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The FY2008 National Security Program

Summary of the Presidential Request

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Introduction

The President's FY2008 budget request is one of the most complex in recent years, marking a major transition from a request that largely ignored wartime costs, and focused solely on baseline expenditures, to one with a far more detailed breakout of projected expenditures.

This briefing is not a critique or an attempt at original analysis. It rather brings together the summary data provided by the Office of the Secretary of Defense, OMB, and the White House to summarize the overall trends in the President's request.

It also contains summary data on the overall war on terror request affecting non-defense departments and agencies, on all requested homeland defense expenditures, and on related State Department aid activities.

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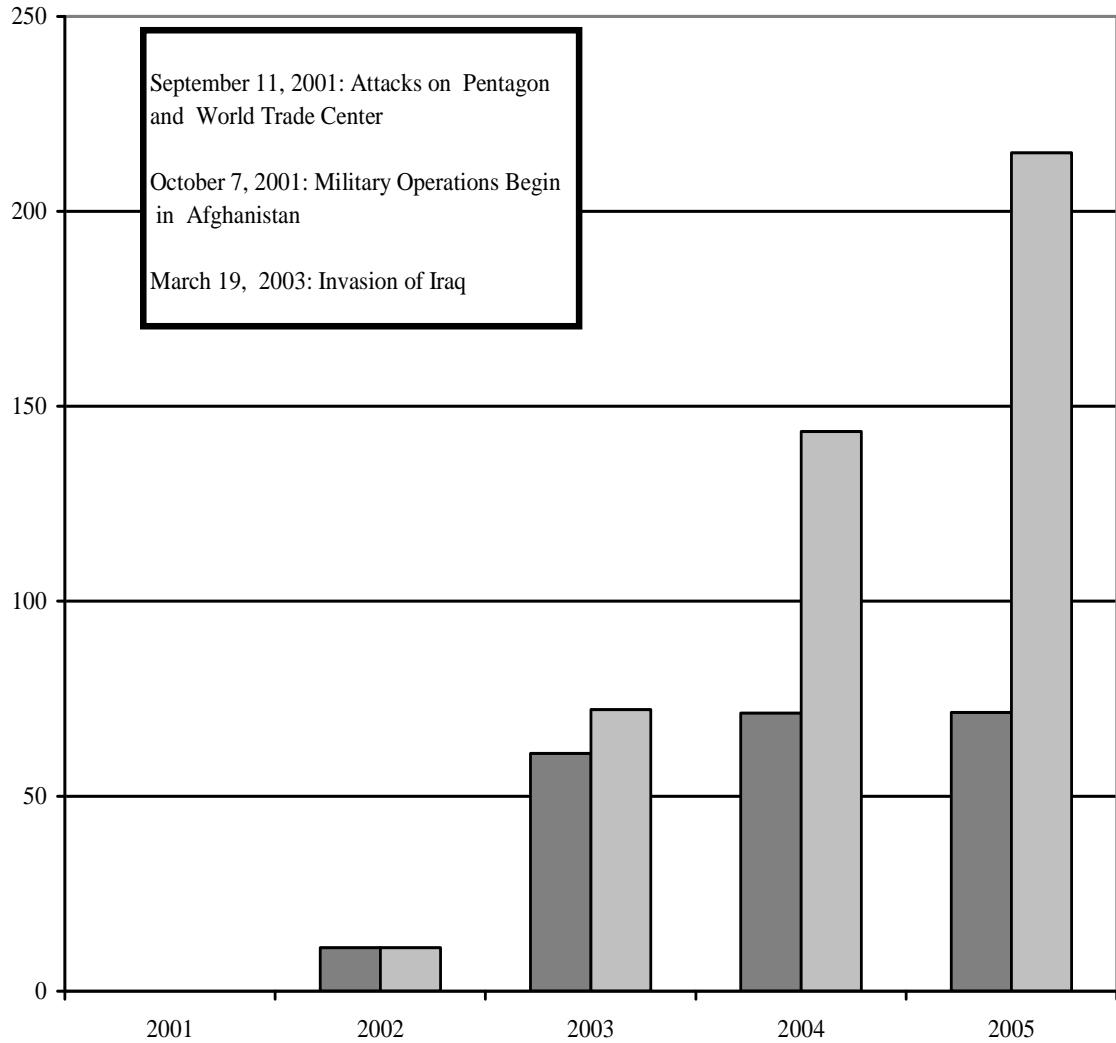
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US DEFENCE OUTLAYS AND GNP BURDEN: FY1985-FY2007

(In Current Dollars; FY2007 Total is Before New FY2007 Supplemental)

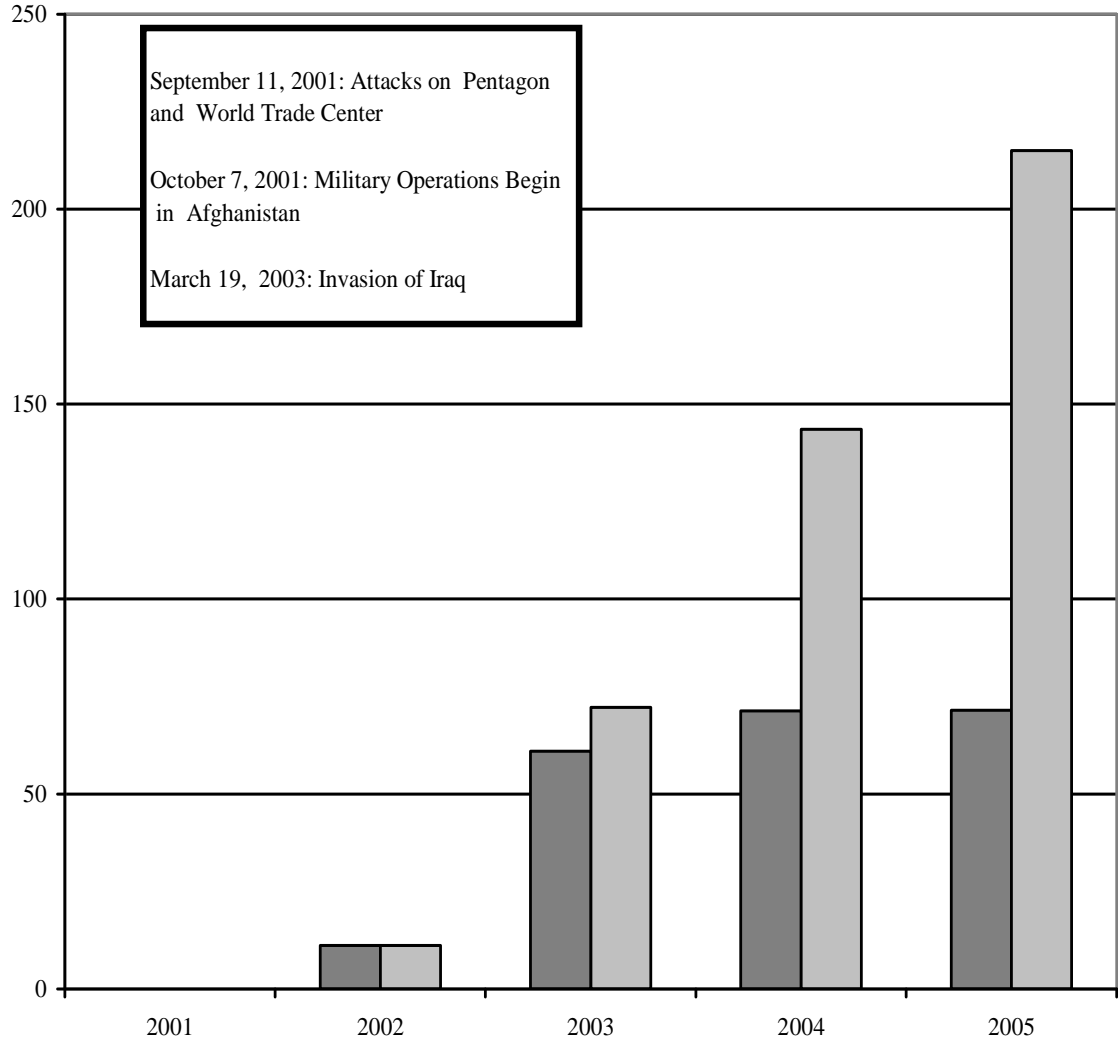


	Oct-01	Oct-02	Oct-03	Oct-04	Oct-05
■ Annual	0	11.2	61	71.3	71.5
■ Cumulative	0	11.2	72.2	143.5	215

Source: CBO, February 7, 2007. The Budget and Economic Outlook: Fiscal 2008 to FY2017, January 2007, p. 68.

COMPARATIVE ANNUAL RATES OF GROWTH IN OUTLAYS BY TYPE OF FEDERAL SPENDING

(In Percent; Baseline Projections for 2007-2008 and 2008-2017)

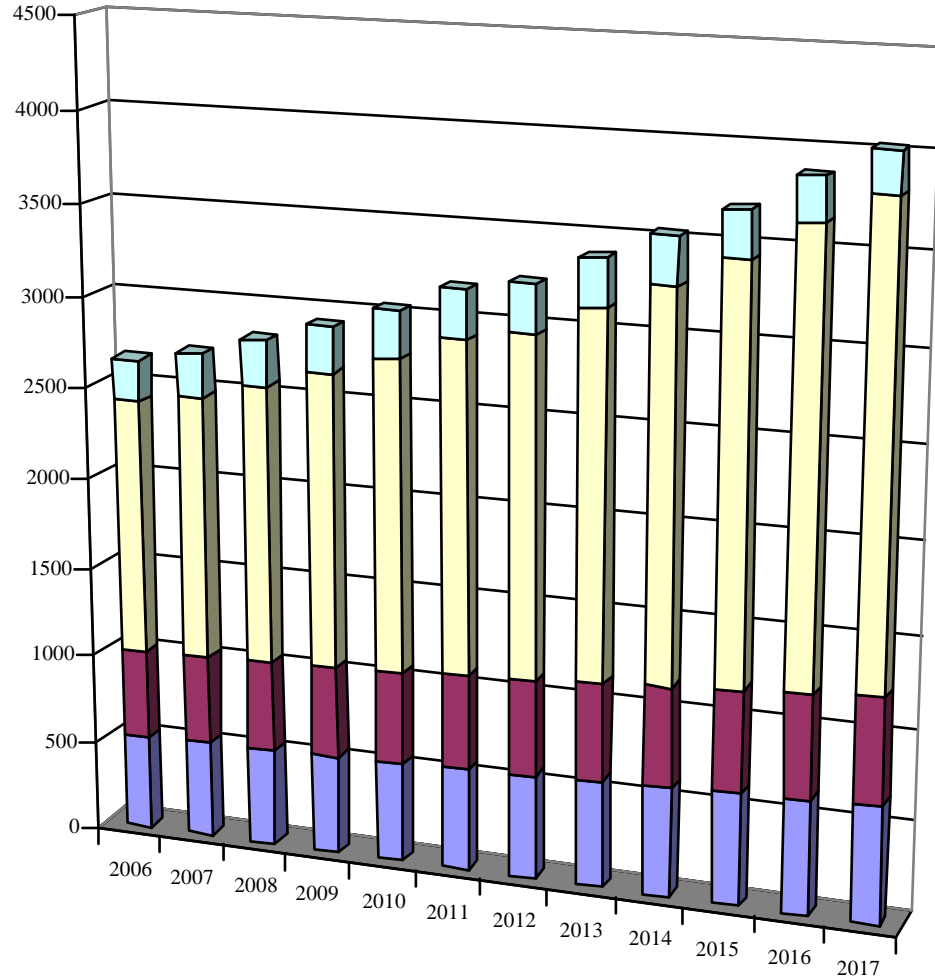


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Source: Department of Defense, February 7, 2007.

CBO ESTIMATE OF DEFENSE AS A SHARE OF TOTAL OF FEDERAL SPENDING: FY2006-FY2017

(In US \$Billions. Defense Projection is Before New FY2007 Supplemental)

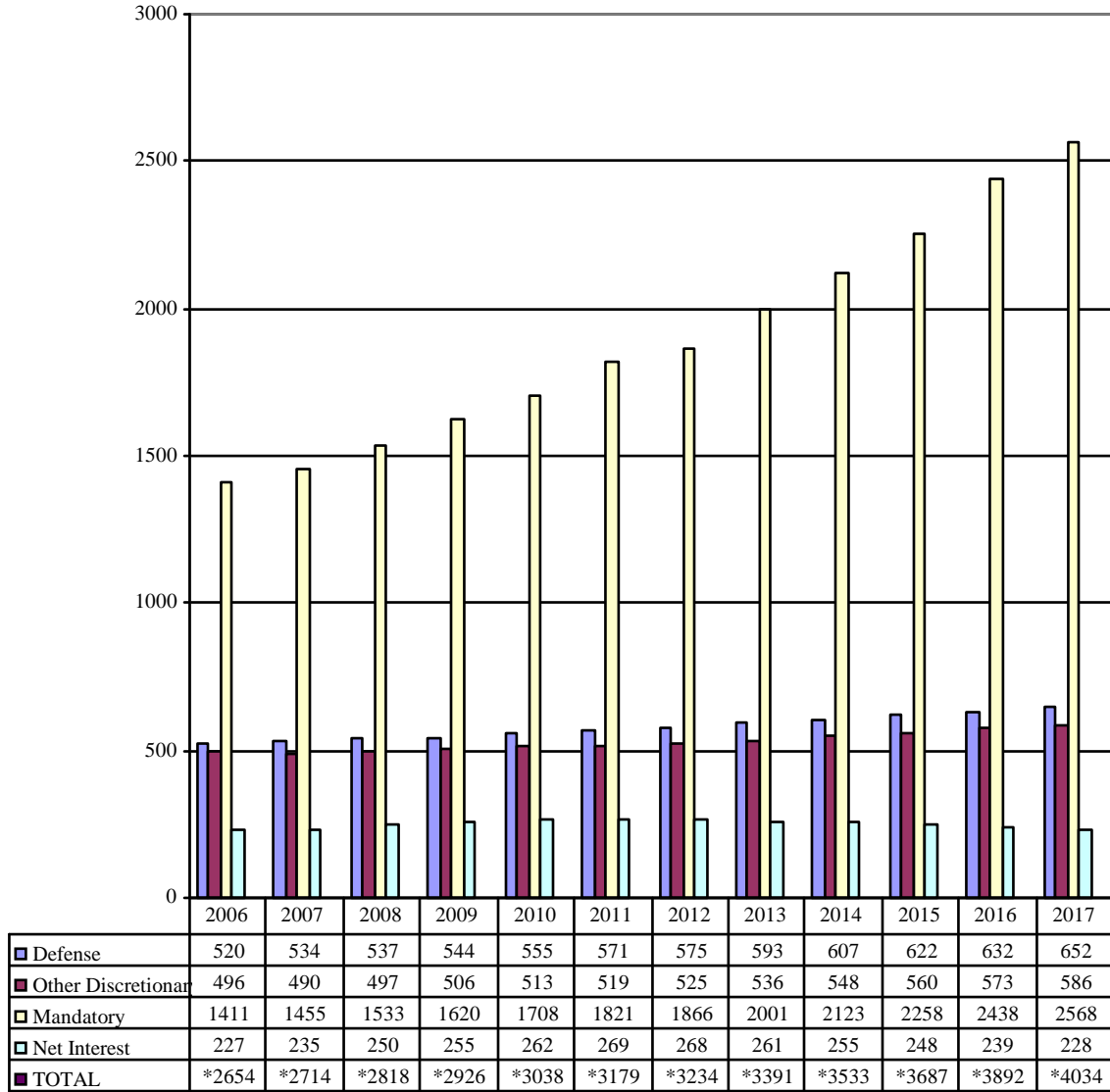


	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
■ TOTAL	*2654	*2714	*2818	*2926	*3038	*3179	*3234	*3391	*3533	*3687	*3892	*4034
□ Net Interest	227	235	250	255	262	269	268	261	255	248	239	228
□ Mandatory	1411	1455	1533	1620	1708	1821	1866	2001	2123	2258	2438	2568
■ Other Discretionary	496	490	497	506	513	519	525	536	548	560	573	586
■ Defense	520	534	537	544	555	571	575	593	607	622	632	652

Source: CBO, February 7, 2007. The Budget and Economic Outlook: Fiscal 2008 to FY2017, January 2007, p. 50.

CBO ESTIMATE OF COMPARATIVE BURDEN OF DEFENSE, MANDATORY, AND OTHER FEDERAL SPENDING: FY2006-FY2017

(In US \$Billions. Defense Projection is Before New FY2007 Supplemental)



Source: CBO, February 7, 2007. The Budget and Economic Outlook: Fiscal 2008 to FY2017, January 2007, p. 50.

FISCAL 2008 DEPARTMENT OF DEFENSE BUDGET REQUEST

- **The President’s 2008 Budget provides \$481.4 billion in discretionary authority for the Department of Defense’s base budget**
 - 62 percent increase over 2001.
 - 11.3 percent increase over the projected enacted level for fiscal 2007, for real growth of 8.6 percent;
- **In addition to base funding, the request includes \$93.4 billion in supplemental appropriations for 2007, and an additional \$141.7 billion in 2008.**
 - *Accompanying the fiscal 2008 Defense base budget and the President’s GWOT request is a request for \$93.4 billion in emergency supplemental funding to cover equipment reconstitution and the cost of operations in the Global War on Terror for the remainder of fiscal 2007.*
 - *Requests \$141.7 billion to continue the fight in the Global War on Terror (GWOT) in fiscal 2008.*
 - Funds urgent needs associated with Operations Enduring Freedom and Iraqi Freedom and other costs of the Global War on Terror; including the costs of repairing, replacing or replenishing equipment lost in combat by both the Active and Reserve Components.
 - Consistent with the direction of Congress to include the cost of ongoing operations in the Global War on Terror with the fiscal 2008 Department of Defense Base Budget.
- **It also includes a \$50 billion allowance for 2009. This combined request will ensure a high level of military readiness, enabling the Department to respond to evolving and adaptive enemies, while sustaining traditional advantages in U.S. conventional warfighting capabilities**
- To date, \$426.8 billion has been provided in supplemental appropriations for the War on Terror; the 2007 and 2008 request would increase this amount to \$ 661.9 billion.

(In billions of dollars)

Enacted							Enacted To Date		Request	Total
2001	2002	2003	2004	2005	2006	2007	2007	2007	2008	
9.3	8.3	62.2	62.0	100.5	114.5	70.0	426.8	93.4	141.7	661.9

KEY GOALS OF THE FY2008 DEFENSE REQUEST – PART ONE*

Developing capabilities to meet future threats: Even as DoD focuses on military operations in Iraq and Afghanistan, it must prepare for future challenges and conflicts through organizational and technological transformations.

- Additional permanent forces: Increase the size of the Army from 482,400 to 547,400 by 2012 and Marine Corps from 175,000 to 202,000 by 2011 to reduce stress on active duty and reserve forces.
- Reorganizing the Army: \$7.6 billion in 2008 to continue the Army's transformation from a division centric force to a modular, flexible force, including the deployment of new Stryker vehicles and upgrades to existing aircraft.
- Expanding Special Operations Command: \$6.2 billion, which will strengthen and expand the Special Operations Command (SOCOM) by adding 3,000 special operators in 2008 and 10,000 special operators over the next five years without compromising training standards.
- Building partnership capacity: \$500 million for building international partnerships and enhancing the military's ability to train and equip allies and provide humanitarian assistance.
- Aligning infrastructure and requirements: \$8.2 billion for DoD to continue its efforts to meet the recommendations accepted by the Base Realignment and Closure Commission.
- Adjusting global posture: \$1.0 billion in 2008 and \$5.3 billion by 2012 to continue to fund an overall restructuring of the military by shifting Cold War bases to new areas of strategic importance.
- Improving technology to support our troops:

The President's 2008 Defense Budget will support our men and women in uniform and transform the military for 21st century threats:

- Supporting operations in the War on Terror
- Developing capabilities to meet future threats;
- Defending the homeland;
- Supporting the all-volunteer force and their families; and
- Strengthening the U.S. intelligence community.
 - o Increase the Predator Unmanned Aerial Vehicle force to 170 aircraft.
 - o Provide \$14.2 billion for Navy shipbuilding, including the first of a new class of aircraft carriers and three Littoral Combat Ships.
 - o Support new global capabilities by providing \$315 million for a new Air Force tanker, \$175 million for conventional Trident missiles, and \$310 million for a missile defense site in Europe.

Defending the Homeland: Provides the resources necessary to deter, detect and defeat attacks against the U.S., its citizens and its infrastructure.

- Cooperative Threat Reduction Program: \$348 million will fund the completion of a chemical weapons destruction facility, provide security upgrades at a Russian warhead storage site and improve nuclear detection capabilities at borders and ports in the former Soviet Union.
- Missile Defense Agency: \$8.9 billion to develop new systems and improve upon existing land and sea based missile defense systems that protect the United States.
- National Guard and Reserve: \$43 billion to recruit, man, train, operate, and equip National Guard and Reserve forces that provide critical military capabilities both at home and abroad.

KEY GOALS OF THE FY2008 DEFENSE REQUEST – PART TWO*

Supporting the all-volunteer force and their families: Continues to ensure service members have the best training and equipment while maintaining a high quality of life for service members and their families and providing the finest treatment, rehabilitation, and future opportunity for personnel wounded in action.

- **Compensating service members:** Includes a three percent pay raise, bringing the total basic pay increases since 2001 to nearly 32 percent. In addition the Administration has added retention bonuses for service members deployed in support of Operations Iraqi Freedom and Enduring Freedom, and enhanced pay, commissary, education and health benefits are made available for all reservists activated for war.
- **Supporting the Severely Injured Support Center:** \$45 million for counseling, assistance and advocacy for wounded service members.
- **Providing access to health care:** \$20.6 billion plus \$1.9 billion in revenue proposals for the Defense Health Program to provide service members and their families with high quality medical care.

Strengthening the U.S. Intelligence Community: Continues robust funding of the Intelligence Community, focusing on human and signals intelligence, data processing, and analytic capabilities.

- **Central Intelligence Agency:** Make progress towards the goal of increasing the number of case officers 50 percent and achieves that goal for analysts.
- **Office of the Director of National Intelligence:** Sustain implementation of the Intelligence Reform and Terrorism Prevention Act and the Residentially-approved recommendations of the 9-11 and Weapons of Mass Destruction Commissions.
- **Information sharing environment:** Improve coordination among agencies that support the War on Terror including information sharing between Federal, State and local authorities.

*Adapted from the OMB Summary provided in February 2007.

TOTAL FY2007 AND FY2008 BASELINE EXPENDITURES

(Discretionary Budget Authority, Dollars in Billions)

	FY07*	FY08	Increase
FY 2008 Title Breakout:			
Military Personnel	111.1	116.3	+5.2
O&M	149.2	164.7	+15.5
Procurement	81.3	101.7	+20.4
RDT&E	75.1	75.1	—
Military Construction	9.3	18.2	+8.9
Family Housing	4.0	2.9	-1.1
Working Capital Funds	2.4	2.5	+0.1
Total	432.4	481.4	+49.0

*Note: FY07 excludes Title IX and includes projected Military Construction/Quality of Life programs

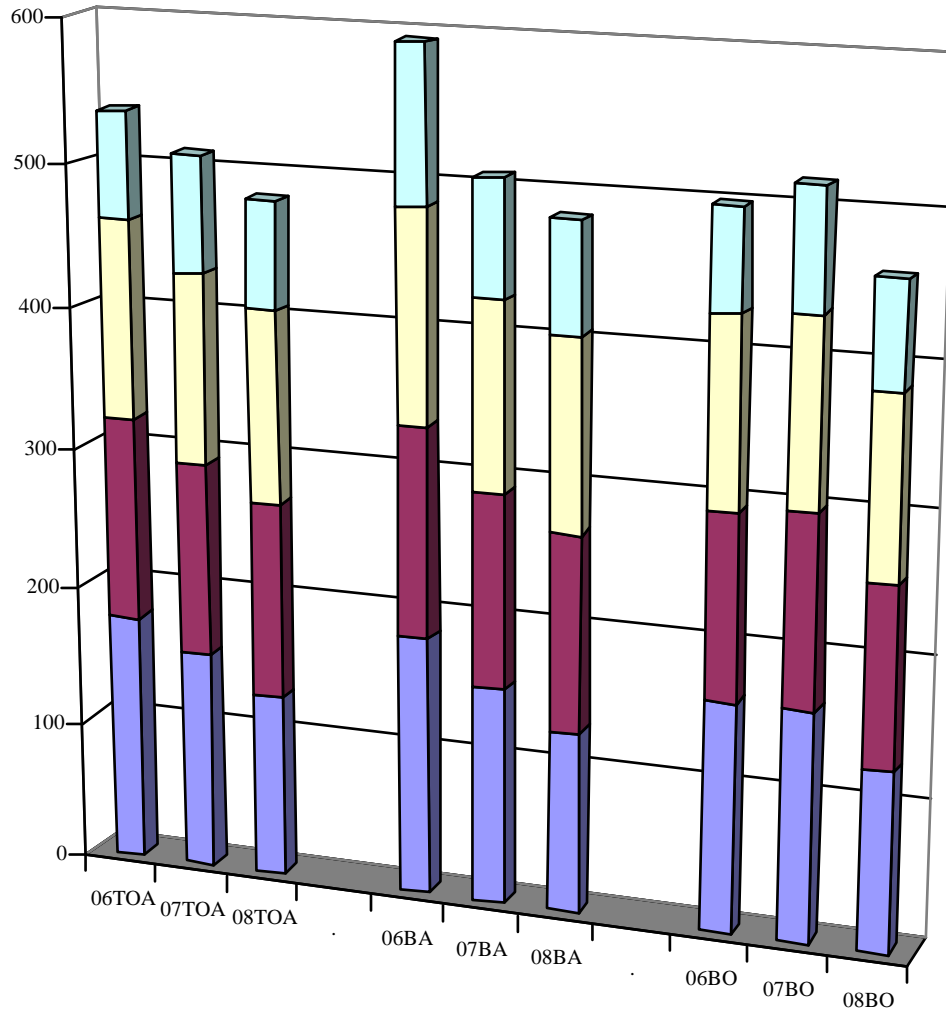
FY 2008 Budget by Service

Army	109.7	130.1	+20.4
Navy	110.3	119.3	+9.0
Marine Corps	16.2	20.5	+4.3
Air Force	128.4	136.6	+8.2
Defense Wide	70.9	74.9	+4.0
BRAC	-3.1	N/A	+3.1
Total	432.4	481.4	+49.0

*Note: FY07 excludes Title IX and includes projected Military Construction/Quality of Life programs

**DEFENSE SPENDING BY SERVICE IN DIRECT BUDGET PLAN (TOA),
BUDGET AUTHORITY (BA) AND OUTLAYS (BO): FY2006-FY2008**

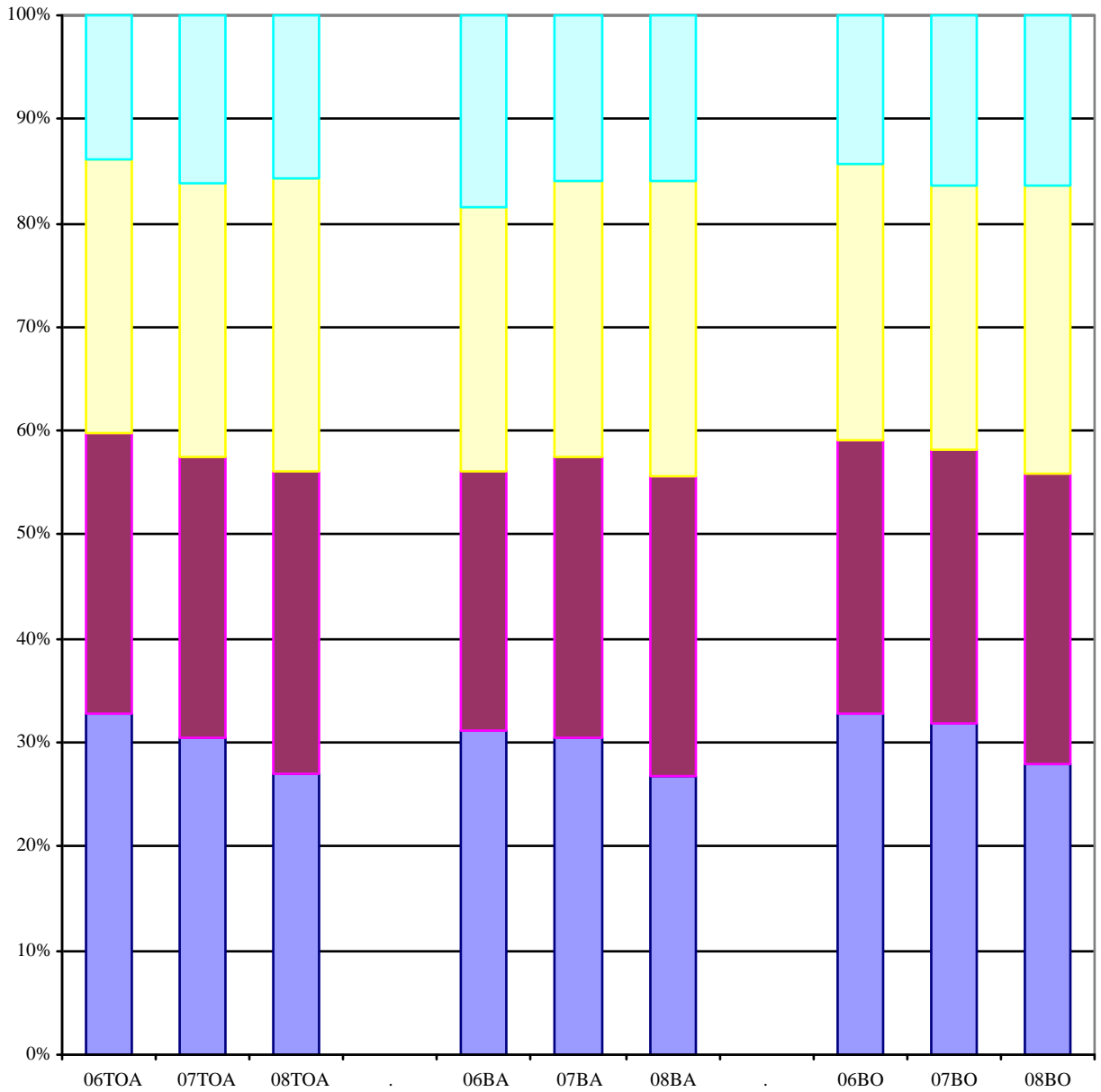
(In US \$Billions)



	06TOA	07TOA	08TOA	.	06BA	07BA	08BA	.	06BO	07BO	08BO
Defense Wide	74.4	82	75.1		109.5	81.1	77.3		71	84.5	74.9
Air Force	140.9	134.8	136.6		150.6	134.1	136.4		132.7	131.6	127.6
Navy	144.6	137.2	139.9		148.7	136.7	139.5		132.3	136	128.7
Army	176.5	155.7	130.1		184.9	155.1	129.6		163.3	164.4	128.5

Source: Department of Defense February 7, 2007, FAD-792/2008 p. 2.

PERCENT OF TOTAL DEFENSE SPENDING BY SERVICE: FY2006-FY2008
(In US \$Billions)

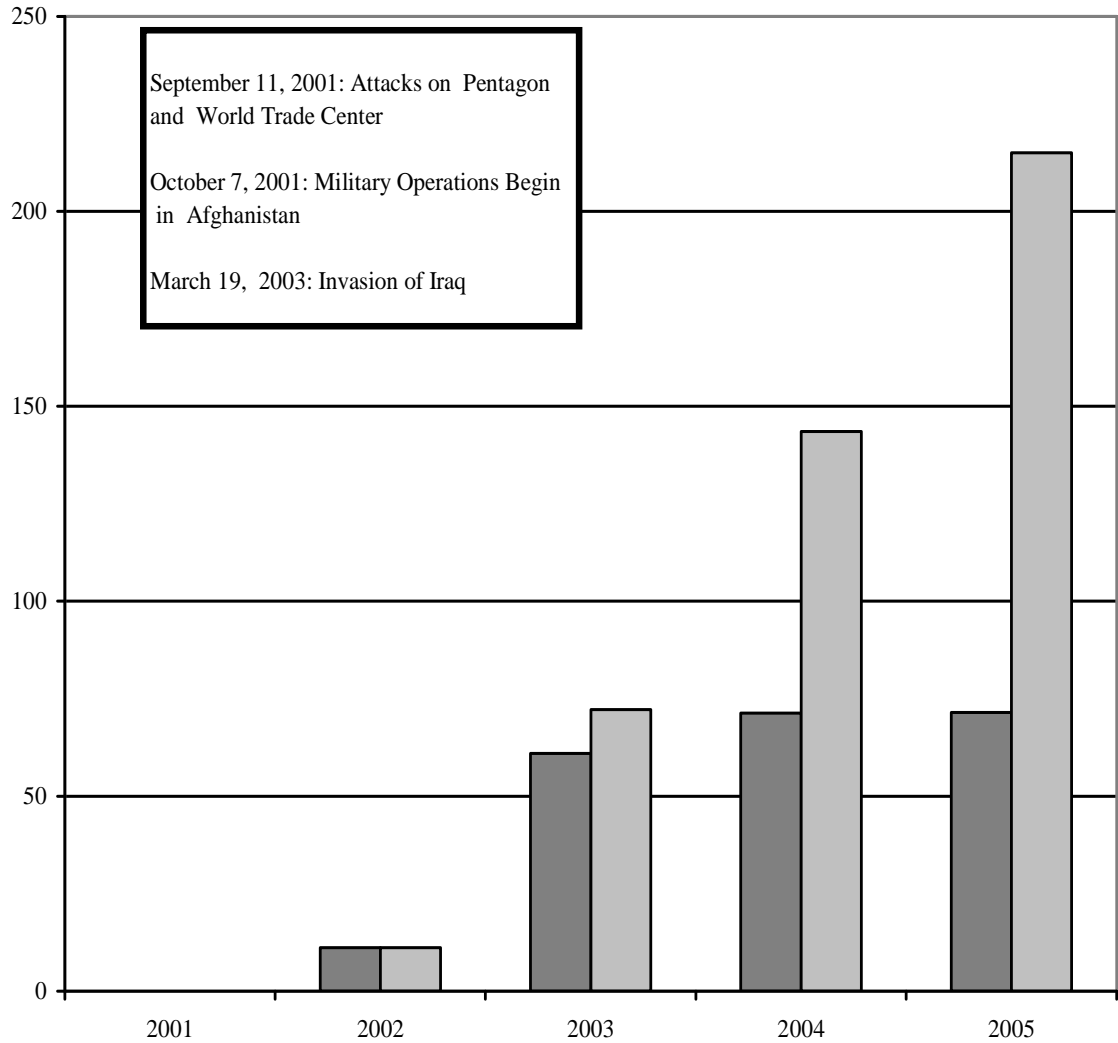


Source: Department of Defense February 7, 2007, FAD-792/2008 p. 2.

INCREASING GROUND FORCE STRENGTH AND CAPABILITY

- Includes funding to increase force structure in both the Army and Marine Corps.
 - Army Active Duty permanent end strength will grow by 7,000 annually starting in FY 2008 until reaching the increase of 65,000 by FY 2012 for a total of 547 thousand.
 - The number of Active Army Brigade Combat Teams (BCTs) will increase from 42 to 48 by FY 2012.
 - Marine Corps end strength will grow annually by 5,000 starting in FY2008 until reaching
 - 27,000 by FY 2011 for a total of 202 thousand.
 - The combined total increase in permanent end strength for Army and Marines will be 92,000 troops by 2012.
 - Marine Expeditionary Forces (MEF) will also rise, growing from 2.5 to 3 balanced MEFs.
 - To accomplish this, the Budget provides \$12.1 billion in FY 2008.
- Army time at home will double -- from the current one year at home station for every year deployed, to two years at home station for every one year deployed. Time at home for Marines will also double – from the present rotation of 7 months at home and 7 months deployed, to 14 months at home station for each deployment of 7 months duration.
- In addition, the Army's continuing conversion to Brigade Combat Teams will reduce the frequency of deployments, again providing more time at home for soldiers and, while also making the Army combat force more flexible, effective, and deployable against a wide variety of adversaries.

**US AUTHORIZED ACTIVE MILITARY AND CIVILIAN ENDSTRENGTH:
FY2006-FY2008**



	Oct-01	Oct-02	Oct-03	Oct-04	Oct-05
■ Annual	0	11.2	61	71.3	71.5
■ Cumulative	0	11.2	72.2	143.5	215

Source: Department of Defense, February 7, 2007.

IMPROVING FORCE READINESS AND SUPPORT

The FY 2008 Defense base budget provides increases to operations and procurement accounts of almost \$36 billion over the projected enacted level in FY 2007.

About \$16.8 billion in these accounts will go to improve readiness.

This additional funding will enable the Department to increase full spectrum training operations on land, at sea, and in the air.

Training operations include increased Combat Training Center rotations, sustained air crew training, and increased ship-deployed steaming days.

IMPROVING JOINT GROUND CAPABILITIES

- Base budget provides \$3.7 billion, a \$0.3 billion increase over the FY 2007 projected enacted budget for the Army’s Future Combat System.
- Major areas of investment include unmanned aerial vehicles, manned and unmanned ground vehicles, non-line of sight launch systems, and battlefield command and communications systems.
- The Future Combat System continues the process of modernizing and integrating ground forces, while increasing the lethality and effectiveness of the individual soldier.

JOINT GROUND CAPABILITIES – COMBAT AND TACTICAL SYSTEMS (\$US BILLIONS)

	Change FY 08				
	FY 07	FY 08	FY 07/08	Qty	
FCS Future Combat System	3.4	3.7	+0.3		-

Note: Dollar figures are RDT&E only. FCS has no procurement.

IMPROVING JOINT MARITIME CAPABILITIES

- Defense base budget provides \$14.4 billion for ship building. This is an increase of about \$3.2 billion over the FY 2007 projected enacted budget to continue the modernization and recapitalization of the fleet.
- In FY 2008, the Defense base budget funds one aircraft carrier (CVN-21), one Virginia class submarine (SSN), one Amphibious Assault Ship (LPD), one Logistics Ship (T-AKE), and three Littoral Combat Ships (LCS),
- Continues building the two lead Destroyers of the DDG-1000 class and LHA(R) amphibious assault ship.
- In addition, the Army contributes one Joint High Speed Vessel (JHSV).

JOINT MARITIME CAPABILITIES – COMBAT AND TACTICAL SYSTEMS (\$US BILLIONS)

	<u>Change FY 08</u>			
	<u>FY 07</u>	<u>FY 08</u>	<u>FY 07/08</u>	<u>Qty</u>
DDG-1000* Destroyer	2.6	3.0	+0.4	0
CVN-21 * Carrier Replacement Program	1.1	2.8	+1.7	1
LPD-17 San Antonio Class Amphib Ship	0.4	1.4	+1.0	1
LHA * LHA Replacement	1.1	1.4	+0.3	-
LCS Littoral Combat Ship	0.5	0.9	+0.4	3
T-AKE Auxiliary Dry Cargo Ship	0.5	0.5	-	1
RCOH CVN Refueling Complex Overhaul	1.1	0.3	-0.8	-
DDG-51 Destroyer	0.4	0.1	-0.3	-
JHSV Joint High Speed Vessel (Army)	0.0	0.2	+0.2	1
SSN 774 Virginia Class Submarine	2.6	2.5	-0.1	1
Auxiliaries, Craft, and Prior Year	0.9	1.3	+0.4	-
Total	11.2	14.4	+3.2	8
F-35 Joint Strike Fighter	5.0	6.1	+1.1	12
F-22 Raptor	4.0	4.6	+0.6	20
F/A-18E/F Hornet	3.0	2.6	-0.4	24
E/A-18G Growler	1.0	1.6	+0.6	18
V-22 Osprey	2.1	2.6	+0.5	26
UAV Global Hawk	0.7	0.9	+0.2	5
UAV Predator	0.5	0.7	+0.2	28
Aircraft Enhancements	6.6	7.9	+1.3	-
Total	22.9	27.0	+4.1	-

IMPROVING JOINT AIR CAPABILITIES

- FY 2008 Defense base budget provides \$27.0 billion, increase of about \$4.1 billion over the FY 2007 projected enacted budget
- Funds acquisition of 20 F-22As, 18 EA-18Gs, 24 F/A-18 aircraft, 26 V-22 aircraft, Unmanned Aerial Vehicles,
- Continues development and procurement of 12 Joint Strike Fighter (F-35) aircraft, as well as enhancements to existing aircraft.

JOINT AIR CAPABILITIES – COMBAT AND TACTICAL SYSTEMS (\$US BILLIONS)

Change FY 08

	<u>FY 07</u>	<u>FY 08</u>	<u>FY 07/08</u>	<u>Qty</u>	
F-35 Joint Strike Fighter		5.0	6.1	+1.1	12
F-22 Raptor		4.0	4.6	+0.6	20
F/A-18E/F Hornet		3.0	2.6	-0.4	24
E/A-18G Growler		1.0	1.6	+0.6	18
V-22 Osprey		2.1	2.6	+0.5	26
UAV Global Hawk		0.7	0.9	+0.2	5
UAV Predator		0.5	0.7	+0.2	28
Aircraft Enhancements		6.6	7.9	+1.3	-
Total		22.9	27.0	+4.1	

IMPROVING SPACE-BASED AND MISSILE DEFENSE CAPABILITIES

- Provide continued space-based command and control, navigation, strategic/tactical communications, and meteorological information,
- Defense base budget provides \$6.0 billion, an increase of about \$1.2 billion more than the enacted budget in FY 2007.
- FY 2008 Defense base budget continues development of the Space Based Infrared System – High (SBIRS-H) satellite, the Transformational Communications Satellite (TSAT), the Advanced Extremely High Frequency Satellite, Environmental Satellites, and the next generation NAVSTAR Global Positioning System (GPS) satellite.

SPACE AND MISSILE DEFENSE CAPABILITIES – (\$US BILLIONS)

	<u>Change FY 08</u>			
	<u>FY 07</u>	<u>FY 08</u>	<u>FY 07/08</u>	
EELV Evolved Expendable Launch Vehicle	0.9	1.2	+0.3	5
SBIRS-H Space Based Infrared System	0.7	1.1	+0.4	
TSAT Transformational Satellite	0.7	1.0	+0.3	-
GPS Global Positioning System	0.6	0.9	+0.3	-
MUOS Mobile User Objective System	0.7	0.8	+0.1	-
AEHF Advanced EHF Satellite	0.6	0.6	-	-
WGS Wideband Gapfiller System	0.4	0.3	-0.1	1
MLV Medium Launch Vehicles	0.2	0.1	-0.1	-
Total		4.8	6.0	+1.2
MD Missile Defense **	9.4	8.9	-0.5	70
PM CAP Patriot Meads CAP	0.9	0.9	-	108
JTAMDO	0.1	0.1	-	0.5
Total		10.4	9.9	-0.5

IMPROVING THE QUALITY OF MILITARY LIFE

- The 2008 Defense base budget increases military pay by 3 percent over FY 2007.
 - Since 2001, military pay has increased by an average of 32 percent.
 - In FY 2008, the average enlisted E-6 (Sergeant) will see his or her pay increase by \$1,099. The average O-3 (Air Force Captain of Navy Lieutenant) will see a pay increase of \$1,657 in FY 2008.
- FY 2008 Defense base budget provides \$15.0 billion an additional \$1.6 billion over the FY 2007 projected enacted budget to increase the basic housing allowance by 4.2 percent, to ensure no out-of-pocket housing costs for service personnel, and to continue the privatization of housing units for military families.
- Defense Base Budget also provides \$38.7 billion in FY 2008 for health care for military personnel and their families.
- Department of Defense will seek legislative support to maintain exceptional benefits for those who serve by placing the TRICARE program on a fiscally sound foundation for the long-term.
- Other areas of investment include:
 - An increase of \$1.9 billion over the FY 2007 projected enacted budget to improve the quality of life at military installations worldwide, and
 - Additional \$5.7 billion to continue the strategic realignment of our forces through the BRAC process.

FY 2008 GLOBAL WAR ON TERROR REQUEST

- *FY 2008 Global War on Terror Request provides a total of \$141.7 billion to fund urgent needs associated with the Operations Enduring and Iraqi Freedom, and other incremental costs of the global war on terror through all of FY 2008.*
 - Request includes \$70.6 billion to sustain warfighting operations, and to provide supplies, support, and maintenance.
 - In addition, \$15.2 billion is requested for force protection and defeating improvised explosive devices (IEDs), including \$4.0 billion for the development and fielding of measures to defeat IEDs.
 - Provides \$2.7 billion to sustain military intelligence requirements for the Global War on Terror.
- *Iraqi and Afghan Security Forces:*
 - To speed the transition of responsibility for security to Iraqi control, the FY 2008 Global War on Terror Request provides \$2.0 billion to train and equip Iraqi Security Forces and help them achieve self-reliance.
 - Another \$2.7 billion is provided for the training and equipping Afghan Security Forces (ASF) capable of conducting independent counterinsurgency operations to defeat the threat today and provide for the long-term security and stability of Afghanistan.
- *To assist Coalition allies and help military commanders on the ground carry out their security and stabilization mission, the FY 2008 Global War on Terror Request provides \$1.7 billion for Coalition Support and \$1.0 billion for the Commander's Emergency Response Program.*
- *Request includes \$.7 billion for operational construction projects in direct support of GWOT.*
- *Reconstituting the Force:* To maintain a high state of military readiness and restore a necessary depth of military capability and preparedness, request includes \$37.6 billion to repair or replace equipment lost or damaged to combat and to reset the force to a ready warfighting condition.
- *Enhancing Ground Forces:* About \$1.6 billion is provided to sustain two additional Army brigade combat teams and three Marine battalions that were accelerated into FY 2007 to meet deployment requirements

THE FY 2007 EMERGENCY SUPPLEMENTAL

- Submitted at the same time as the FY 2008 Budget Submission, the President's FY 2007 Emergency Supplemental requests \$93.4 billion to cover the cost of operations in the Global War on Terror for the remainder of FY 2007.
 - FY 2007 Supplemental is in addition to the \$70 billion previously provided by Congress.
- *Continuing the Fight:* To continue combat operations in the Global War on Terror, including Iraq and Afghanistan, the FY 2007 Supplemental provides:
 - \$39.3 billion to sustain warfighting operations, including supplies, support and maintenance;
 - • \$10.4 billion for force protection and IED Defeat, which includes improved armor for personnel and vehicles; this includes \$2.4 billion for the development and fielding of counter-IED measures
 - • \$3.8 to train and equip Iraqi Security Forces and \$5.9 billion to train and equip Afghan Security Forces
 - • \$2.7 billion for military intelligence; and
 - • \$1.1 billion for critical military construction projects in direct support of deployed troops.
- *Reconstituting the Force:* To maintain a high state of military readiness and restore a necessary depth of military capabilities and preparedness, the FY 2007 Supplemental provides \$13.9 billion to repair or replace equipment lost or damaged in combat.
- *Enhancing Ground Forces:* The FY 2007 Supplemental request also invests \$1.7 billion to support the permanent end strength increases for the Army and Marine Corps forces in order to strengthen the U.S. Military.

BREAKOUT OF FY 2008 GLOBAL WAR ON TERROR REQUEST (in \$US Billions)

	FY 2006 ¹			FY 2007			FY2008
	Title IX	Supplemental	Total	Title IX	Supplemental	Total	
Funding by Functional Category							
Continuing the Fight							
Operations	31.8	35.3	67.2	30.6	39.3	69.9	70.6
Force Protection	1.7	3.7	5.4	3.4	8.0	11.4	11.2
IED Defeat	1.3	2.0	3.3	1.9	2.4	4.3	4.0
Military Intelligence Program	.2	1.3	1.5	.8	2.7	3.5	2.7
Iraq & Afghan Security Funds	-	4.9	4.9	3.2	9.7	12.9	4.7
Coalition Support	-	1.2	1.2	.9	1.0	1.9	1.7
CERP	.5	.4	.9	.5	.5	1.0	1.0
Military Construction	-	.2	.2	-	1.1	1.1	.7
Regional War on Terror	-	-	-	-	-	.3	.3
Modularity	1.2	3.8	5.0	-	-	-	-
Reconstituting the Force							
Reconstitution	9.0	10.2	19.2	23.6	13.9	37.6	37.6
Enhancing Ground Forces							
U.S. Forces "Plus Up"	-	-	-	-	5.6	5.6	-
BCTs / RCT	-	-	-	-	3.6	3.6	1.6
Grow the Force	-	-	-	-	1.7	1.7	-
Non-DoD Classified & Non-GWOT	2.7	3.0	5.7	5.1	3.6	8.7	5.9
Total	48.52	66.0	114.5	70.0	93.4	163.4	141.7

	FY 2006 ¹			FY 2007			FY2008
	Title IX	Supplemental	Total	Title IX	Supplemental	Total	
Funding by Appropriation Title							
Military Personnel	6.1	10.3	16.4	5.4	12.1	17.5	17.1
Operation and Maintenance	29.2	30.0	59.2	37.6	37.2	74.7	71.4
Procurement	6.5	13.9	20.4	16.6	23.1	39.7	32.9
Research and Development	.01	.1	.1	.2	.7	.9	2.0
Military Construction	-	.2	.2	-	1.9	1.9	.9
Iraqi Freedom Fund /JIEDDO	1.4	1.9	3.3	2.0	2.6	4.6	4.1
Defense Health Program	-	1.2	1.2	-	1.1	1.1	1.0
Iraq and Afghan Security Forces	-	4.9	4.9	3.2	9.7	12.9	4.7
Working Capital Fund	2.5	.5	3.0	-	1.3	1.3	1.7
Subtotal	45.7	63.1	108.8	64.9	89.8	154.6	135.7
Non-DoD Classified & Non-GWOT	2.8	3.0	5.7	5.1	3.6	8.8	5.9
Total	48.52	66.0	114.5	70.0	93.4	163.4	141.7

¹ Reflects FY 2006 Enacted amounts Numbers may not add due to rounding

² Does not include \$1.5B for Non-GWOT activities

GLOBAL WAR ON TERROR

President Bush transmitted to Congress a request for additional funding to continue the Global War on Terror through the end of this fiscal year and a detailed estimate for 2008 funding, including those funds needed to address extraordinary emergency requirements.

These requests will ensure U.S. military forces can successfully carry out the Global War on Terror missions. This funding will also build on current efforts to train Iraqi and Afghan military and police units and assist both countries in promoting national reconciliation and spurring economic growth.

The request includes:

<u>Components of War on Terror Requests (\$ in billions)</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
• Department of Defense (includes Classified activities)	\$93.4	\$141.7	\$50.0
• Department of State and other international operations		6.0	3.3
• Other agencies		0.2	0.3
Total	\$99.6	\$145.2	\$50.0

Funds requested in 2007 are in addition to the \$70 billion already enacted by Congress for the War on Terror this year. For the first time, the President's budget contains the estimated, full-year costs of the war in 2008, as well as another \$50 billion in 2009.

PROVIDING THE RESOURCES TO WIN THE WAR ON TERROR IN IRAQ AND AFGHANISTAN*

Ongoing Military Operations: The President is committed to providing our troops with the resources and equipment they need. The request honors this commitment with –

- \$43.4 billion for 2007 and \$74 billion for 2008 for ongoing military and intelligence requirements in Operation Enduring Freedom and Operation Iraqi Freedom.
- \$10.4 billion for 2007 and \$15.2 billion for 2008 to provide greater force protection to U.S. military forces including countering improvised explosive devices.
- \$1.5 billion for 2007 and \$2.7 billion in 2008 to support coalition partners and the Commander's Emergency Response Program that provides urgent humanitarian relief.

Supporting and Expanding our Diplomatic Presence in Iraq and Afghanistan: The President's request includes \$877 million in 2007 and \$1.9 billion in 2008 for the extraordinary security and operating costs to support U.S. embassy operations and diplomatic activity in Iraq and Afghanistan, including doubling our civilian presence outside of the "Green Zone" in Iraq. The request includes \$35 million in 2007 to continue the Special Inspector General for Iraq Reconstruction oversight activities.

Strengthening Iraqi Self-Reliance:

- **Helping Iraqis Take the Lead:** The President is committed to helping the Iraqis implement their plans to support security, promote national reconciliation, and spur economic growth.
 - o The President is requesting \$5.6 billion to deploy reinforcement of more than 20,000 additional soldiers and Marines to Iraq to help Iraqi forces to clear and secure neighborhoods, and serve as advisers embedded in Iraqi Army units. With Iraqis in the lead, our forces will help secure the city of Baghdad by chasing down the terrorists, insurgents, and the roaming death squads. Included in the reinforcement total are 4,000 Marines that will be sent to Anbar Province to find the terrorists and clear them out.
 - o The President requests \$3.8 billion in 2007 and \$2 billion in 2008 to accelerate training for the Iraqi security forces so they can take on responsibility for the security of their country.
 - o The request includes \$2.3 billion in 2007 and \$966 million in 2008 in foreign assistance to Iraq and complements Iraq's plan to spend \$10 billion in 2007 on capital infrastructure and reconstruction projects. The U.S. funding will: strengthen local and national government capacity to better serve the Iraqi people; create new jobs that will augment the Iraqi jobs program; and assist and protect Iraqi refugees in neighboring countries and displaced persons within Iraq. As previously noted, the request also includes \$350 million in 2007 and \$767 million in 2008 for the Commander's Emergency Response Funds to enable commanders to respond to humanitarian and reconstruction requirements. The deployment of civilians with military forces will help commanders use these resources effectively and in concert with other civilian programs.

Stabilizing Afghanistan Against the Insurgency:

- **Security Forces:** The President requests \$5.9 billion in 2007 and \$2.7 billion in 2008 for expedited training of the Afghan security forces. Activities include training, equipping, personnel support, and developing the capacity of government ministries to maintain forces.
- **Supporting Critical Reconstruction Needs:** The President is committed to strengthening the Government of Afghanistan and improving the quality of life of the Afghan people. To this end, the request includes \$698 million in 2007 and \$339 million in 2008 to build roads in districts and provinces targeted by the insurgents, expand power supply to priority locations, intensify rural development efforts in poppy-producing provinces, provide food aid and strengthen national and local governance. As previously noted, the request also includes \$106 million in 2007 and \$211 million in 2008 for the Commander's Emergency Response Funds to enable commanders to respond to humanitarian and reconstruction requirements. Accelerating reconstruction efforts is a critical component of the strategy to stabilize the country against the Taliban and other insurgents.

Classified Activities: The requests include \$3.6 billion in 2007 and \$5.9 billion in 2008 for classified military and intelligence activities, including the National Counterterrorism Center.

Other agencies: The requests include \$176 million in 2007 and \$147 million in 2008 for FBI and other Department of Justice anti-terrorism efforts in Iraq, Afghanistan, and the United States and to support the work of the Iraq Threat Finance Cell.

OTHER MAJOR GLOBAL WAR ON TERROR ACTIVITIES*

Ensuring Our Armed Forces Remain Well-Equipped And Organized:

- **Repairing and Replacing Damaged Equipment:** The President requests \$13.9 billion in 2007 and \$37.6 billion in 2008 to refurbish or replace equipment worn out or damaged through use in Operation Enduring Freedom and Operation Iraqi Freedom. This funding is critical to keeping deployed forces and those next to deploy well equipped and ensures military readiness for future threats.

Preventing weapons of mass destruction from falling into the hands of terrorists:

- The President requests \$63 million in FY 2007 and \$50 million in FY 2008 to accelerate U.S. efforts to secure vulnerable nuclear and radioactive material overseas from diversion or theft by terrorists or states of concern

Expanding the Force:

- **Building U.S. military capacity:** The requests include \$5.3 billion in 2007 and \$1.6 billion in 2008 to accelerate two brigade combat teams for the Army, add a regimental combat team to the Marine Corps, and begin investing in the equipment and infrastructure necessary to outfit and house new personnel to be recruited in 2008. These investments will increase the total deployable force and therefore reduce the strain on the force.

Strengthening Lebanon:

The President's request includes \$770 million in 2007 for a comprehensive economic and security package to support the democratic government of Lebanon, including \$300 million in economic assistance, \$286 million in security assistance and \$184 million to support the United Nations Peacekeeping Force (UNIFIL).

Fighting Avian Influenza:

The supplemental provides \$161 million in 2007 to improve preparedness, surveillance and detection to enhance international capabilities and enable foreign governments around the world to more quickly respond to H5N1 outbreaks wherever they occur.

Winning the War of Ideas, Promoting Good Governance and Providing Emergency Humanitarian Relief and Peacekeeping support:

- **Winning the War of Ideas:** The request includes \$50 million in 2007 to increase outreach to the Muslim audiences with additional television programming, expanded education and cultural exchanges, and enhanced public diplomacy programs.
 - o **Sudan:** The President is committed to improving the security situation in Darfur and in implementing the Comprehensive Peace Agreement in Southern Sudan. The request includes \$362 million in 2007 for emergency humanitarian assistance, emergency food aid, and peacekeeping needs in Darfur and Southern Sudan.
 - o **Somalia:** The 2007 request includes \$40 million for peacekeeping operations and \$20 million for humanitarian aid to stabilize the humanitarian and security situation in Somalia.
 - o **Kosovo:** The supplemental includes \$279 million in 2007 for a one-time assistance package to be provided after resolution of Kosovo's status to promote stability and economic growth, enable quicker reduction of U.S. troop presence in Kosovo, prevent additional debt-service costs, and leverage greater contributions from other donors.

FY2008 HOMELAND SECURITY PROGRAM – ONE*

Prioritizing comprehensive immigration reform: The Administration is dedicated to comprehensive reform of America's immigration laws by increasing border security and interior enforcement, and working with Congress to establishing a Temporary Worker Program without animosity and without amnesty.

The 2008 Budget makes good on the President's commitment to tighten security at our borders:

- Hiring 3,000 new Border Patrol agents: \$3.6 billion, an increase of 27 percent over 2007 Budget to continue the President's efforts to double the size of the Border Patrol.
- Secure Border Initiative (SBI): One billion dollars to secure our borders and reduce illegal immigration through comprehensive upgrading of technology and infrastructure used in controlling our border.
- Maintaining the end of "Catch and Release": \$2.2 billion to detain and remove those apprehended while in the United States illegally.
- Partnering with state and local law enforcement: o \$78 million, a \$26 million increase for the 287 (g) program, will provide funding to train state and local law enforcement officials to assist in immigration enforcement. o \$179 million, a \$29 million increase, for the Criminal Alien Program for identifying criminal aliens in Federal, State and local prisons and removing them from the country.
- Basic Pilot Program: \$30 million to support and expand the voluntary web-based program that helps U.S. employers verify the employment eligibility of employees and avoid hiring an unauthorized worker.
- Better screening techniques: o US-VISIT: \$462 million to enhance the Federal Government's screening abilities by expediting the entry and exit of legal travelers, while focusing on identifying travelers who seek to harm the United States. Includes \$228 million to identify visitors and to assist with law enforcement investigations by collecting 10 fingerprints at the Nation's ports of entry and to begin the implement a biometric exit program.

Protecting All Modes of Transportation:

- Transportation Security Administration (TSA): \$6.3 billion to manage security risks to the U.S. transportation systems while ensuring freedom of movement of people and commerce. These resources will primarily strengthen aviation transportation systems through improved technology and highly trained personnel.
- Over \$865 million for advanced technologies to detect explosives in the aviation environment, including explosives on passengers, in their baggage, and in air cargo.

FY2008 HOMELAND SECURITY PROGRAM – TWO*

The President's 2008 Budget will secure the homeland by:

- Prioritizing comprehensive immigration reform;
- Protecting all modes of transportation from attacks by terrorists;
- Preparing the Nation for public health emergencies;
- Protecting the homeland from nuclear threats and improving chemical security; and
- Providing a stronger federal response to all hazards, including acts of terrorism.
- Port Security: Nearly \$3 billion to enhance the security of U.S. ports through enhanced systems, assets, and training.
- \$529 million for cargo security initiatives including, the Container Security Initiative, Customs Trade Partnership against Terrorism, Automated Commercial Environment (ACE) and the Secure Freight Initiative.
- \$97 million for Maritime Domain Awareness activities including intelligence collection and analysis through the Global Maritime Intelligence Integration, system's architecture and ship tracking systems like Automated Information Systems (AIS).
- \$210 million for Port Security Grants to the owners and operators of ports, terminals, and vessels for security enhancements at the Nation's seaports.
- State and local transportation security: \$196 million to fund projects which enhance security on mass transit, passenger bus and rail, and highways nationwide.
- \$175 million for Transit Security Grants to mass transit systems in high-risk urban areas for preparedness activities related to terrorism or other incidents.
- \$12 million for Intercity Bus Security Grants to owners/ operators of fixed-route, intercity bus services serving high-risk urban areas.
- \$9 million for Trucking Industry Security Grants which support the Highway Watch Program's preparedness activities on the Nation's highways.

Preparing the Nation for public health emergencies:

- Protecting the Nation from bio-terror and other public health emergencies: Nearly \$4.3 billion in the Department of Health and Human Services to improve the Nation's ability to prepare for, respond to and recover from bio-terror attacks and other public health emergencies.
 - o \$2.5 billion to research, develop and acquire countermeasures to harmful agents.
 - o Public health emergency preparedness: Expands Federal public health emergency preparedness capabilities and capacities.
 - o \$1.1 billion in upgrades for State and local governments and hospitals so they can better manage bio-terror and other public health emergencies.
- Protecting against an influenza pandemic: \$870 million to improve preparedness for an influenza pandemic including the development of a pandemic vaccine and buying antiviral medications and medical supplies for stockpiles.
 - o \$322 million in addition pandemic preparedness funding for influenza pandemic preparedness through the Centers for Disease Control and Prevention, National Institutes of Health, the Food and Drug Administration and the HHS Office of the Secretary.

FY2008 HOMELAND SECURITY PROGRAM – THREE*

Protecting the homeland from nuclear threats and improving chemical security:

- Domestic Nuclear Detection Office (DNDO): \$562 million, a 17 percent increase over 2007, to deploy systems to detect, report and respond to any attempt to import or assemble a nuclear or radiological materials within the United States. o \$178 million to deploy fixed and mobile radiation monitors at high-risk points of entry throughout the country.
- Securing the Cities: \$30 million for a new initiative to improve DNDO's ability to detect nuclear or radiological materials in and around the Nation's biggest cities and busiest seaports.
- Secure Freight Initiative: Enhances overseas nuclear and radiological screening of U.S. - bound containers.
- Chemical Security: Seeks an additional \$25 million to enhance security measures at high-risk chemical facilities and protect against terrorist attacks.

Providing a Stronger Federal Response As a result of the President's initiative to conduct an in-depth review of the Federal response to Hurricane Katrina and implement the National Strategy for Homeland Security, the Administration proposes several enhancements to the Federal Emergency Management Agency (FEMA) to better prepare for, mitigate against, respond to, and recover from all hazards, including acts of terrorism.

- The Budget reflects the transfer of several preparedness missions to be better coordinated with operational personnel and State and local governments through FEMA regions.
- The Budget proposes an additional \$100 million for enhancements in FEMA operational capabilities, including a revitalization of personnel development, recruitment, and retention.

DEFENSE RELATED STATE AND INTERNATIONAL PROGRAMS

Strengthening Democracy and self-sufficiency in Iraq and Afghanistan:

- Supporting freedom in Iraq: Assist the Iraqi government in promoting national reconciliation, building democratic institutions, and spurring economic growth.
 - o \$400 million to create jobs, build the capacity of Iraqi ministries, help local officials improve infrastructure, and help Iraqis create a fair legal system;
 - o \$966 million in war supplemental assistance programs to complement our military and strategy objectives in Iraq; and
 - o \$449 million in war supplemental to double the number of Provincial Reconstruction Teams (PRTs) and civilian staffing to accelerate building local community capacity.
- Building a stable Afghanistan: Support the President's commitment to Afghanistan's transition to a free and modern nation.
 - o \$1.2 billion to generate economic growth, improve Afghanistan's infrastructure, create jobs, and extend the reach of the democratic government to remote areas of the country; and
 - o \$370 million for war supplemental programs that continue funding for high priority infrastructure needs such as roads and power.

Spreading hope and freedom around the world: The President is committed to supporting democratic movements with the goal of ending tyranny in the world.

- Promoting democratic transitions: To advance this goal, the Budget provides \$460 million for programs that foster independent media sources, pluralist political parties, voter education, election monitoring, and human rights in non-democratic countries and \$988 million to promote governance and rule of law in countries committed to reform. The Budget also provides \$80 million for the National Endowment for Democracy.
- Winning the war of ideas: Promoting democracy and countering violent extremism through improving the world's understanding of the United States and improving our understanding of the world is a critical component of the Global War on Terror. The President's Budget funds broad outreach to developing and oppressed countries around the world through international broadcasting, exchanges, and public diplomacy.
 - o \$668 million for the Broadcasting Board of Governors to support radio, television, and internet broadcasting worldwide, including throughout the Middle East and in Iran, Cuba and North Korea.
 - o \$486 million for education and cultural exchanges and \$359 million for public diplomacy to foster mutual understanding between the United States and other countries and combat violent extremism, particularly in the Muslim world.

OTHER STATE DEPARTMENT EFFORTS

The President's 2008 Budget will enhance diplomacy to continue the important work of creating a more secure, democratic, and prosperous world by:

- Strengthening democracy and self-sufficiency in Iraq and Afghanistan;
- Spreading hope and freedom around the world;
- Preventing and responding to global challenges and humanitarian needs; and
- Supporting transformational diplomacy and development.

Preventing and responding to global health challenges and humanitarian needs:

- The President's Emergency Plan for AIDS Relief (PEPFAR): \$5.4 billion to continue the President's signature HIV/AIDS program. Of this amount \$4.2 billion will directly support the President's goals of treating 2 million people, preventing 7 million new infections, and caring for 10 million people in 15 focus countries around the world. An additional \$1.2 billion will fund worldwide HIV/AIDS bilateral programs, research, and contributions to multilateral organizations.
- President's Malaria Initiative for Africa (PMI): \$300 million to reduce malaria-related deaths by 50 percent in 15 target countries in Africa. Aid from the American people has already reached five million Africans.
- Humanitarian needs: \$2.3 billion to respond to and help victims of humanitarian crises abroad.
 - o Funding to protect and provide basic life support assistance for refugees, conflict victims and displaced persons.
 - o Assistance to resettle 70,000 refugees in the United States; and
 - o Food, water, shelter and sanitation to support the victims of violence in the Darfur region.

Supporting transformational diplomacy and development: The United States is working with partners around the world to build and sustain peaceful, democratic states.

- Extending our reach: The Budget includes funds to reposition State Department personnel overseas to support new priorities, improve language training of U.S. personnel, increase security staff to protect U.S. personnel overseas, and maintain a deployable staff to react quickly to situations overseas.
- Measuring and enhancing impact: The 2008 Budget is the first developed under a new foreign assistance framework to improve accountability, transparency, and strategic coherence of U.S. foreign aid. The new Director of Foreign Assistance will ensure that U.S. foreign aid is having its desired impact and that U.S. resources are effective in helping countries strengthen democratic institutions and, ultimately, become self-sufficient.
- Protecting and supporting our people: The Budget continues the Capital Security Cost Sharing Program that will enable the U.S. to construct 150 safe and secure embassy compounds by 2018. The 2008 Budget funds construction of 11 new diplomatic facilities.
- Promoting democracy through good governance: The Budget provides \$3 billion for the Millennium Challenge Corporation to reduce poverty around the world in countries whose leaders are committed to ruling justly, investing in their people, and supporting economic freedom. The Millennium Challenge Corporation has already awarded compacts to 11 countries.
- Supporting private sector engagement in development: The 2008 Budget provides for the Export-Import Bank to be self-financed while continuing to provide financing to U.S. companies exporting to developing and emerging markets that lack sufficient private sector financing and that face government sponsored foreign competition.
- Combining trade with effective aid: As we pursue an aggressive trade agenda to open markets and promote trade reforms worldwide, capacity building (Aid for Trade) efforts continue to benefit U.S. exporters and developing country partners since these programs help build the legal, administrative,

and physical infrastructures in developing countries, that help create more predictable and enforceable trading regimes.