



DEPARTMENT OF DEFENSE

Highlights:

- The Department of Defense (DOD) provides the military forces needed to deter war and to protect the security of the United States.
- Aligned with the new National Security and National Defense Strategies, the Budget expands the military's competitive space, builds a more lethal force, achieves greater performance at affordability and speed, and enhances posture for a more capable alliance and partnership network. The Budget is critical for protecting the homeland, promoting American prosperity, preserving peace through strength, and advancing American influence.
- The Budget requests \$686 billion for DOD, an \$80 billion or 13-percent increase from the 2017 enacted level. This includes \$597 billion for the base budget, and \$89 billion for Overseas Contingency Operations.

The President's 2019 Budget:

Preserves Peace through Strength

The Budget requests the resources DOD needs to defend the homeland, remain the predominant military power in the world, maintain a world order that reflects America's values, support America's allies and partners, promote America's prosperity, and advance America's security interests. The United States faces an increasingly competitive and dangerous international security environment, characterized by the reemergence of great power competition with China and Russia, dangerous new technologies, empowered non-state actors, and the proliferation of weapons of mass destruction. The Budget requests resources needed to compete with great powers and others, deter conflict, and win the Nation's wars. The Budget builds a more lethal, ready, and larger joint force that, combined with a robust system of allies and partners, would sustain American influence and preserve stable regional balances of power that have proven conducive to peace and prosperity.

The Budget supports the Department's pursuit of innovation and reform, while making disciplined increases to sustain America's military advantage and to account for the long-term costs of contingencies. Over the 10-year budget window, funding for DOD is \$1 trillion above projections from the previous administration, dramatically improving the warfighting ability of the joint force. Failure to provide adequate funding to meet these defense objectives would embolden America's

enemies, thereby increasing the risk of armed conflict, and result in decreased U.S. influence which would erode alliances and partnerships, and reduced access to markets which would contribute to a decline in prosperity and standard of living.

Compete—Deter—Win. The surest way to prevent war is to be prepared to win one. The Budget promotes peace through strength, and continues multiyear investments to develop a lethal, agile, and resilient force. Long-term strategic competitions with China and Russia are the principal priorities for the Department. These competitions require both increased and sustained investment, reflected in the Budget request, because of the magnitude of the threats they pose to U.S. security and prosperity today, and the potential for those threats to increase in the future. Concurrently, the Budget requests funding for sustained DOD efforts to deter and counter rogue regimes such as North Korea and Iran, defeat terrorist threats to the United States, and consolidate gains in Iraq and Afghanistan while ensuring these approaches are resource-sustainable. The Budget ensures the United States can maintain a joint force that possesses decisive advantages for any likely conflict, while remaining proficient across the entire spectrum of conflict.

The Budget ensures that DOD has the right force posture and capabilities to account for the uncertainty that exists in the changing global strategic environment. Modern adversaries have built sophisticated anti-access and area-denial networks that require U.S. forces to rely on resiliency, lethality, speed, and surprise to win. The Budget prioritizes maintaining ready forces for major combat, while providing options for proactive and scalable employment of the joint force no matter what mission it is asked to undertake.

In addition, the Budget continues investments to increase U.S. defense posture and presence in the Indo-Pacific Region. The Budget supports the Department's long-term strategy of deterring Chinese military coercion and aggression in the Indo-Pacific region through strengthened forward presence. The Budget request provides the Department with the necessary armament, infrastructure, and logistics to address threats from North Korea, including missile defenses for America's homeland. In addition, the Budget strengthens relationships with allies and partners in the region through continued military exercises and security cooperation.

The Budget also requests the necessary resources to maintain the U.S.'s unwavering commitment to peace and security in Europe. The Budget requests more than \$6.3 billion for DOD's European Deterrence Initiative (EDI), a multiyear program that is rebuilding a U.S. combat-credible forward military presence in Europe and building partner capacity in order to better counter Russian coercion and deter Russian aggression in the region. The EDI request maintains a robust heel-to-toe schedule for U.S. forces to train with and advise North Atlantic Treaty Organization (NATO) allies and partners, especially in Eastern Europe, and sustains the United States as a framework nation in NATO's Enhanced Forward Presence mission by maintaining a U.S. battalion in Poland. EDI would also increase prepositioned U.S. stocks, modernize Army equipment in Europe, enhance the Air Force's ability to rapidly scale operations in contested environments, harden communications and logistical infrastructure, catalyze front line allies' and partners' efforts to defend themselves, and provide \$250 million to help Ukraine protect its territorial sovereignty.

The Budget supports a U.S. military presence in the Middle East necessary to protect the United States and its allies from terrorist attacks and preserve a favorable regional balance of power. The Budget would enable DOD to assist regional partners in strengthening their institutions and capabilities to conduct counterterrorism and counterinsurgency efforts, procure interoperable missile defense and other capabilities to better defend against active missile threats, and neutralize Iran's malign activities in the region.

Builds a More Lethal, Resilient, and Agile Force for Great Power Competition. The Budget begins what would be a sustained multiyear effort to transition the joint force from its post-Cold War mindset and posture toward a new paradigm of thinking about and preparing for the possibility of major war. History has taught us—from the Civil War through the World Wars of the 20th Century—that wars fought during periods of rapid technological change tend to be deadly and destructive in ways that had previously seemed unimaginable. The Budget begins the process of averting such a catastrophe by preparing the joint force to exploit new technologies and concepts to become more lethal, resilient, and agile.

- **Lethality**—the Budget invests in a variety of new weapons systems capable of delivering lethal fires in contested domains, while simultaneously developing leap-ahead systems that would enable the joint force to operate in new ways to defeat aggression in the future.
- **Resilience**—a powerful punch is meaningless if married to a glass jaw. The Budget therefore makes investments to ensure that the joint force can operate effectively while under attack in all domains. This includes investments to: harden and disperse forward bases and posture; make command and control, intelligence, surveillance, reconnaissance, position, navigation, and timing capabilities more resilient to attacks; improve countermeasures; and build up stockpiles of key munitions and materiel.
- **Agility**—as a global superpower with myriad responsibilities, the United States does not have the luxury of focusing on one problem at a time. The United States must be able to respond to a variety of contingencies simultaneously. While this poses a difficult challenge for the joint force, America’s global posture, logistics and sustainment capabilities, and constellation of allies and partners gives the United States a unique advantage that no competitor or adversary can match. The Budget makes investments in logistics, sustainment, forces, and posture that would enable the joint force to operate with agility globally.

Ensures the Readiness of U.S. Armed Forces. The Budget provides the resources necessary to continue rebuilding military readiness, which has been degraded by budget reductions imposed by the Budget Control Act and more than 16 years of warfighting. Increased funding for the U.S. Army would modernize existing forces, provide additional training for U.S. soldiers, and establish new security assistance brigades to support counterterrorism efforts abroad. The Budget funds continuing efforts to improve Navy and Marine Corps aviation readiness, with increases for maintenance, spare parts, and flying hours. In response to recent Navy surface fleet incidents, the Budget requests more than \$70 million in additional resources to enhance surface fleet equipment and training. The Budget also fully funds Air Force flight training, provides resources to alleviate pilot shortages, and invests in training for high-end combat to ensure the United States can effectively confront its most technologically advanced adversaries.

Sustains the Defense Industrial Base. At the direction of the President, DOD is undertaking a whole-of-Government assessment of the health and strength of America’s manufacturing and defense industrial base and identifying any potential gaps in its capabilities. As part of this broad assessment, the Budget proposes to ensure sustained investment in the defense industrial base as a key component of economic and national security, recognizing that critical facilities, workforce skills, and the long-term health of the defense industrial base are fundamental to economic and national security.

Modernizes the Nuclear Deterrent. A tailored and flexible American nuclear deterrent is key to protecting national security and future prosperity for both the homeland and America’s allies and partners. In line with the Nuclear Posture Review, the Budget supports a nuclear enterprise that is appropriately tailored to deter 21st Century threats. To that end, the Budget requests \$24 billion to

modernize and sustain the three legs of the nuclear triad—land, sea, and air—as well as nuclear command, control, and communications systems.

Invests in Military Hardware to Meet the Challenges of Tomorrow. The Budget makes significant investments in new, improved hardware to ensure that the Army, Air Force, Navy, and Marine Corps remain lethal and resilient even against technologically advanced adversaries. This includes funding to harden equipment against cyber-attacks. These investments include:

- **Funding Cost-Effective Capabilities for Irregular Warfare and Counterterrorism**—recognizing the enduring nature of irregular warfare and counterterrorism, the Budget requests funding to develop more cost-effective means of conducting these missions—including Army Security Force Assistance Brigades and Air Force affordable light-attack aircraft. The Budget also prioritizes efforts to ensure that the burden of responding to global crises is borne globally, rather than disproportionately by the people and the economy of the United States.
- **Investing in Ground Combat Capabilities**—the Budget funds critical ground combat capabilities including new investments in armored vehicles, long-range artillery, amphibious vehicles, rotorcraft, and munitions. The Budget accelerates the modernization of the Army's armored brigades to four over the five-year window and adds a 16th heavy combat team. The Budget also supports the Marine Corps' 24 active infantry battalions and 18 active MV-22 Osprey squadrons.
- **Maintaining Control of the Seas**—continuing the President's commitment to expand and rebuild the U.S. Navy fleet, the Budget increases the total number of ships by procuring 10 ships in 2019 to deter threats and maintain control of the sea.
- **Developing and Procuring Advanced Aircraft**—the Budget request supports continued development and procurement of advanced fighter aircraft, bombers, tankers, and other support aircraft. The Air Force's investment focuses on modernization of its tactical fighter aircraft fleet with the advanced F-35A stealth fighter, development of the next generation stealthy bomber, and procurement of the KC-46 aerial refueling tanker. The Budget would enable the Air Force to grow its fighter force from 55 combat squadrons to 58 squadrons by the end of the five-year planning period and would increase procurement of Air Force F-35 fighters from 250 in the five years of the 2018 Budget request to 258 in the five years of the 2019 Budget request. The Budget also accelerates the modernization of the existing F-16 fleet with active electronically scanned array antennas, radar warning systems, and the multifunctional information distribution Line 16 tactical airborne terminal system. The major priority for the Navy and Marine Corps is to modernize their fighter aircraft fleets with procurement of the F-35B and C, and to reduce the strike fighter shortfall through procurement of additional F/A-18E/Fs.

Innovates at the Speed of Relevance. Worldwide advances in technology are regularly changing the nature of the threats America faces and proliferating threats to new actors. Nations that are best able to adapt and integrate new technologies—in order to create speed and surprise across multiple domains in the fight—would prevail. The Budget's key areas of focus include artificial intelligence, autonomous systems, and hypersonics. The Budget requests more than \$84 billion in research, engineering, and prototyping activities to maintain technical superiority.

Grows the Military. The Budget increases military personnel by 16,400 servicemembers compared to the end strength level authorized in the National Defense Authorization Act for 2018. These additional servicemembers would allow DOD to fill gaps in combat formations and serve as critical enablers in America's national defense strategy.

Invests in Innovative Defense Intelligence Capabilities. The Budget restores funding to combat support agencies to improve intelligence support to the warfighter and grows the analytical capacity at the Combatant Command Intelligence Centers. The Budget invests in intelligence, surveillance, and reconnaissance capabilities that would expand the competitive space through a more lethal, rapidly innovating defense intelligence enterprise.

Bolsters Missile Defenses. The Budget supports the President's initiative to accelerate and expand urgent missile defeat and defense enhancements, and continues priority investments proposed by the Administration and enacted by the Congress in the Department of Defense Missile Defeat and Defense Enhancements Appropriations Act, 2018. The Budget increases the capability and capacity of the United States to detect, defeat, and defend against any North Korean use of ballistic missiles against the United States, its deployed forces, allies, and partners. For missile defense, the Budget supports the procurement of 20 additional Ground-Based Interceptors (GBIs). The Administration plans to increase the number of deployed GBIs to 64, including the new GBI missile field at Fort Greely, Alaska, to protect the homeland against North Korean and other intermediate- and long-range ballistic missile threats.

Prevents the Resurgence of the Islamic State of Iraq and Syria (ISIS), al Qaeda, and other Jihadist Terrorists. The Budget requests the funding necessary to ensure the lasting defeat of ISIS. Building on ISIS's territorial defeat in Iraq and Syria, DOD would prevent any resurgence by working with partner forces and agencies to stabilize liberated cities, secure borders, retain territorial control, and disrupt ISIS's capability to attack the U.S. homeland and America's allies. The Budget also requests funding for DOD to address the threat from ISIS branches outside Iraq and Syria, and to protect the United States against a resurgence of al Qaeda.

Promotes Stability and Security in South Asia. The Budget furthers the U.S. goal of a stable and secure South Asia by supporting the Afghan government and security forces in their fight against Taliban insurgents and jihadist terrorist organizations such as al Qaeda and ISIS. The Budget requests more than \$5 billion for continued U.S. training and assistance for the Afghan security forces and would enable U.S. forces to conduct counterterrorism operations to ensure that the region cannot be used by jihadist terrorist groups to plot transnational attacks against the U.S. homeland, citizens overseas, or allies and partners. The Budget also continues to include funding to support America's partnership with Pakistan, contingent on Pakistan taking appropriate action to expand cooperation in areas where interests converge and to address areas of divergence, in line with the Administration's South Asia strategy.

Renews the Nation's Leadership and Freedom of Action in Space. The Budget accelerates investments in space situational awareness, the Global Positioning System, defensive measures, and other areas to improve the resiliency of DOD space systems in the face of increasing adversarial threats. In combination with architectural diversity and proliferation, the Budget preserves space capabilities for national leaders and combatant commanders in order to maintain strategic stability and ensure battlefield dominance across the spectrum of conflict.

Prioritizes Cyber Activities. The Budget continues to place a high priority on cyber security and those responsible for providing it by requesting more than \$8 billion in 2019 to advance DOD's three primary cyber missions: safeguarding DOD's networks, information and systems; supporting military commander objectives; and defending the Nation. This investment would also provide the necessary resources to sustain the 133 Cyber Mission Force (CMF) teams established at Cyber Command. Since their inception in 2013, the CMF teams have grown in capability and capacity, and all teams are on track to be fully operational by the end of 2018.

Enhances the Quality of Life of Servicemembers and their Families

Provides Fair Compensation for Servicemembers and Supporting Military Families. Military compensation must be competitive to recruit and retain the most qualified men and women to serve in an All-Volunteer Force. The Budget proposes a calendar year 2019 military pay raise of 2.6 percent—the largest increase since 2010. The Budget also requests funding for a full range of compensation programs, from monthly incentive pays to recently expanded retirement benefits. In addition, the Budget requests funding to continue important programs that improve the quality of life for military families, and ensure they receive the support they need throughout every stage of their family members' service.

Improves TRICARE. DOD continues to modernize TRICARE to provide greater flexibility and access to medical care for servicemembers and their families. TRICARE Select would replace TRICARE Standard and Extra. As a result, beneficiaries would notice improved coverage for preventive services with TRICARE. The current three Managed Care Regions would be combined into two Managed Care Regions, providing beneficiaries expanded access to network providers. The rollout of GENESIS, DOD's integrated medical and dental electronic health record, would accelerate the sharing of patients' records across military treatment facilities and provide an electronic health record that focuses on quality, safety, and patient outcomes.

Drives Resource Discipline and Accountability

Reforms the Department to Reinvest Resources in Warfighter Priorities. DOD management and support functions must enable and empower the warfighter with the knowledge, equipment, and support systems to fight and win the Nation's wars. DOD will adapt its organizational and support structures to best support the joint force and achieve savings that can be reinvested in higher priority needs, such as force readiness and modernization. For example, DOD is leveraging the scale of its operations to drive greater efficiency in procurement of materials and services, saving billions in 2019. At the same time, DOD is pursuing opportunities to consolidate and streamline contracts for logistics, information technology, and other support services. The Department will also identify options to reduce excess property and infrastructure.

Audits the Department. Better management begins with effective financial stewardship. With more than \$2.4 trillion in assets spread across 26 stand-alone reporting entities, the Department's full financial statement audit is the largest ever undertaken by an agency of the U.S. Government. DOD has committed to performing annual financial statement audits to bolster accountability and public confidence in the Department's fiscal discipline and to modernize its business practices and systems. The Budget will mark the release of results from DOD's first-ever consolidated financial statement audit. The Department anticipates this audit will identify procedural and system deficiencies, consistent with the initial audits of other large Chief Financial Officers Act agencies and not unusual for an audit of this scale and complexity. Accordingly, DOD has shifted its focus from audit preparation to remediation of audit findings. Upon release of the audit report, the Department will address findings by holding the military departments and defense agencies accountable for the development and implementation of their corrective actions, with a goal of meaningful, persistent progress toward a clean audit opinion. Armed with audit findings and remediation plans, DOD will provide more sound data to inform decision-making, while enhancing internal controls and business procedures to improve efficiency and effectiveness.