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UNDER SECRETARY OF DEFENSE

1 100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

INFO MEMO

COMPTROLLER

December 15, 2004, 4:00 PM

FOR: SECRETARY OF DEFENSE
DEPUTY SECRETARY OF DEFENSE

FROM: Tina W. Jonas *TWJ*

SUBJECT: Draft Passback Appeal Letter to the President

- During the review of the passback appeal letter to OMB, it was suggested that a direct appeal to persuade the President may be appropriate.
- Attached is a draft letter for your signature to the President, appealing OMB's passback of the fiscal year 2006 budget.

COORDINATION: None.

Prepared By: CAPT Keith Bowman, USN, 697-2528

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15 Dec 04

MA SD	SMA DSD		
TSA SD	SA DSD		
EXEC SEC	<i>M 12/16</i>		
ESH MA	<i>12/17 BT</i>		

OSD 20185-04

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The President
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. President:

Josh Bolten and I recently discussed OMB's proposed topline for the Department of Defense for fiscal year (FY) 2006, as well as future years. Their topline number will require some very tough choices. It looks as though we might be able to adjust to meet the \$10 billion reduction proposed in FY 2006, however I am concerned about the implications for future years. I have submitted an appeal to **Josh** with thoughts on how we can support your deficit reduction goals, while continuing to transform our forces to better meet 21st century threats.

To adjust to OMB's guidance in FY 2006, we are reviewing our options, including the possible delay or termination of tactical aircraft (e.g., F/A-22) and transformational (e.g., laser communications, missile defense, space) programs, and the retirement of an aircraft carrier. We will provide you specific recommendations as soon as possible.

To restructure the Army to provide a more readily deployable force, a considerable future investment is required. Without increased funding in future years (FY 2007-2011), we

cannot absorb these costs without severely setting back other programs.



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We also are concerned about the impact of the war on our equipment. Our combat operations are accelerating the deterioration of equipment, particularly vehicles. This problem may have been compounded by the lack of investment in procurement in the 1990s. We believe we should not leave the matter of aging equipment unaddressed. Therefore, I propose that funds for equipment recapitalization be fully supported in the FY 2005 and FY 2006 supplemental requests.

We continue to appreciate the unwavering support you provide our forces, as well as the leadership you provide for the war effort.

Respectfully yours,



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