



DEPARTMENT OF DEFENSE

Funding Highlights:

- Provides \$548.9 billion for the Department of Defense base budget in 2011, a 3.4 percent increase over the 2010 enacted level.
- Includes \$33.0 billion for a 2010 supplemental request and \$159.3 billion for 2011 to support ongoing overseas contingency operations, including funds to execute the President's new strategy in Afghanistan and Pakistan.
- Maintains ready forces and continues efforts to rebalance military forces to focus more on today's wars, and provides capabilities to deter or if necessary engage in future conflicts.
- Continues strong support for our men and women in uniform through a robust benefits package including pay increases that keep pace with the private sector.
- Supports access to medical care to the more than 9.5 million beneficiaries: active military members and their families, military retirees and their families, dependent survivors, and eligible Reserve Component members and families.
- Supports wounded warrior transition units and centers of excellence in vision, hearing, traumatic brain injury, and other areas to continuously improve the care provided to wounded, ill, and injured servicemembers.
- Continues to reform defense acquisition, reducing its use of high-risk contracts related to time-and-materials and labor-hours by 17 percent through the end of 2011, while modernizing key weapons systems to provide our troops with the best technology to meet battlefield needs, and eliminating or reconfiguring lower-priority acquisitions.
- Prioritizes resources by ending or reducing several programs, including the C-17 aircraft, the Joint Strike Fighter Alternate Engine program, the Third Generation Infrared Surveillance program, and the Net-Enabled Command Capability program.
- Supports a reconfigured ballistic missile defense strategy, in line with the President's policy, to better address current threats.

While the U.S. military is addressing ongoing challenges—such as drawing down responsibly in Iraq and carrying out the President's strategy in Afghanistan and Pakistan—the Department of Defense (DOD) is identifying long-term stra-

tegic needs and targeting resources toward its highest priorities. These priorities, developed in concert with DOD's Quadrennial Defense Review, include taking care of our men and women in uniform, rebalancing our forces to address

both current and future conflicts, and reforming business practices, such as developing and purchasing weapons.

The 2011 Budget for DOD requests an increase of \$18.2 billion, or 3.4 percent, from the 2010 enacted level of \$530.8 billion. This funding increase allows DOD to address its highest priorities, such as the President's commitment to reform defense acquisition, develop a ballistic missile defense system that addresses modern threats, and continue to provide high quality healthcare to wounded servicemembers. In addition, the Budget will continue to incorporate into the base those items previously funded in emergency supplemental appropriations that should be considered enduring activities that are not driven by specific conflicts.

Supports Missions in Iraq, Afghanistan, and Pakistan (OCO). The President has ordered his military commanders to send an additional 30,000 troops to Afghanistan, which will bring the total number of U.S. forces in Afghanistan to almost 100,000 by 2011. Meanwhile, DOD will continue drawing down its combat forces from Iraq, and all U.S. forces will be withdrawn from Iraq by the end of 2011. To address the costs of increasing military and intelligence operations in Afghanistan and Pakistan and drawing down in Iraq and leaving Iraq's security forces with the minimum essential capabilities to operate after U.S. forces depart, the Administration is requesting \$33.0 billion in 2010 supplemental funding on top of the \$129.6 billion already provided, and a total of \$159.3 billion for its 2011 overseas contingency operations (OCO) activities. In addition to this DOD funding, the supplemental request will also include funding for Department of State activities in 2010. The Budget includes placeholder estimates of \$50 billion per year for 2012 and beyond. These estimates do not reflect any policy decisions about specific military or intelligence operations, but are only intended to indicate that some as-yet unknown costs are anticipated.

Maintains Readiness for Today's Challenges. The Administration is committed to providing its service members with the resources

needed to be ready to respond to the multiple, complex, and sometimes unconventional threats posed by today's security environment. The Budget includes robust funding for operations and maintenance, covering such crucial activities as training and operations, pay for a high quality civilian workforce, upkeep of equipment and facilities, repair parts, fuel, and supplies.

Supports Our Nation's Troops and Their Families. The Budget continues the Administration's commitment to caring for our Nation's men and women in uniform and promoting the well-being of the families who support them. To meet this objective, the Budget includes funding for a 1.4 percent basic pay raise that will keep military pay increases in line with those in the private sector. In addition to this pay raise, the Budget also includes an average housing increase of 4.2 percent, as well as a variety of monthly special skill-based payments, enlistment and reenlistment bonuses, and other benefits.

The strength of our troops relies on the strength and stability of the families that support them, and the Budget supports these military families as our servicemembers answer our country's call to service. Overall, family support programs grow over 3 percent above the 2010 enacted level. Examples include:

- \$1.3 billion, an increase of \$87 million over the 2010 enacted level, to expand availability for affordable, high-quality child care services at over 800 child development centers both in the United States and overseas.
- \$1.9 billion, \$37 million over the 2010 enacted level, for expanded counseling and assistance services, from financial counseling to transition and relocation assistance, to help families meet the challenges brought on by repeated deployments and family separations.
- \$84 million, an increase of \$12 million over the 2010 enacted level, for enhanced career and educational opportunities for military spouses through tuition assistance and Federal internship programs.

Cares for Wounded, Ill, and Injured Servicemembers. The 2011 Budget sustains ongoing efforts to provide high quality medical care to the over 9.5 million servicemembers as well as military family and retiree beneficiaries. This includes support for wounded warrior transition units and centers of excellence in vision, hearing, traumatic brain injury, and other areas to continuously improve the care provided to wounded, ill, and injured servicemembers, including:

- \$30.9 billion overall for medical care, an increase of 5.8 percent over the 2010 enacted level.
- \$669 million to provide care for traumatic brain injury and psychological health.
- \$250 million for continued support of mental health and traumatic brain injury research, such as the development of tools to detect and treat post-traumatic stress, and enhancements to suicide prevention measures.
- Support for DOD's efforts to update its health information technology infrastructure, while partnering with the Department of Veterans Affairs and the private sector to pursue the Administration's goal of building a Virtual Lifetime Electronic Record to deliver care and benefits to servicemembers and veterans with efficiency and accuracy.

Reforms Acquisition. DOD contracts account for approximately 70 percent of all Federal procurement spending, so DOD reform initiatives are critical to the Administration's efforts to improve Government acquisition. The 2010 Budget took important first steps to reform this process; in 2011, DOD will continue these efforts by terminating or delaying programs that are inadequately justified or not performing well. For

example, the Budget ends the C-17 aircraft program because additional aircraft are not needed, saving \$2.5 billion. It also eliminates the Joint Strike Fighter Alternate Engine program, saving \$465 million, because this program raises logistical, management, and cost concerns. The Budget saves an additional \$73 million by terminating the Third Generation Infrared Surveillance program, and instead procuring upgraded Space Based Infrared System Satellites in the future; it saves \$8.5 million more by eliminating the Net-Enabled Command Capability program, which has been unable to meet its requirements on schedule. The Department will also further reduce its use of high-risk contracts in areas that relate to time-and-materials and labor hours by 17 percent through the end of 2011, and take steps so that military requirements for weapons are reasonable, program costs and schedules are realistic, and acquisition funding is stable.

Provides Ballistic Missile Defense to Address Modern Threats. The Administration is committed to a robust defense against emerging missile threats by deploying technology that is proven, cost-effective, and adaptable for countering an evolving security environment. Starting in 2011, the new Phased Adaptive Approach will guide missile defense architecture. It will feature incremental deployments of increasingly capable sea- and land-based missile interceptors and a range of sensors in Europe to defend against growing ballistic missile dangers. This phased approach will offer more effective defenses against near-term ballistic missile threats and augment the current defense of the U.S. homeland against long-range ballistic missile threats. It will provide for the defense of U.S. deployed forces, their families, and our Allies in Europe sooner and more comprehensively than the previous program, while reaffirming the U.S. commitment to strengthening NATO and integrating U.S. systems with Allied capabilities and networks.

Modernizes Weapon Systems. A major goal of the Administration is to provide the troops with the most effective and modern equipment possible. To accomplish this, the 2011 Budget continues to develop and procure many advanced weapons systems that support both today's wars and future conflicts. These include: the F-35 Joint Strike Fighter, a new family of ground vehi-

cles, new ships such as the next generation ballistic missile submarine, and the P-8 aircraft. The Budget also bolsters capabilities in Unmanned Aerial Vehicles, helicopters, and cyber capabilities and electronic warfare, which are key components in the ongoing task of rebalancing the military to focus on current and emerging threats.

Department of Defense
(In millions of dollars)

	Actual 2009	Estimate	
		2010	2011
Spending			
Discretionary Base budget authority:			
Military Personnel	125,625	134,968	138,541
Operation and Maintenance	179,103	184,488	200,248
Procurement	100,886	104,803	112,873
Research, Development, Test and Evaluation	79,392	80,097	76,131
Military Construction	21,898	21,022	16,924
Family Housing	3,163	2,259	1,822
Revolving and Management Funds	3,155	3,118	2,380
Subtotal, Discretionary Base budget authority	513,222	530,755	548,919
Discretionary Overseas Contingency Operations (OCO) budget authority:			
Enacted	145,741	129,648	—
Requested (2011 includes \$254 million in U.S. Coast Guard funding)	—	33,014	159,336
Subtotal, Discretionary OCO budget authority	145,741	162,662	159,336
Total, Discretionary budget authority (Base and OCO)	658,963	693,417	708,255
<i>Memorandum: Budget authority from American Recovery and Reinvestment Act</i>	7,435	—	—
Total, Discretionary Outlays (Base and OCO)	633,797	684,436	714,428
<i>Memorandum: Outlays from American Recovery and Reinvestment Act</i>	238	3,991	2,491
Mandatory Outlays:			
Existing law	2,740	3,605	3,959
Legislative proposal	—	—	408
Total, Mandatory outlays	2,740	3,605	4,367
Total, Outlays	636,537	688,041	718,795

Department of Defense—Continued
(In millions of dollars)

	Actual 2009	Estimate	
		2010	2011
Credit activity			
Total, Direct loan disbursements	172	195	200