

Programmatic Decisions Binned By POTUS Strategic Guidelines

MORE DISCIPLINED USE OF DEFENSE DOLLARS

- Continue to realize savings from last year's efficiencies
- Find new savings this year
 - More skillful contracting practices
 - Better use of information technology
 - Better use of business and enterprise systems
 - Streamlined staff
 - Limitations on official travel
 - Better inventory management
 - Reductions in contract services
 - Deferral of some military construction
 - Reductions in planned civilian pay raises
- Eliminate poorly performing programs
- Request Congress authorize a Base Realignment and Closure process

APPLICATION OF STRATEGIC GUIDANCE TO FORCE STRUCTURE & INVESTMENT

I. REBALANCE TOWARD THE ASIA-PACIFIC AND BROADER MIDDLE EAST REGIONS

Asia-Pacific/Middle East emphasis

- Sustain force presence
 - Maintain current bomber fleet
 - Maintain 11 carriers and 10 air wings
 - Maintain big-deck amphibious fleet
 - Sustain Marine Corps structure in the Pacific; pursue partnering with Australia
 - Sustain Army structure in the Pacific
 - Budget to forward- station Littoral Combat Ships in Singapore and patrol craft in Bahrain
 - Acquire an afloat staging base for support to ISR, Special Operations Force, and counter-mine missions
- Invest in capabilities to maintain freedom of action
 - Protect new bomber funding
 - Increase cruise-missile capacity of future Virginia-class submarines
 - Design a conventional prompt strike option from submarines
 - Upgrade tactical-aircraft and ship radars
 - Improve air-to-air missiles
 - Develop new electronic warfare and communications capabilities
- Slow shipbuilding pace and retire some existing ships
 - Retire seven cruisers early
 - Slip next large deck amphibious ship by one year

- Slip one Virginia-class submarine outside the FYDP
- Reduce by two the Littoral Combat Ship buy in the FYDP
- Reduce by eight the Joint High Speed Vessel buy in the FYDP
- Retire two smaller amphibious ships early and defer their replacement to outside the FYDP
- Disestablish 6 out of 60 Air Force tactical-air squadrons, plus a training squadron
 - Protect aircraft with multi-role vice niche capabilities

Europe and Global Partners

- Adjust our posture in Europe
 - Eliminate two forward-stationed Army heavy brigades
 - Maintain NATO Article 5 commitments and ensure interoperability with allied forces by allocating a U.S.-based brigade to NATO Response Force
 - Rotate U.S.-based Army units to Europe for training and exercises
 - Forward station ballistic-missile-defense ships in Rota, Spain
- Pursue new security partnerships, including in Africa and Latin America
- Preserve key partnership-development efforts
 - “Smart Defense” NATO initiatives such as Alliance Ground Surveillance
 - Security Force Assistance Program
 - National Guard State Partnership Program
 - Five Regional Centers for Strategic Study
 - COCOM Exercise and Engagement program
 - Global Security Contingency Fund in conjunction with State Department
- Release more Special Operations Forces from post-9/11 wars to partner in other regions
- Align an Army Brigade Combat Team with a regional COCOM, establishing language and cultural expertise

II. CONFRONTING AGGRESSION

Place premium on self- and rapidly deployable forces

- Leverage advances in space, cyberspace, special operations, precision-strike, and other capabilities
- Maintain 11 carriers and 10 air wings
- Maintain big-deck amphibious fleet
- Maintain current bomber fleet
- Return to Marine afloat posture after ground withdrawal from Afghanistan

Reduce airlift fleet

- Retire 27 aging C-5As
- Retire 65 C-130s
- Divest 38 C-27s; support ground forces with C-130s instead

Protect all three legs of the nuclear Triad

- Delay new SSBN development by two years
- Examine potential to maintain our deterrent with a smaller nuclear force

III. PROTECT NEW CAPABILITIES & INVESTMENTS

Increase funding for a few key capabilities while protecting others

- Counter-terrorism
 - Sustain growth in Special Operations Forces
 - Continue growth in Air Force and Army unmanned air system Combat Air Patrols
 - Protect sea-based unmanned ISR systems, such as Navy Fire Scout
 - Acquire new advanced ISR capabilities
- Cyber operations
 - Increase offensive and defensive cyber capabilities
- Power projection
 - Protect new bomber development
 - Upgrade Small Diameter Bomb
 - Upgrade aircraft carriers
 - Modernize surface combatants
 - Increase cruise-missile capacity of future Virginia-class submarines
 - Design a conventional prompt strike option from submarines
 - Upgrade tactical-aircraft and ship radars
 - Improve air-to-air missiles
 - Develop new electronic warfare and communications capabilities
 - Protect anti-submarine warfare and counter-mine capabilities
- Missile defense
 - Protect Homeland and Phased Adaptive Approach missile-defense investments
 - Take risk in regional ballistic-missile defenses; increase reliance on allies and partners
- Ground vehicle modernization
 - Protect Joint Light Tactical Vehicle Program
- Space Systems
 - Upgrade the Global Positioning System, Space Based Infrared System, and Advanced Extremely High Frequency satellite programs
- Counter Weapons of Mass Destruction
 - Protect Counter Weapons of Mass Destruction investment
 - Expand scope in the area of biological weapons
- Science and Technology
 - Largely protect Science and Technology programs

Reasonable reductions / responsible risks

- Experiencing schedule, cost, or performance issues
 - Slow Joint Strike Fighter procurement to mitigate concurrency
 - Accept delay of Army Ground Combat Vehicle due to contract-award protest
 - Curtail Joint Land Attack Cruise Missile Defense Elevated Netted Sensor System
- Offering/augmenting capabilities that already exist, but at higher cost
 - Reduce Joint Air-to-Ground Missile; buy more Hellfire II missiles
 - Terminate Global Hawk Block 30; extend U-2 program
- Entering service before needed
 - Terminate Defense Weather Satellite System
 - Delay Army helicopter modernization three to five years
- Deemed excess to requirement
 - Reduce commercial imagery purchases
 - Terminate HMMWV upgrades; protect Joint Light Tactical Vehicle program

IV. FORCES NOT SIZED FOR LONG-TERM STABILITY OPERATIONS

- Reduce active Army and USMC end strength; Army will go from about 570K in 2010 to 490K in the FYDP; USMC will go from 202K to 182K
- Preserve expertise in security force assistance and counterinsurgency
- Capture lessons learned in procurement such as the Joint Light Tactical Vehicle

V. PROTECTING THE POTENTIAL FOR FUTURE ADJUSTMENTS

- Retain a slightly more senior force in the active Army/USMC to allow growth if needed
- Preserve Army organizational structure and training force to allow growth if needed
- Retain a ready and capable Reserve Component
 - Reduce Army Reserve/National Guard end strength slightly
 - Sustain increased readiness prior to mobilization
 - Maintain key combat-support and combat-service-support capabilities
 - Adjust alignment of missions and installations to sustain Air Force operational Reserve Component for the long term
 - Increase Air Force Active-Reserve Component associations
- Sustain key skills in industrial base (e.g., add an afloat staging base)

THE ALL VOLUNTEER FORCE

- Protect key support programs for Wounded Warriors, Families, and Transitioning Veterans
 - Enhance funding for Integrated Disability Evaluation System for Wounded Warriors
 - Reform the Transition Assistance Program for veterans and transition process for all service members
 - Sustain or expand effective Family and Psychological Health support programs
 - Maintain Yellow Ribbon Integration Program for reservists, guardsmen, their families, and their employers
 - Restore and modernize DoD school facilities
 - Maintain military commissary system
- Slow growth in military compensation and benefits
 - Requests the full-authorized pay raises in near term and slows planned rate of growth in later years
 - Slow growth in military health care
 - Increase and add new enrollment fees in TRICARE for retirees under age 65
 - Establish a new enrollment fee for TRICARE-for-Life for retirees 65 and older
 - Implement pharmacy co-pay increases in a way that incentivizes use of generics and mail order
- Establish a commission with BRAC-like authority to review military retirement