



January 6, 2012

Defense Strategic Guidance Rollout for 2012

"Over the past few months, we have conducted an intensive review to guide defense priorities and spending over the coming decade, in light of strategic guidance from the President and the recommendations of this Department's senior military and civilian leadership. This process has enabled us to assess risk, set priorities, and make hard choices."

— Secretary of Defense Leon Panetta

After 10 years of war, the United States and our military are at a strategic inflection point that requires transitioning from today's conflicts to tomorrow's challenges. Passage of the <u>Budget Control Act of 2011</u> Aug. 2, 2011, required the Department of Defense to cut more than \$450 billion from the Defense Base Budget over 10 years. The Department of Defense worked with the White House to develop strategic guidance, "<u>Sustaining U.S. Global Leadership: Priorities for the 21st Century,</u>" which was <u>presented Jan. 5. 2012</u> by President Obama and Defense Secretary Panetta to guide the size and shape of the defense force over subsequent program and budget cycles. The strategy outlines how the leaner, technologically superior force of the 21st century will remain capable across the spectrum of missions, focusing on areas including counter terrorism and irregular warfare; electronic and cyber warfare; intelligence, surveillance and reconnaissance; missile and air defense; and retaining our ability to conduct counterinsurgency operations. The U.S. will use innovative methods to maintain a global presence such as rotational deployments and training exercises, with a premium on our special operations forces.

Four Basic Principles Guiding the Strategy

- Maintain the world's finest military that supports and sustains the U.S. global leadership.
- Avoid hollowing out the force. A smaller, ready military is preferable to a larger force that is ill prepared because resources are not made available for training, maintenance and modernization relative to force structure.
- Everything must be considered, including politically sensitive areas that will likely provoke opposition from parts of Congress, industry and advocacy groups.
- Preserve the quality of the all-volunteer force and ensure our troops are treated fairly.

Key Strategic Elements

- Sustaining global presence; renewed emphasis on <u>Asia</u> together with continued focus on the <u>Middle East</u>; maintaining our commitments and evolving our presence in <u>Europe</u> and building innovative, low-cost, small-footprint approaches to partnership around the world.
- Protecting new capabilities and investments to respond to the changing nature of warfare; preserve lessons, capabilities and expertise of the past ten years; and ensuring our technological edge to meet future challenges.
- Aligning size and composition of forces to be capable of a range of missions and activities.
- Ensuring reversibility to maintain the ability to surge, regenerate and mobilize to counter any threat, while preserving our industrial base so we are able to address unforeseen challenges.

Key Messages

- We continue to face disparate and complicated threats that demand a military capable of responding to a wide range of threats as well as opportunities.
- The U.S. does not have to choose between fiscal responsibility and a strong national defense.
- The force will be smaller, but flexible, agile and ready, composed of the highest quality, battle-tested professionals.

Facts & Figures

- The Budget Control Act requires the Department of Defense to cut more than \$450 billion from the Defense Base Budget over the next 10 years.
- \$250 billion of the defense budget reductions are in the Future Years Defense Program (FY13-17) to be submitted with the FY13 defense budget in February.