

DEPARTMENT OF DEFENSE FY2016 BUDGET

The Department of Defense (DoD) provides military forces and capabilities to deter war and protect the security of the United States and its interests around the world. The President's Fiscal Year 2016 Budget provides \$534 billion in discretionary funding for the base budget of the Department and \$51 billion in Overseas Contingency Operations (OCO) funding for a total of \$585 billion to sustain the President's national security and defense strategies. The Budget is driven by the strategy outlined in the 2014 Quadrennial Defense Review.

The Budget reverses the decline in national defense spending of the past five years to further enhance our military's ability to counter threats facing the United States; ensure our forces are ready for today's and tomorrow's fights; achieve the right balance among capacity, capability, and modernization of our armed forces; innovate for the future; and take care of our service members and their families.

Funding Highlights:

- Protecting the homeland -- including in the space and cyber realms -- and increasing sustainment of the nuclear force to ensure a safe, secure, and effective nuclear deterrent.
- Combating diverse terrorist groups, such as the Islamic State of Iraq and the Levant (ISIL), and providing training, assistance, and equipment to Iraqi security forces and properly vetted members of the moderate Syrian opposition.
- Advancing security in the Asia-Pacific region to support the government-wide effort to rebalance resources to the region including enhancing and modernizing U.S. defense relationships, posture, and capabilities with an increased focus on maritime security.
- Reinforcing Afghanistan's security by training, advising, and assisting the Afghan National Security Forces as well as by maintaining a limited counterterrorism capability to target the remnants of al Qaeda and preserve the gains of the last decade.
- Countering Russia's aggressive actions and reassuring allies and partners in Europe through increased military exercises, training, and rotational presence of U.S. forces.
- Continuing to restore readiness for full spectrum operations, which was negatively impacted by sequestration.
- Maintaining technological superiority through increased research and development and a broad Department-wide initiative, the Defense Innovation Initiative.
- Continuing to recruit and retain the best-trained All-Volunteer Force; support military families; care for wounded, ill, and injured service members; make further, measurable progress toward eliminating sexual assault in the military; and help service members effectively transition to civilian life.

Reforms:

- Directs investments towards a ready, technologically superior force by continuing to reduce force structure.
- Following the elimination of excess infrastructure in Europe, proceeds with a round of Base Realignment and Closure to consolidate defense facilities in the United States.
- Retires aging aircraft and realigns force structure to allow for critical investments in new weapons systems and platforms, as well as more ready forces, that are critical to meeting the challenges of the future.
- Continues to pursue a 20 percent reduction to operating costs of management headquarters.
- Modernizes health care delivery and incentives.

The following information provides highlights of areas in the Budget that support the three mutually-supporting pillars outlined in the 2014 Quadrennial Defense Review.

Protect the Homeland

The Budget supports the Department's efforts to protect the homeland by making investments to deter and defeat threats to the Nation and to mitigate the effects of potential attacks. The Budget continues investment in missile defense, nuclear modernization, space security, and cyber capabilities, and sustains the capacity to protect U.S. airspace and shores. This includes:

- Strengthening our nation's nuclear deterrent by modernizing essential nuclear delivery systems, improving personnel management and safety procedures, and making technology improvements - in collaboration with the Department of Energy - to nuclear weapons and supporting infrastructure as identified in the Nuclear Enterprise Review.
- Making targeted investments in missile defense such as defensive interceptors, discrimination capabilities, and sensors.
- Supporting a variety of measures to help assure the use of the space domain, including development of capabilities to defend and enhance the resilience of U.S. space systems.
- Advancing U.S. technological superiority by investing \$12 billion in science and technology in areas such as quantum information science, cognitive neuroscience, nanoscience, synthetic biology, autonomy, cybersecurity, and countering weapons of mass destruction, among other investments.
- Continuing to invest in new and expanded cyber capabilities and forces to operate and defend DoD's networks, enhance its ability to conduct cyberspace operations, support military operations worldwide, and counter cyber-attacks against the United States.

Build Security Globally

The Budget supports DoD's efforts to preserve regional stability, deter adversaries, support allies and partners, and cooperate with others to address common security challenges. This includes:

- Continuing to rebalance the Department's posture and presence to the Asia-Pacific region to include implementing the US-Philippines Enhanced Defense Cooperation Agreement entered into force in July 2014 and the Force Posture Agreement signed with Australia in

August 2014 that will increase engagement with allies and partners throughout the region.

- Maintaining a focus on the security of allies and partners in the Middle East to include continuing to provide ballistic missile defense support to Israel.
- Working with NATO allies and other European partners to promote regional security, Euro-Atlantic integration, enhanced military capabilities, and enhanced interoperability to include strengthening capabilities to counter Russian aggressive actions and pressure.

Project Power and Win Decisively

The Budget supports the Department's efforts to project power around the world, deter and, if necessary, defeat aggression in multiple regions, and disrupt and destroy terrorist networks. This includes:

- Investing to ensure that U.S. forces are capable of conducting the full range of operations on land, sea, and air with the best technological equipment available by procuring twelve KC-46 tankers, building nine ships, modernizing the Army's helicopter fleet, enhancing cyber capabilities, and numerous innovative capabilities.
- Countering advanced anti-access and area-denial challenges by continuing to invest in fifth-generation fighters (i.e., procure 57 Joint Strike Fighters in FY 2016) and long range strike aircraft, survivable persistent surveillance, and electronic warfare capabilities.
- Rebalancing intelligence, surveillance, and reconnaissance capabilities to invest in systems that are effective in highly contested environments while sustaining capabilities needed for more permissive environments.
- Enabling the Department, particularly the Special Operations Forces, to conduct sustained, distributed counterterrorist operations against emerging transnational threats and build the capacity of U.S. partners to conduct such operations.
- Continuing to restore readiness so the Services have all of the expanded capabilities needed to counter 21st century threats.

Overseas Contingency Operations

The Overseas Contingency Operations Budget request of \$51 billion supports the Department's efforts to transition from a combat mission to a train, advise, and assist mission in Afghanistan; to assist Iraq and other partners to combat terrorist groups such as the Islamic State of Iraq and the Levant (ISIL); and to support European allies in their efforts to counter Russia's aggressive actions and pressure. This includes:

- Supporting U.S. military operations and forward presence in Afghanistan and the U.S. Central Command area of responsibility to support the NATO Resolute Support mission, which is focused on training, advising, and assisting the Afghan National Security Forces and jointly carrying out counterterrorism operations against the remnants of al Qaeda.
- Building the capacity of the Iraqi and vetted Syrian Opposition forces to defeat ISIL.
- Continuing to support the President's initiative to develop a sustainable and effective approach to combating terrorism, with a focus on enabling and empowering partners facing terrorist threats.
- Continuing to support the President's European Reassurance Initiative to bolster and reassure NATO allies and partner states in Europe against Russia's aggressive actions by funding increased military exercises, training, and rotational presence in Europe.

- In addition, the Budget also proposes to transition all enduring costs currently funded in the OCO budget to the base budget beginning in 2017 and ending by 2020.

Defense Reforms

The defense strategy depends on investing every dollar where it will have the greatest effect. To direct investments towards a ready, technologically superior force, the military must shed unnecessary force structure and infrastructure to prepare the Department for the future. The Budget reduces overhead and waste by:

- Retiring less capable, single-mission, or vulnerable weapons systems, such as the A-10 Thunderbolt aircraft, and focusing limited funding on the most capable, versatile, and survivable systems to accomplish assigned missions.
- Eliminating excess infrastructure and facilities to include requesting authority to initiate a new round of Base Realignment and Closure (BRAC) in FY 2017.
- Continuing last year's efforts to reduce management headquarters operating costs from the FY 2014 level by 20 percent by FY 2019.
- Continuing to pursue acquisition reform through an additional Better Buying Power initiative that focuses on achieving dominant capabilities through technical excellence.
- Slowing growth in basic pay and housing allowances, consolidating TRICARE health plans, and reducing the commissary subsidy.

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