

# Special Topics

## HIGHLIGHTS

### Overview

The FY 2010 budget request includes seven budget priorities and three enterprise initiatives, identified for their strategic importance or new focus this year. In each of these priorities, advances have been made.

### Budget Priorities

- Taking Care of People
- Insourcing and Acquisition Workforce
- Intelligence, Surveillance, and Reconnaissance (ISR) Task Force
- Irregular Warfare
- Global Defense Posture
- Combatant Commands
- National Guard and Reserve

### Department-Wide Initiatives

- American Recovery & Reinvestment Act of 2009
- Financial Management
- Performance Improvement



## DoD FY 2010 Budget Request Summary Justification

<b>Taking Care of People</b>	<b>FY 2009 Enacted <sup>1/</sup></b>	<b>FY 2010 Request <sup>1/</sup></b>	<b>Delta '09-'10</b>	<b>Percent Change '09-'10</b>
<i>\$ in Billions – Base Budget Request</i>				
Military Healthcare – excluding Wounded, Ill, and Injured (WII) <sup>2/</sup>	43.5	45.7	+2.2	+5.0%
WII - Military Healthcare (Defense Health Program (DHP) only) <sup>2/</sup>	0.3	1.7	+1.4	+461.0%
WII - Non-Medical Care & Infrastructure Support (Non-DHP)	0.5	1.6	+1.2	+249.2%
Military Pay and Benefits net of Military Healthcare Costs <sup>3/</sup>	107.5	117.6	+10.1	+9.4%
Family Support	9.7	9.2	-0.5	-5.5%
Housing for Single Service Members – excluding WII Barracks	2.9	1.8	-1.1	-38.8%
Civilian Pay and Benefits	63.3	67.0	+3.7	+5.8%
<b>Taking Care of People Total</b>	<b>227.7</b>	<b>244.5</b>	<b>+16.9</b>	<b>+7.4%</b>

Source: (Service and Agency Data Call Submissions)

Numbers may not add due to rounding

Includes O&M, MilPers, MilCon, DeCA, and Family Housing appropriations

<sup>1/</sup> FY 2009 and FY 2010 exclude OCO funds; <sup>2/</sup> Sum of Military Healthcare lines above equal the Unified Medical Budget; <sup>3/</sup> Excludes military medical support personnel and Medicare-Eligible Healthcare Accrual, which are included in "Military Healthcare"

“At the heart of the volunteer force is a contract between the United States of America and the men and women who serve in our military: a contract that is simultaneously legal, social, and indeed sacred. That when young Americans step forward of their own free will to serve, they do so with the expectation that they and their families will be properly taken care of...”

**Secretary of Defense Robert M. Gates**

Wounded Warriors Family Summit  
Washington, D.C. — October 20, 2008

## OVERVIEW

The FY 2010 Base budget request honors this contract by devoting \$244.5 billion or nearly half of the Department's \$533.8 billion Base budget to Taking Care of People. This funding not only provides direct pay and benefits to the Department's three million Active, Reserve, and Guard military and civilian personnel, but also funds critical family support programs necessary given the rigors of military life, and world-class healthcare, rehabilitative care, and state of the art living and support facilities for America's injured warriors and their families.

## DoD FY 2010 Budget Request Summary Justification

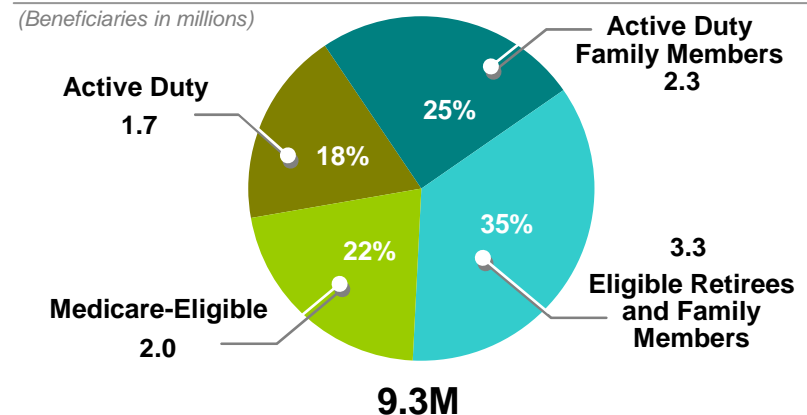
<b>Military Healthcare</b>	<b>FY 2009 Enacted <sup>1/</sup></b>	<b>FY 2010 Request <sup>1/</sup></b>	<b>Delta '09-'10</b>	<b>Percent Change '09-'10</b>
<i>\$ in Billions – Base Budget Request</i>				
Defense Health Program (DHP less Wounded/III/Injured (WII))	25.5	26.2	+0.7	+2.7%
Military Personnel in Military Healthcare System <sup>2/</sup>	7.1	7.7	+0.6	+8.8%
Military Construction of Medical Facilities <sup>2/</sup>	0.6	1.0	+0.5	+81.8%
Medicare-Eligible Retiree Healthcare Accrual <sup>3/</sup>	10.4	10.8	+0.4	+3.9%
<b>Subtotal – Unified Medical Budget without WII</b>	<b>43.5</b>	<b>45.7</b>	<b>+2.2</b>	<b>+5.0%</b>
Wounded, Ill, and Injured (DHP only) <sup>4/</sup>	0.3	1.7	+1.4	+461.0%
<b>Total Unified Medical Budget for Military Health System</b>	<b>43.8</b>	<b>47.4</b>	<b>+3.6</b>	<b>+8.2%</b>
Treasury Receipts for Current Medicare-Eligible Retirees <sup>5/</sup>	8.7	9.1	+0.4	+4.6%

Notes: <sup>1/</sup> FY 2009 and FY 2010 exclude OCO funds; <sup>2/</sup> Not included in Defense Health Program Appropriation; <sup>3/</sup> Includes contributions into the Medicare-Eligible Retiree Health Care Fund to provide for future healthcare costs of active duty personnel, and their families, when they retire; <sup>4/</sup> Included in the "Wounded, Ill, and Injured" section; <sup>5/</sup> 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 9.3 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 2.1). The MHS strives to provide optimal Healthcare Services in support of our Nation's military mission – anytime, anywhere. The Department's FY 2010 Base request for the Unified Medical Budget includes \$47.4 billion to achieve that goal.

**Figure 2.1 MHS Eligible Beneficiaries**



Source: MCFAS FY 2007.0 Version. FY 2010 estimate.

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## DoD FY 2010 Budget Request Summary Justification

### Caring for Men and Women in Uniform

The MHS has one mission separated into four components (Figure 2.2):

1. Healthy, fit and protected force
2. Casualty care and humanitarian assistance
3. Healthy and resilient individuals, families and communities
4. Education, training and research

As with civilian systems, the MHS is challenged by rising healthcare costs and the goal of delivering the highest quality care at the lowest possible cost to the Department. The

Department is focused on ensuring that accessible, quality healthcare is available as the number of permanent Armed Forces members increase and that WII Service members receive the best care, treatment, and support while they recover, rehabilitate, and reintegrate.

The MHS uses the Balanced Scorecard approach to improve patient satisfaction, enhance staff engagement, and incorporate medical innovation in its performance management effort. It has developed key performance indicators based on value propositions and measures of financial performance. In addition, the MHS has selected mission success outcomes for each of its mission elements and performance measures to drive

**Figure 2.2 Military Health System Mission**

#### Casualty Care and Humanitarian Assistance

- We maintain an agile, fully deployable medical force and a healthcare delivery system so that we can provide state-of-the-art health services anywhere, any time. We use this medical capability to treat casualties and restore function and to support humanitarian assistance and disaster relief, building bridges to peace around the world.

#### Healthy and Resilient Individuals, Families and Communities

- The MHS provides long-term health coaching and health care for 9.3 million DoD beneficiaries. Our goal is a sustained partnership that promotes health and creates the resilience to recover quickly from illness, injury or disease.



*Our team provides optimal Health Services in support of our nation's military mission—anytime, anywhere*

#### Healthy, Fit and Protected Force

- We help the Services' commanders create and sustain the most healthy and medically prepared fighting force anywhere.

#### Education, Training & Research

- Sustaining our mission success relies on our ability to adapt and grow in the face of a rapidly changing health and national security environment. To do this we must be a learning organization that values both personal and professional growth and supports innovation.

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these outcomes. On July 31, 2008, the MHS Office of Strategy Management unveiled the first MHS Values Dashboard, which is supported by approximately 50 performance measures. The Military Health System Strategic Plan outlines these performance management efforts and is available at: <http://health.mil/StrategicPlan/2008%20Strat%20Plan%20Final%20-lowres.pdf>

This performance-based management effort supports Executive Order 13410, which calls for measurement and transparency of the quality of health care delivery and for the availability of price information on health care items and services. The MHS is working toward making the new measures of performance available to the public.

The Executive Order: Promoting Quality and Efficient Health Care in Federal Government Administered or Sponsored Health Care Programs, August 22, 2006, is available online at [www.whitehouse.gov/news/releases/2006/08/20060822-2.html](http://www.whitehouse.gov/news/releases/2006/08/20060822-2.html).

### Advancements in Delivery of Healthcare

The FY 2010 budget request for the Defense Health Program (DHP) focuses on two major priorities:

- *Cutting Edge Medical Research.* The DHP funded Research Development, Test and Evaluation (RDT&E) request includes a \$0.2 billion program to advance the state of medical science by leveraging the capabilities of both the Services and medical industry. World-class medical products and capabilities will be developed to improve the survivability and quality-of-life of our service-members.
- *Building and Sustaining the Best Facilities.* DoD has committed to creating a new generation of medical facilities capable of responding to rapidly evolving clinical practices, technology, and the increased expectations of our patients and their families. Active engagement with leading national

experts in facility design and feedback from our patients has provided the foundation necessary to design and construct military medical facilities that promote improved health outcomes, patient and staff safety, and operational efficiencies. The DoD commitment to medical facilities has been demonstrated by enhancing implementation of BRAC in the National Capital Region and San Antonio, as well as by increasing funding for medical construction in the FY 2010 budget request by \$0.4 billion.

### FY 2010 Budget Base Request

The Department's total request for healthcare – referred to as the Unified Medical Budget above – is \$47.4 billion. The largest segment of this budget is the DHP appropriation, which is \$27.9 billion in the FY 2010 Base Budget request. This includes:

- \$0.3 billion for Procurement of equipment or systems with a unit cost of \$250,000 or more. This includes equipment for outfitting new, expanded, or refurbished healthcare facilities, modernization and replacement of equipment past its useful life, and automation equipment for central purchase of information systems.
- \$0.6 billion for RDT&E, which funds military relevant medical research, healthcare-related information management and information technology development, Small Business Innovative Research, In-House Laboratory Independent Research, and the Armed Forces Radiobiology Research Institute. \$0.4 billion is included for research of Traumatic Brain Injuries, Psychological Health and other casualty related injuries.
- \$27.0 billion for Operation and Maintenance (O&M), which funds day-to-day operational costs of healthcare activities to include treatment of Traumatic Brain Injuries, Psychological Health, and other casualty care. Specifically, O&M includes:



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- *In-House Care* (\$6.9 billion) – medical and dental care and pharmaceuticals provided in the Department’s medical and dental treatment facilities;
- *Private Sector Care* (\$14.3 billion) – health care from private sector providers;
- *Consolidated Health Support* (\$1.9 billion) – readiness and military unique functions, including Armed Forces Examination and Entrance Stations, aeromedical evacuation, and certain contingency operations costs;
- *Information Management* (\$1.4 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;
- *Management Activities* (\$0.3 billion) – MHS Command and Control activities of the MHS, including the Army Medical Command, the Navy Bureau of Medicine and Surgery, the Surgeons’ Offices of Air Force Medical Services, and the TRICARE Management Activity;
- *Education and Training* (\$0.6 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* (\$1.6 billion) – costs of operation and maintenance of certain installations and facilities.



U.S. Navy Hospital Corpsman Jennifer Goodwin creates a custom impression tray for a dental patient in the dental office aboard aircraft carrier USS Dwight D. Eisenhower (CVN 69), in the Red Sea. The Eisenhower Carrier Strike Group is under way for a regularly scheduled deployment in support of the ongoing rotation of forward-deployed forces.

U.S. Navy photo by Mass Communication Spc Apprentice Shonna Cunningham – March 2009

### Military Personnel and Construction

*Military Personnel:* 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 59 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 Traumatic Brain Injury, Post

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Traumatic Stress Disorder, and a wide variety of diseases that pose significant threats to military operations.

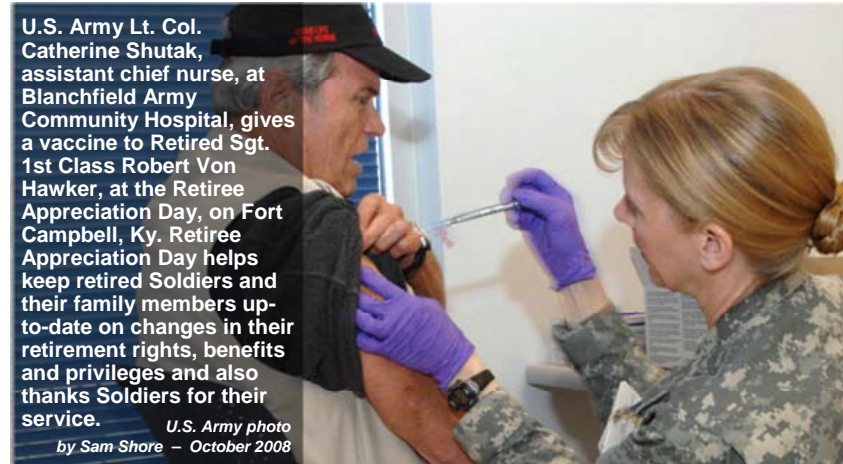
*Medical Military Construction* (\$1.0 billion): The FY 2010 Base budget funds 23 medical construction projects at 12 locations, including Phase 1 of a Hospital Replacement project in Guam and Phase 1 of a new Ambulatory Care Center at Lackland Air Force Base, Texas. These are two of the Department's highest priority medical construction requirements.

### DoD Medicare-Eligible Retiree Health Care Fund (MERHCF)

The DoD MERHCF was established in FY 2003 to pay the Department's healthcare costs for Medicare-eligible military retirees, retiree family members, and survivors. MERHCF funding is overseen by the DoD Medicare-Eligible Retiree Health Care Board of Actuaries, appointed by the Secretary of Defense. An actuarially determined, "normal cost" contribution for all military members is contributed 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 2010 MERHCF distributions to DoD are \$9.1 billion. This includes payments to the DHP to provide healthcare in military treatment facilities, private sector healthcare providers, and to the military personnel appropriations of the Army, Navy, and Air Force to reimburse them for the cost of military labor used to provide healthcare in military treatment facilities.

### SUMMARY

The MHS mission is 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. 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. Significant risks to these goals include stress on the medical force to support contingency operations, a growing and aging patient population, higher-than-anticipated medical cost growth, and increased demand for healthcare.

In addition, the MHS is committed to help America's injured warriors return to full duty or move on to the next phase of their lives. DoD is working closely with Veterans Affairs (VA) to improve case management and access to medical information. The joint DoD/VA goal is to enable patients to play a larger role in their own treatment - no matter where it takes place.

The MHS is like no other health system. Its people - the military and civilian doctors, nurses, and technicians - are driven by a dedication to medicine and country. The scope of the MHS mission for medicine, nursing, and public health far exceeds that of the private sector. Every day the MHS delivers "good" medicine in "bad" places. For these services, there is no civilian comparison.

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<b>Wounded, Ill, and Injured (WII)</b>	<b>FY 2009 Enacted <sup>1/</sup></b>	<b>FY 2010 Request <sup>1/</sup></b>	<b>Delta '09-'10</b>	<b>Percent Change '09-'10</b>
<i>\$ in Billions – Base Budget Request</i>				
Enhanced Military Healthcare for WII	-	0.5	+0.5	+100.0%
Traumatic Brain Injury/Psychological Health	0.3	1.2	+0.9	+291.3%
<b>Subtotal (Funded in the Defense Health Program (DHP))</b>	<b>0.3</b>	<b>1.7</b>	<b>+1.4</b>	<b>+461.3%</b>
Non-Medical Care and Recovery of WII (Non-DHP)	-	0.4	+0.4	+100.0%
WII Infrastructure Improvements (Non-DHP) <sup>2/</sup>	0.5	1.2	+0.8	163.2%
<b>Total WII (DHP &amp; Non-DHP)</b>	<b>0.8</b>	<b>3.3</b>	<b>+2.5</b>	<b>332.4%</b>

Notes: <sup>1/</sup> FY 2009 and FY 2010 exclude OCO funds; <sup>2/</sup> Includes FY 2005 Base Realignment and Closure projects that support Care for the Warfighter and Warriors in Transition and barracks for WII (barracks portion also included in "Housing for Single Service Members" section).

Numbers may not add due to rounding

### OVERVIEW

Apart from the war itself, the Department has no greater priority than providing the highest quality support to Wounded, Ill and Injured (WII) Soldiers, Sailors, Airmen and Marines. The Department has always recognized this compelling and critical need to provide world class health and rehabilitative care to all war fighters who are wounded, ill, or injured in their service to our nation. The FY 2010 budget request recognizes this important responsibility of improving the support of an injured Service member's recovery, rehabilitation and reintegration. It includes increased funding in the base budget for enhanced care for our WII members, new infrastructure to house and care for those WII members, and research efforts to mitigate the effects of Traumatic Brain Injury / Psychological Health.

To ensure the Departments' efforts in this area are well integrated, implemented, coordinated and resourced, the Department established the Wounded, Ill and Injured Senior Oversight Committee (WII SOC) in May 2007. This committee consists of senior leadership from both DoD and VA and is co-chaired by the Deputy Secretaries. The WII SOC has



U.S. Navy Adm. Mike Mullen, chairman of the Joint Chiefs of Staff, listens as his wife Deborah answered a question, during a question and answer session with spouses of deployed service members assigned to the 10th Mountain Division at Ft. Drum, N.Y. Mullen also held an all-hands call with more than 700 enlisted Soldiers and participated in a ribbon cutting ceremony for the new Behavioral Health Clinic at the base.

DoD photo by Mass Communication Specialist 1st Class Chad J. McNeeley, U.S. Navy – February 2009



## DoD FY 2010 Budget Request Summary Justification

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streamlined, de-conflicted, and expedited the Department's efforts to improve the provision of medical care, disability processing and transition activities to the VA for all military personnel.

### **Caring for Wounded, Ill and Injured Service members**

The Department has achieved outstanding success saving lives, treating wounds, and preparing wounded service members to lead 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.

To that end, the Military Services developed Service specific programs to ensure prompt delivery of benefits to WII members and their families. Tools such as the National Resource Directory, the Compensation and Benefits Handbook, and the Wounded Warrior Resource Centers bring critical information closer to the member and their families. With recent improvement in case management and access to medical information, patients are now able to play a more active role in their recovery, rehabilitation and reintegration into society.

### **Improving Infrastructure**

In the Department's FY 2010 Base budget request, funding is included for the construction of 12 Army Warrior in Transition Complexes, which provide barracks, soldier family assistance centers and administrative/support facilities adjacent to those medical facilities which are providing recuperative care. As a result of this request, which is in addition to funding provided in the FY 2008 and FY 2009 supplemental requests and the American Recovery and Reinvestment Act, a total of 21 Army complexes will be constructed to support the recovery of our WII members. For the Marine Corps, community-based facilities

(Marine Resource and Recovery Centers) were funded prior to FY 2010 to provide counseling, employment support, financial management, community orientation, and various other training and outreach programs to members and their families.

Further, the continued implementation of the 2005 Base Realignment and Closure (BRAC) projects in the National Capital Region will ensure that world class healthcare and living quarters remain available to the recovering WII members and their families. In addition, funding increases in the Restoration and Modernization baseline also ensure that the Military Services maintain their existing medical and living facilities in optimal condition.

### **Addressing Psychological Health and Traumatic Brain Injury (TBI) Issues**

The Department is committed to ensuring Service members with psychological health needs or TBI consistently receive excellent care across the entire medical continuum. For both psychological health and TBI, the continuum includes prevention, protection, screening, diagnosis, treatment, recovery and transition from DoD to VA.

The Department understands that the impact of deployments of returning WII Service member also affects the psychological health of family members and has implemented programs to support those beneficiaries as well as to provide the clinical input to programs educating military leaders and communities. The Department is working to overcome these challenges and to develop therapies that are more effective by leveraging research conducted within the DoD, the VA, and at national healthcare research institutions.

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### Recent Progress

The Department continues to make progress on fulfilling the recommendations set forth in the President's Commission on Care for America's Returning Wounded Warriors (Dole - Shalala) report and in the National Defense Authorization Acts for FY 2008 and FY 2009. Developments include:

- *Restructuring Disability and Compensation Systems.* Implementation of recommendations by Dole-Shalala and the SOC included integration of DoD and VA's disability evaluation and compensation processes. The integrated disability evaluation process standardizes and improves the timeliness, effectiveness, and transparency, plus avoids unnecessary duplication in the transition of Service members from the Military Service to the VA.
  - *Enhancing Case Management.* The Department seeks to provide an integrated continuum of case/care management that includes world-class quality care and service delivery for WII Service members and their families from recovery and rehabilitation to reintegration into society. A DoD Case Management Oversight Office was established to provide oversight of the development and implementation of comprehensive, uniform case management policies, standards, and programs across the Services and Agencies.
  - *Recovery Care Coordinators.* The FY 2010 request includes funding to support hiring Recovery Care Coordinators (RCCs) charged with providing oversight and monitoring functions of their assigned wounded warriors throughout the recovery, rehabilitation, and reintegration processes. In addition, the RCCs will develop individualized recovery plans for each WII Service member based on uniform standards consistent across the services. Each recovery plan will guide the family and service member from recovery to rehabilitation and reintegration back to their community or back to the Service.
- *National Resource Directory.* The National Resource Directory provides WII Service members and Veterans, families of the fallen, and those who support them with a web-based directory of benefits and compensation; education, training, and employment, family and caregiver support; housing and transportation information, and links to other state and local benefits and resources.
  - *Compensation and Benefits Handbook.* DoD, VA, Labor, Health and Human Services and Education and the Social Security Administration, as well as other governmental and non-governmental agencies and organizations, have contributed to the handbook to help Service members, their families, and their caregivers understand the compensation and benefits that are available from numerous Federal and State Agencies.
  - *Wounded Warrior Resource Center.* The Wounded Warrior Resource Center is the point of contact for Service Members, their families, and primary caregivers to report issues with facilities, obtain health care, and receive benefits information directly from trained professionals. Multiple methods of access, including an Internet website and toll-free telephone number, and strict confidentiality of information will be provided through the center.
  - *Standardizing Facilities.* The WII SOC has approved housing standards for all facilities used to house wounded warriors. Both housing and inspection standards exceed those established by the Americans with Disabilities Act. The Department is conducting semiannual inspections of existing facilities.
  - *Improving DoD/VA Electronic Health Records Sharing:* The

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National Defense Authorization Act of 2008, Section 1635, established the DoD/VA Interagency Program Office to act as a single point of accountability for the rapid development and implementation of Electronic Health Record (EHR) systems and capabilities that allow for interoperability of healthcare and benefit information between DoD and VA. As of January 31, 2009, DoD and VA have shared health data on more than 4.7 million unique retired or discharged Service members.

### FY 2010 Base Budget Request

The Department's total request for Wounded, Ill and Injured is \$3.3 billion. The FY 2010 Base Budget request includes:

- \$0.5B for adding medical and non-medical case managers to assist wounded members and their families in accessing needed services.
- \$0.3B to implement WII initiatives outlined in the FY 2008 National Defense Authorization Act, such as increasing availability of respite care, staffing for the Wounded Warrior Resource Centers, and enhancing severance disability pay.
- <\$0.1B to streamline the disability and compensation system by instituting a single, comprehensive medical exam for each wounded Service member.
- <\$0.1B to improve DoD and VA data sharing initiative by developing a user friendly exchange of patient medical and personnel information.
- \$0.5B to construct Warrior in Transition Complexes at 12 locations. Facilities include American with Disabilities Act compliant barracks, soldier family assistance centers for members and their families, and administrative space for staff at key locations throughout the Army.

- \$0.1B to sustain, modernize, and furnish existing barracks and support centers used to care for WII service members and their families.
- \$0.6B to continue to renovate Walter Reed National Military Medical Center at Bethesda, MD, and the new DeWitt Community Hospital at Ft Belvoir, VA. Since these facilities are often the final stop for wounded service members medically evacuated from OIF/OEF areas, expediting their completion is critical to the continuity of the medical aerovac system.
- \$0.4B to continue the efforts in the research and treatment of TBI/PH, to include the development of diagnosis standards and screening protocols.
- \$0.8B to fund operations of the Defense Center of Excellence (DCoE) for Psychological Health and Traumatic Brain Injury, and to ensure that critical wartime medical and health professionals are available to provide needed mental health services by improving hiring and retention bonuses and offering targeted special pay.

### SUMMARY

Apart from the war itself, the Department has no greater priority than providing the highest quality support to Wounded, Ill and Injured Service members and their families. By ensuring access to world-class healthcare, rehabilitative care, and state of the art living and support facilities, America's injured warriors and their families have all the resources needed to either return to full duty or move on to the next phase of their lives. The commitment by both the Department of Defense and Department of Veterans' Affairs will ensure that those who do choose to transition continue to be provided the finest healthcare and benefits the U.S. Government can offer.

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<b>Military Pay and Benefits</b>	<b>FY 2009 Enacted <sup>1/</sup></b>	<b>FY 2010 Request <sup>1/</sup></b>	<b>Delta '09-'10</b>	<b>Percent Change '09-'10</b>
<i>\$ in Billions – Base Budget Request</i>				
Military Personnel Appropriations	114.5	125.3	+10.7	+9.4%
Medicare-Eligible Retiree Healthcare Accrual	10.4	10.8	+0.4	+3.9%
<b>Total Military Pay and Benefits</b>	<b>124.9</b>	<b>136.0</b>	<b>+11.1</b>	<b>+8.9%</b>
Less Military Personnel Costs Captured in Unified Medical Budget <sup>2/</sup>	-7.1	-7.7	-0.6	-8.8%
Less Medicare-Eligible Retiree Healthcare Accrual Captured in Unified Medical Budget <sup>2/</sup>	-10.4	-10.8	-0.4	-3.9%
<b>Pay and Benefits Net of Military Healthcare Costs</b>	<b>107.5</b>	<b>117.6</b>	<b>+10.1</b>	<b>+9.4%</b>

Source: (Service and Agency Data Call Submissions)

<sup>1/</sup> FY 2009 and FY 2010 exclude OCO funds <sup>2/</sup> Also included in the "Military Health Care" section

Numbers may not add due to rounding

### OVERVIEW

In order to attract and retain the high quality military personnel it needs, the Department offers a competitive compensation package including a wide variety of cash, non-cash, and deferred pay and benefits to adequately reward service members for the rigors of military life. Although comparisons of military and civilian compensation are often problematic due to different job characteristics and pay and benefit structures, reviews such as the Congressional Budget Office study *Evaluating Military Compensation* of June 2007, indicate that no matter what methodology is used, "military compensation compares favorably with civilian compensation."

Since the late 1990's, significant across-the-board and targeted pay raises coupled with substantial increases to housing and subsistence allowances have dramatically improved military compensation. Even without accounting for other cash payments such as special/incentive pays and recruiting and retention bonuses or generous non-cash and deferred benefits

the military offers such healthcare, education benefits, retirement, and paid time-off, military members across the ranks earn more than at least 70 percent of civilians with similar education and experience (i.e., military pay ranks in at least the 70th percentile for all experience levels both officer and enlisted).

The FY 2010 Base budget maintains these improvements in military pay and benefits. Military personnel funding totals \$136.0 billion in FY 2010, an increase of \$11.1 billion or 8.9 percent from FY 2009. This increase ensures that military personnel compensation remains competitive with the private sector and keeps pace with inflation.

- *End Strength Growth.* Fully funds the accelerated end strength growth for the Army and the Marine Corps in the FY 2010 Baseline budget. Due to impressive success in recruiting and retention, the Active Army and Army National



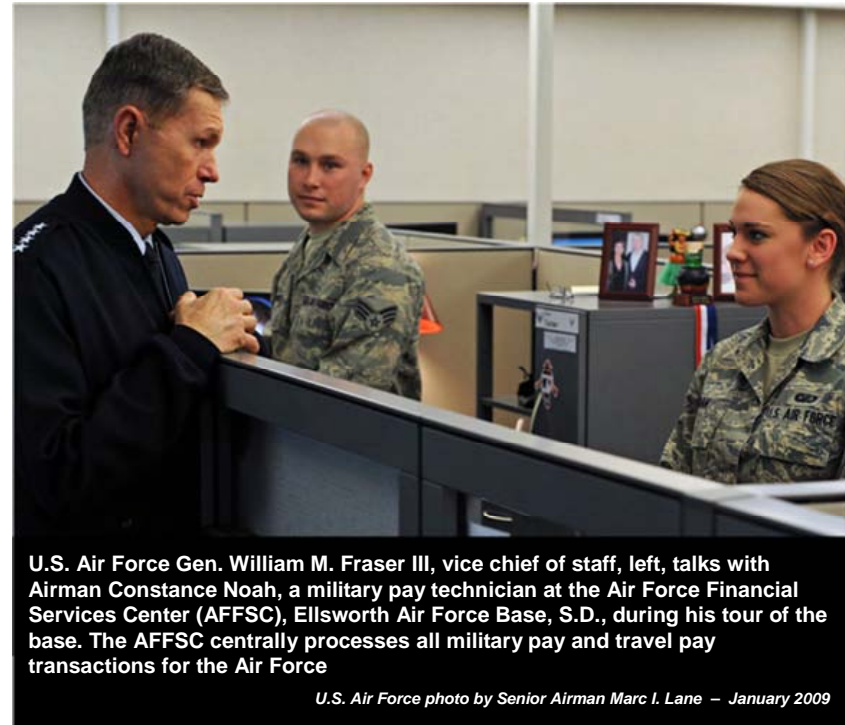
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Guard and the Active Marine Corps expect to meet end state goals for growing the force in FY 2009.

- Active Army will have increased by 65,000 Soldiers to 547,400 in FY 2009 instead of FY 2012.
- Army National Guard will have increased by 8,200 Soldiers to 358,200 in FY 2009 instead of FY 2013
- Active Marine Corps will have increased by 27,100 Marines to 202,100 in FY 2009 instead of FY 2011.

Meeting these end strength goals early will enhance the combat capability of U.S. ground forces and improve the deployment-dwell time ratio to reduce stress on deployable personnel and their families.

- *Pay Raise.* The military pay raise provides an annual increase to service members' basic pay. Currently, the proposed pay raise for FY 2010 is 2.9 percent across-the-board effective January 1, 2010. The proposed pay increase is in accordance with section 1009 of Title 37, which requires the military pay raise to equal the Employment Cost Index (ECI) as of September 30th in the year before the beginning of the budget year.
- *Basic Allowance for Housing (BAH) and Basic Allowance for Subsistence (BAS).* The housing and subsistence allowances are tax-free, cash allowances that compensate military personnel for housing costs and daily meals. The FY 2010 budget request includes a 6.0 percent average rate increase in BAH and a 5.0 percent increase in BAS. The increase reflects inflation and maintains entitlement programs at current standards.
- *Recruiting and Retention.* While the Department continues to face some challenges to recruit and retain an All-



Volunteer Force, the interest in joining and remaining in the military has risen as the Nation's economic situation has declined. The FY 2010 budget reflects an additional \$0.6 billion in baseline funding for recruiting and retention, a shift of funding previously resourced by supplemental appropriations. Overall funding for recruiting and retention declines by \$0.8 billion from FY 2009 to FY 2010. This reduction in recruiting and retention funding is possible now that the Army and Marine Corps have met their higher end strength goals two to three years ahead of schedule.

## DoD FY 2010 Budget Request Summary Justification

<b>Family Support</b>	<b>FY 2009 Enacted <sup>1/</sup></b>	<b>FY 2010 Request <sup>1/</sup></b>	<b>Delta '09-'10</b>	<b>Percent Change '09-'10</b>
<i>\$ in Billions – Base Budget Request</i>				
Child Care and Youth Programs	1.2	1.0	-0.2	-13.8%
Morale, Welfare, and Recreation	1.1	1.2	+0.1	+13.0%
Warfighter and Family Services	1.2	1.6	+0.4	+38.3%
Family Housing	3.2	2.0	-1.2	-38.0%
Commissary	1.3	1.4	<+0.1	+3.2%
DoDEA Schools	1.8	2.0	+0.2	+6.9%
Military Spouse Employment	-	0.1	+0.1	+100.0%
<b>Total Family Support</b>	<b>9.7</b>	<b>9.2</b>	<b>-0.5</b>	<b>-5.5%</b>

Source: (Service and Agency Data Call Submissions)

Includes O&M, MilCon, DeCA, and Family Housing appropriations <sup>1/</sup> FY 2009 and FY 2010 exclude OCO funds

Numbers may not add due to rounding

### OVERVIEW

Support for military families is firmly established as a top priority for the new Administration and has been personally endorsed repeatedly by the President, the First Lady, the Vice President and Dr. Biden. The Department remains fully committed to provide assistance to the All-Volunteer Force and their families particularly in light of the unprecedented demands that have been placed on them. The fact that families play a crucial role in supporting service members is not a new concept for family support policy makers or program developers. The family assistance programs serve a critical need in direct mission support for the mobilization and deployment of Active Duty military and the Guard and Reserve. To that end, the Department has undertaken major initiatives to improve the quality of life of its service members and their families. Some initiatives focus primarily on the service member, while others, like child care and school programs focus on the children and youth, and others are devoted to spouses. All are inextricably interwoven and all affect the family in total and are designed to reduce the burdens during all phases of deployment.

The Military Services recognize the need for greater investments in family assistance programs as reflected in the FY 2010 budget request. The FY 2010 Base budget funds vital family assistance for military members and their families on more than 300 installations worldwide. Programs include Child Care and Youth Programs, Morale, Welfare and Recreation, Warfighter and Family Services, Family Housing, Commissary operations, DoDEA Schools, and Military Spouse Employment.

- *Child Care and Youth Programs:* Includes funding for emergency and respite child care, child and youth development programs and Child Development Centers.
- *Morale, Welfare, and Recreation:* Includes funding for Community Support Activities, recreation programs, and revenue generating programs.
- *Warfighter & Family Services:* Includes funding for Family Support Centers, Yellow Ribbon Reintegration Program efforts, Counseling, and Guard and Reserve Joint Family Support - change in FY 2010 primarily due to Army Base budget increases.

## DoD FY 2010 Budget Request Summary Justification

- *Family Housing:* Privatization of family housing units continues to provide adequate and affordable housing to our military members and their families. The downward trend in funding is primarily driven by the reduced number of privatization projects, as we have privatized over 80% of the domestic family housing inventory, and cost avoidance through housing privatization, where the responsibility of recurring O&M costs is transferred to the private sector developer.
- *Commissary:* The Defense Commissary Agency (DECA) operates 255 stores at military installations around the world. The workforce will consist of over 14,500 civilian Full-Time Equivalents in FY 2010.
- *DODEA Schools:* The Department of Defense Dependent Schools (DODDS) educates over 58,522 students in 124 schools in 12 countries, while the domestic equivalent educates 28,900 students in 68 schools located in seven states, the Commonwealth of Puerto Rico and the Territory of Guam. The increase in FY 2010 provides for additional school construction projects to replace school facilities that are in the worst, failing condition.
- *Spouse Employment:* This initiative provides for tuition assistance to enable spouses to pursue college or technical training, as well as credentials or licenses, to help advance them into high-demand occupations. Spouses will be able to obtain recertification or licensure training as they move from state to state. Also includes funding in FY 2010 to support the Military Spouse Federal Intern Program to assist in securing positions in other Federal agencies.

While the budget reflects a decrease in child care and youth program funding, this is due to prior year one-time construction funding in FY 2009 for Army to create additional child care capacity. Further, in an effort to ensure continuity in program delivery, the Army and Marine Corps FY 2010 budget request

The son of U.S. Air Force Staff Sgt. Marcus Ellis, a munitions systems specialist with the 28th Munitions Squadron, drags his father's bag at Ellsworth Air Force Base, S.D. Ellis is returning from a deployment in support of Operations Iraqi Freedom and Enduring Freedom.

U.S. Air Force photo by Senior Airman Marc I. Lane – January 2009



shifts family assistance funding from the Overseas Contingency Operations funding to the Baseline. The Family Advocacy Program also shifts resources to the Base from OCO funding sources.

### Military OneSource Center

The Department's FY 2010 Defense-Wide Family Support budget request for \$472 million supports an aggressive family outreach program for Active Duty, National Guard and Reserve. To augment the Military Service family support and National Guard and Reserve support, the DoD stood up the *Military OneSource Center* to manage centralized outreach efforts and provide vehicles for surge support during deployments.

## DoD FY 2010 Budget Request Summary Justification

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Of particular emphasis were outreach efforts for the National Guard and Reserve families who are geographically dispersed across the United States. Over 700,000 National Guard and Reserve service members have deployed to date. This outreach augments Yellow Ribbon Reintegration Program efforts and provides a robust family support component during the entire deployment cycle - pre, during and post deployment. It can also support active duty who are geographically dispersed. Three family support staff have been institutionalized at each State's Adjutant General's headquarters to assist in the organization and delivery of family support. This staff has the backing of the Military OneSource Center and can request resources for each mobilizing unit.

### Other major family support outreach initiatives include:

- *Child Care Public Private Ventures:* Will expand child care accessibility for geographically dispersed military families not near military installations centers.
- *Child Care Centers:* Funds construction of Child Development Centers to support families during deployments.
- *Military OneSource Call Center:* Will expand the highly used call center which is receiving over 2,000 calls a day for help and assistance around the clock.
- *Confidential Counseling:* More sessions are available to help Service members and families adjust to Military life and deployment. Because of demand and overwhelming positive reviews, the Chairman of the Joint Chiefs requested that the Department increase the availability of counseling from six to twelve sessions per member.
- *Financial Planning/Assistance:* Assists young military members and families adjusting to the military lifestyle that includes financial dilemmas around frequent moves and deployments. The goal is a financial plan for each service member.

- *Spouse Education and Tuition Assistance:* The Department has recently begun accepting requests for up to \$6,000 in education, training and certification assistance. This is welcome relief to many military members whose spouses experience today's economic stresses and competition for jobs and family income.
- *Educational Partnership Program:* The Department will collaborate with stateside school districts affected by base closure and force structure changes to assist in the development of high quality instructional programs and promote academic and social/emotional support for students transitioning from DoDEA schools to local education agencies.
- *Service Member Tuition Assistance:* The Department has a Uniform Tuition Assistance policy for all active duty members, to include activated Guard and Reserve. Each service member participates in off-duty, voluntary education, has \$4,500 per year available, with a \$250 cap per semester hour. Tuition assistance also allows service members to take strategically needed language courses unrelated to a degree.

### SUMMARY

The Department has made family support a high priority in recognition of the crucial role families play in supporting service members on the battlefield, a concept that has resounded during these times of multiple deployments. This budget request acknowledges the importance of families who also serve, and supports the Department's force management quality of life and retention goals of attracting and retaining the highest quality personnel. The needs of Service members and their families will continue to evolve and the Department stands ready to improve the quality of life of its greatest resource – people.



## DoD FY 2010 Budget Request Summary Justification

<b>Housing for Single Service Members</b>	FY 2009 Enacted <sup>1/</sup>	FY 2010 Request <sup>1/</sup>	Delta '09-'10	Percent Change '09-'10
<i>\$ in Billions – Base Budget Request</i>				
Barracks (including dining facilities) – Non-Wounded/III/Injured	2.9	1.8	-1.1	-38.8%
Barracks – Wounded/III/Injured <sup>2/</sup>	0.1	0.5	+0.4	+373.5%
<b>Total Housing for Single Soldiers</b>	<b>3.0</b>	<b>2.3</b>	<b>-0.7</b>	<b>-25.1%</b>

Source: (Service and Agency Data Call Submissions)

Includes O&M, MilPers, MilCon, and Family Housing appropriations

<sup>1/</sup> FY 2009 and FY 2010 exclude OCO funds; <sup>2/</sup> Also included in the “Wounded, Ill, and Injured” section

Numbers may not add due to rounding

### OVERVIEW

The FY 2010 Base budget request includes \$2.3 billion for 58 barracks and dining facility construction projects, including 12 Warrior in Transition barracks. The 58 new barracks and dining facilities projects are part of a continuing commitment that began in the mid-1990’s to replace or renovate aging permanent party and training barracks, and to construct new barracks in response to added requirements resulting from Grow the Force, Global Restationing, Homeport Ashore, and force modernization initiatives. In addition, the new Army Warrior in Transition facilities will replace interim solutions by providing a campus of healing environment for recovering Soldiers located adjacent to medical treatment facilities and assistance centers for Soldiers and their families.

Improving barracks and the associated impact on single Service members’ quality-of-life is a critical initiative for the Department to keep recruiting and retaining quality personnel in an All-Volunteer Force. It is also the right thing to do in view of the substantial improvements made to Family Housing from privatization, and because in this era of high OPTEMPO, housing quality should be commensurate with the sacrifices brave men and women in uniform make every day in defense of our Nation’s freedom.



U.S. Marine Corps Gen. James E. Cartwright, center, vice chairman of the Joint Chiefs of Staff, and his wife Sandee, left, talk with U.S. Marine Corps Sgt. Jeremy Landon at the barracks for wounded Marines at Marine Corps Air Facility Kaneohe, Hawaii.

U.S. Air Force photo by Tech. Sgt. Adam M. Stump – April 2009

## DoD FY 2010 Budget Request Summary Justification

<b>Civilian Pay and Benefits</b>	<b>FY 2009 Enacted <sup>1/</sup></b>	<b>FY 2010 Request <sup>1/</sup></b>	<b>Delta '09-'10</b>	<b>Percent Change '09-'10</b>
<i>\$ in Billions – Base Budget Request</i>				
Civilian Pay and Benefits	63.3	67.0	+3.7	+5.8%
<b>Total Civilian Pay and Benefits</b>	<b>63.3</b>	<b>67.0</b>	<b>+3.7</b>	<b>+5.8%</b>

Source: (Service and Agency Data Call Submissions)  
<sup>1/</sup> FY 2009 and FY 2010 exclude OCO funds

Numbers may not add due to rounding

### OVERVIEW

Adequate pay and benefits are necessary for the Department to attract and sustain qualified personnel. The FY 2010 request reflects a 2.0 percent pay raise and sustains benefits at the FY 2009 level, adjusted for inflation.

- **Pay Raise.** The civilian pay raise provides an annual increase to civilians' basic pay plus a locality adjustment for regional differences in pay. Currently, the proposed pay raise for FY 2010 is 2.0 percent effective January 1, 2010. Section 5303 of Title 5 states the civilian pay increase should match the Bureau of Labor Statistics Employment Cost Index (ECI) minus 0.5 percent but may be modified in times of national emergency. Currently, the pay raise is planned at ECI minus 0.9 percent. This pay raise will allow the Department to retain qualified personnel in the current economic environment.
- **Benefits.** The Department of Defense provides all of the core benefits offered by most private sector firms, such as retirement pay, retirement savings plan, health care, life insurance, and paid time off. The budget provides \$15.5 billion in civilian employee benefits. Currently, benefits count for 29 percent of the civilian budget and reflect the Department's commitment to its workforce.



## Insourcing and Acquisition Workforce

### OVERVIEW

The Department is embarking on a process to right size the workforce and control costs. The Department's plan to insource Contractor Advisory and Assistance Services (CAAS) and other service contracts will return the proportion of DoD civilians and contractors to pre-war levels for these services over the next 5 years. Due to the requirements of the war, there was a need for the Department to move quickly to fill functional requirements in support of operations. Contractor services provided an expedient solution to these requirements. Additionally, the Department's acquisition programs have suffered due to the lack of sufficient trained and qualified in-house acquisition personnel.

### BACKGROUND

From FY 2000 to FY 2008, funding for CAAS and other service contracts increased by \$32 billion in FY 2009 constant dollars, including war costs (Figure 2.3).

In addition, Congress has continually expressed concerns over the extensive use of outsourcing in the Department. In FY 2009, Congress reduced contractor services funding by \$650 million.

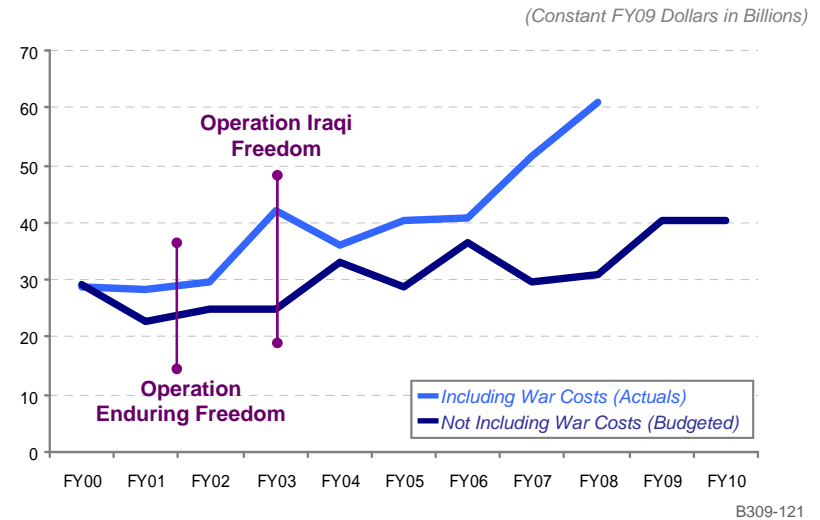
Increased reliance on service contractors has decreased government oversight, blurred the distinction of what is inherently governmental, and may not provide the best value for the Department.

Additionally, the Department recognizes the need for an increased capacity to manage and oversee the contracting process from start to finish and ensure taxpayer funds are spent wisely in the acquisition process.

### INSOURCING

Insourcing will reduce the funding of support service contractors from the current 39 percent of the Department's workforce to the

Figure 2.3 Historical Contractor Costs



pre-2001 level of 26 percent by converting these positions to civil servants. The Department's hiring capacity places constraints on how many civilians it can bring on board during a given fiscal year. To achieve this goal, the Department will insource as many as 13,600 civil servants in FY 2010 to replace contractors and up to 33,400 new civil servants in place of contractors over the next 5 years.

This initiative focuses on a subset of service contracts (valued at about \$20 billion) considered as more applicable to insourcing. The initiative did not examine Health Care, Maintenance, and Family Housing contracts, which may require more substantial review, may not be readily insourced, and could result in higher costs. However, this plan allows the Components the flexibility to achieve insourcing goals where they will realize the greatest benefit. The Department estimates it will save \$0.9 billion in FY 2010 from this initiative.

## DoD FY 2010 Budget Request Summary Justification

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### ACQUISITION WORKFORCE

The Department will restore its Federal acquisition workforce to the FY 1998 level of approximately 147,000 personnel by FY 2015. By FY 2010, the Federal acquisition workforce will grow to 133,700 from 127,800 in FY 2008. To achieve this first step, The Department will convert at least 2,500 of existing acquisition contract personnel to Federal civilians within the insourcing initiative. Additionally, the Department will hire 3,669 new acquisition civil servants by FY 2010. This includes 1,856 from the Defense Acquisition Workforce Development Fund (DAWDF) in FY 2009, 1,580 from the DAWDF in FY 2010, and 233 funded within the O & M appropriations. The DAWDF is funded through mandated contributions in FY 2009 and the Department is requesting appropriation of \$100M in FY 2010. The Department is requesting elimination of the mandated contributions to the DAWDF.

### HUMAN RESOURCES

Growing the civilian workforce requires the assistance of additional human resource personnel. The budget provides funding for an additional 225 human resources personnel.





## Intelligence, Surveillance and Reconnaissance (ISR) Task Force (TF)

### OVERVIEW

Defense Secretary Gates created the Intelligence, Surveillance, and Reconnaissance Task Force (ISR TF) in April 2008 to assess and propose options for maximizing currently deployed ISR capability in the U.S. Central Command (CENTCOM) Area of Responsibility (AOR). The FY 2010 budget request designates a total of \$317 million for ISR Task Force Initiatives. This total includes an \$80 million investment in the Long Endurance Multi-Intelligence Vehicle (LEMV), an unmanned hybrid airship that will fill a critical gap in CENTCOM's long-term airborne surveillance capacity. The remaining \$237 million will be directed toward the improvement and expansion of Full-Motion Video (FMV) surveillance; such as high definition upgrades to the airborne FMV used in MC-12W Liberty, MQ-1C Warrior and Army's Medium Altitude Reconnaissance Surveillance System (MARSS) aircraft that will allow for increased targeting and recognition of previously undetectable enemy activity. Additionally, this investment will procure encryption technology that protects FMV intelligence received by the One System Remote Video Terminal (OSRVT) and other hand-held devices against enemy interception, and enhancing the accuracy and precision of FMV geo-location and precision targeting.

The FY 2010 Overseas Contingency Operations portion of the request includes over \$850 million to sustain vital ISR collection, Processing, Exploitation, and Dissemination (PED) and communication capabilities previously procured by the ISR Task Force in FY 2008 and FY 2009. Additionally it includes over \$620 million further develop and grow these three capability areas with initiatives that include six new Army C-12 multi-intelligence aircraft, imagery sensors, communications



improvements, and significant upgrades to the intelligence infrastructure in Afghanistan.

The ISR TF was charged with identifying and recommending solutions to challenges associated with deploying increased ISR capability to the CENTCOM AOR using the full resources of the DoD. Speed of deployment and enhancement of operational capability were the prime objectives in evaluating available options. This was achieved by improving the capabilities of existing platforms, fielding non-traditional platforms and identifying new capabilities that could be rapidly fielded.

The ISR TF leveraged ongoing U.S. Strategic Command Joint Staff efforts to maximize global allocation of ISR assets, assessing the feasibility of shifting platforms already deployed in support of other geographic Combatant Commands to Operations Enduring Freedom and Iraqi Freedom. Additionally, the ISR TF worked with the Services to analyze and achieve

## DoD FY 2010 Budget Request Summary Justification

more efficient use of various ISR assets. These efforts increased the MQ-1 Predator combat flight time, improved the aircrew training strategy, and accelerated the deployment timeline for new Predator CAPs into theater.

The ISR TF also assessed non-traditional ISR platforms. This resulted in the deployment of the last Navy S-3B Viking squadron into Iraq to provide FMV support to ground forces. The Army reconfigured and upgraded older RQ-5A Hunter Unmanned Aerial Systems (UAS) located at the depot into the latest MQ-5B variant with signals intelligence (SIGINT) capability. These systems will deploy as part of the Army's Task Force Observe Detect Identify Neutralize (ODIN) – Afghanistan



A U.S. Air Force MQ-1B Predator unmanned aerial vehicle, assigned to Detachment 1, 46th Expeditionary Reconnaissance Attack Squadron, taxis along the runway on Ali Base, Iraq, after a mission. Through the use of advanced capabilities, focused doctrine and detailed training, the Predator provides integrated and synchronized close air combat operations, to include intelligence, surveillance and reconnaissance.

*U.S. Air Force photo by Airman 1st Class Christopher Griffin – September 2008*

Counter-IED operations. The Navy worked closely with the Air Force and operationally deployed its Broad Area Maritime Surveillance Demonstration Global Hawk UAS (RQ-4) to the CENTCOM AOR. This platform is now conducting overwater and overland surveillance missions in theater. Additionally, the Army deployed National Guard Shadow UAS (RQ-7) equipment and developed new operational tactics to increase their support to Coalition Forces.

After maximizing ISR capacity from the existing inventory of systems, the ISR TF shifted its focus to the rapid acquisition of new irregular warfare (IW) capabilities. The Task Force's strategy was closely linked to the need to defeat insurgency networks by identifying high value targets and rapidly relaying actionable intelligence to the field. ISR TF efforts will add more than 50 additional aircraft into the DoD inventory to provide forward capability. Thirty-seven of these aircraft are part of the Air Force's Project Liberty and eight are in the Army's MARSS program – both highlighted below. These efforts included acquiring and integrating tools for SIGINT, FMV, and associated Processing, Exploitation, and Dissemination (PED) systems.

### Coordination Hub

The ISR TF leveraged expertise across the Department, the Services, Combat Support Agencies, Combatant Commands, and the Intelligence Community to assemble key resource and acquisition elements which resulted in expedited decision making inside the traditional DoD budgeting and procurement timelines.

The ISR TF is working closely with CENTCOM to ensure these new ISR capabilities are integrated into the operational framework upon arrival in theater and that they can be used for maximum advantage. A key integration objective is to identify and field secure and effective communications infrastructure, data links, and the PED architecture necessary for Soldiers and

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Marines to rapidly employ the tactical intelligence generated by the collection platforms.

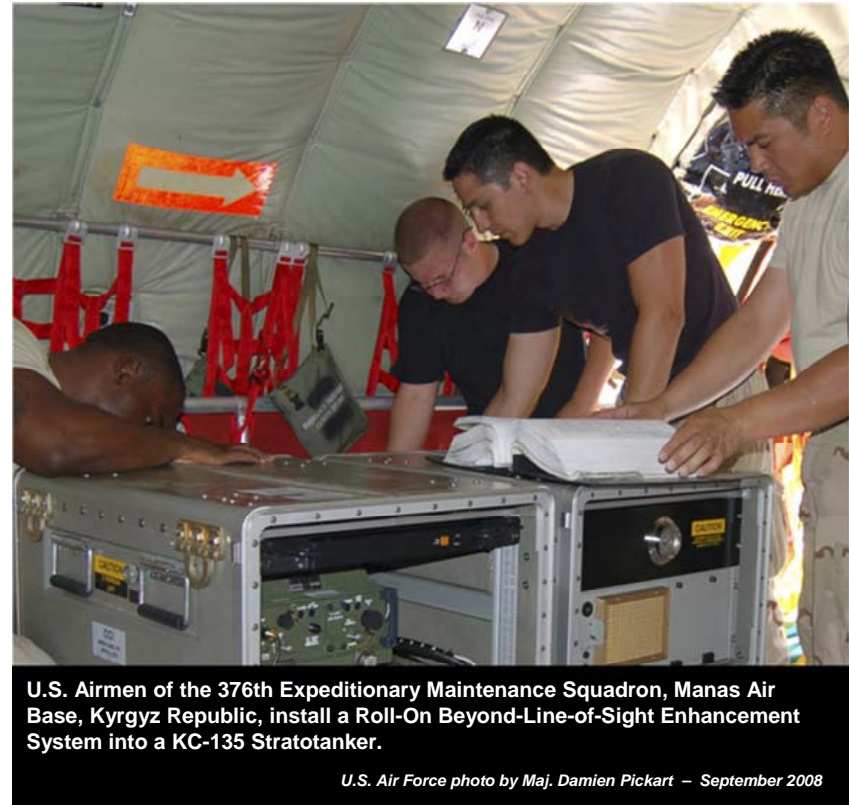
The ISR TF remains vigilant in identifying new capability gaps and fielding solutions that will better enable our troops on the ground to conduct ongoing IW operations. It leverages analysis and lessons learned on how ISR supports counterinsurgency operations. These observations are enabling the creation of an integrated intelligence network which will enhance operations and improve force protection. Ultimately, the programs initiated through the ISR TF will either be folded into service or agency Programs of Record or will end as war needs diminish.

### Networked ISR

The ISR TF is working to develop and instantiate a network that allows ISR platforms to semi-autonomously discover, task, and coordinate ISR sensors across the battlespace. The vision of the ISR TF is manned and unmanned ISR platforms working together, all feeding an ISR network, using machine-to-machine real-time interfaces. The network enables transmission of real-time intelligence data to disadvantaged users by networking ISR platforms together and extending that network to a dispersed but logically organized secure storage environment. Additionally, through the use of advanced technologies, the ISR network will be integrated into current tactical networks used by strike aircraft and ground forces. This effort will enable the real time integration and tasking of ISR and Strike aircraft for the first time in history and will greatly decrease the time required to prosecute targets based on newly discovered, actionable intelligence.

### Reinforcing the Communications Base

To enhance the connectivity and communications environment for deployed forces, the ISR TF is working with the Defense Information Systems Agency (DISA), the Services, and



U.S. Airmen of the 376th Expeditionary Maintenance Squadron, Manas Air Base, Kyrgyz Republic, install a Roll-On Beyond-Line-of-Sight Enhancement System into a KC-135 Stratotanker.

*U.S. Air Force photo by Maj. Damien Pickart – September 2008*

CENTCOM to improve satellite bandwidth management, find opportunities for additional satellite communications, and procure multi-band terminals. These efforts will provide digital video broadcasts in real-time to Line of Sight (LOS) ground and special operations forces using remote video terminals and in near-real time to Beyond Line of Sight (BLOS) exploiters and decision-makers. ISR TF initiatives are enhancing current BLOS coverage as well as filling in areas with no coverage today via Digital Video Broadcast-Return Channel Systems (DVB-RCS).



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### Building PED Capacity

In addition to increasing intelligence collection and communications capacity, the Task Force has focused on improving overall PED capabilities. Advancing both the quality and quantity of intelligence analysis is key to ensuring ISR collection delivers maximum benefit to the warfighter. To do this, the Task Force has initiated several efforts to train and deploy additional intelligence analysts and linguists. Finally, the ISR TF is helping create an improved PED architecture that will seamlessly fuse raw intelligence collection and accelerate the flow of actionable intelligence products to ground forces.

### Liberty Project Aircraft

In addition to increasing production of unmanned aerial vehicles, the Department looked to quickly increase the number of small, manned, "Multi-Int" platforms equipped with SIGINT and FMV capability for the theater. Building on the Army's successful Medium Altitude Reconnaissance and Surveillance Systems program, the Air Force reached out to industry to rapidly manufacture 37 Hawker-Beechcraft King Air twin-engine aircraft within the LIBERTY Program. The first seven aircraft are refurbished and modified Hawker-Beechcraft King Air 350s. The remaining 30 aircraft will be new King Air 350 Extended Range (ER) models. The ER version offers an extra hour-and-a-half of flight time beyond the six hours typically flown by the standard King Air 350. Designated the MC-12W, the first of these new aircraft deployed to theater in April.

The MC-12Ws will be equipped with SIGINT sensors, electro-optical/infrared FMV sensors, as well as video data links and a self-protection countermeasures system. This configuration will enable the aircraft to collect SIGINT and full-motion video data and pass it to tactical ground troops in real-time. This imagery can facilitate the discovery of insurgent activities. The aircrew (two pilots and two sensor operators) can also pass information



The first of thirty new King Air 350ERs was delivered to the USAF. The Air Force is rapidly configuring these aircraft with ISR equipment and redesignating them as MC-12W Liberty Aircraft. The initial MC-12W will arrive in theater in May 2009 and will provide critically needed multi-intelligence collection and targeting capabilities.

*Hawker Beech Aircraft Corporation – March 2009*

directly to ground-site locations for airmen deployed with Army and Marine units to analyze and process the data. The Project Liberty aircraft will help to satisfy the high demand for full-motion video and signals intelligence to support theater counter-insurgency and high-value individual operations.

### Medium Altitude Reconnaissance And Surveillance Systems (Marss)

Similar to the Air Force Liberty Aircraft, the Army is developing eight MARSS C-12s as part of the stand up of TF ODIN-Afghanistan. The Army procured eight used Hawker-Beechcraft King Air 300s and modified them with the same SIGINT sensors, electro-optical/infrared FMV sensors, as well as video data links and self-protection countermeasures, as are on the Air Force Liberty Project Aircraft. Six of the MARSS aircraft will deploy to Operation Enduring Freedom and two will remain in the United States to train follow-on aircrews for deployment.



## Irregular Warfare (IW)

### OVERVIEW

The 2008 National Defense Strategy identifies improving the U.S. Armed Forces' proficiency in irregular warfare (IW) as a top priority and directs the Department to focus investments on irregular challenges and assume additional risk in traditional operations. Counterterrorism, unconventional warfare, foreign internal defense, counterinsurgency, and stability operations are not new missions for the U.S. military. These have been and will continue to be manpower-intensive activities. In an era when the joint force is likely to engage in a spectrum of conflict, the Department must seek a better balance in its portfolio of capabilities. The FY 2010 budget supports the Department's effort to institutionalize the capabilities needed to conduct IW by adequately resourcing IW capabilities. Much of the Department's spending goes towards capabilities that can be used for both major combat operations and low-end missions. Many of the capabilities required to execute these missions are resident in parts of the force, but not with sufficient capacity to meet current or future demand. In other cases, the Department must develop new capabilities to address the range of irregular challenges. To this end, the FY 2010 Base budget request adds significant resources for IW.

The Department defines IW as "a violent struggle among state and non-state actors for legitimacy and influence over the relevant populations. The IW favors indirect and asymmetric approaches, though it may employ the full range of military and other capabilities, in order to erode an adversary's power, influence, and will."

In IW, the objective is to compel a change in adversaries – whether state or non-state actors – by isolating them from the populations from whom they draw support. At the same time,

The U.S. Navy littoral combat ship pre-commissioning unit Independence (LCS 2) sits in dry dock before its official launch. Independence will be the lead ship of a new class of littoral combat ships. The LCS will provide a platform that is fast, highly maneuverable and geared to support mine detection/elimination, anti-submarine warfare and anti-surface warfare operations, better allowing the Navy to address asymmetric threats in the twenty-first century.

*U.S. Navy photo by Cmdr. Michael Riley – June 2008*



adversaries using IW methods seek to bolster their own legitimacy and credibility among that same population. The IW involves both indirect and direct approaches to defeat these adversaries. The campaign against terrorism, for example,

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includes activities to disrupt and defeat those committed to violence against the U.S. and its interests globally, as well as to ensure that terrorists' capacity to strike is outweighed by the capacity of local governments to counter and defeat them.

Increasingly, the Department is seeking to employ indirect approaches. For example, in Afghanistan and Iraq, the joint force and coalition partners are training local security forces and advising them on missions to strengthen their capacity to operate independently. In other parts of the world, building the capacity of partners' security forces may prevent threats from maturing in or emanating from their borders that might otherwise require costly and controversial direct U.S. military intervention. As this budget reflects, the Department seeks to expand its ability to train and advise partner security forces and institutions.

The Department has taken significant strides toward achieving lasting institutional change. It has produced an IW Joint Operating Concept; published a DoD directive to establish policies and assign responsibilities for the development of IW-relevant capabilities; and completed a comprehensive review of the capability and capacity demands for General Purpose Forces (GPF) to conduct long-duration counterinsurgency operations and to train, advise, and assist foreign security forces. Various other initiatives are under way to integrate and coordinate U.S. military efforts with civilian agencies more effectively, and U.S. Joint Forces Command has established an IW Center to collaborate with the Military Departments and U.S. Special Operations Command to develop joint IW doctrine, education, and training programs for the GPF. These efforts and this budget ensure that the joint force is prepared to counter the range of irregular threats from state and non-state actors.

The FY 2010 Base budget request represents significant investment in closing capability gaps critical to winning today's wars and places greater emphasis on IW capabilities in the long term:



U.S. Navy Special Warfare Combatant-craft Crewmen (SWCC) assigned to Special Boat Teams 12 and 20 rig their rigid-hull inflatable boat to a CH-47 Chinook helicopter assigned to the 159th Aviation Regiment during a maritime external air transportation system (MEATS) training exercise in the Virginia Capes near Fort Eustis, Virginia. MEATS trains members of SWCC on extending their operational reach by attaching special operations crafts to helicopters for transport to remote locations for further training.

DoD photo by Mass Communication Specialist 3rd Class Robyn Gerstenslager - July 2008

### ***Adapt General Purpose Forces (GPF) for today's conflicts and enhance Special Operations Forces (SOF) capabilities.***

In addition to continuing to expand SOF capabilities, this budget reorients GPF expertise and capabilities toward IW while maintaining their ability to prevail in traditional campaigns. It also promotes increased integration between SOF and GPF to the extent that SOF relies on GPF combat support. In addition

## DoD FY 2010 Budget Request Summary Justification

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to conducting integrated IW-related operations with SOF units, GPF will continue to conduct missions such as training, advising, and equipping foreign security forces, deploying and engaging with security forces of partner nations, and supporting civil-military teams in stability operations.

**Build Responsive Partnerships.** This budget reflects a continued emphasis on leveraging “soft power” and building the capacities of our partner nations. This includes increased investment in counternarcotics, counterterrorism, and security and stabilization assistance. Since FY 2009, the Department has also completed the stand-up of U.S. Africa Command, which focuses on preventing war and enhancing the security forces of our partners.

**Increase ISR support for the warfighter.** This request prioritizes enablers, such as ISR, that are critical to supporting IW missions in Iraq and Afghanistan.

**Improve IED countermeasures.** This budget seeks to acquire and field capabilities that will neutralize the IED threat that has killed or injured many of our Service members.

Highlights of the changes from the Department’s FY 2009 budget request to the FY 2010 request:

- General Purpose Forces
  - Increase Active Duty end strength to facilitate the growth of additional IW capabilities
    - Army (15K persons)
    - Air Force (15.1K persons)
    - Marine Corps (8.1K persons)
  - Increase Army Civil Affairs/PSYOP forces to support conventional units (707 persons)

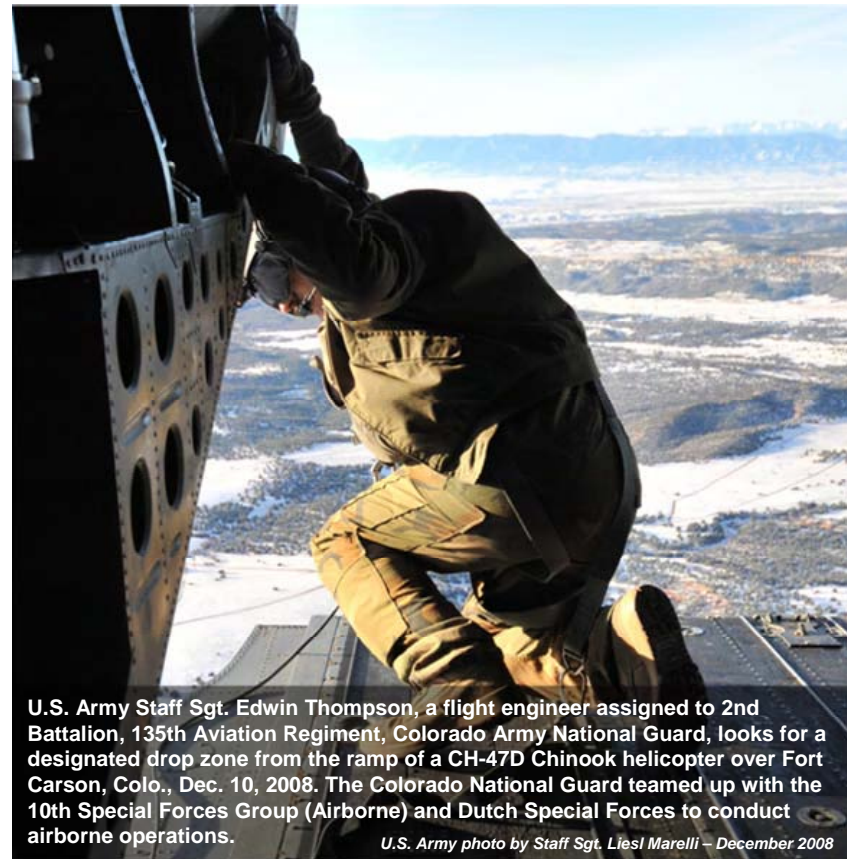
- Sustain growth of Foreign Area Officers (FAOs), allowing the Military Departments to recruit/train 170 new FAOs
- Procure additional Army and Marine Corps light/attack helicopters (\$500 million)
- Increase Army pilot availability by hiring additional rotary-wing instructors and procuring UH-60 aircraft (\$256 million)
- Institutionalize an Air Force Advisor School and enhance Air Force coordination centers to support ground forces (\$37 million)
- Increase language and cultural training initiatives (\$38 million)
- Charter High Speed Vessels to increase maritime presence and intra-theater lift capacity (\$35 million)
- Mature maritime and littoral IW operations capabilities and embrace partner development through Global Partnership Stations in AFRICOM and SOUTHCOM
- Procure additional Maritime Interdiction Operations/Visit Board Search & Seizure equipment (\$2 million)
- Special Operations Forces:
  - Increase SOF personnel in FY 2010, to include:
    - Bolster SOCOM’s ability to deploy SOF globally for long-term operations by adding one Army Special Forces Battalion (444 persons)
    - Add ISR personnel to AFSOC (579 persons)
    - Enhance SOF mobility operations worldwide by adding one Army SOF Aviation company (236 persons)
    - Increase SOF schoolhouse force structure (134 persons)

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- Increase SOF fixed wing mobility (\$228 million)
- Increase airborne precision-strike capability to provide new global mission capability (\$59 million)
- Add a new IW maritime capability with initial funding to support the development of Joint Multi-Mission Submersibles (\$43 million)
- Accelerate recapitalization of MC-130J fleet (\$72 million)
- Increase baseline flight hour funding for Navy Helicopter Squadrons to support SOF training (\$8 million)
- Continue to build foreign partner capacity to undertake counterterrorism and stability operations:
  - Increase shaping programs that support partnering with foreign governments (\$289 million)
  - Add funding for programs that inform foreign audiences and influence adversaries and competitors (\$134 million)
  - Establish AFRICOM as a viable Combatant Command by providing additional manpower, airlift, and communications support (\$263 million)
  - Enhance funding for security and stabilization assistance (FY 2009 NDAA, section 1207) (\$100 million)
  - Enhance the Combatant Commanders' Initiative Fund (\$25 million)
  - Fund Joint Forces Command National Center for Small Unit Excellence (\$22 million)
- Increase ISR capabilities:
  - Field and sustain up to 43 ISR combat air patrols by end of FY 2010 for Predator-class aircraft (\$890 million)
  - Procure additional tactical unmanned Army ISR platforms to counter irregular threats (\$410 million)
  - Fund ISR Task Force initiatives such as Full Motion Video upgrades and Long Endurance Multi-INT Vehicles in

Base budget (\$317 million)

- Fund sustainment of initial qualification and mission qualification training for manned FMV/SIGINT capable MC-12 aircraft (\$102 million)
- Institutionalize Counter-Improvised Explosive Device (C-IED) capabilities:
  - Establish the Joint Improvised Explosive Device Defeat Organization (JIEDDO) in the Base budget (\$565M).



U.S. Army Staff Sgt. Edwin Thompson, a flight engineer assigned to 2nd Battalion, 135th Aviation Regiment, Colorado Army National Guard, looks for a designated drop zone from the ramp of a CH-47D Chinook helicopter over Fort Carson, Colo., Dec. 10, 2008. The Colorado National Guard teamed up with the 10th Special Forces Group (Airborne) and Dutch Special Forces to conduct airborne operations.

U.S. Army photo by Staff Sgt. Liesl Marelli – December 2008



## Global Defense Posture

### OVERVIEW

The Department faces different threats - both conventional and unconventional - than it did during the Cold War. To meet these threats, the Department is realigning its global military presence, transforming U.S. overseas forces, basing structures and host nation relationships into a flexible and relevant forward posture that coherently supports the Defense Strategy. This realignment has resulted in a significant increase in Military Construction costs for FY 2010, totaling \$1.8 billion, as facilities are built or replaced in critical locations across the world.

### BACKGROUND

The Global Defense Posture (GDP) realignment is the Department's strategy for improving the U.S. global military forward presence to increase ability to fulfill U.S. security commitments and to work with allies and partners in military activities across the spectrum of endeavors from combat to peace operations.

GDP focuses on four key themes:

- Develop flexibility to contend with uncertainty
- Expand allied roles, build new partnerships and ensure relevant forward capabilities
- Manage forces globally
- Ensure positive effects on military forces and families

The GDP initiatives generally require robust Military Construction funding to reflect changes in the Department's footprint overseas. The FY 2010 Base budget request includes \$1.8 billion for GDP, a significant increase over previous years that is primarily due to the following:



A B-2 Spirit aircraft from the 13th Bomb Squadron, 509th Bomb Wing out of Whiteman Air Force Base, Mo., takes off while another B-2 waits for clearance at Andersen Air Force Base, Guam. More than 250 Airmen and four B-2s are deployed to Andersen supporting the Pacific region's continuous bomber presence.  
*U.S. Air Force photo by Master Sgt. Kevin J. Gruenwald – March 2009*

- Start of construction in Guam to relocate 8,000 Marines from Japan (\$378 million)
- Replacing or upgrading of facilities at enduring U.S. Central Command (CENTCOM) and U.S. Africa Command (AFRICOM) locations (\$451 million)

### Asia-Pacific

The intent of Asia-Pacific initiatives is to improve American ability to meet alliance commitments by strengthening

## DoD FY 2010 Budget Request Summary Justification

deterrence of current and emerging threats; helping allies strengthen their own military capabilities; and strengthening access and forward capabilities to support contingency response priorities.

### Korea

The Department has implemented force posture realignments in the Republic of Korea (ROK) since 2004 in order to make U.S. presence less intrusive to the Korean people and to better position U.S. forces to respond to contingencies on the peninsula. U.S. forces in Seoul and neighboring camps will relocate to hubs in the South (Humphreys and Daegu) as part of the Yongsan Relocation Plan and the Land Partnership Plan.

Furthermore, in 2012 the Department plans to transition wartime operational control of ROK forces to the ROK as the ROK-US Combined Forces Command is disestablished. The U.S. will provide air and naval support, and ROK forces will be responsible primarily for the land defense of the peninsula. This change will provide enhanced response in contingency situations and ensure a ROK military role commensurate with its capabilities.

### Japan

The Department intends to strengthen the U.S.-Japan alliance by realigning its force posture within Japan and by relocating forces to Guam. In particular, the Department plans to:

- Relocate the Marine Corps medium lift capability between sites within Okinawa, due in large part to public concern about noise and safety. Retaining the capability within Okinawa will ensure a stable, operationally viable presence for the 10,000 Marines remaining on Okinawa.
- Relocate 8,000 Marines from Okinawa, Japan to Guam. Guam-based forces offer strategic flexibility and freedom of

maneuverability, increased ability to respond to theater contingencies, and improved peacetime engagement. The relocation will maintain capabilities to meet treaty obligations, while reducing the footprint of U.S. forces in Okinawa. A critical event for FY 2010 is the completion of the Record of Decision (ROD) that will allow construction to proceed. The ROD is the final step in the National Environmental Protection Act process.

Japan will cover most in-Japan realignment costs, which across the entire program may total an estimated \$20-30 billion. This includes \$6.1 billion for facilities development on Guam



U.S. Navy Builder Constructionman Erica Beguin, who is assigned to Naval Mobile Construction Battalion 40 (NMCB 40), based in Port Hueneme, California, applies tile adhesive, during a construction renovation at Fleet Activities Yokosuka, Japan.

*U.S. Navy photo by Mass Communication Specialist 2nd Class Nardelito Gervacio – March 2009*



## DoD FY 2010 Budget Request Summary Justification

associated with the relocation of the Marines from Okinawa, which the Government of Japan agreed to finance to achieve timely completion of the relocation. The Department's FY 2010 Base budget includes \$0.4 billion of the estimated \$4.2 billion total U.S. cost to relocate the Marines to Guam.

### European Consolidation

The Department is changing its posture in Europe to establish lighter, more flexible, and more deployable ground capabilities and shift of presence to the south and east. The most significant of these initiatives are:

- Relocation of Naval Command, Europe to Naples, Italy (now complete)
- Ongoing realignment of U.S. Air Force in Europe Headquarters to Ramstein Air Base, Germany
- Locating Southern European Task Force (SETAF) in Vicenza, Italy

The current FY 2010 Base budget includes \$182 million for these actions.

### Western Hemisphere

The Department's objective is to develop an array of access arrangements for contingency operations, logistics, and training in Central/South America, and it is currently discussing possible arrangements for increased access in several countries in the region. The FY 2010 Base budget includes \$46 million for a cooperative security location at Palanquero Air Base in Colombia.

### Africa

The Department's objective is to develop an array of access arrangements for contingency operations, logistics, and training in Africa. Current plans include:



U.S. Air Force Airman 1st Class Lucke Boyer, a crew chief with the 86th Aircraft Maintenance Squadron, performs a preflight inspection on a C-130 Hercules cargo aircraft, at Ramstein Air Base, Germany. Ramstein is one of the busiest flying bases in U.S. Air Forces in Europe, supporting C-17 Globemasters, C-5 Galaxy and C-130s. Ramstein is also the in-between destination for deploying and returning service members.

*U.S. Air Force photo by Airman 1st Class Kenny Holston – March 2009*

- Significant investment at Camp Lemonier, Djibouti, a forward operating site for which responsibility has been moved from CENTCOM to AFRICOM
- For the near future, basing of the command and service component Headquarters in allied countries within Europe
- Temporary stationing of AFRICOM Headquarters in Stuttgart, Germany

## DoD FY 2010 Budget Request Summary Justification

### Greater Middle East and Central Asia

The Department's objective is to develop a network of Forward Operating Sites (FOSs) and Cooperative Security Locations (CSLs) to support current and future operations in the Gulf and Central Asia. The Department plans significant investments at the following enduring locations:

- Al Udeid Air Base, Qatar, and Al Mussanah Air Base, Oman, both of which are Cooperative Security Locations, and
- Bagram Air Base, Afghanistan, a Forward Operating Site

### Base Realignment and Closure (BRAC)

The Department is realigning units from Germany and Korea to Fort Bliss, Texas, and Fort Riley, Kansas, as part of Base Closure Commission recommendations.

### LOOKING FORWARD

The Global Posture Executive Council (GPEC), a senior governance body charged with managing implementation of posture initiatives, and the supporting Global Posture Integration Team (GPIT) at the action officer level, continue to oversee, review, recommend, and coordinate issues associated with GDP.

The Department is conducting three major GDP-related studies, which may result in funding adjustments. These studies will:

- Assess the level of personnel and facilities necessary for the interceptor sites in Poland and the radar site in the Czech Republic

- Assess the need for facilities changes to support the planned realignments in Korea
- Assess the increasing requirement for facilities and training enablers in Guam

Additionally, Global Posture is a focus area in the Quadrennial Defense Review, and the Department will look at long-term strategies and policies that may require adjustments in our overseas footprint.

### FUNDING SUMMARY

As shown in Figure 2.4, Global Defense Posture Military Construction Funding totals \$1.8 billion in FY 2010. This funding is critical not only to meeting commitments to our allies, but it is also critical to supporting our global defense strategies, especially in the CENTCOM and AFRICOM area of responsibilities.

**Figure 2.4 Global Defense Posture Military Construction Funding**

*\$ in Nominal Millions*

Military Construction Program	FY 2010
Army	488.1
Navy	487.6
Air Force	320.6
BRAC	476.1
<b>Total</b>	<b>1,772.4</b>

*Numbers may not add due to rounding*

B309-101

## DoD FY2010 Budget Request Summary Justification

<b>Combatant Commands<sup>1</sup> (O&amp;M)</b>	<b>FY 2009 Enacted</b>	<b>FY 2010 Request</b>	<b>Delta '09-'10</b>	<b>Percent Change '09-'10</b>
<i>\$ in Billions – Base Budget Request</i>				
U.S. Africa Command	0.2	0.3	0.1	31%
U.S. Central Command <sup>2</sup>	0.2	0.2	>0.1	18%
U.S. European Command <sup>3</sup>	0.1	0.1	>0.1	33%
U.S. Joint Forces Command	0.2	0.2	>0.1	3%
U.S. Northern Command	0.2	0.2	>0.1	3%
U.S. Pacific Command	0.2	0.2	>0.1	1%
U.S. Southern Command	0.2	0.2	>0.1	2%
U.S. Special Operations Command <sup>4</sup>	3.7	3.6	-0.1	-2%
U.S. Strategic Command	0.5	0.5	0.1	19%
<b>Total Combatant Commands (Excluding TRANSCOM)<sup>5</sup></b>	<b>5.5</b>	<b>5.6</b>	<b>0.2</b>	<b>3%</b>
<i>U.S. Transportation Command<sup>6</sup></i>	<i>10.2</i>	<i>9.8</i>	<i>-0.4</i>	<i>-4%</i>

Notes: <sup>1</sup>These amounts reflect funding executed by the Combatant Command and best available information; <sup>2</sup>Does not include Overseas Contingency Operations funding. <sup>3</sup>AFRICOM and OEF-Trans Sahara amounts are included in AFRICOM line; <sup>4</sup>SOCOM FY 2008 actual data includes Overseas Contingency Operations supplemental funding. <sup>5</sup>Total does not include TRANSCOM as it is Obligation Authority, not Discretionary Budget Authority; <sup>6</sup>Amounts reflect DWCF Obligating Authority. Numbers may not add due to rounding

### OVERVIEW

The FY 2010 Base budget request includes \$5.6 billion in Operation and Maintenance (O&M) funds for Combatant Commands to achieve desired military and civilian end strength and fund critical capability gaps. The request:

- Funds Manpower requirements related to responsibilities of the Combatant Commanders as outlined in their Unified Command Plan: the Standing Joint Force Headquarters, Security Assistance Office and Management Headquarters requirements, and Headquarters restructuring initiatives;
- Enhances funding for irregular warfare requirements such as: Intelligence, Surveillance, and Reconnaissance (ISR), Cyberspace, MILSATCOM and Strategic Communications;



**U.S. Navy Special Warfare Combatant-craft crewmen assigned to Special Boat Team (SBT) 22 conduct live-fire drills, at the riverine training range at the John C. Stennis Space Center in Mississippi. SBT 22 operates the special operations craft-riverine and is the only U.S. special operations command dedicated to operating in the riverine environment.**

*U.S. Navy photo by Mass Communication Spc 2nd Class R.J. Stratchko – April 2009*

## DoD FY2010 Budget Request Summary Justification

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- Improves capability and capacity of Building Partnership initiatives for the Combatant Commands;
- Addresses quality of life initiatives;
- Funds operations of current systems Distributed Common Ground System (DCGS), C4 integration, Secure Line of Sight (SLOS) and Beyond Line of Sight (BLOS) communications, Real-Time Regional Gateway (RTRG).

The Department intends to continue to promote regional stability and key enablers to meet the warfighters immediate needs. Significant investment in Building Partnership Capacity, strategic mobility, interagency support, and cyber and space operations, allows a comprehensive and strategic approach to respond rapidly and effectively to confront threats at home and abroad. The balance of these requirements improves core processes and sustains the capability advantages gained over the last years to wage asymmetric and irregular warfare.

### U.S. AFRICA COMMAND (USAFRICOM)

October 1, 2008 marked U.S. Africa Command's transition to independent Unified Command Status. The establishment of the nation's newest Unified Command, the sixth geographic command, provides a single focus for all DoD activities in Africa. U.S. Africa Command's mission is, in concert with other U.S. Government agencies and international partners, to conduct sustained security engagement through military-to-military programs, military-sponsored activities, and other military operations as directed to promote a stable and secure African environment in support of U.S. foreign policy, as follows:

- Provide effective security assistance programs that add value to the security and stability of the continent of Africa and its island nations.
- Sustain Theater Security Cooperation programs to build lasting relationships and promote common interests.

- Support security engagement activities to build security capacity, promote regional cooperation and protect national interests.
- Provide theater lift and distribution capability to manage mobility requirements and support theater security cooperation activities in a vast Area of Responsibility (AOR).

The USAFRICOM's long-term success depends largely upon its ability to sustain crucial international programs, engagements, and exercises on the continent. Without follow-through, gains will be short-lived. Examples of the command's strategy in action include:

- Operation Enduring Freedom --Trans Sahara is designed to assist participating African nations as they improve control of their territories and deny safe havens to terrorist groups. Cooperation strengthens counterterrorism capabilities and reduces the illegal flow of arms, goods and people through the region.
- Operation Objective Voice is a proactive effort in which multiple U.S. government agencies partner with African governments to counter extremist ideology and propaganda.
- Additional Offices of Security Cooperation will be established, enhancing the ability to interact with African partner organizations and with interagency partners.

### U.S. CENTRAL COMMAND (USCENTCOM)

The USCENTCOM priorities remain focused on sustaining major campaigns in two theaters and preventing the spread of Al Qaeda and other violent extremist organizations. The USCENTCOM contributes to the security, stability, and prosperity of the Central Region while maintaining its readiness to confront numerous threats to the United States interests. USCENTCOM aims to:

## DoD FY2010 Budget Request Summary Justification

- Improve security and increase stability to reduce conflict.
- Institutionalize key enablers to set the stage for long-term success in the command's AOR.
- Perform critical intelligence analysis missions to succeed in counterinsurgency operations and irregular warfare.
- Provide robust strategic communication capabilities through Information Operations such as Operation Earnest Voice (OEV).
- Provide strategic communications, political-military activities, Theater Security Cooperation (TSC), basing and infrastructure, logistics, and the forces necessary to promote stability and defeat violent extremist organizations.

### U.S. EUROPEAN COMMAND (USEUCOM)

The USEUCOM defends the United States national interests from forward positions in Europe and creates and maintains an environment that advances U.S. strategic interests. Enduring challenges in the command's strategic environment are not limited to the traditional geographic confines of Europe.

The FY 2010 Base funding balances long-term recapitalization and modernization requirements with immediate warfighter needs.

- Funding will ensure Partner Nations' assistance will continue.
- Coalition Operations and Partner Development for Special Operations Forces (SOF) provides training, equipment, and transportation to deploy allies worldwide.
- The NATO SOF Coordination Center's (NSCC) continued success resulted in providing additional resources for operations training, education, SOF exercises, communication structure, and personnel to support expanded Partner Nation participation.



Nigerian army band members present arms during pass and review at the opening ceremony of Africa Endeavor 2008 (AE-08) at Nigerian Air Force Base, Abuja, in Nigeria. AE-08, a U.S. European Command-sponsored exercise, brings the United States and African nations together to plan and execute interoperability testing of command, control, communications and computer systems from participant nations in preparation for future African humanitarian, peacekeeping, and disaster relief operations.

*U. S. Air Force photo by Airman 1st Class Nathan Lipscomb – July 2008*

- Building Partnership Capacity (BPC) efforts will enhance peace and stability in the USEUCOM Area of Responsibility.
- Conduct critical sea-linked Joint Chiefs of Staff (JCS) exercises, sea-basing activities, or Humanitarian Assistance/Disaster Relief missions.

### U.S. JOINT FORCES COMMAND (USJFCOM)

The USJFCOM focuses on six comprehensive areas to accomplish its joint mission:

- Making irregular warfare a core competency of the Joint Force;
- Enhancing joint command and control;



## DoD FY2010 Budget Request Summary Justification

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- Improving as a joint force provider;
- Accelerating efforts toward a whole-of-government approach;
- Building and improving partnership capacity;
- Providing joint training and education.

### *Making Irregular Warfare a Core Competency*

- Works closely with the U.S. Special Operations Command and the Services to export traditional SOF expertise to General Purpose Forces (GPF).
- Develop the Future Immersive Training Environment (FITE) to provide ground units from all Services with realistic simulator training.
- Improve the capabilities of Small Unit Decision Making (SUDM). This initiative enlists the help of social scientists, psychologists, leader development experts, small unit leaders, and first responders to develop decision-making tools for the SUDM.
- Improves irregular warfare capabilities through the National Center for Small Unit Excellence by a joint approach to training exercises focused on the small unit.

### *Enhancing Joint Command and Control*

- Promulgates a Joint Vision and describes the responsibilities for joint command and control integration assigned to USJFCOM in the Unified Command Plan (UCP).
- Finds and replaces outdated and redundant C2 policies with unambiguous and coherent documentation.

### *Improving as a Joint Force Provider*

- Works with the Joint Staff and Services to establish a Global Response Force designed to respond to unforeseen crises either at home or abroad. This capable force provides the Commander-in-Chief with flexible options to respond to a

variety of crises while simultaneously fulfilling commitments in Iraq, Afghanistan, the Horn of Africa, and elsewhere around the world.

- Teams with the OSD, the Joint Staff, Service headquarters, and DoD to establish the Force Management Improvement Project (FMIP) to improve the GFM enterprise.

### *Accelerating Efforts Toward a Whole of Government Approach*

- Publishes the “Partnership Opportunity Catalog,” a listing of DOD exercises and training events that provide our government and non-government partners with opportunities to integrate and train.

### *Building and Improving Partnership Capacity*

- Strengthens partnerships through engagement with DoD, NATO, and 24 other nations representatives assigned to the command via Allied Command Transformation.
- Lead a two-year, multinational and interagency effort — Multi-National Experiment (MNE) 6 — to improve coalition capabilities against irregular threats through a whole-of-government or comprehensive approach.

### *Providing Training and Education*

- Incorporate joint education at the tactical level among junior officers and senior NCOs.
- Incorporate battlefield lessons learned into Mission Rehearsal Exercises (MRX) and senior leader education programs like the Pinnacle, Capstone, and Keystone Courses.
- Provide joint training context capabilities to Service mission readiness training centers to improve joint task training. Provides distributed, joint, on-line learning capabilities through Joint Knowledge Online for individuals and provides planners, observer trainers and best practices in support of the Combatant Commander exercise programs.

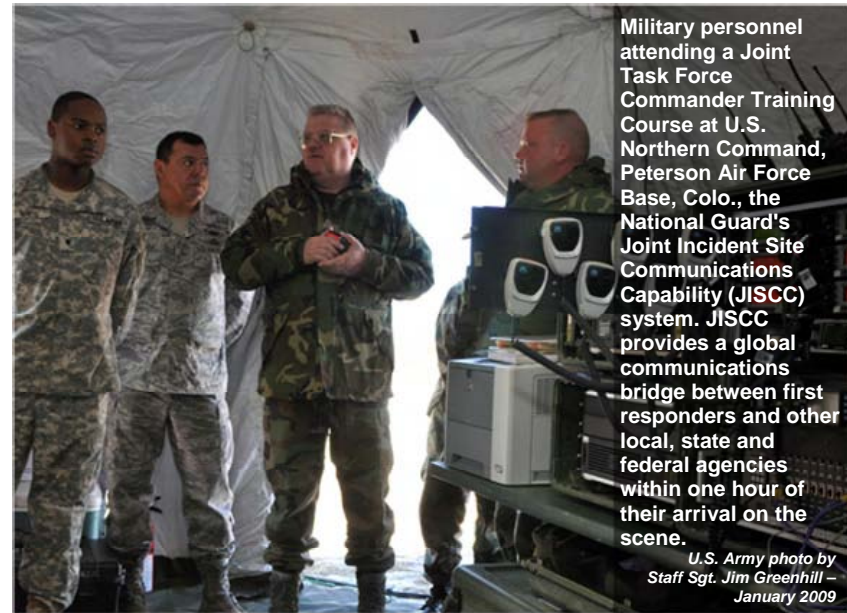


## DoD FY2010 Budget Request Summary Justification

### U.S. NORTHERN COMMAND (USNORTHCOM)

Homeland defense is North American Aerospace Defense Command's (NORAD) and USNORTHCOM's number one priority. The Command's are vigilant in protecting our citizens from threats that exist in the air, space, land, maritime, and cyberspace domains. Homeland defense and civil support plans remain vital to the nation's ability to deter, prevent, and defeat threats to our security, and support civil authorities when called upon by the President of the United State and the Secretary of Defense.

- The Secretary of Defense established the requirement to have three Chemical, Biological, Radiological/Nuclear and Explosive (CBRNE) Consequence Management Response Forces (CCMRFs) trained, equipped, and ready to respond to requests from civil authorities.
- The USNORTHCOM has one CCMRF trained and ready to support the Federal response to a CBRNE incident; a second will be stood up in 2009 and a third CCMRF will be operational in 2010. Each CCMRF is designed to provide robust command and control (C2) and consequence management capabilities such as aviation, medical and general logistics support
- The command has significant equities in the homeland defense mission to include the C2 gapfiller, over the sustainability and reliability of the current Ground-Based Interceptor fleet, and civil support operations
- For air sovereignty, NORAD provides voice and datalink communications for tactical and C2 nodes for effective engagement orders and mission execution.
- The USNORTHCOM provides missile defense through the current Ground-Based Interceptor fleet, realistic training simulations, and operationally viable tactics, techniques for new procedures.



- National Guard and Reserve forces are fundamental to the total force and essential to homeland security and defense. The USNORTHCOM advocates for leveraging opportunities to resource capabilities, such as Joint Continental U.S. Communications Support Environment (JCCSE).

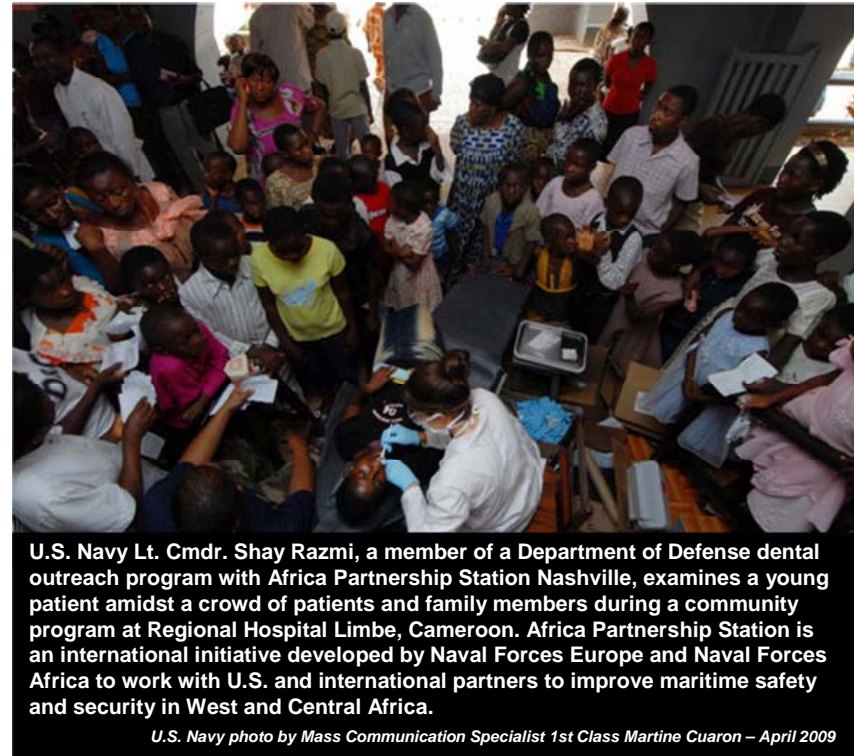
### U.S. PACIFIC COMMAND (USPACOM)

USPACOM protects and defends the territory of the United States, its people, and its interests. With allies and partners, USPACOM is committed to enhancing stability in the Asia-Pacific region by promoting security cooperation, encouraging peaceful development, responding to contingencies, deterring aggression, and, when necessary, fighting to win. The FY 2010 Base funding will enhance counter intelligence, intelligence coalition networks, Theater Security Cooperation (TSC), Global Command and Control Systems (GCCS) workstations, Data

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Fusion Center, the Joint POW/MIA Command (JPAC) and the additional Noncombatant Evacuation Operations Tracking System (NTS) to create a more secure region.

- Provides Counter Intelligence/intelligence coalition networks for the planning and operations capabilities for the command with full-spectrum HUMINT to make timely and relevant decision-making at the tactical and strategic level
- Strengthens TSC interests through Military-to-Military relationships and Regional Security Cooperation achieved through Overseas Humanitarian Disaster and Civic Aid (OHDACA) funds and funding for the DoD Disaster Program in coordination with the Center of Excellence for Disaster Management and Humanitarian Affairs (COE DMHA)
- Exploits funding for new technology development while continuing to leverage existing technologies and allow USPACOM to address critical issues such as operating in a robust Electronic Warfare (EW) threat environment, counter radio jamming and increase network security
- Capitalizes on Service and/or Department-wide efforts to enhance nuclear weapons surety as well as efforts to combat and prevent proliferation of Weapons of Mass Destruction
- Exploits funding for Navy ships, EW and next generation weapon systems, to maintain the conventional strategic advantage we currently maintain over any potential adversaries
- Conducts remains investigation missions globally with the ultimate goal of bringing home U.S. personnel remains to ensure that all who serve will never be forgotten or left behind.



U.S. Navy Lt. Cmdr. Shay Razmi, a member of a Department of Defense dental outreach program with Africa Partnership Station Nashville, examines a young patient amidst a crowd of patients and family members during a community program at Regional Hospital Limbe, Cameroon. Africa Partnership Station is an international initiative developed by Naval Forces Europe and Naval Forces Africa to work with U.S. and international partners to improve maritime safety and security in West and Central Africa.

*U.S. Navy photo by Mass Communication Specialist 1st Class Martine Cuaron – April 2009*

### U.S. SOUTHERN COMMAND (USSOUTHCOM)

The FY 2010 budget for USSOUTHCOM will complete its transformation and reorganization into an interagency oriented organization, positioning the United States as the partner of choice in the Americas. The command is setting the standard to ensure the organization operates effectively in a 21st century environment and supports democracy, individual freedoms and rights, liberty, fair trade, diplomacy, development, security for the Americas.

## DoD FY2010 Budget Request Summary Justification

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The USSOUTHCOM's strategy and activities are designed to promote security and stability in partnership with all the nations in the region. They also complement and support the activities conducted by many departments and agencies, principally the State Department, Agency for International Development, the Drug Enforcement Administration and the Coast Guard.

The FY 2010 Base funding request includes resources to fund the following efforts:

- Expands humanitarian activities, build friendships and attract allies at the regional and local level with the additional funding requested for Humanitarian and Civic Assistance (HCA) and OHDACA
- Integrates military and civilian efforts through closer interaction with other government agencies to ensure a whole of government approach
- Advises foreign security forces and expand their ability to combat narcoterrorism/terrorism
- Implements a newly developed public-private cooperation and business engagement strategy.
- Expands exercises, country participation and military-to-military engagement with our allies, strengthen partnerships, renew alliances, improve partner nation capabilities, establish relationships and gain increased access.
- Focuses on community outreach and improve the profile of the U.S. Government and U.S. Southern Command in the local community.
- Works in partnership with other government agencies to train and equip partner nations and propose initiatives that address common security challenges.

## US SPECIAL OPERATIONS COMMAND (USSOCOM)

The USSOCOM receives direct Defense-wide appropriations to ensure continuous support for the management of unique training and equipment requirements of the Special Operations Forces (SOF). USSOCOM's mission is to:

- Provide fully capable SOF to defend the United States and its interests
- Plan and synchronize operations against terrorist networks.
- Plan and lead a full range of lethal and non-lethal special operations missions in complex and ambiguous environments.

The SOF personnel serve as key members of joint, interagency, and international teams and must be prepared to employ all assigned authorities and all available elements of power to accomplish assigned missions. In this capacity, SOF personnel must maintain the highest degree of professionalism, cultural awareness, responsiveness, and initiative.

The FY 2010 Base budget request funds initiatives designed to enhance USSOCOM's flexibility and effectiveness, enhance soldier care and support systems, sustain equipment, and strengthen SOF training capabilities. These initiatives include providing persistent civil affairs presence in high priority countries, increasing USSOCOM's global coordination of psychological operations, improving combat casualty care, and enhancing tactical site exploitation of computer hardware.

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, USSOCOM has invested in capabilities to increase force structure and manpower, improve systems, advance force operations and leap ahead technology, and provide specialized and institutional training.

## DoD FY2010 Budget Request Summary Justification

### US STRATEGIC COMMAND (USSTRATCOM)

The USSTRATCOM mission is to operate global missions across physical and/or functional boundaries. Three lines of operations within this category are:

- Strategic Deterrence Operations
- Space Operations
- Cyberspace Operations

The FY 2010 Base funding supports continued operation of Joint Functional Component Command (JFCC) – Network Warfare, Joint Task Force – Global Network Operations, JFCC – Space, JFCC – Global Strike, Cyberspace Operations and the headquarters support for these lines of operations.

USSTRATCOM funding also supports an Integrated Missile Defense (IMD) system including:

- Integrating DoD planning and advocacy efforts to better combat the threats posed by Weapons of Mass Destruction (WMD)
- Managing the allocation of DOD's high demand/low density Intelligence, Surveillance, and Reconnaissance (ISR) assets
- Integrating Information Operations in support of all the combatant commands

The Command places emphasis on readiness, detailed planning, command and control supported by robust realistic command-wide exercises.

### US TRANSPORTATION COMMAND (USTRANSCOM)

The USTRANSCOM's fiscal priorities focus on guaranteeing the United States has strategic airlift/sealift capabilities and an integrated sustainment/distribution network unmatched by any other nation. The command is committed to having the

resources to deliver logistical solutions which enable the Combatant Commanders to succeed anywhere in the world.

The FY 2010 budget provides \$10 billion for the Transportation Working Capital Fund (TWCF) to support both base and war efforts. The TWCF provides synchronized transportation and sustainment making it possible to project and maintain national power with speed, agility, and efficiency. The Base budget also addresses:

- Continued improvements to the strategic airlift fleet;
- Upgrades to the Continental United States and en route infrastructure;
- Procurement/maintenance/readiness of strategic sealift assets, including High Speed Vessels (HSV); and
- Recapitalization of the aging tanker fleet



C-17 Globemaster III transport aircraft from the 437th and 315th Airlift Wings, Charleston Air Force Base, S.C., taxi out for takeoff during a strategic brigade airdrop (SBA) exercise. The Air Force's C-17 mission includes meeting the Army's need for air delivery of a full brigade to the battlefield, including troops and equipment (approximately 3,250 Soldiers and 3,450 tons of materiel). SBA training develops multi-service capabilities and hones the skills of the services' active-duty, reserve and civilian components. Charleston Air Force Base aircraft currently account for half of the Air Force SBA requirement.

*DoD photo by Mass Communication Specialist 3rd Class Robyn Gerstenslager – July 2008*

## DoD FY 2010 Budget Request Summary Justification

<b>National Guard and Reserve<sup>1</sup></b>	<b>FY 2009 Appropriated<sup>2</sup></b>	<b>FY 2010 Request</b>	<b>Delta '09-'10</b>	<b>Percent Change '09-'10</b>
<i>(\$ in Billions) – Base Budget Request</i>				
Army Reserve	7.5	8.0	0.6	6.7%
Navy Reserve	3.4	3.5	0.1	2.9%
Marine Corps Reserve	0.9	1.0	0.1	11.1%
Air Force Reserve	4.5	4.9	0.4	8.9%
Army National Guard	14.5	15.5	1.0	6.9%
Air National Guard	9.0	9.4	0.3	3.3%
<b>Total National Guard and Reserve</b>	<b>39.8</b>	<b>42.3</b>	<b>2.5</b>	<b>6.3%</b>

<b>Military Strength</b>	<b>FY 2009 Authorized</b>	<b>FY 2010 Request</b>	<b>Delta '09-'10</b>	<b>Percent Change '09-'10</b>
<i>(in thousands)</i>				
Army Reserve	205.0	205.0	–	–
Navy Reserve	66.7	65.5	-1.2	-1.8%
Marine Corps Reserve	39.6	39.6	–	–
Air Force Reserve	67.4	69.5	2.1	3.1%
Army National Guard	352.6	358.2	5.6	1.6%
Air National Guard	106.7	106.7	–	–
<b>Total National Guard and Reserve</b>	<b>838.0</b>	<b>844.5</b>	<b>6.5</b>	<b>0.8%</b>

*Notes:*

<sup>1</sup> Includes only Base budget Operation & Maintenance, Military Personnel, and Military Construction funds. Does not include: OCO funds, Procurement funds; or National Guard & Reserve Equipment Appropriation (NGREA). <sup>2</sup> FY 2009 amounts reflect a proposal in the FY09 Supplemental Request to cancel / reappropriate \$3.4B from the FY09 Base budget to the FY09 OCO budget  
 Numbers may not add due to rounding

### OVERVIEW

The Department of Defense FY 2010 budget request supports the Reserve Components of the Army, Navy, Marine Corps, and Air Force as operational Reserve forces. Like the Active Components, many National Guard and Reserve units and individual members are heavily utilized across the full spectrum of current military operations, ranging from combat missions in support of Overseas Contingency Operations to domestic emergencies.

This budget request includes \$41.3 billion for pay, allowances and costs of Reserve Component training, incentives, operation and maintenance costs, and readiness for eligible military personnel.

The FY 2010 Base budget request supports the Department's Ready Reserve totaling 1.1 million members, and contributes 48 percent of the total military end strength. The Ready Reserve consists of the Selected Reserve (about 838,300), the



## DoD FY 2010 Budget Request Summary Justification

Individual Ready Reserve about (250,000), and the Inactive National Guard (ING) (about 2,000).

### Balanced Strategy

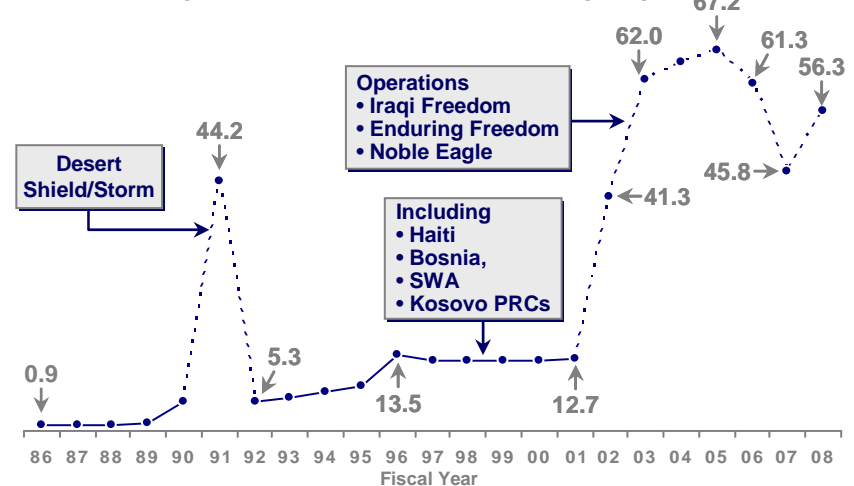
The FY 2010 budget incorporates the principle of a balanced National Defense Strategy with the Reserve Components managed to provide operational capabilities and strategic depth across the full spectrum of conflict. Since 2001, the Reserve Components have been managed as strategic and operational forces which operate across the continuum of military missions performing both strategic and operational roles in peacetime, wartime, contingency, domestic emergencies and homeland defense operations. As such, the Services organize, resource, equip, train, and utilize their Guard and Reserve Components to support mission requirements integrated with the Active Components as a Total Force to the same standards as their Active Components. 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 Combatant Commands, the Services, Service members, their families, and civilian employers.

Portions of the Reserve Components 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 2.5 illustrates the increased man-days the Reserve Components have recently contributed to the Total Force effort.

Prior to September 11, 2001, members of the Reserve Components could expect to be mobilized once or twice in their career and train 39 days a year. Today, all Reserve Components are moving toward a more rotational process, characterized by a period of active service followed by an

**Figure 2.5 Total Reserve Component Force Contribution**

*Reserve Component Contribution in Man Duty Days*



Source: Office of the Assistant Secretary of Defense for Reserve Affairs

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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

extended period at home. The current mobilization policy issued in January 2007 by the Secretary of Defense mandated that involuntary mobilizations be limited to no more than 12 months, which does 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 quickly as possible given current operational requirements. Unlike before, when the Reserve Components 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-

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deploy construct means that the Reserve Components must be ready, manned, trained, and equipped when their scheduled availability comes up, and that they are funded accordingly. Supplemental funding is requested for the increased readiness directly related to war.

### ***Commission on the National Guard and Reserves***

In the FY 2005 Ronald Reagan National Defense Authorization Act, Congress established a Commission on the National Guard and Reserves to recommend any changes to ensure the Reserve Components are organized, trained, equipped, compensated and supported to best meet the needs of national security. The Commission provided the Department 118 recommendations affecting the National Guard and Reserve. Many of these recommendations are already underway; 105 of the 118 are being implemented which have the potential to significantly enhance the ability of the Guard and Reserve to accomplish their assigned missions. Budget, procurement, compensation, and benefits are among the issues being addressed. As milestones in the various plans are achieved, legislation necessary to affect implementation will be pursued through the Department's omnibus legislative process.

### ***Training and Resourcing Operational Reserve Forces***

Managing the Reserve Components as operational forces affects training schedules and funding requirements. In the past, normal training profiles meant training about two days per month plus 14-15 days of active duty for training annually, during which time Reserve Component personnel were required to train to the same standards as their Active counterparts. While that training profile remains for some units, current Department policy states that for those with planned deployments, training days prior to mobilization must increase. This training profile, with more training pre-deployment and less post-deployment, minimizes mobilized time away from families and civilian jobs



and requires a different resourcing approach. In general, the land based (Army and Marine Corps) Reserve Components train according to this new profile. This change results in a shift of funding from the active accounts (post-mobilization) to the reserve accounts (pre-mobilization) and requires additional Reserve Component training in preparation for deployment. These additional requirements are requested in the Overseas Contingency Operation request.

Concurrent with the transformation to an operational reserve force, the Congress has authorized Reserve Component military personnel funds to be executed from a single budget activity, allowing much improved management of Reserve Component assets and more agile fund allocation. This flexibility is especially crucial for managing funds for the operational reserve, and the Department appreciates the recent Congressional approval to permanently use the single budget activity format for

## DoD FY 2010 Budget Request Summary Justification

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the Reserve military personnel appropriations, thereby enabling more effective budget execution, and better real-time oversight. The Department requests a continuation of Congress' traditionally strong support to compensate members of the Reserve Components through a 2.9 percent pay raise and funds for strong family support programs.

The FY 2010 budget also supports the Department's continuing efforts to rebalance skills within and across all components to minimize stress on the force. Reserve Component members are all volunteers, accessible for the full spectrum of missions, trained and properly equipped for their mission, and completely integrated into required warfighting capabilities. The Overseas Contingency Operations budget request provides funds for the DoD Yellow Ribbon Reintegration Program for combat veteran reintegration activities which began in July 2008 and is a companion program to the joint family program initiatives for the Active Components. It focuses on supporting National Guard and Reserve members across the continuum of mobilization and demobilization activities, including support for the unique issues experienced by families of mobilized Reserve Component military personnel.

### ***Equipping and Basing Operational Reserve Forces***

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 2010, force structure and new mission assignments are changing equipping requirements. Modernizations, mission transformation, equipment replacement due to the war losses, as well as homeland defense are catalysts for a new approach to equip the Reserve Components.

In the past, the Reserve Components relied on cascaded equipment from the Active Components, and they often were short in their equipment inventories. From 2002 to 2009, the Reserve Components' equipment accounts increased 191 percent, from \$2.3 billion to \$6.7 billion, helping to alleviate that problem and making it easier to manage the Reserve Components as an operational force. The FY 2010 Base budget contains funds needed for Reserve Component equipment procurement to continue that transition to modernize equipment, and to correct longstanding deficiencies. The budget request includes funds for equipment that will not only improve combat readiness but will also allow the National Guard to further improve its ability to respond to domestic emergencies.

Additionally, the National Guard and Reserves previously have been a low priority for receiving new equipment. However, that standard has now changed and these forces receive the same equipment as their Active counterparts. We have achieved major progress in programming funds and equipping our Reserve Components for an operational role. With this operational role comes the requirement for equipment transparency in form of increased visibility and accountability for the National Guard and Reserve in the programming and budgeting process. Institutionalizing this process will ensure an adequate mission capability for foreign and domestic responses.

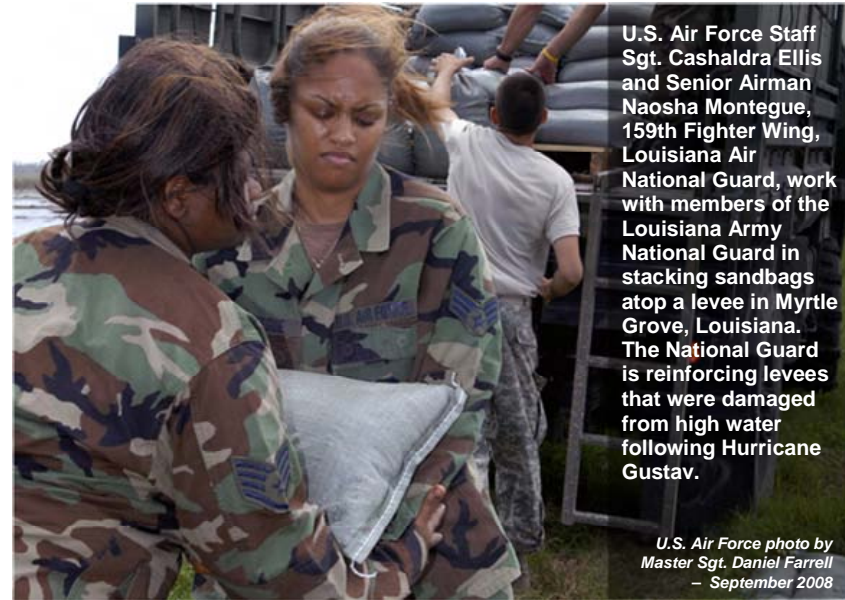
The Reserve Components request \$1.0 billion for Military Construction projects. These projects will meet both current and new mission requirements for Reserve Component operations, readiness, and training facilities. The budget request for sustainment is \$ 1.2 billion. Sustainment is essential to maintaining facilities at a level that supports readiness and preserves the substantial investment the country has made in infrastructure.

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### ***Homeland Defense and Civil Support***

The FY 2010 budget continues support for the National Guard and Reserve to play an important role in mitigation of significant events such as those seen over the last several years – from terrorist attacks to domestic emergencies. The national responses to Hurricanes Ike and Gustav in 2008 again proved that civil authorities rely upon the Department for support in times of crisis. Locally based, and 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 support requirements. The budget request funds Civil Support Teams across the nation, as well as Chemical, Biological, Radioactive, Nuclear and Explosive (CBRNE), and CBRNE Enhanced Force Package (CERF-P) 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 the President places them under control of their respective State 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 coffers, although they could be Federally funded or reimbursed from Defense Department appropriations if approved by the Secretary of Defense, such as occurred during the 2008 political conventions and the January 2009 Presidential inauguration. Acting in their State capacity, qualified National Guard members may perform specific law enforcement functions which they are legally restricted from performing while serving in an active Federal status.



U.S. Air Force Staff Sgt. Cashaladra Ellis and Senior Airman Naosha Montegue, 159th Fighter Wing, Louisiana Air National Guard, work with members of the Louisiana Army National Guard in stacking sandbags atop a levee in Myrtle Grove, Louisiana. The National Guard is reinforcing levees that were damaged from high water following Hurricane Gustav.

U.S. Air Force photo by Master Sgt. Daniel Farrell – September 2008

### ***Employer Support***

The Department shares members of the National Guard and Reserve with civilian employers. These employers contribute significantly to the Nation's defense when their serving employees, who are sometimes individual business owners themselves, 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 governmental entities to inform and educate all parties of their rights and responsibilities 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 conflict through mediation. The FY 2010 Base budget provides for a community-based national network of 56 State,

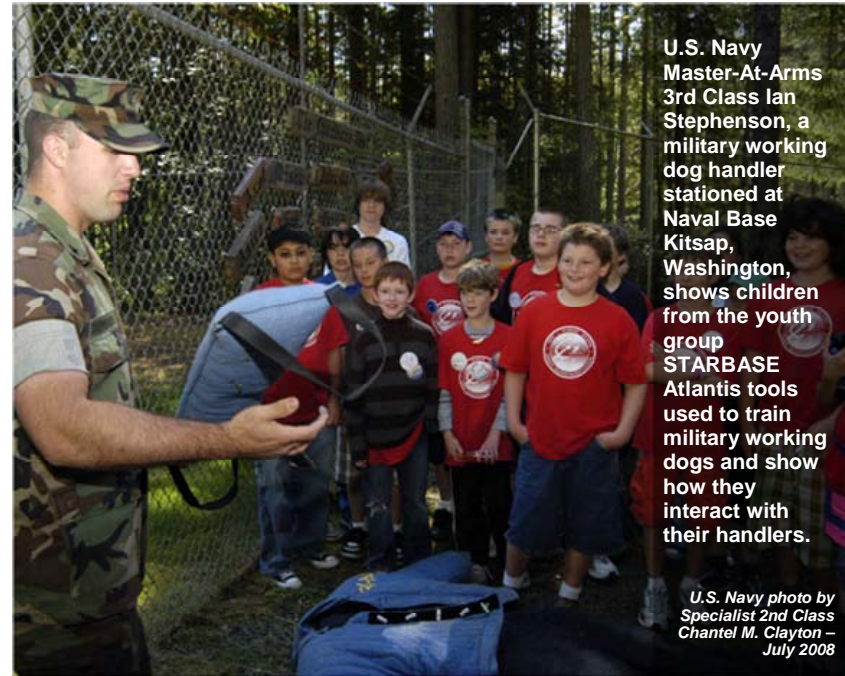


## DoD FY 2010 Budget Request Summary Justification

district, and territory Field Committees consisting of over 4,500 volunteers. These volunteers and a small headquarters staff have the large responsibility to support a comprehensive outreach effort to the approximately 125,000 employers along with the 1.1 million Reserve Component members that have the further challenge of balancing their civilian and military commitments. Additionally, almost 800 trained ESGR ombudsmen mediate workplace conflicts and disputes between Service members and their employers to further ensure continued support for the All Volunteer Force.

### **Civil Military Programs**

The FY 2010 Base budget continues to support the Department's Civil Military Programs, including National Guard Youth Challenge, DoD STARBASE, and Innovative Readiness Training (IRT). The Challenge Program enables approximately 8,000 selected young adults to attain their high school diploma or GED and to develop as future leaders, using a military training model that teaches leadership skills. The DoD STARBASE is aimed at encouraging science and mathematics interest in grades K-12 to approximately 55,000 students annually by direct exposure to scientific examples and applications. Both Challenge and STARBASE often economize by utilizing existing National Guard and Reserve military facilities. The IRT program provides realistic combat support and combat service support in a multi-service training environment for National Guard and Reserve members. This pre and post-deployment readiness training provides hands-on mission-essential training, while simultaneously providing renewal of infrastructure and health care to underserved communities throughout the United States. The program can provide unique training opportunities that can seldom be under any conditions other than actual combat, such as road



U.S. Navy Master-At-Arms 3rd Class Ian Stephenson, a military working dog handler stationed at Naval Base Kitsap, Washington, shows children from the youth group STARBASE Atlantis tools used to train military working dogs and show how they interact with their handlers.

U.S. Navy photo by Specialist 2nd Class Chantel M. Clayton – July 2008

construction in rural Alaska, health care to Native Americans in the southwest, and raising a sunken submarine off the coast of Rhode Island.

### **SUMMARY**

There is a limit to how much Active service can be expected from the Reserve Components, which are designed to be a part-time force. The FY 2010 budget strikes a critical balance between the utilization and compensation for members of the National Guard and Reserve.



## American Recovery & Reinvestment Act of 2009

### OVERVIEW

The *American Recovery and Reinvestment Act of 2009* (ARRA) was designed to stimulate U.S. economic growth by creating jobs through investments in infrastructure improvements and expanding energy research in an effort to lead the way toward energy independence for the country. The Department of Defense has identified over 4,000 projects suitable for ARRA funding and is moving swiftly to implement these funds in the most effective manner.

For updated information, see: [www.defenselink.mil/recovery](http://www.defenselink.mil/recovery)

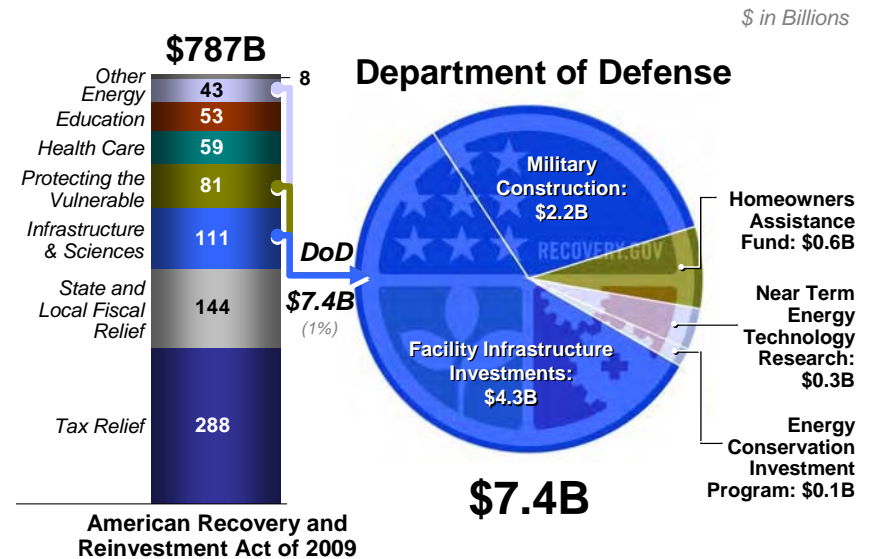
### BACKGROUND

The President signed the ARRA on February 17, 2009. It includes \$7.345 billion in Defense-related appropriations – less than 1 percent of the \$787 billion stimulus package (Figure 2.6). The Department intends to spend this funding with unprecedented transparency and accountability, ensuring that the Act fulfills its purpose to create and save jobs, jumpstart our economy, address unfunded facility requirements and build the foundation for long-term economic growth. The Department’s implementation plan includes:

- \$4.3 billion for facility infrastructure investments to upgrade DoD facilities, including:
  - Energy-related improvements
  - Medical facilities
  - Family housing, barracks, and other quality-of-life facilities
  - Operational facilities, Utilities, and Roofs
  - Pavements: Roads and Grounds
- \$2.2 billion for Military Construction of new facilities:

- \$1.3 billion for hospital replacement projects at Camp Pendleton, California and Fort Hood, Texas, and a hospital alteration project at Naval Air Station, Jacksonville, Florida
- \$0.2 billion for 21 Child Development Centers
- \$0.2 billion for 7 Soldier, Marine and Troop Housing
- \$0.1 billion for 13 Family Housing Construction projects
- \$0.1 billion for 2 Warrior in Transition Facilities
- \$0.1 billion for multiple Energy Conservation/Alternative Energy projects (photovoltaic and energy monitoring technologies).
- \$0.1 billion for 16 National Guard facilities

Figure 2.6 Defense Is Moving Swiftly on Recovery Act



Numbers may not add due to rounding  
 Source: Recovery.gov, American Recovery and Reinvestment Act of 2009  
 Source: American Recovery and Reinvestment Act of 2009, Recovery.gov, Department of Defense Expenditure Plan

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- \$0.6 billion for a temporary expansion of Homeowner's Assistance Program (HAP) benefits to provide monetary assistance to eligible Service members and civilians affected by the downturned housing market. It would provide benefits to those affected by base closures and realignments, wounded warriors, the spouses of members killed in the line of duty during deployment, and Service members given Permanent Change of Station orders.
- \$0.3 billion to research and develop near-term energy-efficiency technologies, alternative energy supplies, and demonstrate tactical energy/power systems.
- \$0.1 billion for 16 Energy Conservation Investment Program (ECIP) projects that reduce energy consumption by using better management and control systems and exploiting alternative energy technologies.
- Administrative funding provided to the DoD Inspector General for additional oversight and audit of ARRA execution.

The ARRA funding addresses some of the unique challenges faced by American Service members because of their voluntary commitment to serve our nation. Specific investment in military construction will provide stimulus to the economy while helping to enhance the quality of life for our troops and their families. In addition to providing much needed facility improvements, the Recovery Act also funds higher levels of energy efficiency and enhances important energy research programs so that the Department can continue to lead the way in the national effort to achieve greater energy independence.

### PROJECT SELECTION

The Recovery Act funded specific categories of Military Construction. Within these categories, the Department selected validated priority projects based on several factors, primarily operational need and the ability to obligate funds quickly. Further, in determining how quickly a project could be executed, the Department considered the degree of its compliance with legal requirements within the National Environmental Policy Act (NEPA) and the acquisition strategy.

For Facility Infrastructure Investments (i.e., Facilities Sustainment, Restoration, and Modernization (FSRM)) funding identified in the Recovery Act, the Department selected projects based primarily on the following criteria: (1) mission requirements, (2) quality-of-life impact, (3) NEPA documentation status, and (4) acquisition strategy and the ability to execute quickly. In addition, the Department included repair and modernization projects for facilities that could be occupied by troops returning from Iraq or Afghanistan.

In accordance with the guidance from the Office of Management and Budget, the Department – like all other Federal agencies – is working diligently to ensure that funds are awarded and distributed in a prompt, fair, and reasonable manner; that both the recipients and uses of all funds are transparent; and funds are used for the intended purpose – curtailing fraud, waste, abuse and avoiding unnecessary delays

## Financial Management

### OVERVIEW

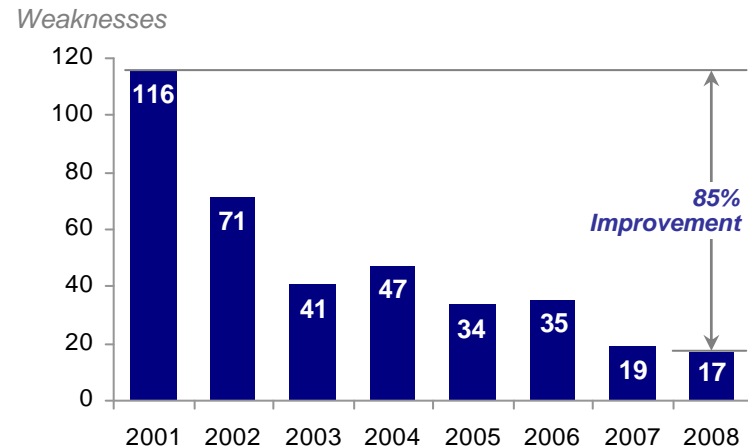
In 1995, The General Accounting Office – now known as the Government Accountability Office (GAO) – first identified DoD financial management as one of its high risk areas. DoD financial management is still on the list of high-risk areas because, according to GAO’s latest update in 2009, there are continuing problems with data integrity; needs for improvements in policies, [processes, procedures, and controls; and a need to implement fully integrated systems.

### Progress Has Been Made

DoD has made improvements in its financial management in recent years. Several examples illustrate the scope of these improvements:

- DoD has made progress toward improving its financial information and demonstrating that progress by achieving clean audit opinions in selected areas. Several funds have achieved clean opinions. The Army Corps of Engineers has achieved clean opinions on all of its financial statements, and the Marine Corps is nearly ready for an audit of its Statement of Budgetary Resources.
- The Department has also improved financial stewardship through stronger internal controls that reduce opportunities for waste, fraud, and abuse. Of 116 managers’ internal control weaknesses that were identified in 2001, 99 have been eliminated, and the Department is on track to eliminate the remaining 17 (Figure 2.7).
- Improved efficiencies in financial operations have resulted in lower costs. For example, from FY 2001 through FY 2008, the Defense Finance (DFAS) and Accounting Service reduced personnel work years 30% and annual cost of

Figure 2.7 Reducing Internal Control Weaknesses



Source: FY 2001-2007 DoD Performance and Accountability Reports

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operations by 15%. The services are also achieving efficiencies. The Air Force, for example, will achieve cost savings by combining most of its financial services operations at Ellsworth Air Force Base.

- Improved financial operations have also produced savings by reducing interest penalties on invoices. Since 2001, efforts by the Services and the DFAS have avoided \$335 million in interest penalties while doubling the dollar amounts of payments made.

The Department has also begun to make improvements in its financial systems. It is important to note that DoD’s financial systems have always been able to keep accurate track of obligations made compared with the funds appropriated by the Congress. Current systems, however, do not do a good job of integrating various types of financial and non-financial information and cannot always track financial information back to its sources. The new Enterprise Resource Planning Systems

## DoD FY 2010 Budget Request Summary Justification

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(ERPs) planned by each of the Military Departments, and the one being planned for installation at the Defense Agencies, will be more fully integrated.

DoD plans its financial improvements using the Financial Improvement and Audit Readiness (FIAR) Plan. The FIAR Plan has three basic goals:

1. To ensure that the financial information provided by the Department is timely, reliable, accurate, and relevant;
2. To sustain improvements through an effective internal control program; and implementation of the requirements of OMB Circular A-123, Appendix A.
3. To achieve unqualified audit opinions on DoD annual financial statements as a by-product of efforts to improve financial information and internal controls.



The FIAR Plan is updated semi-annually. The most recent update was released last December. It contained a standard framework for analysis of business processes, milestones, and metrics, and a schedule of detailed action plans for progress toward financial management improvement and auditability.

### Considerable Work Remains to be Done

While DoD has made progress in improving its financial management, the Department recognizes that much work remains to be done. New systems, such as the ERPs planned by the department and agencies, are notoriously difficult to install successfully. There will also be major problems associated with cleaning up and reconfiguring data so that it can be processed by the new systems. For these reasons, DoD has a long way to go before integrated financial systems are deployed throughout the organization.

Also, while progress has been made toward improving financial information and thereby achieving clean audits, the hardest problems still remain to be solved. Notably, the largest organizations in the DoD, including all three of the Military Departments, have yet to achieve improvements in financial information and processes sufficient to warrant asking for an audit. Given the scope and complexity of these organizations, it will be many years before they will have achieved enough progress to achieve unqualified audit opinions on all of their financial statements. In light of these challenges, DoD is currently reassessing its audit strategy with the goal of focusing its improvement efforts on those categories of financial information that are most used to manage the Department activities.

DoD remains committed to improving its financial management. But we recognize that much work remains to be done before we realize that goal.

## Performance Improvement

### PUT PERFORMANCE FIRST

President Obama is creating a focused team within the White House that will work with agency leaders and the Office of Management and Budget (OMB) to improve results and outcomes for Federal Government programs, while eliminating waste and inefficiency. This unit will be composed of top-performing and highly-trained Government professionals and will be headed by a new Chief Performance Officer (CPO). The CPO will work with Federal agencies to set tough performance targets and hold managers responsible for progress. The President will meet regularly with cabinet officers to review the progress their agencies are making toward meeting performance improvement targets.

The Administration plans to open up the insular performance measurement process to the public, the Congress, and outside experts. The Administration will eliminate ideological performance goals and replace them with goals Americans care about and that are based on congressional intent and feedback from the people served by Government programs. Programs will not be measured in isolation, but assessed in the context of other programs that are serving the same population or meeting the same goals.

The Department welcomes the opportunity to support the President's vision of putting performance first.

### DoD Mission and Organization Structure

The mission of the DoD is to provide the military forces needed to deter war and to protect the security of the United States. Since the creation of America's first Army in 1775, the Department and its predecessor organizations have evolved into a global presence of 3 million individuals, stationed in more than 140 countries and dedicated to defending the United States by



President of the United States Barack Obama talks to service members and civilians during his visit to Camp Lejeune, N.C. The President is visiting Camp Lejeune to speak on current policies and exit strategy from Iraq.

*U.S. Marine Corps photo by Lance Cpl. Michael J. Ayotte – February 2009*



## DoD FY 2010 Budget Request Summary Justification

detering and defeating aggression and coercion in critical regions. Figure 2.8 illustrates how the Department of Defense is organized. Details on major operating components are discussed below.

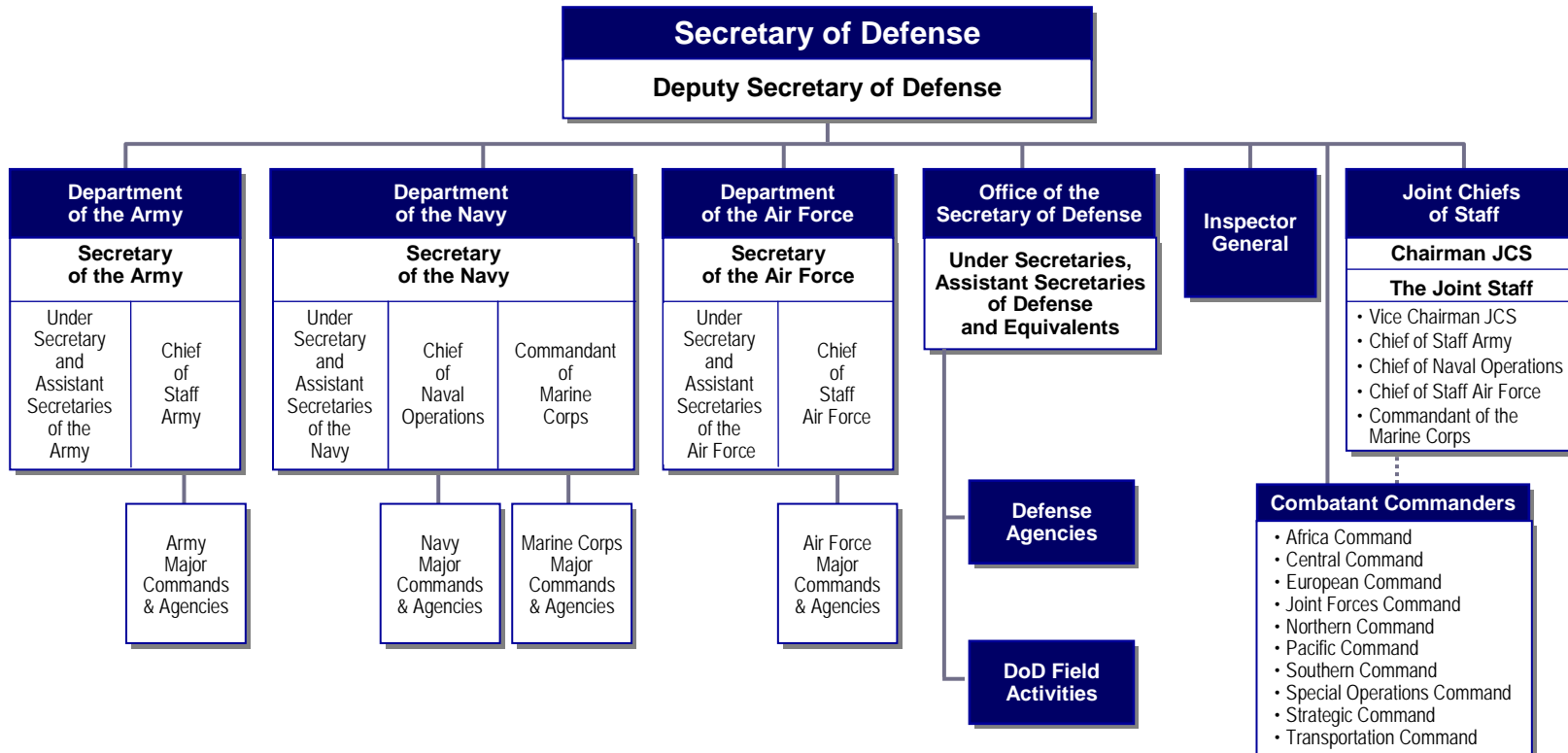
### *The Office of the Secretary of Defense (OSD)*

The Secretary of Defense and his principal staff are responsible for the formulation and oversight of defense strategy and policy.

The OSD supports the Secretary in policy development, planning, resource management, acquisition, and fiscal and program evaluation. Figure 2.9 depicts the immediate Office of the Secretary of Defense, comprised of several Under Secretaries of Defense (USDs) and Assistant Secretaries of Defense (ASDs) for various functional areas.

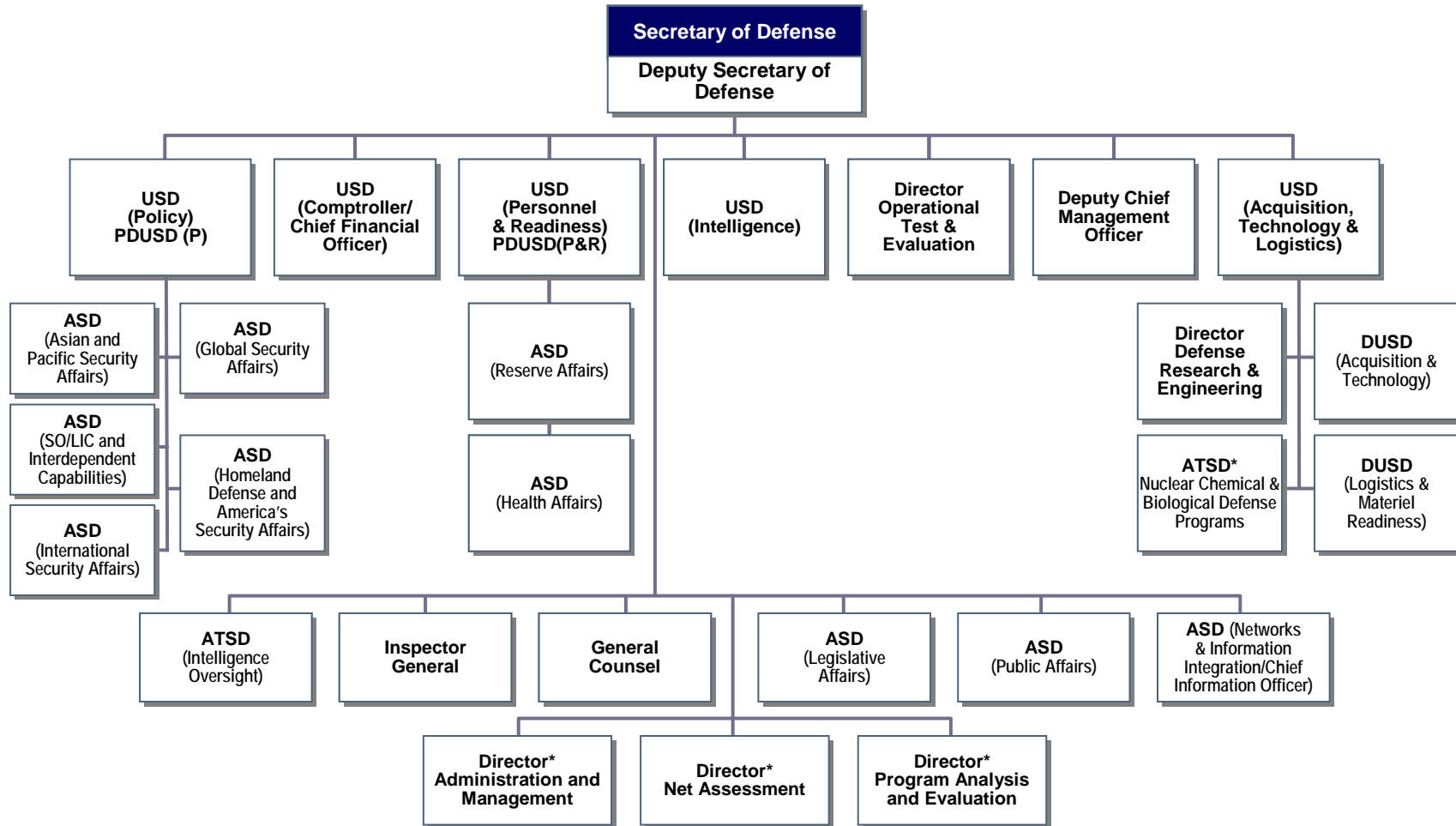
Select OSD Principals also oversee the activities of various defense agencies and DoD field activities.

**Figure 2.8 Department of Defense Organizational Structure**



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Figure 2.9 Office of the Secretary of Defense



Organization Reflects Presidentially-Appointed/Senate-Confirmed Officials plus four positions (\*) who report directly to the Secretary of Defense

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## DoD FY 2010 Budget Request Summary Justification

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### ***Military Departments***

The Military Departments consist of the Army, Navy (of which the Marine Corps is a component), and the Air Force. In wartime, the U.S. Coast Guard becomes a special component of the Navy; otherwise, it is part of the Department of Homeland Security. The Military Departments organize, staff, train, equip, and sustain America's military forces. When the President and Secretary of Defense determine that military action is required, these trained and ready forces are assigned to a Combatant Command responsible for conducting military operations.

The Military Departments include Active Duty, Reserve, and National Guard forces. Active Duty forces are full-time military Service members. Reserve forces, when called to active duty, support the Active forces. Reserve forces are an extension of Active Duty forces and perform similar functions when called to Active Duty. The National Guard has a unique dual mission with both Federal and state responsibilities. The Guard is commanded by the governor of each state or territory, who can call the Guard into action during local or statewide emergencies such as storms, drought, or civil disturbances. When ordered to Active Duty for mobilization or called into Federal service for national emergencies, units of the Guard are placed under operational control of the appropriate Military Department. The Guard and Reserve forces are recognized as indispensable and integral parts of the Nation's defense.

### ***Defense Agencies***

Eighteen defense agencies have evolved over time as a result of DoD-wide functional consolidation initiatives. Defense agencies provide a variety of support services commonly used throughout the Department. For instance, the Defense Finance and Accounting Service provides accounting services, contractor and vendor payments, and payroll services; and the Defense

Logistics Agency provides logistics support and supplies to all Department activities.

### ***DoD Field Activities***

Ten DoD field activities have also evolved over time as a result of DoD-wide functional consolidation initiatives. DoD field activities perform missions more limited in scope than defense agencies, such as the American Forces Information Service (AFIS) that serves as the DoD focal point for all Armed Forces information programs.

### ***The Joint Staff***

The Chairman of the Joint Chiefs of Staff is the principal military advisor to the President, the National Security Council, and the Secretary of Defense. The Chairman and his principal staff assist the President and the Secretary in providing for the strategic direction of the Armed Forces, including operations conducted by the Commanders of the Combatant Commands. As part of this responsibility, the Chairman also assists in the preparation of strategic plans and helps to ensure that plans conform to available resource levels projected by the Secretary of Defense.



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### **Combatant Commands**

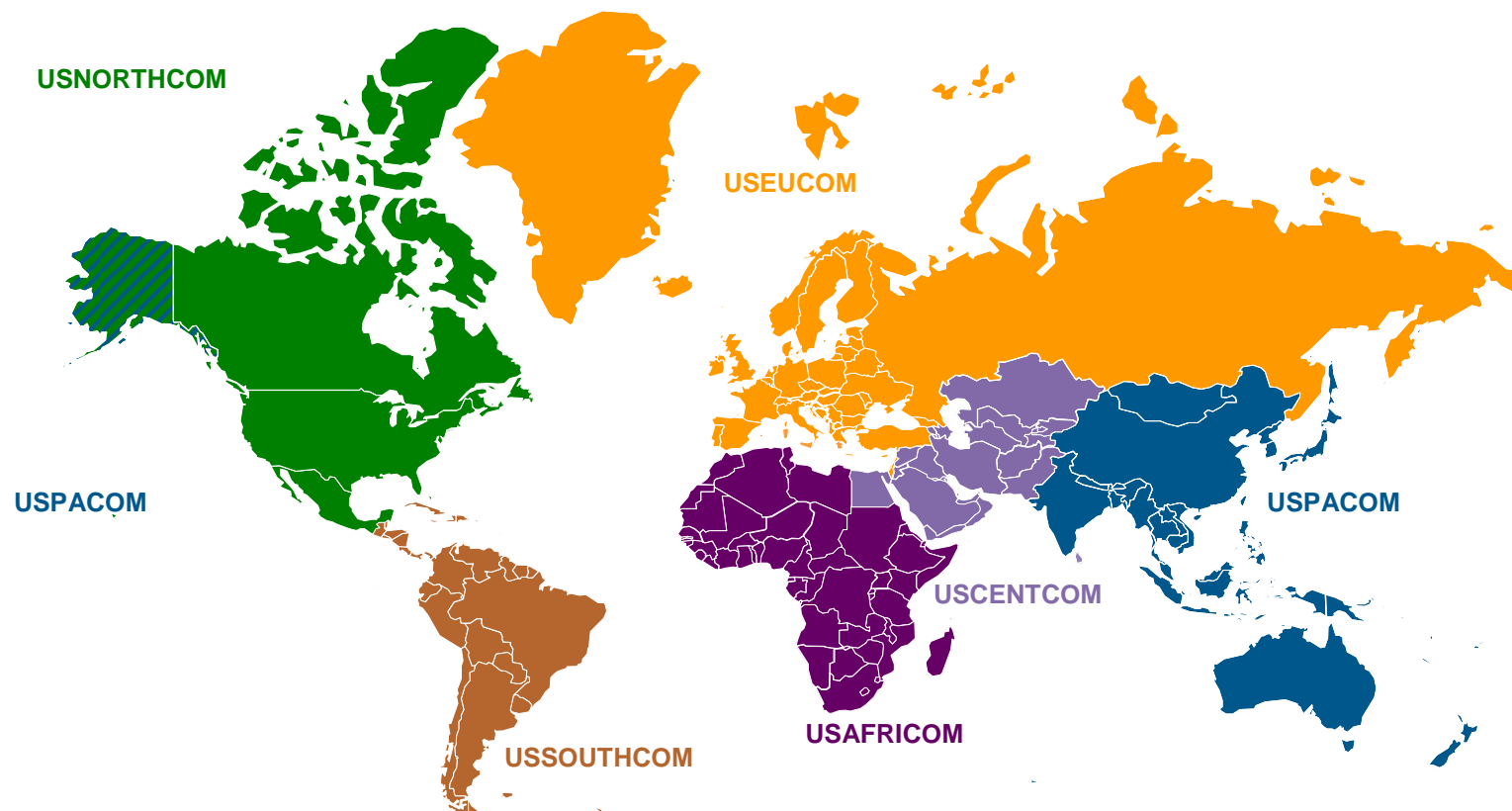
Ten Combatant Commands are responsible for conducting the Department's military operational missions around the world.

Six commands (Figure 2.10) have specific military operational mission objectives for geographic areas of responsibility.

- U.S. European Command (USEUCOM) is responsible for activities in Europe, Greenland, and Russia.
- U.S. Central Command (USCENTCOM) is responsible for the Middle East, Egypt, and several of the former Soviet

**Figure 2.10. Geographic Combatant Commands**

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republics. This Command is primarily responsible for conducting Operation Enduring Freedom in Afghanistan and Operation Iraqi Freedom.

- U.S. Pacific Command (USPACOM) is responsible for China, South and Southeast Asia, Australia, and the Pacific Ocean.
- U.S. Southern Command (USSOUTHCOM) is responsible for Central and South America and the Caribbean.
- U.S. Northern Command (USNORTHCOM) is responsible for North America, including Canada and Mexico.
- U.S. Africa Command (USAFRICOM) is responsible for the entire continent of Africa (minus Egypt).

In addition, four Commands have specified worldwide mission responsibilities focused on a particular function(s):

- U.S. Strategic Command (USSTRATCOM) provides global deterrence capabilities, direction of Global Information Grid operations, and synchronizes Department efforts to combat weapons of mass destruction worldwide.
- U.S. Special Operations Command (USSOCOM) leads, plans, synchronizes, and as directed, executes global operations against terrorist networks.
- U.S. Transportation Command (USTRANSCOM) moves military equipment, supplies, and personnel around the world in support of operations.
- U.S. Joint Forces Command (USJFCOM) leads joint innovation and experimentation, integrates joint force capabilities, trains joint forces, leads development of joint force readiness standards, and provides trained and ready joint forces to other combatant commanders.

The Military Departments supply the necessary capabilities to these Commands. As such, the operating costs of these



**U.S. Navy Aviation Warfare Systems Operator 2nd Class Travis Nelson of Helicopter Combat Support Squadron (HCS) 21, based in San Diego, looks out over the water of Micronesia while riding in a MH-60S Seahawk helicopter as part of Pacific Partnership 2008. Pacific Partnership is a four-month humanitarian mission to Southeast Asia.**

*U.S. Navy photo by Mass Communication Specialist 3rd Class Michael C. Barton – August 2008*

commands (except the USSOCOM) are subsumed within each Military Department's budget. The USSOCOM is the only Combatant Command that has budget authority that resides outside of the control of the Military Departments and is reflected in the Department's Defense-wide accounts.



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### DoD Performance Budget Plan Hierarchy

The Department's Performance Budget hierarchy is focused on implementing all the statutory provisions of the Government Performance and Results Act of 1993 and the President's performance vision.

Sections 200-230 of OMB Circular A-11 characterize 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 overarching 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 overarching strategic goal in terms of the 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 2.11. This hierarchy indicates that every level of the DoD is accountable for measuring performance and delivering results at multiple tiers of the organization that support the Department's strategic goals and objectives. Performance accountability cascades to the appropriate management level (DoD Enterprise to DoD Component to program level) with personnel accountability at all management echelons. DoD investments in systems and other initiatives are aggregated to support strategic objectives at the enterprise or highest DoD echelon level.

Primary responsibility for performance improvement in the DoD rests with the Deputy Secretary of Defense in his role as the Chief Management Officer (CMO). The Deputy Secretary is assisted by a Deputy CMO and the DoD Performance Improvement Officer (PIO), who provides advice and integrates

**Figure 2.11 Department of Defense Performance Budget Hierarchy**



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performance information across the Department, all of which can be found at [www.defenselink.mil/dbt](http://www.defenselink.mil/dbt).

DoD strategic objectives and performance targets were identified by Principal Staff Assistants (PSAs) within the Office of the Secretary of Defense, in coordination with the Joint Staff, as most relevant for DoD-wide or enterprise-level strategic focus. 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

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improvements associated with the National Intelligence Program, since responsibility for the NIP falls under the purview of the Director for National Intelligence.

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 link budgetary resources and investments to identifiable and measurable strategic outcomes.

### The DoD Strategic Plan

Performance-based management and budgeting begins with an overarching strategic plan. The Quadrennial Defense Review (QDR) constitutes the DoD's strategic plan.

Subsection 118 of Chapter 2, United States Code requires that the Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, conduct a comprehensive examination of the United States defense strategy and establish a defense program for the next 20 years. This review examines national defense strategy, force structure, force modernization plans, infrastructure, budget plans, and other elements of the defense program and policies of the United States, consistent with the most recent National Security Strategy and National Military Strategy. The review calls for a budget plan that would be required to provide sufficient resources to execute successfully the full range of missions called for in the national defense strategy at a low-to-moderate level of risk.

On February 3, 2006, the Defense Department unveiled its latest Quadrennial Defense Review (QDR). A copy of the Department's complete QDR can be found at [www.defenselink.mil/qdr/report/Report20060203.pdf](http://www.defenselink.mil/qdr/report/Report20060203.pdf). The Department will be updating its strategic plan with the completion of its 2009 QDR later this year.

### DoD Strategic Goals

The QDR acknowledged that everything done in the Defense Department contributes to joint warfighting capability, as depicted by the following overarching DoD strategic goals:

- Goal 1: Fight the Long War on Terror
- Goal 2: Reorient Capabilities and Forces
- Goal 3: Reshape the Defense Enterprise
- Goal 4: Develop a 21st Century Total Force
- Goal 5: Achieve Unity of Effort

The 2006 QDR was the first contemporary defense review to coincide with an ongoing major conflict. Consequently, strategic goal 1 acknowledged the ensuing major conflict and extended stabilization campaigns in Iraq and Afghanistan. For FY 2010, strategic goal 1 has been refocused on conducting overseas contingency operations to support President Obama's defense agenda.

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 tools the Combatant Commanders may use to fight wars. Together, these three goals were deemed to encompass the Department's primary warfighting missions.

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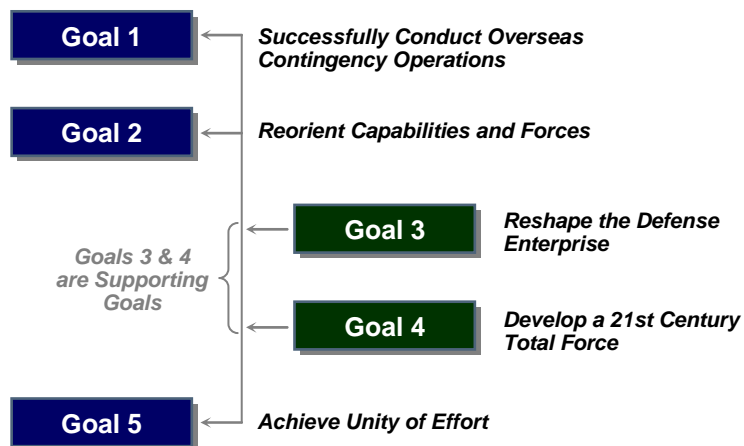
Strategic goals 3 and 4 focus on developing a Total Force and reshaping the defense infrastructure, respectively, in ways that better support the warfighter. Therefore, these goals are supporting goals that enable accomplishment of the Department's primary warfighting goals 1, 2, and 5. See Figure 2.12.

### DoD Strategic Objectives

Based on the above over-arching strategic goals, a task force and Senior Review Group (SRG) were established to develop and maintain a limited number of high priority strategic objectives and performance targets for DoD-wide or enterprise-level focus. The Performance Budget Task Force and SRG includes representatives from each OSD Principal Staff, the Joint Staff, and the Military Departments. Each year, these forums meet to consider changes to strategic objectives and refinements to performance targets based on changes in management priorities and Administration direction. Figure 2.13

identifies the Department's latest refinements to its strategic goals and objectives for FY 2010. Since the 2006 QDR, the Department has modified, deleted, and added to some of its original strategic objectives based on the National Defense Strategy, published June 2008, and President Obama's defense agenda. Figure 2.13 identifies the Department's five overarching strategic goals and 14 strategic objectives for FY 2010. Figure 2.14 links the Department's strategic goals and objectives for FY 2010 to the 2008 National Defense Strategy objectives and to President Obama's defense agenda.

**Figure 2.12 FY 2010 Strategic Goals**



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**Figure 2.13 FY 2010 Strategic Goals and Objectives**

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**Strategic Goal 1: Successfully Conduct Overseas Contingency Operations**

- 1.1: Conduct a large-scale, potentially long-duration irregular warfare campaign that includes counterinsurgency, security, stability, transition, and reconstruction operations.

**Strategic Goal 2: Reorient Capabilities and Forces**

- 2.1: Improve capabilities to prevent and mitigate attacks on U.S. personnel, facilities, and key assets.
- 2.2: Deter and defend against transnational terrorist attacks and globally distributed aggressors and shape the choices of countries at strategic crossroads, while postured for a second, nearly simultaneous campaign.
- 2.3: Improve intelligence, surveillance, and reconnaissance (ISR) to enhance battlespace awareness.

**Strategic Goal 3: Reshape the Defense Enterprise**

- 3.1: Improve acquisition processes and execution to support warfighter requirements.
- 3.2: Focus research and development to address warfighting requirements.
- 3.3: Implement improved logistics operations to support joint warfighting.
- 3.4: Maintain capable, efficient, and cost-effective installations to support the DoD workforce.
- 3.5: Improve financial management and budget and performance integration to support strategic decisions and improve financial stewardship to the taxpayer.
- 3.6: Enable an operational advantage for the DoD, non-DoD partners, and national leadership through the effective and efficient management of an assured DoD information enterprise.

**Strategic Goal 4: Develop a 21st Century Total Force**

- 4.1: Sustain the capacity of the “All-Volunteer” force and enhance the role of the civilian workforce in the total force\*.
- 4.4: The force is prepared to meeting emerging challenges faced by operational commanders.
- 4.5: Ensure the medical readiness of military members.

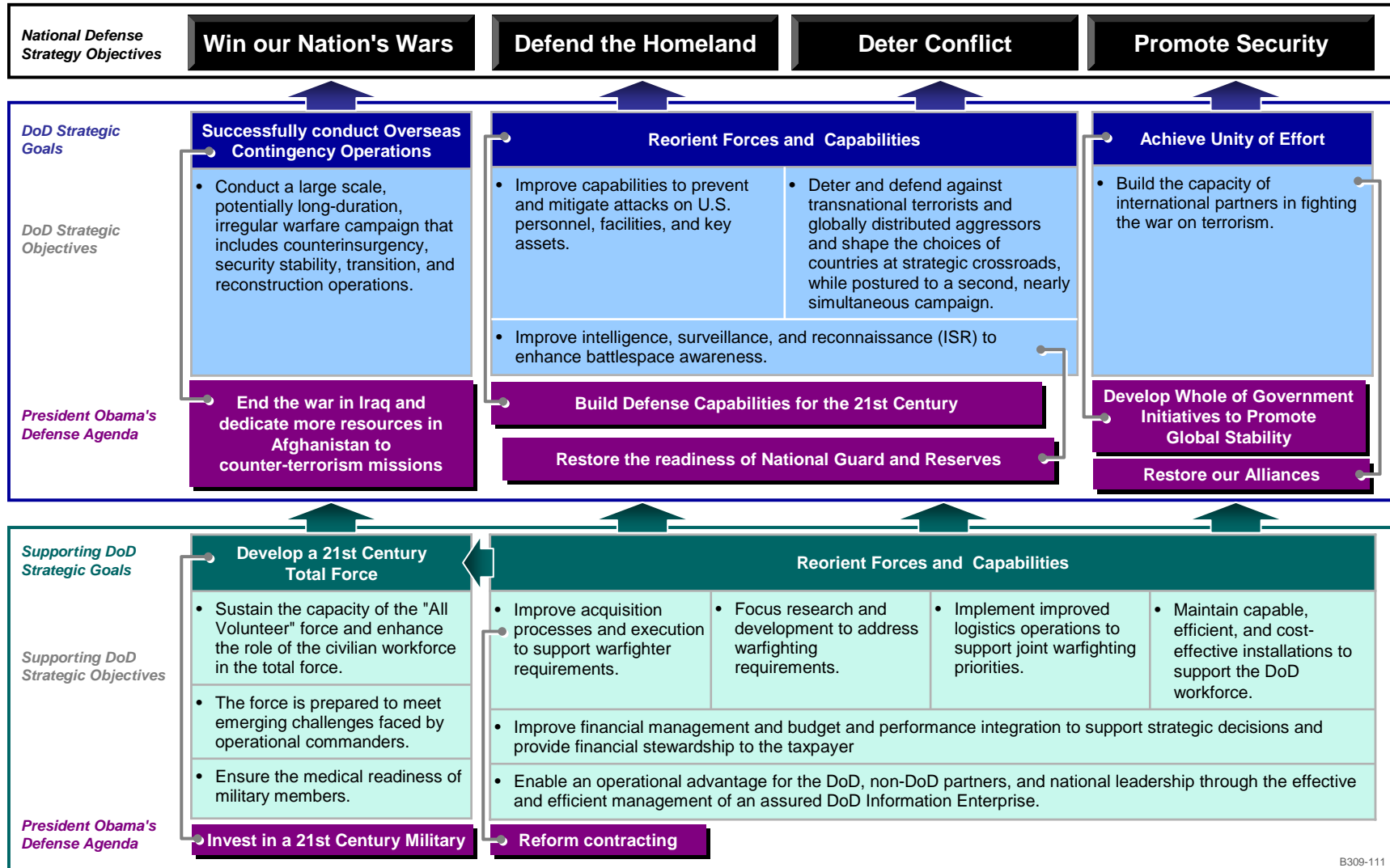
**Strategic Goal 5: Achieve Unity of Effort**

- 5.1: Build capacity of international partners in fighting the war on terrorism.

*\*Revised to incorporate prior year strategic objectives 4.2 and 4.3.*

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**Figure 2.14 DoD Strategic Goals and Objectives**  
 Linkage to National Defense Strategy and President Obama's Defense Agenda





## DoD FY 2010 Budget Request Summary Justification

### FY 2008 DoD Performance Report

The Department Performance Budget Report for FY 2008 includes 50 DoD-wide or enterprise-level performance targets and over 300 program-level performance targets distributed among DoD major mission areas. A copy of the Department's detailed report is available at [www.defenselink.mil/dbt](http://www.defenselink.mil/dbt). Data on FY 2008 program results and improvement plan progress can be found at [www.whitehouse.gov/omb/expectmore/](http://www.whitehouse.gov/omb/expectmore/).

Results for five (or 10 percent) of the 50 enterprise-level targets were not available at the time the DoD report was published for FY 2008. Since that time, two additional results have been received, as summarized at Figure 2.15. Three results, related to acquisition cycle time and cost growth, are still pending analysis for FY 2008. Based on latest available results, Figure 2.15 indicates that 68 percent (32 performance targets) for FY 2008 were met or exceeded, 21 percent (10 performance targets) were not met but showed improvement over the prior year, and

11 percent (5 performance targets) were not met. Figure 2.15 also indicates that the Department achieved a 50 percent or greater success rate in meeting or exceeding the performance targets applicable to each DoD Strategic Goal.

### FY 2009 DoD Performance Plan Changes

The Deputy Secretary of Defense/Chief Management Officer approved the following changes to performance targets for enterprise-level focus for FY 2009:

#### Goal 1: *Fight the Long War on Terrorism*

- Deleted one performance target, at the request of the Under Secretary of Defense (Policy), since the result was deemed outside of the Department's control:
  - Percent DoD personnel contribution to coalition partners' forces supporting Operation Enduring Freedom (OEF) and International Security Assistance Force (ISAF)

**Figure 2.15 FY 2008 Performance Results by DoD Strategic Goal**

DoD Strategic Goal	Met or Exceeded		Improved Over Prior Year, But Did Not Meet		Did Not Meet		Total	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Goal 1 - Fight the Long War on Terrorism	2	67%	1	33%	0	0%	3	100%
Goal 2 - Reorient Capabilities and Forces	8	80%	1	10%	1	10%	10	100%
Goal 3 - Reshape the Defense Enterprise	6	55%	4	36%	1	9%	11	100%
Goal 4 - Develop a 21st Century Total Force	14	74%	2	10%	3	16%	19	100%
Goal 5 - Achieve Unity of Effort	2	50%	2	50%	0	0%	4	100%
<b>DoD Total</b>	<b>32</b>	<b>68%</b>	<b>10</b>	<b>21%</b>	<b>5</b>	<b>11%</b>	<b>47</b>	<b>100%</b>

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### **Goal 2: Reorient Capabilities and Forces**

- Deleted two performance targets based on achievement of performance end states in FY 2008 and one performance target based on new direction from the Under Secretary of Defense (Intelligence), respectively:
  - Percent of DoD reduction in deployed Minuteman III Intercontinental Ballistic Missiles (ICBMs) achieved
  - Percent of Joint Intelligence Operations Centers (JIOCs) at initial operating capability (IOC)
  - Percent of DoD counterintelligence mission-focused Technical Surveillance Countermeasure (TSCM) requirements satisfied.
- Added two new performance targets, at the request of the Under Secretary of Defense (Intelligence), to focus management attention on improved intelligence sharing:
  - Rate of customer satisfaction with DoD HUMINT support
  - Percent of CoCOMs rating the Defense Intelligence Operations Coordination Center (DIOCC) satisfactory or better.

### **Goal 4: Develop a 21<sup>st</sup> Century Total Force**

- Added one performance target, at the request of the Under Secretary of Defense (Personnel and Readiness), to focus management attention on foreign language training and cultural awareness needs:
  - Percent of operational and contingency language needs met

Per Figure 2.16, these changes resulted in a net decrease of one (from 50 to 49) in the number of enterprise-level performance targets for FY 2009 compared to FY 2008.

### **FY 2010 DoD Performance Plan Changes**

#### **Goal 1: Successfully Conduct Overseas Contingency Operations**

- Deleted the following two performance targets, at the request of the Under Secretary of Defense (Policy), associated with training Iraqi and Afghan security forces, pending policy direction from the President:
  - Cumulative number of Iraqi Security Forces (ISFs) trained
  - Cumulative number of Afghan National Security Forces (ANSFs) trained
- Added one new performance target, at the request of the Under Secretary of Defense (Personnel and Readiness), that focuses management attention on the Department's overall readiness posture to execute Overseas Contingency Operations:
  - Percent that DoD Combatant Commanders are ready to execute Current Operations

#### **Goal 2: Reorient Forces and Capabilities**

- Deleted three performance targets associated with achieving performance end states in FY 2008 with regard to the following defense capabilities:
  - Number of National Guard Weapons of Mass Destruction-Civil Support Teams (WMD-CSTs) certified
  - Number of National Guard Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive (CBRNE) Enhanced Force Packages (CERFPs) certified
  - Cumulative number of DoD Maritime Pre-position Force (MPF) ships procured.

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- Added three new performance targets, at the request of the Under Secretary of Defense (Acquisition, Technology, and Logistics) to focus management attention on the Departmental initiatives that are designed to prevent and mitigate attacks on U.S. personnel, facilities, and key assets;
  - Percent of treaty-declared category 1 chemical weapons destroyed
  - Cumulative number of zonal diagnostic labs built and equipped for biological agent detection and response
  - Average time required for Joint Biometrics Identify Program (JBI2P) to provide biometrically enable intelligence to the lowest echelon warfighter
- Added four performance targets, at the request of the Under Secretary of Defense (Personnel and Readiness), focused on the President's defense agenda to expand military needs on the ground, rebuild Defense capabilities for 21<sup>st</sup> century tasks, and focus attention on the Department's overall readiness postures to execute Core/Theater Security Operations and Contingency Plans:
  - Cumulative percent of unit initiatives completed to balance three Marine Corps Expeditionary Forces (MEFs) by increasing end strength by 27,000 (from 175,000 to 202,000)
  - Percent of 2/3-star Designated Service Headquarters (DSHQ) certified as Joint Task Force-capable
  - Percent that DoD Combatant Commanders (CoCOMs) are ready to execute Core or Theater Security Operations
  - Percent that DoD Combatant Commanders (CoCOMs) are ready to execute Contingency Plans

### ***Goal 3: Reshape the Defense Enterprise***

- Deleted five performance targets, at the request of the Under Secretary of Defense (Acquisition, Technology, and Readiness) and the Assistant Secretary of Defense (Networks & Information/Chief Information Officer), respectively, in favor of more refined indicators associated with acquisition, facilities, housing, and information technology activities, as follows:
  - Average acquisition cycle time for Major Defense Acquisition Programs (MDAPs) starting in FY 1992
  - Average facilities recapitalization rate
  - Number of inadequate family housing units in the continental United States (CONUS)
  - Number of inadequate family housing units outside the continental United States (OCONUS)
  - Percent of information technology business cases acceptable to the Office of Management and Budget
- Added four new performance targets, at the request of the Under Secretary of Defense (Acquisition, Technology, and Logistics) that support the President's direction to reform contracting, sustain Service members' housing around the world, and improve energy efficiency:
  - Percent of contract obligations that are competitively awarded
  - Percent of government-owned Family Housing inventory in the United States at Q1 or Q2 ratings
  - Percent of government-owned Family Housing at foreign locations at Q1 or Q2 ratings

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- Percentage of renewable energy produced or procured based on DoD’s annual electric energy usage
- Added five performance targets, at the request of the Assistant Secretary of Defense (Networks & Information/Chief Information Officer), that focus management attention on enabling an operational advantage through an assured DoD Information Enterprise:
  - Percent of information technology (IT) and National Security systems compliant with reporting requirements
  - Number of operational availability gaps in protected MILSATCOM mission area (space segment)
  - Number of operational availability gaps in narrowband MILSATCOM mission area (space segment)
  - Percent reduction in the number of point-to-point (P2P) legacy, cross-domain solution (CDS) connections between the unclassified NIRPnet and DoD SIPRnet
  - Percent of customer computing requirements met by the Defense Information Services Agency (DISA)

### **Goal 4: Develop a 21<sup>st</sup> Century Total Force**

- Deleted six performance targets, at the requests of the Under Secretary of Defense (Personnel and Readiness) and the Under Secretary of Defense (Intelligence), respectively, based on having completed the most important results associated with the Defense Travel System and a preference to focus management attention on overall military end strength and other civilian manpower initiatives that support President Obama’s defense agenda:
  - Average civilian employee satisfaction rate
  - Percent of eligible DoD civilian employees covered under the National Security Personnel System (NSPS), as activated

**Figure 2.16 FY 2010 Performance Targets**

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Performance Goals	FY 08	FY 09	FY 10	FY 09-10 Change	
				Number	%
Goal 1 (Overseas Contingency)	3	2	1	-1	-50%
Goal 2 (Reorient Forces)	10	9	12	3	33%
Goal 3 (Reshape the Enterprise)	14	14	18	4	29%
Goal 4 (Develop the Total Force)	19	20	21	1	5%
Goal 5 (Unity of Effort)	4	4	1	-3	-75%
<b>TOTAL</b>	<b>50</b>	<b>49</b>	<b>53</b>	<b>4</b>	<b>8%</b>

- Percent of applicable temporary duty voucher processed in the Defense Travel System (DTS)
- Percent of applicable Defense Travel authorizations, requiring air or rental car travel, that utilize the DTS Reservation Module
- Percent of planned Phase III Defense Travel System sites fielded
- Cumulative number of Defense intelligence components converted to the Defense Civilian Intelligence Personnel System (DCIPS)
- Added seven new performance targets, at the request of the Under Secretary of Defense (Personnel and Readiness), that support, among other things, the President’s direction to build military capabilities for the 21<sup>st</sup> century, improve acquisition, contract management oversight, and the quality of healthcare:



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- Percent of annual force rebalancing targets achieved
- Cumulative number of DoD civilian and/or military authorizations added as a result of in-sourcing
- Percent fill-rate for deployable civilian positions
- Percent of military population, whose Quality of Life (QoL) is improved as a result of living in states or territories that comply with key DoD QoL issue criteria
- Percent of Service-tailored goals achieved for units trained in Irregular Warfare and Stability Operations
- Overall Hospital Quality Index score
- DoD TRICARE Prime Enrollee Preventive Health Quality Index score

### Goal 5: Achieve Unity of Effort

- Deleted three performance targets, at the requests of the Under Secretary of Defense (Policy) and the Assistant

Secretary of Defense (Public Affairs), respectively, who are working to develop more outcome-oriented targets for FY 2011 and beyond:

- Annual number of international students participating in Department-sponsored educational activities
- Number of Strategic Communications plans approved
- Annual number of officers graduated from Joint, Intermediate, Expeditionary, and Senior Public Affairs courses

Per Figure 2.16, these changes resulted in a net increase of nine (from 49 to 53) in the number of enterprise-level performance targets for FY 2010 compared to FY 2009.

### FY 2010 DoD Performance Assessment

Figure 2.17 indicates that 34 percent (or 18 DoD enterprise-level targets) project incremental performance improvement between FY 2009 and FY 2010.

**Figure 2.17 FY 2010 Performance Assessment by DoD Strategic Goal**

DoD Strategic Goal	Above Prior Year Projection	No Change from Prior Year	Below Prior Year Projection	New Metric 1/	Total
Goal 1 - Fight the Long War on Terrorism	0	0	0	1	1
Goal 2 - Reorient Capabilities and Forces	8	1	0	3	12
Goal 3 - Reshape the Defense Enterprise	3	10	2	3	18
Goal 4 - Develop a 21st Century Total Force	6	11	2	2	21
Goal 5 - Achieve Unity of Effort	1	0	0	0	1
<b>DoD Total</b>	<b>18</b>	<b>22</b>	<b>4</b>	<b>9</b>	<b>53</b>
<b>%</b>	<b>34%</b>	<b>42%</b>	<b>8%</b>	<b>17%</b>	<b>100%</b>

<sup>1/</sup> No prior year data for comparison.

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While several performance targets do not reflect incremental improvement, the FY 2010 targets are considered ambitious in light of significant external factors that challenge the Department's ability to sustain prior year 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.

Detailed performance targets, by strategic goal and objective, are included at the Resource Exhibits section of this summary justification.

### 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 (\$667.9 billion for FY 2010) and complexity of the Defense budget (\$533.8 billion of discretionary base budget authority (BA), \$4.1 billion in mandatory base BA, and \$130 billion of discretionary BA for overseas contingency operations));
- The absence of DoD budget and accounting systems that support a "total cost" concept;
- A lack of consensus on a common DoD strategic framework should will used to support senior level decision-making at the DoD-wide or enterprise level; and
- The tendency to focus performance targets on outputs vice the outcomes or results achieved from the outputs.

The DoD Future Year's Defense Program (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 among strategic goals and objectives.

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.

The Department remains hindered by the lack of budget and accounting systems that were not designed to accumulate "total costs" in any manner other than along appropriation lines. It is a labor-intensive effort to update the Department's budget among its 6,500 program elements in order to present a budget display by strategic goal and objective. This program update is completed weeks after the budget justification is submitted. This precludes the Department from being able to provide a budget display by DoD strategic goal and objective in the Secretary's Summary Justification for FY 2010.

Over the years, the Department has developed a number of taxonomies that it uses to support strategic-level evaluation and resource analyses. These include analyses by major force programs, defense mission categories, forces and infrastructure categories, and, more recently joint capability portfolios. In FY 2008, the Department adopted a DoD Capability Portfolio management concept to advise the Deputy Secretary of Defense on how to optimize investments across the defense enterprise. The Department's strategic guidance for FY 2010 was also issued along these lines and the Department planned to transition future performance budgets to support this new strategic framework. However, much work remains to allocate resources among functional groupings and utilization of the portfolio concept to support resource decision-making is under Departmental review.

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The Department's transition to outcome-oriented performance measures is still evolving. Many DoD-wide or enterprise-level performance targets continue to focus on output measures contained in traditional, appropriation-specific budget justification. In addition, approximately 77 percent of the Department's performance targets are focused on outputs associated with the DoD infrastructure vice force structure. The Department looks forward to working with the new Administration to develop performance targets that reflect the strategic outcomes Americans care most about.

The Department's Performance Improvement Officer has partnered with the USD Comptroller to pursue a number of initiatives, that once implemented, will improve the Department's overall performance management process. Major initiatives include:

- Implementation of quarterly performance reviews to monitor and report the Department's compliance against performance budget targets;
- Automation of current performance data collection and reporting processes in order to provide performance results in a more timely and dynamic manner that includes visualization technology and executive dashboards; and
- Design of a 21<sup>st</sup> century budget system that includes a performance module that relates information on the Department's strategic goals, objectives, and performance targets to associated resources.

The Department welcomes the opportunity to brief the Congress on its FY 2010 performance plan and ensuing performance management initiatives.