



FY 2007 Department of Defense Budget

February 6, 2006



Shifting Emphasis in an Era of Surprise

The world has changed dramatically since the end of the last century, and the Department is changing with it – refocusing America’s forces and capabilities for the future.

From the Cold War and a time of reasonable predictability –
to an era of surprise and global terrorism.

From major conventional combat campaigns –
to multiple irregular warfare operations.

From static defense and garrison forces –
to mobile, expeditionary operations.



Strategic Priorities

- The Quadrennial Defense Review – the first conducted in an era of global terrorism – continues this shift in emphasis by identifying strategic priorities.
- The FY 07 Budget invests in capabilities and forces in these priority areas.
 - Prevail in Irregular Warfare Operations
 - Defend the Homeland Against Advanced Threats
 - Maintain America's Military Superiority
 - Support Servicemembers and their families



Prevail in Irregular Warfare Operations

Special Operations Forces (SOF) grow by over 14,000.

- Expand combat battalions by 33% (from 15 to 19).
- Complete establishment of Marine Corps Special Operations Command.
- Initiate new SOF Unmanned Aerial Vehicle Squadron.
- Expand Navy SEAL Commando Teams.

\$5.1B in FY 07

\$28.7B (FY07-11)



Prevail in Irregular Warfare Operations

Language and cultural awareness training is expanded.

- Expand language training for special operations and intelligence units.
- Increase language training, pay and recruitment of personnel.

\$181M in FY 07

\$760M (FY07-11)



Prevail in Irregular Warfare Operations

Army Combat Power Increases.

- Expand and convert 48 regular brigades to 70 fully equipped, manned and trained Modular Brigade Combat Teams.
 - Active Brigade Combat Teams grow from 33 to 42
 - National Guard Brigade Combat Teams increase from 15 to 28
- Brigade Combat Teams more deployable and flexible

\$6.6B in FY 07

\$40.6B (FY07-11)



Prevail in Irregular Warfare Operations

Army Ground Force Modernization Continues with Future Combat System.

- Three major areas of investment:
 - Precision firepower
 - Joint networking
 - Unmanned aerial and ground systems

\$3.7B in FY 07

\$22.4B (FY07-11)



Prevail in Irregular Warfare Operations

Unmanned Aerial Reconnaissance Force Expanded.

- Procure 322 Unmanned Aerial Vehicles
- Increase available missions by 75%
- Expand persistent (24/7) surveillance capability
- Research and Development for future Unmanned Aerial Vehicles

\$1.7B in FY 07

\$11.6B (FY07-11)



Defend the Homeland

Defenses Against Catastrophic Terrorism improved.

- Develop countermeasures against advanced biological and other weapons.
- Tag, track, locate and render-safe nuclear weapons.

\$1.7B in FY 07

\$9.3B (FY07-11)



Defend the Homeland

Missile Defense capability expanded.

- Protect the United States against intercontinental and theater ballistic missiles.
- Expand coverage in critical areas.
 - Produce and field additional ground and sea-based interceptors.
- Enhance early warning system capability.

\$10.4B in FY 07

\$47.5B (FY07-11)



Defend the Homeland

Global communications capability expanded.

- Extend satellite capabilities to deployed troops worldwide.
- Substantially increases our ability to transmit data.

\$0.9B in FY 07

\$9.3B (FY07-11)



Maintain America's Military Superiority

Joint Air Support Capabilities

- Invest in additional air assault capability
 - Apaches (AH-64), Chinooks (CH-47), Black Hawks (UH-60)
 - Ospreys (V-22)

Joint Air Capabilities

- Invest in weapons systems with increased air dominance and global strike capabilities
 - Raptor (F-22A), Super Hornet (F/A-18 E/F)
 - Begins procurement of Joint Strike Fighter

\$15.1B in FY 07

\$88.4B (FY07-11)



Maintain America's Military Superiority

Joint Maritime Capabilities

- Improve maritime support to joint forces
- Invest in multi-mission ships
 - 2 Destroyers (DD(X))
 - 2 Littoral Combat Ships (LCS)
 - 1 Virginia Class Submarine (SSN)
 - 1 Amphibious Assault Ship (LHA(R))
 - 1 Logistics Ship (T-AKE)

\$11.2B in FY 07

\$77.5B (FY07-11)



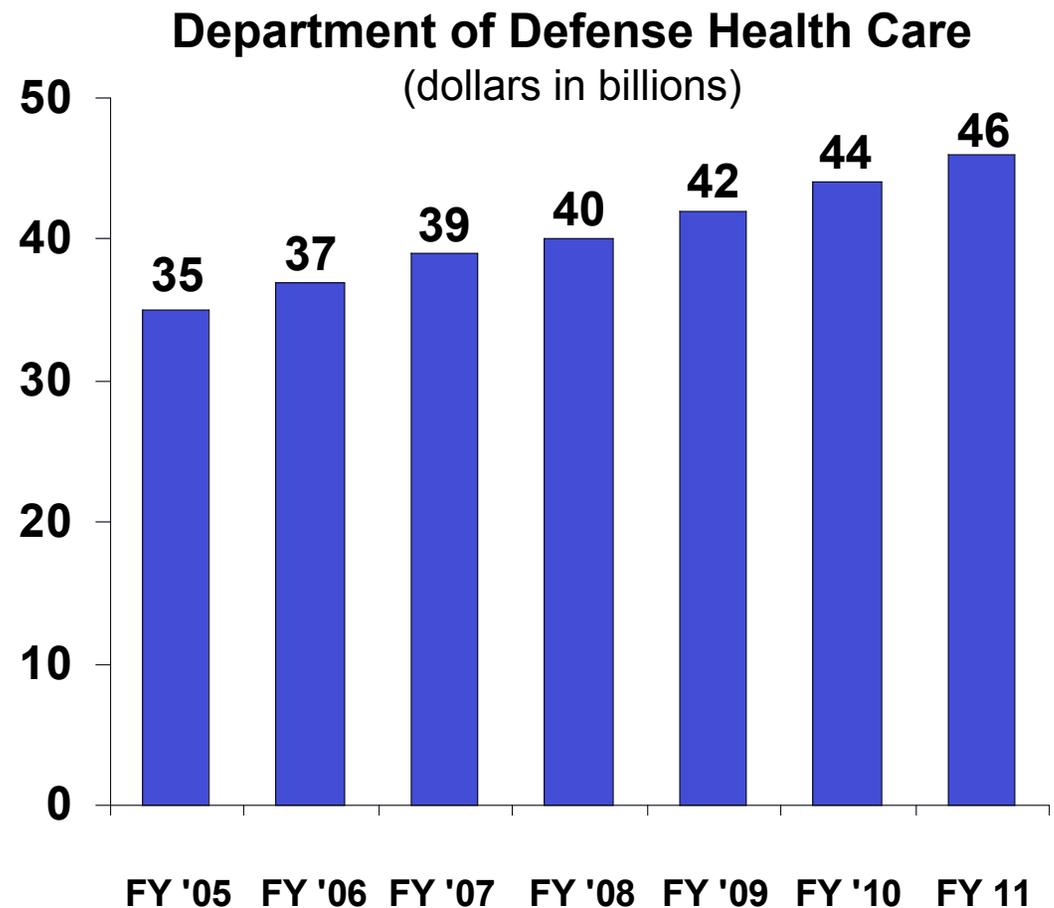
Supporting Servicemembers and Their Families

- Military Pay – Up 29% Since 2001
 - 2.2 % increase
 - Expanded Targeted Pay for warrant officers and senior enlisted
 - Maintain bonuses and retention incentives
- Housing
 - Increase Basic Allowance for Housing 5.9%: no out-of-pocket costs
 - Eliminate remaining inadequate housing
- Quality of Life initiatives
 - 48 new barracks projects
 - 8 child development centers
 - 4 dependent education school projects



Sustaining Military Health Care

- DoD provides one of the best health care coverage programs in the Nation.
- Our goal is to maintain exceptional health care coverage for those who serve by placing the program on a fiscally sound foundation for the long-term.
- Health care costs are projected to rise by 31 percent from FY 05 to 11.





Sustaining Military Health Care

- **Current health care plan**
 - Congressionally established cost-sharing feature is an essential part of sustaining military health care
 - In 1995, cost share was 73% DoD - 27% beneficiary
 - Today, cost share is 88% DoD -12% beneficiary
- **Department of Defense Proposed Plan**
 - No change in cost for active duty members
 - For working age retirees younger than 65, cost-share will increase to less than the 1995 level
 - Adjust pharmacy co-pays

\$39B in FY 07

\$211B (FY07-11)



Department of Defense Topline

(Discretionary budget authority \$ in billions)

	<u>FY 06</u>	<u>FY 07</u>	<u>Change</u>
DoD Budget	410.8	439.3	+28.5

FY 2007 Budget provides:

- 7 percent increase over FY 2006 enacted budget
- Capabilities for future challenges
- Advanced technology for greater operational capability and combat power
- Robust pay & incentives for recruitment and retention
- Superior health care coverage



Back Up



FY 2007 Budget by Service

(Discretionary budget authority, \$ in billions)

	Enacted		
	<u>FY 06</u>	<u>FY 07</u>	<u>Increase</u>
Army	99.1	111.8	
+12.7			
Navy	106.5	110.6	+4.1
Marine Corps	16.0	16.8	+0.8
Air Force	124.1	130.4	
+6.3			
Defense Wide	65.1	69.7	
+4.6			
Total	410.8	439.3	
+28.5			



FY 2007 Budget by Title

(Discretionary budget authority, \$ in billions)

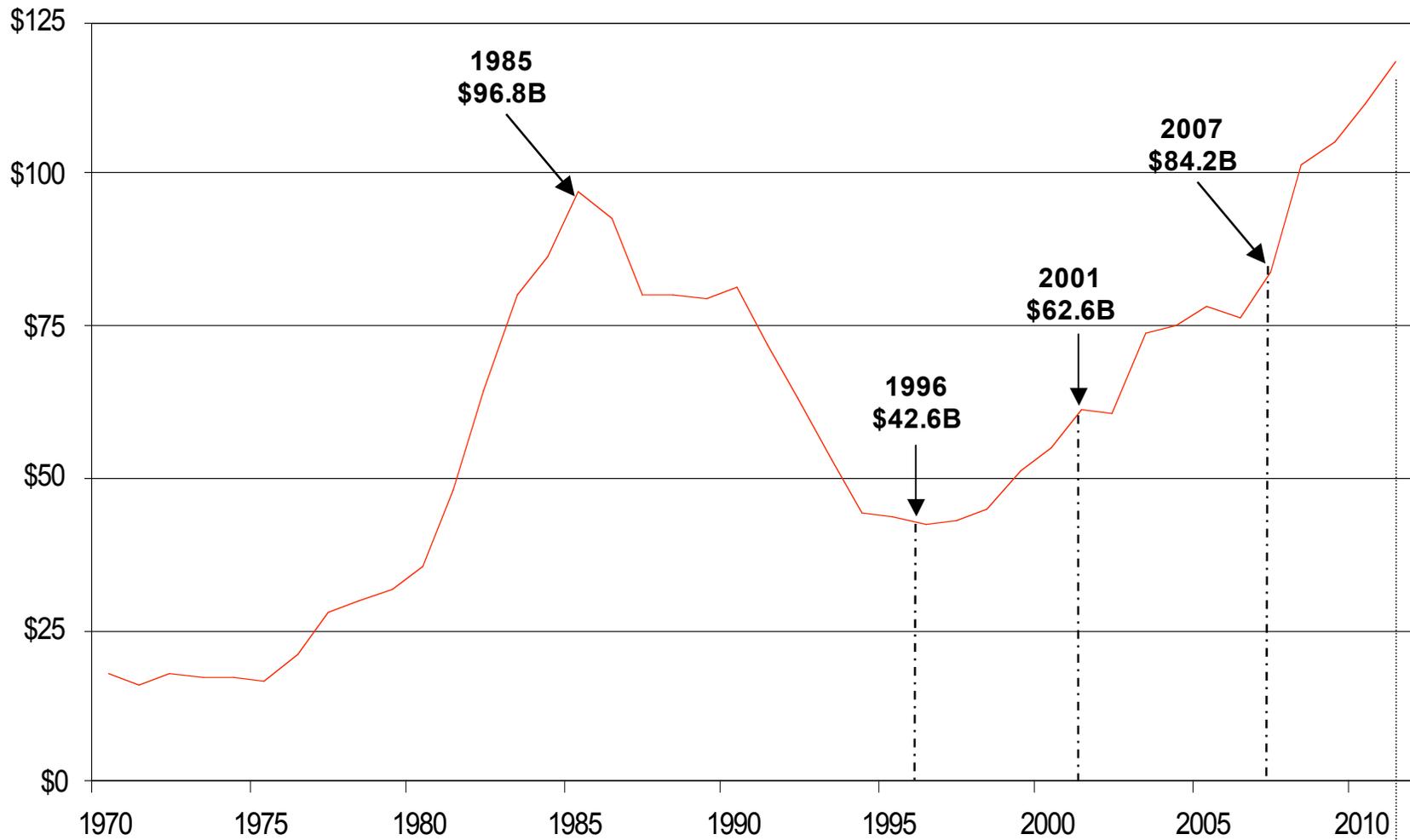
	Enacted		
	<u>FY 06*</u>	<u>FY 07</u>	<u>Increase</u>
Military Personnel	106.8	110.8	+4.0
O&M	142.6	152.0	+9.4
Procurement	76.2	84.2	+8.0
RDT&E	71.0	73.2	+2.2
Military Construction	8.0	12.6	+4.6
Family Housing	4.0	4.1	+0.1
Working Capital Funds	2.2	2.4	+0.2
Total	410.8	439.3	+28.5

*FY 06 supplemental not included in FY 06 totals



DoD Procurement

(current \$ in billions)





Aircraft Procurement

(dollars in billions)

AIRCRAFT		<u>FY 07</u>	<u>Qty</u>
JSF	Joint Strike Fighter	5.3	5
C-17	Airlift Aircraft	3.1	12
F-22A	Raptor	2.8	-
F/A-18E/F	Hornet	2.4	30
V-22	Osprey	2.3	16
C-130J	Airlift Aircraft	1.6	13
UAV	Unmanned Aerial Vehicles	1.6	132
E/A-18G	Growler	1.3	12
MH-60R	Helicopter	0.9	25
AH-64	Apache	0.9	36
UH-60	Black Hawk	0.9	38
E-2C	Hawkeye	0.7	2
CH-47	Chinook	0.6	23
MH-60S	Helicopter	0.6	18
F-16	Falcon Multi-Mission Fighter	0.5	-
H-1	USMC H-1 Upgrades	0.5	18



Ship and Vehicle Procurement

(dollars in billions)

<u>SHIPS</u>		<u>FY 07</u>	<u>Qty</u>
DD(X)	DD(X) Destroyer	3.4	2
SSN 774	Virginia Class Submarine	2.6	1
LHA	LHA Replacement	1.2	1
CVN-21	Carrier Replacement Program	1.1	-
RCOH	CVN Refueling Complex Overhaul	1.1	-
LCS	Littoral Combat Ship	0.8	2
T-AKE	Auxiliary Dry Cargo Ship	0.5	1
DDG-51	AEGIS Destroyer	0.4	-
LPD-17	San Antonio Class Amphib Ship	0.3	-
<u>COMBAT VEHICLES</u>			
FCS	Future Combat System	3.7	-
IAV	Interim Armored Vehicle (Stryker)	0.8	100
FMTV	Family of Medium Tactical Vehicles	0.7	3,988
HMMWV	High Mobility Multipurpose Vehicles	0.6	3,091
ABRAMS	Abrams Tank Upgrade	0.5	23
MC EFV	Expeditionary Fighting Vehicle	0.4	15
FHTV	Family of Heavy Tactical Vehicles	0.4	-



Space and Missile Defense Procurement

(dollars in billions)

<u>SPACE PROGRAMS</u>		<u>FY 07</u>	<u>Qty</u>
EELV	Evolved Expendable Launch Vehicle	1.0	4
TSAT	Transformational Satellite	0.9	-
MUOS	Mobile USER Objective System	0.7	-
SBIRS-H	Space Based Infrared Systems-High	0.7	-
AEHF	Advanced EHF Satellite	0.6	-
NAVSTAR	Global Positioning System	0.6	-
WGS	Wideband Gapfiller Satellite	0.4	1
SBR	Space Based Radar	0.3	-
MLV	Medium Launch Vehicles	0.1	-
<u>MISSILE DEFENSE</u>			
MD	Missile Defense	10.4	108*
	*quantities are for PATRIOT PAC-3		
<u>SCIENCE AND TECHNOLOGY</u>		11.1	N/A
(2.5% of the FY 07 budget)			
<u>CHEMICAL DEMILITARIZATION</u>		1.4	N/A



Munitions Procurement

(dollars in billions)

<u>MUNITIONS</u>		<u>FY 07</u>	<u>Qty</u>
TRIDENT II	Sub Launched Ballistic Missile	1.0	-
TOMAHAWK	Cruise Missile	0.4	350
STANDARD	Missile (Air Defense)	0.3	75
AMRAAM	Air-to-Air Missile	0.3	365
JDAM	Joint Direct Attack Munition	0.3	10,661
JASSM	Joint Air-to-Surface Standoff Missile	0.2	234
SDB	Small Diameter Bomb	0.2	1,343
JSOW	Joint Standoff Weapon	0.2	397
SFW	Sensor Fuzed Weapon	0.1	305
AIM-9X	Sidewinder	0.1	369
ESSM	Evolved Seasparrow Missile	0.1	108
RAM	Rolling Airframe Missile	0.1	-
WCMD	Wind Corrected Munitions	0.1	250



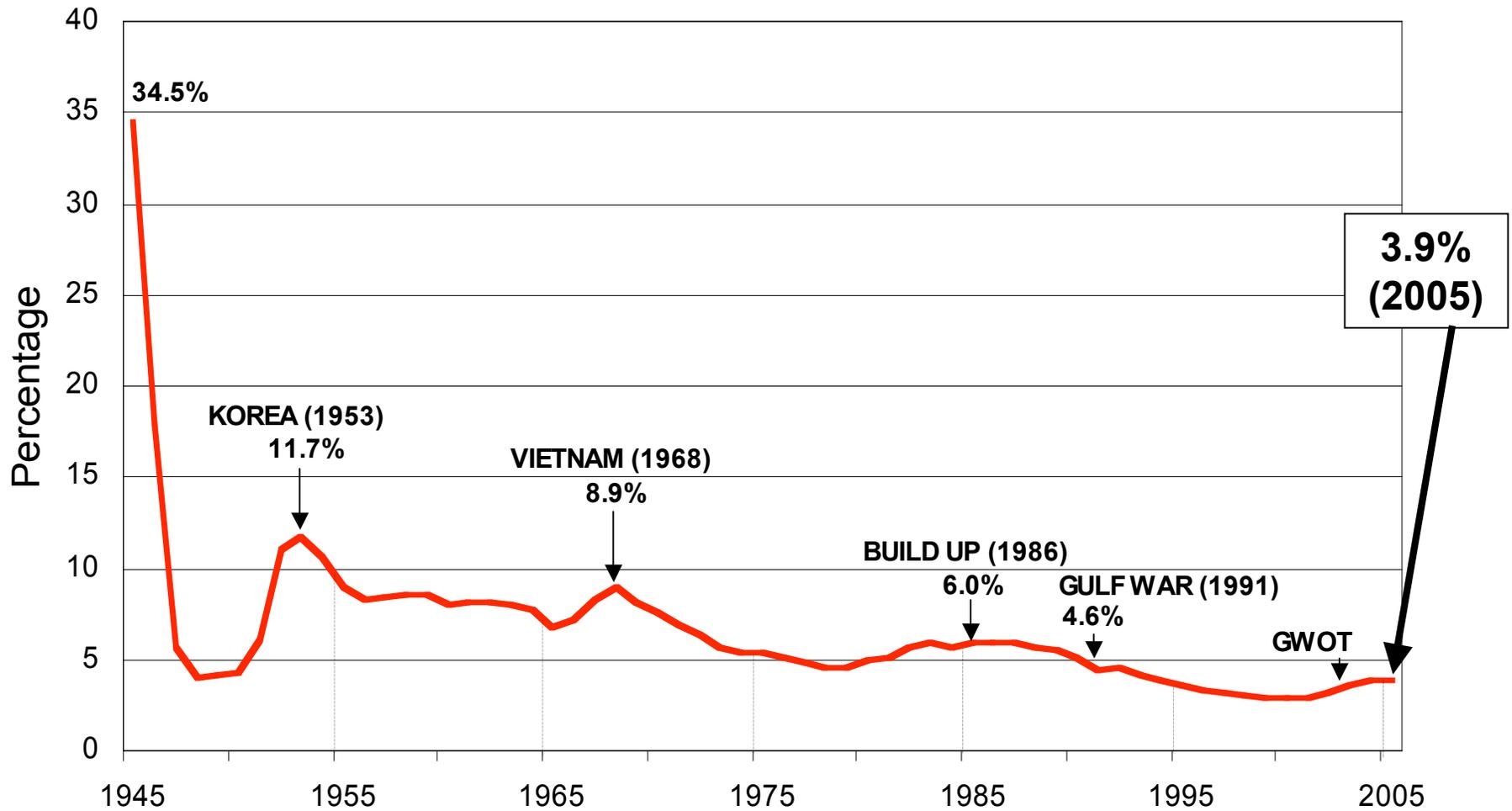
Cost of War

(dollars in billions through FY 05)

	Average Monthly Cost	FY 2005	Total Since 9/11
Iraqi Freedom (OIF)	5.8	69.1	173.0
Enduring Freedom (OEF)	0.8	10.6	50.4
Noble Eagle (ONE)	0.2	2.1	27.3
Total	6.8	81.8	250.7



DoD Budget as % of GDP



Source: Historical Table, Budget of the United States Government