Sequestration and the FY14 Budget

- **Sequestration**
  - $37B in cuts across the board
  - Furloughs of 11 days

- **President’s FY14 Budget Rollout**
  - Asked for $526.6B
    - ~7% higher than what we’re executing in FY13 at sequestration level
    - House and Senate Budget resolutions are similar
  - Budget exceeds the Budget Control Act mandated budget cap by $50B, so could target another sequestration
  - Overseas Contingency Operations Budget request is currently $79.4B

- **Strategic Choices and Management Review**
Defense Budgets Past and Future (Base Budget)

Then Year Dollars, Billions
Discretionary Budget Authority

PB12 (Submitted Feb 2011)
PB13 (Submitted Feb 2012)
PB14 (Submitted Apr 2013)
Sequester Continues

Total
-$1,079B

Ten-Yr Reductions (FY12-21)

<table>
<thead>
<tr>
<th></th>
<th>Total Cut In All Budgets</th>
<th>Added In This Budget</th>
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<tbody>
<tr>
<td>PB13</td>
<td>-$487</td>
<td>-$487</td>
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<tr>
<td>PB14</td>
<td>-$577</td>
<td>-$90</td>
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<tr>
<td>PB14 with BCA</td>
<td>-$1,079</td>
<td>-$502</td>
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Logistics After a Decade of War

CHANGING ENVIRONMENTS

RESPONSIVE ACQUISITION LOGISTICS
Afghanistan Drawdown and Transition
Institutionalizing OCS for the future:

- Oversight to prevent and detect fraud
- Training for military overseeing contractors
- Updated policy and doctrine
Better Buying Power 2.0

- Achieve Affordable Programs
- Control Costs throughout the Product Lifecycle
- Eliminate Unproductive Processes and Bureaucracy
- Promote Effective Competition
- Improve Tradecraft in Acquisition of Services
- Improve the Professionalism of the Total Acquisition Workforce
- Incentivize Productivity and Innovation in Industry and Government
Industrial Base Concerns:

- Loss of Capability
- Data Vulnerability
- Counterfeit