

Section 4. FY2010 Defense Program

1. Background of Budget Compilation

As a result of the general elections held in 2009 there was a historic change of regime and the FY2010 budget was compiled under a new government.

Following a Cabinet decision on September 18, 2009, the Government Revitalization Unit was established to review the national budget, systems, and other administrative organs overall, from the public perspective. A Cabinet decision¹⁵ on the 29th of the same month pertaining to budget compilation for FY2010 required that in order to implement new measures, following the manifesto, all budget items must be recompiled, and new sources of revenues be found. In addition, a Cabinet decision on October 23 of the same year calls for the project screening¹⁶ process conducted by the Government Revitalization Unit to be entirely open to the public, to implement reform and provide transparency and visibility in the budget compilation process.

The review of expenditures, including project screening, is intended to include outside perspectives in the review of the basic necessity of existing projects and budgets.

At the 2nd meeting of the Government Revitalization Unit, decisions on projects subject to screening were

Fig. II-2-4-1 Major Results of Project Screening for Defense Ministry Projects

Item name	Outline	Results of project screening, etc.	Reflection on evaluation results
Request to increase SDF personnel	Discuss request to increase regular SDF personnel for frontline SDF units in FY2010 budget request	○ Budget appropriation for this fiscal year postponed	○ Budget appropriation for this fiscal year postponed
Acquisition of equipment and material (New future obligation from FY2010)	Discuss new acquisitions of equipment such as aircraft, vessels, guided missiles, firearms, and vehicles in FY2010	○ Waiting for a government decision <ul style="list-style-type: none"> • PAC-3 is a political matter • Must wait for preparation of the NDPG • Must wait for the year-end Cabinet decision 	○ Will prepare defense capabilities based on the FY2010 Defense Program (December 17, 2009 Cabinet decision)
Cost of materials, clothing, firearms, ammunition	Discuss cost reductions of general materials such as general office supplies, clothing such as uniforms, and firearms and ammunition	○ Reduced the budget request (materials, clothing) ○ Will review (firearms, ammunition) <ul style="list-style-type: none"> • Must introduce and expand import purchasing • Need to verify emergency response 	○ Reduced from budget estimate request ○ Will examine quality, functions, price, stability of supply, etc., of foreign made firearms and ammunition, from this fiscal year
Standard for leasing land for defense facilities	Discuss standard for rent to lease areas for SDF facilities and U.S. Forces facilities and areas	○ Will not review rental amounts <ul style="list-style-type: none"> • Make effort to have as many landowners as possible understand the overall budget situation ○ The renewal cooperation expenses remain as requested (Application effort)	○ The budget estimate remains as requested
Base environs countermeasures (Soundproofing housing) (Stable public welfare (general aid)) (Designated Defense Facility Environs Maintenance Grant)	Discuss public welfare stability projects and maintenance grants for such activities as construction to soundproof houses for residents in surrounding areas to mitigate the negative effects of establishing and operating defense facilities nearby, and for local governments nearby defense facilities	○ The budget for soundproofing houses remains as requested ○ Both the stable public welfare (general aid) and Designated Defense Facility Environs Maintenance Grant systems are to be reviewed. (Make them freer to use, and make them more useful to local regions so that they are more effective.)	○ Proposed partial changes to the Living Environment Improvement Law in the 174th meeting of the House of Representatives to make Designated Defense Facility Environs Maintenance Grants applicable to soft projects in addition to facility equipment (See Part III, Chapter 4, Section 3-3)

Note: 17 Defense Ministry projects subject to project screening.

determined. Of these, 17 Defense Ministry projects were to be screened, including requests to increase the actual number of SDF personnel, acquisition of equipment and material, base environs countermeasures, and standards for leasing land for defense facilities. These projects were screened in November 2009, and the Defense Ministry explained the purpose and necessity of each project. Discussions were then held after hearing explanations from the Ministry of Finance. In the end, the project evaluations were compiled and sorted into the categories of “budget requests reduced,” “budget appropriation postponed,” “project revision needed,” and “budget approved as requested.”

Based on the results of project screening the budget estimation for the FY2010 budget proposal was reduced by 16.8 billion yen, reflecting expense reductions for projects that were subject to screening. In conjunction, the Defense Ministry will conduct survey research into how it can provide an efficient and effective defense program in the future, and are looking at more efficient and effective ways to implement projects, and to organize the SDF.

Furthermore, “project screening” targeting projects implemented by independent administrative agencies and government-affiliated public corporations was conducted for a month beginning in late April. From FY2010, “administrative project reviews” are also being conducted at each ministry¹⁷.

2. Policies to Adhere to in Compiling the FY2010 Defense Budget

As a result of the regime change, in parallel to these activities, the next Mid-term Defense Program will be formulated incorporating the conclusions of the reviews of the 2004 NDPG. As described in Section 2 of this chapter, the policies to adhere to in compiling the FY2010 budget were decided by the Cabinet, and policies for preparing appropriate defense capabilities in the absence of a Mid-term Defense Program were clarified.

(See this chapter, Section 2, Reference 11)

(1) Basic Concept

These policies allow for preparation of defense capabilities in FY2010 based on the 2004 NDPG to effectively fulfill the defense capability roles defined in the 2004 NDPG.

While observing the following items, efficient defense build-up through replacement and effective utilization by renovation and repair of obsolete equipment and of currently deployed equipment becoming out of date is the basic principle, and at the same time the readiness and strength of units is to be improved through achieving the utmost efficiency of regular SDF personnel and by increasing the staffing of front-line units.

a. Ensure capability to deter all types of situations and readiness to respond effectively

Prepare necessary equipment and maintain responsive capability to respond to ballistic missile attack, special forces attack or situations in Japan’s offshore islands, to constantly conduct surveillance monitoring and information gathering, and to respond to major or unusual disasters.

b. Further stabilize the regional security environment

In order to further stabilize the security environment of the Asia-Pacific region, further promote all types of cooperation such as humanitarian aid and disaster relief, and bilateral and multilateral talks between nations.



Parliamentary Vice-Minister of Defense Nagashima speaking at the review hearing for the “project screening” [Asagumo Shimbunsha]

c. Promote efforts to improve the global security environment

In order to take a major proactive role in peacekeeping operations and other international cooperative activities to prevent the proliferation of weapons of mass destruction and ballistic missiles, and to handle terrorism and piracy, promote participation in all types of training and acquire equipment so as to be able to actively engage in international peace cooperation activities.

d. Efforts towards higher efficiency and rationalization

Under severe financial constraints, promote efforts to prepare defense capabilities effectively and efficiently by clarifying project priorities, utilizing human resources efficiently and effectively, and acquiring equipment and materials efficiently.

(2) Points to Bear in Mind

The following points are particularly noteworthy to respond to new trends in the security environment around Japan as we prepare defense capabilities as described above.

- 1) Promote further efficiency by reducing purchasing costs through utilization of LCC management. In addition, from the medium and long-term perspective, examine the appropriate form for defense manufacturing and the technology base in Japan.
- 2) In order to utilize human resources efficiently and effectively, outsource tasks that can be done outside. In addition, implement training to obtain and foster high quality personnel. Furthermore, with fewer children in our society, and higher levels of education, the SDF must examine its ranking and age structure in order to diversify duties in the SDF.
- 3) While paying attention to attaining closer relations with local residents and local society, the SDF will study rationalizing and making its units more efficient from the perspective of attaining a structure that will allow it to exercise its overall capabilities effectively and efficiently.
- 4) Based on operational results obtained after transitioning to a joint operations posture, enhance joint operations so that the SDF can effectively perform its duties.

3. Major Items for FY2010 Defense Equipment

Based on the principles described above, advances will include the Type 10 Main Battle Tank (MBT) to replace the current tank, a destroyer (DDH) to replace the Shirane class destroyer, improved anti-ballistic missile capabilities, and improved fighter (F-15, F2) capabilities.

In addition, under severe financial circumstances, reductions of 3,500 by outsourcing to civilian personnel and other means in SDF personnel strength will be accomplished in FY2010, while taking care not to have an adverse impact on front-line units, in line with the reduction implemented based on the Administrative Reform Promotion Act. Based on that, while the number of regular SDF personnel was 236,759 at the end of FY2004 based on the 2004 NDPG, it is anticipated that the number will decline by 6,862 to 228,897 by the end of FY2010¹⁸. As mentioned previously, based on the policies to be adhered to in compilation of the FY2010 budget, “Concerning the actual number of SDF personnel, while striving for efficiency as much as possible, the readiness and strength of units is to be improved by increasing the staffing of front-line units,” so the Defense Ministry will be considering necessary measures toward the revision of the 2004 NDPG and the formulation of the next Mid-term Defense Program.

Fixed SDF personnel strength indicates the number of personnel required to perform the duties of the SDF. The 273,801 personnel at the end of FY1995 was the peak, and the number has declined ever since, with reduction of the authorized number for the GSDF stipulated in the 1995 and 2004 NDPGs. Amidst this development, the

FY2010 budget maintained the same 247,746 personnel as at the end of FY2009, based on the need to ensure the security environment around Japan and the capability for an appropriate response, and in line with the units reorganization implemented based on the 2004 NDPG.

(See Fig. II-2-4-2), (See References 13 and 14)

The Defense Ministry is working to further rationalize and increase the efficiency of equipment and material purchases overall, and has set the goal of a reduction in the costs of R&D for equipment and material, purchasing, and maintenance of 15% from FY2006 to FY2011. The reduction in FY2010 is expected to be around 150 billion yen, a rate of reduction of about 7.9% (provisional figure)¹⁹.

(See Part III, Chapter 4, Section 2)

Fig. II-2-4-2 Main Items for FY2010 Defense Build-up

Classification	Major Projects
1. Ensuring Japan's defense and security by deterrence and effective response	<p>1) Further strengthen BMD systems, starting with joint Japan–U.S. development of Aegis BMD weapons systems based on the experience of units during North Korean missile launches</p> <p>2) Conduct R&D on advanced equipment such as the 03-type medium-range surface-to-air missiles (improved) in order to counter future threats such as improved functionality and proliferation of cruise missiles and high-speed air-to-ground missiles, to provide appropriate air defense for important facilities</p> <p>3) Prepare all types of equipment, such as the new tank, and training to strengthen capabilities for effective response to attacks by terrorists or special forces</p> <p>4) Prepare all types of training and equipment such as field exercises by GSDF units (leaving islands) to enable quick responses to all kinds of circumstances in Japan's remote islands</p> <p>5) In order to establish information superiority from the collection of information and monitoring of warnings, conduct demonstration research of medium-range unmanned reconnaissance craft</p> <p>6) Advance preparations of equipment and materials (NBC reconnaissance vehicles and portable biological detection equipment, etc.) that are necessary to respond to attacks by NBC weapons, large-scale or specialized disasters, or large-scale infectious disease, to ensure the safety of the Japanese people</p> <p>7) Improve fighter aircraft (F-2, F-15) and conduct advanced research including research on stealth aircraft technology to respond to future threats in order to provide appropriate air defense for Japan against the trend of future threats from advanced military aviation technology</p> <p>8) Build a destroyers (DDH) and procure equipment for counter-piracy measures in order to ensure the safety of maritime traffic</p>
2. Further stabilization of regional environment and public order	Engage in proactive regional cooperation, exchanges and dialogues such as participation in Pacific Partnership 2010 in order to contribute to stable regional security environment and order near Japan, including in the East China Sea and the Western Pacific
3. Improve global security environment	Participate in anti-terrorist activities and PKO, proactively participate in cooperative international activities aimed at responding to the problem of proliferation of weapons of mass destruction, and at the same time expand global defense exchanges and cooperation to improve the global security environment. In addition, strengthen the SDF's base of international activities, such as preparing equipment related to international activities.
4. Effectively and efficiently use human resources	In order to respond effectively to all types of situations, obtain the appropriate number of SDF personnel, and provide an environment where they can concentrate on their duties, such as child care facilities
5. Efforts towards space projects and countering cyber attacks	Implement various measures to promote use of space in the defense field, and to strengthen cyber attack countermeasures and the foundations of information and communications
6. Improving efficiency and rationalization	Further advance efficiency and rationalization through such efforts as concentrated purchasing and reforming general personnel expenses
7. Strengthen education and research systems	Promote measures to strengthen education and research at the National Institute for Defense Studies, the National Defense Academy of Japan, the National Defense Medical College, etc.
8. Efforts towards U.S. Forces realignment	In order to proceed steadily with the U.S. Forces realignment, implement measures such as those related to the transfer of U.S. Marine Corps units from Okinawa to Guam
9. Advance base measures	Steadily implement measures around bases to promote harmony between defense facilities and surrounding areas. Promote measures for smooth and effective stationing of U.S. Forces in Japan.

[COLUMN]

COMMENTARY

Status of SDF Personnel (actual number)

The authorized number of SDF personnel counts units, etc., organized with necessary functions in accomplishing the mission of each of the three Self-Defense Forces, in order for them to protect Japan's peace and independence and maintain its national security.

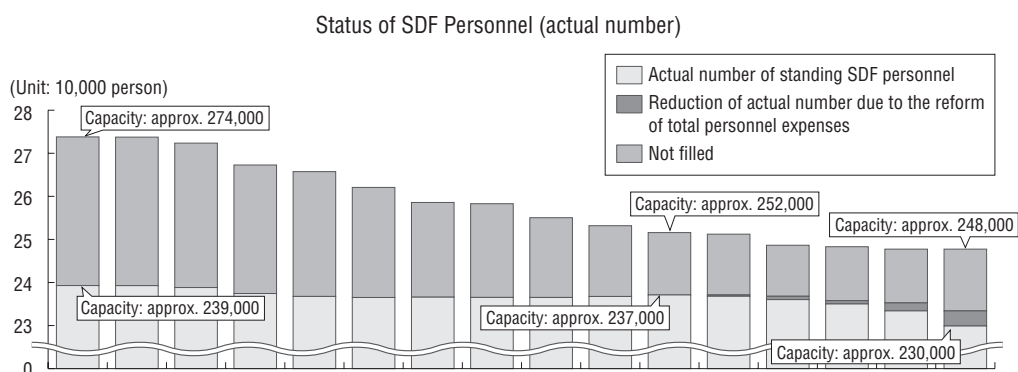
During the late 1950s, shortly after the SDF was established, the social environment around the SDF was severe and it was very difficult to recruit and employ the personnel to the authorized number. That meant that even if budgets were appropriated for personnel and provision expenses for the number of authorized personnel, a considerable portion of the budgeted amount could not be executed. The so-called staffing rate, the proportion of the personnel staffed (actual number) in the SDF against the authorized number, was introduced from the perspective of streamlining budgeting.

That was during the Cold War era, and the major role expected of the GSDF was to resist a large-scale invasion of Japan. Therefore the premise for the staffing rate was that a certain amount of time would be necessary before an enemy could actually invade, so that during ordinary times the staffing rate was held to a little more than 80%, and if events required it, they would conduct emergency recruiting and hiring to meet the personnel demand. As for the MSDF and ASDF, while maintaining an overall staffing rate of around 90% as their ordinary duties included such activities as scrambling and surveillance operations in the surrounding seas and airspace, it was presumed that they would also recruit and employ additional staff in contingencies as an emergency step.

However these days, the SDF is also required to have as many well-trained regular personnel in frontline units as possible in ordinary times, to be ready to respond to events that cannot be anticipated such as ballistic missile attacks, terrorist or special forces attacks, and major disasters, as well as to actively participate in PKO and other overseas activities.

Since the 1995 NDPG the staffing rate had been improved as a result of reducing the authorized number, but the actual number has been reduced due to the reform of total personnel expenses implemented since FY2006, which aims to reduce the number of personnel by about 7,200 by FY2010, and ultimately by about 8,700.

Under these circumstances, the Basic Concept included in the Policies to Adhere to in Compiling the FY2010 Defense Budget decided by the Cabinet in December last year says, "the readiness and strength of units is to be improved through achieving the utmost efficiency of regular SDF personnel and by increasing



the staffing of front-line units.” Under the “Points of Concern,” it says, “For effective and efficient use of human resources, outsourcing and other such measures are encouraged where possible. Also, while securing and nurturing high-quality human resources and enhancing education, consideration should be given on the modality of ranking and age composition, etc., of the SDF personnel, so that it can respond to the diversification of the SDF’s missions amidst the social trends of declining birthrates and increasing enrollment rates for higher education.” Based on these considerations, the Defense Ministry is studying a range of measures to be taken.

[COLUMN]

Q&A

Type 10 Main Battle Tank (MBT)

Q: Tell us about the new tank (Type 10 MBT).

A: “‘We are protected.’ At the very least, how much courage is felt by the people who believe it! How it allows them to show their martial spirit!” Those are the words of Charles de Gaulle¹.

“Peace of mind in the battle field.” The tank is the embodiment of that. The tank was originally introduced to the battlefield in WWI to break open the deadlock of trench warfare with its armor (defensive power) and tractor treads (mobility), like a savior when it appeared on the field. High defensive power, mobility, and strong firepower. The combination of those three characteristics gave it an overpowering presence, and it was the source of encouragement to the soldiers on the battlefield who were enveloped in fear and isolation.

After the end of the Cold War Canada gave up the tank once, but learning a lesson from street fighting and operations to maintain security in Afghanistan, they reconsidered the operational value of the tank and decided to reintroduce it. In addition, Singapore continues to keep their tanks as an effective street fighting weapon, and furthermore, France operates tanks in its U.N. peacekeeping activities. In that sense the original significance of the tank has not been lost, and in the future all nations will continue to recognize it as equipment that they cannot do without.

On reflection, the Type 10 MBT has high C4I² capability in addition to defensive power, mobility, and firepower. That means that the tank, which has powerful capabilities even by itself, can work in close coordination with many other tanks, sharing image data information in real-time.

In addition, the gun barrel of the Type 10 MBT is made in Japan, so that it is a Japanese-made tank in name and in fact. Tank production requires using a high level of manufacturing precision technology, and only a few countries can produce tanks, including the United States, Russia, United Kingdom, France, Germany, and Israel. Now a tank is not only an emblem of encouragement on the battlefield, it also embodies the fruit of a country’s general manufacturing technology. In many senses, the Type 10 MBT will demand attention.



A Type 10 tank in action

- 1) Charles de Gaulle: French Army soldier and first President of the French Fifth Republic.
- 2) C4I: Command, Control, Communications, Computers, Information

Main specifications	
Main armament	120mm smoothbore gun
Maximum speed	About 70km/h
Weight	About 44t

[COLUMN]

COMMENTARY

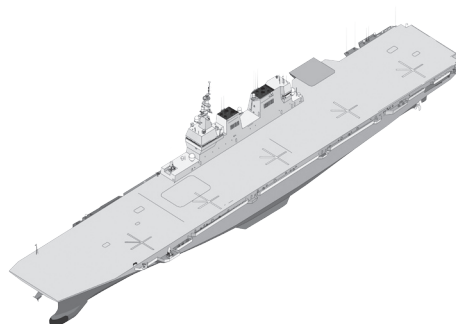
Destroyer Equipped with Helicopters Planned for FY2010 (22DDH)

The MSDF equips each of its four escort flotillas with a DDH destroyer loading three patrol helicopters, which acts as a command center vessel in anti-submarine combat, controlling command and communication as well as helicopter operation. The construction of a destroyer equipped with helicopters planned for FY2010 (22DDH) was decided in order to replace and update the DDH Shirane, which will be withdrawn from service in FY2014.

In the light of the modernization of neighboring countries' naval forces, including submarines and surface ships, in recent years, it will be important in the future to strengthen anti-submarine and anti-surface ship defense capabilities in order to effectively perform such tasks as ensuring the safety of maritime traffic and defending the waters around Japan. The 22DDH is larger than the 16DDH Hyuga commissioned in 2009 and is equipped with storage space to carry an increased number of patrol helicopters that can perform those duties.

In addition, the 22DDH can serve multiple purposes and can stay at sea for an extended period of time, and therefore can respond to diverse situations in both peacetime and in contingency. It is also designed in line with the inclusion of overseas missions into the primary missions, the transition to an integrated management of the Self-Defense Forces, and other trends. In addition to capabilities to control command, communication, and helicopter operation of the flotilla possessed by previous DDHs, using its enlarged hull it can serve a broad range of functions for international peace cooperation activities, large-scale disaster response, transportation of Japanese nationals overseas, and other missions, including transport functions for vehicles and cargo, and medical care for injured or sick. The 22DDH is therefore expected to play a crucial role, as a multi-purpose destroyer, in ensuring the safety of Japanese people and in international contribution.

22DDH main features	
Standard displacement	About 19,500 tons
Speed	30 knots
Main engines	Gas turbines, 2 axles
Main equipment	
High performance 20mm machine guns	2 guns
Anti-ship missile defense system	2 emplacements
Surface ship sonar system	1 system
Torpedo defense equipment	1 system
Patrol helicopters	7 helicopters
Maritime rescue helicopters	2 helicopters



An image of the 22DDH

KC767 Begins Operations

The 404th Squadron was newly formed at Komaki Air Base in March 2009 as the first ASDF unit to operate the KC-767 for midair refueling of fighters and air transport duties. They received a fourth KC-767 in January 2010, completed operational tests in February, and began operations with four aircraft in April.

The KC-767 was developed based on the Boeing 767-200 cargo aircraft, and it is equipped with a midair refueling boom in its tail. It can be used for both midair refueling and air transport duties. In addition, the interior can be transformed into two ways, to carry cargo, or to carry passengers. As a transport it can carry a maximum of 30 tons of cargo, or up to 200 passengers in palletized passenger seating that is nearly the same as in passenger aircraft. It has the longest operating range of any transport aircraft the ASDF has operated up until now, except for special government aircraft, with a range of 7,200 km (when loaded with about 30 tons of cargo).

The KC-767's midair refueling capability will allow fighters to refuel in training areas that are far from their bases over an extended period of time, which will make fighter training more efficient, prevent accidents, and reduce noise around their bases. Furthermore, the KC-767's transport capabilities will enhance the ASDF's ability to respond to international peace cooperation activities quickly and flexibly.

(See Fig. II-2-2-4)



A KC-767 being guided to an airport ramp



A KC-767 refueling an F-15 fighter in midair