



Details of Fiscal 2003 DoD Budget Request

The President's budget proposes \$369 billion for the Department of Defense, plus \$10 billion, if needed, to fight the war on terrorism—for a total of \$379 billion. The budget fulfills President Bush's pledge to win the war against terrorism, defend America and its people, improve quality of life for our men and women in uniform, and accelerate a bold transformation of the U.S. military to counter 21st century threats.

The War Against Terrorism

Of the approximately \$9.4 billion that the President added to strengthen U.S. capabilities for fighting the war against terrorism, included is:

- \$3 billion for counter-terrorism, force protection, and homeland security.
- \$1.2 billion for continued air patrols over the United States.
- Added funding for munitions, communications, and other critical needs.

Major Transformation Initiatives

The budget continues to modernize U.S. forces with the latest technology and funds programs that will transform the way those forces fight in the future. The budget includes \$68.7 billion for Procurement—over 10 percent real growth—with Procurement projected to increase to \$98.9 billion by FY 2007. For Research, Development, Test and Evaluation (RDT&E), the request totals \$53.9 billion—a nearly 10 percent real increase over 2002. The budget advances a number of transformation initiatives, including:

Missile Defense. \$7.8 billion for a broad-based research, development, testing, and procurement effort aimed at deployment of layered missile defenses as soon as feasible, and \$815 million for space-based sensors that can detect missile attacks.

Ground Forces Transformation. \$812 million to procure 332 Interim Armored Vehicles, \$707 million to advance the Future Combat System, and \$911 million for ongoing development of the Comanche reconnaissance helicopter.

SSGN Conversion. \$1 billion to begin conversion of four Trident ballistic missile submarines to submarines, each capable of carrying more than 150 Tomahawk cruise missiles and a contingent of special operations forces.

Unmanned Vehicles. \$1 billion to increase the development and procurement of Global Hawk, Predator, and other unmanned vehicles.

DD(X). \$961 million to develop revolutionary stealth, propulsion, and manning technologies for a new family of surface combatants.

Precision Munitions. \$54 million to develop the Small Diameter Bomb, \$146 million for the Tactical Tomahawk cruise missile, and \$1.1 billion for a higher rate of production for the Joint Direct Attack Munition (JDAM) and Laser Guided Bombs.

Space Programs. \$920 million to continue development of the Advanced Extremely High Frequency Satellite Communications System, \$91 million for development of the Space Based Radar, and \$88 million for advancing promising space control initiatives.

Other Procurement and RDT&E

The budget continues to modernize existing forces. The budget includes:

Tactical Aircraft. \$4.6 billion for procurement of 23 F-22 aircraft and advance procurement of 27 F-22 [aircraft] in FY 2004; \$3.5 billion for Joint Strike Fighter development; and \$3.1 billion to support procurement of 44 F/A-18E/F aircraft.

Mobility Aircraft. \$4.0 billion for the C-17—primarily for acquisition of 12 aircraft—and \$334 million for four KC-130J aircraft to improve Marine Corps air refueling capabilities.

V-22. \$2 billion for a restructured V-22 tilt-rotor aircraft program, including \$497 million to correct technical problems and to conduct rigorous flight tests.

Shipbuilding. \$8.6 billion and procurement of five ships: two DDG-51 destroyers and one each Virginia Class submarine, LPD-17 Transport Dock Ship, and T-AKE Dry Cargo Ship.

Chemical Biological Defense. \$465 million added, including \$300 million for better capability to de-

tect, mitigate, and respond to biological incidents. Science and Technology (S&T). \$9.9 billion—2.7 percent of the DoD topline.

Quality of Life Improvements for Men & Women in Uniform

The 2003 budget funds quality of life improvements for military personnel including:

- A 4.1 percent increase in military basic pay. The Administration also is exploring options for additional pay raises for mid-grade officers and non-commissioned officers.
- For personnel living in private housing, a reduction in out-of-pocket housing costs from 11.3 percent to 7.5 percent.
- \$4.2 billion for Family Housing accounts to keep on track [in] eliminating most inadequate housing by 2007—three years sooner than previously planned.

Training and Readiness

The budget boosts funding for training and readiness to keep pace with the demands of the war against terrorism and other missions. FY 2003 funding, and corresponding increases over 2002:

- Flying Hours: \$11.8 billion—up \$0.5 billion
- Total Army OPTEMPO: \$3.7 billion—up \$0.4 billion
- Ship Operations: \$2.4 billion—up \$0.1 billion
- Depot Maintenance: \$4.8 billion—up \$0.3 billion
- Training: \$10.0 billion—up \$0.6 billion.

Improving the Way DoD Operates

The budget reflects:

- Over \$9 billion in savings from acquisition program changes, management improvements, and

FY 2003 President's Budget

Projected Funding Allocations (\$ Billions)

(SOME COLUMNS MAY NOT ADD CORRECTLY DUE TO ROUNDING)

Budget Authority	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
National Defense Topline (Function 050) Discretionary Funding						
DoD Military (051)*	331.2	379.3	387.9	408.8	429.6	451.4
Civilian Accrual**	3.2					
DoEnergy and Other*	16.4	16.8	17.1	17.5	17.9	18.2
National Defense (050)*	350.8	396.1	405.0	426.2	447.5	469.6
DoD Discretionary Budget Authority by Title						
Military Personnel	82.0	94.2	103.9	108.0	113.6	117.4
Operations & Maintenance	127.5	150.2	140.8	146.9	152.2	155.1
Procurement*	61.1	68.7	74.7	79.1	86.9	98.9
RDT&E	48.4	53.9	57.0	60.7	58.9	58.0
Military Construction*	6.6	4.8	5.1	6.3	10.8	13.8
Family Housing	4.1	4.2	4.3	5.1	4.9	4.8
Revolving & Mgmt Funds	1.7	3.3	2.1	2.6	2.3	3.4
Receipts & Other	-1	-	-	-	-	-
DoD Military (051)*	331.2	379.3	387.9	408.8	429.6	451.4
Civilian Accrual**	3.2					
Total DoD (051)*	334.3	379.3	387.9	408.8	429.6	451.4
DoD Discretionary Budget Authority by Component						
Army	80.9	90.9	96.6	100.7	107.5	114.3
Navy/Marine Corps	98.8	108.3	114.7	119.9	127.0	134.0
Air Force	94.3	107.0	113.3	118.1	124.5	130.9
Defense-wide*	57.2	73.0	63.3	70.0	70.6	72.1
DoD Military (051)*	331.2	379.3	387.9	408.8	429.6	451.4
Civilian Accrual**	3.2					
Total DoD (051)*	334.3	379.3	387.9	408.8	429.6	451.4

* Includes the Defense Emergency Response Fund (FY 2002-FY 2007)

** Included in DoD budget in FY 03-07; in FY 02 shown for information only.

other initiatives; these savings were used to fund transformation and other pressing requirements.

- Progress toward a targeted 15 percent reduction in headquarters staff.
- Continued efforts to develop, by 2003, a DoD-wide financial management enterprise architecture and transition plan to consolidate and modernize financial and non-financial business processes/systems.

Editor's Note: This information is in the public domain at <http://www.defenselink.mil/news>. Copies of Department of Defense budget documents are available at the following Internet address: <http://www.dtic.mil/comptroller/fy2003budget/>.