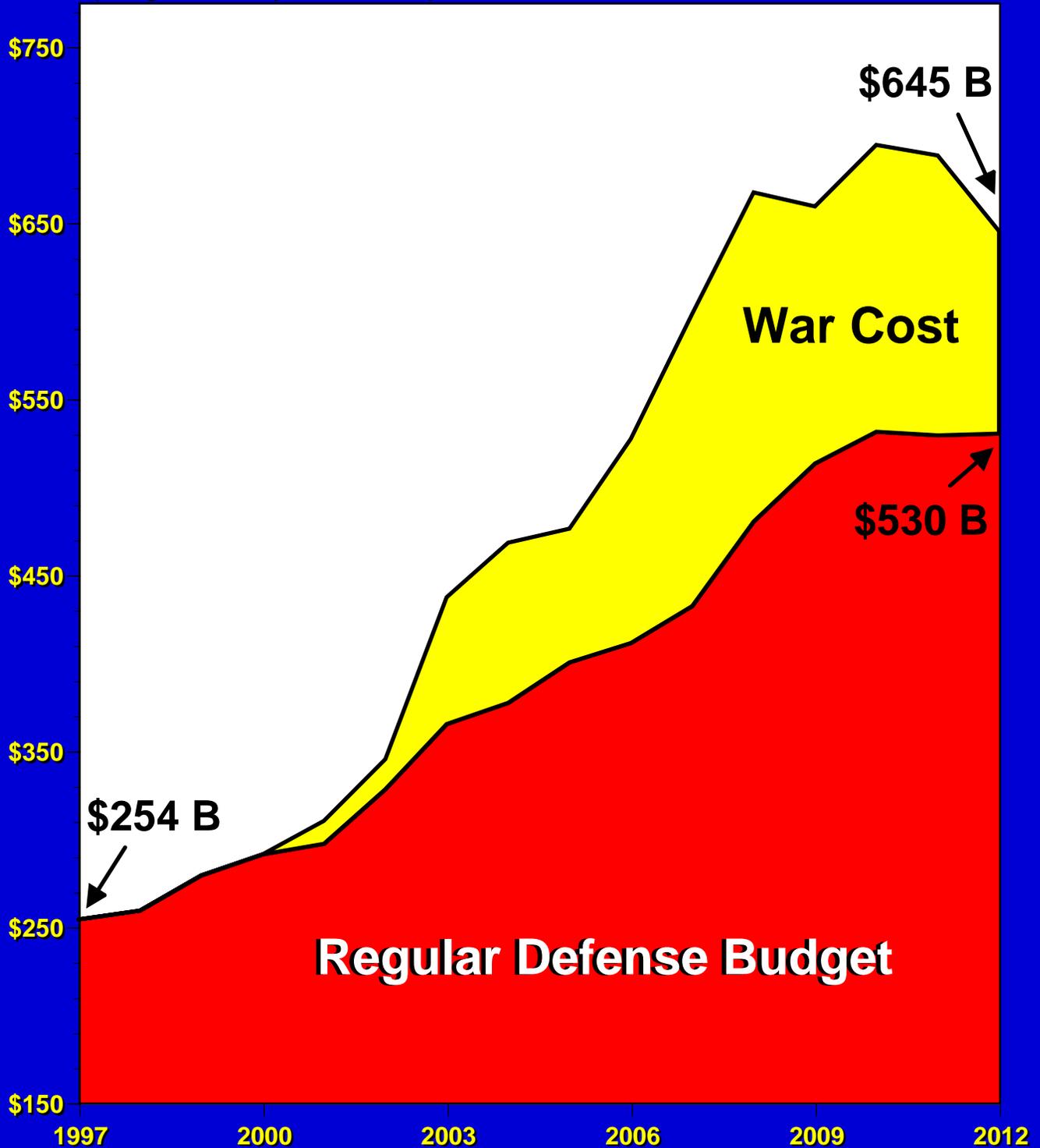


Defense Budget Growth

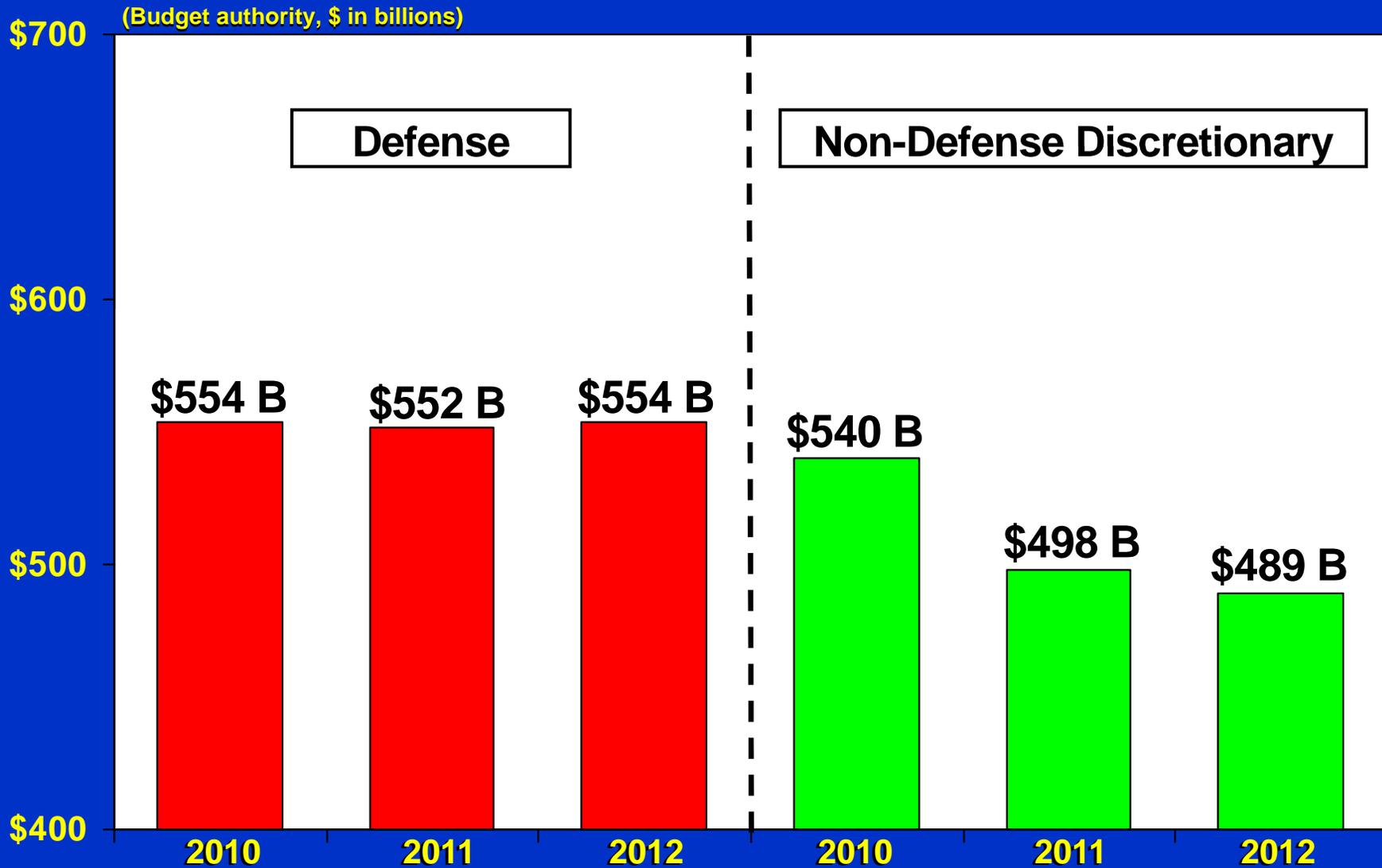
(Budget authority; \$ in billions)



Source: OMB, CBO

Note: Department of Defense funding.

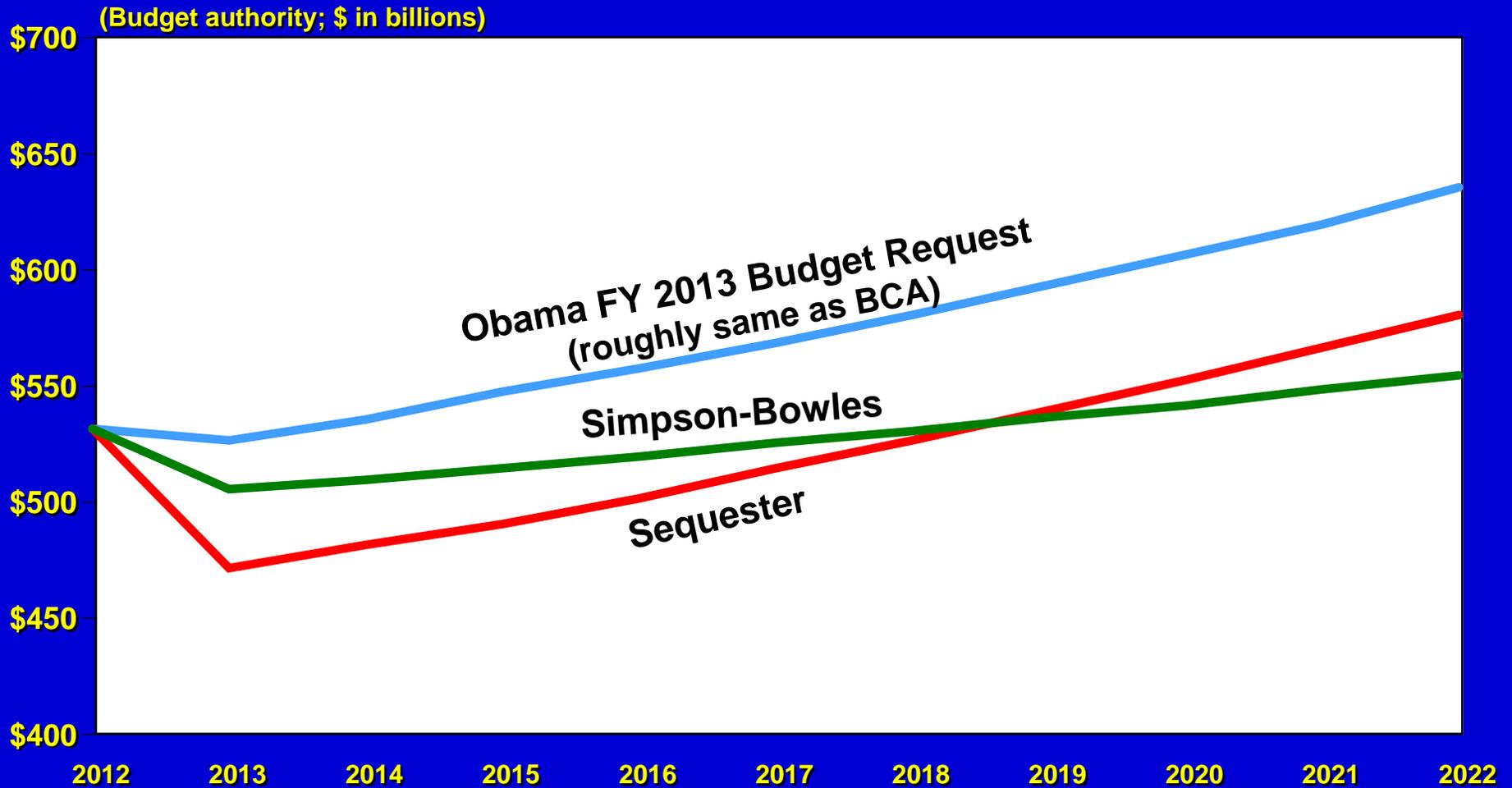
Comparing Recent Defense and Non-Defense Discretionary Funding Levels



Source: CBO

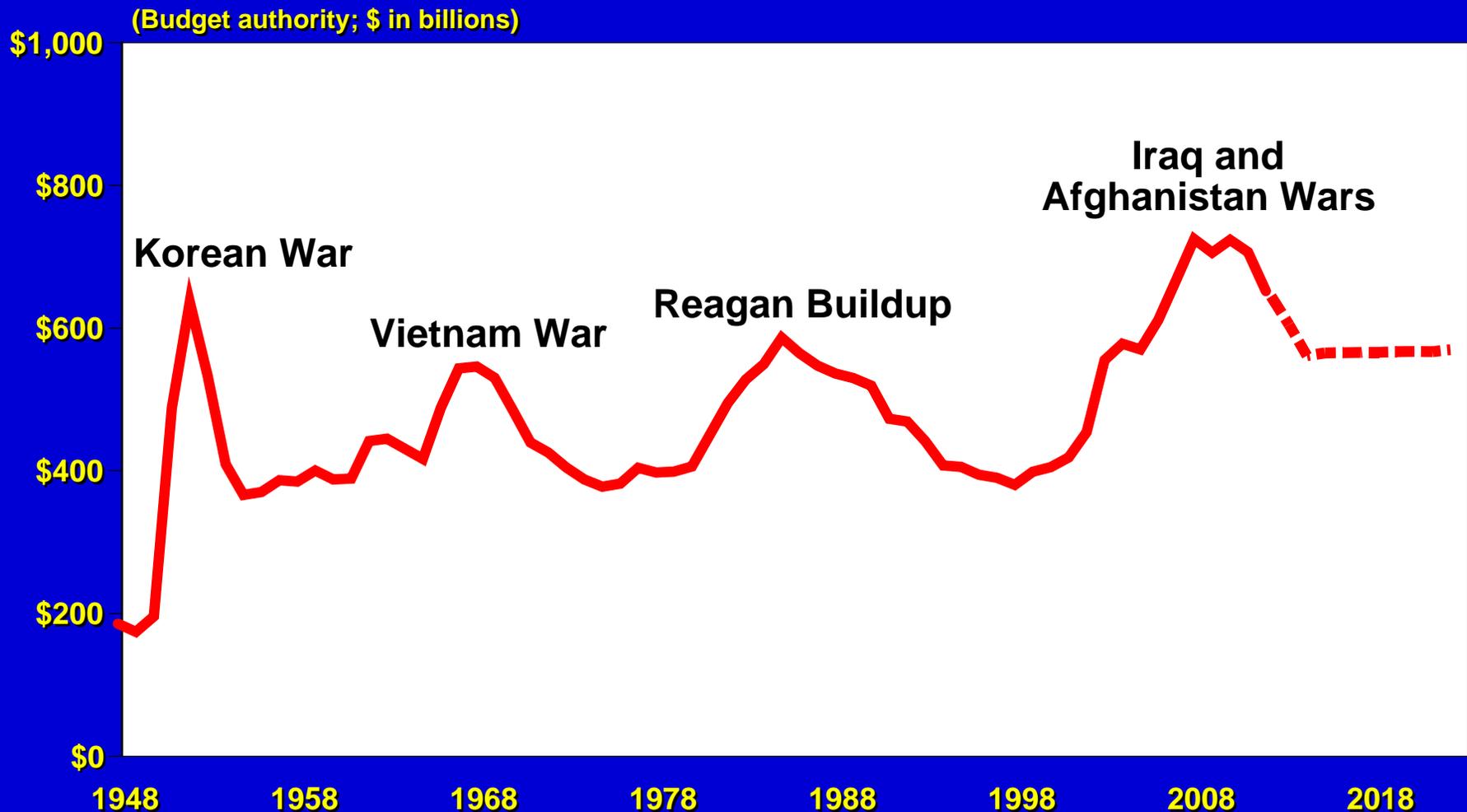
Note: Defense funding in Function 050. Excludes war and disaster funding.

Department of Defense Request in Obama Budget



Source: Department of Defense, CBO, National Commission on Fiscal Responsibility and Reform, SBC
Note: Department of Defense funding. Does not include war funding. Simpson-Bowles
DOD levels extrapolated from Commission's security topline.

Post-WWII Defense Spending

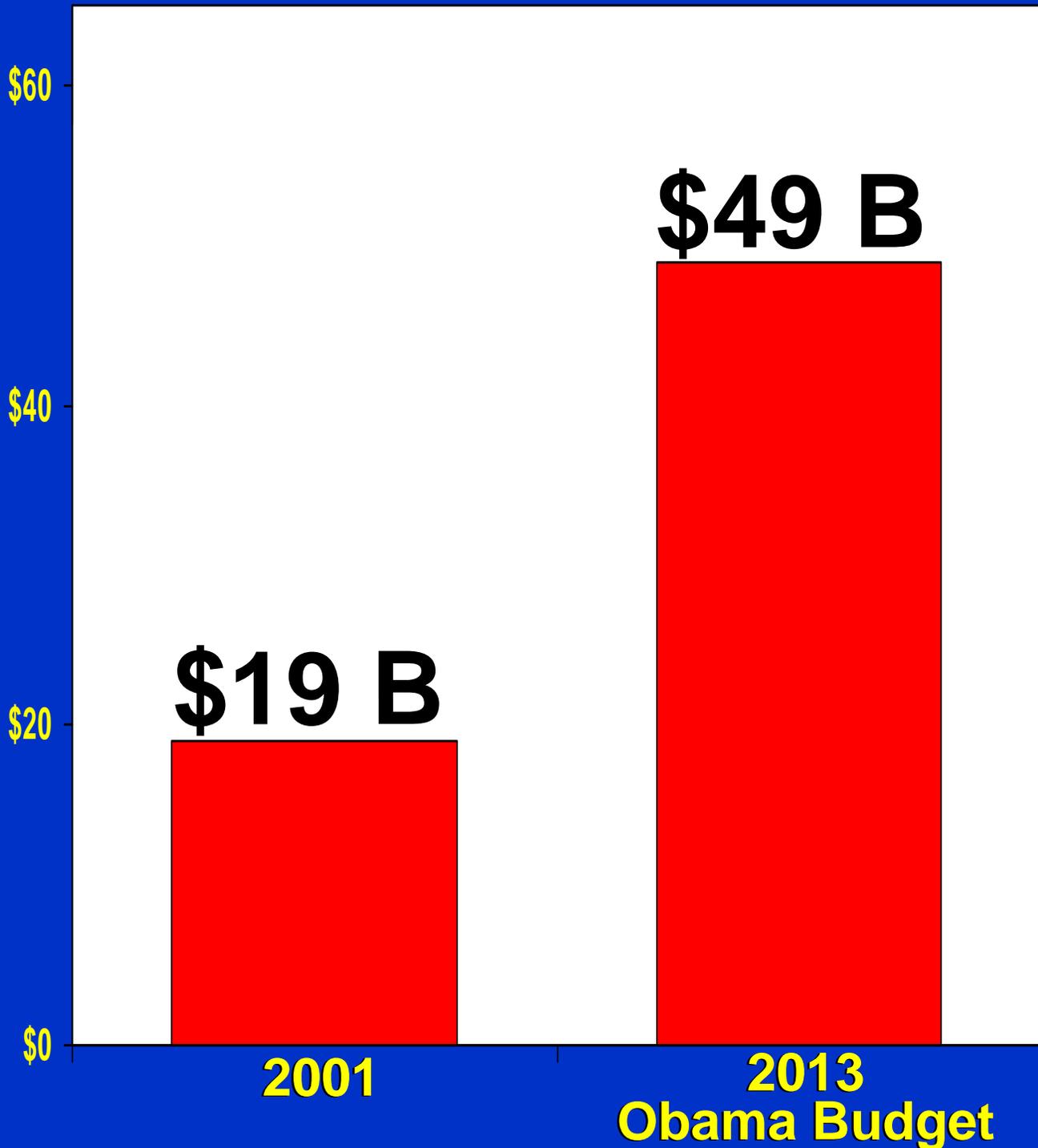


Source: Department of Defense, CBO, OMB

Note: Total Department of Defense funding, including war costs. 2012 level is CBO estimate. 2013-2022 inflation-adjusted from President's request. 2012 constant dollars.

Department of Defense Health Costs Soaring

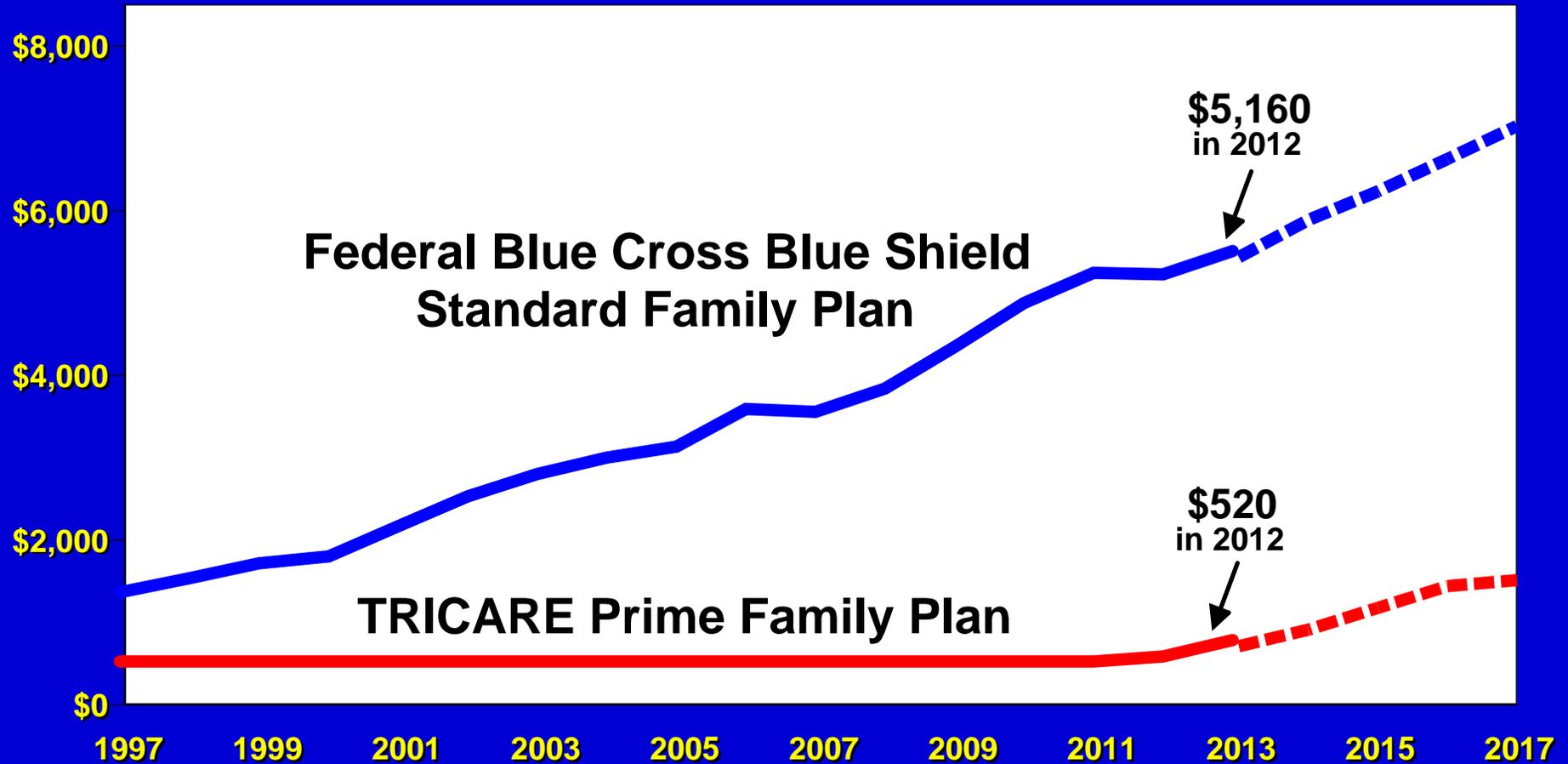
(Budget authority, \$ in billions)



Source: Department of Defense

Note: Department of Defense Unified Medical Budget. Includes Defense Health Program (DHP), accrual contributions into Medicare-Eligible Retiree Health Care Fund, and health-related military personnel and military construction costs.

Comparison of Annual Health Insurance Premiums



Source: Blue Cross Blue Shield, Department of Defense

Note: For TRICARE Prime, 2013-2017 represents President's budget request. Fee increases tiered based on amount of beneficiary's military retirement pay. Middle tier is shown. For BCBS plan, 2013-2017 shows premiums indexed to projected increases in National Health Expenditures (NHE).

Comptroller General Dodaro on Department of Defense Financial Management Problems

“Serious financial management problems at the Department of Defense (DoD) ... have prevented DoD’s financial statements from being audited....

“While we are encouraged by DoD’s recent plans and efforts to fundamentally transform its financial management operations, several DoD business practices, including financial management, remain on GAO’s list of high-risk programs designated as vulnerable to waste, fraud, abuse, and mismanagement or in need of transformation.”

– Government Accountability Office Comptroller General Gene L. Dodaro
Testimony before House Committee on Oversight and Government Reform
March 1, 2012

Department of Defense Spends Billions on Programs Later Cancelled

“In the budget submitted February 13, the DoD proposed canceling or changing production schedules for about 20 major programs....

“Although the costs associated with ending these efforts might not be that large, the amount of money already spent on them is substantial....

“Over the past 10 years, the Pentagon has spent about \$46 billion, using current dollar estimates, on development programs that were terminated and never entered production, according to a July 2011 report....”

– *Federal Times*, “DoD Budget Cuts Aimed at Avoiding Termination Fees”
By Marcus Weisgerber
February 21, 2012

Former Defense Secretary Gates on Defense Funding

“...[T]he budget of the Pentagon almost doubled during the last decade. But our capabilities didn’t particularly expand. A lot of that money went into infrastructure and overhead and, frankly, I think a culture that had an open checkbook.”

**–Former Secretary of Defense Robert Gates
Interview on CBS’s *60 Minutes*
May 15, 2011**