

A REQUEST FOR BUDGET AMENDMENTS FOR FISCAL
YEAR 2010

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

FY 2010 BUDGET AMENDMENTS FOR THE DEPARTMENT OF
DEFENSE



SEPTEMBER 24, 2009.—Referred to the Committee on Appropriations and
ordered to be printed

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THE WHITE HOUSE,
Washington, August 13, 2009.

Hon. NANCY PELOSI,
Speaker of the House of Representatives,
Washington, DC.

DEAR MADAM SPEAKER: I am committed to supporting our troops and will continue to promote policies that maintain their high level of readiness and that improve the quality of life of servicemembers and their families. To that end, as part of the constant assessment of Department of Defense (DOD) operations, my Administration proposes to increase temporarily the Army's active component by up to 22,000 personnel, including 15,000 troops in Fiscal Year 2010.

This increase will allow military commanders to reduce the strain on the force and increase time at home between deployments. Eight years of sustained combat operations have weighed heavily on our soldiers and their families. Expanding the Army to 562,400 troops in 2010 will reduce stress and strain on soldiers and families. It will increase the number of troops available to deploy while also helping the Army to end the practice of retaining soldiers beyond their period of obligated service.

I ask the Congress to consider the enclosed Fiscal Year 2010 Budget amendments for the DOD. These amendments are offset through the reallocation of approximately \$1.0 billion from lower-priority DOD contingency operations' requirements, which are no longer needed at the current time due to changed circumstances because sufficient resources exist to protect United States personnel. Details of these requests are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

BARACK OBAMA.

[Estimate No. 6, 111th Cong., 1st Sess.]

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, August 13, 2009.

The PRESIDENT,
The White House.

You have stressed the importance of properly resourcing strategies to win the wars in Iraq and Afghanistan, as well as improving the quality of life for the men and women of the Armed Forces. As you are aware, Secretary of Defense Robert Gates recently recommended increasing the Army's active component end strength by up to 22,000 to a potential temporary total of 569,400. This temporary increase would help properly size the Army to support current operations while alleviating stress on the force, maintaining a minimum of 12 months of dwell time at home stations between deployments, and eliminating the routine use of holding servicemembers beyond their period of obligated service. Submitted for your consideration are amendments to your Fiscal Year (FY) 2010 Budget for the Department of Defense (DOD) for overseas contingency operations to support this goal.

The amendments would reallocate \$1,012.6 million within the existing DOD request for additional Army personnel and support costs in FY 2010. Specifically, it will support DOD's proposal to temporarily increase the Army's active component end strength by 15,000 in FY 2010, with the remainder of the request to be addressed in your FY 2011 Budget. It will not be used to create new combat formations and the end strength is currently expected to return to 547,400 once demand for deploying units stabilizes.

As noted above, the amendment package is fully offset by reductions within the existing DOD request, and therefore does not affect your overall FY 2010 Budget level. In most cases, the reductions do not represent a shift in requirements, but rather a reallocation of resources from lower priority items from each of the Military Departments. An increase in the size of the Army is more urgently needed to reduce the strain on our ground forces.

This request only affects the DOD overseas contingency operations budget, and the major categories of this funding are highlighted below.

PERSONNEL AND SUPPORT COSTS

The request adds \$1,012.6 million for personnel and support costs associated with recruiting and retaining an additional 15,000 soldiers. The additional funds would cover pay and benefits, training, additional costs to installations (e.g., housing and food), and the processing of additional recruits. They would also fund related benefits for new servicemembers and their families.

DEPARTMENT OF THE ARMY

A total of \$700.6 million in Army resources is recommended to offset the higher personnel costs; this is approximately 1 percent of the Army's total request. This offset reduces your initial request for trucks and tactical vehicles, due to delays in contract awards and the large backlog of production. It also reduces your initial request for humvees due to the Army's reassessment of the requirement that took into account an increase in the requirement for Mine Resistant Ambush Protected vehicles. In addition, Iraqi security forces have recently assumed greater responsibility for operations, enabling U.S. forces to scale back operations faster than projected and resources to be shifted in support of the personnel increase.

DEPARTMENT OF THE NAVY

A total of \$156.0 million in the Navy's and Marine Corps' procurement request is recommended as an offset; about 5 percent of the Navy's total request. This offset reflects reductions, not eliminations, in the expected requirements and includes areas such as weapons, ammunition and support equipment procurements. In each case, the Department's latest assessment is that existing resources, including funds provided in the FY 2009 supplemental appropriations, are sufficient to satisfy the immediate need.

DEPARTMENT OF THE AIR FORCE

A total of \$156.0 million in the Air Force's Aircraft Procurement request is recommended as an offset; a little over 4 percent of the Air Force's total request. The cuts are largely possible because production on the C-130 Large Aircraft Infrared Countermeasures (LAIRCM) modifications is already at maximum capacity. In addition, as a result of the Combat Air Forces restructure, funding for certain increased F-16 capabilities are no longer necessary. Finally, some funds were made available due to schedule delays in the C-17 LAIRCM modification program.

RECOMMENDATION

I have carefully reviewed these amendments and am satisfied that they are necessary at this time. Therefore, I join Secretary Gates in recommending you transmit the proposals to the Congress.

Sincerely,

PETER R. ORSZAG, *Director*.

Enclosures.

OVERSEAS CONTINGENCY OPERATIONS, DEPARTMENT OF
DEFENSE—MILITARY

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

FY 2010 Budget Appendix Page: 343
FY 2010 Pending Request: \$9,046,340,000
Proposed Amendment: \$560,000,000
Revised Request: \$9,606,340,000

(In the appropriations language under the above heading, delete “\$9,046,340,000” and substitute *\$9,606,340,000*.)

This amendment would provide funds to increase the active component Army end strength from 547,400 to 562,400 in FY 2010. This 15,000 end strength increase (10,582 average strength) is necessary to support current operational needs. The persistent pace of operations has resulted in increasing numbers of forces unavailable for deployment, primarily due to temporary medical conditions, minimum 12 months of dwell time at home, and eliminating the routine practice of holding servicemembers beyond their period of obligated service.

OVERSEAS CONTINGENCY OPERATIONS, DEPARTMENT OF
DEFENSE—MILITARY

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

FY 2010 Budget Appendix Page: 345
FY 2010 Pending Request: \$52,170,661,000
Proposed Amendment: \$196,100,000
Revised Request: \$52,366,761,000

(In the appropriations language under the above heading, delete “\$52,170,661,000” and substitute *\$52,366,761,000*.)

This amendment would provide additional funding for training, installation support costs, and recruiting operations to support the additional 15,000 end strength growth of the Army active component force in FY 2010. A total of \$346.1 million is required, of which \$196.1 million would be provided through this amendment and \$150.0 million would be provided by realigning this funding within the Operation and Maintenance, Army appropriation. The total funding provided would include:

- \$251.9 million for installation support costs (Base Operating Support and Sustainment, Restoration, and Modernization);
- \$69.8 million for training; and
- \$24.4 million for recruiting and recruiter operations.

This funding is available due to lower than projected operating tempo in support of Operation Iraqi Freedom. Funding is available due to the recent progress in Iraq, enabling U.S. troops to withdraw from Iraqi cities while the Iraqi security forces have assumed greater responsibility for operations. This hand-off of responsibility has allowed U.S. forces to scale back operations faster than projected.

OVERSEAS CONTINGENCY OPERATIONS, DEPARTMENT OF
DEFENSE—MILITARY

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, DEFENSE-WIDE

House Doc. 111–48 Page: 6

FY 2010 Pending Request: \$7,578,300,000

Proposed Amendment: \$5,100,000

Revised Request: \$7,583,400,000

(In the appropriations language under the above heading, delete “\$7,578,300,000” and substitute *\$7,583,400,000*.)

This amendment would provide funds for the DOD Education Activity schools to support family members associated with the additional 15,000 end strength growth of the Army active component forces in FY 2010.

OVERSEAS CONTINGENCY OPERATIONS, DEPARTMENT OF
DEFENSE—MILITARY

OPERATION AND MAINTENANCE

DEFENSE HEALTH PROGRAM

FY 2010 Budget Appendix Page: 349
FY 2010 Pending Request: \$1,155,235,000
Proposed Amendment: \$101,440,000
Revised Request: \$1,256,675,000

(In the appropriations language under the above heading, delete “\$1,155,235,000” and substitute *\$1,256,675,000*; and after “operation and maintenance” add the following before the period:

, of which \$530,567,000 may be made available for contracts entered into under the TRICARE program)

This amendment would provide funds for health care for those servicemembers and their families associated with the additional 15,000 end strength (10,582 average strength) for the Army active component forces in FY 2010. The estimated cost per average strength (including care for dependents) is \$9,586 per active duty soldier. Of the proposed amendment total of \$101.4 million in the Operation and Maintenance budget activity, \$65.5 million is required for In-House Care and \$35.9 million is required for Private Sector Care.

In addition, this amendment increases the ceiling on funding available for TRICARE program contracts to \$530.6 million. The revised ceiling includes the original amount of \$494.7 million requested for Private Sector Care in the OCO budget plus the \$35.9 million requested for Private Sector Care in this budget amendment.

OVERSEAS CONTINGENCY OPERATIONS, DEPARTMENT OF
DEFENSE—MILITARY

PROCUREMENT

OTHER PROCUREMENT, ARMY

FY 2010 Budget Appendix Page: 351
FY 2010 Pending Request: \$6,225,966,000
Proposed Amendment: –\$550,640,000
Revised Request: \$5,675,326,000

(In the appropriations language under the above heading, delete “\$6,225,966,000” and substitute *\$5,675,326,000*.)

This amendment realigns funds from lower priority items in order to resource a temporary wartime increase to Army active component end strength. Programs impacted include:

- –\$375.3 million for procurement of fewer High Mobility Multi-purpose Wheeled Vehicles due to the Army’s large recent procurements, which raised the inventory to approximately 120,000 HMMWVs. Additionally, the Army is conducting a reassessment of its inventory requirement given the number of Mine Resistant Ambushed Protection (MRAP) vehicles being procured; and
- –\$175.3 million for procurement of fewer Family of Medium Tactical Vehicles due to the FY 2009 contract award slipping into FY 2010, assembly of vehicles that would have been accomplished in FY 2010 has been delayed into FY 2011.

OVERSEAS CONTINGENCY OPERATIONS, DEPARTMENT OF
DEFENSE—MILITARY

PROCUREMENT

WEAPONS PROCUREMENT, NAVY

FY 2010 Budget Appendix Page: 352
FY 2010 Pending Request: \$73,700,000
Proposed Amendment: –\$23,000,000
Revised Request: \$50,700,000

(In the appropriations language under the above heading, delete “\$73,700,000” and substitute *\$50,700,000*.)

This amendment realigns funds from lower priority items in order to resource a temporary wartime increase to Army active component end strength. The program impacted includes:

- –\$23.0 million for procurement of fewer Hellfire missiles because the large number of Navy missiles in production (about 4,276) and the remaining 1,219 requested in FY 2010 are sufficient for immediate needs.

OVERSEAS CONTINGENCY OPERATIONS, DEPARTMENT OF
DEFENSE—MILITARY

PROCUREMENT

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

FY 2010 Budget Appendix Page: 352

FY 2010 Pending Request: \$710,780,000

Proposed Amendment: –\$28,823,000

Revised Request: \$681,957,000

(In the appropriations language under the above heading, delete “\$710,780,000” and substitute *\$681,957,000*.)

This amendment realigns funds from lower priority items in order to resource a temporary wartime increase to Army active component end strength. The program impacted includes:

- –\$28.8 million for procurement of less Machine Gun Ammunition because the 4.2 million rounds in production and the remaining FY 2010 procurement is sufficient for immediate needs.

OVERSEAS CONTINGENCY OPERATIONS, DEPARTMENT OF
DEFENSE—MILITARY

PROCUREMENT

PROCUREMENT, MARINE CORPS

FY 2010 Budget Appendix Page: 353
FY 2010 Pending Request: \$1,164,445,000
Proposed Amendment: –\$104,177,000
Revised Request: \$1,060,268,000

(In the appropriations language under the above heading, delete “\$1,164,445,000” and substitute *\$1,060,268,000*.)

This amendment realigns funds from lower priority items in order to resource a temporary wartime increase to Army active component end strength. In each of the programs impacted below, existing resources, including funds provided in the FY 2009 supplemental appropriations, are sufficient to satisfy immediate needs. Some programs are executing slowly which necessitates a temporary delay.

- –\$54.0 million for procurement of fewer 155MM Lightweight Towed Howitzer;
- –\$12.6 million for procurement of less Night Vision Equipment;
- –\$10.2 million for procurement and installation of fewer Motor Transport Modifications;
- –\$17.0 million for procurement of less Physical Security Equipment; and
- –\$10.4 million for procurement of fewer Training Devices.

OVERSEAS CONTINGENCY OPERATIONS, DEPARTMENT OF
DEFENSE—MILITARY

PROCUREMENT

AIRCRAFT PROCUREMENT, AIR FORCE

FY 2010 Budget Appendix Page: 353

FY 2010 Pending Request: \$936,441,000

Proposed Amendment: –\$156,000,000

Revised Request: \$780,441,000

(In the appropriations language under the above heading, delete “\$936,441,000” and substitute *\$780,441,000*.)

This amendment would realign funds previously requested for Air Force aircraft modification programs. Programs impacted include:

- –\$124.4 million for fewer C–130 Large Aircraft Infrared Countermeasures (LAIRCM) modifications because installation capacity is at maximum levels;
- –\$20.0 million for reduced F–16 Secure Line-of-Sight and Beyond Line-of-Sight capability because the Air Force will retire more Block 25 F–16s than originally assumed due to the Combat Air Forces restructure; and
- –\$11.6 million for fewer C–17 LAIRCM modifications due to a delay in kit procurement and installation caused by contracting issues.

