**MILITARY**
- Smaller
- Leaner
- Technologically Advanced

**CAPABILITY**
- Quickly confront and defeat aggression from any adversary – anywhere, anytime

**PROTECT & PRIORITIZE**
- Key investments in technology and new capabilities

**STRATEGIC GUIDANCE**

**REBALANCE GLOBAL POSTURE**
Include:
- Asia-Pacific
- Middle East

**DIPLOMACY**
- Build innovative partnerships
- Strengthen key alliances & partnerships from Europe to Latin America to Africa
DoD Funding

Federal Spending Trends
1962 to 2020

SOURCE: Office of Management and Budget of the United States Government
FY2011 data

DoD Budget Outlook
FY12 & FY13

SOURCE: U.S. Dept. Defense
Current Operations

RAPID ACQUISITION

RESPONSIVE LOGISTICS
Operational Contract Support

- Implemented an OCS framework
- Implemented critical programs (SPOT)
- Implemented contractor oversight
Better Buying Power – Affordability

- Mandate Affordability
- Implement Should Cost
  - Eliminate Redundancy
  - Achieve Stable and Economical production rates
  - Manage Program Timelines
Better Buying Power – Services

- **Construction Services** ($19.3 B, 10%)
- **Facilities Related Services** ($28.2 B, 14%)
- **Transportation Services** ($9.7 B, 5%)
- **Medical Services** ($13.8 B, 7%)
- **Electronics & Communications** ($19.2 B, 10%)
- **Equipment Related Services** ($17.4 B, 9%)
- **Research & Development** ($38.5 B, 19%)
- **Knowledge Based Services** ($52.5 B, 26%)

$200 B
FY2011
Product Support

- Reduce lifecycle O&S costs
- Effective Program Oversight throughout the lifecycle
- Maximize use of well structured PBL arrangements
- Conduct sound Business Case Analysis

Properly Structured & Executed PBLs = Increased Readiness at Reduced Costs
Industrial Base

- Industry is part of DoD’s Total Force Structure
- Must produce affordable and sustainable programs
- DoD is proactively analyzing risks