critical support occupations by analyzing its workforce, identifying trends and competency gaps, and relying on hiring and compensation flexibilities to fill those gaps. As part of its recruitment strategy, the Department is aggressively targeting individuals who have needed skills by using career patterns for select mission critical occupations and maximizing hiring and compensation flexibilities. Additionally, the Department is continuing its marketing campaign that showcases the DoD as an employer of choice. Efforts to target the best and brightest potential employees include approaching Wounded Warriors by conducting, in conjunction with partners at the Department of Labor, Veterans’ Affairs, and the Office of Personnel Management, career fairs and offering on-site employment assistance at medical facilities.

The 2006 QDR called for a transformation of the workforce into one that is more agile and flexible to meet the challenges of the 21st century. To this end, the Department is building an agile

DoD FY 2009 Budget Request Summary Justification

and capable civilian senior executive leadership cadre. To support this initiative, a DoD Directive was published titled "Career Lifecycle Management of the Senior Executive Services Leaders within the Department of Defense." The Directive establishes DoD policy to institute a deliberate, systematic, and predictable approach in the management of the career lifecycle of DoD Senior Executive Service leaders. This overall leadership framework is designed to produce world-class leaders with a joint perspective for executive positions throughout the Department. Additionally, the Department enhanced its Defense Leadership and Management Program as another means to ensure that future leaders obtain a well-rounded and joint perspective.

The Department continues the implementation of the National Security Personnel System (NSPS). NSPS is a flexible and contemporary human resources management system that supports the Department's national security mission and allows civilian employees to be recognized and rewarded based on performance. The system is being implemented in successive spirals of designated categories of employees and organizational units. At the end of FY 2007, approximately 110,000 employees were covered by NSPS. Another 90,000 employees will be added during FY 2008.

The FY 2007 Partnership for Public Service and the American University's Institute for the Study of Public Policy Implementation "Results on the Best Places to Work" support our finding in having a highly dedicated and motivated workforce. According to those results DoD ranked as the 13th Best Place to Work out of 30 large Federal agencies. In addition, the Department of the Army ranked 10th in the same survey, the Department of the Air Force ranked 11th, and the Department of the Navy ranked 19th. These results show that strong leadership, a great work environment, and commitment to mission are producing a satisfied workforce.

Competitive Sourcing

Goal: To help agencies become more results-oriented and effective through public-private competition subject to OMB Circular A-76, Performance of Commercial Activities.

Competitive sourcing is a key PMA initiative focused on increasing public-private competition of commercial activities to improve quality, reduce cost, and provide rapid delivery of better products and services. Competitive sourcing under A-76 procedures has demonstrated substantial savings regardless of whether the government or contractor is selected as the service provider. The public-private competition process has been used by the Department for over 50 years to make effective business and management decisions. Public-private competitions save taxpayers an average of 35 percent of operating costs. Numerous studies by the Government Accountability Office and the DoD Inspector General verify that these savings are real. From FY 2000 through FY 2007, DoD completed approximately 899 competitions with about 91,780 civilian/military positions. These competitions will generate over \$8.8 billion in savings (cost avoidance) over the life of the contracts, normally about five years. An additional 6,287 positions were announced during FY 2007, but competition is not yet complete. The Department plans on announcing an additional 6,116 positions for competition by the end of FY 2008.

Public-private competitions apply procedures from the Federal Acquisition Regulation in conjunction with OMB Circular A-76, which requires a single-source selection evaluation process for private sector offers and the government. The Department enforces performance either by contract or by letters of obligation with the Most Efficient Organization (as required by the Circular). Competitions are typically completed in approximately 12 months, which allows both DoD employees and private sector competitors to plan and makes funds available for other priorities.

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Improved Financial Performance

Goal: *To ensure transparency over the Department's finances—having timely and reliable financial information to make informed decisions about agency or program management.*

Transparency means knowing the costs and results of the Department's programs and operations and being able to judge the best return on investment.

In 2005, the Department undertook an extensive effort to modernize and improve its business and financial operations and to prepare the Department for an independent audit. Under the leadership of the Under Secretary of Defense (Comptroller), the Defense Financial Improvement and Audit Readiness (FIAR) Plan was developed and implemented and is producing significant results.

Since the first FIAR Plan was introduced for Quarter 1 FY 2006, the Department has established a system of detailed accountability, accelerated integration of business transformation initiatives and systems, and prioritized efforts in areas where they will have the most impact. These three cornerstones of our effort – Accountability, Integration, and Prioritization – continue to drive the Department's work today.

See the Financial Management Accomplishments chapter for more information.

Major FY 2007 accomplishments include:

- Seven Defense-reporting entities have received an unqualified audit opinion on their FY 2006 financial statements: Defense Commissary Agency, Defense Contract

Audit Agency, Defense Finance and Accounting Service, Defense Threat Reduction Agency, Military Retirement Fund, Office of the DoD Inspector General, and the Chemical Biological Defense Program.

- Medicare-Eligible Retiree Health Care Fund received a qualified audit opinion, and three DoD-wide financial statement line items have received favorable audit reviews.
- The Defense Logistics Agency's contingent legal liabilities have been examined and verified as "audit ready" by the DoD Inspector General, and the Defense Information Systems Agency is ready to assert that their FY 2007 Balance Sheet is ready for audit.
- Several large business segments are undergoing an independent examination to confirm audit readiness: Navy Nuclear and Conventional Ships Environmental Liabilities, and Air Force Appropriations Received, Net Transfers, and Fund Balance with Treasury.
- The Department has enabled 75 percent of its legacy accounting systems to be compliant with the Standard Financial Information Structure (SFIS) for financial reporting. By March 31, 2008, 100 percent of DoD's legacy systems are expected to be SFIS compliant.
- The Department recently updated its audit strategy from a focus on line-items to business processes or segments. The Department described the revised audit strategy in the updated FIAR Plans as of June 2007 and September 2007. An update on implementation of the revised audit strategy will be provided in the next FIAR Plan update in March 2008.

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Electronic Government (E-Gov)

Goal: To ensure that the Federal Government's \$60 billion annual investment in information technology (IT) is well spent.

Each agency is working to ensure that all major IT investments are justified with strong business cases; all projects are completed within 10 percent of cost, schedule, and performance goals; and IT systems are properly secured and data is protected appropriately. At the same time, agencies are tasked to work collectively to achieve an effective government that is more citizen-friendly. The Department takes an active role in several government-wide initiatives that support E-Gov including SmartBUY, the Integrated Acquisition Environment, and various education and training initiatives.

DoD Enterprise Software Initiative Support to SmartBUY

The DoD Enterprise Software Initiative (ESI) team partnered with General Services Administration (GSA) SmartBUY to establish Enterprise Software Agreements for data-at-rest (DAR) encryption products from 10 commercial software publishers at discounted prices and with advantageous terms and conditions. These co-branded SmartBUY/ESI agreements allow State and local governments to purchase DAR encryption products under the same discount schedule as Federal government customers. This enhances protection of critical infrastructure while sharing Federal digital data with State and local governments. Additional co-branded SmartBUY/ESI agreements were established for information technology asset management products and services and for supply chain management software. The Department administers co-branded SmartBUY/ESI agreements for 18 commercial software publishers on behalf of the entire Federal government, NATO, authorized defense contractors, and (in some cases) State and local governments.

Integrated Acquisition Environment

The DoD Defense Procurement and Acquisition Policy (DPAP) office in conjunction with the Business Transformation Agency (BTA) leads department-wide implementation of the Integrated Acquisition Environment (IAE) portfolio of capabilities. IAE supports procurement and acquisition processes throughout the government. Ongoing implementation supports both Federal and DoD goals of strategic, timely, and cost-effective acquisition, delivery of the best possible goods and services to the warfighter, and the unification and simplification of the acquisition business environment to support this delivery. This year, the Department transitioned its contracting reporting offices to reporting directly to the new Federal Procurement Data System – Next Generation (FPDS-NG) and is working with the GSA to improve ongoing reporting capabilities. This brings the government closer to its goal of having good management information with which to make key acquisition decisions. Other accomplishments include improving the capabilities of and initiating Department-wide testing and training on the electronic Subcontractor Reporting System and adding the Defense Federal Acquisition Regulation supplement clauses to the Online Representations and Certifications system to enable full deployment within the Department. This and other improvements facilitated by the IAE portfolio of capabilities streamline the procurement process for both the government and the vendors with whom we do business.

Education and Training Initiatives

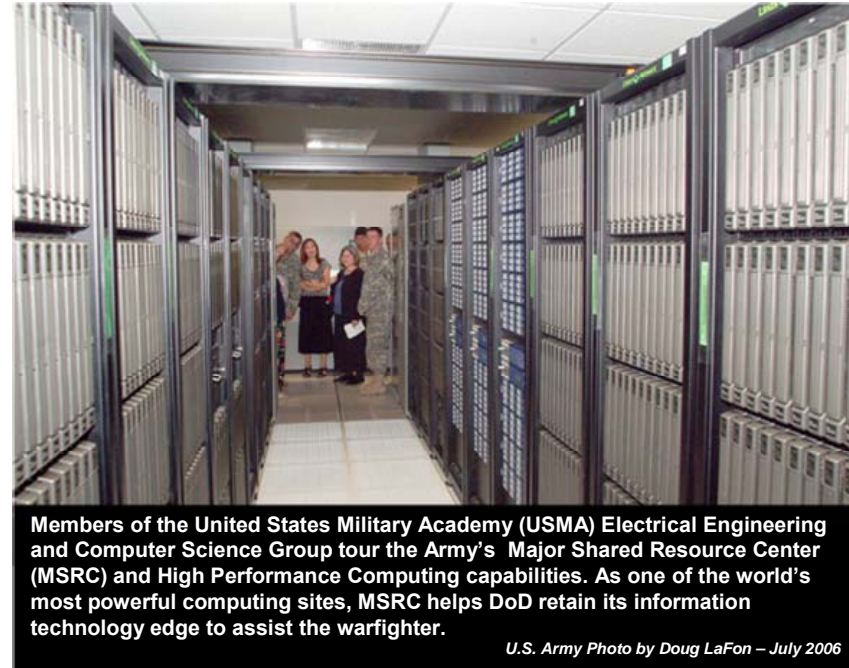
The Department is beginning the second year of implementation of the Information Assurance Workforce Improvement Program (IA WIP), a workforce management and certification program which applies to all IA personnel. This program establishes technical and administrative training requirements; identifies specific commercial certifications applicable to the Department's

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IA workforce; and requires that specific tracking and reporting capabilities be developed to support certification and recertification efforts. Per the IA WIP implementation plan, the Department certified 10 percent of its IA workforces in calendar year (CY) 2007 and plans to certify an additional 30 percent in CY 2008.

The Department established an IT Project Management Certificate program at the Information Resources Management College of the National Defense University. This certificate focuses on project leadership skills, IT program/project management concepts and methods, and IT issues and recent developments. Students learn IT project management policies, regulations, theories, and concepts; how to apply best practices using several actual examples and case studies; and how to use state-of-the-art project management automated tools. Between the program's inception in October 2006 and the end of FY 2007, student enrollment has grown from 56 to 210. Four students have completed the six-course program.

The Department has issued an implementation policy for a department-wide IT Exchange Program (ITEP). The purpose of the ITEP, authorized by the E-Government Act of 2002, is to improve the competencies and skills of exceptional individuals from both the public and private sectors. Organizations may participate in ITEP in three ways: 1) sending personnel "outbound" from their activity, 2) receiving "inbound" personnel into their organization from the private sector, or 3) participating in both the outbound and inbound aspects of the program. The ITEP project manager has actively promoted the program to DoD, industry and professional IT organizations and associations, and as a result, several DoD Components and potential private sector partners are considering implementing the program. The DoD Chief Information Officer's Congressional Liaison staff has been working with Congress to extend the ITEP beyond its original December 2007 "sunset."



Members of the United States Military Academy (USMA) Electrical Engineering and Computer Science Group tour the Army's Major Shared Resource Center (MSRC) and High Performance Computing capabilities. As one of the world's most powerful computing sites, MSRC helps DoD retain its information technology edge to assist the warfighter.

U.S. Army Photo by Doug LaFon – July 2006

The Department continues to expand the IT and IA education opportunities available through our Information Assurance Scholarship Program (IASP). In FY 2007, 74 students received scholarship funding. The IASP is used as a recruitment tool to award scholarships to rising college juniors and seniors and to graduate students to complete either a master's degree or PhD program. In exchange, these individuals are obligated to fill IT/IA vacancies within the Department. The IASP is also be used to enhance retention; for instance, current military and civilian DoD employees are eligible to receive funding for master's or PhD programs in exchange for continued service in critical IT/IA positions. The Department has awarded 161 recruitment scholarships and 95 retention scholarships since the program's inception in 2001.

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Performance Improvement

Goal: The PMA Budget and Performance Integration Initiative, subsequently renamed Performance Improvement Initiative (PII), calls for a Government that is results-oriented – guided not by process but guided by performance.

The PII is focused on implementing the Government Performance and Results Act (GPRA) of 1993. Since the first quarter of FY 2003, the DoD has maintained a “yellow” rating for overall status for this initiative by meeting the following OMB scoring criteria:

- Senior agency managers meet at least quarterly to examine reports that integrate financial and performance information that cover some of the major responsibilities of the Department. Agency can demonstrate information is used to improve performance of agency programs;
- Strategic plans contain a limited number of outcome oriented goals and objectives. Annual budget and performance documents incorporate measures identified in the Program Assessment Rating Tool (PART) process;
- The full cost of achieving performance goals is accurately reported in budget and performance documents;
- At least 50 percent of agency programs rated by the PART have at least one efficiency measure; and
- No more than 50 percent of agency programs receive a Results Not Demonstrated rating for two years in a row.

For the last two quarters of FY 2007, the DoD has received a red rating for “progress”. This is based on the Department’s failure to:

- Brief PMA scorecards and PART initiatives to the Congress;
- Obtain the Deputy Secretary of Defense certification and approval of PART improvement plans;

- Provide examples of marginal costing; and
- Show progress in implementing acquisition reform.

The Defense Department is taking positive steps to restore its PII “progress” rating from red to green. For FY 2009, a program/budget issue team, that included OMB participation, was formed to ensure enterprise-level performance targets are linked to the budget. As a result, performance assessment will be institutionalized as part of the DoD’s annual program/budget review. In addition, the review generated examples of marginal costing that will be forwarded in DoD’s next quarterly report.

In FY 2009, the Department will be working to meet the following OMB criteria that are required to achieve a “green” status rating:

- Senior agency managers meet at least quarterly to examine reports that integrate financial and performance information that cover all major responsibilities of the Department. Agency works to improve program performance and efficiency each year;
- Agency can estimate the marginal cost of changing performance goals;
- Has at least one efficiency measure for all PARTed programs;
- Uses PART evaluations to direct program improvements and hold managers accountable for those improvements, and PART findings and performance information are used consistently to justify funding requests, management actions, and legislative proposals; and
- Implement acquisition reform initiatives to address General Accounting Office high risk problems.

The Performance Improvement chapter provides detail on actual performance results for FY 2007 and targets for FY 2009.

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PROGRAM INITIATIVES

Cost of War Report

To deliver a standard GWOT Cost of War reporting process that is credible, transparent, timely, accurate, auditable, and meets accounting principles and standards.

In FY 2007, the Department established a GWOT Senior Steering Group to improve the credibility, transparency, and timeliness of Cost of War reporting, consistent with accounting principles and standards. This governing body is comprised of senior financial leaders of the Services and Defense Agencies.

Major FY 2007 Accomplishments:

- Chartered a GWOT Cost of War Project Management Office, developed an integrated project management plan, and executed actions in a timely manner, which resulted in major improvements to the GWOT Cost of War process. The success of the GWOT Cost of War efforts to date was recognized by OMB, which changed the Department's progress score from yellow to green;
 - Reviewed, documented, and validated current funding, execution, and reporting processes and sources of GWOT Cost of War data, providing traceability and auditability of GWOT Cost of War obligations;
 - Developed the first comprehensive GWOT status of funds report which displays funding, obligations, and disbursements, a significant improvement over the previous reporting process which only showed obligations;
 - Improved financial management in theater by clarifying payment documentation requirements, by training units, and by transferring back-office functions to the Continental United States (CONUS), which relieves the warfighter of non-warfighting burdens;
- Reduced payments made in theater by transferring the payment processes of Central Billed Accounts and CONUS-based vendors; travel settlements and advances; and Voluntary Incentive Pay to CONUS. This reduced military manpower requirements;
 - Developed and implemented GWOT Cost of War accuracy and compliance scorecard as part of a continuous improvement effort;
 - Statistically sampled Cost of War operation and maintenance obligation sources and determined obligations were substantially accurate and certified;



Secretary of Defense Robert M. Gates responds to a question during a Senate Armed Services Committee hearing about the 2008 Defense Department budget at the Hart Senate Office Building in Washington, D.C. Under Secretary of Defense (Comptroller) and Chief Financial Officer Tina W. Jonas, and Chairman of the Joint Chiefs of Staff Marine Gen. Peter Pace joined Gates at the hearing.

DoD photo by Staff Sgt. D. Myles Cullen, U.S. Air Force – February 2007

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- Identified and monitored over 200 GWOT Cost of War financially related audits; initiated open and continuous communication with the audit community; and mitigated potential audit findings by proactively seeking and ensuring implementation of corrective actions with the Services prior to the issuance of the final report. Examples include: 1) implemented revised fund distribution procedures, improving the ability to record and report GWOT Cost of War directly from the accounting systems; 2) improved documentation controls and clarified policy in a contingency operation; and 3) provided timely and accurate responses and supporting documentation in response to audit requests; and
- Delivered GWOT reports enabling the Office of the Under Secretary of Defense (Comptroller) to cover operational needs pending enactment of the GWOT request. These reports were also the driver in focusing efforts to improve obligation rates in expiring accounts, which resulted in a 99.8 percent obligation rate at year end.

During FY 2008, the Department continues to pursue continuous process improvements by:

- Developing and implementing standard Department-wide contingency reporting processes and procedures;
- Validating and tracing obligations to and from the GWOT Cost of War reports to source data and cost models;
- Providing more timely analyses of war costs and execution;
- Implementing more meaningful and user friendly GWOT Cost of War reports; and
- Continuing to partner with COCOMs to improve contingency finance and accounting functions.



U.S. Army Sgt. 1st Class Samuel Plotnick, right, and Pfc. Michael Harrison, both from the 726th Finance Battalion, provide financial services for Soldiers at Forward Operating Base Tillman, Afghanistan.

U.S. Army photo by Spc. Rodney Carreiro – July 2007

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Eliminating Improper Payments

Goal: To strengthen financial management controls to better detect and prevent improper payments, thus enabling the DoD to better ensure the taxpayer dollar is put to the use the Congress intended.

The Improper Payments Information Act of 2002 (IPIA) requires Federal agencies to review all programs and activities annually and to identify those that may be susceptible to significant erroneous payments (both \$10 million and 2.5 percent of program payments). An improper payment occurs when the funds go to the wrong recipient, the recipient receives the incorrect amount of funds, or the recipient receives payment for an ineligible service. Improper payments include duplicate payments and payments for services not received.

The Department aggressively minimized improper payments before IPIA existed, and the Department has remained below the OMB improper payment high-risk threshold since IPIA reporting requirements were instituted. Under 0.2 percent of the Department's total FY 2007 payments were erroneous, and approximately one-half of the total improper payments were underpayments. However, based on the large volume of transactions and high dollar amounts of some transactions, OMB or DoD deemed the following five programs reportable in the FY 2007 Agency Financial Report: 1) Military Health Benefits, 2) Military Pay, 3) Civilian Pay, 4) Military Retirement, and 5) Travel Pay. The Department also reports information on recovery audit efforts for commercial payments.

Major FY 2007 Accomplishments:

- Disclosed available data for all improper payments programs in the FY 2006 Performance and Accountability Report;

- Established DoD project officers for improper payments and recovery audits, who work closely with OMB and DoD Components to ensure continued reductions in improper payments and full compliance with IPIA requirements;
- Held a Department-wide conference to disseminate IPIA policy and guidance;
- Improved documentation of the current sampling plan and procedures for travel pay;
- Performed special reviews of Iraqi improper payments; and
- Accelerated the annual IPIA component survey to help ensure IPIA data reported in the FY 2007 Agency Financial Report is complete and current.

During FY 2008, the Department continues pursuing improvements by:

- Reporting newly developed out-year improper payment reduction targets for the civilian pay and travel pay programs;
- Establishing an internal improper payment performance metric to allow management to closely monitor progress and take prompt corrective actions as needed;
- Developing a revised sampling plan to ensure complete reviews of travel pay populations; and
- Implementing a Business Activity Monitoring tool to identify problem commercial transactions – facilitating improper payment reporting, corrective actions and reductions, and recoveries.

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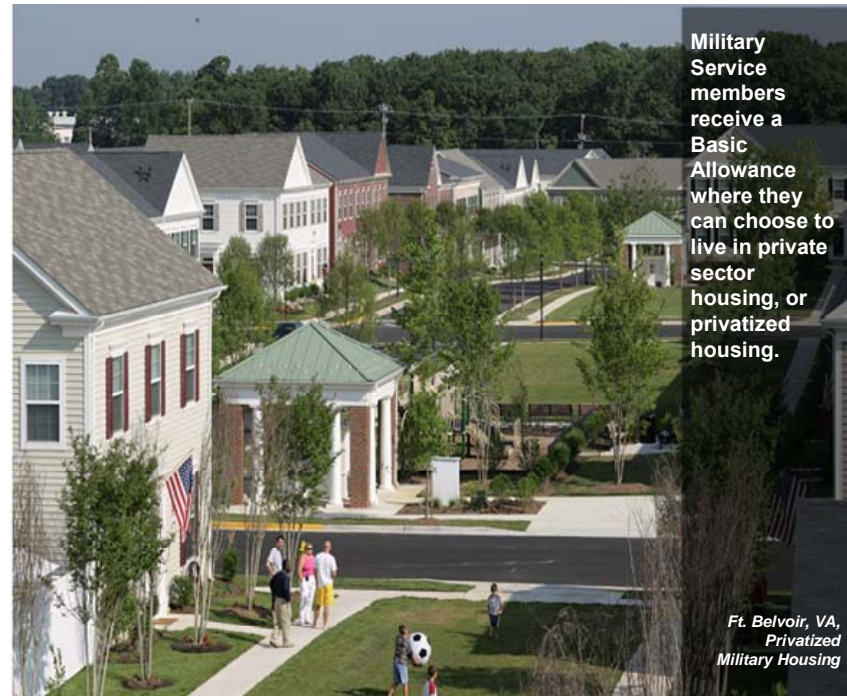
Privatization of Military Housing

Goal: To eliminate inadequate family housing and increase the quality of life for Service members and their families.

From 2001-2005, the Department received "green" scores for both status and progress on this initiative to eliminate inadequate family housing and increase the quality of life for Service members and their families. The Army, Navy, and Marine Corps met this PMA goal by eliminating all houses in the CONUS which they had determined to be inadequate to satisfy their housing requirements by the end of FY 2007. Inadequate housing is considered eliminated from the DoD inventory when it is privatized with a plan for revitalization and a committed income stream for the needed construction. The inadequacies of overseas units will be eliminated by FY 2009. Currently, the Air Force has 9,000 inadequate units in CONUS remaining to be privatized. The Air Force has sent four Congressional Notifications for privatization awards at six bases which will bring the total to 4,000 remaining inadequate units by the end of 2008. Accordingly, rather than awarding DoD green status and progress assessments, the Department received a yellow status and green progress assessment.

Leveraging DoD's resources with private sector capital will revitalize inadequate housing faster and at a lower lifecycle cost to the taxpayer than traditional construction. Since 1996, DoD has privatized over 173,000 units and eliminated over 131,500 inadequate units via privatization. The Department has aggressively pursued the four ambitious goals it set for the end of 2007:

- Eliminate all inadequate domestic family housing units by the end of FY 2007 (92 percent completed);
- Privatize 80 percent of the domestic inventory by end of FY 2007 (accomplished);
- Cover 100 percent of average housing costs with the basic allowance for housing (accomplished); and



Military Service members receive a Basic Allowance where they can choose to live in private sector housing, or privatized housing.

Ft. Belvoir, VA,
Privatized
Military Housing

- Achieve an 80 percent customer satisfaction rating by the end of FY 2007 (accomplished).

Real Property Management

Goal: To help agencies efficiently manage the hundreds of billions of dollars in real property owned by the Federal Government.

The Federal Real Property Council has developed standards for how Federal agencies can improve property management, including timely and accurate inventory data and performance measures in evaluating property acquisition, maintenance, and disposal decisions.

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The Department has developed and implemented a comprehensive plan to improve real property management with the ultimate goal of ensuring that the right assets are available when and where they are needed and with the capabilities necessary to support the warfighter. Accurately capturing the real property inventory and continuing to refine performance measures that monitor how well we sustain, restore and modernize our facilities are integral steps in accomplishing that goal. The Department's plan to monitor progress, identify and correct deficiencies, and address overall management of its real property includes the following:

- Increased visibility of assets through improved real property inventories and the development of a Department-wide net-centric data warehouse;
- Application of requirements models based on accurate and auditable commercial benchmarks and tied directly to existing and forecasted assets;
- Standardization of performance targets across DoD through improved planning guidance;

- Implementation of mechanisms for continuous tracking of performance through the programming and budgeting cycle;
- Controlling the size of the DoD footprint through management incentives and a robust demolition/disposal program, including Base Realignment and Closure decisions;
- An up-to-date asset management plan including goals and timelines;
- Achieving full sustainment funding levels to prevent deterioration and loss of service life; and
- Reaching a recapitalization rate that matches the expected service life of the assets under management, to prevent loss of effectiveness through obsolescence.

To improve asset accountability, the Department has developed a real property unique identification concept. All assets have a DoD-wide unique identifier, allowing management and financial systems to better track environmental, operational, and financial data. This concept is being reviewed by industry and other Federal agencies for use outside DoD.

PERFORMANCE IMPROVEMENT

Performance Improvement

Background

The PMA Budget and Performance Integration Initiative, subsequently renamed Performance Improvement Initiative (PII), is focused on re-emphasizing and implementing all the statutory provisions of the GPRA of 1993. The PII calls for a Government that is results-oriented – guided by performance, not process. Since the first quarter of FY 2003, the Department has maintained a “yellow” rating for overall status of this initiative.

DoD Performance Budget Hierarchy

Sections 200-230 of OMB Circular A-11 characterizes a performance budget as a hierarchy of goals, structured like an agency’s strategic plan. At the top of the pyramid is the agency’s mission statement followed by strategic goals, or statements of aim or purpose, as outlined in the agency’s strategic plan. For each strategic goal, there are a limited number of high priority strategic objectives that add greater specificity to the general goal in terms of outcomes to be achieved. For each strategic objective, there are a limited number of performance targets (measures and milestones) that are used to indicate progress toward accomplishing the objective.

The Department’s performance budget hierarchy is depicted in Figure 3.9. This hierarchy indicates that every level of the DoD is accountable for measuring performance and delivering results at multiple tiers of the organization. DoD investments in systems and other initiatives are aggregated to support strategic objectives at the enterprise or highest DoD echelon level.

Performance accountability cascades to the appropriate management level (DoD Enterprise to DoD Component to individual personnel at the bottom of the pyramid) with performance targets advocated at all echelons.



Primary responsibility for performance improvement in the DoD rests with the Deputy Secretary of Defense in his role as the Chief Management Officer. The Deputy Secretary is assisted by the Under Secretary of Defense for Comptroller who is his primary advisor on DoD performance information.

The strategic objectives and performance outcomes discussed in this chapter were identified by Principal Staff Assistants (PSAs) within the Office of the Secretary of Defense and the Joint Staff as most relevant for joint or enterprise-level strategic focus and public dissemination. This list does not represent a comprehensive and exhaustive list of all DoD performance targets. The list does not include classified performance targets or address performance improvements associated with the NIP, since responsibility for the NIP falls under the purview of the DNI.

Figure 3.9 Department of Defense Performance Budget Hierarchy



106-34

DoD strategic objectives and performance targets (measures and milestones) are subject to annual refinement based on changes in missions and priorities. Such changes reflect the evolutionary nature of DoD's performance budget and the Department's continuing efforts to ensure resource allocation is linked to identifiable and measurable strategic outcomes.

DoD Strategic Plan

The mission of the Department is to provide the military forces needed to deter war and to protect the security of the U.S. Since the creation of our first army in 1775, the Department and its predecessor organizations have evolved into a global presence of 2.9 million individuals that are dedicated to defending the U.S. by deterring and defeating aggression and coercion in critical regions.

The QDR constitutes the DoD's strategic plan. On February 3, 2006, the Department unveiled its most recent QDR, charting the way ahead for the next 20 years. The QDR report acknowledges that the Department has been and is transforming along a continuum that shifts emphasis from the 20th century to the 21st century. The foundation of the 2006 QDR are the National Military Strategy, published in May 2004 and the National Defense Strategy, published in March 2005.

The 2006 QDR identifies two DoD fundamental imperatives:

- Continuing to reorient the Department capabilities and forces to be more agile in this time of war, to prepare for wider asymmetric challenges, and to hedge against uncertainty over the next 20 years; and
- Implementing enterprise-wide changes to ensure that organizational structures, processes, and procedures effectively support its strategic direction.

The QDR acknowledges that everything done in the Department must contribute to joint warfighting capability. Its purpose is to provide the U.S. with strong, sound, and effective warfighting capabilities.

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The 2006 QDR was the first contemporary defense review to coincide with an ongoing major conflict. Consequently, strategic goal 1 is focused on the ongoing major conflict and extended stabilization campaign in Iraq and Afghanistan. At the same time, the 2006 QDR recognized that the Department needed to recast its view of future warfare through the lens of a long duration and globally-distributed conflict. Therefore, strategic goal 2 focuses on reorienting the Armed Forces to deter and defend against transnational terrorists around the world. Strategic goal 5 recognizes that the DoD cannot meet today's complex challenges alone. This goal recognizes integrated security cooperation and strategic communication as additional tool sets the Combatant Commanders may use to fight wars. Together, these three goals encompass the Department's warfighting missions. Strategic goals 3 and 4 focus on developing a Total Force and reshaping the defense infrastructure, respectively, in ways that better support the warfighter. Therefore, these goals are seen as supporting goals that enable accomplishment of the Department's primary strategic goals 1, 2, and 5 (Figure 3.10).

Based on the above over-arching QDR goals, a task force and Senior Review Group (SRG) were established in January 2007 to develop a limited number of strategic objectives and performance targets at the joint or enterprise-level. The task force and SRG included representatives from each OSD Principal Staff, the Joint Staff, and the Military Departments. As a result of their efforts, seventeen strategic objectives and 52 initial performance targets were developed for FY 2007 (Table 3.1).

FY 2007 Performance Results

For FY 2007, the Deputy Secretary of Defense/Chief Management Officer approved a select number of performance targets for enterprise-level strategic assessment. The FY 2008

Figure 3.10 2006 QDR Strategic Goals



106-35

Performance Budget/Plan identifies 52 performance targets for FY 2007. However, three performance targets were subsequently eliminated because they lacked viable measurement methodologies, as identified below:

- Target 1.1-3: Percent of DoD reconstruction projects in Iraq and Afghanistan completed;
- Target 2.3-3: Percent reduction in known impediments to intelligence access; and
- Target 3.3-2: Average percent of materiel availability readiness goals achieved for major weapon systems.

Of the remaining 49 performance targets for FY 2007, actual results are available on 45 targets, with four target results not available until March 2008. Table 3-1 provides a summary, by

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DoD Strategic Objective, of FY 2007 DoD Performance Results. The Department achieved an overall success rate of 69 percent by meeting or exceeding 31 of the 45 performance results reported to date. Thirty-one percent (or fourteen) performance target results for FY 2007 were not achieved. Eight of the fourteen targets that were not achieved had little impact on DoD's military posture since these were focused on improving infrastructure support in such areas as facilities sustainment, audit readiness, and system accreditation. However, some of the other targets that were not achieved resulted in adverse impacts to DoD military operations. The under-achievement in counterintelligence (target 2.4-1) resulted in increased risk of exploitation by terrorists and cyber threats. The two day delay in average customer wait time (target 3.3-1) had a negative affect on providing timely logistics support to DoD warfighters.

Of particular note, the Department achieved all of its FY 2007 performance targets associated with:

- Iraq and Afghanistan transition (Strategic Objective 1.1);
- Homeland defense (Strategic Objective 2.1); and
- Force restructuring (Strategic Objective 2.2).

FY 2008 Performance Plan

For FY 2008, the Deputy Secretary of Defense/Chief Management Officer approved the following changes to previously established FY 2007 performance targets:

- **Added** three new performance targets:
 - Target 3.2-1: Percent of completing demonstration programs transitioning per year;
 - Target 4.4-2: Percent of units receiving joint training in Joint National Training Center (JNTC) accredited programs prior to arriving in theater; and

- Target 4.4-4: Cumulative number of Defense intelligence components converted to the Defense Civilian Intelligence Personnel System.
- **Deferred** the following performance target to FY 2009, pending development of a performance data baseline:
 - Target 4.4-1: Percent of operational and contingency language needs met.

These changes result in increasing the number of enterprise-level performance targets from 49 in FY 2007 to 51 in FY 2008, as summarized at Table 3-1.

FY 2009 Performance Plan

For FY 2009, the Deputy Secretary of Defense/Chief Management Officer, approved the following changes to FY 2008 performance targets:

- **Restored** one performance target:
 - Target 4.4-1: Percent of operational and contingency language needs met.
- **Eliminated** the following performance target because it is projected to be completed in FY 2008:
 - Target 2.3-1a: Percent of Joint Intelligence Operations Centers at initial operating capability (IOC).

This net change results in retaining 51 performance targets for FY 2009, as summarized at Table 3-1.

On November 13, 2007, the President signed Executive Order (EO) 13450 "Improving Program Performance" to reiterate this initiative and his Administration's policy that taxpayer dollars should be spent effectively and more efficiently each year. This EO draws increased attention for Agencies to have both annual and long-term performance improvement. Table 3-1 indicates that

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57 percent (or 29 DoD enterprise-level targets) project incremental performance improvement between FY 2008 and FY 2009.

While several performance targets do not reflect incremental improvement, the targets are considered ambitious in light of significant external factors that challenge the Department's ability to sustain current performance levels in a variety of DoD mission areas. These include, but are not limited to, performance targets associated with managing Active and Reserve end strengths and controlling cost growth for Major Defense Acquisition Programs and military healthcare.

DoD Program Assessment Rating Tool Utilization

Lower-level performance information (by DoD budget activity, program element, procurement line item, and project) are identified throughout the various appropriation-specific budget justification material, provided under separate cover.

In addition, enterprise-level performance targets are augmented by lower-level performance targets at the program-level. Some of these performance targets are reflected in DoD's PART input, used by the OMB to evaluate Federal government programs. To date, the Administration has completed 89 PARTs, covering over \$400 billion of the DoD discretionary base budget. PART diagnostics have been applied to 54 unclassified DoD program areas. As a result, 48 DoD programs have been assessed at the adequate level or higher, as summarized at Figure 3.11. Only six programs have been rated "Results not Demonstrated" (RND) based, primarily, on lack of quantifiable outcome measures.

Performance improvement plans have been developed and forwarded to the OMB for each DoD PARTed area. While every PART has a plan that includes process improvements for FY 2009, not all program areas project quantifiable outcome improvements based on mission priority and fund availability.

Based on this input, 19 of 54 unclassified DoD PARTed areas project incremental performance improvement between FY 2008 and FY 2009.

The Defense Department considers PART findings, in conjunction with other internal program assessments, audits, inspections, and other management reviews to inform budget development. The DoD will be working with the OMB to determine appropriate measures for the RND-rated programs and to apply the PART to the balance of its programs and budget by the end of FY 2008.

DoD Performance Budget Challenges and Initiatives

OMB Circular A-11, Part 6 addresses preparation and submission of agency annual performance plans/budgets that link strategic objectives with costs for achieving targeted levels of performance. The alignment of the DoD budget among strategic goals and objectives presents a challenge given:

- The size (\$515.4 billion for FY 2009) and complexity of the Defense budget;
- The tendency to focus on process—not outcomes; and
- The absence of DoD budget and accounting systems that support a "total cost" concept.

Figure 3.11 Program Assessment Rating Tool Rating Summary

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PART Rating	Number of DoD Programs
Effective	19
Moderately Effective	19
Adequate	10
Ineffective	0
Results Not Demonstrated (RND)	6
Total PARTs Completed (Unclassified)	54

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The DoD FYDP consists of approximately 6,500 active program elements (PEs) that describe DoD missions and functions and constitute the basic building blocks for aggregating resources.

The Defense budget aggregates the approximately 6,500 program elements into approximately 475 budget activities that are presented to the Congress for funding from approximately 116 different DoD appropriation accounts. Once funds are appropriated, these are distributed to approximately 45 different DoD organizations.

Some performance targets continue to focus on internal process vice strategic outcome-oriented results. The Department's transition in this area is still evolving and is expected to improve with each subsequent cycle. A process to evaluate DoD performance targets (measures and milestones) for relevancy to strategic objectives and decision-making is under development.

The Department is also hindered by the lack of budget and accounting systems that were not designed to accumulate "total costs" associated with accomplishing specific objective areas. Under this scenario, the Department must rely on complex

crosswalks and data mapping schemes to be able to display its budget among strategic goals and objectives. These necessary crosswalks will take time to develop and validate before the Department will be in a position to display and justify its budget along these lines.

The QDR directed integration of the Department's strategic planning and resource allocation processes. Last year, the OSD Program Analysis and Evaluation and OSD Comptroller stood up a joint Data Structure Working Group for a new, combined data structure that would provide a seamless connection between programming and budgeting and provide an end-to-end view of resource decisions from formulation through execution. One advantage of the new proposed data structure will be the ability to create comprehensive views of programs into groupings of interest to staff who manage programs and senior leaders who need to make strategic resource allocation trades.

The Department welcomes the opportunity to brief the Congress on its ensuing performance budget efforts and planned performance improvements for FY 2009.

Table 3.1 Performance Summary by Strategic Goal and Objective

STRATEGIC GOAL 1: FIGHT THE LONG WAR ON TERRORISM		
Strategic Objective 1.1: Conduct a large-scale, potentially long-duration irregular warfare campaign that includes counterinsurgency, security stability, transition, and reconstruction operations.		
Performance Measures	Strategic Plan Long-term Performance Targets	Annual Performance Targets
1.1-1: Number of Iraqi Security Force (ISF) and Afghan National Security Force (ANSF) trained	1.1-1a: By FY 2009, the DoD will train 588,000 Iraqi Security Forces (ISF). 1/	FY 04 Actual: 124,685 ISF trained FY 05 Actual: 223,700 ISF trained FY 06 Actual: 328,000 ISF trained FY 07: 365,000 ISF trained FY 07 Actual: 439,700 ISF trained FY 08: 529,000 ISF trained 2/ FY 09: 588,000 ISF trained 1/
	1.1-1b: By FY 2009, the DoD will train 162,000 Afghan National Security Forces (ANSF). 1/	FY 04 Actual: 49,200 ANSF trained FY 05 Actual: 57,000 ANSF trained FY 06 Actual: 81,500 ANSF trained FY 07: 112,000 ANSF trained FY 07 Actual: 124,700 ANSF trained FY 08: 152,000 ANSF trained 2/ FY 09: 162,000 ANSF trained 1/
1.1-2: Percent DoD personnel contribution to coalition partners' forces supporting Operation Enduring Freedom (OEF) and International Security Assistance Force (ISAF)	1.1-2: By FY 2009, the DoD will reduce their personnel contribution to coalition partners' forces supporting Operation Enduring Freedom (OEF) and International Security Assistance Forces (ISAF) to 51 percent. 3/	FY 04 Actual: 64.5% personnel contribution FY 05 Actual: 61.5% personnel contribution FY 06 Actual: 49.5% personnel contribution FY 07: 53% personnel contribution FY 07 Actual: 52.7% personnel contribution FY 08: 51% personnel contribution 3/ FY 09: 51% personnel contribution 3/

1/ Reflects DoD strategic planning targets for FY 2009; may be adjusted for performance budget based on FY09 DoD GWOT request.

2/ Reflects DoD strategic planning targets for FY2008; may be adjusted for performance budget based on Congressional mark-up of FY08 DoD GWOT request

3/ Target directly impacted by other Coalition partners' personnel contribution actions, outside DoD's control

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STRATEGIC GOAL 2: REORIENT CAPABILITIES AND FORCES		
Strategic Objective 2.1: Deter or defeat direct attacks to the U.S. homeland and its territories and contribute toward the nation's response to and management of Weapons of Mass Destruction (WMD) or catastrophic event; Improve ability to respond to Chemical, Biological, Radiological, Nuclear, and Explosive (CBRNE) attacks and improve the capability of interagency partners to contribute to our nation's security.		
Performance Measures	Strategic Plan Long-term Performance Targets	Annual Performance Targets
2.1-1: Number of National Guard Weapons of Mass Destruction – Civil Support Teams (WMD-CSTs) certified	2.1-1: By FY 2007, 55 National Guard Weapons of Mass Destruction-Civil Support Teams (WMD-CSTs) will be certified.	FY 04 Actual: 40 WMD-CSTs certified FY 05 Actual: 51 WMD-CSTs certified FY 06 Actual: 54 WMD-CSTs certified FY 07: 55 WMD-CSTs certified FY 07 Actual: 55 WMD-CSTs certified FY 08: 55 WMD-CSTs certified FY 09: 55 WMD-CSTs certified
2.1-2: Number of National Guard Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive (CBRNE) Enhanced Response Force Packages (CERFPs) trained	2.1-2: By FY 2008, 17 National Guard Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive (CBRNE) Enhanced Response Force Packages (CERFPs) will be trained for WMD or other catastrophic responses.	FY 04 Actual: 12 CERFPs trained FY 05 Actual: 12 CERFPs trained FY 06 Actual: 12 CERFPs trained FY 07: 12 CERFPs trained FY 07 Actual: 12 CERFPs trained FY 08: 17 CERFPs trained FY 09: 17 CERFPs trained
Strategic Objective 2.2: Deter and defend against transnational terrorists attacks and globally distributed aggressors and shape the choices of countries at strategic crossroads, while postured for a second, nearly simultaneous campaign.		
Performance Measures	Strategic Plan Long-term Performance Targets	Annual Performance Targets
2.2-1: Percent of DoD reduction in deployed Minuteman III Intercontinental Ballistic Missiles (ICBMs) achieved	2.2-1: By FY 2009, the DoD will reduce the number of deployed Minuteman III Intercontinental Ballistic Missiles (ICBMs) by 50 (from 500 to 450).	FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: Non-applicable FY 07: 20% of the ICBM reduction achieved FY 07 Actual: 24% of the ICBM reduction achieved FY 08: 90% of the ICBM reduction achieved FY 09: 100% of the ICBM reduction achieved

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<p>2.2-2: Percent increase in DoD Special Forces and Navy SEAL personnel achieved</p>	<p>2.2-2: By FY 2011, the DoD will increase its Special Forces and Navy SEAL personnel by 19 percent.</p>	<p>FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: Non-applicable FY 07: 5% personnel increase FY 07 Actual: 6% personnel increase FY 08: 10% personnel increase FY 09: 17% personnel increase</p>
<p>2.2-3: Cumulative number of DoD Maritime Pre-position Force (MPF) ships procured</p>	<p>2.2-3: By FY 2009, the DoD will have procured six Maritime Pre-position Force (MPF) ships</p>	<p>FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: 3 MPF ships procured FY 07: 4 MPF ships procured FY 07 Actual: 4 MPF ships procured FY 08: 4 MPF ships procured FY 09: 6 MPF ships procured</p>
<p>2.2-4: Number of Army brigades converted to a modular design and available to meet military operational demands</p>	<p>2.2-4a: By FY 2013, the DoD will convert 76 Army Brigade Combat Teams (BCTs) to a modular design.</p>	<p>FY 04 Actual: Non-applicable FY 05 Actual: 13 Army BCTs converted FY 06 Actual: 31 Army BCTs converted FY 07: 35 Army BCTs converted FY 07 Actual: 35 Army BCTs converted FY 08: 38 Army BCTs converted FY 09: 47 Army BCTs converted</p>
	<p>2.2-4b: By FY 2013, the DoD will convert 227 Army Multi-functional and Functional Support (MFF) brigades to a modular design.</p>	<p>FY 04 Actual: 69 Army MFF brigades converted FY 05 Actual: 74 Army MFF brigades converted FY 06 Actual: 116 Army MFF brigades converted FY 07: 144 Army MFF brigades converted FY 07 Actual: 144 Army MFF brigades converted FY 08: 187 Army MFF brigades converted FY 09: 201 Army MFF brigades converted</p>

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Strategic Objective 2.3: Operationalize and Strengthen Intelligence		
Performance Measures	Strategic Plan Long-term Performance Targets	Annual Performance Targets
2.3-1: Percent of Joint Intelligence Operations Centers (JIOCs) at initial operating capability (IOC) and at full operating capability (FOC)	2.3-1a: By FY 2008, the DoD will establish 100 percent of Joint Intelligence Operations Centers (JIOCs) at initial operating capability (IOC), excluding tactical JIOCs and AFRICOM.	FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: Non-applicable FY 07: 90% of JIOCs at IOC FY 07 Actual: 90% of JIOCs at IOC FY 08: 100% of JIOCs at IOC
	2.3-1b: By FY 2010, the DoD will realize 100 percent of JIOCs at full operating capability (FOC), excluding tactical JIOCs and AFRICOM.	FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: Non-applicable FY 07: 33% of JIOCs at FOC FY 07 Actual: 20% of JIOCs at FOC FY 08: 33% of JIOCs at FOC FY 09: 66% of JIOCs at FOC
2.3-2: Percent of intelligence planning efforts completed for Joint Strategic Capability Plan (JSCP) directed top priority plans	2.3-2: By FY 2010, the DoD will complete intelligence planning efforts for 100 percent of twelve top priority Joint Strategic Capability Plans (JSCPs).	FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: 8% of JSCPs completed FY 07: 33% of JSCPs completed FY 07 Actual: 17% of JSCPs completed FY 08: 50% of JSCPs completed FY 09: 83% of JSCPs completed
Strategic Objective 2.4: Enhance Security & Reduce Vulnerabilities		
Performance Measures	Strategic Plan Long-term Performance Targets	Annual Performance Targets
2.4-1: Percent of DoD counterintelligence mission-focused Technical Surveillance Countermeasure (TSCM) requirements satisfied	2.4.1: By FY 2009, the DoD will satisfy 94 percent of counterintelligence mission-focused Technical Surveillance Countermeasure (TSCM) requirements.	FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: Non-applicable FY 07: 90% of TSCM requirements satisfied FY 07 Actual: 71% of TSCM requirements satisfied FY 08: 92% of TSCM requirements satisfied FY 09: 94% of TSCM requirements satisfied

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STRATEGIC GOAL 3: RESHAPE THE DEFENSE ENTERPRISE		
Strategic Objective 3.1: Improve acquisition processes and execution to support warfighter requirements.		
Performance Measures	Strategic Plan Long-term Performance Targets	Annual Performance Targets
3.1-1: Average acquisition cycle time for Major Defense Acquisition Programs (MDAPs)	3.1-1a: For each fiscal year, the DoD will reduce average cycle time for Major Defense Acquisition Programs (MDAPs) starting in FY 1992 and later to less than 99 months.	FY 04 Actual: 101 months acquisition cycle time FY 05 Actual: 101 months acquisition cycle time FY 06 Actual: 101 months acquisition cycle time FY 07: <99 months acquisition cycle time FY 07 Actual: Available March 2008 FY 08: <99 months acquisition cycle time FY 09: <99 months acquisition cycle time
	3.1-1b: For each fiscal year, the DoD will reduce average cycle time for Major Defense Acquisition Programs (MDAPs) starting in FY 2002 and later to less than 66 months.	FY 04 Actual: 80 months FY 05 Actual: 81 months FY 06 Actual: 80 months FY 07: <66 months acquisition cycle time FY 07 Actual: Available March 2008 FY 08: <66 months acquisition cycle time FY 09: <66 months acquisition cycle time
3.1-2: Average annual rate of acquisition cost growth for Major Defense Acquisition Program (MDAPs)	3.1-2: For each fiscal year, the DoD will reduce the annual rate of acquisition cost growth for Major Defense Acquisition Programs (MDAPs) to zero percent.	FY 04 Actual: 3.5% acquisition cost growth FY 05 Actual: 6.9% acquisition cost growth FY 06 Actual: 3.8% acquisition cost growth FY 07: 0% acquisition cost growth FY 07 Actual: Available March 2008 FY 08: 0% acquisition cost growth FY 09: 0% acquisition cost growth
Strategic Objective 3.2: Focus research and development to address warfighting requirements.		
Performance Measures	Strategic Plan Long-term Performance Targets	Annual Performance Targets
3.2-1: Percent of completing demonstration programs transitioning per year	3.2-1: Beginning in FY 2008, the DoD will transition 30 percent of completing demonstration programs per year.	FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: Non-applicable FY 07 Actual: Non-applicable FY 08: 30% of programs transitioning FY 09: 30% of programs transitioning

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Strategic Objective 3.3: Implement improved logistics operations to support joint warfighting priorities		
Performance Measures	Strategic Plan Long-term Performance Targets	Annual Performance Targets
3.3-1: Average customer wait time	3.3-1: Beginning in FY 2007, the DoD will reduce average customer wait time to 15 days.	FY 04 Actual: 23 days customer wait time FY 05 Actual: 21 days customer wait time FY 06 Actual: 18 days customer wait time FY 07: 15 days customer wait time FY 07 Actual: 17 days customer wait time FY 08: 15 days customer wait time FY 09: 15 days customer wait time
Strategic Objective 3-4: Maintain capable, efficient, and cost-effective installations to support the DoD workforce.		
Performance Measures	Strategic Plan Long-term Performance Targets	Annual Performance Targets
3.4-1: Average percent reduction in building energy consumption	3.4-1: By FY 2009, DoD will reduce average building energy consumption by twelve percent from the FY 2003 baseline of 113,429 BTUs per gross square foot.	FY 04 Actual: Not available FY 05 Actual: Not available FY 06 Actual: 5.5% reduction from FY 2003 baseline FY 07: 6% reduction from FY 2003 baseline FY 07 Actual: 10.1% reduction from FY 2003 baseline FY 08: 9% reduction from FY 2003 baseline FY 09: 12% reduction from FY 2003 baseline
3.4-2: Average facilities recapitalization rate	3.4-2: By FY 2009, the DoD will fund an average facilities recapitalization rate of 56 years.	FY 04 Actual: 88 years FY 05 Actual: 67 years FY 06 Actual: 60 years FY 07: 72 years FY 07 Actual: 54 years FY 08: 60 years FY 09: 56 years
3.4-3: Average facilities sustainment rate	3.4-3: Beginning in FY 2009, the DoD will fund an average facilities sustainment rate of 90 percent.	FY 04 Actual: 71% sustainment rate FY 05 Actual: 79% sustainment rate FY 06 Actual: 90% sustainment rate FY 07: 95% sustainment rate FY 07 Actual: 90% sustainment rate FY 08: 91% sustainment rate FY 09: 90% sustainment rate

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3.4-4: Number of inadequate family housing units	3.4-4a: By end of FY 2009, the DoD will eliminate all inadequate family housing in the U.S.	FY 04 Actual: 90,240 inadequate housing units in the U.S. FY 05 Actual: 62,812 inadequate housing units in the U.S. FY 06 Actual: 43,019 inadequate housing units in the U.S. FY 07: 0 inadequate housing units in the U.S. FY 07 Actual: 13,242 inadequate housing units in the U.S. FY 08: 2,959 inadequate housing units in the U.S. FY 09: 0 inadequate housing units in the U.S.
	3.4-4b: By end of FY 2009, the DoD will eliminate all inadequate family housing in the U.S.	FY 04 Actual: 26,600 inadequate housing units outside U.S. FY 05 Actual: 24,702 inadequate housing units outside U.S. FY 06 Actual: 19,722 inadequate housing units outside U.S. FY 07: 17,149 inadequate housing units outside U.S. FY 07 Actual: 14,298 inadequate housing units outside U.S. FY 08: 2,403 inadequate housing units outside U.S. FY 09: 0 inadequate housing units outside U.S.
Strategic Objective 3-5: Improve financial management and budget and performance integration to support strategic decisions and provide financial stewardship to the taxpayer.		
Performance Measures	Strategic Plan Long-term Performance Targets	Annual Performance Targets
3.5-1: Percent of audit-ready assets and liabilities	3.5-1a: By 2017, the DoD will demonstrate that 100 percent of assets have achieved audit readiness.	FY 04 Actual: Not available FY 05 Actual: 16% audit-ready assets FY 06 Actual: 15% audit-ready assets FY 07: 18% audit-ready assets FY 07 Actual: 15% audit-ready assets FY 08: 23% audit-ready assets FY 09: 42% audit-ready assets
	3.5-1b: By 2017, the DoD will demonstrate that 100 percent of liabilities have achieved audit readiness.	FY 04 Actual: Non available FY 05 Actual: 48% audit-ready liabilities FY 06 Actual: 48% audit-ready liabilities FY 07: 49% audit-ready liabilities FY 07 Actual: 50% audit-ready liabilities FY 08: 51% audit-ready liabilities FY 09: 88% audit-ready liabilities

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Strategic Objective 3-6: Make information available on a network that people depend on and trust.		
Performance Measures	Strategic Plan Long-term Performance Targets	Annual Performance Targets
3.6-1: Percent of IT business cases (exhibit 300s) acceptable to the OMB	3.6-1: Beginning in FY 2007, the DoD will maintain the percent of IT business cases (exhibit 300s) acceptable to the OMB at 90 percent or higher.	FY 04 Actual: 77.0% of IT cases acceptable to the OMB FY 05 Actual: 93.0% of IT cases acceptable to the OMB FY 06 Actual: 90.2% of IT cases acceptable to the OMB FY 07: 90% or higher of IT cases acceptable to the OMB FY 07 Actual: 98% of IT cases acceptable to the OMB FY 08: 90% or higher of IT cases acceptable to the OMB FY 09: 90% or higher of IT cases acceptable to the OMB
3.6-2: Percent of DoD systems accredited	3.6-2 Beginning in FY 2007, the DoD will increase the percent of systems accredited to 90 percent or higher. 1/	FY 04 Actual: 57.7% of systems accredited FY 05 Actual: 82.2% of systems accredited FY 06 Actual: 81.9% of systems accredited FY 07: 90% or higher of systems accredited FY 07 Actual: 87.1% of systems accredited FY 08: 90% or higher of systems accredited FY 09: 90% or higher of systems accredited

1/ A drop in the percentage is foreseeable in the next couple of years as improved Computer Network Defense standards and definitions are implemented.

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STRATEGIC GOAL 4: DEVELOP A 21ST CENTURY TOTAL FORCE		
Strategic Objective 4.1: Ensure an “All Volunteer” military force is available to meet the steady-state and surge activities of the DoD.		
Performance Measures	Strategic Plan Long-term Performance Targets	Annual Performance Targets
4.1-1: Percent variance in Active and Reserve component end strength	4.1-1a: For each fiscal year, the DoD Active component end strength must be maintained at or not to exceed (NTE) three percent above the SECDEF prescribed end strength for that fiscal year.	FY 04 Actual: +2.6% above SECDEF prescribed end strength FY 05 Actual: -1.2% below SECDEF prescribed end strength FY 06 Actual: -1.2% below SECDEF prescribed end strength FY07: NLT authorized/NTE +3% above SECDEF prescribed end strength FY 07 Actual: +.9% above SECDEF prescribed end strength FY08: NLT authorized/NTE +3% above SECDEF prescribed end strength FY09: NLT authorized/NTE +3% above SECDEF prescribed end strength
	4.1-1b: For each fiscal year, the DoD Reserve component end strength will not vary by more than two percent from the SECDEF prescribed end strength for that fiscal year.	FY 04 Actual: -1.4% below SECDEF prescribed end strength FY 05 Actual: -4.7% below SECDEF prescribed end strength FY 06 Actual -2.7% below SECDEF prescribed end strength FY07: +/-2% from SECDEF prescribed end strength FY 07 Actual: -1.7% below SECDEF prescribed end strength FY08: +/-2% from SECDEF prescribed end strength FY09: +/-2% from SECDEF prescribed end strength
4.1-2: Percent of deployable Armed Forces without any deployment- limiting medical condition	4.1-2: By FY 2010, the DoD will sustain the percent of deployable Armed Forces without any deployment - limiting medical condition to greater than 92 percent.	FY 04 Actual: Not available FY 05 Actual: Not available FY 06 Actual: 83% of deployable Armed Forces FY 07: >87% of deployable Armed Forces FY 07 Actual: 85% of deployable Armed Forces FY 08: >90% of deployable Armed Forces FY 09: >92% of deployable Armed Forces

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4.1-3: Percent of Armed Forces whose medical readiness status is indeterminate	4.1-3: By FY 2010, the DoD will reduce the percent of Armed Forces whose medical readiness status is indeterminate to less than eight percent.	FY 04 Actual: Not available FY 05 Actual: Not available FY 06 Actual: 32% of Armed Forces FY 07: <25% of Armed Forces FY 07 Actual: 24% of Armed Forces FY 08: <15% of Armed Forces FY 09: <10% of Armed Forces
4.1-4: Attrition rate for first-termers	4.1-4: Beginning in FY 2007, the DoD attrition rate for first-termers will not vary by more than two percent of the FY 2006 baseline of 30 percent.	FY 04 Actual: Not available FY 05 Actual: Not available FY 06 Actual: 30% first termers' attrition rate FY 07: +/-2% of FY 2006 attrition rate FY 07 Actual: Available Feb 2008 FY 08: +/-2% of FY 2006 attrition rate FY 09: +/-2% of FY 2006 attrition rate
Strategic Objective 4.2: DoD remains competitive for needed talent by sustaining workforce satisfaction.		
Performance Measures	Strategic Plan Long-term Performance Targets	Annual Performance Targets
4.2-1: Percent of Service members intending to stay in the military	4.2-1a: Beginning in FY 2007, the percent of Active Service members intending to stay in the military force, if given the choice, must not be below the pre-GWOT level of 50 percent.	FY 04 Actual: 57% of Active Service members FY 05 Actual: 55% of Active Service members FY 06 Actual: 57% of Active Service members FY 07: 50% or higher of Active Service members FY 07 Actual: 56% of Active Service members FY 08: 50% or higher of Active Service members FY 09: 50% or higher of Active Service members
	4.2-1b: Beginning in FY 2007, the percent of Reserve Service members intending to stay in the military force, if given the choice, must not decline by more than 10 percent of pre-GWOT levels (of 74 percent).	FY 04 Actual: 66% of Reserve Service members FY 05 Actual: 64% of Reserve Service members FY 06 Actual: 67% of Reserve Service members FY 07: 64% or higher of Reserve Service members FY 07 Actual: 69% of Reserve Service members FY 08: 64% or higher of Reserve Service members FY 09: 64% or higher of Reserve Service members
4.2-2: Percent of Service members, who, in their opinion, believe their spouse/significant other thinks the members should stay in the military	4.2-2a: Beginning in FY 2007, the percent of Active Service members, who, in their opinion, believe their spouse or significant other thinks the member should stay in the military must not decline by more than 5 percent of pre-GWOT levels (of 44 percent)	FY 04 Actual: 48% of Active Service members FY 05 Actual: 46% of Active Service members FY 06 Actual: 47% of Active Service members FY 07: 39% or higher of Active Service members FY 07 Actual: 45% of Active Service members FY 08: 39% or higher of Active Service members FY 09: 39% or higher of Active Service members

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	4.2-2b: Beginning in FY 2007, the percent of Reserve Service members, who, in their opinion, believe their spouse or significant other thinks the member should stay in the military must not decline by more than 10 percent of pre-GWOT levels (of 70 percent)	FY 04 Actual: 60% of Reserve Service members FY 05 Actual: 60% of Reserve Service members FY 06 Actual: 60% of Reserve Service members FY 07: 60% or higher of Reserve Service members FY 07 Actual: 64% of Reserve Service members FY 08: 60% or higher of Reserve Service members FY 09: 60% or higher of Reserve Service members
4.2-3: Average civilian employee satisfaction rate	4.2-3a: Beginning in FY 2008, the DoD will maintain an average civilian employee satisfaction rate that is equal to or above the average civilian satisfaction rate of other Federal agencies on each Federal Human Capital (FHCS) survey.	FY 04 Actual : Not available FY 05 Actual : Non-applicable 1/ FY 06 Actual : 1% above other agency rate (DoD 53% vice other agency 52%) FY 07: Non-applicable 1/ FY 08: => Other agency civilian satisfaction rate FY 09: Non-applicable 1/
	4.2-3b: Beginning in FY 2007, the DoD will show a minimum of one percent increase in civilian employee satisfaction from prior results for all six Status of Forces-Civilian (SOF-C) survey questions.	FY 04 Actual: Non-applicable 1/ FY 05 Actual: 55% civilian satisfaction rate FY 06 Actual: Non-applicable 1/ FY 07: 1% or higher from prior SOF survey results FY 07 Actual: 1% below prior SOF survey or 54% FY 08: Non-applicable 1/ FY 09: 1% or higher from prior SOF survey results
4.2-4: Average percent Defense Health Program annual cost per equivalent life increase compared to average civilian sector increase	4.2-4: Beginning in FY 2007, the DoD will maintain an average Defense Health Program (DHP) medical cost per equivalent life increase at or below the average healthcare premium increase in the civilian sector. 2/	FY 04 Actual: 7.3% Civilian sector : 14% FY 05 Actual: 8.4% Civilian sector : 11.2% FY 06 Actual : 8.2% Civilian sector : 9.2% FY 07 Actual: 6.9% Civilian sector : 7.7% FY 08: TBD FY 09 :TBD

1/ FHCS government-wide and DoD results will be reported only for even numbered years; SOF-C government-wide and DoD results will be reported only for odd numbered years.

2/ Reporting normally has a six month lag due to medical claims data; The objective is to keep the rate of cost growth for the treatment of TRICARE enrollees to a level at or below the civilian healthcare plans rate increases at the national level. Targets historically have been based on the Kaiser Family Foundation and the Health Research and Educational Trust (HRET) annual Health Insurance Survey Premium increase for the most recent year.

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Strategic Objective 4.3: Provide effective and efficient human resources management to DoD customers.		
Performance Measures	Strategic Plan Long-term Performance Targets	Annual Performance Targets
4.3-1: Percent of eligible DoD civilian employees covered under the National Security Personnel System (NSPS) as activated	4.3-1: By FY 2010, the DoD will have 100 percent of eligible DoD civilian employees under coverage by the National Security Personnel System (NSPS) as activated.	FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: 1.5% of eligible civilians covered FY 07: 14% of eligible civilians covered FY 07 Actual: 17% of eligible civilians covered FY 08: 22% of eligible civilians covered FY 09: 30% of eligible civilians covered
4.3-2: Percent Defense Travel System (DTS) usage	4.3-2a: By FY 2013, 100 percent of applicable temporary duty vouchers will be processed in the Defense Travel System (DTS).	FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: Non-applicable FY 07: 40% of vouchers processed in DTS FY 07 Actual: 52% of vouchers processed in DTS FY 08: 50% of vouchers processed in DTS FY 09: 60% of vouchers processed in DTS
	4.3-2b: By FY 2011, 100 percent of applicable DTS authorizations requiring air or rental car travel that utilize the DTS Reservation Module.	FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: Non-applicable FY 07: 80% utilization of DTS Reservation Module FY 07 Actual: 84% utilization of DTS Reservation Module FY 08: 85% utilization of DTS Reservation Module FY 09: 90% utilization of DTS Reservation Module
	4.3-2c: By FY 2009, 100 percent of planned Phase III DTS sites will be fielded.	FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: Non-applicable FY 07: 85% of Phase III DTS sites fielded FY 07 Actual: 84% of Phase III DTS sites fielded FY 08: 95% of Phase III DTS sites fielded FY 09: 100% of Phase III DTS sites fielded

Note: DTS usage performance goals and annual performance targets are notional and will be evaluated and adjusted upon completion of the "943 Study."

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Strategic Objective 4.4: Improve workforce skills to meet mission requirements.		
Performance Measures	Strategic Plan Long-term Performance Targets	Annual Performance Targets
4.4-1: Percent of operational and contingency language needs met	4.4-1: By FY 2011, the DoD will increase the percent of operational and contingency language needs met by three percent from FY 2008 baseline.	FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: Non-applicable FY 07: +1% from FY 2006% of needs met FY 07 Actual: Baseline not completed FY 08: Non-applicable FY 09: +1% from FY 08 baseline (under development)
4.4-2: Percent of units receiving joint training in Joint National Training Center (JNTC) -accredited programs prior to arriving in theater	4.4-2: By FY 2012, the DoD will increase the percent of units receiving joint training in JNTC-accredited programs prior to arriving in theater to not less than 80 percent.	FY 04 Actual: Not available FY 05 Actual: Not available FY 06 Actual: Not available FY 07 Actual: 70% of units trained FY 08: 72% or greater of units trained FY 09: 74% or greater of units trained
4.4-3: Percent of acquisition positions filled with personnel meeting Level II and Level III certification requirements	4.4-3a: Beginning in FY 2007, the DoD will increase the percent of positions filled with personnel meeting Level II certification requirements from the previous fiscal year.	FY 04 Actual: Not available FY 05 Actual: 43.14% of acquisition positions filled FY 06 Actual: 48.05% of acquisition positions filled FY 07: > FY 2006% FY 07 Actual: 51.46% of acquisition positions filled FY 08: > FY 2007% FY 09: > FY 2008%
	4.4-3b: Beginning in FY 2007, the DoD will increase the percent of positions filled with personnel meeting Level III certification requirements from the previous fiscal year.	FY 04 Actual: Not available FY 05 Actual: 62.64% of acquisition positions filled FY 06 Actual: 60.31% of acquisition positions filled FY 07: >FY 2006% FY 07 Actual: 61.71% of acquisition positions filled FY 08: >FY 2007% FY 09: > FY 2008%
4.4-4: Cumulative number of Defense intelligence components converted to the Defense Civilian Intelligence Personnel System (DCIPS)	4.4-4: By FY 2010, the DoD will have converted nine Defense intelligence components to the Defense Civilian Intelligence Personnel System (DCIPS).	FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: Non-applicable FY 07 Actual: Non-applicable FY 08: 1 Defense intelligence components FY 09: 7 Defense intelligence components

DoD FY 2009 Budget Request Summary Justification

STRATEGIC GOAL 5: ACHIEVE UNITY OF EFFORT		
Strategic Objective 5.1: Build capacity of international partners in fighting the war on terrorism.		
Performance Measures	Strategic Plan Long-term Performance Targets	Annual Performance Targets
5.1-1: Annual number of international students participating in Department-sponsored educational activities	5.1-1: Beginning in FY 2007, the DoD will increase the number of international students participating in Department-sponsored education by at least two percent per year.	FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: Non-applicable FY 07: 52,607 international students FY 07 Actual: 52,607 international students FY 08: 53,660 international students FY 09: 56,400 international students
5.1-2: Annual number of Technology Security Actions (TSAs) processed	5.1-2: Beginning in FY 2007, the DoD will increase the number of reviews of relevant technologies involving transfers to international partners by two percent per year.	FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: Non-applicable FY 07: 102,059 TSAs processed FY 07 Actual: 116,017 TSAs processed FY 08: 118,337 TSAs processed FY 09: 120,704 TSAs processed
Strategic Objective 5.2: Improve strategic communication process to link information issues with policies, plans, and actions and improve primary communication supporting capabilities.		
Performance Measures	Strategic Plan Long-term Performance Targets	Annual Performance Targets
5.2-1: Number of Strategic Communication plans approved	5.2-1: Beginning in FY 2008, the DoD will approve five Strategic Communication plans each year	FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: Non-applicable FY 07: 50% of strategic communications plans approved FY 07 Actual: 5% of strategic communication plans approved FY 08: five strategic communications plans approved FY 09: five strategic communications plans approved
5.2-2: Number of officers graduated from Joint Intermediate, Expeditionary, and Senior Public Affairs courses	5.2-2: Beginning in FY 2008, the DoD will graduate 81 officers, each year, from the Joint Intermediate, Expeditionary, and Senior Public Affairs courses.	FY 04 Actual: Non-applicable FY 05 Actual: Non-applicable FY 06 Actual: Non-applicable FY 07: 45 Public Affairs graduates FY 07 Actual: 16 Public Affairs graduates FY 08: 81 Public Affairs graduates FY 09: 81 Public Affairs graduates

FINANCIAL MANAGEMENT

Financial Management Accomplishments

The Department has achieved significant financial management success since 2001. These achievements benefit decision makers by making information more timely and accurate. Accomplishments included improvements in audit readiness, elimination of internal control weaknesses, and improvements in the effectiveness of financial operations. All were due in large part to developing a stronger financial management workforce.

Today, the Department is:

- Ready to achieve a clean audit opinion in 2009 on more than two-thirds of its assets and liabilities, totaling \$2.4 trillion;
- On track to eliminate the remaining 19 of the original 116 managers' internal control weaknesses identified in 2001;
- Improving efficiencies in financial operations, which lowers costs to the warfighter. The Defense Finance and Accounting Service has increased its productivity by 52 percent, resulting in \$317 million in savings since 2001; and
- Investing in its financial management workforce by establishing a first-of-its-kind Chief Financial Officer Academy. Today, more than half of OSD Comptroller staff members have at least one professional certification.

Department-Wide Clean Audit

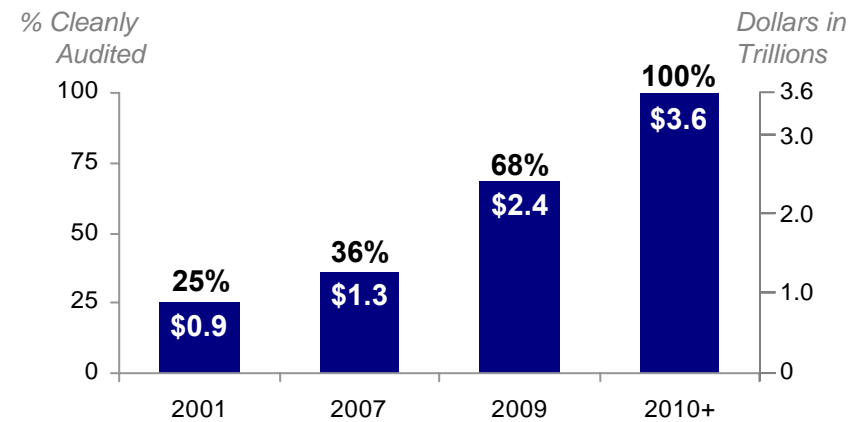
The progress toward a DoD-wide clean audit is one of the Department's most significant financial management accomplishments. In 2001, critics predicted that the Department's leadership would not be able to turn around its complex financial management operations. Seven years later, DoD's financial management has been transformed into a high-performing enterprise program that delivers critical information to decision-makers and warfighters to achieve mission success.

In FY 2001, only \$879 billion in combined DoD assets and liabilities received unqualified audit opinions. By FY 2007, DoD cleanly audited \$1.3 trillion or 36 percent of all assets and liabilities. This accomplishment is due to the Department's comprehensive Financial Improvement and Audit Readiness (FIAR) Plan (Figure 3.12).

The FIAR Plan was developed in 2005 to establish the timeline and milestones for improved financial management and to obtain a clean audit. To ensure transparency and maintain strong levels of confidence, the Department reports on its accomplishments by updating the FIAR Plan for Congress and the OMB every six months.

The September 2007 update of the FIAR Plan expanded on the Department's incremental approach, incorporated lessons learned, and highlighted progress already achieved. Results achieved under the FIAR Plan within the last year included the following:

Figure 3.12 Progress Towards A Department-Wide Clean Audit



Source: DoD Financial Management Metrics Numbers do not add due to rounding 106-23

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- The U.S. Army Corps of Engineers received a qualified opinion on its financial statement audit for FY 2006 and FY 2007. The Corps is the largest DoD entity to receive a favorable opinion to date and the lessons learned are being applied across the Department; and
- The Defense Information Systems Agency is undergoing an audit of its Balance Sheet, which portrays the Agency's assets and liabilities. Favorable results in this area will provide the basis for auditing its remaining financial statements.

Progress towards a Department-wide clean audit will continue into FY 2009, when DoD expects to receive clean audit opinions on \$2.4 trillion, which is more than two-thirds (68 percent) of the Department's assets and liabilities. This achievement will be extraordinary since the new major Service financial systems will not yet be operational.

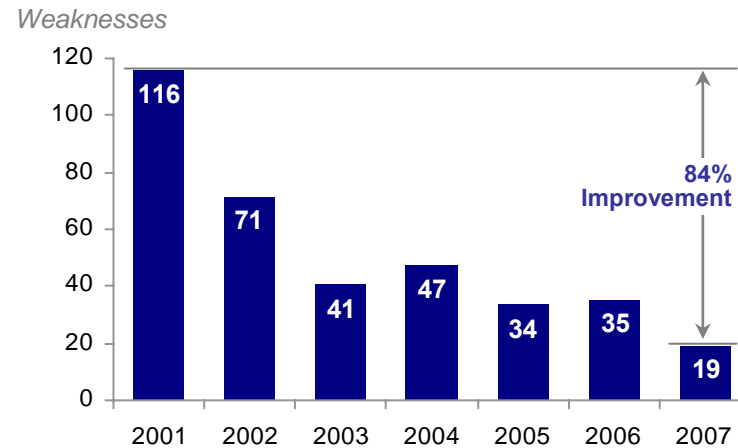
By FY 2010, the Department expects unqualified opinions for the U.S. Army Corps of Engineers, the Defense Information Systems Agency, the Medicare Eligible Retiree Health Care Fund, the TRICARE Management Activity, and the U.S. Marine Corps. This equates to 50 percent (\$747 billion) of DoD's assets and 89 percent (\$1,818 billion) of its liabilities being audit-ready.

Improving Financial Stewardship

Stronger internal controls have reduced opportunities for waste, fraud, and abuse and increased efficiencies in several processes:

- A reduction in self-identified internal control weaknesses from 116 to only 19 (Figure 3.13);
- Zero material weaknesses in the DoD civilian pay system internal controls design, as reported by the Office of the Inspector General (OIG);

Figure 3.13 Reducing Internal Control Weaknesses



Source: FY 2001-2007 DoD Performance and Accountability Reports

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- Praise from the Government Accountability Office for policies and controls over Premium Class Travel, that are examples for other Federal agencies to follow;
- \$452 million in duplicate payments prevented in FY 2005 alone;
- A successful "Check It!" campaign that is championed by Deputy Secretary Gordon England and other top Department leaders and which is heightening awareness of internal controls throughout the Department; and
- Audits conducted by the Defense Contract Audit Agency (DCAA) on \$358 billion of contracts in FY 2007, that saved the Department \$2.4 billion and provided to investigators with information that resulted in DoD recovering \$225 million in 167 investigations.

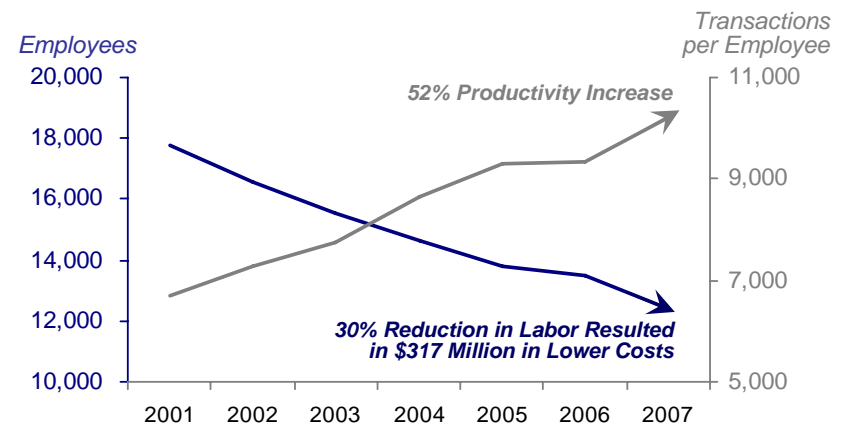
DoD FY 2009 Budget Request Summary Justification

Ensuring Continuous Improvements in Financial Operations

A robust metrics program and financial transformation effort delivered a dramatic 80 percent average improvement in accuracy and timelines:

- The Department has reduced amounts owed to it from the public by 42 percent since December 2005, which increased the resources available to the warfighter;
- The Department has embraced electronic invoicing as one of many efforts to reduce errors and improve efficiency. In 2004, DoD received 1.7 million electronic invoices per quarter (64 percent of total) and has increased that amount to 2.4 million (82 percent of total);
- Since 2001, DoD has avoided \$247 million in interest penalties by paying invoices on time, while experiencing a two-fold increase in the dollar amount of payments made. This means more budget dollars for operational needs instead of administrative expenses;
- The Defense Finance and Accounting Service (DFAS), which provides accounting and finance services for the Military Departments and Defense agencies, increased its rate of operation and eliminated excess capacity, resulting in a 52 percent increase in productivity and lower costs to the Services by \$317 million since 2001 (Figure 3.14);
- The Department's Fund Balance with Treasury account, which reflects the DoD budget available for spending, is nearly 100 percent accurate (Figure 3.15). This account reconciles DoD records with the Department of Treasury's records. This helps to ensure that requests for additional taxpayer dollars are for true funding shortfalls;

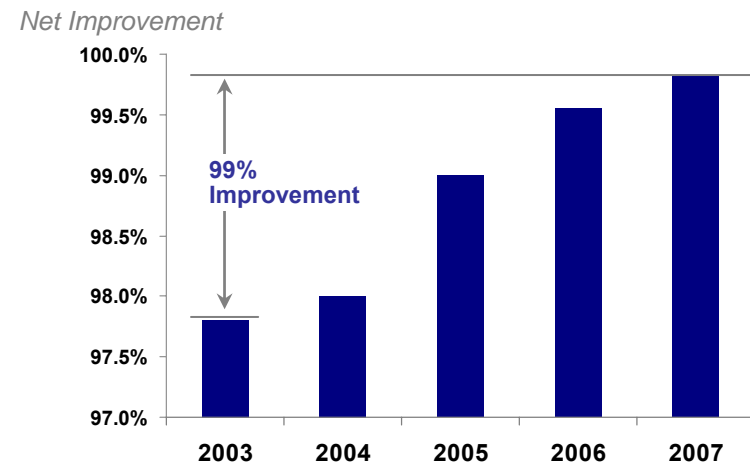
Figure 3.14 Increasing DFAS Productivity while Lowering Costs



Source: Defense Finance and Accounting Service

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Figure 3.15 Reconciling DoD's Fund Balance with Treasury



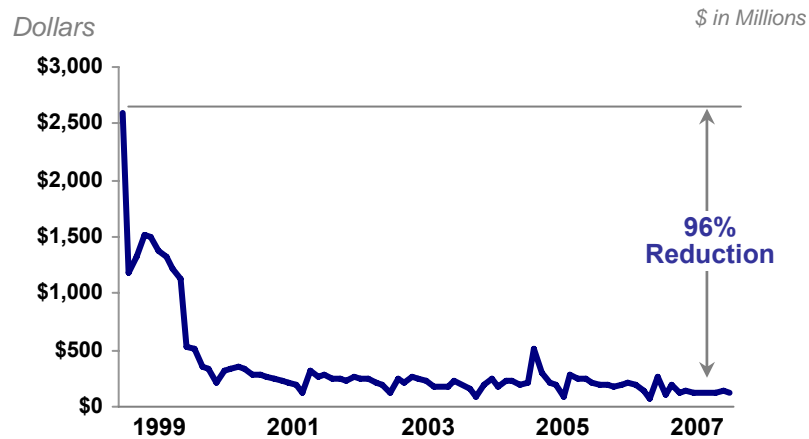
Source: DoD Financial Management Metrics

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- DoD reduced inaccurate accounting records by over 96 percent, thereby reducing the risk of fraudulent transactions (Figure 3.16);
- The accounts used by base commanders to manage funds received from outside the command – known as exempt clearing accounts – differed from the balances recorded at the Department of Treasury. Within three months of discovery, the Department corrected every account and has maintained 100 percent reconciliation with Treasury balances ever since;
- Military and civilian personnel pay is more than 99 percent accurate for the three million active, Reserve, and retired military personnel and civilian employees paid each month. Not having to worry about being paid accurately allows DoD personnel to give their best to the task at hand;

Figure 3.16 Reducing Inaccurate Accounting Entries



Source: DoD Financial Management Metrics

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U.S. Army Soldiers patrol the streets of Tunis, Iraq. The Soldiers attached to Alpha Company, 2nd Battalion, 69th Infantry Regiment 2nd Brigade Combat Team, 3rd Infantry Division.

U.S. Navy photo by Mass Communication Specialist 2nd Class Justin K. Thomas - October, 2007

- The DoD OIG conducts operational audits and makes recommendations to improve efficiencies and operations within the Department. In FY 2007, the OIG auditors identified \$697 million which was better aligned toward other warfighter needs; and
- Today, 100 percent of GWOT cost reporting is traceable to an accounting system (92 percent) or a validated cost model (8 percent), providing better transparency for both the Congress and the American people.

As a result of efficiency improvements, DoD is able to pay invoices in a more timely manner, thereby reducing the cost of operations, reducing interest penalties, and improving relationships with vendors. This leads to better payment terms and attracts more potential vendors, which increases competition and lowers costs to the Department.

DoD FY 2009 Budget Request Summary Justification

Improvements in financial management are also a result of the business transformation efforts established in the Enterprise Transition Plan, which focuses primarily on implementing new or updated systems into an integrated business network. Major goals and accomplishments include:

- Implementing financial systems that comply with Federal financial management requirements. Several entities have successfully implemented pilots of modern integrated systems and are preparing for full system roll-out across the entire organization. The Navy, Army, Air Force, and Defense Logistics Agency all have pilot programs demonstrating huge successes;
- Defining and implementing a common language – the Standard Financial Information Structure (SFIS) – that provides standard definitions and business rules that enable transparency and interoperability of financial information across the Department. This Structure now serves as the template for a government-wide financial data language; and
- Implementing the Business Enterprise Information Service (BEIS) to aggregate financial information and provide Department-wide financial reporting. The BEIS will yield timely, accurate, and reliable financial information and enable comparison of financial data across the Department as never before. BEIS works with other financial management initiatives, such as SFIS, to provide for more informed financial decision-making.

The Department is also achieving greater efficiencies by investing in new financial accounting systems. Presently, six of twelve major financial systems have been completed. As these systems become operational, they deliver significant improvements in financial operations. For example, the Defense Logistics Agency (DLA) recently implemented an Enterprise Resource Planning System that has shortened order processing from one day to four hours, thereby getting material and supplies to the warfighter faster. This system has also streamlined end-



U.S. Hospital Corpsman 1st Class Reynaldo S. Datu, assigned to Marine embedded training team (ETT) 7-2 based in Okinawa, Japan, conducts patrols with soldiers from the 3rd Kandak (Armored), 3rd Brigade, 201st Afghan National Army Corps on a mountain in eastern Konar Province. Since 2001 DFAS has improved productivity resulting in \$317M in savings available for the Warfighter.

U.S. Navy photo by Marine Staff Sgt. Luis P. Valdespino Jr. – January 2008

of-year financial closing from nine days to two, making the financial information available to management sooner.

Recruit and Retain a Professional Workforce

These accomplishments are due to DoD's financial management professionals. They have worked with skill and dedication to improve the financial management of the world's largest and most complex organization – and they have done so while DoD has

DoD FY 2009 Budget Request Summary Justification

been engaged in multiple conflicts and humanitarian missions. The Department is working to ensure that this progress continues by investing in the education and professional development of its financial management workforce:

- DoD is providing retention incentives, such as financial assistance for employees seeking advanced degrees and professional certifications. Today, more than half of Comptroller staff members have at least one professional certification;
- The Department is using innovative strategies to recruit employees, including the DFAS Leaders-in-Motion program, which has trained an average of 225 employees per year;
- To make the most of employee talent, the Department is linking performance to its financial management strategy through the National Security Personnel System Individual Development Plans; and
- DoD is also investing long-term in its workforce by initiating the Chief Financial Officer Academy at the National Defense University. This effort, similar to existing programs for Chief Information Officers, will help to form a more analytic and broadly skilled financial workforce that will provide value to the taxpayer and greater security to the Nation.

SUMMARY

Since 2001, the Department of Defense has measurably improved financial management to provide decision-makers timely and accurate information to support our warfighters. Today, the Department's fiscal information, including the Consolidated Balance Sheet (Figure 3.17), provides a more complete depiction of DoD's financial health than ever before. This progress will continue because the Department has strategically invested in its workforce and a detailed plan to achieve optimal financial operations and to obtain a Department-wide clean audit.

Figure 3.17 Consolidated Balance Sheet (\$ in billions)

Assets	FY 2007	FY 2006*
Fund Balance with Treasury	407.2	329.0
Investments and Related Interest	333.7	299.3
Accounts Receivable, Net	1.4	2.9
Other Assets	1.2	1.2
Total Intragovernmental Assets	743.5	632.4
Cash and Other Monetary Assets	15.0	2.2
Accounts Receivable, Net	7.5	7.9
Loans Receivable	3.2	3.9
Inventory and Related Property, Net	224.9	231.8
General Property, Plant and Equipment, Net	474.5	465.4
Investments and Related Interest	1.4	1.1
Other Assets	36.2	27.9
Total Assets	1,506.3	1,372.6
Liabilities	FY 2007	FY 2006*
Accounts Payable	1.9	1.5
Debt	3.2	3.7
Other Liabilities	11.5	13.2
Total Intragovernmental Liabilities	16.7	18.4
Accounts Payable	29.7	27.4
Military Retirement & Other Federal Employment Benefits	1,874.7	1,815.8
Environmental and Disposal Liabilities	72.5	70.0
Loan Guarantee Liability	>0.1	>0.1
Other Liabilities	57.2	31.6
Total Liabilities	2,050.7	1,963.2
Net Position	FY 2007	FY 2006*
Unexpended Appropriations - Earmarked Funds	>0.1	>0.1
Unexpended Appropriations - Other Funds	380.5	309.5
Cumulative Results of Operations - Earmarked Funds	-1,280.1	-1,271.7
Cumulative Results of Operations - Other Funds	355.2	371.6
Total Net Position	-544.4	-590.6
Total Liabilities and Net Position	1,506.3	1,372.6

**Restated*

Source: FY 2007 DoD Performance and Accountability Report

MAJOR WEAPONS SYSTEMS

Major Weapons Systems

HIGHLIGHTS

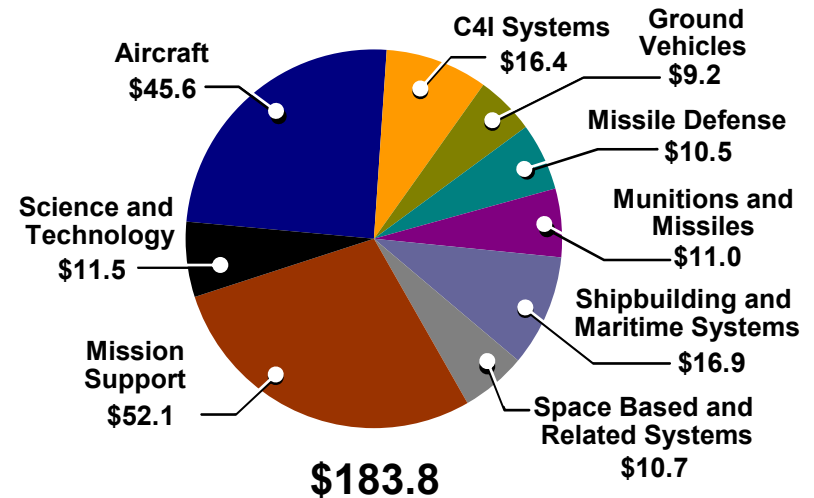
OVERVIEW

The combined capabilities and performance of U.S. weapons systems are unmatched throughout the world, ensuring that our military forces have the tactical edge over any adversary.

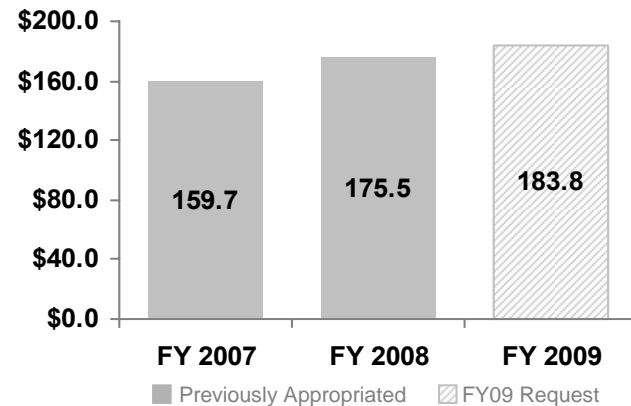
Funding Categories

- Aircraft
- Command, Control, Communications, Computers and Intelligence (C4I) Systems
- Ground Vehicles
- Missile Defense
- Mission Support
- Munitions and Missiles
- Science and Technology
- Shipbuilding and Maritime Systems
- Space Based and Related Systems

FY 2009 Strategic Modernization Breakdown *(\$ in billions)*



Total Annual Cost *(\$ in billions)*



*Numbers may not add due to rounding
 This table does not include GWOT. Subsequent funding figures in this section include GWOT funding—see Major Weapons Systems Summary table for more information*

Major Weapons Systems

OVERVIEW

The combined capabilities and performance of U.S. weapons systems are unmatched throughout the world, ensuring that our military forces have the tactical edge over any adversary. To preserve and build upon this advantage, the Department's FY 2009 budget includes \$183.8 billion to continue its strategic modernization – \$104.2 billion for Procurement and \$79.6 billion for RDT&E.

The need for investment spending addresses DoD activity levels and the nature of the threats our warfighters face. Funding for weapons systems is typically higher in times of war or conflict. Yet, due to the constant evolution of threat conditions, the Department cannot defer its modernization effort without accepting unacceptable future risk. The FY 2009 budget represents the greatest investment since the Cold War in sustaining U.S. technological advantage (Figure 4.1). This is largely a result of significant transformation efforts underway to replace aging and outdated weapon systems and to modify existing weapons to address component obsolescence and improve performance against future threats.

Funding for weapon systems has a significant impact on our national economy and American technology. Defense acquisitions have been instrumental to developments in space communications and surveillance, the information and communications revolutions, the Internet, and advances in digital imagery. Over the past 50 years, many major fields of technological advance have been influenced by the Department's investments.

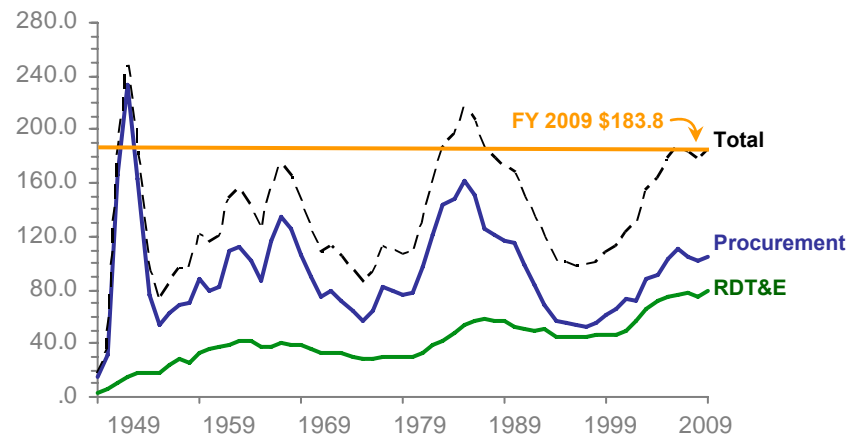
OVERSIGHT AND REFORM

The Defense Acquisition System is the management process by which the Department acquires weapon systems and automated

information systems. Its continuous objective is to rapidly acquire quality products that satisfy user needs with measurable improvements to reliability and capability at a fair and reasonable cost to the American taxpayer. Although the Defense Acquisition System provides flexibility and encourages innovation, it maintains a strict emphasis on discipline and accountability. It applies more stringent oversight to programs of increasing dollar value and management interest. The highest-profile programs are designated as Major Defense Acquisition Programs (MDAP) and Major Automated Information Systems (MAIS). Accordingly, they have the most extensive statutory and regulatory reporting requirements, requiring review by specific Office of the Secretary of Defense officials. Examples of MDAPs include the F-35 program and the Army's Future Combat Systems (FCS); these

Figure 4.1 Historical Acquisition Budget Authority (FY 1949 – 2009)

(FY 2008 \$ in Billions)



Source: Department of Defense National Defense Budget Estimates for FY 2008, Budget Authority by Title in Constant 2008 Dollars
FY 1949 – 2008 data includes supplementals, as applicable.
FY 2009 does not include any GWOT funding

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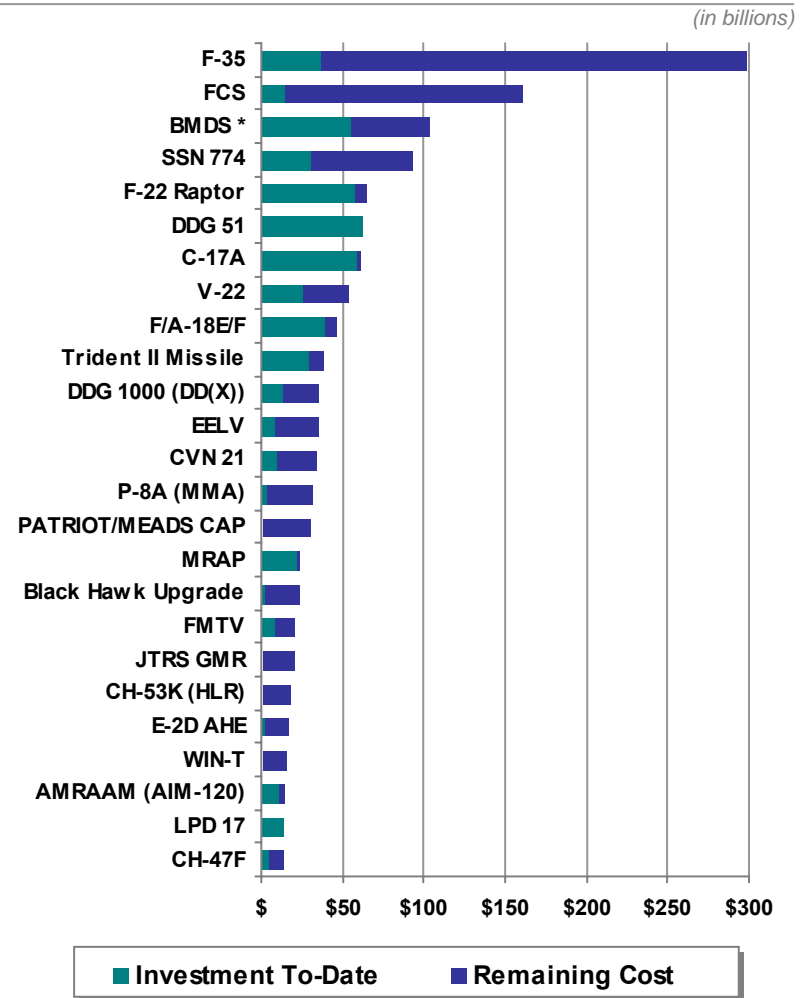
DoD FY 2009 Budget Request Summary Justification

two programs currently represent the largest MDAPs in the Department's portfolio (Figure 4.2).

To address cost, schedule, and performance issues, the Department is implementing multiple initiatives to improve our acquisition system. By advancing acquisition reform at both a strategic and tactical level, the goal is to strengthen every aspect of the Defense Acquisition System.

- **Workforce.** The Department is working to enhance and align the skills, size, and mix of the workforce with modern acquisitions challenges, recruit and retain superior talent, and continually reinforce the highest ethical standards. The Defense Acquisition University and the Industrial College of the Armed Forces both continue to improve their acquisition workforce training programs.
- **Acquisition:**
 - *Streamline and Simplify Acquisition:* Improve the quality and reduce the cycle time for decisions; achieve an earlier initial operational capability; and incrementally improve system performance.
 - *Create Affordable and Predictable Outcomes:* Bound the set of available choices by constraining the decision space to requirements, schedule, and cost; create an information management environment fostering open and transparent data.
 - *Improve Centers of Excellence:* Cultivate centers in Systems and Software Engineering, Program Management, Contracting, and Cost Estimation.
 - *Align Responsibility and Accountability:* Ensure that trust, integrity, and ethics are the cornerstones.
- **Requirements.** Clearly defined and stable requirements are critical to respond to capability needs on time and on cost.

Figure 4.2 Total Cost of Top 25 MDAPs



Source: Dec 2006 Selected Acquisition Reports

* BMDS as reported in SAR, eventual costs beyond FYDP not known

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DoD FY 2009 Budget Request Summary Justification

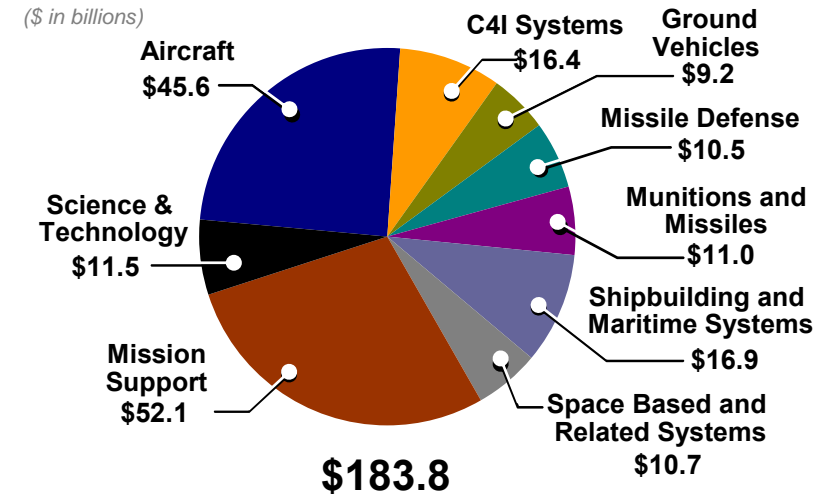
- **Budget.** The Department is trying to institute more realistic, cost effective plans and budgets. Funding to independent cost estimates will mitigate cost growth attributable to unrealistic program office estimates.
- **Industry.** The Department is committed to fostering broadened globalization, innovation, and competition through a series of efforts, including raising awareness of the capabilities of small companies and exploring opportunities for public/private partnering.
- **Organization.** The Department strives to enhance governance and decision-making by linking strategy to outcomes, clarifying decision-making responsibilities, focusing on strategic choices, improving the analytic framework, and providing business transparency.
- **Program Control.** Configuration Steering Boards will review all requirements changes and any significant technical configuration changes that have the potential to result in cost and schedule impacts to the program. Changes may not be approved unless funds are identified and schedule impacts mitigated.

WEAPON SYSTEM DETAILS

The Department's request for strategic modernization spans eight categories: Aircraft; Command, Control, Communications, Computers, and Intelligence (C4I) Systems; Ground Vehicles; Missile Defense; Munitions and Missiles; Shipbuilding and Maritime Systems; Space Based and Related Systems; Mission Support; and Science and Technology (Figure 4.3).

Mission Support includes thousands of critical technology and procurement items that the Department acquires annually to sustain an effective military force and retain a high level of readiness. They include, but are not limited to: small arms, night vision goggles, medical equipment, environmental pollution

Figure 4.3 FY 2009 Strategic Modernization Categories



Source: FY 2009 PRCP – Investment Categorization
Numbers may not add due to rounding

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control systems, training simulators, intelligence support, motor vehicles, and howitzers. A more detailed summary of these and ancillary mission support costs can be found in the RDT&E Program (R-1) and the Procurement Programs (P-1) exhibits, which are posted at the Department's website (DefenseLink.mil).

As discussed in the Justification chapter, the Department's Science and Technology investment responds to the present day needs of the Department and warfighter, while providing the foundation for superior future capabilities. The \$11.5 billion request includes \$1.7 billion for Basic Research.

Examples of major programs for each of these categories, with the exception of Mission Support and Science and Technology, are included in this section. The following summaries describe major weapons systems under development or production.

DoD FY 2009 Budget Request Summary Justification

Major Weapons Systems Summary (\$ in Millions)		FY 2007	FY 2008			FY 2009	Page	
		Actual*	Budget Enacted	GWOT Enacted	Subtotal Enacted	GWOT Remaining		Budget Request
Aircraft – Joint Service								
C-130	Hercules	2,074.0	1,531.5	–	1,531.5	1,442.6	956.6	162
RQ-4	Global Hawk	666.7	855.6	–	855.6	2.2	996.5	163
JCA	Joint Cargo Aircraft	87.1	183.4	–	183.4	–	299.4	163
F-35	Joint Strike Fighter	4,879.6	6,495.4	–	6,495.4	230.0	6,728.3	164
UAS	Predator and Reaper	916.3	599.4	–	599.4	200.9	795.3	164
V-22	Osprey	2,160.8	2,569.9	–	2,569.9	633.0	2,731.1	165
JPATS T-6A	JPATS T-6A Texan II	447.5	537.5	–	537.5	–	322.5	165
UAS	Shadow and Raven	293.6	209.4	–	209.4	257.6	60.7	166
Aircraft – USA								
AH-64	Apache	1,603.8	901.8	105.0	1,006.8	312.8	835.8	166
ARH	Armed Reconnaissance Helicopter	188.2	355.7	–	355.7	222.6	574.5	167
CH-47	Chinook	1,337.8	786.5	334.1	1,120.6	311.1	1,177.6	167
LUH	Light Utility Helicopter	148.4	228.9	–	228.9	–	224.5	168
UH-60	Black Hawk	1,394.9	977.2	483.3	1,460.5	44.4	1,097.0	168
Aircraft – USN/USMC								
E-2C/D	Hawkeye	696.3	866.4	–	866.4	1.0	1,127.4	169
E-6	Mercury	91.1	120.4	–	120.4	1.0	136.4	169
EA-18G	Growler	1,096.7	1,586.7	–	1,586.7	375.0	1,780.5	170
EA-6B	Prowler	296.3	73.6	–	73.6	209.4	140.3	170
F/A-18E/F	Hornet	2,776.0	2,124.5	–	2,124.5	769.5	1,982.5	171
H-1	Huey/Super Cobra	527.2	419.1	–	419.1	123.4	477.9	171
MH-60R	Multi-Mission Helicopter	941.9	1,067.3	–	1,067.3	205.0	1,256.1	172
MH-60S	Fleet Combat Support Helicopter	627.8	538.3	–	538.3	190.3	597.0	172
P-8A	Poseidon	1,100.0	862.3	–	862.3	–	1,242.6	173
VH-71	Executive Helicopter	613.9	225.4	–	225.4	–	1,047.8	173

*Includes GWOT appropriations

Numbers may not add due to rounding

DoD FY 2009 Budget Request Summary Justification

Major Weapons Systems Summary (\$ in Millions)		FY 2007	FY 2008			FY 2009	Page	
		Actual*	Budget Enacted	GWOT Enacted	Subtotal Enacted	GWOT Remaining		Budget Request
Aircraft – USAF								
A-10	Thunderbolt	318.7	170.0	–	170.0	313.5	144.1	174
B-2	Spirit	277.3	508.0	–	508.0	59.9	681.8	174
C-17	Globemaster	4,892.2	619.4	–	619.4	72.0	935.1	175
C-5	Galaxy	340.5	487.9	11.7	499.6	63.3	708.2	175
CSAR-X	Combat Search & Rescue Helicopter	103.7	94.4	–	94.4	–	320.1	176
F-16	Falcon	492.7	403.1	–	403.1	92.1	397.7	176
F-15E	Eagle	411.3	133.5	39.7	173.2	320.4	196.5	177
F-22	Raptor	4,000.0	4,417.9	–	4,417.9	–	4,081.5	177
KC-X	New Tanker	68.3	113.7	–	113.7	–	893.5	178
C4I – Joint Service								
JTRS	Joint Tactical Radio System	788.2	854.7	–	854.7	–	853.0	180
C4I – USA								
FCS	Future Combat Systems	3,378.1	3,436.9	–	3,436.9	–	3,557.7	180
SINGARS	Single Channel Ground & Airborne Radio	630.6	148.6	–	148.6	2,248.3	84.9	181
WIN-T	Warfighter Information Network – Tactical	119.3	320.1	–	320.1	–	702.0	181
Ground Vehicles – Joint Service								
JTLV	Joint Light Tactical Vehicle	29.3	78.9	–	78.9	20.0	66.2	183
MRAP	Mine Resistant Ambush Protected	5,400.0	–	13,464.0	13,464.0	–	–	183
Ground Vehicles – USA								
ASV	Armored Security Vehicle	461.9	282.3	1.5	283.8	309.4	195.4	184
FHTV	Family Of Heavy Tactical Vehicles	1,582.6	572.6	427.0	999.6	2,409.3	926.2	184
FMTV	Family Of Medium Tactical Vehicles	3,102.5	1,846.6	146.0	1,992.6	2,693.0	946.7	185
M1 Upgrade	Abrams Tank	2,590.6	620.6	425.0	1,045.6	1,466.7	727.7	185
Stryker	Stryker Family of Armored Vehicles	1,439.0	184.7	918.7	1,103.4	1,989.6	1,283.0	186

*Includes GWOT appropriations

Numbers may not add due to rounding

DoD FY 2009 Budget Request Summary Justification

		FY 2007	FY 2008			FY 2009		
Major Weapons Systems Summary			Budget	GWOT	Subtotal	GWOT	Budget	
(\$ in Millions)		Actual*	Enacted	Enacted	Enacted	Remaining	Request	Page
HMMWV	High Mobility Multi-purpose Wheeled Vehicle	3,237.5	1,139.1	455.0	1,594.1	1,774.4	989.7	186
Ground Vehicles – USN/USMC								
EFV	Expeditionary Fighting Vehicle	314.9	247.2	–	247.2	–	316.1	187
Missile Defense – Joint Service								
Patriot/MEADS	Patriot	322.9	370.0	–	370.0	–	462.3	189
Patriot/PAC–3	Patriot	511.1	480.5	–	480.5	–	523.3	189
Missile Defense	Missile Defense	9,433.6	8,709.0	–	8,709.0	–	9,431.5	190
Missiles and Munitions – Joint Service								
AMRAAM	Advanced Medium Range Air-Air Missile	242.0	316.1	–	316.1	0.8	504.3	192
AIM–9X	Air Intercept Missile - 9X	100.3	119.1	–	119.1	–	147.1	192
Chem–Demil	Chemical Demilitarization	1,403.0	1,617.0	–	1,617.0	–	1,620.0	193
JAGM	Joint Air to Ground Missile	–	67.9	–	67.9	–	180.8	194
JASSM	Joint Air-to-Surface Standoff Missile	189.5	172.1	–	172.1	23.0	253.3	194
JDAM	Joint Direct Attack Munition	301.7	145.4	5.0	150.4	18.1	115.0	195
JSOW	Joint Standoff Weapon	150.9	159.5	–	159.5	–	171.6	195
SDB	Small Diameter Bomb	246.8	248.6	–	248.6	27.9	277.9	196
Missiles and Munitions – USA								
Javelin	Javelin Advanced Tank Weapon	158.1	166.8	–	166.8	121.2	259.3	196
HIMARS	High Mobility Artillery Rocket System	295.9	267.6	–	267.6	67.2	391.1	197
Missiles and Munitions – USN								
ESSM	Evolved Seasparrow Missile	99.1	82.7	–	82.7	–	85.1	197
RAM	Rolling Airframe Missile	56.6	75.5	–	75.5	–	74.3	198
Standard	Standard Family of Missiles	314.1	385.4	–	385.4	–	462.7	198
Tomahawk	Tactical Tomahawk Cruise Missile	375.4	396.2	–	396.2	103.5	295.3	199

*Includes GWOT appropriations

Numbers may not add due to rounding

DoD FY 2009 Budget Request Summary Justification

		FY 2007	FY 2008			FY 2009		
Major Weapons Systems Summary			Budget	GWOT	Subtotal	GWOT	Budget	
(\$ in Millions)		Actual*	Enacted	Enacted	Enacted	Remaining	Request	Page
Trident II	Trident II Ballistic Missile	993.7	1,088.9	–	1,088.9	–	1,138.7	199
Shipbuilding and Maritime Systems – Joint Service								
JHSV	Joint High Speed Vessel	33.5	233.6	–	233.6	–	359.7	201
Shipbuilding and Maritime Systems – USN								
CVN-21	Carrier Replacement	1,410.6	3,377.5	–	3,377.5	–	4,188.1	201
DDG 1000	DDG 1000 Destroyer	3,354.3	3,536.2	–	3,536.2	–	3,232.6	202
LHA(R)	Landing Helicopter Assault Ship	1,144.3	1,371.6	–	1,371.6	–	2.4	202
LCS	Littoral Combat Ship	756.9	641.2	–	641.2	–	1,291.0	203
LPD-17	Amphibious Transport Dock Ship	387.8	1,502.0	–	1,502.0	–	104.2	203
SSN-774	Virginia Class Submarine	2,749.8	3,418.4	–	3,418.4	–	3,591.0	204
RCOH	CVN Refueling Complex Overhaul	1,067.1	295.3	–	295.3	–	628.0	204
T-AKE	Auxiliary Dry Cargo and Ammunition Ship	453.2	753.3	–	753.3	–	962.4	205
Space Based and Related Systems – USN								
MUOS	Mobile User Objective System	645.9	812.6	–	812.6	–	1,024.3	207
Space Based and Related Systems – USAF								
AEHF	Advanced Extremely High Frequency	617.3	731.5	–	731.5	–	404.6	207
EELV	Evolved Expendable Launch Vehicle	871.2	1,091.8	–	1,091.8	–	1,239.0	208
GPS	Global Positioning System	547.8	821.3	–	821.3	–	954.6	208
NPOESS	National Polar–Orbiting Operational Environmental Satellite System	343.3	332.5	–	332.5	–	289.5	209
SBIRS	Space Based Infrared System	684.4	982.6	–	982.6	–	2,328.2	209
TSAT	Transformational Satellite Communication	700.4	804.7	–	804.7	–	843.0	210
WGS	Wideband Global Satellite Communication	456.5	342.0	–	342.0	–	34.9	210

*Includes GWOT appropriations

Numbers may not add due to rounding

AIRCRAFT

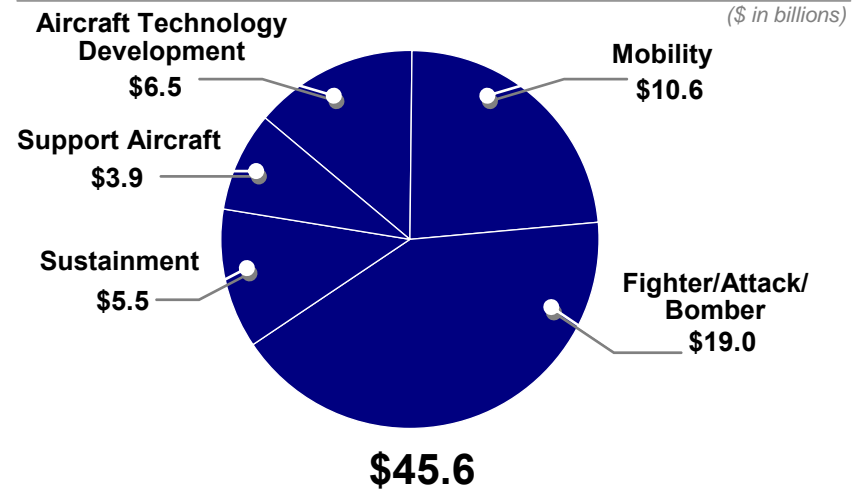
DoD FY 2009 Budget Request Summary Justification

Aircraft

Aviation forces — including fighter/attack, bomber, mobility (cargo/tanker) and specialized support aircraft — provide a versatile striking force capable of rapid deployment worldwide. These forces can quickly gain and sustain air dominance over regional aggressors, permitting rapid air attacks on enemy targets while providing security to exploit the air for logistics, command and control, intelligence, and other functions. Fighter/attack aircraft, operating from both land bases and aircraft carriers, combat enemy fighters and attack ground and ship targets. Bombers provide an intercontinental capability to rapidly strike surface targets. The specialized aircraft supporting conventional operations perform functions such as surveillance, airborne warning and control, air battle management, suppression of enemy air defenses, reconnaissance, and combat search and rescue. In addition to these forces, the U.S. military operates a variety air mobility forces including cargo, aerial-refueling aircraft, helicopters, and support aircraft.

Aircraft funding has continued to increase to support the procurement of aircraft such as the F-35 Joint Strike Fighter, the V-22, the new tanker program, the Navy's F/A-18 E/F and E/A-18G, and the Combat Search and Rescue Helicopter. The

FY 2009 Aircraft



Source: FY 2009 PRCP – Investment Categorization
Numbers may not add due to rounding

106-WP

FY 2009 budget also funds the last year of the three-year procurement for the F-22 and continues the recapitalization of the Department's legacy aircraft fleet.

DoD FY 2009 Budget Request Summary Justification

C-130 Hercules



The C-130 Hercules is a tactical airlift aircraft modernizing the U.S. tactical airlift capability.

It is capable of performing a number of tactical airlift missions including deployment and redeployment of troops and/or supplies within/between command areas in a theater of operation, aeromedical evacuation, air logistic support and augmentation of strategic airlift forces.

Mission: The mission of the C-130 is the immediate and responsive air movement and delivery of combat troops and supplies directly into objective areas primarily through airlanding, extraction, and airdrop and the air logistic support of all theater forces.

FY 2009 Program: The budget continues the C-130J procurement for the Air Force with advance procurement funding beginning in FY 2009 to support aircraft in FY 2010, C-130 modifications, and two KC-130J USMC aircraft.

Prime Contractor: Lockheed Martin Corporation Marietta, GA

C-130 Hercules (Continued)

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
USMC						
KC-130J	(3)	223.5	(4)	251.9	(2)	153.4
Subtotal	(3)	223.5	(4)	251.9	(2)	153.4
RDT&E, AF						
C-130	(-)	185.6	(-)	250.0	(-)	172.6
C-130J	(-)	34.8	(-)	73.8	(-)	52.4
Subtotal	(-)	220.4	(-)	323.8	(-)	225.0
TOTAL	(17)	2,074.0	(13)	1,531.5	(2)	956.6

C-130 Hercules

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement						
Air Force						
C-130 Mods	(-)	448.1	(-)	212.6	(-)	422.8
C-130J	(14)	1,166.9	(9)	681.4	(-)	96.0
C-130J Mods	(-)	15.1	(-)	61.8	(-)	59.4
Subtotal	(14)	1,630.1	(9)	955.8	(-)	578.2

DoD FY 2009 Budget Request Summary Justification

RQ-4 Global Hawk

DOD - JOINT

The FY 2009 budget continues the transformation towards the development and



fielding of Unmanned Aircraft Systems (UAS). The RQ-4 Global Hawk system usually comprises an aircraft segment consisting of aircraft with an Integrated Sensor Suite (ISS) sensor payload, avionics, and data links; a ground segment consisting of a Launch and Recovery Element (LRE), and a Mission Control Element (MCE) with embedded ground communications equipment; a support element; and trained personnel.

Mission: The Global Hawk provides high altitude, near-real-time, high-resolution, ISR imagery. Once mission parameters are programmed, the aircraft can autonomously taxi, take off, fly, and remain on station capturing imagery, then return and land. Ground-based operators monitor UAV health and status, and can change navigation and sensor plans during flight as necessary.

FY 2009 Program: The FY 2009 budget supports five aircraft, appropriate payloads for each block configuration, two ground segments, and integrated logistics support.

Prime Contractor: Northrop Grumman Corporation, San Diego, CA

RQ-4 Global Hawk

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(5)	442.6	(5)	580.9	(5)	712.2
RDT&E	(-)	224.1	(-)	274.7	(-)	284.3
Total	(5)	666.7	(5)	855.6	(5)	996.5

Joint Cargo Aircraft

DOD - JOINT

The Joint Cargo Aircraft (JCA) is a joint Army/Air Force program that will procure an intra-theater light cargo fixed wing airlift platform that will meet the warfighter needs for intra-theater airlift. The aircraft will be a commercial derivative aircraft that meets the Army's immediate requirements and provides the Air Force an additional capability in meeting intra-theater airlift missions.



Mission: The JCA will provide responsive, flexible, and tailored airlift for combat, humanitarian operations, and homeland defense.

FY 2009 Program: The FY 2009 budget procures seven aircraft for the Army and continues JCA testing efforts for the Air Force.

Prime Contractors: L-3 Communications Integration Systems, Greenville, TX

Joint Cargo Aircraft

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement						
Army	(2)	71.9	(4)	156.0	(7)	264.2
Air Force	(-)	-	(-)	-	(-)	5.4
Subtotal	(2)	71.9	(4)	156.0	(7)	269.6
RDT&E						
Army	(-)	5.4	(-)	6.5	(-)	3.0
Air Force	(-)	9.8	(-)	20.9	(-)	26.8
Subtotal	(-)	15.2	(-)	27.4	(-)	29.8
Total	(2)	87.1	(4)	183.4	(7)	299.4

DoD FY 2009 Budget Request Summary Justification

F-35 Joint Strike Fighter

DOD - JOINT

The F-35 Joint Strike Fighter (JSF) is the next-generation strike fighter for the Air Force, Marine Corps, Navy & U.S. Allies. The JSF consists of three variants: Conventional Take-Off and Landing (CTOL), Short Take-Off and Vertical Landing (STOVL), and Carrier (CV).



Mission: The JSF will replace the Air Force A-10 and F-16, Marine Corps AV-8B and F/A-18 C/D and complement the F/A-18E/F and F-22 aircraft. The JSF will provide all-weather, precision, stealthy, air-to-air and ground strike capability, including direct attack on the most lethal surface-to-air missiles and air defenses.

FY 2009 Program: Procures eight CTOL aircraft for the Air Force and eight STOVL aircraft for the Marine Corps.

Prime Contractors: Lockheed Martin Corporation
Pratt & Whitney; General Electric/Rolls Royce
Fighter Engine Team

F-35 Joint Strike Fighter

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement						
Navy	(-)	124.5	(6)	1,223.8	(8)	1,860.9
Air Force	(2)	571.7	(6)	1,412.1	(8)	1,810.7
Subtotal	(2)	696.2	(12)	2,635.9	(16)	3,671.6
RDT&E						
Navy	(-)	2,109.4	(-)	1,868.0	(-)	1,532.7
Air Force	(-)	2,074.0	(-)	1,991.5	(-)	1,524.0
Subtotal	(-)	4,183.4	(-)	3,859.5	(-)	3,056.7
Total	(2)	4,879.6	(12)	6,495.4	(16)	6,728.3

UAS Predator and Reaper

DOD - JOINT

These Medium Altitude unmanned systems usually include an aircraft segment comprised of a multi-spectral targeting systems, sensor payloads, avionics, and data links. A ground and support segment includes the ground control station, which supports the mission, launch and recovery element.



Mission: Primarily reconnaissance against critical, perishable targets at a medium altitude for long endurance. It is equipped with numerous sensors, including synthetic aperture radar (SAR) permeating smoke, clouds, or haze. Both Predator and Reaper are capable of full motion video; the SAR also produces still frame radar images.

FY 2009 Program: The budget contributes to development and fielding of systems like Predator, Reaper and Warrior.

Prime Contractor: General Atomics-Aeronautical Systems Inc.,
San Diego, CA

UAS Predator and Reaper

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement						
Predator MQ-1 (AF)	(48)	428.5	(24)	276.1	(38)	378.2
Reaper MQ-9 (AF)	(12)	247.6	(4)	58.1	(9)	161.4
Warrior (Army)	(-)	38.6	(12)	122.7	(12)	174.6
Subtotal	(60)	714.7	(40)	456.9	(59)	714.2
RDT&E						
Predator MQ-1 (AF)	(-)	77.9	(-)	33.8	(-)	24.8
Reaper MQ-9 (AF)	(-)	(-)	(-)	63.9	(-)	43.6
Warrior (Army)	(17)	123.7	(-)	44.8	(-)	12.7
Subtotal	(17)	201.6	(-)	142.5	(-)	81.1
Total	(76)	916.3	(40)	599.4	(59)	795.3

DoD FY 2009 Budget Request Summary Justification

V-22 Osprey

DOD - JOINT

The V-22 Osprey is a tilt-rotor, vertical takeoff and landing aircraft to meet the differing needs of the Marine Corps, SOCOM, and the U.S. Navy. The procurement objective is 458 aircraft divided between the components. The MV-22 replaces the CH-46E and CH-53D helicopters.



Mission: The V-22 mission includes airborne assault, vertical lift, combat search and rescue, and special operations.

FY 2009 Program: Supports procurement of 30 MV-22 and six CV-22 aircraft.

Prime Contractors:

Textron, Inc. Bell Helicopter Division, Fort Worth, TX
Boeing Vertol, Philadelphia, PA

V-22 Osprey

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement						
MV-22 (USMC)	(14)	1,557.4	(21)	1,946.1	(30)	2,220.4
CV-22 (AF/SOCOM)	(3)	339.0	(5)	491.7	(6)	423.3
Subtotal	(17)	1,896.4	(26)	2,437.8	(36)	2,643.7
RDT&E						
Navy (USMC)	(-)	251.6	(-)	115.5	(-)	68.8
AF/SOCOM	(-)	12.8	(-)	16.6	(-)	18.6
Subtotal	(-)	264.4	(-)	132.1	(-)	87.4
Total	(17)	2,160.8	(26)	2,569.9	(36)	2,731.1

JPATS T-6A Texan II

DOD - JOINT

The Joint Primary Aircraft Training System (JPATS) is a joint Navy/Air Force program that will use the T-6A Texan as a replacement for the Service's fleets of primary trainer aircraft (T-34 and T-37, respectively) and associated Ground Based Training Systems. The T-6 Texan II is a tandem seat, turboprop aircraft derivative of the Pilatus PC-9 powered by a single Pratt & Whitney PT6A-68 engine.



Mission: Supports joint Navy and Air Force specialized undergraduate pilot training.

FY 2009 Program: The program includes the purchase of aircraft, simulators, ground-based training devices, training management systems, instructional courseware, and logistics support. The budget supports procurement of 44 T-6B Texan II JPATS aircraft and associated training systems for the Navy and dedicated prime contractor support for the Air Force.

Prime Contractor: Raytheon/Hawker Beechcraft Corporation, Wichita, KS

JPATS T-6A Texan II

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement						
Air Force	(48)	302.5	(39)	244.2	(-)	33.2
Navy	(20)	145.0	(44)	293.3	(44)	289.3
Total	(68)	447.5	(83)	537.5	(44)	322.5

DoD FY 2009 Budget Request Summary Justification

UAS – Shadow and Raven

The FY 2009 budget continues transformation towards development and fielding of Unmanned Aircraft Systems.

Mission:

Shadow provides the tactical maneuver commander near-real-time reconnaissance, surveillance, target acquisition, and force protection during day/night and limited adverse weather conditions. Raven is an “over the hill” rucksack-portable, day/night, limited adverse-weather, remotely operated, multi-sensor system in support of combat as well as some combat support units.

FY 2009 Program: The FY 2009 budget provides procurement funds for multiple variations of quantities for the small unmanned aircraft, system hardware, contractor logistics support, and new equipment training.

Prime Contractors: AeroVironment

DOD - JOINT



USAF Photo



US Army Photo

UAS – Shadow and Raven

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement						
Shadow (Army)	(64)	226.3	(8)	72.7	(–)	–
Shadow (USMC)	(8)	35.7	(20)	89.6	(4)	20.5
Raven (Army)	(333)	15.5	(702)	33.3	(504)	30.0
Subtotal	(405)	277.5	(730)	195.6	(508)	50.5
RDT&E						
Shadow (Army)	(–)	16.1	(–)	7.9	(–)	8.2
Raven (Army)	(–)	–	(–)	5.9	(–)	2.0
Subtotal	(–)	16.1	(–)	13.8	(–)	10.2
Total	(405)	293.6	(730)	209.4	(508)	60.7

AH–64 Apache

The Apache program includes the Longbow Apache, which consists of a mast mounted Fire Control Radar (FCR) integrated into an upgraded and enhanced AH–64 airframe. This program also provides Target Acquisition Designation Sight (TADS) and Pilot Night Vision Sensors (PNVS), and other safety and reliability enhancements.

Mission: The AH–64 provides a fire-and-forget HELLFIRE air-to-ground missile capability, modernized target acquisition and night vision capabilities, and transitions the Apache, greatly increasing weapon system effectiveness and aircraft survivability.

FY 2009 Program: The budget request supports the remanufacturing of AH–64A aircraft to an AH–64D (Longbow) configuration.

USA



US Army Photo

Prime Contractors:

Integration: Northrop-Grumman, Baltimore, MD
Lockheed Martin Corporation, Owego, NY

Longbow Apache: Boeing Aircraft Corporation, Mesa, AZ

AH–64 Apache

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(–)	1,484.9	(–)	814.3	(–)	637.4
RDT&E	(–)	118.9	(–)	192.5	(–)	198.4
Total	(–)	1,603.8	(–)	1,006.8	(–)	835.8

DoD FY 2009 Budget Request Summary Justification

ARH Armed Reconnaissance Helicopter

USA

The Armed Reconnaissance Helicopter (ARH) is a scout helicopter replacing the OH-58 Kiowa Warrior. It will perform reconnaissance and provide combat operations security. The program is currently in System Development and Demonstration (SDD).



Ed Garza/US Army Photo

Mission: The mission of the ARH is to conduct aerial armed reconnaissance, gaining actionable combat information to enable joint/combined air-ground maneuvers including mobile strike, close combat and vertical operations across the full spectrum of military operations. Armed reconnaissance, which includes reconnaissance and security, involves the capability to suppress ground forces, and, if necessary, to gain battlefield information without engaging in a major fight.

FY 2009 Program: The budget request supports continued production of 28 aircraft.

Prime Contractor: Bell Helicopter Textron, Fort Worth, TX

Armed Reconnaissance Helicopter						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	-	(10)	174.6	(28)	438.8
RDT&E	(-)	188.2	(-)	181.1	(-)	135.7
Total	(-)	188.2	(10)	355.7	(28)	574.5

CH-47 Chinook

USA

The CH-47F Chinook program procures 513 aircraft – 378 remanufactured CH-47F models, 74 new build CH-47Fs, and 61 remanufactured Special Operations MH-47Gs.



US Army Photo

Primary upgrades include a new digital cockpit and modifications to the airframe. The upgraded cockpit will include enhanced communications and navigation equipment for improved mission performance and survivability. Airframe structural modifications will reduce harmful vibrations, lowering operation and support costs. Other airframe modifications reduce the time required for aircraft tear-down and build-up after deployment by about 60 percent. Installation of a more powerful engine will improve fuel efficiency and significantly enhance lift performance.

Mission: To provide a system designed to transport ground forces, supplies, ammunition, and other battle-critical cargo in support of worldwide combat and contingency operations.

FY 2009 Program: The budget request supports acquisition of 16 (new build) as well as remanufactured aircraft.

Prime Contractor: Boeing Aircraft Corporation, Philadelphia PA

CH-47 Chinook						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	-	(6)	189.6	(16)	443.5
Modifications	(-)	1,308.8	(-)	910.0	(-)	724.2
RDT&E	(-)	29.0	(-)	21.0	(-)	9.9
Total	(-)	1,337.8	(6)	1,120.6	(16)	1,177.6

DoD FY 2009 Budget Request Summary Justification

LUH Light Utility Helicopter



The Light Utility Helicopter (LUH) replaces the UH-1 and the OH-58 Kiowa Warrior. It provides reliable and sustainable general and administrative support in permissive environments at reduced acquisition and operating costs. There is no RDT&E funding required for this program. The LUH acquisition strategy provides for the competitive procurement of a commercial off-the-shelf, non-developmental aircraft.

Mission: The Light Utility Helicopter provides organic general support at Corps and Division levels. The primary mission for the LUH is to provide aerial transport for logistical and administrative support.

FY 2009 Program: The budget request supports the continued production of 36 aircraft.

Prime Contractor: European Aeronautic Defence and Space Company (EADS)

LUH Light Utility Helicopter						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(26)	148.4	(43)	228.9	(36)	224.5
Total	(26)	148.4	(43)	228.9	(36)	224.5

UH-60 Black Hawk



The UH-60 Black Hawk is a twin engine, single-rotor helicopter that is designed to carry a crew of four and a combat equipped squad of eleven or an equal cargo load. It is also capable of carrying external loads of up to 6,000 lbs.

Mission: The Black Hawk provides a highly maneuverable, air-transportable, troop-carrying helicopter for all intensities of conflict, without regard to geographical location or environmental conditions. It moves troops, equipment, and supplies into combat and performs aero-medical evacuation and multiple functions in support of the Army's air mobility doctrine for deployment of ground forces.

FY 2009 Program: The budget request supports continued production of 63 aircraft.

Prime Contractor: Sikorsky Aircraft, Stratford, CT

UH-60 Black Hawk						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(66)	1,271.9	(78)	1,364.8	(63)	1,063.1
RDT&E	(-)	123.0	(-)	95.7	(-)	33.9
Total	(66)	1,394.9	(78)	1,460.5	(63)	1,097.0

DoD FY 2009 Budget Request Summary Justification

E-2C/D Hawkeye

The E-2C/D (Early Warning) Hawkeye is an all-weather twin engine, carrier-based, airborne early warning aircraft designed to extend task force defense perimeters.



Mission: The E-2C/D provides advance warning of approaching enemy surface units and aircraft to vector interceptors or strike aircraft to attack. They provide area surveillance, intercept, strike/air traffic control, radar surveillance, search and rescue assistance, communication relay, and automatic tactical data exchange. The E-2D is the next generation of the E-2C aircraft and will provide the long range air and surface picture, theater air and missile defense, and an expanded littoral capability.

FY 2009 Program: The request procures three Low Rate Initial Production E-2D aircraft. The RDT&E funding for the E-2D supports new radar development, system obsolescence, testing and communication component replacements, operator workstations, and a Multi-level Security Open Architecture. FY 2007 was the last year of the E-2C multiyear procurements.

Prime Contractors:

Airframe: Northrop Grumman, St. Augustine, FL

Engine: Rolls-Royce Corporation, Indianapolis, IN

E-2C/D Hawkeye

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(2)	202.7	(-)	52.2	(3)	589.1
RDT&E	(-)	493.6	(3)	814.2	(-)	538.3
Total	(2)	696.3	(3)	866.4	(3)	1,127.4

E-6 Mercury

The E-6 Mercury aircraft is a uniquely configured Boeing 707 supporting Take Charge and Move Out (TACAMO), Airborne Command Post (ABNCP) and Airborne Launch Control System (ALCS) 24/7. It has an endurance of 15+ hours without refueling and a maximum endurance of 72 hours with in-flight refueling. Mission range is over 6,000 Nautical Miles.



Mission: The missions of the E-6 TACAMO aircraft are to provide survivable, endurable, reliable airborne command, control, and communications.

FY 2009 Program: The budget request supports the E-6 aircraft mission modernization equipment. Funding will support the modifications of all 16 aircraft in the TACAMO fleet, along with the Service Life Assessment Program and the Service Life Extension Program.

Prime Contractors:

Airframe: Boeing Aircraft Corporation, Wichita, KS

Block I: Rockwell Collins, Richardson, TX

E-6 Mercury

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	54.7	(-)	84.6	(-)	88.9
RDT&E	(-)	36.4	(-)	35.8	(-)	47.5
Total	(-)	91.1	(-)	120.4	(-)	136.4

DoD FY 2009 Budget Request Summary Justification

EA-18G Growler

The EA-18G Growler is the fourth major variant of the F/A-18 family of aircraft.

The EA-18G is the Navy's replacement for the EA-6B, with an Airborne Electronic Attack (AEA) capability to detect, identify, locate, and suppress hostile emitters. It can operate autonomously or as a major node in a network-centric operation and will provide accurate targeting for suppression weapons such as the High-Speed Anti-Radiation Missile (HARM).

Mission: The EA-18G mission is to provide an Airborne Electronic Attack capability in support of naval strike forces.

FY 2009 Program: The budget request supports the fifth year (FY 2005-2009) of the Multi-Year Procurement (MYP) with the procurement of 22 EA-18G aircraft. The MYP is split between the EA-18G and the F/A-18E/Fs. The contract has a variation quantity clause permitting an additional six aircraft per year. Since the EA-18G is a modified F/A-18F, some support costs are common and are managed in the F/A-18E/F budgeted line.

Prime Contractors

Airframe: Boeing Aircraft Corporation, St. Louis, MO

Engine: General Electric Company
Aircraft Engine Division, Lynn, MA



EA-6B Prowler

The EA-6B Prowler is a four-seat twin engine derivative of the A-6 Attack aircraft.

The EA-6B can carry any mix of pods, including fuel tanks and/or HARM anti-radiation missiles, depending on requirements.

Mission: The EA-6B Prowler is a unique national asset that can be deployed from land bases and is included in every aircraft carrier deployment. This aircraft provides airborne electronic attack capability, tactically controlling the electromagnetic environment and degrading, deceiving, denying, and destroying adversary radar and communication capabilities in support of Navy and Marine Corps strike forces.

FY 2009 Program: The budget request supports the procurement of Low Band Transmitters to provide an expanded jamming capability against modern integrated air defense systems, as well as current asymmetric threats. The overall goals of the modification program are to upgrade the airframe structure and avionics systems, increase the life of the aircraft, and to expand the aircraft's jamming capabilities.

Prime Contractors: Northrop Grumman Corporation
Bethpage, NY



EA-18G Growler

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(9)	735.7	(18)	1,308.2	(22)	1,651.6
RDT&E	(-)	361.0	(-)	278.5	(-)	128.9
Total	(9)	1,096.7	(18)	1,586.7	(22)	1,780.5

EA-6B Prowler

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	227.6	(-)	30.4	(-)	33.4
RDT&E	(-)	68.7	(-)	43.2	(-)	106.9
Total	(-)	296.3	(-)	73.6	(-)	140.3

DoD FY 2009 Budget Request Summary Justification

F/A-18E/F Hornet



The F/A-18E/F Strike Fighter is a twin-engine, mid-wing, multi-mission tactical aircraft for deployment in Navy fighter and attack squadrons. Through selected external equipment, the F/A-18E/F can accomplish fighter and attack missions. It also possesses enhanced-range, payload, and survivability features, compared with the prior C/D models.



Mission: This strike fighter can perform traditional missions of fighter escort and fleet air defense, interdiction, and close air support, while still retaining excellent fighter and self-defense capabilities.

FY 2009 Program: The budget request supports the fifth year (FY 2005-2009) of the Multi-Year Procurement (MYP) with the purchase of 23 F/A-18E/F aircraft. This contract is currently funded at a minimum yearly quantity of 42 aircraft, and the procurement is split between the F/A-18E/F and the EA-18G aircraft models. The contract has a variation quantity clause permitting an additional six aircraft per year. The F/A-18E/F and the EA-18G have some of the same support costs, which are managed in the F/A-18E/F budget line.

Prime Contractors:

- Airframe:** Boeing Aircraft Corporation, St. Louis, MO
- Engine:** General Electric Aircraft Engine Division, Lynn, MA

F/A-18E/F Hornet						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(37)	2,737.1	(24)	2,074.9	(23)	1,911.3
RDT&E	(-)	38.9	(-)	49.6	(-)	71.2
Total	(37)	2,776.0	(24)	2,124.5	(23)	1,982.5

H-1 Huey/Super Cobra



The H-1 Helicopter Upgrade program converts AH-1W and UH-1N helicopters to the AH-1Z and UH-1Y, respectively. The upgraded helicopters will have increased maneuverability, speed, and payload capability. The upgrade scope includes a new four-bladed rotor system, new transmissions, a new four-bladed tail rotor and drive system, and upgraded landing gear.



Mission: The H-1 Upgrades provide offensive air support, utility support, armed escort, and airborne command and control during naval expeditionary operations or joint and combined operations.

FY 2009 Program: The budget request provides for the production of 20 aircraft.

Prime Contractor: Bell Helicopter Division, Fort Worth, TX

H-1 Upgrade						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(11)	493.7	(15)	415.6	(20)	474.1
RDT&E	(-)	33.5	(-)	3.5	(-)	3.8
Total	(11)	527.2	(15)	419.1	(20)	477.9

DoD FY 2009 Budget Request Summary Justification

MH-60R Multi-Mission Helicopter



The MH-60R Multi-Mission Helicopter Upgrade program ensures battle



group protection, and adds significant capability in coastal littorals and regional conflicts. The upgrade scope includes new H-60 Series airframes, significant avionics improvements, enhancements to the acoustic suite, new radars, and an improved electronics surveillance system.

Mission: The MH-60R will be the forward deployed fleet's primary anti-submarine and anti-surface warfare platform.

FY 2009 Program: The budget request continues to support a multi-year procurement from FY 2007-2011.

Prime Contractors:

- Airframe:** Sikorsky Aircraft, Stratford, CT
- Avionics:** Lockheed Martin Corporation, Owego, NY

MH-60R Multi-Mission Helicopter						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(25)	913.0	(27)	990.8	(31)	1,185.8
RDT&E	(-)	28.9	(-)	76.5	(-)	70.3
Total	(25)	941.9	(27)	1,067.3	(31)	1,256.1

MH-60S Fleet Combat Support Helicopter



The MH-60S is a versatile twin-engine helicopter used to maintain forward deployed fleet sustainability through rapid airborne delivery of materials and personnel, to support amphibious operations through search and rescue coverage and to provide organic airborne mine countermeasures.



Mission: The MH-60S conducts Vertical Replenishment (VERTREP), day/night ship-to-ship, ship-to shore, and shore-to-ship external transfer of cargo; internal transport of passengers, mail and cargo, vertical onboard delivery; air operations; and day/night search and rescue. Organic Airborne Mine Countermeasures (OAMCM) have been added as a primary mission for the MH-60S. Five separate sensors will be integrated into the MH-60S helicopter to provide Carrier Battle Groups and Amphibious Readiness Groups with an OAMCM capability.

FY 2009 Program: The budget request continues to support a five-year procurement from FY 2007-2011.

Prime Contractor: Sikorsky Aircraft, Stratford, CT

MH-60S Fleet Combat Support Helicopter						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(18)	546.3	(18)	500.2	(18)	549.7
RDT&E	(-)	81.5	(-)	38.1	(-)	47.3
Total	(18)	627.8	(18)	538.3	(18)	597.0

DoD FY 2009 Budget Request Summary Justification

P-8A Poseidon



The P-8A Poseidon is an all-weather, twin engine, land-based, network enabled, maritime patrol aircraft designed to sustain and improve armed maritime and littoral Intelligence, Surveillance, and Reconnaissance capabilities in traditional, joint, and combined roles to counter changing and emerging threats. P-8A is based on the 737 airframe.



Mission: The P-8A Multi-mission Maritime Aircraft (MMA), an aircraft based on the Boeing's 737-800 ERX, is persistent Anti-Submarine Warfare (ASW) and Anti-Surface Warfare (ASuW). The MMA, a P-3C replacement, will sustain and improve armed maritime and littoral Intelligence, Surveillance, and Reconnaissance capabilities for U.S. Naval Forces in traditional, joint, and combined roles to counter changing and emerging threats. MMA will have a substantial role in Sea Power 21 and will satisfy several mission requirements in Sea Shield, Sea Strike, and FORCEnet.

FY 2009 Program: The budget request is for new start funding for production line slots and required advanced procurement items for P-8A aircraft.

Prime Contractors:

Airframe: Boeing Aircraft Corporation, Seattle, WA

Engine: CFM International, GE Aviation and SNECMA

P-8A Poseidon						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	-	(-)	-	(-)	110.6
RDT&E	(-)	1,100.0	(-)	862.3	(-)	1,132.0
Total	(-)	1,100.0	(-)	862.3	(-)	1,242.6

VH-71 Executive Helicopter



The VH-71 Executive helicopter is the replacement for the VH-3D and VH-60N.



The global nature of the commitments requires the aircraft to deploy worldwide and operate in varying environments and climatic conditions without mission degradation.

Mission: To provide safe and timely transportation for the President and Vice President of the United States, heads of state, and others as directed by the White House Military Office.

FY 2009 Program: The budget provides for continued development of the program.

Prime Contractor: Lockheed Martin Corporation, Marietta, GA

VH-71 Executive Helicopter						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
RDT&E	(-)	613.9	(-)	225.4	(-)	1,047.8
Total	(-)	613.9	(-)	225.4	(-)	1,047.8

DoD FY 2009 Budget Request Summary Justification

A-10 Thunderbolt

The A-10 Thunderbolt is the first aircraft designed for close air support of ground forces and is capable of delivering a full range of air-to-ground munitions as well as self defense air-to-air missiles. It is a twin-engine aircraft that can be used against all ground targets, including tanks and armored vehicles.



Mission: The primary mission of the A-10 is to provide day and night close air combat support for land forces. The A-10 has a secondary mission of supporting search and rescue and Special Forces operations. It also possesses a limited capability to perform certain types of interdiction. All of these missions may take place in a high or low threat environment.

FY 2009 Program: Continues to modernize the A-10 aircraft. The primary modifications funded in FY 2009 are Precision Enhancement and Wing Replacement.

Prime Contractor: Lockheed Martin Systems Integration, Owego, NY

A-10 Thunderbolt

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	276.2	(-)	168.0	(-)	144.1
RDT&E	(-)	42.5	(-)	2.0	(-)	(-)
Total	(-)	318.7	(-)	170.0	(-)	144.1

B-2 Spirit

The B-2 Spirit is an inter-continental bomber that employs low observable technology to achieve its mission. The bomber is an all-wing aircraft with twin weapon bays. The B-2's low observability is derived from a combination of reduced infrared, acoustic, electromagnetic, visual, and radar signatures. The dramatically reduced sum of these signatures makes it difficult for today's sophisticated defensive systems to detect, track, and engage the B-2. The B-2 is capable of delivering massive firepower in a short time, anywhere in the world through high-threat defenses, using both conventional and nuclear munitions.



Mission: The primary mission of the B-2 is to enable any theater commander to hold at risk and, if necessary, attack an enemy's war-making potential, especially time-critical targets that, if not destroyed in the first hours or days of a conflict, would allow unacceptable damage to be inflicted on the friendly side. The B-2 will also retain its potential as a nuclear bomber, reinforcing the deterrence of nuclear conflict.

FY 2009 Program: The FY 2009 program continues the modification of the B-2 aircraft, including upgrades to the radar system.

Prime Contractor: Northrop-Grumman Corporation, El Segundo, CA

B-2 Spirit

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	62.7	(-)	212.1	(-)	330.4
RDT&E	(-)	214.6	(-)	295.9	(-)	351.4
Total	(-)	277.3	(-)	508.0	(-)	681.8

DoD FY 2009 Budget Request Summary Justification

C-17 Globemaster

The C-17 Globemaster is a wide-body aircraft capable of airlifting outsized and oversized payloads over intercontinental ranges, with or without in-flight refueling. Its capabilities include rapid direct delivery of forces by airland or airdrop into austere tactical environments with runways as short as 3,000 feet. The C-17 is capable of performing both inter-theater and intra-theater airlift missions.



Mission: The C-17 provides outsize intra-theater airland/airdrop capability not available in the current airlift force. It provides rapid strategic delivery of troops and all types of cargo to main operating bases or directly to forward bases in the deployment area.

FY 2009 Program: The FY 2009 budget funds residual support equipment, training, and data requirements for the new C-17s; retrofits to existing aircraft; and installation of Large Aircraft Infrared Countermeasures. There are sufficient C-17s to support our Nation's military airlift requirements as determined by the 2005 Mobility Capabilities Study.

Prime Contractors: Boeing Aircraft Corporation, Long Beach, CA
Pratt & Whitney Corporation, East Hartford, CT

C-17 Globemaster						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(22)	4,721.7	(-)	438.8	(-)	699.1
RDT&E	(-)	170.5	(-)	180.6	(-)	236.0
Total	(22)	4,892.2	(-)	619.4	(-)	935.1

C-5 Galaxy

The C-5 Galaxy is the U.S. military's largest aircraft. Using front and rear cargo openings, the Galaxy can be loaded and off-loaded at the same time. Both nose and rear doors open the full width and height of the cargo compartment.



Mission: The C-5 is a heavy cargo transport designed to provide strategic inter-theater airlift for deployment and supply of combat and support forces. It can carry fully equipped, combat-ready troops to any area in the world on short notice and provide full field support necessary to maintain a fighting force.

FY 2009 Program: The FY 2009 budget continues the two-phase modernization effort that will improve aircraft reliability, maintainability, and availability. Phase I is the Avionics Modernization Program (AMP) and Phase II is the Reliability Enhancement & Reengining Program (RERP), pending an evaluation of alternatives to the RERP program and negotiations with the prime contractor on minimum costs.

Prime Contractor: Lockheed Martin Corporation, Marietta, GA

C-5 Galaxy						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	202.9	(-)	320.6	(-)	583.1
RDT&E	(-)	137.6	(-)	179.0	(-)	125.1
Total	(-)	340.5	(-)	499.6	(-)	708.2

DoD FY 2009 Budget Request Summary Justification

Combat Search and Rescue Helicopter 

The CSAR-X Combat, Search and Rescue Helicopter will replace the current fleet of HH-60G Pave Hawk helicopters, which are quickly approaching the limit of their economically useful service life. The CSAR-X will provide personnel recovery forces with a medium-lift, vertical take-off and landing aircraft quickly deployable (via C-5, C-17, or self-deployable) and capable of main base and austere location operations for worldwide personnel recovery missions.

Mission: The primary mission of the CSAR-X is to recover downed aircrew and isolated personnel. Rescue forces may also conduct other missions inherent in their capabilities to conduct Personnel Recovery, such as non-conventional assisted recovery, non-combatant evacuation operations, civil search and rescue, international aid, emergency medical evacuation, disaster/humanitarian relief, and insertion/extraction of combat forces.

FY 2009 Program: The budget provides funding for the continued system design and development of the CSAR-X aircraft system. This program is one of three pilots in the "Capital Funding" initiative.

Prime Contractor: Currently in Source Selection

CSAR-X Combat Search and Rescue

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	-	(-)	-	(-)	15.0
RDT&E	(-)	103.7	(-)	94.4	(-)	305.1
Total	(-)	103.7	(-)	94.4	(-)	320.1

F-16 Falcon 

The F-16 Falcon is a single-seat, fixed-wing, high-performance fighter aircraft powered by a single engine. Advanced technology features include a blended wing body, reduced static margin, and a fly-by-wire flight control system.



Mission: The F-16 aircraft is a lightweight, high performance, multipurpose fighter capable of performing a broad spectrum of tactical air warfare tasks at an affordable cost well into the next century. F-16 aircraft provide high-performance air-to-air and air-to-surface attack capability.

FY 2009 Program: FY 2009 continues to fund the development and procurement of modifications to upgrade the F-16. The primary modifications in FY 2009 include engine upgrades, upgrades to the Modular Mission Computer and Falcon Star, which replaces known life-limited structure to preclude the onset of widespread fatigue damage, maintain safety of flight, enhance aircraft availability, and extend the life of affected components.

Prime Contractors: Lockheed-Martin Corporation, Fort Worth, TX
Pratt & Whitney Corporation, East Hartford, CT
General Electric Company, Evandale, OH

F-16 Falcon

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	367.9	(-)	332.9	(-)	273.7
RDT&E	(-)	124.8	(-)	70.2	(-)	124.0
Total	(-)	492.7	(-)	403.1	(-)	397.7

DoD FY 2009 Budget Request Summary Justification

F-15E Eagle



The F-15E Eagle is a twin-engine, two-man, fixed swept-wing aircraft that maintains basic F-15 air superiority characteristics while adding air-to-surface weapons capability.

Mission: The F-15E performs both air superiority and all-weather, deep penetration, night/under-the-weather attack roles with large air-to-surface weapon payloads.

FY 2009 Program: The FY 2009 budget continues development and procurement of modifications for upgrading the F-15E aircraft. The primary modifications in FY 2009 are the Antenna Test Station and Advanced Display Core Processor.

Prime Contractor: Boeing Aircraft Corporation, St. Louis, MO

F-15E Eagle						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	277.0	(-)	58.7	(-)	12.3
RDT&E	(-)	134.3	(-)	114.5	(-)	184.2
Total	(-)	411.3	(-)	173.2	(-)	196.5

F-22 Raptor



The F-22 Raptor program is producing the fifth generation air-superiority fighter for the first part of this century. The F-22 penetrates enemy airspace and achieves first-look, first-kill capability against multiple targets. It has unprecedented survivability and lethality, ensuring the Joint Forces have freedom from attack, freedom to maneuver, and freedom to attack.

Mission: The F-22 enhances U.S. air superiority capability against projected threats and will eventually replace the F-15 aircraft. The F-22A is a critical component of the Global Strike Task Force, and is designed to project air dominance rapidly at great distances and to defeat threats attempting to deny access to our Nation's Joint Forces.

FY 2009 Program: Funds the final year of a three-year multi-year procurement of 60 aircraft that began in FY 2007.

Prime Contractors: Lockheed Martin Corporation, Marietta, GA and Ft. Worth, TX
Boeing Aircraft Corporation, Seattle, WA
Pratt & Whitney, East Hartford, CT

F-22 Raptor						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(20)	3,540.5	(20)	3,810.4	(20)	3,381.2
RDT&E	(-)	459.5	(-)	607.5	(-)	700.3
Total	(20)	4,000.0	(20)	4,417.9	(20)	4,081.5

DoD FY 2009 Budget Request Summary Justification

KC-X New Tanker

KC-X New Tanker will replace the aging fleet of KC-135 and KC-10 tankers.

The tanker will be a derivative of a commercial aircraft platform. It will have a larger integral cargo capacity than predecessor tankers, providing capability for secondary missions. The program is currently in source selection.



Mission: The new tanker will meet the primary air refueling missions of Global Attack, Air Bridge, Theater Support, Deployment, and Special Operations Support. Air refueling forces perform these missions at the strategic, operational, and tactical level across the entire spectrum of military operations. Other missions include emergency air refueling, airlift, aero medical evacuation, and combat search and rescue.

FY 2009 Program: The budget supports tanker development with focus on design and planning activities to support preliminary and critical design reviews, begins ground tests, and funds advance procurement for long-lead items for FY 2010.

Prime Contractor: Currently in Source Selection

KC-X New Tanker

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	-	(-)	-	(-)	61.7
RDT&E	(-)	68.3	(-)	113.7	(-)	831.8
Total	(-)	68.3	(-)	113.7	(-)	893.5

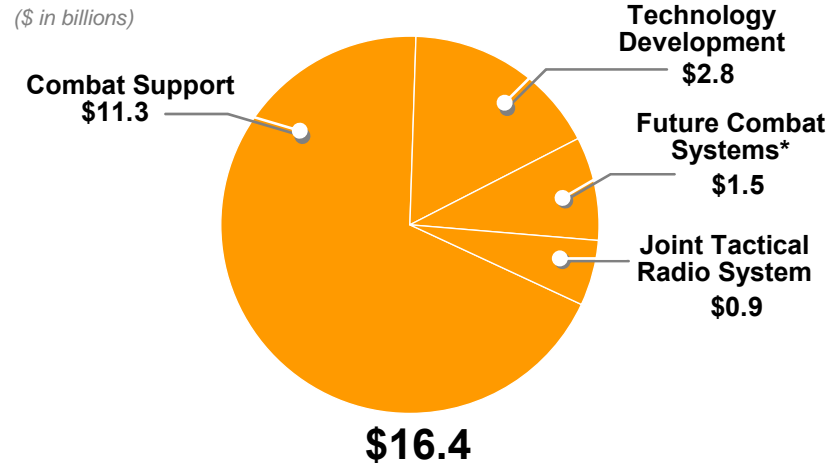
C4I SYSTEMS

Command, Control, Communications, Computers, and Intelligence (C4I) Systems

The Department is transforming and developing new concepts for the conduct of future joint military operations. The overarching goal is full spectrum dominance—defeat of any adversary or control of any situation across the full range of military operations—achieved through a broad array of capabilities enabled by an interconnected network of sensors, shooters, command, control, and intelligence. This network-based interconnectivity increases the operational effectiveness by assuring access to the best possible information by decision makers at all levels, thus allowing dispersed forces to communicate, maneuver, share a common user-defined operating picture, and successfully complete assigned missions more efficiently. Net-centricity transforms the way that information is managed to accelerate decision-making, improve joint warfighting, and create intelligence advantages. Hence, all information is visible, available, usable and trusted—when needed and where needed—to accelerate the decision cycles.

Net-centricity is a services-based architecture pattern for information sharing. It is being implemented by the Command, Control, Communications, Computer, and Intelligence (C4I) community via building joint architectures and roadmaps for integrating joint airborne networking capabilities with the evolving ground, maritime and space networks. It encompasses the development of technologies like gateways, waveforms, network management and information assurance. This growth is supported in the FY 2009 President’s budget with programs like the Future Combat Systems, Warfighter Information Network-Tactical (WIN-T), Joint Tactical Radio Systems, Net-Centric

FY 2009 Command, Control, Communications, Computers, and Intelligence (C4I) Systems



Source: FY 2009 PRCP – Investment Categorization

106-WP

Numbers may not add due to rounding

*Funding for Future Combat Systems includes an additional \$2.0B to finance Ground Vehicles—see Ground Vehicles section for more information

Enterprise Services (NCES), and Net-Enabled Command and Control (NECC).

The Future Combat Systems (FCS) program provides for the development of an integrated platform of systems and weapons, fully inter-connected in a network giving the warfighter total battlespace awareness. Additional funding for the FCS program provides for the development of ground systems including vehicles, sensors, and related combat equipment.

DoD FY 2009 Budget Request Summary Justification

Joint Tactical Radio System DOD - JOINT

The Joint Tactical Radio System (JTRS) is a DoD-wide effort lead by the Navy to develop, produce, integrate, test, and field a family of interoperable, digital, affordable, multi-channel, software-reprogrammable radios at moderate risk. JTRS will provide secure, wireless networking communications capabilities for mobile and fixed site uses. Ground, airborne, vehicular, maritime, and small form factors variants of the radio hardware and 36 waveforms for importing into the JTRS hardware fall under this program. All JTRS products are being developed in a joint environment, boosting hardware and software commonality and reusability.



Mission: JTRS products will simultaneously receive, transmit and relay voice, data, and video communications with software re-programmable, net-workable, multi-band, and multi-mode system.

FY09 Program: The budget funds design, development, and manufacture of JTRS engineering development models (EDMs), to include hardware and software.

Prime Contractors: Boeing Aircraft Corporation, Seattle, WA
 Lockheed Martin Corporation, Marietta, GA
 ViaSat Incorporated, San Diego, CA
 General Dynamics Decision Sys, Scottsdale, AZ

Joint Tactical Radio System						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
O&M	(-)	14.2	(-)	19.3	(-)	18.3
RDT&E	(-)	774.0	(-)	835.4	(-)	834.7
Total	(-)	788.2	(-)	854.7	(-)	853.0

Future Combat Systems USA

The Future Combat Systems (FCS) is the Army's principal modernization program. It is a complex acquisition program that involves developing and integrating a family of 14 manned and unmanned ground vehicles, air vehicles, sensors and munitions that are linked by an information network. FCS modernizes the Army's ability to move, shoot and communicate on the battlefield. It is the material solution for the Army's future force. Through FY 2007, the FCS program is about a third of the way and \$11.4 billion through development. It plans to achieve initial operational capability in FY 2015 and full operational capability in FY 2017.



Mission: FCS is designed to transform the Army into a more rapidly deployable and responsive force, moving away from the large division-centric structure.

FY09 Program: The FY 2009 budget funds continued development of eight manned ground vehicles, two unmanned ground vehicles, two unmanned aerial vehicles (UAVs), non-line-of-sight launch system, unattended ground sensors, and an information network.

Prime Contractors: Boeing Aircraft Corporation, Seattle, WA
 Science Applications International Corporation (SAIC) La Jolla, CA

Future Combat Systems						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	(-)	(-)	100.9	(-)	331.2
RDT&E	(-)	3,378.1	(-)	3,336.0	(-)	3,226.5
Total	(-)	3,378.1	(-)	3,436.9	(-)	3,557.7

DoD FY 2009 Budget Request Summary Justification

Single Channel Ground & Airborne Radio

The Single Channel Ground and Airborne Radio System (SINCGARS) is a flexible and secure combat radio. Originally providing a voice-only capability, it has evolved into a software-defined, open architecture system with networking capabilities. SINCGARS includes a frequency-hopping and jam resistant feature that can defeat sophisticated threat jamming techniques on the digitized battlefield. The SINCGARS continues its evolutionary development with the fielding of the Advanced SINCGARS System Improvement Program (ASIP) radio. The SINCGARS ASIP radio provides enhanced data and voice communications while using commercial Internet Protocols. The family of SINCGARS radios is employed on such system platforms as the Bradley M2A3, Patriot, Abrams MIA2SEP, and Longbow Apache helicopter.



Mission: SINCGARS provides clear, secure voice and data communications enabling situational awareness and transmits Command and Control (C2) information across the entire battlefield

FY 2009 Program: The FY 2009 budget procures SINCGARS radios providing command and control for the combat/combat support/combat service support units.

Prime Contractors:

ITT Fort Wayne, IN, Gaithersburg, MD
General Dynamics Land Systems Corp, Tallahassee, FL

Single Channel Ground & Airborne Radio

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(57,510)	630.6	(6,642)	148.6	(5,300)	84.9
Total	(57,510)	630.6	(6,642)	148.6	(5,300)	84.9

Warfighter Information Network- Tactical

The Warfighter Information Network-Tactical (WIN-T) is the Army's tactical communications network for secure and seamless video, data, imagery, and voice services in the theater. The new WIN-T strategy: 1) integrates the Joint Network Node (JNN) program into a single network program comprised of four severable increments; 2) provides "full networking on-the-move capability" via satellite communications and aerial tier; and 3) supports Future Combat Systems development. WIN-T is budgeted to the Cost Analysis Improvement Group (CAIG) estimate.



Mission: The WIN-T program designs, develops and fields the Future Modular Force transport network while leveraging mature technologies that can enhance the Current Modular Force to operate in an emerging noncontiguous environment.

FY09 Program: The FY 2009 budget funds the continued System Development and Demonstration (SDD) efforts for Increments 1 and 2, Limited User Test, engineering builds, and manufacture of prototypes.

Prime Contractors:

Lockheed Martin Mission Systems, Gaithersburg, MD
General Dynamics Government Systems Corp, Taunton, MA

Warfighter Information Network- Tactical

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	-	(-)	-	(-)	287.6
RDT&E	(-)	119.3	(-)	320.1	(-)	414.4
Total	(-)	119.3	(-)	320.1	(-)	702.0

GROUND VEHICLES

DoD FY 2009 Budget Request Summary Justification

Ground Vehicles

The Department continues to modernize the Army and Marine Corps' Combat and Tactical Wheeled Vehicle fleets. Both Services plan to modernize their fleets by replacing older vehicles and combat losses with new procurement or upgrading existing vehicles through recapitalization. Their plans call for improvements in the capabilities of vehicles by inserting advanced technologies into the current vehicles as quickly as possible.

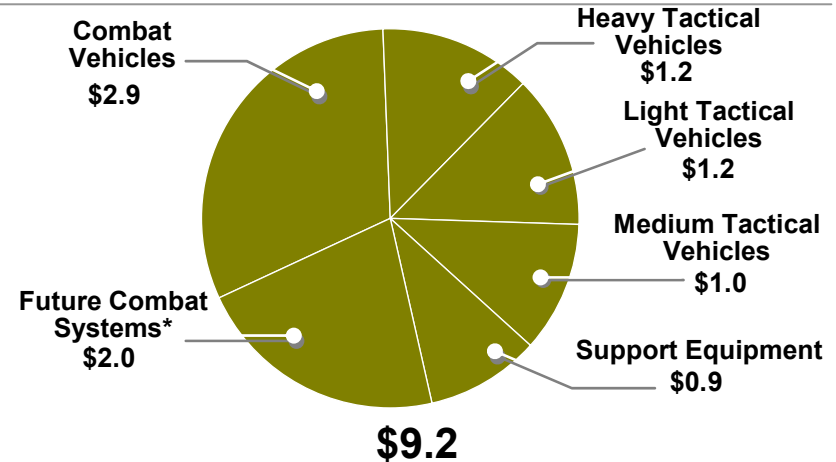
During the last several years, ground-based conflicts such as OIF and OEF have increased the demand for ground vehicles. Ground vehicle funding has seen an average annual compounded growth of 45 percent from 2002 to 2008. This funding growth is due, in large measure, to the procurement of Mine Resistant Ambush Protected (MRAP) vehicles to support forces in Iraq. MRAPs have been entirely funded through GWOT funds and are included in this section's FY 2007 and 2008 appropriation numbers, but not in FY 2009. The MRAP is a heavily armored vehicle capable of mitigating the effects of underbody mines and small arms fire threats. It provides survivable, safe, and sustainable vehicles to troops in theater.

Ongoing operations also resulted in acquisition of tactical vehicles:

- Light Tactical Vehicles such as the High Mobility Multipurpose Wheeled Vehicle (HMMWV) comprise about half of the tactical wheeled vehicle fleet for the Army. The Joint Lightweight Tactical Vehicle (JLTV) is a joint Army and Marine Corps program currently in development and is intended to replace the HMMWV;
- Medium Tactical Vehicles provide a significant portion of the supply and ammunition delivery to the combat vehicle fleet;
- Heavy Tactical Vehicles consist of cargo and missile carriers, load-handling systems, fuel tankers, wreckers and materiel-handling cranes;

FY 2009 Ground Vehicles

(\$ in billions)



Source: FY 2009 PRCP – Investment Categorization

106-WP

Numbers may not add due to rounding

*Funding for Future Combat Systems includes an additional \$1.5B to finance C4I Systems—see the C4I Systems section for more information

- Integration of new technologies across various types of combat vehicles increases firepower, lethality, mobility, and survivability;
- The Abrams tank upgrades include armor protection, a nuclear, biological, and chemical protection system, improved power, and a second-generation thermal sensor;
- The Stryker family of armored vehicles is the centerpiece for the Stryker Brigade Combat Teams and provides the Army with a mobile weapon system that operates with speed and can maneuver in combat terrain and urban areas; and
- The Expeditionary Fighting Vehicle (EFV) is currently in development and is the keystone for the Marine Corps Expeditionary Maneuver Warfare fighting concepts. It will provide the Marine Corps a primary means of tactical mobility during the conduct of amphibious/ground combat operations.

DoD FY 2009 Budget Request Summary Justification

Joint Light Tactical Vehicle **DOD - JOINT**

The Joint Light Tactical Vehicle (JLTV) is currently in technology development by the Army and Marine Corps. The JLTV concept is based on a family of vehicles focused on scalable armor protection, vehicle agility, and mobility required for the light tactical vehicle fleet. There are three JTLV categories based on payload: 3,500 lbs, providing general purpose mobility (four seat); 4,500 lbs, providing mobility as an infantry carrier and fire team; and 5,100 lbs, the shelter carrier, utility vehicle, and ambulance (four seat). The JLTV is intended to replace the HMMWV.



Mission: The JLTV mission is to provide defensive measures to protect troops while in transport, increase payload capability, and achieve commonality of parts and components to reduce the overall life cycle cost of the vehicle.

FY 2009 Program: The FY 2009 program continues the program in technology development at acquisition lifecycle Milestone A.

Joint Light Tactical Vehicle						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
RDT&E						
Army	(-)	24.3	(-)	37.2	(-)	22.2
Navy	(-)	5.0	(-)	41.7	(-)	44.0
Total	(-)	29.3	(-)	78.9	(-)	66.2

Mine Resistant Ambush Protected **DOD - JOINT**

The MRAP vehicle family is a joint acquisition program that provides the Nation's operating forces with vehicles that are capable of defeating or mitigating the effects of



Improvised Explosive Devices (IEDs) and rocket propelled grenades, while conducting multiple missions in the highest threat areas. A raised chassis, heavy armor, and V-shaped hull deflect from underneath the blast effect created by mines or IED explosions providing passengers with effective and reliable protection. The MRAP is also designed to mitigate explosive hazards by identifying and clearing mines by neutralizing the effects of explosive devices. MRAP II, the next series, adds explosively formed projectile armor protection.

Mission: The MRAP vehicle fleet has multiple missions to include reconnaissance, convoy operations, troop transport, ambulance, combat engineer and explosive ordnance disposal missions for maneuver units.

FY 2009 Program: There is no procurement or development funding requested in FY 2009. The 15,374 MRAP acquisition objective will be achieved in FY 2008.

Prime Contractors: Various

Mine Resistant Ambush Protected Vehicles						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(6,480)	5,217.0	(7,394)	13,404.0	(-)	-
RDT&E	(-)	183.0	(100)	60.0	(-)	-
Total	(6,480)	5,400.0	(7,494)	13,464.0	(-)	-

DoD FY 2009 Budget Request Summary Justification

Armored Security Vehicle

The M1117 Armored Security Vehicle (ASV) is a lightly armored, all-wheel-drive vehicle with 360 degree armor protection against armor piercing, high explosive fragmentation, and anti-tank mines under the wheels and under the hull. The ASV has a crew of three plus one passenger. It has a full collective NBC protection system and a digitized package which includes Blue Force Tracker and SINCGARS radio. The ASV provides protection to the crew compartment, gunner's station, and the ammunition storage area. The turret is fully enclosed with both an MK-19 40mm grenade machine gun, .50 caliber machine gun, and a smoke grenade launcher. It also provides ballistic, blast, and overhead protection for its crew. The ASV has a payload of 3,360 pounds and supports Army transformation with its 400+ mile range, top speed of nearly 70 miles per hour, and C-130 deployability.



Mission: The ASV is a turreted, armored, all-wheel drive vehicle that supports military police missions, such as rear area security, law and order operations, protects convoys in hostile areas, battlefield circulation, and enemy prisoner of war operations, over the entire spectrum of war and operations other than war.

FY 2009 Program: The budget procures and fields 204 Armored Security Vehicles.

Prime Contractor: Textron Marine & Land Systems, New Orleans, LA

Armored Security Vehicle						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(555)	461.9	(274)	283.8	(204)	195.4
Total	(555)	461.9	(274)	283.8	(204)	195.4

Family of Heavy Tactical Vehicles

The Family of Heavy Tactical Vehicles (FHTV) consists of the Palletized Load System (PLS) and the Heavy Expanded Mobility Tactical Truck (HEMTT).



The PLS consists of a 16.5-ton tactical vehicle composed of a 10x10 truck with integral self load/unload capability, 16.5-ton companion trailer, and demountable cargo beds (flatracks). The Forward Repair System (FRS) is issued to Maintenance units along with the PLS as its prime mover. The HEMTT is a 10-ton vehicle (8x8) which comes in five configurations (M977-Cargo w/Crane, M978-2500 gallon Fuel Tanker, M983-Tractor, M9841A1-Wrecker, M985-Cargo w/Heavy Crane, and M1120-Load Handling System (LHS)). The HEMTT version A4 enters production in June 2008 and has a common cab with PLS and features a modern power train, air ride suspension, updated electrical system, ABS & traction control, climate control and B-Kit armor capable.

Mission: The FHTV is used in line haul, local haul, unit resupply, and other missions to support modern and highly mobile combat units.

FY 2009 Program: The FY 2009 program procures 1,061 FHTV vehicles

Prime Contractor: Oshkosh Truck Corporation, Oshkosh, WI

Family of Heavy Tactical Vehicles						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(3,185)	1,569.6	(1,371)	986.9	(1,061)	923.3
RDT&E	(-)	13.0	(-)	12.7	(-)	2.9
Total	(3,185)	1,582.6	(1,371)	999.6	(1,061)	926.2

DoD FY 2009 Budget Request Summary Justification

Family of Medium Tactical Vehicles

The FMTV is a family of diesel powered trucks in the 2 1/2 ton (4x4) and 5 ton (6x6) payload classes. This Non-Developmental Item (NDI) program capitalizes on current state of the art automotive technology including a diesel engine, automatic transmission, and central tire inflation system (CTIS). Sub-variants have air drop capability for contingency, rapid deployment capability and is strategically deployable in C-5, C-17, and C-130 aircraft. The FMTV is built around a common chassis and drive train, featuring over 80 percent commonality of parts and components between models and weight classes that will improve unit operational capabilities and reduce Operation and Support costs .



Mission: The FMTV's numerous models perform a wide variety of missions including cargo transport (cargo model), vehicle recovery operations (wrecker), construction (dump), line haul (tractor), and airdrop missions (Low Velocity Air Drop (LVAD) model), and civil disaster relief.

FY09 Program: The Army's FY 2009 program will procure 3,187 trucks.

Prime Contractor: Stewart and Stevenson, Sealy, TX

Family of Medium Tactical Vehicles

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(11,460)	3,090.0	(2,992)	1,986.2	(3,187)	944.7
RDT&E	(-)	12.5	(-)	6.4	(-)	2.0
Total	(11,460)	3,102.5	(2,992)	1,992.6	(3,187)	946.7

M-1 Abrams Tank Upgrade

The Abrams tank modernization strategy comprises two variants, the M1A1 and M1A2. The current production configurations of these are the M1A1 Situational Awareness (SA) and M1A2 System Enhancement Program version 2 (SEPV2). The M1A1 SA modernization program includes increased armor protection, a nuclear, biological, and chemical protection system, an improved AGT1500 turbine engine, and a second-generation thermal sensor. The M1A2 SEPV2 modernization program includes a commander's independent thermal viewer, position navigation equipment, improved fire control system, second-generation thermal sensors, a thermal management system, an improved AGT1500 turbine engine and six improved digital Line Replaceable Units (LRUs).



Mission: Provides mobile, protected firepower for battlefield superiority against heavy armor forces.

FY 2009 Program: The FY 2009 budget procures and fields M1A2 SEPV2 tanks to armor units including the 1st Armored Division and 3rd Armored Cavalry Regiment.

Prime Contractor: General Dynamics Land Systems
Sterling Heights, MI

M-1 Abrams Tank Upgrade

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(338)	2,578.5	(20)	1,010.0	(29)	692.7
RDT&E	(-)	12.1	(-)	35.6	(-)	35.0
Total	(338)	2,590.6	(20)	1,045.6	(29)	727.7

DoD FY 2009 Budget Request Summary Justification

Stryker Family of Armored Vehicles

Stryker is a four-wheel drive, selective eight-wheel drive, armored vehicle weighing approximately 19 tons. It can reach speeds of 62 mph on the highway and has a maximum range of 312 miles.



It is deployable by air and combat capable upon arrival. There are 10 Stryker configurations which include the Infantry Carrier Vehicle (ICV); Mobile Gun System (MGS); Reconnaissance Vehicle (RV); Anti-Tank Guided Missile (ATGM); Nuclear, Biological, Chemical, and Radiological Vehicle (NBCRV); Medical Evacuation Vehicle (MEV) Commander's Vehicle (CV); Fire Support Vehicle (FSV); Mortar Carrier (MC); and Engineer Squad Vehicle (ESV).

Mission: The Stryker provides the Army with a mobile weapon system that operates with speed and can maneuver in combat terrain and urban areas. It combines high mobility, firepower, and versatility with common parts and components.

FY 2009 Program: FY 2009 continues to procure vehicles for the Stryker Brigade Combat Teams.

Prime Contractor: General Dynamics Land Systems, Shelby Township, MI

Stryker Family of Armored Vehicles						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(245)	1,430.6	(92)	959.7	(119)	1,175.0
RDT&E	(-)	8.4	(-)	143.7	(-)	108.0
Total	(245)	1,439.0	(92)	1,103.4	(119)	1,283.0

High Mobility Multipurpose Wheeled Vehicle

The High Mobility Multipurpose Wheeled Vehicle (HMMWV) is a light, highly mobile, diesel-powered, air-transportable and air-droppable, four-wheel-drive tactical vehicle.



The HMMWV can be configured, through the use of common components and kits, to become a cargo/troop carrier, armament carrier, shelter carrier, ambulance, and TOW and Stinger weapons carrier. The Army and Marine Corps have enhanced the HMMWV with add-on armor kits that can be installed or removed to meet mission requirements. These protection (B-kits) add armor to areas such as the doors, rocker panel, and front wheel wells.

Mission: The HMMWV fulfills specific missions by serving as the platform for several weapon systems. The M1151 Enhanced Armament Carrier and M1152 Enhanced Shelter Carrier have a heavier chassis and improved engine that enables the use of removable add-on armor protection providing the Army greater flexibility when deploying units.

FY 2009 Program: The FY2009 program procures 5,249 HMMWV's with integrated armor and safety initiatives.

Prime Contractor: AM General, Mishawaka, IN

High Mobility Multipurpose Wheeled Vehicle						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement						
Army	(13,578)	2,550.4	(7,600)	1,397.1	(4,977)	947.0
Other Services	(4,641)	687.1	(1,400)	197.0	(272)	42.7
Total	(18,219)	3,237.5	(9,000)	1,594.1	(5,249)	989.7

DoD FY 2009 Budget Request Summary Justification

Expeditionary Fighting Vehicle



The Expeditionary Fighting Vehicle (EFV) is an armored, fully tracked infantry combat vehicle that is a keystone for the Marine Corps Expeditionary



Maneuver Warfare and Ship-to-Objective Maneuver warfighting concepts. It will be the Marine Corps' primary means of tactical mobility for the Marine Rifle Squad during amphibious operations and subsequent ground combat operations ashore. The EFV provides increased operational tempo, survivability and lethality throughout the battlespace and across the spectrum of conflict. The EFV will replace the current Amphibious Assault Vehicle (AAV) which was originally fielded in 1972.

Mission: The EFV is a self-deploying, high-water-speed, armored amphibious vehicle that provides high speed transport of embarked Marine infantry from ships located beyond the horizon. Although not a main battle tank, the EFV will have the speed and maneuvering capabilities to conduct operations with battle tanks on land and provide land mobility and direct fire support during combat operations.

FY 2009 Program: The FY 2009 program continues system development.

Prime Contractor: General Dynamics Corp., Woodbridge, VA

Expeditionary Fighting Vehicle						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
RDT&E	(-)	314.9	(-)	247.2	(-)	316.1
Total	(-)	314.9	(-)	247.2	(-)	316.1

MISSILE DEFENSE

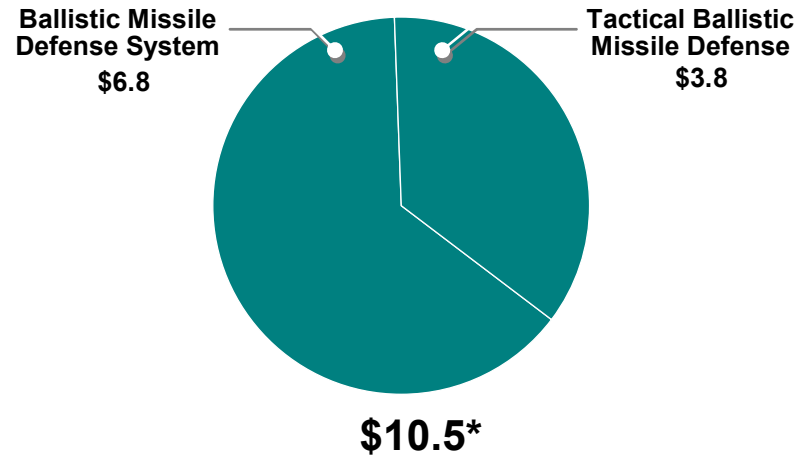
Missile Defense

The goal of the Nation's missile defense investment is to develop and progressively field a system to defend the U.S., its deployed forces, and its Allies and friends against ballistic missiles. This category includes all missile defense systems designed to defeat hostile ballistic missiles of various ranges and phases of flight.

Components include interceptor missiles themselves as well as the associated sensors and command, control, battle management, and communications systems. There are also significant investments in construction, targets and counter-measures, and research, development, test, and evaluation activities. Included in this category are all programs that are either critical to the functionality of missile defense or support missile defense as a primary mission. Representative programs are the Airborne Laser (ABL) program (aircraft-based), AEGIS (ship-based), Terminal High Altitude Area Defense (THAAD) (ground-based), Ground-Based Midcourse Defense (GMD) (ground-based), and Patriot Advance Capability – 3 (PAC-3) (ground based).

FY 2009 Missile Defense

(\$ in billions)



Source: FY 2009 PRCP – Investment Categorization

106-WP

Numbers may not add due to rounding

*Does not include the \$0.4B of Military Construction and BRAC funding included in the Missile Defense program write-up that follows (p. 190)

DoD FY 2009 Budget Request Summary Justification

Patriot / MEADS

DOD - JOINT

The Patriot/Medium Extended Air Defense System (MEADS) Combined Aggregate Program (CAP) is a cooperative program with Germany and Italy to develop a ground-based air and terminal ballistic missile defense capability. The Patriot/MEADS CAP will be a highly mobile, tactically deployable system to protect the maneuver force from short-range and medium-range ballistic missiles, cruise missiles, and other air-breathing threats. It will have the capability to provide point defense of critical assets in addition to providing continuous protection of a rapidly advancing maneuver force.

Mission: To protect critical assets and maneuver forces that belong to the Corps and Echelons Above Corps from cruise missiles, tactical ballistic missiles, fixed and rotary wing aircraft, and unmanned aerial vehicles.

FY 2009 Program: The budget request supports the continuous system design and development program and the initial production facilitization required to build the Missile Segment Enhancement missile.

Prime Contractor: MEADS International, Orlando, FI

Patriot / Medium Extended Air Defense System CAP

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	-	(-)	-	(-)	31.0
RDT&E	(-)	322.9	(-)	370.0	(-)	431.3
Total	(-)	322.9	(-)	370.0	(-)	462.3

Patriot / PAC-3

DOD - JOINT

Patriot is a ground-based air and terminal ballistic missile defense system, using guided missiles to engage and destroy multiple targets at varying ranges. The Patriot Advanced Capability-3 (PAC-3) is the latest evolution of the Patriot ground-based air and terminal ballistic missile defense system.

The full capability provides defense against short-range and medium-range ballistic missiles, cruise missiles, unmanned aerial vehicles and other air-breathing threats as part of the Ballistic Missile Defense System. PAC-3 missiles continue to be produced and fielded and have been used in support of Operation Iraqi Freedom.

Mission: To protect critical assets and maneuver forces that belong to the Corps and Echelons Above Corps from cruise missiles, tactical ballistic missiles, fixed and rotary wing aircraft, and unmanned aerial vehicles.

FY 2009 Program: The budget request supports modernization of ground support equipment, development of Patriot product improvements and evolutionary development and fielding the PAC-3 missile.

Prime Contractor PAC-3 Missile: Lockheed Martin, Dallas, TX

Patriot Advanced Capability-3

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(112)	494.6	(108)	469.7	(108)	512.1
RDT&E	(-)	16.5	(-)	10.8	(-)	11.2
Total	(112)	511.1	(108)	480.5	(108)	523.3



DoD FY 2009 Budget Request Summary Justification

Missile Defense

DOD - JOINT



Missile Defense is a multi-layer, multifaceted program designed to protect the U.S., its Allies, and deployed forces from missile attack. The program is managed as one system that will explore concepts and eventually develop and field air, sea, ground, and space systems that will intercept any range of threat in the boost, midcourse or terminal phases of flight trajectory. Major systems include Ground Based Midcourse, AEGIS Ballistic Missile Defense (BMD), Airborne Laser, Terminal High Altitude Area Defense (THAAD), and Space Tracking and Surveillance System.

Mission: To conduct research and development of defensive technologies and related systems that may enable the destruction of ballistic missiles and warheads in flight and to develop and field systems that protect the U.S. as well as allied forces from a missile attack.

FY 2009 Program: The budget request supports sustainment of the initial capabilities deployed, along with closing gaps and improving capabilities through production and fielding of ground-based interceptors; development of mobile ground-based interceptors; continued production and fielding of forward based radars; and production and delivery of the mobile sea-based interceptors. This includes leveraging technological development options to dissuade and staying ahead of current and emerging threats. The requested funds for the surface-launched AMRAAM system will procure long-lead nonrecurring engineering for the FY 2010 launcher buy.

Prime Contractors: Boeing, Lockheed Martin
Northrop Grumman, Raytheon

Planned BMDs Interceptor Inventory (Cumulative Totals)

	FY 2007	FY 2008	FY 2009
Ground Based Interceptor	24	27	30
Standard Missile -3	20	37	52
THAAD	–	–	7
Total	44	64	89

Missile Defense Agency

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
RDT&E, DW	(–)	183.8	(–)	108.4	(–)	118.7
BMD Technologies	(–)	347.4	(–)	196.9	(–)	288.3
Advanced Concepts/ Special Programs	(–)	1,082.5	(–)	1,045.3	(–)	1,019.1
BMD Terminal Defense	(–)	2,985.1	(–)	2,243.2	(–)	2,076.7
BMD Midcourse Defense	(–)	1,125.4	(–)	1,126.3	(–)	1,157.8
AEGIS BMD	(–)	622.2	(–)	510.2	(–)	421.2
BMD Boost Defense	(–)	515.0	(–)	586.1	(–)	1,077.0
BMD Sensors	(–)	311.4	(–)	231.5	(–)	242.4
Space Tracking and Surveillance	(–)	341.4	(–)	340.1	(–)	386.8
BMD System Interceptors	(–)	133.6	(–)	229.9	(–)	354.5
Multiple Kill Vehicle	(–)	1,733.4	(–)	1,934.0	(–)	1,748.3
Other Programs	(–)	9,381.3	(–)	8,552.1	(–)	8,890.7
Subtotal	(–)	9,381.3	(–)	8,552.1	(–)	8,890.7
MILCON, MDA	(–)	–	(–)	–	(–)	285.0
BRAC, MDA	(–)	–	(–)	103.2	(–)	160.0
Surface Launched AMRAAM System Procurement, Army	(–)	–	(–)	–	(–)	40.5
JTAMDO (Joint Staff) RDT&E, DW	(–)	52.3	(–)	53.7	(–)	55.3
Total	(–)	9,433.6	(–)	8,709.0	(–)	9,431.5

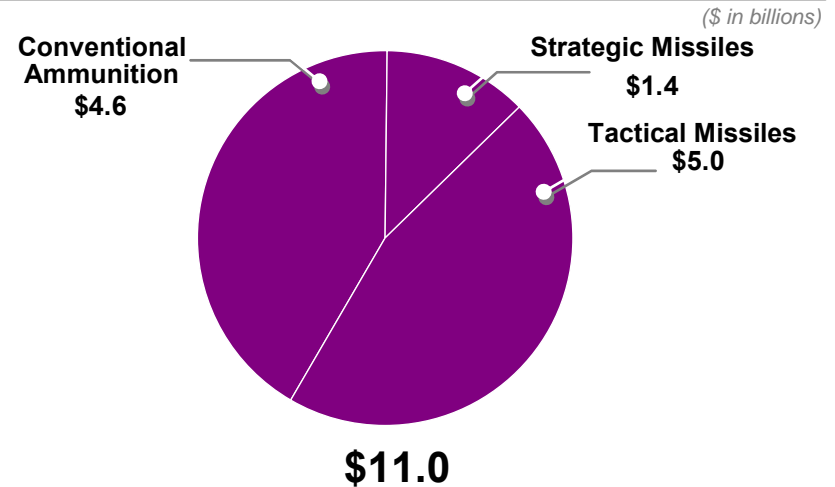
MUNITIONS AND MISSILES

Munitions and Missiles

Munitions is a general term for ammunition and missiles including conventional ammunition, bombs, missiles, warheads, and mines. This category includes conventional and nuclear weapons and weapons used for both tactical and strategic purposes. Many of the missiles and munitions are precision guided with the technical sophistication to allow guidance corrections during flight-to-target. Some programs include non-explosive articles that enhance the performance of other munitions. For example, the Joint Direct Attack Munition (JDAM) adds guidance capability to an attached gravity bomb, making it a “smart” bomb. Interceptor missiles supporting the missile defense mission are included in the Missile Defense section.

Funding has decreased moderately over the last several years as inventories of direct attack weapons such as JDAM have become plentiful. The Department continues to build inventories of standoff weaponry, such as the Joint Air to Surface Standoff Missile, the Joint Standoff Weapon, and the Small Diameter Bomb.

FY 2009 Munitions and Missiles



Source: FY 2009 PRCP – Investment Categorization
Numbers may not add due to rounding

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DoD FY 2009 Budget Request Summary Justification

Advanced Med. Range Air-to-Air Missile DOD - JOINT



The Advanced Medium Range Air-to-Air Missile (AMRAAM) is an all-weather, all-environment radar-guided missile developed to improve capabilities against very low-altitude and high-altitude, high-speed targets in an electronic countermeasures environment. AMRAAM is a joint Navy/Air Force program led by the Air Force.

Mission: The mission of the AMRAAM is to destroy low-and-high-altitude, high-speed enemy targets in an electronic countermeasures environment.

FY 2009 Program: The FY 2009 program continues full rate production as well as product improvements.

Prime Contractor: Raytheon Company, Tucson, AZ

Advanced Medium Range Air-to-Air Missile

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement						
Air Force	(59)	114.2	(148)	193.3	(281)	294.7
Navy	(42)	88.3	(78)	86.9	(147)	146.8
Subtotal	(101)	202.5	(226)	280.2	(428)	441.5
RDT&E						
Air Force	(-)	33.4	(-)	33.4	(-)	54.2
Navy	(-)	6.1	(-)	2.5	(-)	8.6
Subtotal	(-)	39.5	(-)	35.9	(-)	62.8
Total	(101)	242.0	(226)	316.1	(428)	504.3

Air Intercept Missile – 9X DOD - JOINT



The AIM-9X short range air-to-air missile provides a launch and leave, air combat missile that uses passive infrared energy for acquisition and tracking of enemy aircraft. AIM-9X is a joint Navy/Air Force program led by the Navy.

Mission: The mission of the AIM-9X is to destroy low and high altitude, high-speed enemy targets in an electronic countermeasures environment.

FY 2009 Program: The FY 2009 program continues full rate production and product improvements.

Prime Contractor: Raytheon Company, Tucson, AZ

AIM-9X

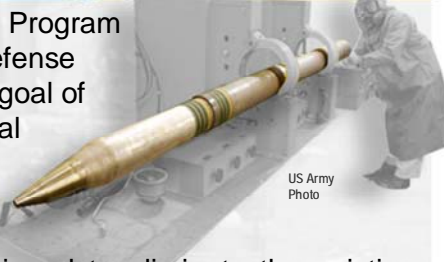
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement						
Air Force	(183)	43.7	(149)	52.3	(275)	77.2
Navy	(174)	40.2	(170)	54.5	(205)	57.5
Subtotal	(357)	83.9	(319)	106.8	(480)	134.7
RDT&E						
Air Force	(-)	8.6	(-)	7.9	(-)	5.7
Navy	(-)	7.8	(-)	4.4	(-)	6.7
Subtotal	(-)	16.4	(-)	12.3	(-)	12.4
Total	(357)	100.3	(319)	119.1	(480)	147.1

DoD FY 2009 Budget Request Summary Justification

Chemical Demilitarization

DOD - JOINT

The Chemical Demilitarization Program is composed of three major defense acquisition programs with the goal of destroying a variety of chemical agents and weapons, as well as the destruction of former chemical weapon production facilities. It is designed to eliminate the existing chemical weapons stockpile in compliance with the Chemical Weapons Convention (CWC), while ensuring the safety and security of the workers, the public, and the environment.



Mission: There are five mission areas within this Program: 1) destroy chemical agents and weapons stockpile using incineration technology; 2) destroy bulk container chemical agent stockpiles using neutralization technology; 3) destroy chemical agents and weapons stockpiles using neutralization technologies; 4) destroy Chemical Warfare Materiel (CWM) apart from the stockpile including: disposal of binary chemical weapons, former production facilities, various CWM and recouped chemical weapons, and remediation support work; and 5) chemical stockpile emergency preparedness.

FY 2009 Program: The budget reflects continued safe and secure destruction of chemical agents and weapons at existing destruction operating facilities, with continued construction efforts at the two pilot facilities located in Pueblo, CO and Blue Grass, KY. Both these sites will use an alternative destruction technology (chemical agent neutralization) for incineration.

Prime Contractors:

- Edgerton, Germeshausen and Grier (EG&G) Defense Materials, Tooele, Utah
- Westinghouse (Washington Group Engineering Services), Anniston, Alabama
- Washington Demilitarization Company, Umatilla, Oregon
- Washington Demilitarization Company, Pine Bluff, Arkansas
- Bechtel National Incorporated, Edgewood, Maryland
- Parsons Infrastructure & Technical Group, Newport, Indiana
- Bechtel National Incorporated, Pueblo, Colorado
- Bechtel Parsons, Richmond, Kentucky

Chemical Demilitarization Program

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
CAMD	(-)	1,272.0	(-)	1,513.0	(-)	1,486.0
MILCON	(-)	131.0	(-)	104.0	(-)	134.0
Total	(-)	1,403.0	(-)	1,617.0	(-)	1,620.0

DoD FY 2009 Budget Request Summary Justification

Joint Air-to-Ground Missile *DOD - JOINT*

The Joint Air-to-Ground Missile (JAGM) is a joint Army and Navy program led by the Army to provide a conventional, precision-guided, air-to-ground weapon that can be delivered from both fixed and rotary wing aircraft. The JAGM is intended to replace the aging inventory of Hellfire and Maverick missiles. The concept of the JAGM is to employ a multi-mode seeker to attack fixed and moving targets alike.

Mission: The mission of the JAGM is to provide close air support with ability to attack fixed and moving targets. Although a different program, JAGM is meant to fill the same capability as the earlier terminated Joint Common Missile.

FY 2009 Program: The FY 2009 program continues development.

Prime Contractors: Currently in Source Selection

	Joint Air-to-Ground Missile					
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
RDT&E						
Army	(-)	-	(-)	53.2	(-)	118.5
Navy	(-)	-	(-)	14.7	(-)	62.3
Total	(-)	-	(-)	67.9	(-)	180.8

Joint Air to Surface Standoff Missile *DOD - JOINT*



The Joint Air-to-Surface Standoff Missile (JASSM) is a conventional precision-guided, long-range standoff cruise missile that can be delivered from both fighters and bombers. The Navy terminated its involvement in JASSM in FY 2006 in favor of other weapons.

Mission: The mission of the JASSM is to destroy targets from outside the ranges of the enemy's air defenses.

FY 2009 Program: The FY 2009 program procures JASSMs subject to successful reliability testing and Nunn-McCurdy certification.

Prime Contractor: Lockheed Martin Integrated Systems Incorporated, Orlando, FL

	Joint Air to Surface Standoff Missile					
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement						
Air Force	(163)	156.5	(115)	160.0	(260)	240.3
RDT&E						
Air Force	(-)	33.0	(-)	12.1	(-)	13.0
Total	(163)	189.5	(115)	172.1	(260)	253.3

DoD FY 2009 Budget Request Summary Justification

Joint Direct Attack Munition **DOD - JOINT**



The Joint Direct Attack Munition (JDAM) is a joint Air Force/Navy program led by the Air Force. The JDAM improves the existing inventory of general purpose gravity bombs by integrating a Global Positioning System/inertial navigation guidance capability that improves accuracy and adverse weather capability.

Mission: The mission of the JDAM is to enhance DoD conventional strike system capabilities by providing the ability to precisely attack time-critical, high value fixed, relocatable, or maritime targets under adverse environmental conditions and from all altitudes.

FY 2009 Program: The FY 2009 program continues production, but at reduced rates from prior years, given the relatively healthy inventory of JDAM.

Prime Contractor: Boeing Aircraft Corporation, St. Charles, MO

Joint Direct Attack Munition						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement						
Air Force	(7,261)	194.1	(3,817)	112.0	(3,647)	105.7
Navy	(3,324)	86.6	(1,357)	38.4	(169)	9.3
Subtotal	(10,585)	280.7	(5,174)	150.4	(3,816)	115.0
RDT&E						
Air Force	(-)	21.0	(-)	-	(-)	-
Total	(10,585)	301.7	(5,174)	150.4	(3,816)	115.0

Joint Standoff Weapon **DOD - JOINT**



The Joint Standoff Weapon (JSOW - AGM-154) is a joint weapon providing day, night, and adverse weather environment munition capability. The JSOW consists of three variants. The JSOW baseline (BLU-97 Submunition) provides a day, night, and all-weather environment submunition for soft and area targets. The JSOW Unitary incorporates the multi-stage Broach penetrating warhead with terminal accuracy via Automatic Target Acquisition Seeker Technology. Lastly, the BLU-108 variant provides an anti-armor/tank capability. Continued production of the BLU-108 JSOW has been deferred. The Air Force terminated production of JSOW in FY 2005, favoring other weapons to meet the requirement.

Mission: The mission of the JSOW is to provide a primary standoff precision guided munition capability. The day/night, adverse weather capability provides continuous munitions operations from a survivable standoff range.

FY 2009 Program: The FY 2009 program continues production and product improvements of JSOW Unitary for the Navy only.

Prime Contractor: Raytheon Corporation, Tucson, AZ

Joint Standoff Weapon						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(388)	124.1	(416)	130.4	(496)	149.1
RDT&E	(-)	26.8	(-)	29.1	(-)	22.5
Total	(388)	150.9	(416)	159.5	(496)	171.6

DoD FY 2009 Budget Request Summary Justification

Small Diameter Bomb



The Small Diameter Bomb (SDB) is a joint Air Force and Navy program led by the Air Force to provide a conventional small sized, precision guided, standoff air-to-ground weapon that can be delivered from both fighters and bombers.

Mission: The mission of the SDB is to destroy targets from a medium-range standoff position deliverable by both fighters and bombers, with higher load-out and less collateral damage compared to other weapons.

FY 2009 Program: The FY 2009 program continues production of SDB Increment I, for fixed target attack, and continues development of Increment II, for moving target attack.

Prime Contractor: Boeing Aircraft Corporation St. Charles, MO

Small Diameter Bomb

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement						
Air Force	(2,030)	114.7	(1,395)	94.7	(2,612)	133.2
RDT&E						
Air Force	(-)	122.3	(-)	144.3	(-)	125.1
Navy	(-)	9.8	(-)	9.6	(-)	19.6
Subtotal	(-)	132.1	(-)	153.9	(-)	144.7
Total	(2,030)	246.8	(1,395)	248.6	(2,612)	277.9

Javelin Advanced Anti-Tank Weapon



The Javelin Advanced Anti-tank Weapon System-Medium is a man-portable fire and forget weapon system used against tanks with conventional and reactive armor. Special features of Javelin are the choice of top attack or direct fire mode, integrated day/night sight, soft launch permitting fire from enclosures, and imaging infrared seeker. Procurement funds buy Missiles, Command Launch Units (CLU) and Training Devices.

Mission: The mission of the Javelin is to defeat armored targets.

FY 2009 Program: The FY 2009 program continues production of Javelin missiles and CLUs.

Prime Contractors: Raytheon TI, Tucson, AZ
Lockheed Martin Javelin Joint Venture,
Orlando, FL

Javelin Advanced Anti-Tank Weapon

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(250)	158.1	(385)	166.8	(605)	259.3
Total	(250)	158.1	(385)	166.8	(605)	259.3

DoD FY 2009 Budget Request Summary Justification

High Mobility Artillery Rocket System

The High Mobility Artillery Rocket System (HIMARS) consists of a C-130 transportable, wheeled, indirect fire, rocket/missile system capable of firing all rockets and missiles in the current and future Multiple Launch Rocket System (MLRS) family of munitions.



Mission: The mission of the HIMARS is to neutralize or suppress enemy field artillery and air defense systems and supplement cannon artillery fires.

FY 2009 Program: The FY 2009 program continues procurement of MLRS rockets and provides for continued upgrade development.

Prime Contractor: Lockheed Martin Missiles and Fire Control, Dallas, TX

High Mobility Artillery Rocket System

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement (Rockets only)						
Army	(925)	124.9	(1,482)	201.8	(1,938)	247.2
Marine Corps	(180)	116.8	(38)	20.9	(165)	91.7
Subtotal	(1,105)	241.7	(1,520)	222.7	(2,103)	338.9
RDT&E						
Army	(-)	54.2	(-)	44.9	(-)	52.2
Marine Corps	(-)	0.0	(-)	0.0	(-)	0.0
Subtotal	(-)	54.2	(-)	44.9	(-)	52.2
Total	(1,105)	295.9	(1,520)	267.6	(2,103)	391.1

Evolved Seasparrow Missile



The Evolved Seasparrow Missile (ESSM) is an improved version of the NATO Seasparrow missile, designed for ship self-defense.

Mission: The mission of the ESSM is to defeat current and projected threats that possess low altitude, high velocity and maneuver characteristics beyond the engagement capabilities of other ship self-defense systems.

FY 2009 Program: The FY 2009 program continues production.

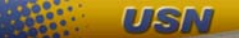
Prime Contractor: Raytheon Company, Tucson, AZ

Evolved Seasparrow Missile

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(100)	99.1	(85)	82.7	(86)	85.1
Total	(100)	99.1	(85)	82.7	(86)	85.1

DoD FY 2009 Budget Request Summary Justification

Rolling Airframe Missile



The Rolling Airframe Missile (RAM) is a high firepower, lightweight complementary self-defense system to engage anti-ship cruise missiles.



Mission: The mission of the RAM is to provide high firepower close-in defense of combatant and auxiliary ships by using a dual mode, passive radio frequency/infrared missile in a compact 21 missile launcher.

FY 2009 Program: The FY 2009 program continues production of missiles. Note that the FY 2007 program contained only new missile procurement; the FY 2008 and FY 2009 programs include both the procurement of new missiles and alterations to existing missiles—the quantities shown in the table below only account for new missile procurement.

Prime Contractor: Raytheon Corporation, Tucson, AZ

Rolling Airframe Missile						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(90)	56.6	(90)	75.5	(90)	74.3
Total	(90)	56.6	(90)	75.5	(90)	74.3

Standard Family of Missiles



The Standard missile family consists of various air defense missiles including supersonic, medium and extended range, surface-to-air missiles.

Mission: The mission of the Standard missile family is to provide all-weather, anti-air warfare armament for AEGIS cruisers, destroyers and guided missile frigates.

FY 2009 Program: The FY 2009 program continues production of the current SM-2 variant, and begins low-rate development of the follow-on SM-6 variant, for added capability.

Prime Contractor: Raytheon Corporation, Tucson, AZ

Standard Family of Missiles						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(75)	137.0	(75)	158.6	(70)	228.0
RDT&E	(-)	177.1	(-)	226.8	(-)	234.7
Total	(75)	314.1	(75)	385.4	(70)	462.7

DoD FY 2009 Budget Request Summary Justification

Tactical Tomahawk Cruise Missile



The Tactical Tomahawk is a Navy long-range conventional cruise missile weapon system which is sized to fit torpedo tubes and is capable of being deployed from a variety of surface ship and submarine platforms.

Mission: The mission of the TOMAHAWK is to provide a long-range cruise missile launched from a variety of platforms against land targets.

FY 2009 Program: The FY 2009 budget continues Tomahawk production.

Prime Contractor: Raytheon Company, Tucson, AZ

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(355)	353.0	(394)	380.5	(207)	281.1
RDT&E	(-)	22.4	(-)	15.7	(-)	14.2
Total	(355)	375.4	(394)	396.2	(207)	295.3

Trident II Ballistic Missile



The Trident II (D-5) is a submarine launched ballistic missile with greater range, payload capability and accuracy than the Trident I.

Mission: The mission of the Trident II is nuclear war deterrence by means of assured retaliation in response to a major attack on the U.S. and to enhance nuclear stability by providing no incentive for enemy first strike.

FY 2009 Program: Provides funding for program and production support (including flight test instrumentation and additional re-entry system hardware) and the D-5 Missile Life Extension Program. The D-5 life extension funding procures D-5 missile motors and other critical components required to support the extended 45 year SSBN hull life (for a 14 SSBN Trident II program, which assumes the backfit of four C-4 boats to the D-5 configuration) and sustains the redesign of the guidance system and missile electronics.

Prime Contractor: Lockheed Martin Missiles and Space Company Sunnyvale, CA

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	914.4	(12)	1,044.7	(24)	1,093.2
RDT&E	(-)	79.3	(-)	44.2	(-)	45.5
Total	(-)	993.7	(12)	1,088.9	(24)	1,138.7

SHIPBUILDING AND MARITIME SYSTEMS

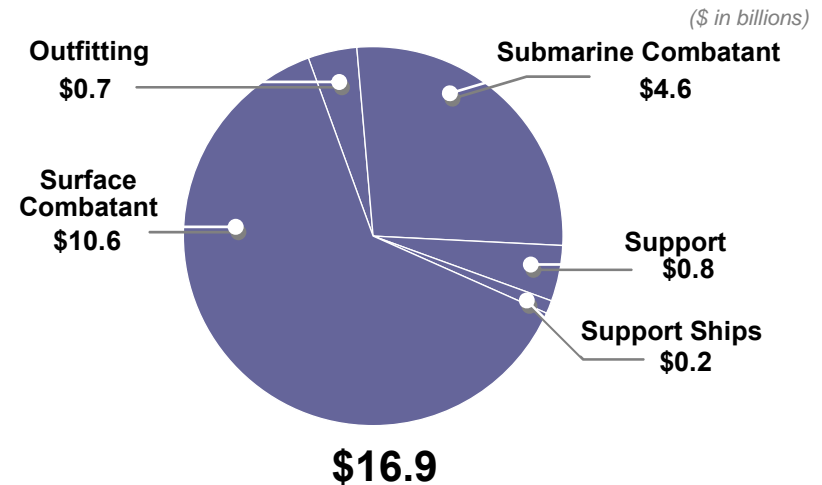
Shipbuilding and Maritime Systems

The U.S. Maritime Strategy is based on the principle of forward presence. Forward presence promotes conflict deterrence by ensuring Naval forces are in a position to respond to conflict expeditiously. By being a ready fleet, options can be maximized should conflict deterrence fail. In accordance with the U.S. Maritime Strategy, the Navy's Shipbuilding program aims to achieve a 313-ship fleet by FY 2020 for global missions (Figure 4.4) The 313-ship fleet will allow the U.S. to maintain maritime superiority well into the 21st century. The mobilization of the 313-ship fleet will ensure missions are accomplished.

Highlights of the FY 2009 Shipbuilding Program:

- CVN 21 Carrier Replacement program: procurements are for CVN 78 construction (the first of the CVN-21 class) and CVN 79 long lead time items;
- DDG 1000: third ship of the class;
- LCS procurements: two ships and three Mission Modules (two counter mine warfare packages and one Surface warfare package);
- SSN 774 (Virginia Class) nuclear fast attack submarine: procures one. The request includes funding to transition to a Multi-Year Procurement contract and two ships a year starting in FY 2011; and
- Joint High Speed Vessel (JHSV) program: procurements are for two vessels, 1 Navy and 1 Army.

FY 2009 Shipbuilding and Maritime Systems



Source: FY 2009 PRCP – Investment Categorization
Numbers may not add due to rounding

106-WP

Figure 4.4 Navy's 313-Ship Fleet

Ship	Qty
Aircraft Carriers (all nuclear)	11
Surface Combatants	88
Littoral Combat Ships	55
Attack Submarines	48
Cruise Missile Submarines	4
Ballistic Missile Submarines	14
Expeditionary Warfare Ships	31
Combat Logistics Ships	30
Maritime Propositioning Ships	12
Support Vessels	20
Total Naval Force	313

Source: United States Navy

106-WP

DoD FY 2009 Budget Request Summary Justification

Joint High Speed Vessel

DOD - JOINT

The Joint High Speed Vessel (JHSV) is a cooperative Army and Navy effort for a high speed shallow draft vessel designed for rapid intra-theater transport.



Mission: JHSV will provide combatant commanders with high-speed, intra-theater sealift mobility and inherent cargo handling capacity and the agility to achieve positional advantage over operational distances.

FY 2009 Program: FY 2009 JHSV program procurements fund two vessels.

Prime Contractor: Currently under Source Selection

Joint High Speed Vessel

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement						
Army	(-)	-	(1)	210.0	(1)	170.0
Navy	(-)	-	(-)	-	(1)	174.8
Subtotal	(-)	-	(1)	210.0	(2)	344.8
RDT&E						
Army	(-)	19.8	(-)	5.1	(-)	2.9
Navy	(-)	13.7	(-)	18.5	(-)	12.0
Subtotal	(-)	33.5	(-)	23.6	(-)	14.9
Total	(-)	33.5	(1)	233.6	(2)	359.7

Carrier Replacement

USN

The Carrier Replacement Program funds new construction of aircraft carriers. The last Nimitz Class carrier, CVN 77, is scheduled for delivery in 2008. CVN 77 will serve as the “bridge” platform for technologies that will enable the Navy to transition from the Nimitz class to the next generation aircraft carrier (CVN 21). CVN 21 ships will include new technologies such as an integrated topside island that includes a new multi-function radar, propulsion plant, flight deck enhancements, Electromagnetic Aircraft Launching System (EMALS) and advanced arresting gear.



Mission: CVN 21 Carrier Replacement ships provide forward presence during peacetime; operate as the cornerstone of a joint and/or allied maritime expeditionary force in response to crisis; and carry the war to the enemy through joint multi-mission offensive operations.

FY 2009 Program: The FY 2009 Carrier Replacement Program provides funding for construction of the CVN 78 lead ship and provides Advance Procurement funding for CVN 79 long lead time items.

Prime Contractor: Northrop Grumman Newport News
Newport News, VA

Carrier Replacement

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	1,107.0	(1)	3,145.0	(-)	3,926.5
RDT&E	(-)	303.6	(-)	232.5	(-)	261.6
Total	(-)	1,410.6	(1)	3,377.5	(-)	4,188.1

DoD FY 2009 Budget Request Summary Justification

DDG 1000 Destroyer

The DDG 1000, formerly termed the DD(X), will be an optimally-crewed, multi-mission surface



Image Courtesy of Northrop Grumman

combatant designed to fulfill volume firepower and precision strike requirements. Armed with an array of weapons, DDG 1000 will provide offensive, distributed and precision firepower at long ranges in support of forces ashore. To ensure effective operations in the littoral, DDG 1000 will incorporate full-spectrum signature reduction, active and passive self-defense systems and cutting-edge survivability features. The Navy plans to incorporate technologies developed under the DDG 1000 program into the entire family of new surface combatants, which include the CG(X) and the LCS.

Mission: DDG 1000 Zumwalt Class Destroyer ships (DDG 1000) provide striking power, sustainability, survivability, and information dominance.

FY 2009 Program: FY 2009 DDG 1000 program funds are for DDG 1002 construction and advance procurement for DDG 1003. Incremental funding was authorized by the FY 2007 National Defense Authorization Act.

Prime Contractors: Northrop Grumman Ship Systems
Ingalls Operations, Pascagoula, MS,
General Dynamics, Bath Iron Works, Bath, ME

DDG 1000 Destroyer

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(2)	2,557.3	(-)	2,906.9	(1)	2,553.7
RDT&E	(-)	797.0	(-)	629.3	(-)	678.9
Total	(2)	3,354.3	(-)	3,536.2	(1)	3,232.6

Landing Helicopter Assault Ship

The Landing Helicopter Assault Replacement (LHA(R)) ship is a large deck amphibious assault ship, which facilitates forward presence and power projection in support of Seapower 21 operational concepts as an integral part of joint, interagency, and multinational maritime expeditionary forces. It embarks, supports, and operates for sustained periods with landing force elements including landing craft, aircraft, and Naval amphibious tactical and administrative organizations for command and control. This ship will provide increased aviation capability, vehicle lift, cargo magazine capacity and better survivability.



Image courtesy of Northrop Grumman

Mission: LHA(R) ships provide forward presence and power projection, independently and as an integral part of joint, interagency, and multi-national maritime expeditionary forces and support Expeditionary Strike Group/Marine Expeditionary Unit operations and as part of Maritime Expeditionary Brigade operations from the seabase.

FY 2009 Program: FY 2009 LHA(R) program funds technology developments.

Prime Contractor: Northrop Grumman Ship Systems
Pascagoula, MS

Landing Helicopter Assault Ship

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(1)	1,131.1	(-)	1,365.8	(-)	-
RDT&E	(-)	13.2	(-)	5.8	(-)	2.4
Total	(1)	1,144.3	(-)	1,371.6	(-)	2.4

DoD FY 2009 Budget Request Summary Justification

Littoral Combat Ship

The Littoral Combat Ship (LCS) will be a fast, agile, and stealthy surface combatant capable of operating in support of anti-access missions against asymmetric threats in the littorals. It will be the first Navy ship to separate capability from hull form and provide a robust, affordable, focused-mission warship enhancing the Navy's ability to establish sea superiority. LCS will be capable of employing manned and unmanned mission modules to counter some of the most challenging anti-access threats our naval forces may encounter close to shore – mines, quiet diesel submarines and swarming small boats. These modular packages are funded separately.

Mission: LCS defeats asymmetric threats and assures naval and joint forces access into contested littoral regions by prosecuting small boats, mines countermeasures, and littoral anti-submarine warfare.

FY 2009 Program: FY 2009 LCS procurements construct two LCS seaframes and three mission module packages.

Prime Contractor: Lockheed Martin Marinette Marine, General Dynamics (Austal USA, Mobile, AL)



Image courtesy General Dynamics

Image Courtesy Lockheed Martin

Littoral Combat Ship

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	93.0	(1)	337.1	(2)	920.0
RDT&E	(-)	663.9	(-)	304.1	(-)	371.0
Total	(-)	756.9	(1)	641.2	(2)	1,291.0

Amphibious Transport Dock Ship

The San Antonio Class Amphibious Transport Dock ships are functional replacements for 41 ships of four classes of amphibious ships. The LPD 17 design includes systems configurations that reduce operating and support costs and help operational performance improvements. These include composite masts, advanced sensors, advanced computers, advanced command and control software, advanced information systems technologies, and ship based logistics concepts.

Mission: LPD 17 San Antonio Class Amphibious Transport Dock ships embark, transport, and land elements of Marine landing forces in an amphibious assault by helicopters, landing craft, and amphibious vehicles.

FY 2009 Program: FY 2009 LPD 17 San Antonio Class Amphibious Transport Dock program funds program closeout costs.

Prime Contractor: Northrop Grumman Ship Systems
Ingalls Operations, Pascagoula, MS and
Avondale Operations, New Orleans, LA



US Navy Photo

Amphibious Transport Dock Ship

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	379.7	(1)	1,497.8	(-)	103.2
RDT&E	(-)	8.1	(-)	4.2	(-)	1.0
Total	(-)	387.8	(1)	1,502.0	(-)	104.2

DoD FY 2009 Budget Request Summary Justification

Virginia Class Submarine

The Virginia class is the next-generation of attack submarines and will provide the Navy with the capabilities to



US Navy Photo

maintain undersea supremacy in the 21st century. The Virginia class submarine is nuclear-powered and is intended to replace the fleet of 688 class submarines and is characterized by state-of-the-art stealth and enhanced features for Special Operations Forces. Virginia class submarines are able to attack targets ashore with Tomahawk cruise missiles and conduct covert long-term surveillance of land areas, littoral waters or other sea-based forces.

Mission: Virginia Class Submarines seek and destroy enemy ships across a wide spectrum of scenarios, working independently and in consort with a battle group and other ships, providing joint commanders with early, accurate knowledge of the battlefield.

FY 2009 Program: FY 2009 Virginia Class Submarine procurements are for SSN 784 construction and advance procurement for later submarines.

Prime Contractors:

General Dynamics Electric Boat Division, Groton, CT
Northrop Grumman Newport News, Newport News, VA

Virginia Class Submarine

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(1)	2,552.7	(1)	3,174.3	(1)	3,423.6
RDT&E	(-)	197.1	(-)	244.1	(-)	167.4
Total	(1)	2,749.8	(1)	3,418.4	(1)	3,591.0

CVN Refueling Complex Overhaul

CVN Refueling Complex Overhaul (RCOH) is a program to refuel and upgrade Nimitz class aircraft carriers at about their mid-life of 25 years and extends the operational life of the ship. The nuclear



Photo Courtesy of Northrop Grumman

refueling and upgrades, which take approximately three years to complete, will provide for reliable operations during the remaining ship life using only the normal maintenance cycle. This incremental transformation of capabilities allows the ship to adapt to future mission requirements and meet continued service life requirements.

Mission: Nuclear aircraft carriers support and operate aircraft engaging in attacks on targets afloat and ashore which threaten our use of the sea, and to engage in sustained operations in support of other forces.

FY 2009 Program: The FY 2009 CVN Refueling Complex Overhaul program accelerates the USS Theodore Roosevelt (CVN 71) RCOH to FY 2009.

Prime Contractor: Northrop Grumman Newport News
Newport News, VA

CVN Refueling Complex Overhaul

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	1,067.1	(-)	295.3	(-)	628.0
Total	(-)	1,067.1	(-)	295.3	(-)	628.0

DoD FY 2009 Budget Request Summary Justification

Auxiliary Dry Cargo and Ammunition Ship 



The T-AKE Auxiliary Dry Cargo and Ammunition Ship replaces the aging fleet of refrigerated cargo and food stores ships (designated AFS Class) and ammunition ships (designated AE Class) in the Navy’s Combat Logistics Force. The T-AKE provides logistic lift capability as a shuttle ship from sources of supply for transfer at sea to station ships and other Naval Warfare Forces.

Mission: Lewis and Clark Class (T-AKE) Auxiliary Dry Cargo ships provide ammunition, spare parts and provisions to naval forces at sea in their role as shuttle ships.

FY 2009 Program: FY 2009 Lewis and Clark Class T-AKE Auxiliary Dry Cargo ship program procures two ships.

Prime Contractor: National Steel and Shipbuilding Company, San Diego, CA

Auxiliary Dry Cargo and Ammunition Ship

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement*	(1)	453.2	(-)	753.3	(2)	962.4
Total	(1)	453.2	(-)	753.3	(2)	962.4

* Procurement for this ship is funded through the National Defense Sealift Fund revolving fund, not the US Navy Procurement Account

SPACE BASED AND RELATED SYSTEMS

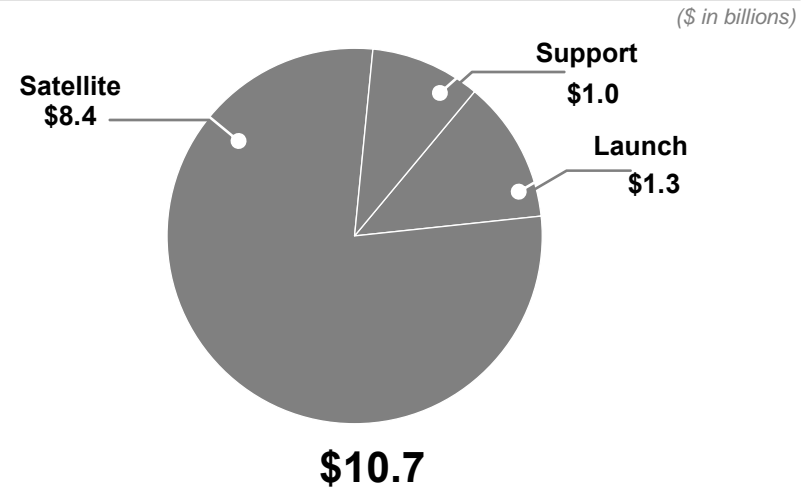
Space Based and Related Systems

Space assets support deployed U.S. forces by providing communications services, navigation capabilities, and information collected by remote sensors such as weather satellites and intelligence collection systems. Space forces contribute to the overall effectiveness of U.S. military forces by acting as a force multiplier that enhances combat power. The capability to control space will contribute to achieving information superiority and battlespace dominance. This category includes all space-based systems except Space Tracking and Surveillance Satellite for STSS, which is under Missile Defense.

Highlights

Procurement of satellites and launch services are typically funded two years prior to launch. Generally speaking the first two satellites of a new system are purchased with Research, Development, Test & Evaluation funding and the remainder of the satellites are purchased with procurement funding. The funding devoted for space programs continues to grow in the FY 2009 budget request in recognition of the growing importance and the expanding contribution that space systems have in supporting the DoD mission requirements. Since FY 2007, the funding for space systems has increased by 35 percent, most notably to develop and procure a new generation of spacecraft that provide a vital contribution to

FY 2009 Space Based and Related Systems



Source: FY 2009 PRCP – Investment Categorization
Numbers may not add due to rounding

106-WP

communications, navigation, weather forecasting, tactical warning and attack assessment, and surveillance.

The FY 2009 request includes increases from FY 2008 funding levels for the next generation Global Positioning System (GPS) satellite (+\$0.1 billion); the Navy's communications fleet satellite (+\$0.2 billion); and the Space Based Infrared System (+\$1.3 billion).

DoD FY 2009 Budget Request Summary Justification

Mobile User Objective System

The Mobile User Objective System (MUOS) is the next generation DoD advanced narrow band communications satellite constellation. The MUOS satellite includes the new networked payload and a separate legacy payload. MUOS will replace the existing UHF Follow-On (UFO) constellation and provide a much higher data rate capability for mobile users. The first satellite launch is planned for FY 2010.

Mission: The mission of the MUOS is to satisfy Ultra High Frequency (UHF) narrow-band communications requirements.

FY 2009 Program: Provides funding to continue system development of the satellite system, procurement of the launch vehicle for satellite 2, procurement of satellite 3, and procurement of long lead items for satellite 4.

Prime Contractor: Lockheed Martin Space Systems, Sunnyvale, CA

Mobile User Objective System						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	-	(-)	214.4	(1)	507.5
RDT&E	(-)	645.9	(-)	598.2	(-)	516.8
Total	(-)	645.9	(-)	812.6	(1)	1,024.3

Advanced Extremely High Frequency

The Advanced Extremely High Frequency (AEHF) Satellite is a constellation of communications satellites that will replenish the existing EHF system (MILSTAR) at much higher capacity and data rate capability. The AEHF constellation will provide survivable, anti-jam, worldwide secure communications for strategic and tactical users. AEHF is a collaborative program that includes resources for Canada, the UK, and the Netherlands. The first satellite is expected to launch in the first quarter of FY 2009, and the second satellite will launch in the third quarter of FY 2009.

Mission: The mission of the AEHF is to provide secure, survivable worldwide communications. It will support both strategic and tactical users and be backward compatible with the MILSTAR communication satellite system.

FY 2009 Program: Launches the first two satellites, continues the assembly and integration of the third satellite, completes the acquisition of long-lead parts for the fourth satellite, and continues the development of the ground control system.

Prime Contractor: Lockheed Martin Space Systems, Sunnyvale, CA

Advanced Extremely High Frequency (AEHF) Satellite						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	-	(-)	132.1	(-)	16.6
RDT&E	(-)	617.3	(-)	599.4	(-)	388.0
Total	(-)	617.3	(-)	731.5	(-)	404.6

DoD FY 2009 Budget Request Summary Justification

Evolved Expendable Launch Vehicle

The Evolved Expendable Launch Vehicle (EELV) replaces the current families of Delta, Atlas, and Titan launch vehicles with a new, lower cost program for the acquisition of space launch services. EELV significantly reduces launch costs over current systems by redesigning launch hardware and ground processing facilities and by introducing commercial business practices. As of December 2006, the United Launch Alliance joint venture is the sole provider of EELV launch services.

Mission: The mission of the EELV is to provide DoD and other government and commercial purchasers launch services for medium- to heavy-lift class satellites.

FY 2009 Program: Provides funding for the procurement of four launch vehicles and associated launch services and support activities.



Prime Contractors: United Launch Alliance, Decatur, AL

Evolved Expendable Launch Vehicle

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(3)	852.1	(4)	1,091.8	(4)	1,205.3
RDT&E	(-)	19.1	(-)	-	(-)	33.7
Total	(3)	871.2	(4)	1,091.8	(4)	1,239.0

Global Positioning System

The Global Positioning System (GPS) provides a global, three-dimensional positioning, velocity and time information system for aircraft, artillery, ships, tanks and other weapons delivery systems. The fully operational GPS constellation consists of 24 satellites in orbit at all times.

Mission: The mission of the GPS is to provide a global system of satellites for positioning, navigation, and timing (PNT) purposes.

FY 2009 Program: Provides for satellite launch and integration of replenishment satellites, continued development of the GPS constellation, as well as the GPS III satellite variant, the next generation in precision satellite navigation. The GPS satellites being launched prior to GPS III, coming online in FY 2013, were purchased prior to FY 2007 and are currently in storage.



Prime Contractor: Block IIR: Lockheed Martin, King of Prussia, PA
Block IIF: Boeing, Seal Beach, CA

Global Positioning System

	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	95.7	(-)	219.4	(-)	135.6
RDT&E	(-)	452.1	(-)	601.9	(-)	819.0
Total	(-)	547.8	(-)	821.3	(-)	954.6

DoD FY 2009 Budget Request Summary Justification

NPOESS

The National Polar-orbiting Operational Environmental Satellite System (NPOESS) will be used to monitor global environmental conditions through highly technical collection and dissemination processes. Initial launch capability for NPOESS is planned for the second quarter of FY 2013.

Mission: The mission of the NPOESS four satellite constellation is to provide timely, high-quality environmental data on weather and atmospheric conditions, covering the oceans, land, and near-space environments.

FY 2009 Program: Continues system development and design for risk reduction missions involving both ground and space systems. NPOESS is a joint effort with the Department of Commerce (DOC), the National Aeronautics and Space Administration (NASA) and the U.S. Air Force.



Prime Contractor: Northrop Grumman Space Technology, Redondo Beach, CA

	NPOESS					
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
RDT&E	(-)	343.3	(-)	332.5	(-)	289.5
Total	(-)	343.3	(-)	332.5	(-)	289.5

Space Based Infrared System

Space Based Infrared System (SBIRS) will field a constellation of four satellites in geosynchronous earth orbit (GEO), and two hosted payloads in highly elliptical orbit (HEO) to provide initial warning of a ballistic missile attack. SBIRS is the follow-on system to the Defense Support Program. The first launch is scheduled for the first quarter of FY 2010.

Mission: The mission of the SBIRS is to use new technologies to enhance detection and improve reporting of strategic and tactical ballistic missile launches.

FY 2009 Program: Provides funding to continue the assembly, integration, and testing of the first two GEO satellites, operational testing of the first HEO payload, and development of the ground segment.



Prime Contractor: Lockheed Martin Corporation, Sunnyvale, CA

	Space Based Infrared System					
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(-)	6.5	(-)	399.3	(2)	1,798.4
RDT&E	(-)	677.9	(-)	583.3	(-)	529.8
Total	(-)	684.4	(-)	982.6	(2)	2,328.2

DoD FY 2009 Budget Request Summary Justification

Transformational Satellite Comm System 

The Transformational Satellite Communications System (TSAT) system will transform warfighters' information capabilities. It will enhance the Advanced Extremely High Frequency Satellite Communication System and provide secure, survivable, anti-jam communications. Through use of internet-like connectivity, TSAT will enable global net-centric communications extending the Global Information Grid into space. The first satellite is currently planned to launch in the first quarter of FY 2016



Mission: The mission of the TSAT system is to provide the DoD with secure, survivable worldwide communications using internet protocol packet switching and laser technologies.

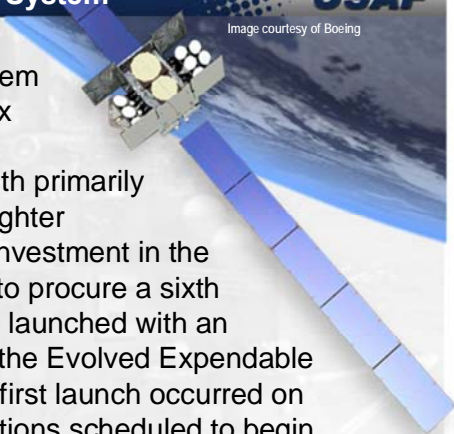
FY 2009 Program: Provides funding to continue the program's development and production of the space segment and the development of the network and operation management system.

Prime Contractors Risk Reduction & System Definition:
 Lockheed Martin Space Systems, Sunnyvale, CA
 Boeing, El Segundo, CA

Transformational Satellite Communications System						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$)	(Qty)	Amt (\$)	(Qty)	Amt (\$)
RDT&E	(-)	700.4	(-)	804.7	(-)	843.0
Total	(-)	700.4	(-)	804.7	(-)	843.0

Wideband Global SATCOM System 

The Wideband Global Satellite Communication system (WGS) is a constellation of six satellites that will provide unprotected satellite bandwidth primarily for deployed forces and warfighter communications. Australian investment in the system provided the funding to procure a sixth satellite. The satellites will be launched with an intermediate-sized variant of the Evolved Expendable Launch Vehicle (EELV). The first launch occurred on October 10, 2007, with operations scheduled to begin in April 2008. The second launch is planned for mid 2008.



Mission: The mission of the WGS system is to provide a substantial bandwidth increase over the Department's Interim Wideband System consisting of the Defense Satellite Communications System (DSCS) and the Global Broadcast Service (GBS). Additionally, WGS will provide a new two-way Ka-band service.

FY 2009 Program: Provides launch of the third satellite and on-orbit testing of the second and third satellites, continues production of the fourth and fifth satellites, and funds full production for the sixth satellite.

Prime Contractor: Boeing Space Systems, El Segundo, CA

Wideband Global Satellite Communication System						
	FY 2007		FY 2008		FY 2009	
	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)	(Qty)	Amt (\$M)
Procurement	(1)	412.5	(1)	322.9	(-)	22.5
RDT&E	(-)	44.0	(-)	19.1	(-)	12.4
Total	(1)	456.5	(1)	342.0	(-)	34.9

RESOURCE EXHIBITS

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DoD FY 2009 Budget Request Summary Justification

Table 5.1 Budget Authority by Appropriation Title

\$ in Millions

	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Military Personnel	110,409.5	116,477.6	125,246.9	+8,769.3	7.5%
Operation and Maintenance	147,773.5	164,187.3	179,787.0	+15,599.8	9.5%
Procurement	83,697.9	98,985.8	104,216.3	+5,230.5	5.3%
RDT&E	75,773.5	76,535.5	79,615.9	+3,080.4	4.0%
Military Construction	9,154.5	17,763.3	21,196.8	+3,433.5	19.3%
Revolving Funds	2,280.1	2,691.8	2,173.5	-518.4	-19.3%
Family Housing	4,022.3	2,866.7	3,203.5	+336.7	11.7%
International Programs	35.0	—	—	—	—
Offset Receipts	-1.3	—	—	—	—
Total	433,144.9	479,508.1	515,439.9	+35,931.8	7.5%

Numbers may not add due to Rounding

Table 5.2 Budget Authority by Component

\$ in Millions

	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Army	108,554.2	128,421.5	140,710.4	+12,288.9	9.6%
Navy	126,147.3	139,139.5	149,294.5	+10,155.1	7.3%
Air Force	128,298.0	134,296.9	143,859.1	+9,562.1	7.1%
Defense-Wide	70,145.4	77,650.2	81,575.9	+3,925.7	5.1%
Total	433,144.9	479,508.1	515,439.9	+35,931.8	7.5%

Numbers may not add due to Rounding

DoD FY 2009 Budget Request Summary Justification

Table 5.3a Budget Category to Appropriation Title Conversion

\$ in Millions

	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Military Pay & Healthcare	140,420.3	149,376.3	+8,956.0	6.4%
Military Personnel (less Healthcare)	98,205.6	107,819.7	+9,614.1	9.8%
Healthcare	42,214.7	41,556.6	-658.1	-1.6%
<i>Defense Health Program (O&M, Defense-Wide)</i>	<i>23,468.7</i>	<i>23,615.2</i>	<i>+146.5</i>	<i>0.6%</i>
<i>Military Personnel (Army, Navy, and Air Force)</i>	<i>7,086.6</i>	<i>7,076.6</i>	<i>-10.0</i>	<i>-0.1%</i>
<i>Military Construction (Defense-Wide)</i>	<i>474.0</i>	<i>514.2</i>	<i>+40.2</i>	<i>8.5%</i>
<i>Healthcare Accrual (MILPER) (Army, Navy, Air Force)</i>	<i>11,185.4</i>	<i>10,350.6</i>	<i>-834.8</i>	<i>-7.5%</i>
Operations, Readiness & Support	143,410.4	158,345.3	+14,934.9	10.4%
Operation & Maintenance (less DHP)	140,718.6	156,171.8	+15,453.2	11.0%
Revolving Funds	2,691.8	2,173.5	-518.4	-19.3%
Strategic Modernization	175,521.3	183,832.2	+8,310.9	4.7%
Procurement	98,985.8	104,216.3	+5,230.5	5.3%
RDT&E	76,535.5	79,615.9	+3,080.4	4.0%
Family Housing & Facilities	20,156.0	23,886.0	+3,730.0	18.5%
Family Housing	2,866.7	3,203.5	+336.7	11.7%
Military Construction (less Health Care)	17,289.3	20,682.6	+3,393.3	19.6%
Total	479,508.1	515,439.9	+35,931.8	7.5%

Numbers may not add due to Rounding

DoD FY 2009 Budget Request Summary Justification

Table 5.3b FY 2009 Budget Category to Appropriation Title Conversion Matrix

\$ in Millions

	Military Pay & Healthcare	Operations, Readiness & Support	Strategic Modernization	Family Housing & Facilities	Title Subtotals
Military Personnel	125,246.9	—	—	—	125,246.9
Operation and Maintenance	23,615.2	156,171.8	—	—	179,787.0
Procurement	—	—	104,216.3	—	104,216.3
RDT&E	—	—	79,615.9	—	79,615.9
Military Construction	514.2	—	—	20,682.6	21,196.8
Revolving Funds	—	2,173.5	—	—	2,173.5
Family Housing	—	—	—	3,203.5	3,203.5
Category Subtotals	149,376.3	158,345.3	183,832.2	23,886.0	515,439.9

Numbers may not add due to Rounding

DoD FY 2009 Budget Request Summary Justification

Table 5.4 Budget Authority by Appropriation Account

\$ in Millions

	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
ARMY					
Military Personnel					
Medicare-Eligible Retiree Health Fund Contribution, Reserve Personnel, Army	742.2	718.2	678.9	-39.3	-5.5%
Medicare-Eligible Retiree Health Fund Contribution, National Guard Personnel, Army	1,232.2	1,261.8	1,194.5	-67.4	-5.3%
Medicare-Eligible Retiree Health Fund Contribution, Army	2,915.4	3,132.4	2,902.2	-230.2	-7.4%
Military Personnel, Army	28,331.9	31,535.0	36,523.8	+4,988.8	15.8%
National Guard Personnel, Army	5,902.2	5,924.7	6,595.3	+670.6	11.3%
Reserve Personnel, Army	3,279.2	3,684.6	3,921.8	+237.2	6.4%
Military Personnel Subtotal	42,403.0	46,256.8	51,816.5	+5,559.6	12.0%
Operation and Maintenance					
Environmental Restoration, Army	—	437.7	447.8	+10.1	2.3%
Operation and Maintenance, Army National Guard	5,229.1	5,737.2	5,875.5	+138.3	2.4%
Operation and Maintenance, Army Reserve	2,164.9	2,497.6	2,642.3	+144.8	5.8%
Operation and Maintenance, Army	23,511.8	27,225.8	31,243.1	+4,017.3	14.8%
Operation and Maintenance Subtotal	30,905.8	35,898.3	40,208.8	+4,310.4	12.0%
Procurement					
Aircraft Procurement, Army	3,589.6	4,157.5	5,009.8	+852.3	20.5%
Chemical Agents and Munitions Destruction, Army	1,272.4	1,512.7	1,485.6	-27.1	—
Joint Improvised Explosive Device Defeat Fund	39.0	120.0	496.3	+376.3	313.6%
Missile Procurement, Army	1,505.8	1,899.1	2,211.5	+312.4	16.5%
Other Procurement, Army	8,617.8	11,350.8	11,367.9	+17.1	0.2%
Procurement of Ammunition, Army	1,697.6	2,208.2	2,275.8	+67.6	3.1%
Procurement of Weapons & Tracked Combat Vehicles, Army	1,542.1	2,998.9	3,687.1	+688.2	22.9%
Procurement Subtotal	18,264.3	24,247.1	26,534.0	+2,287.0	9.4%

DoD FY 2009 Budget Request Summary Justification

Table 5.4 Budget Authority by Appropriation Account

\$ in Millions

	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
ARMY					
RDT&E					
Research Development Test and Evaluation, Army	11,202.9	12,031.3	10,524.1	-1,507.2	-12.5%
RDT&E Subtotal	11,202.9	12,031.3	10,524.1	-1,507.2	-12.5%
Military Construction					
Department of Defense Base Realignment and Closure - Army	114.9	98.7	72.9	-25.9	-26.2%
Chemical Demilitarization Construction, Army	131.0	104.2	134.3	+30.1	28.9%
Department of Defense Base Realignment and Closure Account 2005, Army	1,619.8	4,015.7	4,486.2	+470.4	11.7%
Military Construction, Army	1,974.0	3,927.9	4,615.9	+688.0	17.5%
Military Construction, Army Reserve	166.0	148.1	281.7	+133.6	90.2%
Military Construction, Army National Guard	470.9	536.7	539.3	+2.6	0.5%
Military Construction Subtotal	4,476.5	8,831.3	10,130.2	+1,298.9	14.7%
Revolving Funds					
Working Capital Funds, Army	16.3	5.0	102.2	+97.2	1951.8%
Revolving Funds Subtotal	16.3	5.0	102.2	+97.2	1951.8%
Family Housing					
Family Housing Construction, Army	579.0	419.8	678.6	+258.7	61.6%
Family Housing Operation and Maintenance, Army	671.3	731.9	716.1	-15.8	-2.2%
Family Housing Subtotals	1,250.3	1,151.8	1,394.7	+242.9	21.1%

DoD FY 2009 Budget Request Summary Justification

Table 5.4 Budget Authority by Appropriation Account

\$ in Millions

	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
ARMY					
International Programs					
Operating Expenses - Coalition Provisional Authority	35.0	—	—	—	—
International Programs Subtotals	35.0	—	—	—	—
ARMY Subtotal	108,554.2	128,421.5	140,710.4	+12,288.9	9.6%
NAVY					
Military Personnel					
Medicare-Eligible Retiree Health Fund Contribution, Reserve Personnel, Marine Corps	144.6	142.3	133.9	-8.4	-5.9%
Medicare-Eligible Retiree Health Fund Contribution, Reserve Personnel, Navy	287.1	265.9	239.8	-26.1	-9.8%
Medicare-Eligible Retiree Health Fund Contribution, Marine Corps	1,050.6	1,116.3	1,052.7	-63.6	-5.7%
Medicare-Eligible Retiree Health Fund Contribution, Navy	2,098.4	1,935.5	1,771.0	-164.5	-8.5%
Military Personnel, Marine Corps	9,174.7	10,280.2	11,809.8	+1,529.7	14.9%
Military Personnel, Navy	22,773.2	23,318.5	24,080.6	+762.1	3.3%
Reserve Personnel, Marine Corps	543.1	583.1	594.9	+11.8	2.0%
Reserve Personnel, Navy	1,772.0	1,790.1	1,870.0	+79.8	4.5%
Military Personnel Subtotal	37,843.7	39,431.9	41,552.8	+2,120.9	5.4%
Operation and Maintenance					
Environmental Restoration, Navy	—	299.1	290.8	-8.3	-2.8%
Operation and Maintenance, Marine Corps Reserve	208.3	207.6	213.1	+5.5	2.7%
Operation and Maintenance, Navy Reserve	1,279.6	1,142.4	1,311.1	+168.7	14.8%
Operation and Maintenance, Marine Corps	3,774.3	4,768.4	5,597.3	+828.8	17.4%
Operation and Maintenance, Navy	31,071.5	32,923.5	34,922.4	+1,998.9	6.1%
Operation and Maintenance Subtotal	36,333.6	39,341.0	42,334.7	+2,993.7	7.6%

DoD FY 2009 Budget Request Summary Justification

Table 5.4 Budget Authority by Appropriation Account

\$ in Millions

	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
NAVY					
Procurement					
Aircraft Procurement, Navy	10,268.5	12,380.0	14,716.8	+2,336.7	18.9%
Other Procurement, Navy	4,961.4	5,281.6	5,482.9	+201.2	3.8%
Procurement of Ammunition, Navy and Marine Corps	761.7	1,057.2	1,122.7	+65.5	6.2%
Procurement, Marine Corps	900.8	2,295.9	1,512.8	-783.1	-34.1%
Ship Building and Conversion, Navy	10,221.3	13,425.0	12,732.9	-692.1	-5.2%
Weapons Procurement, Navy	2,563.5	3,092.9	3,575.5	+482.5	15.6%
Procurement Subtotal	29,677.1	37,532.8	39,143.5	+1,610.7	4.3%
RDT&E					
Research Development Test and Evaluation, Navy	19,034.6	17,775.2	19,337.2	+1,562.1	8.8%
RDT&E Subtotal	19,034.6	17,775.2	19,337.2	+1,562.1	8.8%
Military Construction					
Department of Defense Base Realignment and Closure, Navy	—	50.0	178.7	+128.7	257.4%
Department of Defense Base Realignment and Closure Account 2005, Navy	297.3	733.7	871.5	+137.8	18.8%
Military Construction, Navy and Marine Corps	1,161.8	2,187.8	3,096.4	+908.6	41.5%
Military Construction, Naval Reserve	43.0	64.4	57.0	-7.4	-11.5%
Military Construction Subtotal	1,502.1	3,036.0	4,203.6	+1,167.7	38.5%
Revolving Funds					
National Defense Sealift Fund	1,067.8	1,344.1	1,962.3	+618.2	46.0%
Working Capital Funds, Navy	51.1	14.0	1.6	-12.4	-88.7%
Revolving Funds Subtotal	1,118.8	1,358.1	1,963.8	+605.7	44.6%

DoD FY 2009 Budget Request Summary Justification

Table 5.4 Budget Authority by Appropriation Account

<i>\$ in Millions</i>	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
NAVY					
Family Housing					
Family Housing Construction, Navy and Marine Corps	130.7	293.1	382.8	+89.6	30.6%
Family Housing Operation and Maintenance, Navy and Marine Corps	506.6	371.4	376.1	+4.7	1.3%
Family Housing Subtotals	637.4	664.5	758.8	+94.3	14.2%
NAVY Subtotal	126,147.3	139,139.5	149,294.5	+10,155.1	7.3%
AIR FORCE					
Military Personnel					
Medicare-Eligible Retiree Health Fund Contribution, Reserve Personnel, Air Force	268.1	251.9	223.6	-28.3	-11.2%
Medicare-Eligible Retiree Health Fund Contribution, National Guard Personnel, Air Force	409.5	402.2	376.0	-26.2	-6.5%
Medicare-Eligible Retiree Health Fund Contribution, Air Force	2,082.5	1,958.8	1,778.0	-180.8	-9.2%
Military Personnel, Air Force	23,648.2	24,194.9	25,271.4	+1,076.5	4.4%
National Guard Personnel, Air Force	2,426.8	2,617.3	2,792.0	+174.7	6.7%
Reserve Personnel, Air Force	1,327.7	1,363.8	1,436.7	+72.9	5.3%
Military Personnel Subtotal	30,162.8	30,788.9	31,877.7	+1,088.8	3.5%
Operation and Maintenance					
Environmental Restoration, Air Force	—	456.2	496.3	+40.1	8.8%
Operation and Maintenance, Air Force Reserve	2,648.5	2,801.4	3,142.9	+341.4	12.2%
Operation and Maintenance, Air Force	30,927.9	32,013.8	35,902.5	+3,888.7	12.1%
Operation and Maintenance, Air National Guard	5,007.8	5,441.5	5,879.6	+438.0	8.0%
Operation and Maintenance Subtotal	38,584.1	40,713.0	45,421.2	+4,708.3	11.6%

DoD FY 2009 Budget Request Summary Justification

Table 5.4 Budget Authority by Appropriation Account

\$ in Millions

	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
AIR FORCE					
Procurement					
Aircraft Procurement, Air Force	11,180.7	11,863.6	12,676.5	+812.9	6.9%
Missile Procurement, Air Force	3,785.6	4,945.4	5,536.7	+591.3	12.0%
Other Procurement, Air Force	15,486.0	15,334.3	16,128.4	+794.1	5.2%
Procurement of Ammunition, Air Force	1,037.6	749.0	894.5	+145.5	19.4%
Procurement Subtotal	31,490.0	32,892.4	35,236.1	+2,343.7	7.1%
RDT&E					
Research Development Test and Evaluation, Air Force	24,341.8	25,902.2	28,066.6	+2,164.4	8.4%
Tanker Replacement Transfer Fund, Air Force	—	150.0	—	-150.0	—
RDT&E Subtotal	24,341.8	26,052.2	28,066.6	+2,014.4	7.7%
Military Construction					
Department of Defense Base Realignment and Closure, Air Force	131.4	143.3	139.2	-4.1	-2.9%
Department of Defense Base Realignment and Closure Account 2005, Air Force	397.9	1,183.8	1,072.9	-110.9	-9.4%
Military Construction, Air Force	1,075.2	1,149.3	934.9	-214.4	-18.7%
Military Construction, Air Force Reserve	45.0	25.3	19.3	-6.0	-23.8%
Military Construction, Air National Guard	126.0	287.5	34.4	-253.2	-88.0%
Military Construction Subtotal	1,775.4	2,789.2	2,200.6	-588.6	-21.1%
Revolving Funds					
Working Capital Fund, Air Force	43.9	60.2	61.5	+1.2	2.0%
Revolving Funds Subtotal	43.9	60.2	61.5	+1.2	2.0%

DoD FY 2009 Budget Request Summary Justification

Table 5.4 Budget Authority by Appropriation Account

\$ in Millions

	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
AIR FORCE					
Family Housing					
Family Housing Construction, Air Force	1,150.0	312.7	395.9	+83.1	26.6%
Family Housing Operation and Maintenance, Air Force	750.0	688.3	599.5	-88.9	-12.9%
Family Housing Subtotals	1,900.0	1,001.1	995.3	-5.7	-0.6%
AIR FORCE Subtotal	128,298.0	134,296.9	143,859.1	+9,562.1	7.1%
DEFENSE-WIDE					
Operation and Maintenance					
Defense Health Program	21,199.2	23,468.7	23,615.2	+146.5	0.6%
Disposal of Department of Defense Real Property	15.7	56.0	12.0	-44.0	-78.6%
Overseas Military Facility Investment Recovery	—	0.7	0.7	—	—
Drug Interdiction and Counter-Drug Activities	—	984.8	1,060.5	+75.7	7.7%
Environmental Restoration, Defense-Wide	6.2	12.7	13.2	+0.5	3.8%
Environmental Restoration, Formerly Used Defense Sites	7.5	278.9	257.8	-21.1	-7.6%
Former Soviet Union Threat Reduction Account	370.6	425.9	414.1	-11.8	-2.8%
Inspector General	215.6	240.0	247.8	+7.9	3.3%
Lease of Department of Defense Real Property	22.8	3.4	3.5	+0.1	2.1%
Operation and Maintenance, Defense-Wide	20,037.7	22,649.2	26,091.9	+3,442.7	15.2%
Overseas Contingency Operations Transfer Account	—	—	9.1	+9.1	—
Overseas Humanitarian, Disaster, and Civic Aid	62.9	102.8	83.3	-19.5	-19.0%
United States Court of Appeals for the Armed Forces	11.7	11.9	13.3	+1.3	11.3%
Operation and Maintenance Subtotal	41,949.9	48,235.0	51,822.4	+3,587.3	7.4%

DoD FY 2009 Budget Request Summary Justification

Table 5.4 Budget Authority by Appropriation Account

\$ in Millions

	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
DEFENSE-WIDE					
Procurement					
Defense Production Act Purchases	62.9	94.2	36.4	-57.8	-61.4%
National Guard and Reserve Equipment	1,343.8	973.4	—	-973.4	—
Procurement, Defense-Wide	2,859.8	3,246.0	3,164.2	-81.8	-2.5%
Rapid Acquisition Fund	—	—	102.0	+102.0	—
Procurement Subtotal	4,266.5	4,313.6	3,302.6	-1,010.9	-23.4%
RDT&E					
Operational Test and Evaluation, Defense	180.2	178.3	188.8	+10.5	5.9%
Research, Development, Test and Evaluation, Defense-Wide	21,014.0	20,498.6	21,499.2	+1,000.6	4.9%
RDT&E Subtotal	21,194.2	20,676.9	21,688.0	+1,011.1	4.9%
Military Construction					
Department of Defense Base Realignment and Closure - Defense-Wide	6.0	3.7	2.7	-1.0	-28.2%
Department of Defense Base Realignment and Closure Account 2005, Defense-Wide	174.4	1,302.3	2,634.8	+1,332.5	102.3%
Military Construction, Defense-Wide	1,015.3	1,599.4	1,784.0	+184.6	11.5%
North Atlantic Treaty Organization Security Investment Program	204.8	201.4	240.9	+39.5	19.6%
Military Construction Subtotal	1,400.4	3,106.9	4,662.3	+1,555.5	50.1%

DoD FY 2009 Budget Request Summary Justification

Table 5.4 Budget Authority by Appropriation Account

<i>\$ in Millions</i>	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
DEFENSE-WIDE					
Revolving Funds					
Defense Coalition Support Fund, Defense-Wide	—	—	22.0	+22.0	—
National Defense Stockpile Transaction Fund	—	—	-1,300.0	-1,300.0	—
Pentagon Reservation Maintenance Revolving Fund	18.4	—	—	—	—
Working Capital Funds, DECA	1,179.4	1,245.7	1,291.1	+45.4	3.6%
Working Capital Funds, Defense-Wide	17.6	22.8	32.9	+10.1	44.2%
Working Capital Funds, Reduction to Contract Authority	-114.4	—	—	—	—
Revolving Funds Subtotal	1,101.1	1,268.5	46.0	-1,222.5	-96.4%
Family Housing					
Department of Defense Family Housing Improvement Fund	176.9	0.5	0.9	+0.4	70.0%
Family Housing Construction, Defense-Wide	9.0	—	—	—	—
Family Housing Operation and Maintenance, Defense-Wide	48.7	48.8	49.2	+0.4	0.8%
Hometown Assistance Fund	—	—	4.5	+4.5	—
Family Housing Subtotals	234.6	49.3	54.6	+5.2	10.6%
Offset Receipts					
Defense Vessels Transfer Receipt	-1.3	—	—	—	—
Offset Receipts Subtotal	-1.3	—	—	—	—
DEFENSE-WIDE Subtotal	70,145.4	77,650.2	81,575.9	+3,925.7	5.1%
GRAND TOTAL	433,144.9	479,508.1	515,439.9	+35,931.8	7.5%

Numbers may not add due to Rounding

DoD FY 2009 Budget Request Summary Justification

Table 5.5 Mandatory Budget Authority by Appropriation Title

\$ in Millions

	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Military Personnel	2,452.0	2,776.0	3,656.0	+880.0	31.7%
Operation and Maintenance	1,023.7	629.0	629.0	—	—
Procurement	183.5	26.7	—	-26.7	-100.0%
RDT&E	149.4	—	—	—	—
Military Construction	—	—	—	—	—
Revolving Funds	-564.3	—	—	—	—
Family Housing	1.6	—	—	—	—
Trust Funds	323.9	226.6	226.0	-0.6	-0.3%
Offset Receipts and Interfund Transfers	-2,226.8	-1,649.8	-1,688.6	-38.8	-2.4%
Total	1,343.0	2,008.5	2,822.3	+813.8	40.5%

Numbers may not add due to Rounding

DoD FY 2009 Budget Request Summary Justification

Table 5.6 Outlays by Appropriation Title

\$ in Millions

	FY 2007 Actual¹	FY 2008 Projected²	FY 2009 Projected²	Delta '08-'09	Percent Change '08-'09
Military Personnel	128,826.9	134,625.3	132,172.4	-2,452.9	-1.8%
Operation and Maintenance	217,421.4	224,397.8	269,886.9	+45,489.1	20.3%
Procurement	98,856.7	130,431.7	143,770.8	+13,339.1	10.2%
RDT&E	73,135.8	74,736.4	78,574.7	+3,838.3	5.1%
Military Construction	7,898.2	10,241.2	15,115.1	+4,873.9	47.6%
Revolving Funds	1,369.7	2,273.2	5,376.3	+3,103.1	136.5%
Family Housing	3,471.4	4,286.7	3,359.0	-927.7	-21.6%
Offset Receipts and Trust Funds	-1,140.4	2,038.0	2,884.6	+846.6	41.5%
Total	529,839.7	583,030.3	651,139.8	+68,109.5	11.7%

¹ Includes actual FY07 GWOT outlays

² Projects outlays consistent with the President's FY08 GWOT request of \$189.3B and the FY09 GWOT Emergency Allowance of \$70B

Numbers may not add due to Rounding

DoD FY 2009 Budget Request Summary Justification

Table 5.7 Personnel Levels by Service

Personnel Levels in Thousands

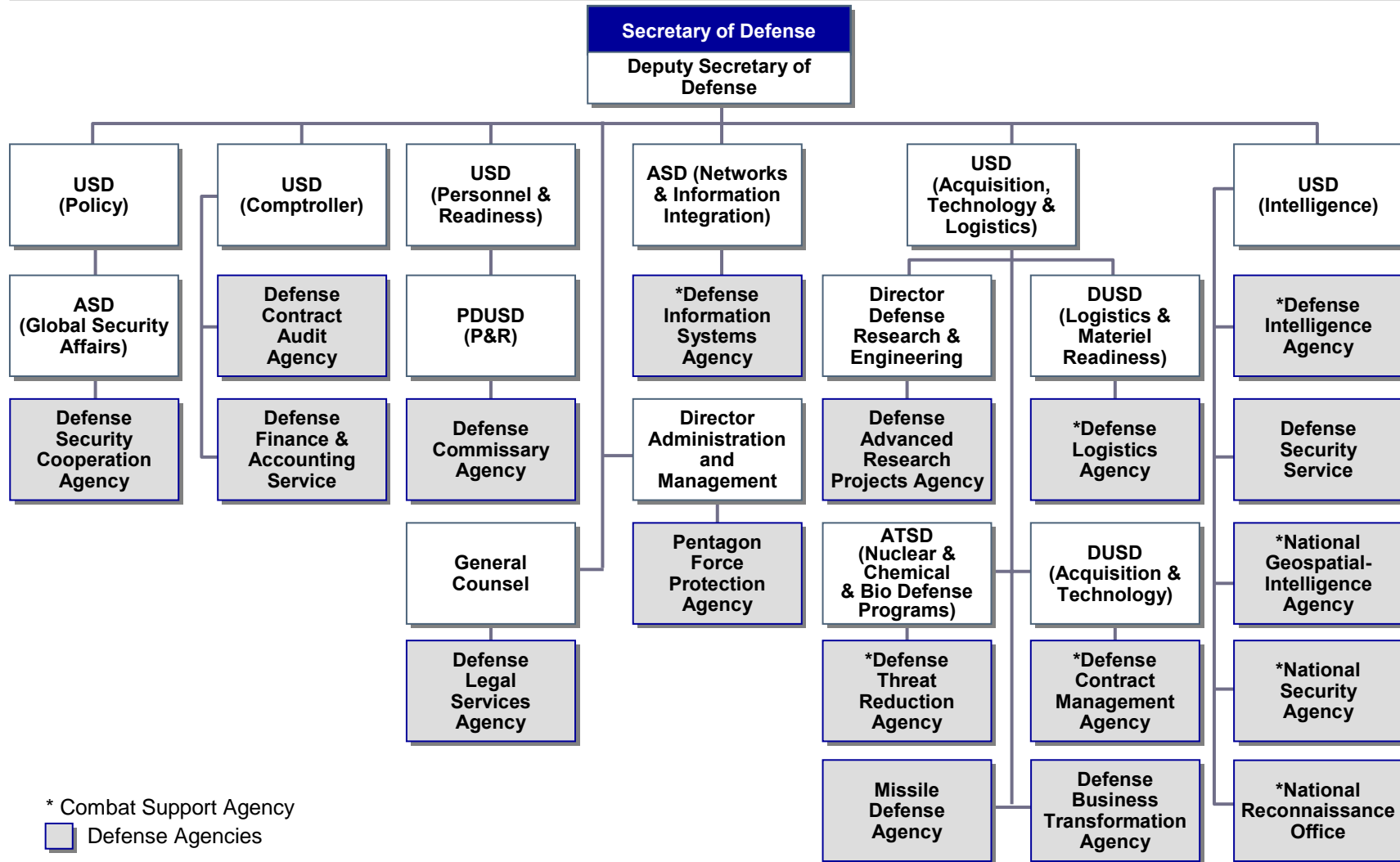
	FY 2007 Actual	FY 2008 Projected	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Army Active Component ¹	522.0	525.4	532.4	+7.0	1.3%
Army National Guard	352.7	351.3	352.6	+1.3	0.4%
Army Reserve	189.9	198.3	205.0	+6.7	3.4%
Total Soldiers	1,064.6	1,075.0	1,090.0	+15.0	1.4%
Navy Active Component	337.5	327.6	325.3	-2.3	-0.7%
Navy Reserve	69.9	67.8	66.7	-1.1	-1.6%
Total Sailors	407.4	395.4	392.0	-3.4	-0.9%
Marine Corps Active Component ²	186.5	189.0	194.0	+5.0	2.6%
Marine Corps Reserve	38.6	39.6	39.6	–	0.0%
Total Marines	225.1	228.6	233.6	+5.0	2.2%
Air Force Active Component	333.5	328.6	316.6	-12.0	-3.7%
Air Force National Guard	106.3	106.7	106.7	–	0.0%
Air Force Reserve	71.1	67.5	67.4	-0.1	-0.1%
Total Airmen	510.9	502.8	490.7	-12.1	-2.4%
Total Military Personnel	2,208.0	2,201.8	2,206.3	+4.5	0.2%
Total Civilians	696.0	708.9	713.9	+5.0	0.7%
Total DoD Personnel	2,904.0	2,910.7	2,920.2	+9.5	0.3%

Numbers may not add due to rounding

¹ FY 2007 and FY 2008 Army Active Component end strength includes 36,000 authorizations funded by GWOT

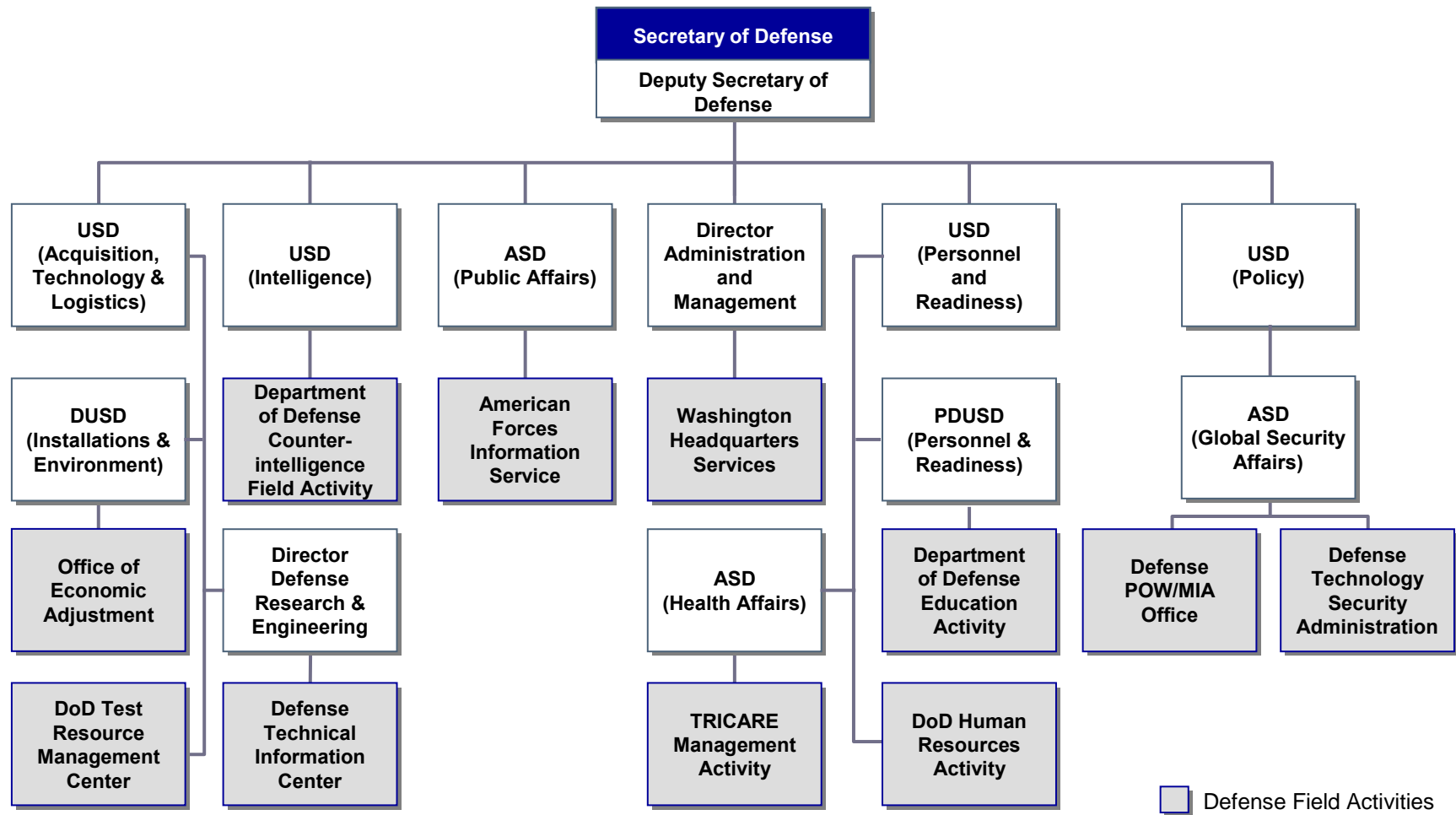
² Actual FY 2007 end-strength includes over-strength of 11,492, funded from the FY07 Emergency Supplemental. FY 2007 baseline funded at 175,000. FY 2008 end-strength includes over-strength of 9,000 requested in FY 2008 GWOT Request. FY 2008 baseline funded at 180,000.

Figure 5.1 Department of Defense Agencies



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Figure 5.2 Department of Defense Field Activities



LIST OF ACRONYMS

DoD FY 2009 Budget Request Summary Justification

Acronym	Definition
AB	Air Base
AC	Active Component
ACU	Assault Craft Unit
AEHF	Advanced Extremely High Frequency
AFIS	American Forces Information Service
AFRICOM	Africa Command
AFSO21	Air Force Smart Operations for the 21st Century
AHLTA	Armed Forces Health Longitudinal Technology Application
AIDS	Acquired Immune Deficiency Syndrome
AIM	Abrams Integrated Management
AMRAAM	Advanced Medium Range Air-to-Air Missile
ANSF	Afghan National Security Forces
AOR	Area Of Responsibility
APS	Africa Partnership Station
ARFORGEN	Army Force Generation
ARNG	Army National Guard
AWACS	Airborne Warning and Control System
BA	Battlespace Awareness
BAH	Basic Allowance for Housing
BAS	Basic Allowance for Subsistence
BCT	Brigade Combat Team
BEIS	Business Enterprise Information Service
BGPA	Building Global Partnerships Act
BMD	Ballistic Missile Defense
BMDS	Ballistic Missile Defense System
BPC	Building Partnership Capacity
BRAC	Base Realignment And Closure
BTA	Business Transformation Agency
BTU	British Thermal Unit
C2	Command and Control
C4I	Command, Control, Communications, Computers, and Intelligence
C4ISR	Command, Control, Communications, Computer, Intelligence, Surveillance and Reconnaissance
C5	Comprehensive Combat and Complex Casualty Care
CB	Chemical and Biological
CBDP	Chemical and Biological Defense Program
CBRNE	Chemical, Biological, Radiological, Nuclear, High Yield Explosive
CCIF	Combatant Commanders Initiative Fund
CE2T2	Commander's Exercise Engagement and Training Transformation
CENTCOM	Central Command
CERFP	CBRNE Enhanced Response Force Package

Acronym	Definition
CERP	Commander's Emergency Response Program
CIA	Central Intelligence Agency
CIFA	Counterintelligence Field Activity
CN	Counternarcotics
COCOM	U.S. Combatant Command
CONUS	Continental United States
CPM	Capability Portfolio Manager
CSAR	Combat Search and Rescue
CSA	Combat Support Agency
CSI	Civilian Stabilization Initiative
CST	Civil Support Team
CTC	Combat Training Center
CTOL	Conventional Take-off and Landing
CY	Calendar Year
DAR	Data-at-Rest
DARPA	Defense Advanced Research Projects Agency
DAU	Defense Acquisition University
DCAA	Defense Contract Audit Agency
DCIPS	Defense Civilian Intelligence Personnel System
DCMA	Defense Contract Management Agency
DEAD	Destruction of Enemy Air Defense
DeCA	Defense Commissary Agency
DECC	Defense Enterprise Computing Center
DEP	Delayed Entry Program
DFAS	Defense Finance and Accounting Service
DHP	Defense Healthcare Program
DHS	Department of Homeland Security
DHRA	Defense Human Resources Activity
DIA	Defense Intelligence Agency
DISA	Defense Information Systems Agency
DLA	Defense Logistics Agency
DLSA	Defense Legal Services Agency
DNI	Director of National Intelligence
DoD	Department of Defense
DoDEA	DoD Education Activity
DOHA	Defense Office of Hearings and Appeals
DON	Department of the Navy
DOTMLPF	Doctrine, Organization, Training, Materiel, Leadership & Education, Personnel, and Facilities
DPAP	Defense Procurement and Acquisition Policy
DPMO	Defense POW Missing Personnel Office

DoD FY 2009 Budget Request Summary Justification

Acronym	Definition
DSCA	Defense Security Cooperation Agency
DSP	Defense Support Program
DSS	Defense Security Service
DTIC	Defense Technical Information Center
DTRA	Defense Threat Reduction Agency
DTS	Defense Travel System
DTSA	Defense Technology Security Administration
DWCF	Defense Working Capital Fund
ECI	Employment Cost Index
ECSS	Expeditionary Combat Support System
e-Gov	Electronic Government
EHF	Extremely High Frequency
EO	Executive Order
EOD	Explosive Ordnance Disposal
ER	Emergency Response
ERP	Enterprise Resource Planning
ESGR	Employer Support of the Guard and Reserve
ESI	Enterprise Software Initiative
ETP	Enterprise Transition Plan
ETT	Embedded Training Team
EUCOM	European Command
FAO	Foreign Area Officer
FCS	Future Combat Systems
FDR	Foreign Disaster Relief
FHCS	Federal Human Capital Survey
FIAR	Financial Improvement and Audit Readiness
FIRP	Federal Individual Recovery Plan
FOC	Full Operational Capability
FPDS-NG	Federal Procurement Data System – Next Generation
FoS	Family of Systems
FPDS	Federal Procurement Data System
FRP	Fleet Response Plan
FTE	Full Time Equivalent
FY	Fiscal Year
FYDP	Future Years Defense Program
GCCS	Global Command and Control System
GDP	Gross Domestic Product
GED	General Equivalency Diploma
GEO	Geosynchronous Earth Orbit
GEOINT	Geospatial Intelligence
GFS	Global Fleet Station

Acronym	Definition
GIG	Global Information Grid
GNO	Global Network Operations
GPRA	Government Performance and Results Act
GSA	General Services Administration
GWOT	Global War on Terror
HBCT	Heavy Brigade Combat Team
HEO	Highly Elliptical Orbit
HMA	Humanitarian Mine Action
HMMWV	High Mobility Multipurpose Wheeled Vehicle
HR	Human Resources
HRET	Health Research and Educational Trust
HSV	High Speed Vessel
HUMINT	Human Intelligence
IA	Information Assurance
IAE	Integrated Acquisition Environment
IASP	Information Assurance Scholarship Program
IA WIP	Information Assurance Workforce Improvement Program
IC	Intelligence Community
ICBM	Intercontinental Ballistic Missile
IED	Improvised Explosive Device
ING	Inactive National Guard
IOC	Initial Operating Capability
IP	Internet Protocol
IPIA	Improper Payments Information Act
IRR	Individual Ready Reserve
IRT	Innovative Readiness Training
ISAF	International Security Assistance Force
ISF	Iraqi Security Force
ISR	Intelligence, Surveillance, and Reconnaissance
ISSP	Information Systems Security Program
IT	Information Technology
ITEP	Information Technology Exchange Program
JCA	Joint Capability Area
JDAM	Joint Direct Attack Munition
JDDE	Joint Deployment and Distribution Enterprise
JFC	Joint Force Commander
JIEDDO	Joint Improvised Explosive Device Defeat Organization
JIOC	Joint Intelligence Operations Centers
JMIP	Joint Military Intelligence Program
JNTC	Joint National Training Center
JSCP	Joint Strategic Capability Plan

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Acronym	Definition
JS	The Joint Staff
JSF	Joint Strike Fighter
JTF	Joint Task Force
JTF-GNO	Joint Task Force for Global Network Operations
LCS	Littoral Combat Ship
LD/HD	Low Density/High Demand
LHA	Landing Helicopter Assault
LPD	Landing Platform Dock
LREC	Language, Regional Expertise and Culture
LRIP	Low Rate Initial Production
LSS	Lean Six Sigma
MARSOC	Marine Corps Special Operations Command
MASINT	Measurement and Signatures Intelligence
MCAS	Marine Corps Air Station
MDA	Missile Defense Agency
MDAP	Major Defense Acquisition Program
MEF	Marine Expeditionary Force
MERHCF	Medicare-Eligible Retiree Healthcare Fund
MHS	Military Health System
MIA	Missing In Action
MILCON	Military Construction
MIP	Military Intelligence Program
MOS	Military Occupational Specialty
MPF	Maritime Preposition Force
MRAP	Mine Resistant Ambush Protected
MRR	Medical Readiness Review
MSO	Maritime Security Operations
MSRC	Major Shared Resource Center
NATO	North Atlantic Treaty Organization
NC	Net-Centric
NCES	Net-Centric Enterprise Services
NCR	National Capital Region
NCSG	National Cyber Study Group
NDAA	National Defense Authorization Act
NDS	National Defense Strategy
NDU	National Defense University
NECC	Navy Expeditionary Combat Command
NECC	Net-Enabled Command Capability
NETCOM	Network Enterprise Technology Command
NETWARCOM	Network Warfare Command
NG	Next Generation

Acronym	Definition
NGA	National Geospatial-Intelligence Agency
NGO	Non-Governmental Organization
NGRE	National Guard and Reserve Equipment
NIFC-CA	Naval Integrated Fire Control – Counter Air
NIP	National Intelligence Program
NLOS	Non-Line-of-Sight
NLOS-C	Non-Line-of-Sight-Cannon
NLOS-LS	Non-Line-of-Sight-Launch System
NLT	Not Less Than
NMS-CO	National Military Strategy for Cyberspace Operations
NRO	National Reconnaissance Office
NSA	National Security Agency
NSO	Navy Special Operations
NSPS	National Security Personnel System
NSS	National Security Strategy
NSW	Naval Special Warfare
NTE	Not to Exceed
ODS	Operation Desert Storm
OEA	Office of Economic Adjustment
OEF	Operation Enduring Freedom
OIF	Operation Iraqi Freedom
OIG	Office of Inspector General
O&M	Operations & Maintenance
OMB	Office of Management and Budget
OPTEMPO	Operational Tempo
OSD	Office of the Secretary of Defense
PACOM	Pacific Command
PART	Program Assessment Rating Tool
PCS	Permanent Change of Station
PE	Program Element
PI	Performance Improvement
PII	Performance Improvement Initiative
PMA	President's Management Agenda
POW	Prisoner of War
PPBE	Planning, Programming, Budgeting, and Execution
PSA	Principal Staff Assistant
PTSD	Post-Traumatic Stress Disorder
QDR	Quadrennial Defense Review
RC	Reserve Component
R&D	Research & Development
RDT&E	Research, Development, Test & Evaluation

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Acronym	Definition
RND	Results Not Demonstrated
SBIRS	Space Based Infrared System
SBCT	Stryker Brigade Combat Team
SEAD	Suppression of Enemy Air Defenses
SECDEF	Secretary of Defense
SFIS	Standard Financial Information Structure
SIGINT	Signals Intelligence
SM	Standard Missile
SOAR	Special Operations Aviation Regiment
SOCOM	Special Operations Command
SOF	Special Operations Forces
SOF-C	Status of Forces-Civilian
SOUTHCOM	Southern Command
SRG	Senior Review Group
SRM	Sustainment, Restoration and Modernization
SROTC	Senior Reserve Officer's Training Corps
STARBASE	Science and Technology Academies Reinforcing Basic Aviation and Space Exploration
STRATCOM	Strategic Command
STOVL	Short Take Off and Vertical Landing
TACLAN	Tactical Local Area Network
TADSS	Training Aids, Devices, Simulators and Simulations
TBD	To Be Determined
TBI	Traumatic Brain Injury
TCO	Total Cost of Ownership
TFI	Total Force Initiative
THAAD	Terminal High-Altitude Area Defense
TIARA	Tactical Intelligence and Related Activities

Acronym	Definition
TMA	TRICARE Management Activity
TRANSCOM	Transportation Command
TRMC	Test Resource Management Center
TSA	Technology Security Actions
TSAT	Transformational Satellite Communication System
TSCM	Technical Surveillance Countermeasure
TSOC	Theater Special Operations Command
UAV	Unmanned Aerial Vehicle
UAS	Unmanned Aerial System
US	United States
USA	United States Army
USAF	United States Air Force
USAID	United States Agency for International Development
USD	Under Secretary of Defense
USD(C)	Under Secretary of Defense for Comptroller
USD(I)	Under Secretary of Defense for Intelligence
USG	United States Government
USMA	United States Military Academy
USMC	United States Marine Corps
USN	United States Navy
VA	Department of Veterans Affairs
WHS	Washington Headquarters Services
WII SOC	Wounded, Ill, and Injured Senior Oversight Committee
WMD	Weapons of Mass Destruction
WMC-CST	Weapons of Mass Destruction-Civil Support Teams

DoD FY 2009 Budget Request Summary Justification

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A U.S. Marine stands guard at an airfield during the sunrise in Fallujah, Iraq, Sept. 4, 2007.

DoD photo by Staff Sgt. D. Myles Cullen, U.S. Air Force