

DoD Public Affairs Guidance for the President's FY2016 Budget

Today, the U.S. military remains engaged across the world, addressing threats to our national security that are deepening and broadening in unprecedented ways. Diverse terror groups threaten American and allied interests, Russia continues to take aggressive actions in Europe, the security landscape in Asia is becoming more competitive, advanced weapons technologies are spreading, and other nations are seeking to close our lead in the space and cyber realms.

After 13 years of sustained ground combat, America's armed forces continue to lead allies and partners in responding to crises around the world while at the same time preparing for a widening spectrum of future challenges to our nation's security.

The President's FY 2016 budget for DoD invests in a 21st century military equipped to confront these global challenges by reversing the five-year decline in national defense spending.

Strategy drives this budget, not the other way around. This budget is driven by the strategy identified in the 2014 Quadrennial Defense Review to protect the homeland, build security globally, project power and win decisively. The budget's priorities are our strategic priorities: sustaining America's global leadership by rebalancing to the Asia-Pacific region; maintaining a strong commitment to security and stability in Europe and the Middle East; sustaining a global counterterrorism campaign; strengthening key alliances and partnerships; and prioritizing key modernization efforts.

For FY 2016, the President and DoD leaders are proposing \$534 billion for DoD's base budget and \$51 billion in Overseas Contingency Operations (OCO) totaling \$585 billion to sustain America's national security and defense strategies. These figures are strategically and fiscally prudent and are in line with the projections submitted last year to Congress.

The defense budget reflects the priorities that Secretary Hagel, Deputy Secretary Work, and the Joint Chiefs have all addressed over the course of the last year: ensuring that the military we have is ready, modernized, and capable of meeting current and near-term threats -- as well as the need to innovate for the future and to take care of our service members and their families.

Many of our proposals build off last year's budget. While most of last year's reforms -- such as eliminating inefficient, outdated platforms and reducing excess domestic infrastructure -- remain essential to funding a ready, capable force in today's fiscal environment, some have been modified to reflect our ongoing dialogue with Congress and evolving real-world requirements. DoD looks forward to working closely with Congress to advance this critical reform agenda.

The President's budget makes critical investments in innovation to ensure that the U.S. military remains a technologically superior force. It puts us on the path to restoring full spectrum readiness for each of the services -- because our military must be prepared for any challenge that may come our way. It supports broad institutional reform. It also makes significant investments in our nuclear enterprise and in our ability to stay ahead of emerging threats -- including new space control capabilities; advanced sensors, communications, and munitions for power projection; missile defense; and cyber capabilities. Investments in promising new technologies

and capabilities including assured position, navigation, and timing; high speed strike weapons; aerospace innovation; rail gun technology; and high energy lasers.

President's Budget in Context of Fiscal Trend Lines

Even as the President's budget reverses the decline in defense spending over the past five years – and proposes spending above sequestration levels – the PB2016 submission has absorbed \$793 billion in cuts from the PB2012 budget's 10-year projections.

That is why – even under this budget – maintaining a prudent balance between joint force readiness, capabilities, and force structure will remain exceptionally challenging. We must make sure that, whatever the size of our force, we can afford to sufficiently train and equip our troops to accomplish their missions.

The Joint Chiefs of Staff have assessed that the force structure proposed in this budget is the minimum joint force capacity force required to achieve the current defense strategy. Today, Combatant Commanders continue to compete for resources around the world forcing trade-offs that create risk to the military meeting its global objectives.

The military is continuing to recover from the damage to force readiness caused by sequestration in 2013; however, recovery has been slowed by emerging requirements, uncertainty around annual appropriations, and the lack of flexibility provided to DoD leaders by the Congress. At the resource levels in this budget, the military services will continue to make steady progress towards full spectrum combat readiness, but gains are fragile.

DoD leaders believe firmly that any Congressional reduction in funding below resource levels in this budget, or Congressional denial of requested compensation, infrastructure, and efficiency reforms will require our nation's current defense strategy to be significantly re-tooled or replaced.

While some claim this is DoD's biggest budget ever, the fact is, as a share of our economy and of total federal spending, DoD's FY 2016 budget is at a near-historic low – representing about 3 percent of America's GDP and 14.3 percent of total federal discretionary and non-discretionary spending. Put into historic terms, defense spending is a quarter of what it was during the Korean War, a third of what it was during the Vietnam War, and half of what it was during the defense build-up of the late 1970's and early 1980's.

Given today's threat environment – with 211,000 U.S. service members stationed in 136 countries conducting nearly 60 named operations – the proposed increase in defense spending over last year is a responsible, pragmatic approach over time.

Sequestration

This is the budget the President and the military leaders think we need to execute our nation's defense strategy even as sequestration looms for the coming fiscal year. The budget requests \$34 billion over sequestration caps for FY2016; and it projects \$148 billion above sequestration caps from FY 2016 to FY 2020. It does this for good reason.

To submit a budget that reflects sequestration level cuts would be to render invalid the defense strategy and to surrender our ability to adequately defend American interests around the world.

Under sequestration, our only recourse would be to develop a new less expansive defense strategy and force planning construct that would significantly increase national security risk to the United States.

The consequences of returning to sequestration are severe. It translates to a force that is not ready for the demands we have placed on them, and a vastly reduced ability to project power across the globe and come to the aid of our allies and partners. In short, we won't have the force sized and ready for the military need. It also means DoD will be unable to modernize sufficiently to stay ahead of potential adversaries. We will also break trust with the men and women who defend this nation around the world.

Department leaders will continue to provide information to Congress on the urgent need to avert sequestration. In the coming months, we will provide detailed analysis on what platforms, programs, and the force structure DoD would cut at sequestration-level funding.

Planning for an OCO Transition

Over the next year, the administration will initiate planning to transition Overseas Contingency Operations (OCO) spending into the base budget beginning in FY2017 and ending by FY2020. A plan will be released later this year.

Since 2001, our nation has financed costs of overseas conflicts through OCO, which peaked at \$187 billion in FY2008. The conclusion of major combat operations in Afghanistan and Iraq has resulted in a 69 percent drop in OCO costs from FY08 to this year's submission of \$51 billion. It is time to reconsider the appropriate funding mechanism for costs of overseas operations and to move enduring costs into the base budget.

In addition to funds for counter-ISIL operations, reassuring NATO allies, and the follow on train and advise mission in Afghanistan, OCO also supports DoD's robust posture in the Middle East, readiness costs for U.S. military forces, and global counter-terror operations including intelligence, surveillance, and reconnaissance.

Though we remain committed to President's goal of moving enduring costs into the base budget, DoD will be unable to make this transition if sequester level spending caps remain in place.

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