

## Defense

The President's 2007 Budget continues the successful pro-growth policies that have encouraged robust economic growth and job creation. A strong economy, together with spending restraint, is critical to reducing the deficit. The Budget builds on last year's successful spending restraint by again holding the growth of overall discretionary spending below inflation, proposing to reduce non-security discretionary spending below the previous year's level, and calling for the elimination or reduction of programs not getting results or not fulfilling essential priorities. Like last year, the budget proposes savings and reforms to mandatory spending programs, whose unsustainable growth poses the real long-term danger to our fiscal health.

The President's 2007 Budget continues to focus resources on the Administration's top priority: winning the War on Terror. While this effort requires a comprehensive, coordinated use of all instruments of national power, our Nation's military is tasked with the frontline job of taking the fight to the enemy in Iraq, Afghanistan, and elsewhere. To solidify our military progress, we are working with coalition partners to isolate terrorists and strengthen emerging democracies.

### The President's FY 2007 Budget includes:

- \$439.3 billion for the Department of Defense's base budget, a 7-percent increase over 2006, and a 48-percent increase over 2001. With these funds, the Department will maintain a high level of military readiness, develop and procure new weapon systems to ensure U.S. battlefield superiority, and support our service members and their families.
- \$70 billion as an estimated 2006 emergency allowance to cover the military and other costs of the Global War on Terror, including the costs of training and equipping Iraqi and Afghan Security Forces so they can take on a greater responsibility in providing for their nation's security. The Administration will submit the details of this in a full supplemental request shortly.
- \$50 billion as a 2007 emergency allowance to carry the military's war efforts through part of 2007. Later this spring, the Administration will provide the details of this \$50 billion in a budget amendment request.

### Transformation

- \$1.4 billion for the Global Posture Initiative, estimated at \$5 billion through 2011, to shift our military posture from Cold War bases to new areas of strategic importance. This new basing strategy will provide the United States with rapid access to areas where we are likely to be engaged, but where a large permanent presence is not needed.
- \$6.6 billion for Army Modularity, which will increase the effectiveness of the Army by making its combat and support formations more flexible and self-sustaining. The new modular units will be more easily deployable than existing units and more effective against a wide variety of adversaries.
- \$5.1 billion to continue enhancements to the Special Operations Command's capability to plan and command global operations against international terrorist networks.

### **Tools to Support Our Troops**

- \$5.9 billion for purchasing new equipment critical to the brigade combat teams developed as part of the Army's Modularity Initiative. Equipment such as armored HMMWVs, soldier protective armor, trucks, advanced night vision and communications equipment, light arms, and artillery are required to maintain combat effectiveness of the newly-configured brigade combat teams deployed and getting ready to deploy to Iraq and Afghanistan.
- \$1.9 billion to continue development and procurement of Unmanned Aerial Vehicles (UAVs) and Unmanned Ground Vehicles.
- \$3.7 billion for the Army's Future Combat System, to support the Army's efforts to transform itself into a lighter, more agile, "smarter" combat force, capable of greater battlefield mobility and precision firepower.
- Funding for seven new warships, including:
  - \$957 million for the acquisition of two Littoral Combat Ships and associated weapon systems.
  - \$2.6 billion to begin construction on two new DD(X) next generation destroyers.
- \$173 million to improve nuclear command and control and upgrade existing systems.

### **Quality of Troop Life**

- \$21 billion for the Defense Health Program in 2007, an increase of \$1.0 billion over 2006 to continue providing troops and their families with comprehensive and quality health care. The Budget proposes to better align TRICARE premiums and co-payments for under-65 military retirees with general health insurance plans.
- \$1.5 billion to continue efforts to eliminate inadequate military housing within the United States by the end of 2007.
- A 2.2 percent increase in basic military pay.