

NDIA

National Defense Industrial Association

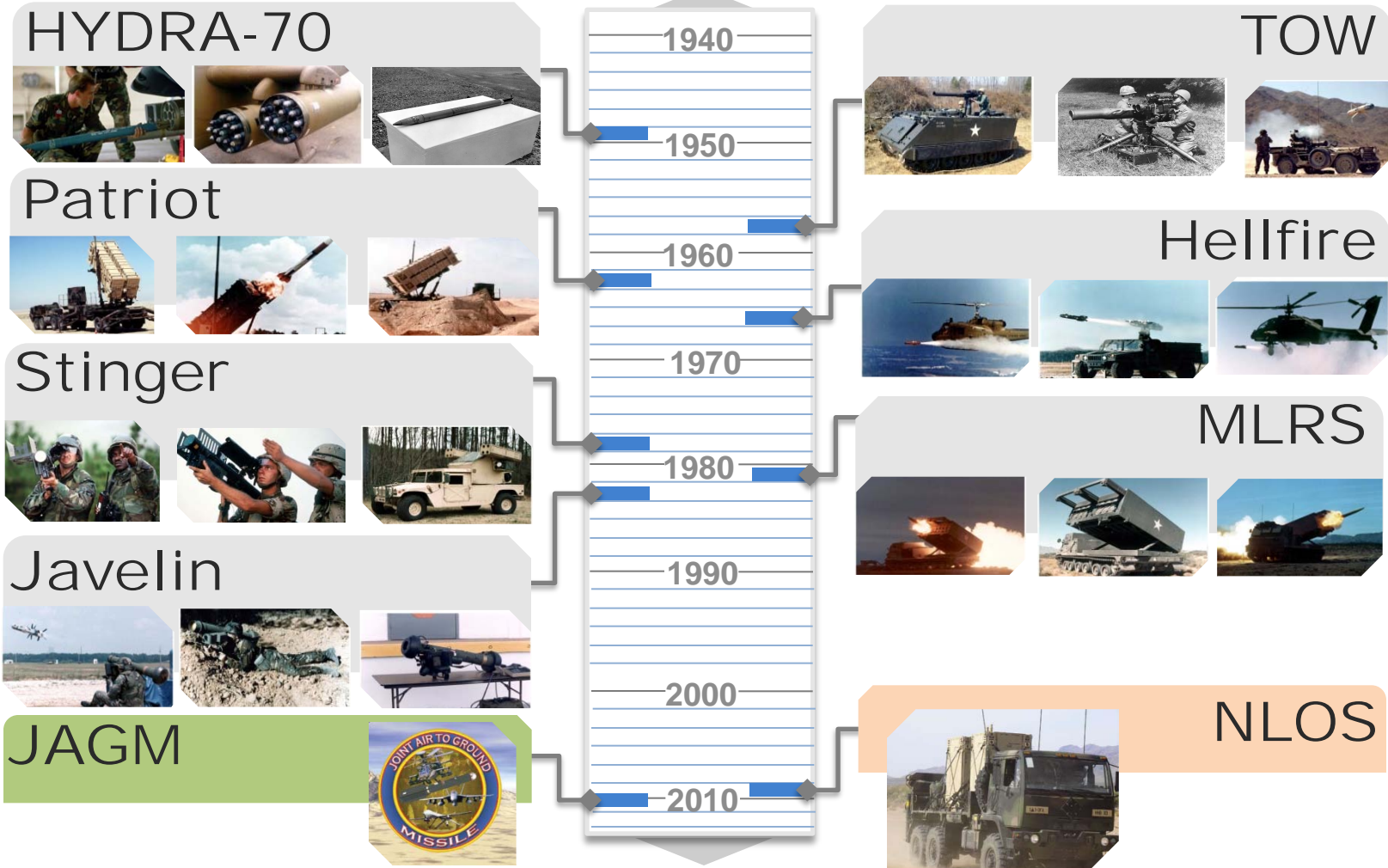
Joint Armaments Conference

Affordable, Reliable, Precise:
Finding the Right Mix

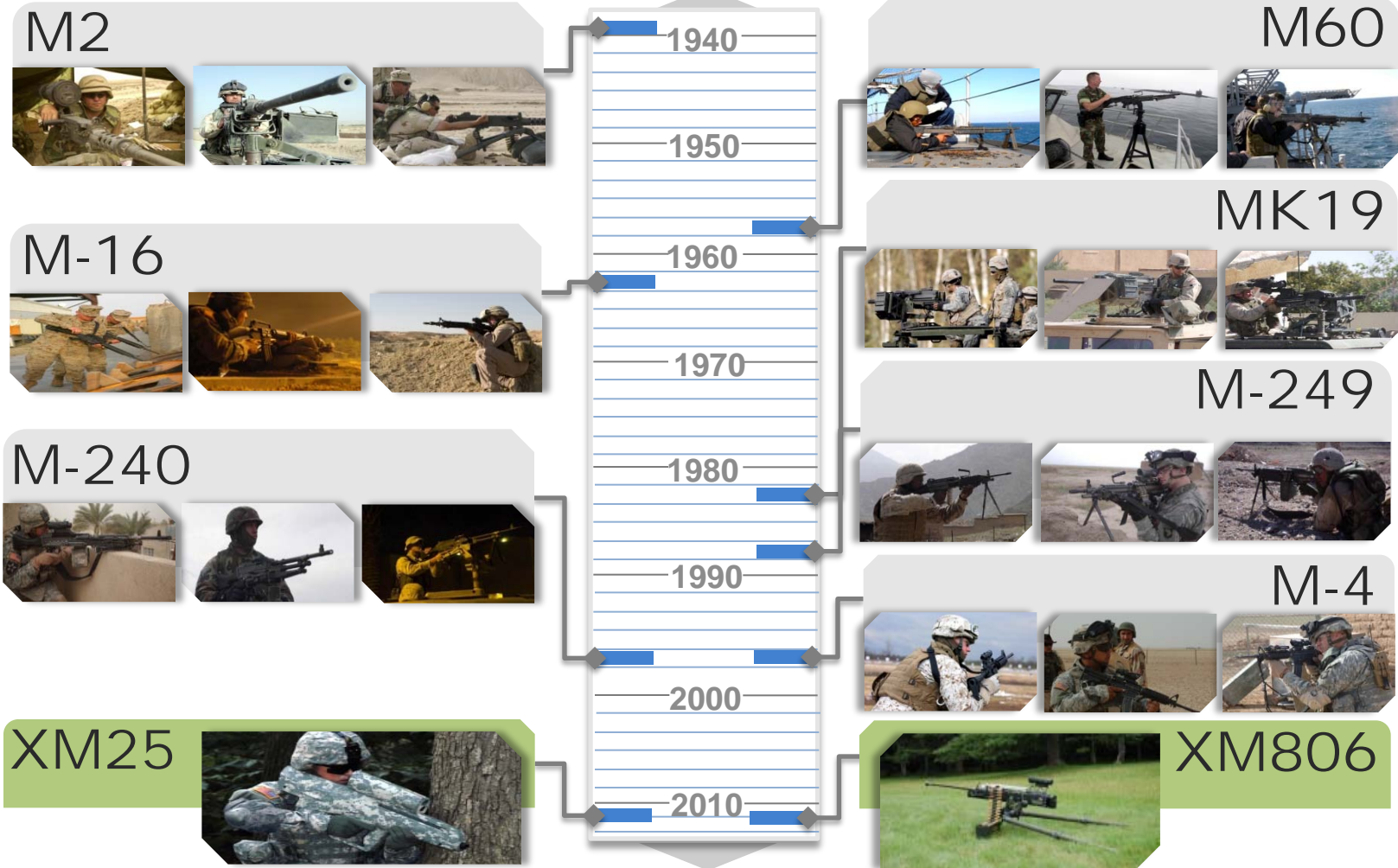
Mr. Mike Mulligan

May, 2010

Many US Rockets And Missiles Programs Were Developed 20+ Years Ago



We Are Fighting Today With Guns Whose Designs Are Decades Old



Protection Systems Must Balance Three Attributes

PROTECTION



**Right Responses
=
Balanced Attributes**



COST

WEIGHT

For Armaments the Attributes Change

RELIABILITY



**Right
Responses
=
Balanced
Attributes**



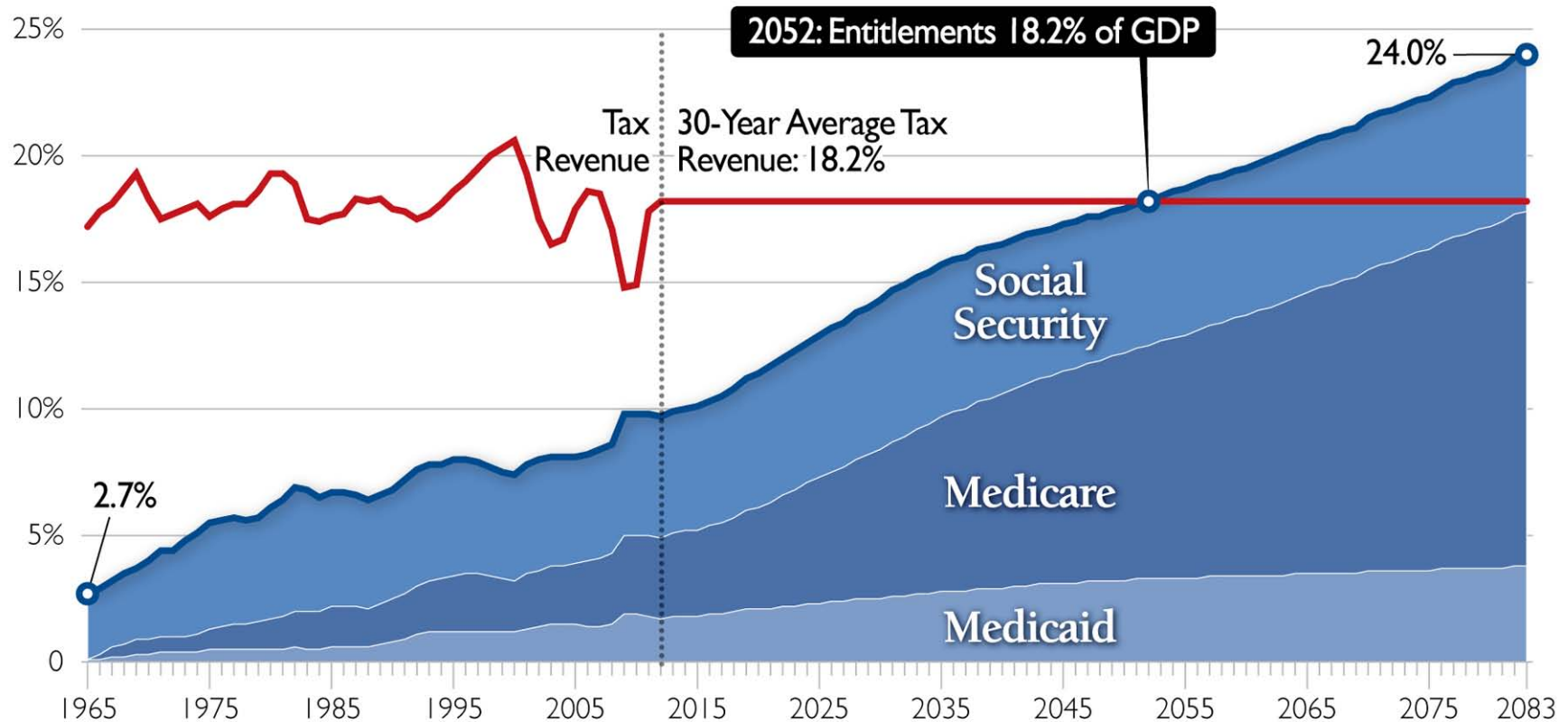
COST



LETHALITY

Entitlement Growth Will Consume Discretionary Spending By 2050

PERCENTAGE OF GDP

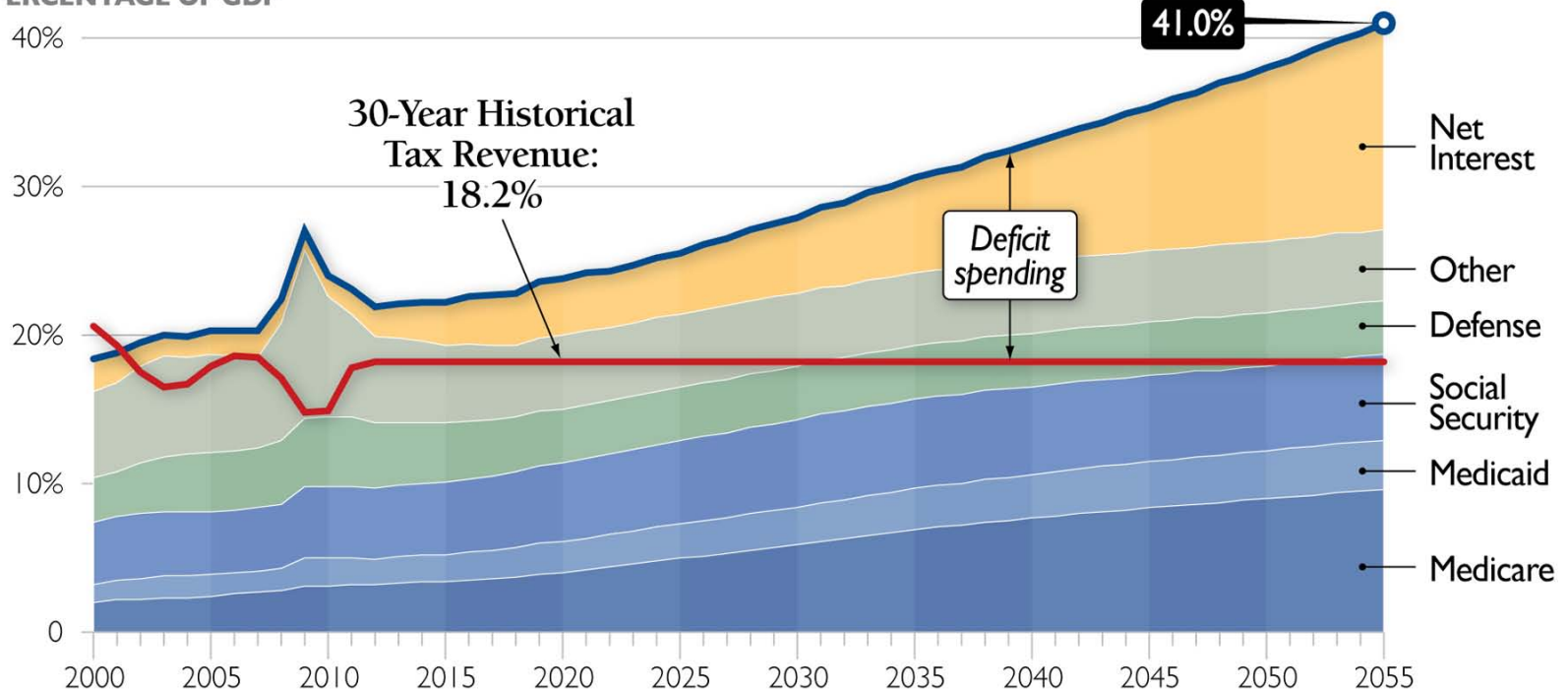


Source: Congressional Budget Office.

Entitlements Chart I • 2010 Budget Chart Book heritage.org

When Add Servicing Costs for Debt, Picture Gets Worse

PERCENTAGE OF GDP



Key Projections – 2055 (as a percent of GDP)

Spending Deficits		Other Spending		Entitlements	
● Total Spending	41.0%	Net Interest	13.9%	■ Social Security	5.8%
● Revenue	18.2%	All Other	4.8%	■ Medicaid	3.3%
Deficit	-22.8%	Defense	3.6%	■ Medicare	9.6%
		Total	22.3%	Total	18.7%

Source: Heritage Foundation calculations based on Congressional Budget Office data.

Entitlements Chart 6 • 2010 Budget Chart Book heritage.org

The Right Response Balances Lethality with Cost and Reliability

- ✓ Lethality must be scalable with reduced collateral damage
- ✓ Cost must be what the nation can afford balancing competing requirements.
- ✓ Reliability must be at least as good as current systems

NDIA

National Defense Industrial Association

Joint Armaments Conference