



DEPARTMENT OF DEFENSE

Funding Highlights:

- Provides \$533.7 billion for the Department of Defense base budget in 2010, a four-percent increase over 2009.
- Includes \$75.5 billion in supplemental appropriations for 2009 and \$130.0 billion for 2010 to support ongoing overseas contingency operations, while increasing efforts in Afghanistan and drawing down troops from Iraq responsibly.
- Supports a transparent budget process, which simultaneously and separately requests estimated base budget and overseas contingency operations costs.
- Expands concurrent receipt of military retired pay and Veterans Disability Compensation for those disabled upon retirement from active duty.
- Improves efforts to care for wounded servicemembers and to treat mental health needs.

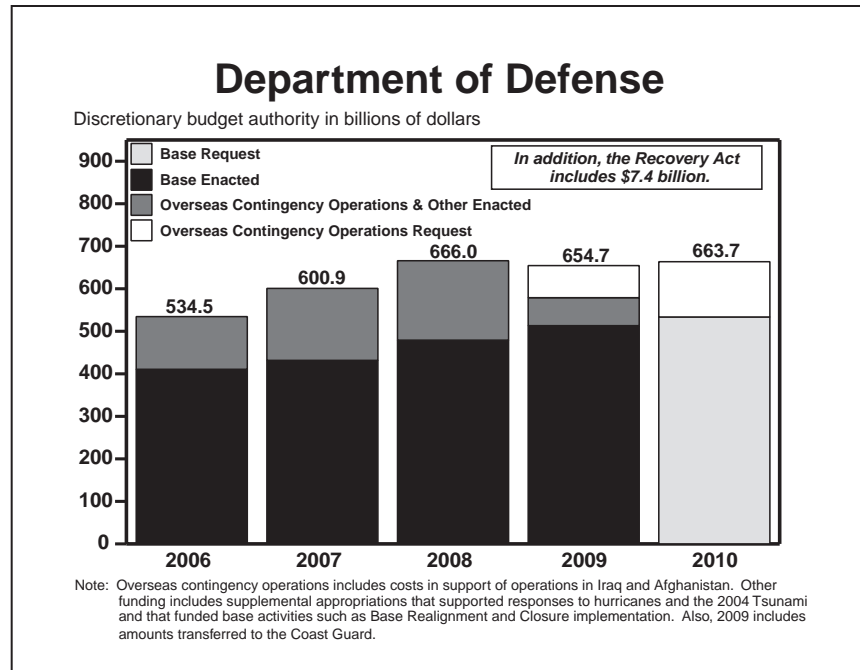
The U.S. military, the strongest and most capable in the world, faces a host of external and internal challenges. Meeting these challenges requires evaluating the country's strategic priorities and aligning scarce resources to accomplish the highest of those priorities efficiently and effectively.

External challenges include undertaking a responsible drawdown of troops from Iraq, and focusing the appropriate resources on achieving U.S. objectives in Afghanistan. In addition, we must leverage allied support to help struggling states such as Pakistan, which are the keystone for regional stability. The military must also vigilantly anticipate and meet threats from asymmetrical and non-conventional attacks, such as those posed by cyber, biological, radiological, and nuclear warfare, whether instigated by nation-states or non-state aggressors.

The military's internal challenges focus on three general areas: continuing to restructure the Nation's forces to better address long-term warfare challenges; continuing to support, care for, and compensate military professionals commensurate with their service while seeking reforms that will improve service and protect a benefit package that is sustainable and affordable; and reforming the costly and inefficient weapon development and acquisition process.

How the country should meet its strategic goals will be addressed in an upcoming Defense Review, which will identify and prioritize goals and assess how best to achieve them within available resources.

Finally, this Budget will transparently present the full costs of providing national security. The Budget will clearly show the costs of the



base defense budget and the incremental costs of ongoing military operations in Iraq and Afghanistan for 2010. For the years beyond, the Budget includes placeholder numbers with the understanding that these should be considered subject to change as policy decisions are made.

2010 Base Funding

The 2010 Budget for the Department of Defense (DOD) requests \$533.7 billion, or an increase of four percent from the 2009 enacted level of \$513.3 billion (excluding funding from the American Recovery and Reinvestment Act of 2009). This funding increase allows DOD to address its highest priorities, such as the President's commitment to meet the military's goal to increase the size of the Army and Marine Corps, to continue to improve the medical treatment of wounded servicemembers, and to reform the acquisition process. In addition, the Budget will incorporate into the base those items previously funded in emergency supplementals that should be considered base or ongoing activities, including certain medical services, family support initiatives, security assistance to foreign governments, and enhancements to intelligence, surveillance, and reconnaissance.

Increases the Size of the Army and Marine Corps. The 2010 Budget supports additional permanent forces in the Army and Marine Corps, which will increase to 547,400 and 202,000, respectively, by the end of 2009. This growth is two to three years ahead of schedule and will reduce stress on servicemembers and their families, while ensuring heightened readiness for a full spectrum of military operations.

Cares for Men and Women in Uniform. The Administration is committed to caring for the servicemembers who protect American freedom and the families who support them. To that end, the Budget proposes pay and benefits that keep pace with or exceed those of the private sector. The 2010 Budget includes funding for a 2.9 percent pay raise for men and women in uniform, an amount that will improve their purchasing power.

The Budget also contains a proposal to expand concurrent receipt of military retired pay and Veterans Disability Compensation to all retirees receiving disability retired pay. Under current law, the prohibition on concurrent receipt means that these benefits offset each other so that disabled military retirees cannot receive full DOD retirement and Veterans disability payments. When

the offset is removed, disabled military retirees would receive additional monthly compensation.

Reforms Acquisition. DOD's new weapons programs are among the largest, most expensive and technically difficult that the Department has ever tried to develop. As a consequence, they carry a high risk of performance failure, cost increases, and schedule delays. The Administration will set realistic requirements and stick to them and incorporate "best practices" by not allowing programs to proceed from one stage of the acquisition cycle to the next until they have achieved the maturity to clearly lower the risk of cost growth and schedule slippage.

Improves Facilities. The Administration is committed to improving the quality of life for American Soldiers, Sailors, Airmen and Marines. Therefore, the Budget continues to sustain and modernize barracks and dormitories housing servicemembers around the world and works to end all inadequate housing for military families. In addition, it builds or renovates base facilities at a level sufficient for safe operation of all structures while meeting the needs of users.

The Administration will request sufficient funding to enable the Department to continue its efforts to meet the requirements of the Base Realignment and Closure 2005 Commission, which will help to align DOD's domestic bases with meeting operational needs.

Cares for Wounded, Ill, and Injured Servicemembers (WII). The Department will continue its efforts to improve the medical care and housing for WII. DOD will complete additional Army wounded warrior complexes at posts throughout the continental United States, as well as sites in Alaska, Hawaii, and Germany. DOD and the Department of Veterans Affairs will expand pilot programs to expedite processing of injured troops through the Disability Evaluation

System. The expedited system substantially reduces the time required to determine disability rating and, more importantly, to alleviate frustration caused by a needlessly complex process.

Addresses Mental Health Issues. The Department is also doing more to address mental health needs. Post-traumatic stress disorder, traumatic brain injury (TBI) and associated ailments are, and will continue to be, the signature military medical challenges facing the Department for years to come. DOD will fully implement a comprehensive TBI registry including a single point of responsibility to track incidents and recovery. The Services will expand the number of integrated mental health professionals with their deployed units to better channel medical attention to those who need help quickly. The National Intrepid Center of Excellence for psychological health and traumatic brain injury will be dedicated in the late fall of 2009. This will serve as the clinical research and educational arm of DOD's Center of Excellence for psychological health and TBI.

Funding for Overseas Contingency Operations

The President is working with his military commanders to increase the number of U.S. troops in Afghanistan while responsibly removing combat forces from Iraq. To address the costs of military operations in Iraq and Afghanistan, the Administration requests \$75.5 billion for the remainder of 2009 and \$130.0 billion for 2010. The Administration will provide the details of the 2009 supplemental appropriations request to the Congress in the next few weeks, and will transmit the detailed 2010 request with the President's 2010 Budget.

The Budget includes placeholder estimates of \$50 billion per year for 2011 and beyond. These estimates do not reflect any policy decisions about specific military or intelligence operations.