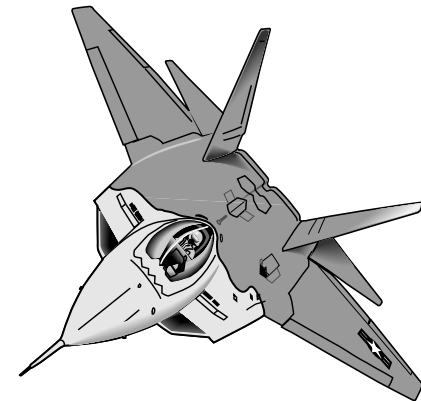
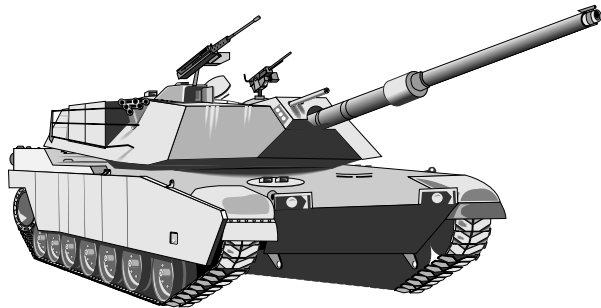


Office of the Secretary of Defense
Operation and Maintenance Overview

March 2000



FY 2001 Budget Estimates

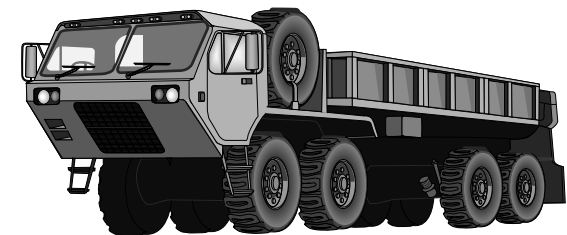
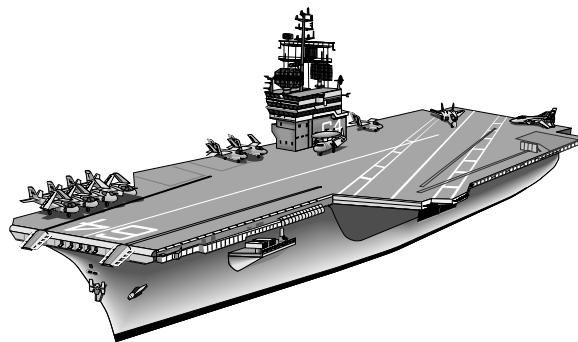


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O&M TOA BY SERVICE BY APPROPRIATION

	(\$ in Millions)						
	FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
<u>Army</u>	<u>25,216.0</u>	<u>+740.2</u>	<u>-2,405.5</u>	<u>23,550.7</u>	<u>+405.1</u>	<u>-128.4</u>	<u>23,827.5</u>
Army	21,190.6	+645.1	-2,916.4	18,919.3	+292.8	-88.4	19,123.7
Army Reserve	1,246.0	+33.9	+190.5	1,470.4	+34.4	+16.6	1,521.4
Army National Guard	2,779.3	+61.2	+320.4	3,161.0	+77.9	-56.6	3,182.3
<u>Navy</u>	<u>27,004.9</u>	<u>+210.5</u>	<u>-809.5</u>	<u>26,405.9</u>	<u>+1,565.0</u>	<u>-870.2</u>	<u>27,100.7</u>
Navy	23,232.6	+174.5	-815.6	22,591.5	+1,368.4	-659.7	23,300.2
Marine Corps	2,675.4	+59.3	-22.2	2,712.4	+99.0	-105.8	2,705.7
Navy Reserve	970.3	-25.5	+18.8	963.6	+92.8	-95.5	960.9
Marine Corps Reserve	126.6	+2.2	+9.4	138.3	+4.9	-9.2	134.0
<u>Air Force</u>	<u>27,068.3</u>	<u>+199.8</u>	<u>-1,617.8</u>	<u>25,650.3</u>	<u>+1,685.0</u>	<u>+343.8</u>	<u>27,679.2</u>
Air Force	22,075.8	+187.1	-1,610.8	20,652.1	+1,225.8	+469.1	22,347.0
Air Force Reserve	1,778.9	+16.3	-21.9	1,773.3	+171.8	-59.3	1,885.9
Air National Guard	3,213.6	-3.5	+14.8	3,224.9	+287.4	-66.0	3,446.4
<u>Defense-Wide and Other</u>	<u>31,072.6</u>	<u>+674.2</u>	<u>+6,910.9</u>	<u>30,956.7</u>	<u>+920.2</u>	<u>-1,439.8</u>	<u>30,437.0</u>
Defense-Wide	11,380.2	+281.0	+219.4	11,880.6	+366.8	-327.4	11,920.1
Defense Health program	10,525.1	+375.9	+419.0	11,320.0	+413.9	-133.5	11,600.4
Emergency Response Fund, Defense	22.2	-	-22.2	-	-	-	-
Former Soviet Union Threat Reduction	440.4	+5.3	+12.4	458.1	+6.9	-6.6	458.4
Office of the Inspector General	131.8	+4.7	+0.1	136.7	+4.9	+6.0	147.5
OPPLAN 34A-35 P.O.W.	0.2	+0.0	+6.8	7.0	+0.1	-2.1	5.0
Overseas Humanitarian, Disaster and Civic Aid	104.5	+1.2	-50.2	55.5	+0.9	+8.5	64.9
Payment to Kah'olawe Island	25.1	+0.3	+9.4	34.8	+0.5	-10.3	25.0

O&M TOA BY SERVICE BY APPROPRIATION

	(\$ in Millions)						
	FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
Quality of Life Enhancements, Defense	455.0	+5.5	-162.0	298.4	-	-298.4	-
U.S. Court of Appeals for the Armed Forces	7.2	+0.3	+0.1	7.6	+0.3	+0.7	8.6
Environmental Restoration, Army*	(369.6)	-	+376.2	376.2	+5.6	+8.1	389.9
Environmental Restoration, Navy*	(273.6)	-	+282.5	282.5	+4.2	+7.3	294.0
Environmental Restoration, Air Force*	(371.1)	-	+374.9	374.9	+5.6	-4.2	376.3
Environmental Restoration, Defense-Wide*	(25.1)	-	+25.2	25.2	+0.4	-2.2	23.4
Environmental Restoration, Formerly Used Defense Sites (FUDS)*	(225.0)	-	+238.0	238.0	+3.6	-55.0	186.5
Drug Interdiction And Counter-Drug Activities, Defense*	(775.6)	-	+931.1	931.1	+16.8	-111.6	836.3
Overseas Contingency Operations Transfer Fund (OCOTF)*	(5,661.0)	-	+4,308.4	4,308.4	+89.7	-297.5	4,100.6
Pentagon Renovation Transfer Fund	279.8	-	-58.2	221.6	-	-221.6	-
Total Obligational Authority	102,660.8	+1,822.0	+2,080.7	106,563.6	+4,575.3	-2,094.5	109,044.4
Financing Adjustments	2,331.1	-	-	-1,702.4	-	-	241.1
Total Budget Authority	104,992.0	-	-	104,861.2	-	-	109,285.5

Totals may not add due to rounding.

*Transfer Accounts. The FY 1999 data is non-additive. The Department transfers these program funds to other appropriations (primarily Operations and Maintenance appropriations) where the Components manage, obligate, and expend the transferred funds for the purposes appropriated.

The amounts reflected in this Overview are expressed in Total Obligational Authority (TOA) terms, which includes Budget Authority (BA) and financing adjustments. The previous summary table identifies the TOA by appropriation within the Operation and Maintenance (O&M) Title and also identifies the net financing adjustments. The FY 2000 financing adjustment of \$1,702.4 million includes contributions from allied nations for Defense burdensharing (\$+210.0 million), receipts involving disposal, lease, or recovery of DoD facilities and real property (\$+29.9 million), and restoration efforts at the Rocky Mountain Arsenal and Kaho'olawe Island (\$+40.8 million). These financing adjustments are offset

O&M TOA BY SERVICE BY APPROPRIATION

by unobligated balances carried forward from the 1999 Emergency Supplemental Appropriations Act (P.L. 106-31) for Spare and Repair Parts (\$-550.0 million), Depot Maintenance (\$-400.0 million), Overseas Contingency Operations Transfer Fund (\$-544.3 million), Base Operations and Recruiting and Advertising (\$-227.2 million), and payments to former prisoners of war (\$-7.0 million). Also included are the remaining unallocated balances carried forward from P.L 106-31 (\$-254.7 million). The FY 2001 financing increase of \$241.1 million is primarily due to contributions for Defense burdensharing (\$+215.0 million) and restoration efforts at the Rocky Mountain Arsenal and Kaho'olawe Island (\$+31.0 million) offset by unobligated balances carried forward for payments to former prisoners of war (\$-5.0 million).

OPERATION AND MAINTENANCE TITLE SUMMARY

FY 1999 Actual	Price Growth	Program Growth	(\$ in Millions) FY 2000 Estimate	Price Growth	Program Growth	FY 2001 Estimate
102,660.8	+1,822.0	+2,080.7	106,563.6	+4,575.3	-2,094.5	109,044.4

The Operation and Maintenance (O&M) funded programs play a key role in the defense strategies of Shape and Respond. In their day-to-day missions, the Military Departments shape the international security environment in ways favorable to the U.S. interests. Especially crucial are the overseas deployments and superior capabilities of U.S. forces. America's military must also be capable of responding effectively to crises in order to protect our national interest, demonstrate U.S. resolve, and reaffirm the role of the United States as a global leader. The U.S. forces must be able to execute the full spectrum of military operations -- from deterring aggression and coercion, to conducting concurrent smaller-scale contingency operations, to fighting and winning major theater wars.

To fulfill these roles, U.S. forces must be prepared and ready to execute their combat missions decisively. Resources dedicated to O&M reflect the Department's commitment to readiness. The Department's first-to-fight forces are the best in the world. However, some later deploying forces are less ready and the intensity of operations has made readiness more difficult to sustain. To protect U.S. military excellence and to reverse signs of any degradation in readiness, the FY 2001 budget continues the sustained long-term increase in Defense funding begun in last year's budget.

The funding amounts reflected in this Overview are expressed in Total Obligational Authority (TOA) terms. The term "TOA" includes Budget Authority and financing adjustments (e.g., transfers from unobligated balances), which comprise the total funding available for obligation in the appropriations included in the O&M Title. The previous summary tables identify the TOA for the appropriations included in the O&M Title and provide an explanation of the financing adjustments. The TOA for the O&M Title increases by \$2.5 billion from FY 2000 to FY 2001. This increase is made up of \$4.6 billion for pricing changes including \$1.4 billion attributable to higher fuel costs and \$2.1 billion (-1.9 percent) of program changes.

The TOA for the O&M Title decreases slightly between FY 2000 and FY 2001 as a percentage of the DoD portion of the National Defense Function (051 function) reflected in the FY 2001 President's budget request. In FY 2001, the O&M share of the Defense budget is 37.3 percent decreasing from 37.5 percent in FY 2000. The FY 2000 program for DoD includes the non-offset Emergency Supplemental request of \$2.3 billion for contingency operations in Kosovo and East Timor, for the Foreign Emergency Support Team aircraft, for DoD's

OPERATION AND MAINTENANCE TITLE SUMMARY

share of *Plan Colombia*, and for repairs to buildings damaged from Hurricane Floyd. Approximately \$2.2 billion of this Emergency Supplemental request is funded in the appropriations included in the O&M Title.

The following provides a summary of the pricing changes affecting the O&M appropriations and the significant programmatic changes in the FY 2001 budget request for the O&M Title compared to the current FY 2000 funding level. A summary of the functional transfers into and out of the O&M appropriations is included at the end of this Summary section.

PRICE GROWTH

Price growth reflects the additional cost of executing the previous year's program at the next year's prices. In general, price growth amounts are estimated by applying price change rates to amounts budgeted for various commodity groups (i. e., civilian pay, Working Capital Fund purchases, medical supply purchases, general nonpersonnel purchases, etc.). Rates used for the major commodity groups follow:

For civilian pay, the FY 2001 price growth is based on annualization of FY 2000 locality pay raises for classified and wage board employees, which were effective January 1, 2000, and the portion of the FY 2001 pay increases scheduled to become effective January 1, 2001. It also provides for foreign national employee pay raises at the rates the host country provided its public sector personnel. For FY 2000, the budgeted pay raise increase is 4.8 percent for classified and wage board employees and is effective January 1, 2000. For FY 2001, the budgeted pay raise increase is 3.7 percent for classified and wage board employees and is effective January 1, 2001.

Consistent with Office of Management and Budget (OMB) direction, the general non-personnel purchases rate is 1.5 percent in FY 2001

Fuel purchase prices from the Working Capital Fund reflect a 25.3 percent decrease in FY 2000 and an average increase from the FY 2000 price of 62.9 percent in FY 2001. With these rates, Working Capital Fund customers pay an average cost per barrel of \$26.04 in FY 2000 and \$42.42 in FY 2001. The FY 2001 customer fuel prices are set based on revised estimates of fuel purchase inflation provided by OMB and recovery of realized and expected losses through the end of FY 2000.

Other Working Capital Fund rates change by business area and vary from year to year. The following list of FY 2001 rate changes represent those business areas that account for the vast majority of orders from O&M customers: Army Managed Supplies and Materials (-4.2 percent), Navy Managed Supplies and Materials (+15.5 percent), Air Force Managed Supplies and Materials (+6.4 percent), Defense Logistics Agency (DLA) Managed Supplies and Materials (+4.5 percent), Navy Equipment Purchases (+15.5 percent), Army Depot Systems Command -

OPERATION AND MAINTENANCE TITLE SUMMARY

Maintenance (+7.1 percent), Naval Aviation depots (+14.3 percent), Naval Shipyards (+2.5 percent), Depot Maintenance Air Force - Organic (+12.5 percent), Army Armament (+3.6 percent), and Army Information Services (-27.0 percent).

The FY 2001 budget estimate for overseas purchases assumes foreign currency exchange rates consistent with market conditions in late 1999. The foreign currency rates improved during FY 1999 when compared to the budget rates for FY 1999 and FY 2000. As a result, Congress revised the FY 2000 rates during the FY 2000 budget deliberations to reflect increased purchasing power of the dollar. The FY 2001 rates reflect a further increase in the purchasing power of the U.S. dollar against most European. The three countries in which the DoD Components have their largest presence are Germany, Japan, and South Korea; it is in these countries that the largest amounts of foreign currency purchases are made. Compared to the German Deutsche Mark (DM), the U.S. dollar improved by 5.2 percent in value, from 1.8549 DM per U.S. dollar in FY 2000 to 1.9521 DM in FY 2001. For the Japanese Yen, the buying power of the dollar declines by 8 percent from 111.67 Yen in FY 2000 to 102.67 Yen in FY 2001. Likewise, the U.S. dollar declines in value compared to the Korean Won by 4 percent, moving from 1,199.1 Won in FY 2000 to 1,149.8 Won in FY 2001. To compensate for the overall increase in the buying power of the U.S. dollar, the Services FY 2001 accounts were reduced by \$274.4 million.

PROGRAM GROWTH

The FY 2001 budget request for the O&M Title continues to support high levels of readiness. The following indicators reflect planned operating tempo (OPTEMPO) rates for FY 2001 and do not include operating tempo associated with contingency operations. The Active Army budget request supports objective OPTEMPO rates of 800 home station training miles per year for M1 Abrams tanks and an average of 14.5 flying hours per aircrew per month. The Active Navy steaming days continue to be funded at the planning level of 50.5 days per quarter for deployed fleets and 28.0 days per quarter for the non-deployed fleets. Further, active naval tactical air primary mission readiness (PMR) rates increase slightly from 22.3 to 22.9 tactical flying hours per month per aircrew. Active Air Force tactical fighter aircrew flying hour rates decline slightly from 17.2 to 17.1 flying hours per pilot per month and bomber crew OPTEMPO rates decline from 15.8 to 14.8 hours per crew per month. Ground OPTEMPO for the Army National Guard is funded at 98 percent of validated requirements. The Army National Guard flying hour program of 9.2 hours per crew per month is fully funded.

The FY 2001 budget request for the Overseas Contingency Transfer Fund (OCOTF) reflects a net program reduction of \$297.5 million. However, the true program reduction in OCOTF-funded contingency costs is \$649.8 million since the FY 2000 OCOTF estimate excludes \$352.3 million included in the Services' Military Personnel appropriations for Bosnia and Southwest (SWA) operations. The FY 2001 request of \$4.1 billion includes requirements for both O&M and Military Personnel funded activities in the OCOTF in order to provide the Department

OPERATION AND MAINTENANCE TITLE SUMMARY

with the flexibility to adjust to dynamic changes in operational requirements as events unfold during the year of execution. In line with this approach, the FY 2000 non-offset Emergency Supplemental request for Kosovo and East Timor also identifies both the O&M and military personnel requirements in the OCOTF account. The FY 2001 President's budget includes \$1,387.7 million to support a U.S. troop level of 4,600 in Bosnia, which reflects the decision to reduce troop levels from 6,200 to 4,600 by April 2000. The budget request also includes \$1,058.5 million in FY 2001 for continued levels of activity in Southwest Asia (SWA) for forces deployed to the area of responsibility (AOR) to counter potential aggression by Iraq, continue enforcement of the no-fly zones in Iraq, and support the maritime intercept force. The FY 2001 request assumes a steady-state force level based on the force structure in place at the end of FY 1999. Funding requested for Kosovo in FY 2001 totals \$1,650.5 million and is based on a continued troop level in Kosovo of about 6,200.

Air Operations programs include a net program reduction of \$682.6 million. Over \$250 million of the program decrease occurs in the Navy with significant reductions in Flight Operations and Depot Maintenance. This reflects force structure changes and reduced standard depot level maintenance actions, engine overhauls/repairs, and other maintenance actions. The Air Force programs decrease by approximately \$150 million in the active, reserve, and guard forces primarily to due to reduced flying hours and projected reductions in the usage of spares and repair parts, offset by the transfer of aeromedical evacuation responsibility from the Defense Health Program (\$-60 million). The Army programs decrease by over \$200 million in the active, reserve, and guard forces primarily attributed to the implementation of the logistics policy changes, which restructures costs but has no effect on Army air operations.

Land Forces programs reflect a program increase of \$24.3 million and net functional transfers out of \$6.6 million. This reflects the Army's full funding of OPTEMPO requirements of 800 home station miles for ground OPTEMPO. The program increase is primarily attributed to the implementation of the logistics policy changes (\$27.5 million). The Marine Corps programs show a net decline due largely to reductions in the Initial Issue program (\$-49.2 million), which restructures costs but has no effect on Army land operations.

Ship Operations programs reflect a net program reduction of \$552.2 million, which includes the functional transfer of Submarine Refueling Overhauls and associated advanced planning to the Shipbuilding and Conversion, Navy appropriation (\$-233.0 million). Most of the program reduction is associated with fewer submarine and surface depot overhauls scheduled for FY 2001 and changes in the scope of other ship maintenance efforts.

The Depot Maintenance programs reflect a net program decrease of \$724.3 million. The most significant changes to the program are associated with functional transfers and reduced requirements in the Navy's program. The Navy's program decrease of more than \$682.5 million results from transferring funds for one Submarine Refueling Overhaul (SRO) and advanced planning for two additional overhauls from the O&M Title to the Shipbuilding and Conversion, Navy appropriation (\$-233.0 million) of the Procurement Title; performing two fewer

OPERATION AND MAINTENANCE TITLE SUMMARY

submarine and two fewer surface depot overhauls and reducing the scope of the remaining maintenance efforts (\$-262.5 million); and a significant reduction to the requirement for Standard Depot Level Maintenance (SDLM) repairs, engine overhauls, and other maintenance actions on naval aircraft (\$-194.8 million).

Mobilization programs reflect a net program increase of \$54.7 million. The Air Force accounts for the majority of this program increase, which reflects adjustments to the Airlift Operations, Command, Control, Communications and Intelligence (C3I), Preparedness for War Readiness Materiel, and the Airlift Readiness programs. These increases are partially offset by decreases to the Army's Prepositioned Stocks program and the Navy's completion of two nuclear cruiser inactivations.

Transportation programs reflect a net program decrease of \$70.5 million (-5.3 percent). The most significant changes are in the Army (\$-78.4 million) and Defense-Wide activities (\$15.3 million). The Army's decrease primarily reflects reduced war reserve equipment redistribution efforts associated with the 8th Brigade set as well as reductions in the movement of training ammunition. The reduction in the Defense-Wide activities primarily reflects a 30 percent manday reduction to the Chairman of the Joint Chiefs of Staff (CJCS) Exercise Program. These increases are partially offset by a net \$4.7 million increase to the Guard and Reserve programs primarily for the Army National Guard to support increased unit training at the National Training Center at Fort Irwin, California.

Training and Education programs include net program growth of \$57.6 million and net functional transfers into the training account of \$89.4 million primarily from the Operating Forces (Budget Activity 1) of the Operation and Maintenance, Army appropriation to fund training development for the Advanced Warfighting Experiment (\$74.3 million). Much of the program increase is for additional flight training, real property maintenance, and base operations support.

Recruiting programs reflect a net program growth of \$39.1 million, and the FY 2001 Advertising programs reflect a net program decrease of \$31.6 million from the FY 2000 enhanced levels. The Recruiting and Advertising program includes various recruiting initiatives to field more recruiters and provide them with better training, communication, administrative support and enhanced quality-of-life.

The Defense Environmental Restoration Program declines programmatically by \$46.1 million (3.5 percent). This program decrease results from an FY 2000 congressional increase to the Formerly Used Defense Sites (FUDS) that is not continued into FY 2001.

The Real Property Maintenance (RPM) program reflects a net increase in program of \$41.8 million. The Navy, Air Force, and Defense Health Program have increased the funding in the RPM program by over \$340 million. These increases are partially offset by a one-time congressional add of \$300 million to the Quality-of-Life Enhancements, Defense account in FY 2000 that is not extended into FY 2001.

OPERATION AND MAINTENANCE TITLE SUMMARY

Base Operations Support (BOS) programs reflect a net program decrease of \$83.3 million (0.6 percent), which includes a net increase of \$100.3 million for transfers into the O&M appropriations primarily from the Services' Military Personnel appropriations for potential studies related to DoD's contracting out initiatives. The net program reduction is primarily attributed to savings resulting from outsourcing and privatization efforts.

The Defense Health Program (DHP) reflects a net program reduction of \$133.5 million. Most of this decrease is the result of one-time congressional adds to FY 2000 that are not extended into FY 2001. The FY 2001 budget request includes funds for significant new requirements in the DHP for both FY 2000 and FY 2001. These include in-house pharmacy, fact-of-life changes in the Managed Care Services (MCS) contracts and a new congressional requirement for custodial care. To finance the increased requirements in FY 2000, the President's Budget request reflects a FY 2000 reprogramming program of \$256.7 million into the DHP O&M budget activity -- \$228.2 million from the Services and \$28.5 million from the DHP Procurement budget activity. Based on the revised FY 2000 funding level, the FY 2001 President's Budget adds funding for two new benefits for active duty family members: (1) \$30 million to expand TRICARE Prime Remote to improve access to health care and lower out-of-pocket costs for active duty family members who do not live near military treatment facilities and (2) \$50 million to eliminate co-pays for all active duty family members enrolled in TRICARE Prime.

The DoD Counterdrug (CD) program, which is funded through the Drug Interdiction and Counterdrug Activities, Defense appropriation, reflects a net program decrease of \$111.6 million. Most of this reduction is attributable to one-time congressional adds to FY 2000 that are not extended into FY 2001 and one-time costs for the counterdrug Forward Operating Location in Manta, Ecuador that is included in the *Plan Colombia* supplemental appropriations request for FY 2000.

FUNCTIONAL TRANSFERS

The following table summarizes the major functional realignments affecting the O&M Title, included in the preceding discussion on program changes.

OPERATION AND MAINTENANCE TITLE SUMMARY

<u>Function/Activity</u>	(\$ in Millions)	
	<u>Transfer In</u>	<u>Transfer Out</u>
	+734.8	<u>-785.2</u>
Overseas Contingency. The Department transferred all of the Services' military personnel costs supporting overseas contingencies to the Overseas Contingency Operations Transfer Fund in order to provide the Department with the most flexibility to adjust to dynamic changes in operational requirements as events unfold during the year of execution.	+352.3	
Military to Civilian and A-76 Conversions. The Air Force transfers funds from their Military Personnel appropriation to support competition and privatization initiatives.	+329.5	
Sikes Act. A transfer in from Base Realignment and Closure appropriation to implement the Integrated Natural Resource Management Plan by November FY 2001 as required by the Sikes Act.	+19.9	
Other Transfers-In. Reflects the total of smaller transfers into O&M for various reasons.	+33.1	
Information Technology. Transfer of funding for information technology programs from the O&M title to the Components' Procurement and Research, Development, Test and Evaluation appropriations.		-401.7
Submarine Engineered Refueling Overhauls (EROs). Transfer of submarine refueling overhauls and advanced planning for future overhauls to the Shipbuilding and Conversion, Navy appropriation.		-233.0
Barracks Upgrade Program. A transfer to the Military Construction, Army appropriation to fund construction requirements associated with the Barracks Upgrade.		-65.0
Food Service Regionalization. Transfer from the Marine Corps' Base Support program to the Military Personnel, Marine Corps appropriation in order to implement a new way of operating its mess halls.		-36.7
Engineering and Installation Realignment. Transfer from the 38 th Engineering and Installation Wing to the Procurement Title to minimize the use of O&M funds for centrally managed programs.		-28.4
Other Transfers-Out. Reflects the total of smaller transfers out of O&M for various reasons.		-20.4
Net Transfers		-50.4

ARMY

(\$ in Millions)						
FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
21,190.6*	+645.1	-2,916.4	18,919.3	+292.8	-88.4	19,123.7

* Includes funds from transfer accounts (e.g., Overseas Contingency Operations Transfer Fund, Drug Interdiction and Counterdrug Activities, Defense, and Environmental Restoration, Army).

The Operation and Maintenance, Army (OMA) appropriation provides for the day-to-day operations of units, schools and power projection platforms, which in combination support a strategically ready force -- a force of decision -- the United States Army. The OMA appropriation contributes to readiness by supporting tough, realistic training; providing for improved maintenance of equipment and facilities; and providing the highest possible quality-of-life for soldiers and their families. The FY 2001 budget also includes funding to support the Army's Transformation. These resources will allow the Army to produce a combat-ready "interim-brigade" equipped with medium-weight systems, enroute to an "objective force" equipped with systems yet to be determined. The FY 2001 budget request of \$19,123.7 million includes a price growth of \$292.8 million and a net program decrease of \$88.4 million (0.5 percent). These funds support the following major categories of mission operations.

Operating Tempo (OPTEMPO): The Army's ground OPTEMPO and flying hour programs have been funded to fully support readiness goals. The FY 2001 budget request supports a ground OPTEMPO program of 800 home station training miles per year for the M1 Abrams tank and an average of 14.5 live flying hours per aircrew per month for the Active Component. In selected units, ground OPTEMPO miles include live as well as a small number of Close Combat Tactical Trainer (simulator) miles. The Operation and Maintenance, Army budget will support 9 Active Component (and 1 National Guard) brigade rotations through the National Training Center, 9 Active Component (and 1 National Guard) brigade rotations through the Joint Readiness Training Center, and 5 Active Component brigade rotations through the Combat Maneuver Training Center. Additionally, 6 Active Component divisions and 3 Active Component corps staffs (which includes 1 Command and General Staff College (CGSC) Prairie Warrior Exercise, a Corps Battle Command Training Program equivalent) will participate in the Battle Command Training Program.

Institutional Training and Recruiting: The FY 2001 budget request provides funding to support three priorities: man the force, train the force (institutional training), and grow leaders for the 21st Century. To set the conditions for success in manning and readiness, the Army must recruit quality soldiers now and in the future. The Secretary of the Army's recruiting initiatives target three goals: (1) upgrading the recruiting sales force, (2) geographic positioning of the sales force, and (3) repositioning the Army. Upgrading the recruiting sales force will ensure that the Army evaluate, select, and equip the best sales force possible. Geographic positioning of the sales force will focus on the best "virtual" and

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geographic position for the recruiting force in order to maximize efforts in premium markets and explore growth opportunities. Repositioning the Army initiatives will expand recruiting incentives for potential enlistees. In order to fill force structure language requirements, the FY 2001 budget request provides additional funding for the Defense Language Institute Foreign Language Center, which will increase the number of students and update curriculum and testing materials. The Army continues to face challenges in the flight-training arena. In order to combat the underaccession of pilots in previous years, the FY 2001 budget request provides additional funding for Flight Training. Additional Initial Entry Rotary Wing training seats are required to ensure meeting the force structure requirements. In an effort to grow leaders for the 21st Century, the Army will expand information technology efforts in support of the National Defense University by modernizing the research and technical capabilities. To develop the civilian leaders of the future, the FY 2001 budget request provides additional funding for the Army's Civilian Training and Education System (ACTEDS). This will enable the Army to train civilian interns within career program specialties as the current workforce grows older and retires. All of these institutional training and recruiting programs support the Army's efforts to recruit, train, and grow the best leaders for the future.

Mobilization: The Army's Strategic Mobility Program (ASMP) remains the cornerstone of the Army's deployment capability. Within the ASMP program, the FY 2001 budget request supports 17 ships and continues to fund the requirement associated with the transload of equipment from the interim Large Medium Speed Roll-On 333 Roll-Off Ships (LMSRs) to the new build LMSR ships. The Army is realigning and consolidating prepositioned stocks on land, consistent with the Global Prepositioning Strategy. As part of this realignment, the Army is moving prepositioned stocks between theaters to better support the force structure requirement. The deployment outload initiatives will continue in FY 2001, but at a reduced level to reflect the program nearing its end state.

Quality-of-Life: Critical to maintaining readiness is providing consistent high quality-of-life (QOL) throughout the Army, which includes adequate housing and support facilities, promoting soldier and family self-reliance, resiliency, and stability through various support services. The benefits from such services are high soldier retention and readiness levels. Essential morale, welfare, and recreation programs must be maintained at a consistent level for the benefit of our soldiers and their families. In order for the Army to continue to attract and retain quality soldiers, QOL issues must be kept at the forefront because they are vital to our soldiers' morale, commitment to the Army, and to overall readiness. The FY 2001 budget request meets the goal of funding Child Development Programs to provide service for 65 percent of the child care demand. This budget also provides additional funding for the Family programs to support Youth Services Program initiatives. The FY 2001 budget request of \$1,429 million for Real Property Maintenance will fund focused initiatives of barracks upgrades, utility modernization, facilities reduction, and strategic mobility and will fund 65 percent of newly calculated sustainment requirements. This calculation is based on a new methodology using industry standard cost factors and more detailed facility data to obtain a more accurate requirement. The

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budget request also funds Base Operations Support at 96 percent of requirements, which enables installation commanders to provide essential support services and minimize migration of resources into base operations from mission programs during execution.

Facilities: The posts, camps, and stations provide the platform needed to train and launch today's power projection Army. The FY 2001 budget ensures this platform will be fully operational by funding key base support components to include communications, engineering and public works, and minor repairs and maintenance.

Budget Activity 1: Operating Forces

<u>(\$ in Millions)</u>						
FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
11,439.3	+379.4	-2,473.1	9,345.6	+111.4	+124.1	9,581.1

The FY 2001 budget request of \$9,581.1 million for the Operating Forces budget activity supports the requirements for three activity groups: Land Forces, Land Forces Readiness, and Land Forces Readiness Support. These resources finance the day-to-day operations of the Army's active forces and support the combat units' readiness training activity levels. The Land Forces activity group provides resources for distinct facets of the operating forces (e.g., divisions, corps combat forces, and echelon above corps forces) and special force related training activities (i.e., Combat Training Centers (CTCs)). The Land Forces Readiness activity group supports key activities essential to operational readiness, such as depot maintenance, participation in joint exercises, and combat development. And lastly, the Land Force Readiness Support activity group provides for infrastructure maintenance and support, management headquarters, unified command support, and special activities of the operating forces.

The FY 2001 budget request increases by \$235.5 million above the FY 2000 funding level. This includes a price increase of \$111.4 million and a net program growth of \$124.1 million (1.3 percent). Major program changes between FY 2000 and FY 2001 include the following:

- A transfer in of \$23.8 million (\$2.3 million from the Operation and Maintenance, Army Reserve appropriation and \$21.5 million from Budget Activities 3 (Training and Recruiting) and 4 (Administration and Servicewide Activities)). This transfer properly reflects the merger of the Army's wholesale and retail stock funds and retail mission to the Army Materiel Command.

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- A transfer in of \$19.9 million from Base Realignment and Closure appropriation to implement the Integrated Natural Resource Management Plan by November FY 2001 as required by the Sikes Act.
- A transfer in of \$10.6 million from Budget Activity 4 (Administration and Servicewide Activities) to align all resources associated with base operations and communication support for the Army Signal Activity – Military District of Washington into a single budget activity.
- A transfer out of \$65.0 million to the Military Construction appropriation to fund construction requirements associated with the Barracks Upgrade Program.
- A transfer out of \$74.3 million to Budget Activity 3 (Training and Recruiting) to properly align resources for the training development for the Advanced Warfighting Experiment.
- An increase of \$70.1 million in training and associated unit maintenance to fully support a planned ground OPTEMPO of 800 home station M1 tank miles and an average of 14.5 live flying hours per crew per month for the Active Component. The increase is primarily attributed to the implementation of the logistics policy changes (e.g., credit policy change), demand changes in repairable and consumable parts and supplies, variations in normal cyclical rotations by OCONUS units to the Joint Readiness Training Center, force structure changes, and added contractor support to CTC prepositioned fleets.
- An increase of \$12.8 million to properly fund the Integrated Training and Management (ITAM) program at the minimum required level to sustain land and other natural resources for live training.
- An increase of \$5.2 million for field food service equipment to replace 1950's mogas fueled kitchen burners with modern burner units.
- An increase of \$27.8 million to the Advanced Warfighting Experiment (AWE) program to support the digitized capstone exercise (DCX) and other digitized efforts.
- An increase of \$38.2 million for depot maintenance (combat vehicles) to overhaul additional M1A1 tanks (AIM XXI Program) and M-88 recovery vehicles.
- An increase of \$7.0 million for additional depot overhauls and repairs to CH-47D, AH-64A and UH-1 helicopters.
- An increase of \$14.7 million for depot maintenance to implement sustainment-type software changes to the All Source Analysis System (ASAS), the Multiple Launch Rocket System (MLRS), and the Forward Observation System (FOS).
- An increase of \$66.7 million for the implementation of the Army's Transformation. Funds will support the objective force -- a force that embodies the mobility and decisive warfighting capabilities of today's mechanized forces and the strategic responsiveness of light forces.
- An increase of \$61.8 million for base operations support that enables Army installations to provide minimal essential base operations support and minimize the risk of migration of funds from mission programs during execution.
- An increase of \$32.1 million to fund additional force protection in both Europe (USAEUR) and Korea (EUSA).

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- An increase of \$79.5 million for real property maintenance to slow the growth of the critical maintenance backlog and support 65 percent of the newly calculated sustainment requirement, which is based on industry standard for replacement cost of standard components over the life expectancy.
- An increase of \$77.0 million for the Barracks Upgrade Program (BUP), which will allow the Army to reach the 1+1 goal by FY 2008.
- A decrease of \$17.7 million in the Soldier Modernization program, reflecting a decrease to central funding and fielding (CFF) commensurate with programmed completion dates of selected fieldings.
- A decrease of \$9.6 million for Active Component Support to Reserve Components for Title XI.
- A decrease of \$14.7 million for contractor logistics support (CLS) for maintaining fixed wing aircraft due to a one-time increase in FY 2000 for start-up costs associated with the C-37 aircraft.
- A decrease of \$26.5 million for reduced Mobile Subscriber Equipment (MSE) communications program overhaul costs and reductions to several missile ground communications systems/other maintenance commodities.
- A decrease of \$39.0 million representing savings realized through A-76 competition in FY 1997, FY 1998, and FY 1999 (through outsourcing or establishing a Most Efficient Organization (MEO) at the installation(s)).
- A decrease of \$18.1 million for Utilities Modernization due to a completion of the heating plant installation project at Ft. Wainwright in FY 2000.
- A decrease of \$46.6 million represents the difference between the initial start-up costs in FY 2000 and the sustaining costs in FY 2001 for the Weapons of Mass Destruction program.
- A decrease of \$100.0 million reflects a one-time congressional increase in FY 2000 for the Army's New Vision plan.

Budget Activity 2: Mobilization

FY 1999	Price	Program	(\$ in Millions)	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
584.6	+26.0	-7.3	603.3	-2.8	-73.6	526.9

The FY 2001 budget request of \$526.9 million for the Mobilization budget activity provides funding for the Strategic Mobilization mission in support of crisis response through the repositioning of equipment, the rapid deployment of CONUS based forces, and sustainment of industrial base preparedness.

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The FY 2001 budget request declines by \$76.4 million below the FY 2000 funding level. This includes a price decrease of \$2.8 million and a net program decrease of \$73.6 million (12.2 percent). Major program changes between FY 2000 and FY 2001 include the following:

- An increase of \$7.1 million for Army Prepositioned Stocks (Non-Ammunition) in Southwest Asia to support equipment requirements associated with the redistribution of a division base from Central Europe to Qatar.
- An increase of \$5.7 million for Army Prepositioned Stocks (Non-Ammunition) in the Pacific to support additional maintenance on an Armored Brigade Set in Korea.
- An increase of \$7.8 million for Industrial Mobilization Capacity (previously known as Unutilized Plant Capacity) to stabilize the overhead rates primarily at Watervliet Arsenal.
- A decrease of \$83.7 million reflects a one-time congressional increase in FY 2000 for Spares and War Reserve Material at various locations.
- A decrease of \$7.7 million reflects reduced maintenance and repair for the deployment outload program as the program reaches an end state.

Budget Activity 3: Training and Recruiting

<u>(\$ in Millions)</u>						
FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
3,238.6	+73.9	-18.3	3,294.2	+79.5	+79.9	3,453.6

The FY 2001 budget request of \$3,453.6 million for the Training and Recruiting budget activity supports funding requirements for three Activity Groups: Accession Training, Basic Skill and Advanced Training, and Recruiting and Other Training and Education. These resources provide the cornerstone for the Army's ability to attract, recruit, and produce a trained force to meet the Army's mission.

The FY 2001 request increases by \$159.4 million above the FY 2000 funding level. This includes price growth of \$79.5 million and a net program growth of \$79.9 million (2.4 percent). Major program changes between FY 2000 and FY 2001 include the following:

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- A transfer in of \$74.3 million from Budget Activity 1 (Operating Forces) to properly align resources for the training development for the Advanced Warfighting Experiment.
- A transfer out of \$10.5 million to the Research, Development, Test and Evaluation, Army appropriations for Army Recruiting Information Support System to conform with recent clarification of DoD Information Technology (IT) budgeting policy concerning the proper use of funds for IT systems.
- A transfer out of \$20.9 million to Budget Activity 1, Operating Forces to reflect the merger of Army's Single Stock Fund under the Army Materiel Command.
- A transfer out of \$9.9 million to Budget Activity 4 (Administration and Servicewide Activities) to consolidate Civilian Illness and Injury Compensation into one budget activity.
- A transfer out of \$2.9 million to the Operation and Maintenance, Defense-Wide appropriation to centralize the management of the Defense Leadership and Management Program (DLAMP) by the Defense Human Resources Activity.
- An increase of \$57.3 million for flight training to fund increased training seats to meet force structure requirements.
- An increase of \$93.0 million for recruiting and advertising in order to support the Army's recruiting initiatives to upgrade the recruiter sales force, improve geographic positioning of the sales force, and expand recruiting incentives.
- An increase of \$7.4 million for the Defense Language Institute Foreign Language Center to increase the studentload and update language curriculum.
- An increase of \$24.9 million for base operations support to provide minimal essential base operations support.
- An increase of \$10.7 million for the Army Civilian Training, Education, and Development System for additional interns to fill anticipated vacancies in critical Army civilian career programs.
- An increase of \$3.5 million for the National Defense University to establish the Near East South Asia Center for security studies.
- A decrease of \$39.4 million for training support systems to properly balance overall Army priorities.
- A decrease of \$24.9 million for recruiting and advertising to reflect one-time funding increase in FY 2000.
- A decrease of \$12.5 million for Senior Reserve Officers' Training Corps (SROTC) due to one time costs funded in FY 2000 for the Alternate Staffing Concept program.
- A decrease of \$6.8 million associated with a one-time congressional increase in FY 2000 for Chicago Junior Reserve Officers' Training Corps (JROTC).
- A decrease of \$35.9 million for Advanced Warfighting Experiment program to properly balance overall Army priorities.
- A decrease of \$16.1 million from A-76 savings associated with reduced personnel costs due to outsourcing and overall installation efficiencies.

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- A decrease of \$14.0 million for utility modernization due to a completion of the Ft. Leonard Wood project in FY 2000.

Budget Activity 4: Administration and Servicewide Activities

<u>(\$ in Millions)</u>						
FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
5,928.2	+165.8	-417.8	5,676.2	+104.7	-218.7	5,562.2

The FY 2001 budget request of \$5,562.2 million for the Administration and Servicewide budget activity supports funding requirements for four Activity Groups: Security Programs, Logistics Operations, Servicewide Support, and Support of Other Nations. These activity groups provide resources for the administration, logistics, communications, and other Servicewide support functions for Army forces worldwide.

The FY 2001 request decreases by \$114.0 million below the FY 2000 funding level. This includes a price growth of \$104.7 million and a net program decrease of \$218.7 million (3.8 percent). Major program changes between FY 2000 and FY 2001 include the following:

- A transfer out of \$181.0 million to the Other Procurement, Army and Research, Development, Test and Evaluation (RDT&E), Army appropriations to realign funding for Information Technology (IT) Systems in order to conform with recent clarification of DoD IT budgeting policy.
- A transfer out of \$21.5 million to the Other Procurement, Army appropriation to support the Outside Cabling and Rehabilitation (OSCAR) communication upgrade and modernization program.
- A transfer out of \$10.6 million to Budget Activity 1 (Operating Forces) to align all resources associated with base operations and communication support for the Army Signal Activity – Military District of Washington into a single budget activity.
- A transfer out of \$10.0 million to the Environmental Restoration appropriation to centralize all resources associated with the collection and tracking of information, inventories, and appropriate response actions for unexploded ordnance in the Environmental account.
- An increase of \$26.5 million to security programs for Defense Security Service (DSS) Personnel Security Investigations.
- An increase of \$16.8 million in logistics support for the National Maintenance Management Program. Under this program, supply inventory will be managed nationally and requirements will be established based on the national need by a central provider, the Army Materiel Command (AMC).

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- An increase of \$16.9 million in servicewide communications for Public Key Infrastructure to provide a solid foundation for critical information assurance capabilities (\$11.4 million) and Information Assurance for network security improvements (\$5.5 million).
- An increase of \$18.9 million for Defense Finance and Accounting Service support due to capitalization of finance and accounting operations at U.S. Army Europe and increased costs resulting from the delay in the implementation of the Defense Travel Service (DTS) throughout the Department of Defense.
- An increase of \$20.2 million for Pentagon Information Technology Services.
- An increase of \$49.4 million for base operations support that enables Army installations to provide minimal essential base operations support and minimize the risk of migration of funds from mission programs during execution.
- A decrease of \$66.6 million in second destination transportation to balance overall Army's priorities.
- A decrease of \$44.4 million in end item materiel management as a result of a one-time increase in FY 2000.
- A decrease of \$24.0 million in ammunition stockpile management to balance overall Army priorities.

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<u>(\$ in Millions)</u>						
FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
23,232.6*	+174.5	-815.6	22,591.5	+1,368.4	-659.7	23,300.2

* Includes funds from transfer accounts (e.g., Overseas Contingency Operations Transfer Fund, Drug Interdiction and Counterdrug Activities, Defense, and Environmental Restoration, Navy).

The Operation and Maintenance, Navy (O&M,N) appropriation finances the day-to-day costs of operating naval forces, including fuel, supplies, and maintenance of ships, Navy and Marine Corps aircraft, related weapon systems, and the support establishment ashore. The primary focus of the Department's FY 2001 budget is to continue to ensure the readiness of deployed forces. These resources will allow the Department to achieve our readiness goals for ship and aircraft operations and depot maintenance.

The FY 2001 estimate of \$22,300.2 million includes a price increase of \$1,368.4 million. This price increase primarily results from increase in fuel costs (\$595.7 million), changes in Working Capital Fund (WCF) rates (\$494.1 million), civilian pay raises (\$146.4 million) and general inflation changes (\$134.4 million). This budget reflects overall program decreases of \$659.7 million (-2.8 percent).

Budget Activity 1: Operating Forces

<u>(\$ in Millions)</u>						
FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
16,297.3	+14.2	-169.0	16,142.5	+1,173.5	-623.3	16,692.7

The Operating Forces budget activity funds the Navy's air operations, ship operations, combat operations/support, and weapons support. Included in this budget activity are the costs associated with operating Navy shore bases to support these missions. Also included are the funds required to maintain combat ready forces necessary to respond to national objectives in joint, naval and combined operations. It supports the forward presence and crisis response capabilities of the National Military Strategy.

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The FY 2001 budget request of \$16,692.7 million includes price growth of \$1,173.5 million, and net program decreases of \$623.3 million (-3.8 percent). Major program changes include:

- Net functional transfers out of \$153.6 million comprised of a realignment of \$233.0 million to the Shipbuilding and Conversion, Navy appropriation for submarine Engineered Refueling Overhauls (EROs). This transfer is being made in recognition that the overall complexity of a refueling overhaul and the opportunity for significant modernization represents an investment rather than a periodic maintenance effort. Also includes transfers of \$4.5 million to the Overseas Contingency Operations Transfer Fund and \$1.1 million to the Other Procurement, Navy appropriation for IT-21 hardware requirements and \$1.5 million to the Research Development Test and Evaluation, Navy appropriation for IT development. Transfers in include \$58.4 million for the operation of the U.S.S. John F. Kennedy (CV-67) from Reserve to Active status to meet forward presence requirements and stabilize ship rotation schedules; \$5.5 million to consolidate funding for the Explosive Safety Program in the Naval Ordnance Center; and a transfer of \$6.3 million from the Operation and Maintenance, Defense-Wide appropriation for cryptologic operations and equipment maintenance.
- Air Operations decreases overall by \$253.6 million. Major changes include a reduction due to higher reliability of components and reduced requirements for spare parts and maintenance in the Flying Hour Program (\$-64.0 million); reduced number of Standard Depot Level Maintenance actions (SDLMs); engine overhaul/repairs and other aviation maintenance (\$-190.0 million). Also reflects a reduction in spares requirements in FY 2001 (\$-45.7 million) resulting from the FY 2000 Congressional increase. Increases are for additional depot level repairables purchased from the Defense Logistics Agency (\$50.0 million) and an increase to provide the necessary spare parts and equipment to establish one additional EA-6B squadron (\$23.2 million).
- Ship Operations decreases overall by \$356.8 million. Includes funds for increases in fuel and utility requirements resulting from higher number of operating months due to fewer scheduled depot maintenance availabilities for conventional carriers and cruisers, ships with the highest fuel usage rates account for a disproportionately large portion of the overall fuel usage increase (\$64.6 million). An increase is budgeted due to the change in the number and scope of Selected Restricted Availabilities (\$249.5 million). Offsetting these increase are decreases in the Fleet Modernization Program (\$82.2 million), a decrease of two fewer submarine overhauls (\$263.9 million) and two fewer surface ship overhauls (\$-55.0 million), fewer LHA Mid-Life and LPD modernization availabilities (\$-42.7 million), and a reduction due to the change in the number and scope of phased maintenance availabilities (\$-59.8 million). A decrease of \$41.2 million reflects fewer service craft and planned restricted availabilities.

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- Combat Operations and Support increases overall by \$42.5 million. The increase includes funds for the Naval mobile Construction battalions (\$14.1 million); increased support for various satellite communication programs (\$10.2 million); C4I capabilities (\$15.7 million); and support to the Unified Commanders (\$8.1 million). There is a decrease for the replacement of the oceanographic ship USNS Kane (\$5.4 million).
- Weapons Support decreases \$25.1 million in FY 2001 predominately due to decreased depot maintenance requirements for Aegis, CIWS, and MK-45 overhauls.
- Real Property Maintenance increases \$138.1 million, slowing the growth in the backlog of maintenance and repair in such areas as dredging, airfield pavement and joint repair, pier fender piles, airfield lighting, fire protection upgrades in hangars, utility system repairs and improvements, seismic upgrades, asbestos abatement, and dry dock repairs.
- Base Support decreases \$25.8 million, predominately as the result of completion of one time FY 2000 efforts supporting collateral equipment purchases for Naval Support Activity Souda Bay and service craft overhaul requirements. Various environmental efforts decrease with the completion of studies, plans and projects that enable some activities to approach a steady state recurring cost level.

Budget Activity 2: Mobilization

FY 1999	Price	Program	(\$ in Millions)	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
971.1	+20.3	-231.0	760.4	+2.5	-94.0	668.9

The Mobilization budget activity maintains assets that will support forces that rapidly respond to unforeseen contingencies throughout the world. Also funded are the maintenance, overhaul, and calibration of Navy-Type Navy-Owned (NTNO) equipment installed on Coast Guard ships and aircraft. Additionally, it funds the inactivation of ships, submarines, and aircraft and includes the maintenance of selected inactive ships and aircraft as well as material disposal costs. The FY 2001 program of \$668.9 million includes a price increase of \$2.5 million and program decreases of \$94.0 million (-12.4 percent).

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Major programmatic changes include a decrease in the ship inactivation recycling workload due to completion of the two final nuclear cruiser hull recyclings (\$-149.9 million). This decrease is offset by increases in the submarine and surface ship inactivation and disposal program (\$60.0 million).

Budget Activity 3: Training and Recruiting

<u>(\$ in Millions)</u>						
<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>	<u>Price</u>	<u>Program</u>	<u>FY 2001</u>
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
1,788.8	+26.7	+52.9	1,868.4	+70.5	+26.7	+1,965.6

The Training and Recruiting budget activity funds all centrally managed or directed individual training required to meet Navy training standards. This includes accession training, basic skills training, and professional military education provided at the Naval War College, the Naval Postgraduate School, and the Armed Forces Command and Staff College. It also includes Navy recruiting and advertising, centralized civilian training programs, the Junior Navy Reserve Officer Training Corps, and all base operating support for the above programs. Team training for ships of battle groups is funded in the Operating Forces budget activity, as is all advanced and refresher flight training and aircraft carrier qualifications. The FY 2001 request of \$1,965.6 million reflects includes price growth increase of \$70.5 million and major program changes totaling \$26.7 million. Major program changes include:

- Functional transfer of Information Technology system development to the Research Development Test and Evaluation, Navy appropriation (\$-5.5 million)
- Accession Training increase to support additional Naval ROTC participation in calendar year 2001 (\$3.1 million)
- Basic Skills and Advanced Training increases to support additional A and C school requirements to meet demand generated from increased accessions and Fleet requirements (\$9.7 million) and a net increase for pilot raining as T-2C aircraft are phased out and replaced with T-45A aircraft (\$5.5 million). Decreases are budgeted for model and prototyping of distance learning technologies and Professional Development Education (\$-14.5 million) along with a reduction in the implementation of Automated Electronic Classrooms, Learning Resources Centers and Interactive Multi-Sensor Analysis trainers (\$-17.4 million).

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- Recruiting and Other Training and Education programs have a net increase of \$3.1 million reflecting compliance with DOD guidance on education and staffing of the acquisition workforce (\$9.7 million) and an increase supporting 47 additional JROTC units (\$4.2 million). A reduction of \$10.5 million for recruiting and advertising reflects the impact of recruiting initiatives and innovations put into place during FY 2000. These will increase efficiency through technology to allow the accomplishment of the FY 2001 workload within the authorized number of production recruiters.
- Real Property Maintenance increases to reduce the critical maintenance and repair backlog at Service School Commands (\$28.9 million).
- Base Support has a net increase of \$2.8 million for collateral equipment for accelerated military construction projects at the Great Lakes Naval Training Center and Naval Air Stations Meridian, Mississippi and Ingleside, Texas (\$5.5 million) and to improve readiness levels for aviation and waterfront facilities (\$3.7 million). Decreases are budgeted for savings from infrastructure initiatives (\$-6.4 million).

Budget Activity 4: Administrative and Servicewide Activities

FY 1999	Price	Program	(\$ in Millions)	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>FY 2000</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
4,175.5	+113.2	-468.5	3,820.2	+121.9	+30.8	3,972.9

The Administration and Servicewide Support budget activity funds shore based activities required for the effective operation of the Department of the Navy. The general services provided include administration and personnel support, engineering and acquisition support, security and investigative support, humanitarian and civic support, centralized transportation, communications services, and base operating support. The FY 2001 budget request of \$3,972.0 million includes price growth of \$121.9 million and program changes totaling \$30.8 million. Major programmatic changes for this budget activity are:

- Functional transfers include \$-249.0 million to Defense-wide Working Capital Fund for the Defense Commissary Agency; a realignment from Other Procurement, Navy appropriation of \$7.4 million for the Space and Naval Warfare Systems Command Installations Directorate requirements; a realignment from the research Development Test and Evaluation, Navy (RDT&E,N) appropriation for the Acquisition

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Center of Excellence (\$4.9 million); a \$7.6 million transfer to the RDT&E,N appropriation for Information Technology systems development requirements. Additionally \$-8.8 million was transferred for classified program requirements.

- Service-wide Support reflects a budgeted decrease due to planned savings from Defense Finance and Accounting Service efficiencies (\$-26.0 million).
- Logistics Operations and Technical Support reflects a net growth of \$65.8 million. This is predominately for the establishment and consolidation of the Office of the Chief Engineer of the Navy, initiated by the Assistant Secretary of the Navy for Research Development and Acquisition (\$20 million) and increases supporting the Smart Work and Smart Ship initiatives (\$14.9 million). Additional funds are also provided for USTRANSCOM to recoup losses resulting from rebates to the Defense Commissary Agency (\$14.2 million) and an increase to support engineering and logistic support requirements for out of production weapons systems (\$13.6 million).
- Security Programs increase \$42.7 million, which include increased efforts by the Defense Security Service to reduce the number of backlogged security investigations (\$28.0 million).
- Real Property Maintenance increases \$7.6 million to achieve readiness levels in non -bachelor quarters facilities at the Naval District Washington and Naval Support Activity Mid-South.
- Base Support net decreases of \$41.5 million include savings realized from Navy's regionalization initiatives, primarily the decrease in GSA payments associated with the relocation of the Naval Seas Systems Command from leased space to the Washington Navy Yard (\$-36.2 million).

MARINE CORPS

FY 1999	Price	Program	(\$ in Millions)	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>FY 2000</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
2,675.4*	+59.3	-22.2	2,712.4	+99.0	-105.8	2,705.7
* Includes funds from transfer accounts (e.g., Overseas Contingency Operations Transfer Fund, Drug Interdiction and Counterdrug Activities, Defense, and Environmental Restoration, Navy)						

The Operation and Maintenance, Marine Corps appropriation provides the funding for Marine Corps missions, functions, activities, and facilities except for those requirements related to: procurement of major items of equipment and ammunition, military personnel, military family housing, operation and maintenance of the Marine Corps Reserve, and those functions supported by Navy-sponsored appropriations.

The funds contained in this appropriation are intended primarily for the support of the total active Marine Corps Forces. The primary Marine Corps objective is to train and maintain the Fleet Marine Forces at a high level of combat readiness for service with the fleet, ashore, or for such other duties as the President may direct.

The two Fleet Marine Forces supported by this appropriation are composed of Marine Expeditionary Forces (Division/Wing/Service Support Group Task Organizations), including a combination of combat and combat service support organizations and a variety of supporting units. Funds are also provided to support two landing force training commands, Marine detachments afloat, the security forces assigned to Naval and other government activities ashore, maritime prepositioning ships, and Norway prepositioning.

Shore facilities receiving funding support from this appropriation are: three major bases; two recruit depots; eleven air installations; one Marine Corps Combat Development Command; one Marine Corps Systems Command; one Marine Corps Air-Ground Combat Center; and two Expeditionary Warfare Training Groups. These facilities are being maintained at standards that will permit effective utilization, avoid major replacement costs, and allow operation and maintenance on an economical and effective basis.

The individual training of enlisted personnel and officers from basic training to the highest Marine Corps technical training and the advanced training at schools of the other Services and at civilian institutions are funded in this appropriation. Such schooling is designed to produce highly trained and disciplined officers and enlisted personnel for duty with the Fleet Marine Force, capable of leadership growth as well as effective performance.

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This appropriation also supports the Marine Corps supply system. The principal objective of the supply system is to provide Marine activities/units with the proper material and equipment in the quantity, condition, time, and place required. Further, it supports other miscellaneous activities such as special training, second destination transportation of things, recruiting, equipment overhaul and repair, and miscellaneous expenses.

The FY 2001 O&M budget request of \$2,705.7 million reflects a net decrease of \$6.8 million from the FY 2000 funding level. The change includes \$99.0 million in price growth and a \$105.8 million (3.9 percent) net decrease in functional transfers and program changes. The detailed explanations of transfers and program changes are explained below.

Budget Activity 1: Operating Forces

	<u>(\$ in Millions)</u>					
FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
1,961.6	+47.0	+5.6	2,014.1	+78.8	-98.1	1,994.8

The Operating Forces budget activity is comprised of two activity groups, Expeditionary Forces and USMC Prepositioning.

The Expeditionary Forces activity group provides funding for the operating forces that constitute the Marine Corps Air-Ground Team and Marine security forces at naval installations and aboard Naval vessels. The field logistics and depot maintenance programs in support of the operating forces are also funded in this activity group. In addition base support functions for Marine Corps Bases, Camps, Air Stations and Logistics Bases supporting the Fleet Marine Forces; Quality-of-Life (QOL) programs such as Childcare, Youth Development and Family Service Centers; injury compensation payments; and procurement of collateral equipment required to initially outfit new military construction projects at Marine Corps bases are financed in this activity group.

The USMC Prepositioning activity group finances the Maritime Prepositioning Forces (MPF) program, the Norway Air Landed Marine Expeditionary Brigade (NALMEB) program and the Aviation Logistics Support Ships (TAVB) program.

The FY 2001 budget request of \$1,994.8 million for Operating Forces reflects a net decrease of \$19.3 million from the FY 2000 funding level. The decrease includes \$78.8 million in price growth and a \$98.1 million (4.9 percent) net decrease from functional transfers and program

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changes. Major changes in FY 2001 include an increase of \$33.5 million associated with the Secretary of the Navy's Military Personnel Reapplication Initiative; increase of \$51.3 million for Real Property Maintenance to arrest the growth of backlog of maintenance and repair (BMAR) of critical infrastructure; increase of \$4.7 million for the Semper Fit Program, a quality-of-life initiative to promote healthy lifestyles; decrease of \$127.6 million associated with one-time Congressional increases for spare parts, fuel conversion, OPTEMPO/strategic lift, Nuclear, Biological, Chemical (NBC) Defense equipment and Marine Corps Air Ground Combat Center improvements, Depot Maintenance, Base Support, and Emergency Supplemental funding; decrease of \$27.7 million for the transfer to the Military Personnel, Marine Corps appropriation for the East Coast/West Coast regionalization contract for food service; decrease of \$11.1 million associated with food service regionalization savings; and a decrease of \$17.5 million for savings associated with the Marine Corps' Installation Reform Program.

Budget Activity 3: Training and Recruiting

FY 1999	Price	Program	(\$ in Millions)	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
433.5	+7.5	-0.5	440.5	+10.5	-18.2	432.9

The resources in this budget activity support recruiting and advertising, training and the education of Marines and Quality-of-Life (QOL) programs such as Childcare, Youth Development and Family Service Centers. Recruit training encompasses the transition from civilian life to duties as a Marine and includes an intense period of training designed to prepare the new Marine for assignment to units of the Fleet Marine Force, major posts and stations, and duty at sea aboard vessels of the U.S. Navy. Officer Acquisition encompasses training candidates for appointment as commissioned officers prior to actual commissioning in the Marine Corps and Marine Corps Reserve. Nominees undergo intense courses of instruction prior to actual commissioning.

Upon completion of Officer Acquisition Training or Recruit Training, the Marine is assigned to courses of instruction to acquire the requisite skills necessary to meet the minimum requirements of a Military Occupational Specialty (MOS). For officers, this course involves completion of The Basic School at the Marine Corps Combat Development Command (MCCDC), Quantico, Virginia, and the assignment to a MOS qualifying course such as the Infantry Officer Course or the Communication Officers School. The enlisted Marine undergoes Specialized Skill Training at Marine Corps installations or at schools run by the other Services, depending on his/her designated MOS.

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This budget activity also funds training support for costs associated with travel and per diem for those Marines attending Service and civilian schools away from their permanent duty stations; expenses incurred in developing a proficient recruiting force; costs for advertising media and market analysis; costs for training support equipment, audio-visual aid, computer-assisted training programs, and direct administrative support to the training management functions and the Marine Corps Institute; injury compensation payments; and procurement of collateral equipment required to initially outfit new military construction projects at Marine Corps bases.

The FY 2001 budget request of \$432.9 million for Training and Recruiting reflects a net decrease of \$7.6 million from the FY 2000 funding level. The decrease includes \$10.5 million in price growth and a \$18.2 million (4.1 percent) net decrease from functional transfers and program changes. Major changes in FY 2001 include an increase of \$1.6 million for Recruiting Operations in support of increased accessions; increase of \$3.4 million for new advertising campaign; increase of \$2.9 million to support increased Off-Duty and Voluntary Education enrollments; increase of \$2.3 million for training materials, services and travel to support increased Junior Reserve Officer Training Corps (ROTC) enrollments and number of units; increase of \$6.8 million associated with the Secretary of the Navy's Military Personnel Reapplication Initiative; decrease of \$15.4 million associated with one-time congressional increases for Distance Learning, Recruiting and Advertising, Off-Duty and Voluntary Education, and Junior ROTC; decrease of \$8.4 million for the transfer to Military Personnel, Marine Corps for the East Coast/West Coast regionalization contract; decrease of \$4.4 million associated with food service regionalization savings; and a decrease of \$2.0 million for savings associated with the Marine Corps' Installation Reform Program.

Budget Activity 4: Administration and Servicewide Support

<u>(\$ in Millions)</u>						
FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
280.3	+4.8	-27.3	257.8	+9.7	+10.5	278.0

The Marine Corps-wide efforts of special support, transportation, personnel management, and headquarters base support are financed in this activity group. In addition, civilian personnel salaries and the department and staff management of Headquarters, Marine Corps are funded within this activity group.

Special Support provides funding for the support of Marine Corps prisoners confined at the Army Disciplinary Command, Fort Leavenworth, Kansas; the Marine Band located at the Marine Barracks, 8th and I Streets, Washington, DC; and Quality-of-Life (QOL) programs such as

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Childcare, Youth Development and Family Service Centers. Special Support also finances the administration of missions, functions and worldwide operations of the Marine Corps and Marine Security Guards. Cost of operations includes civilian personnel salaries, Defense Finance and Accounting Service (DFAS) reimbursement, automatic data processing, printing and reproduction, civilian and military travel, and personnel services on a Marine Corps-wide basis.

All costs related to Second Destination Transportation of cargo to the operating forces are also funded in this activity group. Categories of transportation are: (a) Military Sealift Command for ocean cargo; (b) Inland Transportation by Commercial Carriers for movement between CONUS installations and ports; (c) Military Airlift Command for movement of priority cargo in support of Fleet Marine Force units; and (d) Military Traffic Management Command and commercial sources for port handling of ocean cargo.

Base operations support for Headquarters Battalion, Headquarters, Marine Corps and military personnel assigned to Headquarters, U.S. Marine Corps is funded within this activity group. Also included in this activity group are injury compensation payments and procurement of collateral equipment required to initially outfit new military construction projects at Marine Corps bases.

The FY 2001 budget request of \$278.0 million for Administration and Servicewide Activities reflects a net increase of \$20.2 million from the FY 2000 funding level. This increase includes \$9.7 million in price growth and a \$10.5 million (4.1 percent) net increase from functional transfers and program changes. Major changes in FY 2001 include an increase of \$1.9 million for security investigations conducted by Defense Security Service; increase of \$2.3 million in Marine Security Guards funding for opening additional detachments; increase of \$12.0 million for the Pentagon Maintenance Revolving Fund (PMRF), which is associated with the one-time reprogramming for PMRF in FY 2000; decrease of \$1.6 million for DFAS costs resulting from the transfer of a portion of military pay accounts to finance offices in the Fleet Marine Force; and a decrease of \$1.3 million associated with one-time implementation costs for financial management systems required by the Chief Financial Officer's Act.

AIR FORCE

(\$ in Millions)						
FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
22,075.8*	+187.1	-1,6010.8	20,652.1	+1,225.8	+469.1	22,347.0
* Includes funds from transfer accounts (e.g., Overseas Contingency Operations Transfer Fund, Drug Interdiction and Counterdrug Activities, Defense, and Environmental Restoration, Air Force).						

The Air Force Operation and Maintenance (O&M) appropriation supports the Air Force's capability to develop, train, sustain, and integrate the elements of air and space power to produce core competencies of air and space superiority, global attack, rapid global mobility, precision engagement, information superiority, and agile combat support. The synergy of these competencies provides the full range of aerospace capabilities to combined forces commanders. More specifically, the requested funds allow the Air Force to operate and maintain aircraft, space, and related weapon systems; train personnel; operate communications, command and control systems; and purchase supplies, equipment and fuel. These O&M resources also directly support essential combat related activities such as intelligence, logistics, weather, air traffic control, search and rescue, operation and maintenance of airfields, runways and base facilities, and the working and living environment of Air Force personnel.

The FY 2001 O&M budget request contains an overall increase of \$1,694.9 million above the FY 2000 funding level. The increase includes \$1,225.8 million in price growth and \$469.1 million (2.1 percent) in functional transfers and program growth. The major pricing changes from FY 2000 to FY 2001 include increases of \$518.8 million for fuel, \$189.4 million for personnel pay raises, \$106.1 million for depot maintenance, \$179.0 million for supplies/materials and equipment, and \$82.1 million for transportation. Major transfers into O&M include \$329.5 million for Competitive Sourcing and Privatization from the Military Personnel, Air Force appropriation and \$62.5 million for the Aeromedical Evacuation mission from the Defense Health Program (DHP) appropriation.

Budget Activity 1: Operating Forces

(\$ in Millions)						
FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
11,404.3	+16.2	-621.8	10,798.6	+699.6	-7.7	11,490.5

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The Operating Forces budget activity consists of three activity groups: Air Operations, Combat Related Operations, and Space Operations. These funds provide support for fighter, bomber, and missile forces assigned to the Air Force's operational commands. They also provide global command, control, and communications; the capability to launch payloads into various earth orbits; and a worldwide network of sites and terminals to relay data gathered by satellites. Also included in this budget activity are unique missions such as combat test and training fighter aircraft; electronic warfare aircraft; Tactical Air Control aircraft; command, control and communications including the Airborne Warning and Control aircraft; Dissimilar Air Combat Training aircraft; support ranges; and command and base support personnel and activities.

Major changes included in the FY 2001 budget request of \$11,490.5 million are:

- Price increase of \$699.6 million.
- Net functional transfers in of \$174.6 million primarily include a transfer in of \$158.0 million from the Military Personnel, Air Force Appropriation for functions deemed "not military essential" to be either contracted out or converted to in-house civilian labor according to the rules of OMB Circular A-76; a transfer in of \$34.1 million for Combat Search and Rescue (CSAR) training, a transfer in of \$11.5 million for the transfer of Buckley Air National Guard Base support from the Air National Guard to the Active Air Force; a transfer out of \$7.4 million to Budget Activity 4, Administration and Servicewide Activities to centrally fund civilian disability compensation costs; a transfer out of \$15.0 million to Budget Activity 4 (Administration and Servicewide Activities) to realign funding for reimbursable Defense Finance and Accounting Services (DFAS) customer payments into the proper account; and a transfer out of \$9.2 million to investment appropriation for Global Command and Control System (GCCS).
- Increase of \$100.0 million for Depot Maintenance due to increased overhauls for B-1B and F-16 engines as well as increased E-3 and B-2 Programmed Depot Maintenance (PDM).
- Increase of \$28.9 million for the Combat Communications program to support Joint Stars inventory that increases from 10 to 12 in FY 2001.
- Increase of \$23.9 million in the Global Command, Control, Communications, and Intelligence (C3I) & Early Warning program to support the phased transition from the Defense Support Program to the Space Base Infrared Radar System (SBIRS) and the initial operation of SBIRS Increment One B System Architecture.
- Increase of \$13.2 million for antiterrorism requirements to enhance physical security and air base ground defense at overseas facilities.
- Decrease of \$200.0 million in Primary Combat Forces and Air Operations Training as a result of flying hour adjustments for bombers and fighters. The decrease reflects adjustments made to the cost of flying hours based on the latest available data for actual consumption of depot level reparable, supplies, and fuel. The budgeted flying hours meet the Air Force's requirements for readiness based on the Ready Aircrew Program.

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- Decrease of \$59.0 million in Base Support that reflects the closure of Howard Air Force Base, Panama; decrease in civilian separation incentives; reductions for one time equipment purchases; and savings from competition and privatization.
- Decrease of \$34.2 million for manned reconnaissance systems to reflect the savings associated with the cancellation of U-2 Joint SIGINT sensors and consolidation of operations at three overseas locations, reduction in RC-135V/W flying program by 1,000 hours, and consolidation of the U-2 wet film ground stations into one program for management improvement. This decrease in FY 2001 is also due to a one-time increase in FY 2000 for spares and depot maintenance.
- Decrease of \$28.0 million for the Aerospace Command and Control Agency in FY 2001 due to a one-time increase in FY 2000 for Joint Expeditionary Force Exercise (JEFX).
- Decrease of \$10.7 million for the Airborne Warning and Control System (AWACS) due to increased contractor personnel in AWACS flight crew training to relieve PERSTEMPO, a one time increase in FY 2000 for spares, and a reduction to E-3 AWACS flying program by 890 hours.
- Decrease of \$16.8 million for the Chemical/Biological Defensive programs due to cyclical purchases of chemical protection suits for aircrews; a reduction in general support supplies, and a one time congressional increase in FY 2000 for Nuclear and Biological and Chemical high leverage.

Budget Activity 2: Mobilization

<u>(\$ in Millions)</u>						
FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
3,552.9	-11.8	-863.1	2,678.0	+261.1	+220.4	3,159.5

The Mobilization budget activity includes the following activity groups that support the Air Force Mobility Operations: Airlift Operations; Airlift Operations Command, Control, Communications and Intelligence (C3I); Mobilization Preparedness; and Payment to the Transportation Business Area. Mobility Operations provides global mobility through strategic and theater airlift to support peacetime, contingency, humanitarian, and wartime operations in pursuit of national objectives. The rapid movement and sustainment of United States combat forces anywhere in the world to deter aggression or provide humanitarian/peacekeeping assistance is a major instrument of the U.S. national security policy. The Joint Chiefs of Staff (JCS), the Military Services, and other Department of Defense (DoD) and government agencies depend heavily on the Air Force's Mobility Operations for essential cargo and troop movements in support of a variety of missions.

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Major changes included in the FY 2001 budget request of \$3,159.5 million are:

- Price increase of \$261.1 million.
- Net functional transfers of \$70.4 million include a transfer in of \$62.5 million from the Defense Health Program for the transfer of the Aeromedical Evacuation mission; a transfer in of \$33.3 million from the Military Personnel, Air Force appropriation for functions deemed “not military essential” to be either contracted out or converted to in-house civilian labor according to the rules of OMB Circular A-76; a transfer in of \$3.2 million for the Self-Contained Navigation System (SCNS) from the Air National Guard to active to the active Air Force; a transfer out of \$1.7 million to Budget Activity 4, Administration and Servicewide Activities to centrally fund civilian disability compensation costs; and a transfer out of \$28.2 million for Combat Search and Rescue (CSAR) to Budget Activity 1, (Operating Forces.)
- Increase of \$82.6 million for the payment to the Transportation Business Area of the Defense Working Capital Fund to fully airlift readiness.
- Increase of \$29.5 million because of flying hour adjustments for mobility aircraft. The increase reflects adjustments made to the cost of flying hours based on the latest available data for actual consumption of depot level reparable, supplies, and fuel. The budgeted flying hours meet the Air Force's requirements for readiness based on the Ready Aircrew Program.
- Increase of \$27.3 million for Operational Support Aircraft for increased contractor logistics support required by Federal Aviation Administration (FAA) air-worthiness directives and aging weapons systems.
- Increase of \$22.5 million resulting from increase of airlift proficiency training for the C-17 aircraft (heavy lift cargo transportation) and reflecting an increase of 169 in the number of C-17 aircrews.
- Increase of \$17.4 million for KC-10 aircraft (aerial refueling and cargo) to meet increased contractor logistics support required by Federal Aviation Administration (FAA) air-worthiness directives and to maintain required engine spare and repair parts levels.
- Decrease of \$11.4 million for two fewer aircraft reaching the 60-month programmed maintenance period and six fewer F108 engine overhauls projected to reach the engine structural integrity program total accumulated cycle (TAC) limit.
- Decrease of \$15.0 million in base operations support primarily due to a one-time cost in FY 2000 associated with the relocation of the C-130's from Howard Air Base, Panama to Borinquen, Puerto Rico.

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Budget Activity 3: Training and Recruiting

<u>(\$ in Millions)</u>						
FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
1,869.8	+18.6	+148.2	2,036.7	+98.5	+106.3	2,241.5

The Training and Recruiting budget activity supports three broad mission areas: Accession Training, Specialized Skills and Flight Training, and Recruiting & Other Training and Education. Accession Training operations produce the enlisted and officer personnel needed to meet total force requirements. Officer accessions receive indoctrination training through the United States Air Force Academy (USAF), the Air Force Reserve Officer Training Corps (AFROTC), the Officer Accession and Training School (OATS), and the Airmen Education and Commissioning Program (AECMP). Specialized Skills provide to Air Force personnel (and individuals of other services) training and education essential to operate, maintain, and manage complex Air Force weapon systems and associated support structure. Flying training programs include flight screening, undergraduate pilot training, specialized undergraduate pilot training (SUPT), specialized undergraduate and advanced navigator training, and pilot instructor training (PIT). Other training programs cover initial and follow-on technical skill progression training, professional military education, specialized professional development, and related training support.

Major changes included in the FY 2001 budget request of \$2,241.5 million are:

- Price increase of \$98.5 million.
- Net program transfers in of \$42.8 million include a transfer in of \$30.7 million from the Military Personnel, Air Force appropriation for functions deemed “not military essential” to be either contracted out or converted to in-house civilian labor according to the rules of OMB Circular A-76; a transfer in of \$7.9 million from Budget Activity 4, Administration and Servicewide Activities to reflect the transfer of base operations support at Kelly Air Force Base to Lackland Air Force Base as a result of the Base Realignment and Closure (BRAC) action; and a transfer in of \$2.5 million from Aircraft Procurement, Air Force appropriation for corrective maintenance for T-38C software.
- Increase of \$42.3 million to support increased pilot production goals.
- Increase of \$32.7 million provides increased support for base support to improve combat service support and quality-of-life.
- Increase of \$26.6 million in real property maintenance to bring maintenance up to the preventive maintenance level that will support day-to-day recurring maintenance of the infrastructure.
- Increase of \$11.2 million to put additional recruiters on the street to help meet accession goals.

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- Decrease of \$56.4 million due to a one time congressional increase in FY 2000 for flying hour spares.

Budget Activity 4: Administration and Servicewide Activities

<u>(\$ in Millions)</u>						
FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
5,248.8	+164.1	-274.1	5,138.8	+166.6	+150.1	5,455.5

The Administration and Servicewide Activities budget activity funds four broad mission areas: Logistic Operations, Servicewide Support, Security Programs, and Support to Other Nations. Logistics Operations includes Air Force Logistics Operations, Technical Support Activities, Servicewide Transportation, and Base Support. It primarily funds the operation of Air Force Materiel Command (AFMC), which provides Air Force-wide cradle-to-grave acquisition and logistics support and comprises 90 percent of the resources in this activity group. The Servicewide Activities spread across the entire Air Force to ensure combat capability and maintain readiness, effective leadership, efficient management, and adequate support to Air Force units and personnel in diverse geographic locations. Much of this is accomplished via a number of highly specialized and unique Air Force organizations. The Security Programs includes the Air Force Office of Special Investigations (AFOSI) and a series of classified programs. Finally, the Support to Other Nations activity group provides support to the North Atlantic Treaty Organization (NATO); Supreme Headquarters Allied Powers Europe (SHAPE); North Atlantic Treaty Organization, other international headquarters.

Major changes included in the FY 2001 budget request of \$5,455.5 million are:

- Price increase of \$166.6 million.
- Net functional transfers in of \$44.3 million include a transfer in \$107.1 million from the Military Personnel, Air Force appropriation for functions deemed “not military essential” to be either contracted out or converted to in-house civilian according to the rules of OMB Circular A-76; a transfer in of \$9.2 million from Budget Activity 1, Operating Forces and Budget Activity 2, Mobilization to centrally fund civilian disability compensation costs; a transfer out of \$39.3 million to Other Procurement, Air Force appropriation and to various Operation and Maintenance, Air Force budget activities for Engineering and Installation functions; a transfer out of \$26.3 million to the RDT&E, Air Force appropriation for information technology programs; and a transfer out of \$5.9 million to Budget Activity 1, Operating Forces for Combat Search and Rescue (CSAR) training.
- Increase of \$36.0 million for customer payments to the Defense Security Service for security clearances.

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- Increase of \$31.0 million for classified programs.
- Increase of \$21.9 million to cover Defense Finance and Accounting Service (DFAS) payments due to delays in full implementation of the International Merchant Purchase Authorization Card (IMPAC) card, Electronic Document Management (EDM) System, and the Defense Joint Military Pay System (DJMS).
- Increase of \$14.3 million to support mandatory arms control and treaty implementation requirements.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

<u>(\$ in Millions)</u>						
FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
11,380.2	+281.0	+219.4	11,880.6	+366.8	-327.4	11,920.1

The Operation and Maintenance, Defense-Wide (O&M, D-W) appropriation supports a wide range of programs which have been consolidated to achieve maximum efficiency by avoiding overlap and duplication among the Services. The Defense Agencies are essential to the accomplishment of the missions of the Military Departments. Functions of the various Agencies include direct readiness related programs, mobilization programs, training and education programs, and administration and servicewide activities, e.g., intelligence activities, audit and contract management activities, treaty implementation, nuclear weapons management and analysis, dependent education, military personnel support, and management support to the Department. Additionally, this appropriation provides O&M funding for The Joint Staff and all Special Operations Forces.

At the summary level, the net change from FY 2000 to FY 2001 for O&M, D-W is \$39.5 million and includes price growth of \$366.8 million and a net program decrease of \$-327.4 million.

Highlights of program changes to include functional realignments between FY 2000 and FY 2001 are as follows:

Program Growth	<u>-327.4</u>
□ Functional Transfers-Out: Primarily includes the transfer-out of 1) information technology (IT) funding from various Defense Agencies to investment accounts to reflect clarified DoD expense/investment criteria and 2) the Pacific Command Regional Initiative to the Navy from the Office of the Secretary of Defense (OSD).	-172.3
□ Functional Transfers-In: Primarily reflects the transfer-in of the Pentagon Renovation Transfer Fund Program to the Washington Headquarters Service and the Joint Staff and 2) Contract Administration Services at privatized Air Force maintenance facilities from the Air Force to DLA.	+100.2
□ DoD Congressional Adds and Earmarks - Funded in FY 2000 but not continued in FY 2001.	-265.9
□ Classified Programs (FY 1999 Emergency Supplemental Appropriation related)	-262.2
□ Wye River Classified Program	+200.0
□ Agency Classified Programs (NIMA, DIA, NSA)	-11.1
□ Remaining Net Program Growth	+83.9

OPERATION AND MAINTENANCE, DEFENSE-WIDE

Budget Activity 1: Operating Forces

(\$ in Millions)

<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>	<u>Price</u>	<u>Program</u>	<u>FY 2001</u>
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
1,693.4	+20.6	-134.1	1,579.9	+92.8	-14.4	1,658.3*

* The FY 2001 Budget Activity 1 amount for O&M, D-W appropriation differs from that published in the FY 2001 *Budget of the United States Government* resulting from a \$1.758 million administrative error between The Joint Staff's Budget Activity 1 and Budget Activity 4.

Budget Activity 1 funds the following:

- The operational activities of the U.S. Special Operations Command (USSOCOM) which provide vital and critical warfighting capability to the United States. The funds provide for:
 - The deployment of special warfare operations worldwide, to include unique infiltration and exfiltration capabilities;
 - The training of Special Operational Forces' (SOF) warfighting personnel;
 - The transportation of unique and special equipment and SOF personnel to any location;
 - The participation of SOF units in overseas contingency operations; and
 - The operation and maintenance of SOF equipment.

- The operational activities of The Joint Staff which support the Chairman, Joint Chiefs of Staff (CJCS). The funds provide for:
 - CJCS command and control of U.S. military forces worldwide,
 - Presidential and National Security Council support,
 - Coordination of joint training exercises with the Services and the Defense Agencies and the transportation requirements of the CJCS Exercise Program, and
 - Development of war fighting models to improve joint training and the command and control of deployed U.S. and allied forces.

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From FY 2000 to FY 2001, the Operating Forces budget activity increases by \$78.4 million. The increased funding includes price growth of \$92.8 million and a program decrease of \$14.4 million. Highlights of the \$14.4 million program decrease follow:

Functional Transfers (\$+10.6 million):

Transfers-In (\$+10.6 million):

- The transfer of \$6.1 million from Defense-Wide Procurement to USSOCOM for Command, Control, Communication, Computer, and Intelligence Automation System (C4IAS),
- The transfer of \$4.5 million Defense-Wide RDT&E and Military Construction funds to USSOCOM for the Public Key Infrastructure (PKI) program.

Other Program Changes (\$-25.0 million):

- CJCS Northern Edge Exercise(\$-6.9 million) – Funds added by Congress in FY 2000 are not extended into FY 2001.
- CJCS Exercise Program (\$-13.8 million) – The revised funding is consistent with approved plans to reduce exercise C-141 equivalent flying hours from 51,000 hours to 45,000 hours.
- Programs completed in FY 2000 as detailed below (\$-12.4 million):

	(\$ in Millions)
Acquisition of MK-16 Underwater Breathing Apparatus	-3.4
Maintenance of 1 Advanced Seal Delivery Vehicle	-3.2
Replacement of 7 bare base packages	-2.1
New facilities outfitting	-3.7

- SOF Readiness (\$+2.1 million) – Finances increased support to the Advanced SEAL Delivery System program (\$+4.4 million); forward basing of six MH-47 helicopters to Korea (\$+7.0 million); contractor logistics support for the Multi-Bank Inter/Intra-Team Radios (\$+1.0 million); and the Research, Analysis, and Threat Evaluation System (\$+1.4 million). These increases are partially offset by the elimination of five MH-53 helicopters from the SOF force structure (\$8.1 million) and a reduction in patrol coastal ship deployments (\$3.6 million).
- Other Program Changes (\$+6.0) million)

OPERATION AND MAINTENANCE, DEFENSE-WIDE

Budget Activity 2: Mobilization

(\$ in Millions)

<u>FY 1999</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2001</u> <u>Estimate</u>
35.4	+0.4	+3.8	39.6*	+0.6	+4.4	44.6

* The FY 2001 Budget Activity 2 amount for the O&M, Defense-Wide appropriation differs from that published in the FY 2001 *Budget of the United States Government* due to a \$5.033 million administrative error between the Defense Logistics Agency's Budget Activity 2 and Budget Activity 4 estimates.

Budget Activity 2 funds the Defense Logistics Agency Warstopper Program -- a program designed for mobilization. It funds the purchase of items that do not have a peacetime demand sufficient to maintain an industrial base that would support a mobilization surge in production and the purchase of Halon 1301 as part of the Ozone Depleting Substances Reserve Program. Items purchased include chemical protective clothing, nerve agent antidotes, and the equipment to surge production of tray packs and MREs (meals ready to eat). The program also funds the effort to assess industry's ability to meet surge requirements.

After considering price growth of \$0.6 million, the Warstopper Program increases by \$4.4 million in FY 2001. The FY 2001 program increases by \$5.3 million for the expansion of the Medical Readiness Program's Corporate Exigency Contracts, Vendor Managed Inventory, and Stock Rotation programs. The FY 2001 program also includes an additional \$3.8 million for the purchase of Halon 1301. The intent is to complete the purchase of the required stockage of Halon 1301 by FY 2003. Other item purchases decrease by \$0.4 million and the Industrial Readiness component of the program is reduced by \$4.3 million to fund higher priority Warstopper requirements.

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Budget Activity 3: Training and Recruiting

<u>(\$ in Millions)</u>						
FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
202.7	+3.6	+40.2	246.5	+5.6	+10.6	262.7

Budget Activity 3 funds the following:

- The Defense Information School – American Forces Information Service (AFIS),
- The Defense Acquisition University (DAU),
- The Defense Leadership and Management Program (DLAMP) – Defense Human Resources Activity (DHRA),
- The Joint Recruiting Advertising Program (JRAP) – DHRA,
- The DoD Polygraph Institute – Defense Security Service (DSS)
- The Defense Nuclear Weapons School (DNWS) – Defense Threat Reduction Agency (DTRA),
- The Financial Management and Executive Training Program (FMET) - Defense Finance and Accounting Service (DFAS),
- The U.S. Army John F. Kennedy Special Warfare Center (USAJFKSWC) - (USSOCOM)
- The Special Operations Related Education and Training - (USSOCOM)
- The Special Operations Medical Training Center (SOMTC) - (USSOCOM)
- The Naval Special Warfare Center (NSWCEN) - (USSOCOM)
- The USAF Special Operations School (USAFSOS) - (USSOCOM)
- The Special Operations Forces (SOF) Language Training School - (USSOCOM)
- The Naval Small Craft Instruction and Technical Training School - (USSOCOM)
- The USAF Special Operations School (USAFSOS) - (USSOCOM)

From FY 2000 to FY 2001, the Training and Education budget activity increases by \$16.2 million. The increase includes price growth of \$5.6 million and a program increase of \$10.6 million.

Functional Transfers (\$+1.0 million): The FY 2001 budget request for Training and Education reflects the following functional transfers:

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Transfers-In (\$+2.9 million): Transfer-in of \$2.9 million and 10 full-time equivalents (FTEs) from the National Defense University (O&M, Army) to the DHRA for participation of Defense Leadership and Management Program students in the Professional Military Education Program at Service Schools.

Transfers-Out (\$1.9 million): Transfers \$1.9 million from DFAS direct funding to the DFAS' Working Capital Fund rates in accordance with the incremental transfer of the Financial Management and Executive Training Program to the Defense Working Capital Fund. This phased transfer is to be completed by FY 2003.

Other Program Changes (\$+9.6 million):

- Education (\$+8.1 million):

Defense Leadership and Management Program (DLAMP) (DHRA) (\$+13.0 million) – Funds the lease for the DLAMP instructional facility at Southbridge, Mass (\$+6.3 million) and implementation of the DLAMP – to include increased component participation, instructor course development and delivery, facility operations, student travel, rotational assignments, Professional Military Education, and backfill (\$6.7 million).

Naval Small Craft Instruction (USSOCOM) (\$-1.7 million) - Results from one-time startup in FY 2000 of the Naval Small Craft Instruction Technical Training Center associated with implementation of the Panama Canal Treaty.

Distance Learning (DAU) (\$-2.2 million) - Results from increased use of technology-based delivery of instructional programs.

One Time Congressional Add (DAU) (\$-1.0 million) - Decrease results from a \$1.0 million congressional increase for information technology (IT) Organizational Composition Research that is not funded in FY 2001.

- Recruiting (\$+1.2 million):

Joint Recruiting and Advertising Program (DHRA) (\$.6 million) - Funds advertising to increase nationwide awareness of the opportunities available for youth in the Armed Forces in the currently challenging recruiting environment.

Joint Market Research Program (DHRA) (\$.6 million) - Funds studies and surveys that provide data essential to the accurate measurement of youth attitudes toward military service to assist the Armed Forces in their effort to acquire new recruits.

- Other BA-3 Net Program Changes (\$0.3 million)

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Budget Activity 4: Administration and Servicewide Activities

(\$ in Millions)

FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
9,448.7	+256.4	+309.5	10,014.6*	+267.9	-328.0	9,954.5*

* The FY 2000 and FY 2001 Budget Activity 4 amounts for the O&M, Defense-Wide appropriation differ from that published in the FY 2001 *Budget of the United States Government* resulting from 1) a \$5.033 million administrative error between the Defense Logistics Agency's Budget Activity 2 and Budget Activity 4 and 2) a \$1.758 million administrative error between The Joint Staff's budget Activity 1 and Budget Activity 4.

Budget Activity 4 funds the following:

- Overall Management of the Department of Defense - the Office of the Secretary of Defense (OSD), The Joint Staff (TJS), the Washington Headquarters Services (WHS), and the Defense Legal Services Agency (DLSA),
- Contract Audit and Administration - Defense Contract Audit Agency (DCAA) and the Defense Contract Management Command (DCMC) of the Defense Logistics Agency,
- National Industrial Security Program – the Defense Security Service (DSS),
- Arms Control, Technology Security, WMD Counterproliferation and Nuclear Programs – the Defense Threat Reduction Agency (DTRA)
- Education of Military Dependents - Department of Defense Education Activity (DoDEA),
- Communications Activities for the Control of Worldwide Strategic Communications Services – the Defense Information Systems Agency (DISA),
- DoD Wide Management of Prisoner of War/Missing Personnel affairs within the DoD – the DoD Prisoner of War/Missing Personnel Office (DPMO),
- Civilian Personnel Management - the DoD Human Resources Activity (DHRA),
- Financial Management Support – the Defense Finance and Accounting Service (DFAS),
- DoD Wide Information Services and Training – the American Forces Information Service (AFIS),
- DoD Wide Community Assistance – the Office of Economic Adjustment (OEA),
- Defense-Wide Logistics Services - the Defense Logistics Agency (DLA),
- Humanitarian Assistance and Demining Programs - the Defense Security Cooperation Agency (DSCA),

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- Intelligence Functions and other Classified Activities (the Defense Intelligence Agency (DIA), the National Security Agency (NSDA), and the National Imagery and Mapping Agency (NIMA),
- Special Operations Forces' Administration: - Unites States Special Operations Command (USSCOM).

The net change from FY 2000 to FY 2001 for Budget Activity 4 is \$-60.1 million and includes price growth of \$267.9 million and a net program decrease of \$-328.0 million.

Functional Transfers (\$-83.7 million):

Transfers-In (\$+86.7 million):

- Transfer of \$71.7 million from the Pentagon Renovation Transfer Fund to the Washington Headquarters Service and the Joint Staff;
- Transfer of \$5.1 million from O&M, Air Force to the Defense Contract Management Command in DLA for Contract Administration Services at privatized Air Force maintenance facilities;
- Transfer of \$3.2 million of program effort from the Defense Working Capital Fund to DISA to fund headquarters personnel working in plans, policy, and oversight capacities;
- Transfers \$3.0 million from Research, Development, Test, and Evaluation, Defense-Wide to provide full-time analytical and technical contractor support to the DTRA's arms control treaty program;
- Transfers \$1.7 million from the Military Departments O&M appropriations to complete the functional transfer of the Security Research Center to DHRA;
- Transfers \$1.1 million from O&M, Army to DLA for a classified program; and
- Transfers \$.9 from the Office of Inspector General appropriation to WHS for personnel support.

Transfers-Out (\$-170.4 million)

- Transfers \$152.8 million for information technology (IT) programs from various Defense Agencies to investment accounts to reflect clarified DoD expense/investment criteria,
- Transfers \$9.8 million from the Office of the Secretary of Defense to the Navy for the Pacific Command Regional Initiative,
- Transfers \$3.5 million from the Washington Headquarters Service to Components occupying GSA leased space in the National Capital Area for antiterrorism support,

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- Transfers \$2.3 million from OSD to the Air Force to complete the functional transfer of the Interagency Training Center, and
- Other Transfers-Out (\$2.0 million)

Other Program Changes (\$-244.3 million):

- **FY 2000 Congressional Adds (Excludes Classified Activities) (\$-258.0 million)**: The FY 2001 estimate for Administration and Servicewide Activities reflects a decrease of \$258.0 million for congressional adds funded in FY 2000 but not continued in FY 2001, as detailed below:

	<u>\$ in Millions</u>		<u>\$ in Millions</u>
DLA – Automated Document Conversions	29.4	OSD - Grant for the USO	4.9
DoDEA –Impact Aid	29.4	OSD - Grant for Women in the Military Memorial	4.9
OSD – Mobility Enhancements	24.5	DHRA - Human Resource Enterprise Strategy	4.0
OSD – Legacy	14.7	DHRA - Jobs Placement Program	4.0
OEA – Charleston Macalloy Site	9.8	DLA - Improved Cargo Methods and Technologies	4.0
OEA – Fitzsimmons Army Hospital	9.8	DoDEA - Tech Innovation & Teacher Education	4.0
DLA – Security Locks	8.6	OSD - Energy Savings Contracts	4.0
OEA – Community Retraining Initiative	8.1	OSD - Pacific Disaster Center	4.0
OSD – Indian Lands Mitigation	8.1	TJS - Joint Multi-Dimensional Ed. And Analysis System (JMEANS)	4.0
OSD - Commercial Tech for Maintenance Activities	7.8	OSD - Congressionally Directed Studies	3.0
OEA - Charleston Naval Shipyard	7.4	CMP - Youth Development Initiative	2.5
OEA - Philadelphia Naval Shipyard	7.4	DLA - Midway Fuel Resupply	2.0
WHS - Congressionally Directed Studies	6.1	OEA - Pico Rivera	2.0
DoDEA - Grant for High Desert Partnership	5.4	OSD - Clara Barton Center	1.3
OSD - Grant for the Red Cross	5.1	DoDEA - WIC Program Overseas	1.0
DoDEA - Funeral Honors for Veterans	4.9	OSD - Middle East Regional Security Studies	1.0
DoDEA - Special Education Support	4.9	WHS - Emergency Notification	1.0
OEA - Fort Ord Conversion Center	4.9	OEA - Washington Square Renovation	0.5
OEA - San Diego Conversion Center	4.9	DoDEA - Math Teacher Leadership	0.4
OSD - Armed Forces Retirement Home	4.9	CMP - Youth Development and Leadership Program	0.3

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- Classified Programs (\$-73.3 million).

- Special Programs (\$-62.2 million):
- Emergency Classified Requirements (\$-262.2 million) - Classified Programs initially financed by the FY 1999 Emergency Supplemental Appropriation.
- Classified Project (\$+200.0 million) – Wye River classified project.
- Classified Activities (NIMA, DIA, and NIMA) (\$-11.1 million)

- Business Practice and Financial Management Improvements (\$+8.7 million):

- Washington Headquarters Service (WHS) (\$+15.9 million) – Provides for the fielding of Defense Travel System.
- Defense Human Resources Activity (DHRA) (\$-2.9 million) – Reduction results from efficiencies in DHRA.
- DoD Education Activity (DoDEA) (\$-2.7 million) – Reduction in civilian personnel above the school level, reflecting efficiencies in the operations of headquarters.
- Defense Human Resources Activity (DHRA) (\$-2.2 million) – Results from reduction in interim civilian personnel system support requirements as the Defense Civilian Personnel Data System (DCPDS) nears completion of fielding.
- Other Business Practices and Financial Management Improvements (\$+0.5 million).

- Information Technology (IT) Security and Other Security Initiatives (\$+53.1 million):

- Defense Human Resources Activity (DHRA) (\$10.2 million) – Funds enhancements of the Defense Enrollment Eligibility Reporting System (DEERS), the Immunization Tracking System, TRICARE Dental Programs, and the Real-Time Automated Personnel Identification System.
- Defense Human Resources Activity (DHRA) (\$17.4 million) – Funds the infrastructure needed to integrate the smart card technology into the DEERS/RAPIDS infrastructure and to test and deploy the software. It also provides funds to purchase the

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cards and to support the steps necessary for the local registration stations to issue the smart card, including development of the Public Key Infrastructure (PKI) token, as the DoD identification card for military, civilian, and contractor personnel.

- Defense Security Service (DSS) (\$+13.0 million) – Funds a 20 percent increase (\$3.0 million) in industrial facility inspections over the FY 1999 level. It also funds Case Control Management System (CCMS) modifications and maintenance, including the development of an interface with Federal Bureau of Investigation systems and the establishment of a program management office to oversee CCMS' operation, maintenance, and replacement (\$10.0 million).
- Defense Threat Reduction Agency (DTRA) (\$+11.7 million) – Supports the mission vulnerability assessments of critical C3I assets and the provision of assessment training.
- Defense Information Systems Agency (DISA) and Washington Headquarters Service (WHS) (\$+10.2 million) – Enables the Global Command and Control Systems, Global Combat Support Systems, and Electronic Business applications to meet DoD PKI policy requirements and to enhance PKI directory services.
- WHS (\$+5.0 million) – Funds completion of the outsourcing of the WHS/OSD help desk, network security, and other network support previously performed by active duty personnel.
- Defense Information Systems Agency (DISA) (\$+5.8 million) – Increases coverage of software licenses in support of information assurance and the protection of DoD systems and applications.
- Defense Security Service (DSS) (\$-13.8 million) – Results from the completion of the backlog of FY 1998 personnel security investigation caseload carryover funded in FY 2000 (\$-8.4 million) and a reduction in the backlog of industrial security program periodic personnel background reinvestigations (\$-5.4 million).
- Defense Information Systems Agency (DISA) (\$-12.3 million) – Results from the completion of the development of DMS release 3.0 which provides classified messaging through Top Secret/SCI (\$-6.8 million) and the completion of Government Emergency Telecommunications Service enhanced features at the Local Exchange Carriers network (\$-5.5 million).
- Other Security Initiatives (\$+5.9 million)..

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- Education (\$+29.5 million):

- DoD Education Activity (\$+17.2 million) – Accelerated implementation of full-day kindergarten and planned increase in the ratio of teachers to pupils.
- DoD Education Activity (\$+7.3 million) – Funds additional technology buys for classrooms.
- DoD Education Activity (\$+5.0 million) – Funds enhanced security/anti-terrorism protection for the dependents’ schools.

- Command and Control (\$+16.9 million):

- Defense Information Systems Agency (DISA) (\$+12.9 million) – Provides funding 1) to establish a combined interoperability test and standards program with the Joint Interoperability Test Command (\$1.5 million), 2) to develop and field a new Global Command and Control Systems release and the associated user training (\$6.8 million) 3) and to ensure security for new Defense Information Systems Network information systems and telecommunications technology (\$4.6 million).
- Defense Information Systems Agency (DISA) (\$+6.2 million) – Funds the Global Command and Control System’s intelligence integration, testing, installation, training, and program oversight.
- Office of the Secretary of Defense (OSD) (\$+4.1 million) - Increases funding for the Command Information Superiority Architecture (CISA) support program to integrate into the enterprise information technology architecture and support the Joint Forces Command co-evolution of the Global Information Grid (GIG) (\$1.5 million). Also increases funding for the Information Superiority Integration Support program to support C3ISR modeling and simulation assessments to support major Defense reviews (\$2.6 million)
- Office of the Secretary of Defense (OSD) (\$+2.3 million) - Funds the Chief Information Officer program to meet the requirements for securely managing DoD records in a knowledge management context, to expand the Portfolio Management Process, and to support key Enterprise Architectures and Integration.
- Defense Information Systems Agency (DISA) (\$+2.3 million) – Funds equipment maintenance and equipment purchases for the White House Communications Agency to support the year 2000 Presidential campaign and the recapitalization and modernization of several telecommunication networks and systems.

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- Defense Information Systems Agency (DISA) (\$-10.0 million) – Results from one-time funding in FY 2000 for the expansion of the Defense Information System Network.
- Defense Information Systems Agency (DISA) (\$-9.1 million) – Results from implementation of the MILSTAR National Command Authority voice conferencing capabilities, decreases in Enhanced Mobil Satellite Services operations costs; and delayed development of service contracts for the Pacific and European Theater.
- Other Command & Control Program Changes (\$+8.2 million).
- **Threat Reduction (\$8.6 million):**
 - Defense Threat Reduction Agency (\$5.3 million) – Funds initiation of a DoD Weapons of Mass Destruction International Counterproliferation Program; maintenance of INF and START monitoring operations at Votkinsk, Russia; and additional sites in the International Monitoring System.
 - European Relocation (DTRA) (\$3.3 million) – Fund the relocation of the DTRA European Operations Division from Rhien-Main Air Force Base in Frankfurt, Germany, which is being closed, to the Nathan-Hale Army Depot in Darmstadt, Germany.
- **Other BA-4 Net Program Changes (\$-29.8 million):**
 - FY 2000 Supplemental Funding (\$-27.8 million) – Reduction in FY 2001 from the FY 2000 funding level associated with Hurricane Floyd damage repair efforts at military installations along the eastern seaboard.
 - Emmit J. Bean Federal Building project (DFAS) (\$-20.1 million) – Reduction in FY 2001 due to the completion of the project in FY 2000.
 - Partnership for Peace/Warsaw Initiative (PfP/WI) (DSCA) Interoperability Program (\$3.8 million) – Funds expansion of the Partnership for Peace/WI interoperability program to include regional environmental security issues, humanitarian and disaster cooperation, Joint National Military Crisis Center, and common surveillance radar systems.
 - Net Other BA-4 Program (\$+14.3 million)

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Summary by Budget Activity

(\$ in Millions)

	<u>FY 1999</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2001</u> <u>Estimate</u>
<u>Budget Activity 1 - Operating Forces</u>							
<u>Subtotal</u>	<u>1,693.4</u>	<u>+20.6</u>	<u>-134.1</u>	<u>1,579.9</u>	<u>+92.8</u>	<u>-14.4</u>	<u>1,658.3</u>
TJS	442.1	+7.0	-73.8	375.3	+33.2	-13.8	394.7
USSOCOM	1,251.3	+13.6	-60.3	1,204.6	+59.6	-0.6	1,263.6
 <u>Budget Activity 2 - Mobilization</u>							
<u>Subtotal</u>	<u>35.4</u>	<u>+0.4</u>	<u>+3.8</u>	<u>39.6</u>	<u>+0.6</u>	<u>+4.4</u>	<u>44.6</u>
DLA	35.4	+0.4	+3.8	39.6	+0.6	+4.4	44.6
 <u>Budget Activity 3 - Training and Recruiting</u>							
<u>Subtotal</u>	<u>202.7</u>	<u>+3.6</u>	<u>+40.2</u>	<u>246.5</u>	<u>+5.6</u>	<u>+10.6</u>	<u>262.7</u>
AFIS	8.9	+0.2	+1.5	10.6	+0.2	+0.2	11.0
DAU	94.8	+1.7	+4.7	101.2	+2.5	-3.3	100.3
DFAS	26.8	+0.3	-10.1	17.0	+0.3	-1.9	15.4
DHRA	28.2	+0.4	+31.4	60.0	+1.0	+17.3	78.3
DSS	9.2	+0.2	-2.1	7.3	+0.2	-	7.4
DTRA	1.3	-	-0.2	1.1	-	-	1.1
USSOCOM	33.6	+0.8	+15.0	49.4	+1.4	-1.7	49.2

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(\$ in Millions)

	<u>FY 1999</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2001</u> <u>Estimate</u>
<u>Budget Activity 4 - Administration and Servicewide Activities</u>							
<u>Subtotal</u>	<u>9,448.7</u>	<u>+256.4</u>	<u>+309.5</u>	<u>10,014.6</u>	<u>+267.9</u>	<u>-328.0</u>	<u>9,954.5</u>
AFIS	98.3	+2.4	-7.4	93.2	+1.8	-0.6	94.5
AT/DSP (No Year)	-	-	+371.7	371.7	+5.6	-62.2	315.0
CMP	74.6	+0.9	+15.5	91.0	+1.4	-4.0	88.4
INTELL	4,026.5	+98.5	-25.6	4,099.4	+119.3	-11.1	4,207.6
DCAA	310.1	+12.2	+6.1	328.5	+12.5	+7.6	348.7
DFAS	68.7	+0.8	-45.5	24.0	+0.4	-23.0	1.4
DSS	75.1	+1.2	+52.1	128.4	+1.4	-2.8	126.9
DISA	816.9	+16.0	-20.0	812.9	+16.6	-74.3	755.2
DLA	1,199.9	+40.2	-39.6	1,200.5	+35.9	-91.9	1,144.5
DLSA	9.1	+0.4	+1.4	10.9	+0.4	+1.3	12.6
DoDEA	1,406.4	+56.2	-37.4	1,425.2	+41.3	-32.3	1,434.2
DHRA	184.3	+3.9	-24.6	163.6	+3.7	+17.6	184.9
DPMO	13.6	+0.4	+0.5	14.4	+0.4	-	14.8
DSCA	49.0	+0.8	+12.7	62.5	+1.1	+4.0	67.6
DTRA	231.5	+3.9	-49.0	186.3	+4.8	+24.5	215.6
OEA	34.1	+0.5	+41.9	76.5	+1.2	-55.2	22.5
OSD	462.2	+11.0	+2.0	475.2	+11.1	-69.2	417.1
TJS	128.5	+2.0	+2.5	133.0	+2.4	+24.2	159.6
USSOCOM	45.2	+0.8	-4.2	41.9	+1.1	+0.9	43.9
WHS	214.4	+4.2	+29.1	247.8	+5.3	+46.3	299.3
OTHER	-	-	+27.4	27.4	+0.4	-27.8	-
Total O&M, D-W	11,380.2	+281.0	+219.4	11,880.6	+366.8	-327.4	11,920.1

RESERVE COMPONENTS

	(\$ in millions)						
	FY 1999 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2000 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2001 <u>Estimate</u>
Army Reserve	1,246.0	+33.9	+190.5	1,470.4	+34.4	+16.6	1,521.4
Navy Reserve	970.3	-25.5	+18.8	963.6	+92.8	-95.5	960.9
Marine Corps Reserve	126.6	+2.2	+9.4	138.3	+4.9	-9.2	134.0
Air Force Reserve	1,778.9	+16.3	-21.9	1,773.3	+171.8	-59.3	1,885.9
Army National Guard	2,779.3	+61.2	+320.4	3,161.0	+77.9	-56.6	3,182.3
Air National Guard	<u>3,213.6</u>	<u>-3.5</u>	<u>+14.8</u>	<u>3,224.9</u>	<u>+287.4</u>	<u>-66.0</u>	<u>3,446.4</u>
Total	10,114.7	+84.6	+532.1	10,731.5	+669.2	-270.0	11,130.9

The Operation and Maintenance appropriation provides funding for operating Reserve Components' forces and maintaining their assigned equipment in a state of readiness which will permit rapid deployment in the event of full or partial mobilization. Reserve Component personnel maintain adequate skill levels in highly technical specialties through training during weekend drills and active duty training. Concurrently, the Reserve Components contribute significant support to a variety of Active mission areas. The FY 2001 budget request of \$11,130.8 million for the Reserve Forces includes price growth of \$669.2 million and net program decrease of \$270.0 million (2.4 percent) below the FY 2000 funding level. Summary program data for the Reserve Components is displayed below.

Reserve Forces Program Data

	FY 1999		FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Selected Reserve End Strength	870,917	-6,773	864,144	+1,556	865,700
Civilian Personnel Full-Time Equivalents (FTEs)	75,840	-218	75,622	-774	74,848
Military Technicians Included Above	(62,121)	(+167)	(62,288)	(-184)	(62,104)
Ship Inventory (End FY)	28	-1	27	-1	26
Steaming Hours (000)	40	-	40	-4	36
Total Aircraft Inventory (TAI)	4,292	-196	4,096	+5	4,101
Primary Authorized Aircraft (PAA)	4,196	-2	4,194	-	4,194
Flying Hours (000)	946	+147	1,093	-	1,093

RESERVE COMPONENTS

ARMY RESERVE

Program/Price Growth. The FY 2001 budget request for the Army Reserve increases by \$51 million from the FY 2000 level. This increase is the result of an increase of \$34.4 million for price growth, a decrease of \$19.9 million for transfers, and net program increases of \$36.5 million (2.5 percent).

Program Discussion. The Army Selected Reserve end strength remains level between FY 2000 and FY 2001 at 205,000. The FY 2001 budget includes a decrease of \$19.9 million, which was realigned to Reserve Personnel, Army (\$17.6 million) for pay and allowances and to O&M, Army (\$2.3 million) for centralized stock fund management. Program increases include \$28.4 million for increased OPTEMPO to support the Army's First to Fight funding priorities, \$15.7 million for base operations, and \$6.3 million for force training support. Funding for maintenance of real property decreases by \$12.2 million and funding for recruiting and advertising decreases by \$6.7 million from FY 2000 to FY 2001 due to congressional adds in FY 2000. Other net increases total \$5.0 million which includes increases for information management (\$3.7 million) and real property services (\$3.5 million) and a decrease for personnel administration (\$3.0 million).

Army Reserve Program Data

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Total Selected Reserve End Strength	206,836	-1,836	205,000	-	205,000
Civilian Personnel (FTEs)	10,601	-161	10,440	-272	10,168
Technicians Included Above)	(6,507)	(-57)	(6,450)	(-221)	(6,229)
Total Aircraft Inventory (TAI)	133	-1	132	+3	135
Primary Authorized Aircraft (PAA)	128	+24	152	-	152
Flying Hours (000)	29	+17	46	-2	44
Major Installations	6	-	6	-	6
Reserve Centers	809	-	809	-	809

RESERVE COMPONENTS

NAVY RESERVE

Program/Price Growth. The FY 2001 budget request for the Navy Reserve decreases by \$2.7 million from the FY 2000 level. This decrease is the net of an increase of \$92.8 million for price growth, a net decrease of \$69.0 million for functional transfers, and a program decrease of \$26.5 million (2.7 percent).

Program Discussion. The Navy Selected Reserve end strength decreases from 89,134 in FY 2000 to 88,900 by the end of FY 2001. The FY 2001 request includes a net decrease of \$69.0 million due to functional transfers associated with the transfer of the JFK aircraft carrier to the active duty Navy (\$-58.4 million); a transfer of funding to RDT&E for systems development (\$-6.6 million); a transfer to Reserve Personnel, Navy for Military Funeral Honors Duty (\$-3 million); the realignment of the Cargo Handling and Port Group (CHAPGRU) support mission to the active duty Navy (\$-1.3 million), and other miscellaneous transfers in and out (+.3 million). The FY 2001 request also includes reductions of \$24.0 million for base support due primarily to one-time congressional increases (\$-14.7 million) and savings associated with ongoing efficiencies and downsizing efforts (\$-6.3 million); a reduction of \$19.9 million for Servicewide Communications due primarily to decreased costs for the Navy Standard Integrated Personnel System (NSIPS) program (\$-9.9 million) and savings associated with the consolidation of Central Design Activities (\$-8.7 million); and a \$5.0 million reduction in Other Ship Operations. Also reflected is an increase of \$22.6 million in real property maintenance to achieve readiness levels in non-BQ facilities.

Navy Reserve Program Data

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Total Selected Reserve End Strength	89,172	-38	89,134	-234	88,900
Civilian Personnel (FTEs)	2,053	-87	1,966	-127	1,839
Primary Authorized Aircraft (PAA)*	435	-17	418	-10	408
Flying Hours (000)	172	+2	174	-3	171
Ship Inventory	28	-1	27	-1	26
Steaming Hours (000)	40	-	40	-4	36
Reserve Centers	159	-2	157	-	157
Major Installations	6	-	6	-	6

* Total Aircraft Inventory is included under active Navy.

RESERVE COMPONENTS

MARINE CORPS RESERVE

Program/Price Growth. The FY 2001 budget request for the Marine Corps Reserve (MCR) decreases by \$4.4 million from the FY 2000 level. This decrease is the net of an increase of \$4.9 million for price growth and a program decrease of \$9.2 million (6.5 percent).

Program Discussion. The FY 2001 request supports manpower levels of 39,500 military end strength and 157 civilian full-time equivalents. The decrease in programmatic funding is mainly associated with one-time FY 2000 congressional enhancements (\$15.6 million). Other programmatic decreases include mandated QDR support reductions (\$.8 million), Reserve Transportation Of Things (TOT) requirements (\$1.2 million), and Supplies and Materials (\$.2 million). These programmatic decreases are offset by increased funding for the initial issue program for individual combat equipment (\$5.1 million), for the replenishment and replacement of critical equipment and Authorized Medical Allowance List (AMAL) and Authorized Dental Allowance List (ADAL) issues (\$2.2 million), and for other base operational support “must pay bills” (\$1.3 million).

Marine Corps Reserve Program Data

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Total Selected Reserve End Strength	39,953	-329	39,624	-124	39,500
Civilian Personnel (FTEs)	152	+8	160	-3	157
Primary Authorized Aircraft (PAA)*	185	+1	186	-1	185
Flying Hours (000)	44	+5	49	-2	47
Divisions	1	-	1	-	1
Training Centers	188	-	188	-	188

* Total Aircraft Inventory is included under active Navy.

Note: Marine Corps Reserve flying hours are funded by O&M, Navy Reserve.

RESERVE COMPONENTS

AIR FORCE RESERVE

Program/Price Growth. The FY 2001 budget request for the Air Force Reserve increases by \$112.6 million from the FY 2000 level. This increase is the result of an increase of \$171.8 million for price growth and a net program decrease of \$59.3 million (3.0 percent).

Program Discussion. The FY 2001 budget request supports a manpower level of 74,300 military end strength and 14,868 civilian full-time equivalents. The FY 2001 budget includes an increase for second destination transportation expenses (\$13 million) to support training operations. This increase is offset by program decreases due to one-time congressional increases for real property maintenance, base operations, and recruiting and advertising (\$24 million); a decrease in engine maintenance for the C-141 and C-130 aircraft (\$19.3 million); a decrease in information technology funding due to a one-time increase in FY 2000 to improve information technology capabilities (\$15 million); a decrease in facility maintenance (\$7 million); and other changes in civilian personnel, supplies and contract services costs (\$-4.8 million).

Air Force Reserve Program Data

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Total Selected Reserve End Strength	71,772	1,936	73,708	+592	74,300
Civilian Personnel (FTEs)	14,728	+295	15,023	-155	14,868
(Technicians Included Above)	(9,210)	(+630)	(9,840)	(+32)	(9,872)
Total Aircraft Inventory (TAI)	445	+11	456	-6	450
Primary Authorized Aircraft (PAA)	393	+1	394	-	394
Flying Hours (000)	122	+17	139	-2	137
Major Installations	13	-	13	-	13

RESERVE COMPONENTS

ARMY NATIONAL GUARD

Program/Price Growth. The FY 2001 budget request for the Army National Guard increases by \$21.3 million from the FY 2000 level. The total increase is the result of a net increase of \$77.9 million for price growth and a program decrease of \$56.6 million (1.8 percent).

Program Discussion. The FY 2001 budget provides the training and operations for Selected Reserve end strength of 350,000. Major program changes include an increase in Ground OPTEMPO and the Flying Hour Program (\$23 million). For FY 2001, the flying hour program is funded at 100 percent for units with assigned aircraft, which provides 9.2 hours per aircrew per month in accordance with the Army's training strategy. Ground OPTEMPO is funded at 98 percent of validated requirements. The FY 2001 budget also provides for an increase for recruiting and advertising (\$11 million) and an increase in real property maintenance (\$5.2 million). A \$97.1 million reduction in FY 2001 is the result of projected savings to be generated from management changes related to working capital fund purchases. Other programmatic changes to staff management, personnel administration, and information management result in an increase of \$1.3 million.

Army National Guard Program Data

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Total Selected Reserve End Strength	357,469	-7,469	350,000	-	350,000
Civilian Personnel (FTEs)	23,830	-22	23,808	+178	23,986
(Technicians Included Above)	(23,339)	(-48)	(23,291)	(+170)	(23,461)
Total Aircraft Inventory (TAI)	2,380	-186	2,194	-11	2,183
Primary Authorized Aircraft (PAA)	2,071	+6	2,077	-	2,077
Flying Hours (000)	268	+95	363	+6	369
Training Locations	283	-	283	-	283
Divisions	8	-	8	-	8
Brigades	15	-	15	-	15

RESERVE COMPONENTS

AIR NATIONAL GUARD

Program/Price Growth. The FY 2001 budget request for the Air National Guard (ANG) increases by \$221.5 million from the FY 2000 level. This change includes a price increase of \$287.4 million and a program decrease of \$66.0 million (1.9 percent). Included in this program reduction are functional transfers into and out of the O&M, ANG appropriation equaling \$-15.1 million.

Program Discussion. The FY 2001 budget request supports 88 flying units, 375,093 flying hours, and 23,803 civilian end strength. The FY 2001 funding increases support the acceleration of F-16 safety upgrades (\$32.1 million), the conversion to two F-16 training units (\$12.2 million), the additional F-16, B-1 and C-130 aircraft/engine maintenance requirements (\$10.9 million), and additional real property maintenance funding to bring the ANG to 1 percent of plant replacement value (\$6.0 million). Other growth is for the F-16 general purpose forces unit conversion activity (\$3.6 million) and for the ANG's participation in space operations (\$3.3 million). The FY 2001 budget reflects a decrease of \$50.2 million due to one-time congressional increases in FY 2000 for air operations and recruiting and advertising. Other program reductions include the completion of the FALCON UP program on F-16C/D aircraft, structural repairs to the C-5, and fewer aircraft maintenance and engine overhauls scheduled in FY 2001 (\$-26 million); the full year impact of converting two F-16 air defense units (\$-16.8 million); reduced nonrecurring supply and equipment requirements for one unit that converted to C-130 aircraft beginning in FY 1999 (\$-11.8 million); fewer depot level reparables required for F-15 and KC-135 aircraft because of the time change schedules and the transition to two level maintenance (\$-9.1 million); and lower flying hour and maintenance costs attributed to using a C-5 training simulator beginning in FY 2001 (\$-5.5 million). The decrease of one major installation and the increase of one operating location reflects the transfer of Buckley ANG Base to the Active Duty.

Air National Guard Program Data

	FY 1999		FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Total Selected Reserve End Strength	105,715	+963	106,678	+1,322	108,000
Civilian Personnel (FTEs)	24,476	-251	24,225	-395	23,830
(Technicians Included Above)	(23,065)	(-358)	(22,707)	(-165)	(22,542)
Total Aircraft Inventory (TAI)	1,340	-28	1,312	+21	1,333
Primary Authorized Aircraft (PAA)	1,170	+1	1,171	+9	1,180
Flying Hours (000)	314	+23	337	-1	336
Major Installations	3	-	3	-1	2
Other Operating Locations	215	-	215	+1	216

DEFENSE HEALTH PROGRAM

	(\$ in Millions)						
	FY 1999 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2000 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2001 <u>Estimate</u>
Operation & Maintenance (O&M)	10,083.7	+356.3	+287.5	10,727.5	+396.9	+120.1	11,244.5
Procurement	403.0	+16.5	-97.2	322.3	+12.9	-45.2	290.0
RDT&E	<u>38.4</u>	<u>+0.5</u>	<u>+231.3</u>	<u>270.2</u>	<u>+4.1</u>	<u>-208.4</u>	<u>65.9</u>
Total DHP	10,525.1	+373.3	+421.6	11,320.0	+413.9	-133.5	11,600.4

The medical mission of the Department of Defense (DoD) is to maintain readiness by providing medical services and support to the armed forces during military operations and to provide medical services and support to members of the armed forces, their dependents, and other beneficiaries entitled to DoD health care. The Defense Health Program (DHP) appropriation supports worldwide medical and dental services to the active forces and other eligible beneficiaries, veterinary services, medical command headquarters, graduate medical education for the training of medical personnel, and occupational and industrial health care.

The Department's managed care program, called "TRICARE", is designed to provide military families with access to quality care that is cost-effective. The TRICARE program provides medical care to about 8 million beneficiaries through a network of 81 military hospitals, 514 military clinics, and 7 regional Managed Care Support (MCS) contracts valued at about \$4.0 billion. The TRICARE program offers a triple option benefit: (1) TRICARE Prime, a Health Maintenance Organization (HMO) style benefit requiring beneficiary enrollment; (2) TRICARE Extra, a Preferred Provider Organization (PPO) style benefit; and (3) TRICARE Standard, a fee-for-service option.

The FY 2001 budget includes funds for significant new requirements in the DHP for both FY 2000 and FY 2001. These include in-house pharmacy (FY 2000, \$153.9/FY 2001, \$174.7 million), fact-of-life changes in the MCS contracts (FY 2000, \$195.3/FY 2001, \$153.1 million), and a new congressional requirement for custodial care (FY 2000, \$20/FY 2001, \$20 million). To cover the increased requirements in FY 2000, the FY 2001 President's Budget request includes a FY 2000 reprogramming into the DHP O&M program of \$256.7 million -- \$228.2 million from the Services and \$28.5 million from the DHP Procurement to the DHP O&M program. To partially finance the increased requirements in FY 2000 for pharmacy, contracts, and custodial care, the DHP reduced or deferred funding for lower priority programs such as non-patient travel, real property maintenance, and ongoing information management efforts. Building on the revised FY 2000 funding level, the FY 2001 President's Budget adds funding for two new benefits for active duty family members: (1) \$30 million to expand TRICARE Prime Remote to improve access

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to health care and lower out-of-pocket costs for active duty family members who do not live near military treatment facilities and (2) \$50 million to eliminate co-pays for all active duty family members enrolled in TRICARE Prime.

Operation & Maintenance Program
(\$ in Millions)

	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>	<u>Price</u>	<u>Program</u>	<u>FY 2001</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
<u>Funding Summary</u>							
In-House Care	3,394.9	+133.8	+230.6	3,759.3	+142.7	+53.2	3,955.2
Private Sector Care	4,169.1	+166.6	+58.1	4,393.8	+180.1	+85.1	4,659.0
Information Management	262.4	+3.1	+47.5	313.0	+4.7	+9.1	326.8
Education & Training	311.9	+9.3	-7.0	314.2	+9.8	-22.4	301.6
Management Activities	176.1	+3.3	-0.5	178.9	+3.5	+14.6	197.0
Consolidated Health Support	915.0	+26.0	-46.7	894.3	+35.1	-68.3	861.1
Base Operations	854.3	+14.2	+5.5	874.0	+21.0	+48.8	943.8
Total	10,083.7	+356.3	+287.5	10,727.5	+396.9	+120.1	11,244.5

Program/Price Growth

The DHP O&M funding level increases from FY 2000 to FY 2001 by \$517.0 million, reflecting price growth of \$396.9 million and a net program increase of \$120.1 million (1.1 percent). The \$120.1 million program increase is composed of increases of \$85.1 million for private sector care, \$37.7 million for advances in medical science, \$15.5 million for Military Treatment Facility (MTF) pharmacy, \$48.8 million in base operations, and \$44.7 million for information management. These increases are partially offset by a decrease of \$108.1 million for FY 2000 congressional adds not continued in FY 2001 and \$3.6 million for other programs.

In-House Care

In-house care totals \$3,955.2 million in FY 2001 and provides for the delivery of care in MTFs worldwide. The program includes care in medical centers, station hospitals, clinics, and dental care activities. Between FY 2000 and FY 2001, funding increases by \$195.9 million with a price growth of \$142.7 million and a net program increase of \$53.2 million. The program increase includes \$37.7 million for advances in medical science, \$15.5 million for MTF pharmacy, and \$19.8 million to partially restore the previous year's deferral of travel, equipment and information

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management efforts. These program increases are partially offset by decreases of \$9.2 million for infrastructure reductions and \$10.6 million for FY 2000 congressional adds that are not continued into FY 2001.

Private Sector Care

Private Sector Care includes Managed Care Support (MCS) contracts, the CHAMPUS program, Uniformed Services Family Health Plan (formerly known as Uniformed Service Treatment Facilities (USTFs)) and supplemental/emergency care. Under the MCS contracts and CHAMPUS, active duty families and retirees (not eligible for Medicare) and their families can individually obtain medical and dental care from civilian sources at the government's expense, after satisfying applicable enrollment fees, deductibles, and co-payments. Currently, there are seven MCS contracts that deliver health care nationwide to the military and their dependents. The MCS contractors are responsible for the purchase of TRICARE standard fee-for-service benefits and coordinating the care between MTFs and civilian providers. Between FY 2000 and FY 2001, private sector care increases approximately \$265.2 million from \$4,393.8 million to \$4,659.0 million. This funding increase includes a price increase of \$180.1 million and a program increase of \$85.1 million. The MCS contracts experience a program increase of approximately \$138.0 million, which is the result of numerous fact-of-life changes to include patient demographics and economic changes as well as proposed benefit changes. The USFHP and supplement/emergency care programs increase by \$1.5 million. Offsetting program decreases of \$54.4 million result primarily from estimated fewer TRICARE standard claims being processed in FY 2001 than in FY 2000 and a reduction in the amount of Continuing Health Education/Capitalization of Assets Program claims from private sector facilities.

Information Management

This program, totaling \$326.8 million in FY 2001, focuses on the development and deployment of standardized systems to ensure close integration, interoperability, and commonality of information management throughout the military health system. Between FY 2000 and FY 2001 information management increases by \$13.8 million, reflecting price growth of \$4.7 million and a program increase of \$9.1 million. Program funding increases include \$29.4 million to support the sustainment costs related to Composite Health Care System II deployment, \$2.2 million to support Theater Medical Information Program (TMIP) implementation, and \$17.5 million for programs deferred from FY 2000. Partially offsetting program decreases include \$35.6 million for congressional adds in FY 2000 which are not carried forward into FY 2001 and \$4.4 million for a functional realignment from the O&M, DHP budget activity to the RDT&E, DHP budget activity for RDT&E information management efforts.

Education & Training

This program, totaling \$301.6 million in FY 2001, provides support for worldwide medical education and training for active duty personnel, civilian medical personnel, and students. Between FY 2000 and FY 2001, funding decreases by \$12.6 million, reflecting price growth of \$9.8 million and

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a program decrease of \$22.4 million. Program decreases include \$26.2 million for FY 2000 congressional adds that are not continued into FY 2001 and \$8.6 million of savings for outsourcing initiatives. These decreases are partially offset by program increases of \$11.2 million to restore travel, equipment and supplies deferred from FY 2000 to fund higher priority patient care requirements and \$1.2 million for health profession scholarships to achieve force structure targets. The budget continues to fund the Uniformed Services University of the Health Sciences (USUHS) at historical levels.

Management Activities

This program, totaling \$197.0 million in FY 2001, includes the TRICARE Management Activity (TMA) and the medical commands. These headquarters activities oversee the delivery of DoD healthcare worldwide. Between FY 2000 and FY 2001, funding increases by \$18.1 million of which \$3.5 million is price growth and \$14.6 million is a program increase. Program increases include \$6.5 million for the realignment of the Air Force Major Command Medical Management Headquarters to the DHP, \$6.1 million to partially restore previous year deferral of travel and information management, and \$2.0 million to expand the Computer Accommodations Program to non-DoD agencies.

Consolidated Health Support

This program, totaling \$861.1 million in FY 2001, includes support functions such as occupational health, strategic aeromedical evacuation, pathology, examining activities, regional health care management functions and veterinary service. Between FY 2000 and FY 2001, this funding decreases by \$33.2 million. This reduction reflects a price growth of \$35.1 million and a program decrease of \$68.3 million. The net program decrease includes program increases of \$47.8 million and program decreases of \$116.1 million. Program decreases include: \$62.5 million to reflect a transfer-out of the non-strategic airevac program from the DHP O&M to the Air Force; \$35.7 million for congressional adds that are not continued in FY 2001; \$8.7 million of equipment purchases that are deferred in order to pay higher priority DHP items; \$2.2 million to reflect savings realized through Lead Agent reductions; and \$7.0 million for other reduced programs. Program increases include: \$8.0 million for the Weapons of Mass Destruction readiness exercise; \$10.0 million to conduct HIV prevention education activities in conjunction with African militaries, \$28.2 million to restore funding for travel, equipment and information management, and \$1.6 million for other programs that were deferred from FY 2000.

Base Operations

This program, totaling \$943.8 million in FY 2001, includes funding for the operation and maintenance of 81 hospitals and 514 clinics. Funding increases \$69.8 million from FY 2000 to FY 2001. This increase reflects a price growth of \$21.0 million and a program increase of \$48.8 million.

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Program increases include \$69.3 million to fund Real Property Maintenance (RPM) at 2.5 percent of overall plant replacement value, \$2.4 million to restore funding for travel and information management, and \$0.2 million for other programs that were deferred from FY 2000. The program increases are partially offset by a decrease of \$23.1 million for a reduction in defense financial accounting services.

<u>Funding Summary</u>	<u>Procurement Program</u> (\$ in Millions)						
	<u>FY 1999</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2000</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2001</u> <u>Estimate</u>
Medical Equip - Replacement/Modernization	375.1	+15.4	-82.2	308.3	+12.3	-55.6	265.0
Medical Equip - New Facility							
Outfitting	<u>27.9</u>	<u>+1.1</u>	<u>-15.0</u>	<u>14.0</u>	<u>+0.6</u>	<u>+10.4</u>	<u>25.0</u>
Total	403.0	+16.5	-97.2	322.3	+12.9	-45.2	290.0

The DHP also funds procurement of capital equipment in support of the DoD health care program in military medical treatment facilities and other health activities worldwide. It includes equipment for initial outfitting of new, expanded, or altered health care facilities. Also funded is modernization and replacement of equipment past its useful life and automated equipment (IM/IT) in support of the TRICARE Management Activity. In FY 2001, funding for procurement of capital equipment decreases from \$322.3 million to \$290.0 million, a decline of \$32.3 million. This funding decrease is the net of an increase of \$12.9 million for price growth and a program reduction of \$45.2 million. The program decrease primarily reflects the functional realignment of \$61.5 million in replacement and modernization for medical information system to the DHP Research, Development, Testing and Evaluation budget activity. This \$61.5 million transfer out is partially offset by a program increase of \$10.4 million for initial outfitting of approved military construction projects and of \$5.9 million for other replacement and modernization equipment that was deferred in FY 2000.

<u>Funding Summary</u>	<u>Research, Development, Test and Evaluation (RDT&E) Program</u> (\$ in Millions)						
	<u>FY 1999</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2000</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2001</u> <u>Estimate</u>
RDT&E	38.4	+0.5	+231.3	270.2	+4.1	-208.4	65.9

This program reflects congressional one-time medical research efforts for FY 1999 and FY 2000. In FY 2001, the \$65.9 million funds information management developmental costs that were functionally realigned into the DHP RDT&E budget activity from the DHP O&M and DHP

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Procurement budget activities. The goal of the Military Health System (MHS) information management program is to support military medical readiness through the development of Major Automated Information Systems that support functional health program areas.

Program Data

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Organic Medical Programs</u>					
Hospitals/Medical Centers	93	-5	88	-7	81
Clinics	519	-3	516	-2	514
Dispositions (000)	294	-11	283	-3	280
Inpatient Work Units (000)	326	-4	322	-3	319
Occupied Bed Days (000)	1,018	-35	983	-11	972
Average Length of Stay (Days)	3.46	+.02	3.48	0	3.48
Ambulatory Visits (000)	32,426	-683	31,743	-406	31,337
<u>Training Workloads</u>					
USUHS	664	+1	665	+4	669
Other Education & Training	53,457	+4,193	57,650	+4,677	62,327
Health Professionals Scholarship Program/ Financial Assistance Program	4,467	+22	4,489	+31	4,520
<u>Civilian Personnel FTEs</u>					
U.S. Direct Hire	37,831	-894	36,937	-834	36,103
Foreign National Direct Hire	630	-93	537	-4	533
Total Direct Hire	38,461	-987	37,474	-838	36,636
Foreign National Indirect Hire	1,541	+170	1,711	-19	1,692
Total	40,002	-817	39,185	-857	38,328

DEFENSE HEALTH PROGRAM

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Military Personnel End Strength</u>					
Officers	33,038	-344	32,694	-91	32,603
Enlisted	<u>61,480</u>	<u>-1,766</u>	<u>59,714</u>	<u>+88</u>	<u>59,802</u>
Total	94,518	-2,110	92,408	-3	92,405
<u>Eligible Beneficiary Population (000)</u>					
Active Duty	1,549.1	-17.7	1,531.4	-11.4	1,520.0
Dependents of Active Duty	2,179.5	+11.5	2,191.0	-13.4	2,177.6
Dependents of Retirees Under 65	1,918.9	-14.9	1,904.0	-17.6	1,886.4
Retirees Under 65	1,149.2	-12.8	1,136.4	-14.3	1,122.1
Beneficiaries Over 65	<u>1,370.6</u>	<u>+53.8</u>	<u>1,424.4</u>	<u>+50.7</u>	<u>1,475.1</u>
Total	8,167.3	+19.9	8,187.2	-6.0	8,181.2
<u>User Population (000)</u>					
Active Duty	1,549.1	-17.7	1,531.4	-11.4	1,520.0
Dependents of Active Duty	2,081.6	+9.7	2,091.3	-12.7	2,078.6
Dependents of Retirees Under 65	1,191.5	-9.8	1,181.7	-10.5	1,171.2
Retirees Under 65	703.4	-8.2	695.2	-8.4	686.8
Beneficiaries Over 65	<u>339.6</u>	<u>+12.4</u>	<u>352.0</u>	<u>+12.9</u>	<u>364.9</u>
Total	5,865.2	-13.6	5,851.6	-30.1	5,821.5
<u>Managed Care Support (MCS) Contracts (000)</u>					
Total CHAMPUS Eligibles	5,247.6	-16.3	5,231.3	-45.1	5,186.2
Total CHAMPUS Users	3,976.6	-8.3	3,968.3	-31.7	3,936.6

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

FY 1999	Price	Program	(\$ in Millions)	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
820.6*	+10.8	+99.7	931.1	+16.8	-111.6	836.3
<p>* Included for comparability, these funds were transferred to other Defense appropriations for execution.</p> <p>Note: The FY 2000 funding excludes the \$10.8 million that the Congress directed to be transferred to the Military Construction, Air Force appropriation for study, planning, design, architect and engineering services at the forward operating locations in the area of responsibility of the U.S. Southern Command.</p>						

The Department of Defense continues to pursue a wide range of activities in support of the counterdrug objective directed in the President's *National Security Strategy of the United States*, "...to reduce the flow of illegal drugs into the United States by encouraging reduction in foreign production, combating international traffickers, and reducing demand at home." Additionally, the 1999 National Drug Control Strategy outlines five major goals: (1) educate and enable America's youth to reject illegal drugs and substance abuse; (2) increase the safety of America's citizens by substantially reducing drug-related crime and violence; (3) reduce the health and social costs of illegal drug use; (4) shield America's air, land, and sea frontiers from the drug threat; and (5) break foreign and domestic sources of supply. While DoD supports all five strategic goals, the majority of DoD's resources are dedicated to goals 4 and 5.

The plans and programs of the Department constitute an integral part of the U.S. Government's international and multi-agency approach to counter the flow of illegal drugs into the United States and fulfill an essential role in our nation's fight against illegal drugs. This mission includes the following responsibilities which have been legislated by Congress: (1) to act as the single lead federal agency for the detection and monitoring of aerial and maritime transit of illegal drugs into the United States in support of law enforcement agencies; (2) to integrate command, control, communications, and technical intelligence assets of the federal government that are dedicated to drug interdiction into an effective communications network; (3) to approve and fund Governors' State Plans for expanded use of the National Guard, when not in federal service, in support of drug interdiction and counterdrug activities, authorized by the laws of the state concerned; (4) to train personnel; (5) to establish operating bases; and (6) to transport, maintain, and repair equipment of United States and foreign law enforcement agencies.

The Counterdrug (CD) Program is funded through the Drug Interdiction and Counterdrug Activities, Defense appropriations, which is a central transfer account (CTA) with a single budget line that accounts for all associated CD resources with the exceptions of the Active components' military personnel, military construction, and Service OPTEMPO. The CTA provides inherent flexibility for the Department's CD program to effectively respond to the dynamic nature of the counterdrug threat. The OPTEMPO portion of the CD program (estimated at \$162 million in FY 2000 and \$156 million in FY 2001) is budgeted in the Services' O&M accounts but supports the President's National Counterdrug Strategy. Further, OPTEMPO is managed by the DoD Drug Coordinator as an integral part of the Department's CD effort. Additionally, in

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

FY 2001, there is \$77.9 million for counterdrug Forward Operating Location construction that is requested in the Military Construction, Defense-Wide appropriation.

Funding Summary: The Department of Defense has budgeted the following resources in the Drug Interdiction and Counterdrug Activities, Defense appropriation to support major goals of the National Counterdrug Strategy.

FUNDING BY GOAL

	(\$ in Millions)							Net
	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>	<u>Price</u>	<u>Program</u>	<u>FY 2001</u>	<u>Net</u>
	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Change</u>
1. Educate America's Youth	24.4	+0.3	+1.8	26.5	+0.4	-3.9	23.0	-3.5
2. Increase Safety of Citizens	124.3	+1.4	-13.0	112.7	+1.7	-32.4	82.0	-30.7
3. Reduce Health & Social Costs	70.6	+0.4	+3.6	74.6	+1.2	-1.0	74.8	+0.2
4. Shield America's Frontiers	350.2	+6.0	-21.6	334.6	+7.4	-2.5	339.5	+4.9
5. Break Drug Sources of Supply	251.1	+2.7	+128.9	382.7	+6.1	-71.8	317.0	-65.7
Total	820.6	+10.8	+99.7	931.1	+16.8	-111.6	836.3	-94.8

The FY 2000 DoD funding level includes \$98.4 million for U.S. enhanced support to Colombia. This funding is included as part of the \$1.6 billion Emergency Supplemental for Colombia. (The Supplemental also includes \$38.6 million for airfield construction at the Forward Operating Location in Manta, Ecuador in Military. This funding is requested in the Military Construction, Defense-Wide appropriation). In FY 2001, the Department has budgeted \$41.4 million for DoD support for *Plan Colombia*. This additional funding is part of a multi-year interagency effort to support *Plan Colombia* - a comprehensive, integrated response to curb narcotics trade and bring peace and stability to Colombia and the region. The resources will be used primarily to enhance Colombia's ability to interdict narco-trafficking by air; and train and equip two additional Counternarcotics Battalions; and enhance ground interdiction capability.

The Department's CD program request for FY 2001 for the CTA reflects price growth of \$16.8 million and a program decrease of \$111.6 million (-11.8 percent). The program decrease is the net effect of one-time congressional adds in FY 2000 of \$100.7 million and program reductions of \$10.9 million.

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

In addition to funding *Plan Colombia*, the budget request includes funding for U.S. Southern Command's (USSOUTHCOM) extensive reorganization necessitated by implementation of the 1977 Panama Canal Treaty. The USSOUTHCOM has restructured its theater architecture in support of its counterdrug mission and has streamlined operations by merging JIATF-East and JIATF-South; consolidating Caribbean Regional Operations Center (CARIBROC) and Southern Regional Operations Center (SOUTHROC); and developing Forward Operating Locations to aid transit and source zone operations. For FY 2001, the Drug Interdiction and Counterdrug Activities, Defense central transfer account funds will be allocated as follows:

Goal 1: Education America's Youth

- In FY 2001: \$23.0 million is requested for the National Guard State Plans and Service outreach programs (\$22.5 million) and the Young Marines outreach program (\$.5 million). Funding for this goal reflects a program decrease of \$3.9 million, primarily reflecting the funding of the young Marines Outreach program at \$.5 million in FY 2001 vice the \$4.6 million level that was funded by a congressional add in FY 2000.

Goal 2: Increase 'Safety of Citizens

- In FY 2001: \$82.0 million is requested for DoD support to federal, state, and local drug law enforcement agencies' (DLEAs) requests for domestic operational and logistical support. This funding will assist the DLEAs in their efforts to reduce drug-related crime. Of this amount, \$64.6 million is for National Guard State Plans, \$2.2 million is for the Regional Counterdrug Training Academy (RCTA), \$2.4 million is for the congressionally-directed Florida National Guard Multi-Jurisdictional Counterdrug Task Force Academy in St. Petersburg, \$7.8 million is for Joint Task Force (JTF)-6 and reserve support to DLEAs, \$1.9 million is for Command, Control, Communication, Computers, and Intelligence (C4I) support, and \$2.9 million is for non-operational support. The net program reduction of \$32.4 million results primarily from a one-time FY 2000 congressional increase of \$32.9 million for National Guard State Plans, Multi-Jurisdictional Task Force, Gulf States Counterdrug Initiative Programs, Counternarcotics Center at Hammer, and Northeast Counterdrug Center.

Goal 3: Reduce Health & Social Costs

- In FY 2001: \$74.8 million is requested for the continued support of DoD Demand Reduction Programs. These funds support drug testing for active duty military, National Guard and Reserve personnel, and DoD civilian employees; drug abuse prevention/education activities for military and civilian personnel and their dependents; and drug treatment for military personnel. The net program decrease of \$1.0 million is due primarily to completion of development of improved sampling containers.

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

Goal 4: Shield America's Frontiers

- In FY 2001: \$339.5 million is designated to execute counterdrug detection and monitoring programs to assist U. S. law enforcement agencies to counter the flow of drugs in transit into Puerto Rico and the Virgin Islands and across the U.S. Southwest border into the United States. Of this amount, \$59.0 million is for C4I support in the transit zone and along the Southwest border; \$141.8 million is for detection and monitoring platforms and assets; \$7.7 million is for Ground Based End Game Operations in Mexico; \$47.0 million is for National Guard State Plans; \$45.0 million is for JTF-6 and Reserves operational support to DLEAs along the Southwest border and in Puerto Rico and the Virgin Islands; \$24.7 million is for Signals Intelligence (SIGINT) collection and processing; and \$14.4 million is for non-operational support to include research and development activities. There is net program decrease of \$2.5 million in FY 2001, mainly from the following program adjustments. There is a net decrease of \$20.4 million associated with one-time FY 2000 congressional increases for various technology assessments, Southwest Border States Initiatives, National Guard State Plans, Counterdrug Intelligence and Infrastructure, and several other minor program decreases (\$-3.3 million). These decreases are partially offset by additional funding primarily for upgrades of communications and Detection and Monitoring systems at the Caribbean Regional Operations Center (\$5.1 million), performance enhancements for the Virginia and Texas Relocatable Over-the-Horizon Radars (\$1.7 million), procurement and installation of upgrades for Patrol Coastal craft (\$3.0 million), Tethered Aerostat Radars (\$5.0 million), and intelligence programs (\$6.4 million).

Goal 5: Break Drug Sources of Supply

- In FY 2001: \$317.0 million is designated for CTA funding to continue to provide critical intelligence support, target cueing, initial detection and monitoring, and other support to U.S. and host nation counterdrug law enforcement entities. For FY 2000 and FY 2001, emphasis will be placed on the multiyear interagency effort to support *Plan Colombia*. With the \$317.0 million requested for FY 2001, DoD will provide \$68.2 million for C4I in support of source nation law enforcement initiatives; \$66.2 million for detection, monitoring, and interdiction programs; \$6.4 million for intelligence support and analysis; \$23.2 million for National Guard marijuana eradication efforts; \$86.9 million for operational support to DLEAs to include Ground Based End Game Operations in SOUTHCOM and the riverine interdiction initiative; \$19.2 million for SIGINT collection and processing to include support for the Airborne Reconnaissance-Low platform; and \$6.1 million for non-operational support. There is a net program decrease of \$71.8 million in FY 2001. This results mainly from a decrease of \$42.8 million associated with one-time FY 2000 congressional increases for Counterdrug Intelligence and Infrastructure, National Guard State Plans, improvement and repair at Forward Operating Locations, and various technology assessments and a reduction of \$46.4 million associated with the FY 2000 Supplemental for *Plan Colombia*. These reductions are partially offset by increases include in addition to funding for upgrades of communications and systems at the Caribbean Regional Operations Center (\$5.2 million), increased support to Ground Mobile Radars (\$2.0 million), replenishment of UH-60 spares stocks drawdown to support Colombia (\$8.0 million), and various other programs (\$2.2 million).

FORMER SOVIET UNION THREAT REDUCTION

FY 1999 Actual	Price Growth	Program Growth	(\$ in Millions) FY 2000 Estimate	Price Growth	Program Growth	FY 2001 Estimate
440.4	+5.3	+12.4	458.1	+6.9	-6.6	458.4

The FY 2001 budget contains \$458.4 million to dismantle and prevent the proliferation of nuclear, chemical, and other weapons of mass destruction in Russia and Ukraine. The budget request which increases by \$0.3 million above the FY2000 funding level includes \$6.9 million for price growth and a net program decreases of \$6.6 million (-1.4 percent). The program decreases include a reduction in requirements for submarine launched ballistic missile, strategic nuclear submarines, and spent naval fuel projects (\$32.3 million); a reduction in fissile material storage effort in Russia (\$5.7 million); the completion of SS-24 silo and bomber elimination projects (\$6.4 million); and, a 20 percent reduction in collaborative research and security enhancement requirements (\$2.2 million). The remaining program decreases of \$2.1 million is primarily for reactor core conversion installation delays and minor facility modifications for fissile material processing and packaging in Russia. Partially offsetting these decreases is additional funding for weapons storage security (\$4.4 million); the rephrasing of the chemical weapons destruction facility construction in Shchuch'ye, Russia (\$14.7 million), a growing defense and military contacts program (\$12.0 million), and technical assistance requirements that were funded in FY 2000 with unobligated prior year balances (\$11.0 million).

The following table shows price and program changes from FY 1999 to FY 2001 for the major programs:

	(\$ in Millions)						
	FY 1999 Actual	Price Change	Program Change	FY 2000 Estimate	Price Change	Program Change	FY 2001 Estimate
Strategic Offensive Arms Elimination - Russia	142.4	+1.7	+38.2	182.3	+2.9	-32.3	152.8
Weapons Storage Security – Russia	41.7	+0.5	+41.8	84.0	+1.3	+4.4	89.7
Weapons Transportation Security – Russia	10.3	+0.1	+4.8	15.2	+0.2	-1.4	14.0
Fissile Material Storage Facility – Russia	60.9	+0.7	+0.5	62.1	+0.9	-5.7	57.4
Fissile Material Processing & Packaging - Russia	9.4	+0.1	-0.2	9.3	+0.1	-0.1	9.3
Elimination of Weapons Grade Plutonium - Russia	29.8	+0.4	+2.0	32.2	+0.5	-0.6	32.1
Strategic Nuclear Arms Elimination - Ukraine	47.5	+0.6	-13.1	35.0	+0.5	-6.4	29.1
BW Proliferation Prevention	2.0	-	+12.0	14.0	+0.2	-2.2	12.0
Chemical Weapons Destruction – Russia	88.4	+1.1	-69.5	20.0	+0.3	+14.7	35.0
Defense and Military Contacts	0.0	-	+2.0	2.0	-	+12.0	14.0
Other Program Support	<u>8.0</u>	<u>+0.1</u>	<u>-6.1</u>	<u>2.0</u>	<u>-</u>	<u>+11.0</u>	<u>13.0</u>
Total	440.4	+5.3	+12.4	458.1	+6.9	-6.6	458.4

FORMER SOVIET UNION THREAT REDUCTION

The objectives for the Former Soviet Union (FSU) Threat Reduction program for FY 2001 are as follows:

Strategic Offensive/Nuclear Arms Elimination (SOAE/SNAE):

- Continues dismantling SLBM launchers, disposing of SSBNs and reactor components, disassembling and eliminating FSU ICBM/SLBM/cruise missiles, and SS-18 silo launchers;
- Continues to accelerate START I mandated reductions;
- Supports the Presidential START II and Helsinki Agreements in Russia;
- Continues assistance to Ukraine to dismantle START-accountable strategic bombers;
- Continues assisting Ukraine to eliminate all START-accountable SS-24 missiles and silo launchers.

Nuclear Weapons Chain of Custody - Russia:

- Enhances the security, control, and accounting of nuclear weapons in transit and storage;
- Downloads nuclear warheads from Russian delivery systems and transports warheads to safe, secure storage and dismantlement facilities;
- Accelerates dismantlement of strategic and non-strategic nuclear warheads and prepares the resulting fissile materials for long-term, safe, and secure storage in the Fissile Material Storage Facility;
- Designs, constructs, and certifies for operation facilities for safe, secure, and ecologically sound storage of fissile material from 12,500 dismantled nuclear weapons.

Biological Weapons (BW) Proliferation Prevention - FSU:

- Dismantles former BW production facilities,
- Reduces the potential for proliferation of dangerous biological pathogens by securing pathogen banks,
- Supports DoD force protection collaborative research with Russian scientists.

Chemical Weapons (CW) Destruction - Russia:

- Supports the President's commitment at the Helsinki Summit to design, construct, and certify for operations a pilot facility for the safe, secure, and ecologically sound destruction of the Russian inventory of weaponized nerve agents;
- Dismantles former CW production facilities.

Elimination of Weapons Grade Plutonium - Russia: Ceases production of weapons-grade plutonium at the three remaining production reactors in Russia to include design and installation of a new fuel configuration system and improved operational reactor safety features.

Other Program Support - FSU:

- Supports congressionally mandated Audit and Examination (A&E) program to ensure CTR assistance is used for the intended purpose,
- Provides non-government technical assistance to DoD,
- Supports defense and military contacts between DoD and FSU military.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

(\$ in Millions)						
FY 1999 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2000 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2001 <u>Estimate</u>
(5,661.6)*	+67.9	-1,421.1	4,308.4**	+89.7	-297.5	4,100.6
<p>* Provided for comparison purposes. This amount was transferred to and obligated in the Service/Agency appropriations.</p> <p>** Amounts appropriated to the OCOTF in FY 2000 were \$1,713.7 million for Bosnia and Southwest Asia. In addition, \$544.3 million is available from amounts appropriated in FY 1999. The Kosovo/East Timor Supplemental request totals \$2,050.4 million.</p> <p>Note: The FY 2000 funding excludes funds appropriated to Services' Military Personnel appropriations for the cost of contingency operations in Bosnia and Southwest Asia (FY 2000, \$396.2 million); the FY 2001 funding excludes funds budgeted in other appropriations for the cost of contingency operations in Bosnia and Kosovo (FY 2001, \$83.4 million).</p>						

The Overseas Contingency Operations Transfer Fund (OCOTF) was established by the FY 1997 DoD Appropriations Act to meet operational requirements in support of contingency operations without disrupting approved program execution or force readiness. The OCOTF was established as a “no year” transfer account in order to provide additional flexibility to meet operational requirements by transferring the funding to the Military Components based on actual execution experience as events unfold during the year of execution. The budget request for OCOTF supports the FY 2001 requirements of the respective Services and Agencies for operations in Southwest Asia (SWA), Bosnia, Kosovo, and East Timor. The FY 2001 request includes both the Operation and Maintenance and Military Personnel appropriations requirements in the OCOTF in order to provide the Department with the flexibility to adjust to dynamic changes in operational requirements as events unfold during the year of execution. In line with this approach, the FY 2000 Supplemental request for Kosovo and East Timor also identifies both the O&M and military personnel requirements in the OCOTF account.

Bosnia: The FY 2001 President’s budget includes \$1,387.7 million to support a U.S. troop level of 4,600 in Bosnia, which is the projected level to be attained by April 2000. This troop level is down from the 6,200 level that was attained by the end of FY 1999. This continued reduction of the U.S. troop strength is based on a UN assessment of progress made in Bosnia.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

Southwest Asia: The budget request also includes \$1,058.5 million in FY 2001 for continued levels of activity in SWA for forces deployed to the area of responsibility (AOR) to counter potential aggression by Iraq, continue enforcement of the no-fly zones in Iraq, and support the maritime intercept force. The FY 2001 request assumes a steady-state force level based on the force structure in place at the end of FY 1999.

Kosovo: Funding requirements for Kosovo in FY 2001 total \$1,650.5 million, which includes military personnel support. The overall objective is to return the displaced refugees to their homes with safety and security and to promote peace and stability in the region. Also included in this budget request is an emergency non-offset supplemental appropriations requirement for FY 2000 Kosovo requirements totaling \$2,025.4 million to ensure the U.S. military forces have sufficient resources to sustain their current operating tempo through FY 2000.

East Timor: The DoD participation in the UN sanctioned mission in East Timor has been primarily in the form of logistics, planning, intelligence, civil affairs, communications support, and some intra-theater transportation. In addition, the President provided DoD with drawdown authority of \$55 million under section 506 (a) (1) of the Foreign Assistance Act. Some of this drawdown authority has been used to provide strategic lift on a non-reimbursable basis to other nations (Thailand, Philippines, Kenya, Jordan and Egypt) participating in INTERFET. The President pledged this support to other nations as a U.S. contribution to the INTERFET. With the transition of security responsibilities from INTERFET to a UN peacekeeping force (United Nations Transitional Administration in East Timor (UNTAET)) underway, the President has approved a series of small-scale U.S. military personnel deployments and engagement activities in East Timor. These deployments and activities, consisting largely of rotational presence operations, are designed to support East Timor's transition to independence. The rotational presence operations will focus on humanitarian and civic assistance activities as well as ship visits. A small U.S. Support Group East Timor (USGET) will be deployed to East Timor to coordinate and facilitate these activities. The USGET will not be part of the UNTAET peacekeeping force nor will the rotational presence operations be performed as part of UNTAET. The U.S. personnel contributions to UNTAET's peacekeeping force are limited to three military observers, which have been offered to the United Nations. This budget request includes an emergency non-offset supplemental appropriations request for FY 2000 totaling \$25.0 million for East Timor to partially cover the costs of the operational support being provided in FY 2000. The current budget request for FY 2001 also includes \$3.9 million to continue this operational support.

OFFICE OF THE INSPECTOR GENERAL

FY 1999	Price	Program	(\$ In Millions)	Price	Program	FY 2001
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>FY 2000</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
131.8	+4.7	+0.1	136.6	+4.9	+6.0	147.5

The Office of Inspector General (OIG) audits and investigates the programs and operations of the Department of Defense. Additionally, the OIG recommends policies and conducts activities to promote economy, efficiency, and effectiveness in DoD programs and operations by preventing and detecting fraud, waste, and abuse. The OIG also informs DoD management and Congress about the problems and deficiencies in programs and operations and progress of corrective action.

The budget includes \$147.5 million for the OIG, an increase of \$10.9 million over the FY 2000 level. This increase is composed of \$4.9 million for price growth and \$6.0 million for program growth. The program increase finances additional support to the Department's financial statement audit requirements and audit and criminal investigative coverage of high risk areas (\$+1.4 million), information technology life cycle hardware and software replacement (\$+3.4 million), and enhanced information protection through implementation of public key infrastructure requirements (\$+0.9 million), and the phased-implementation of an electronic workflow initiative (\$+1.0 million) - an initiative to improve the OIG's productivity by automating the storage, flow, management, retrieval and final disposition of documents. The remaining program change is \$-0.7 million, composed primarily of the functional transfer of 10 civilian full-time equivalents and \$1.0 million to O&M, Defense-Wide (Washington Headquarters Services) to provide the OIG with centralized personnel support.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

	(\$ in Millions)						
	FY 1999 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2000 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2001 <u>Estimate</u>
Humanitarian Assistance	88.5	+1.0	-59.6	29.9	+0.5	+9.0	39.4
Humanitarian Demining	16.0	+0.2	+9.4	25.6	+0.4	-0.5	25.5
Total	104.5	+1.2	-50.2	55.5	+0.9	+8.5	64.9

The Overseas Humanitarian, Disaster and Civic Aid (OHDACA) program includes two segments: the general Humanitarian Assistance/Foreign Disaster Relief Program, and the Humanitarian Demining Program. In broad terms, OHDACA programs support U.S. military forces in meeting two key requirements specified in the Administration's National Security Strategy. The first is to maintain a robust overseas presence aimed at shaping the international security environment in a manner that deters would-be aggressors, strengthens friends and allies, and promotes peace and stability in regions of tension. The second requirement is for U.S. forces to respond effectively when called upon to assist the victims of storms, earthquakes, and other natural or manmade disasters.

The OHDACA programs meet these needs by providing the regional Unified Commanders-in-Chief (CINC) with an unobtrusive, low cost, but highly efficacious means to carry out their peacetime engagement missions, while providing a valuable training benefit for U.S. troops. Furthermore, OHDACA augments the CINCs' capabilities to respond rapidly and effectively to humanitarian crises. In providing relief to areas of need, the U.S. military gains substantial training benefits and obtains access to regions important to U.S. interests. The OHDACA programs enhance readiness across a number of operational areas -- including command, control, communication and intelligence; civil affairs; and logistical support.

The programs conducted under OHDACA are coordinated with the Department of State and approved by the Office of the Secretary of Defense to ensure U.S. Government (USG) unity of effort and compliance with national security and foreign policy interests. In the process of carrying out these activities, a small amount of funding efficiently fosters multiple USG goals.

The funding changes between FY 1999 and FY 2000 are due to one-time congressional adds for Hurricane Mitch requirements in FY 1999. The FY 2001 budget request increases by \$9.4 million, which includes price growth of \$0.9 million and real program growth of \$8.5 million

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

(15.1 percent). The humanitarian assistance program reflects a program increase of \$9.0 million (29.6 percent) for additional humanitarian assistance and foreign disaster efforts. The following are some of the projects that will be funded with the \$39.4 million of humanitarian assistance (HA) funds requested in FY 2001. All of these projects significantly augment the regional engagement of US forces and are consistent with each CINCs Theater Engagement plan.

- In the European Command, an increase in OHDACA funding will allow CINCEUCOM to fund 34 small HA excess property shipments from Europe and provide 43 rudimentary construction and renovation projects in clinics, hospitals, orphanages, and classrooms throughout 46 of the countries in Africa and the poorest nations in Europe.
- In Central Command, funding increases support seven HA excess property shipments from CONUS and provide all rudimentary construction and renovation projects in clinics, hospitals, orphanages, and classrooms throughout Jordan, Oman, Kenya, Turkmenistan, Seychelles, and Djibouti.
- In the Pacific Command, increased OHDACA funding will support 9 small humanitarian assistance excess property shipments within the Pacific theater and provide 16 rudimentary construction and renovation projects in clinics, hospitals, orphanages, and classrooms in the countries of Fiji, Tonga, Samoa, Laos, Bangladesh, Mongolia, Nepal, the Philippines, Mauritius, and the Marshall Islands.
- In the Southern Command, the CINC plans to transport 16 humanitarian assistance excess property shipments from CONUS and complete 4 rudimentary construction projects to include clinics in Haiti, a hospital in Panama, an orphanage in Bolivia, and classrooms in Paraguay.

The Humanitarian Demining program reflects a net program reduction of \$0.5 million (1.9 percent) primarily due to a reduced level of contract support.

AIR OPERATIONS

	(\$ in Millions)						
	FY 1999 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2000 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2001 <u>Estimate</u>
Army	827.7	+12.6	+113.5	953.8	+12.3	-110.4	855.7
Army Reserve	28.4	+0.7	+18.4	47.5	-1.2	-5.3	41.0
Army National Guard	304.0	-6.0	+38.5	336.5	+5.8	-98.5	243.8
Navy	4,528.6	-190.4	-32.5	4,305.7	+630.0	-255.4	4,680.3
Navy Reserve	453.5	-29.8	-14.6	409.1	+67.5	+1.7	478.3
Air Force	11,678.1	-109.3	-1,046.4	10,522.4	+897.8	-43.8	11,376.4
Air Force Reserve	1,682.2	+8.0	-5.4	1,684.8	+166.8	-51.4	1,800.3
Air National Guard	3,196.1	-3.8	+13.4	3,205.7	+287.1	-58.8	3,434.0
USSOCOM	429.6	+1.2	-12.9	417.9	+32.5	-1.1	449.3
Defense Health Program	<u>86.0</u>	<u>+2.6</u>	<u>-9.1</u>	<u>79.5</u>	<u>+3.3</u>	<u>-59.6</u>	<u>23.3</u>
Total	23,214.2	-314.2	-937.1	21,962.9	+2,101.9	-682.6	23,382.4

The Air Operations activity supports the day-to-day operational activities; organizational, intermediate, and depot level maintenance; institutional training; unit training and operations; engineering and logistical support; and base support necessary to operate, maintain, and deploy aviation forces in support of the national military strategy. The FY 2001 budget request of \$23,382.4 million reflects a net increase of \$1,419.3 million above the FY 2000 estimate. This includes a price growth of \$2,101.9 million and a net program reduction of \$682.6 million (-2.8 percent). Funding for incremental flying hours in support of contingency operations in FY 2000 and FY 2001 is included in the Overseas Contingency Operations Transfer Fund (OCOTF).

ARMY

The Army's Land Forces Air Operations funds the combat major commands (MACOMs), as well as several other agencies and commands. Within the combat MACOMs, rotary wing aircraft are resourced at an average OPTEMPO of 14.5 hours per crew per month. Also included are the flying hours associated with the counter-drug program, Combat Aviation Training Brigade at Fort Hood (the Army's collective trainer for the AH-64D Apache Longbow and OH-58D Kiowa Warrior Programs), Combat Training Center support (National Training Center, Joint Readiness Training Center, and 7th Army Training Center), and several other smaller units. The Land Forces Air Operations program also funds hours for fixed wing aircraft in intelligence, command, and theater aviation units. The Army's Flight Training program supports the Army's flight training program at Fort Rucker, as well as flight training programs at the Intelligence School at Fort Huachuca, the Infantry School at Fort Benning, and the Fort Eustis Transportation Training Center. It also funds hours for the remaining non-training fleet in the Training and Doctrine

AIR OPERATIONS

Command and flying hours at the United States Military Academy. The Servicewide Support program funds flying hours for a small international program at Supreme Headquarters, Allied Powers Europe (SHAPE), and Headquarters Land, Southeast and (HSLE). In addition, it supports the Army Materiel Command's (AMC) Corpus Christi Army Depot and Aviation, and the Army Missile Command's (AMCOM) Navy Test Pilot School.

	(\$ in Millions)						
<u>Funding Summary</u>	FY 1999 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2000 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2001 <u>Estimate</u>
Land Forces Air Operations	567.4	+5.0	+137.2	709.6	+4.4	-123.3	590.7
Depot Maintenance	160.0	+6.5	-36.4	130.1	+5.1	+4.2	139.4
Flight Training	97.4	+1.1	+13.0	111.5	+2.7	+9.3	123.5
Servicewide Support	<u>2.9</u>	<u>-</u>	<u>-0.3</u>	<u>2.6</u>	<u>+0.1</u>	<u>-0.6</u>	<u>2.1</u>
Total	827.7	+12.6	+113.5	953.8	+12.3	-110.4	855.7

	FY 1999 <u>Actual</u>	Change	FY 2000 <u>Estimate</u>	Change	FY 2001 <u>Estimate</u>
<u>Program Data</u>					
Primary Authorized Aircraft (PAA)	2,472	-10	2,462	+46	2,508
Total Aircraft Inventory	3,140	-35	3,105	+4	3,109
Flying Hours (000)	563.8	+126.2	690.0	+17.0	707.0

Land Force Air Operations: The FY 2001 flying hour program supports an average OPTEMPO of 14.5 hours per crew per month. The program decrease of \$123.3 million in FY 2001 is primarily attributed to the implementation of the logistics policy changes. The primary change is the National Maintenance Management Program, which changes the supply inventory ownership from the installation level to the national level. Under this program, inventory will be managed nationally and requirements will be established based on the national need by a central provider -- the Army Materiel Command (AMC). As part of this concept, the Army will implement a modified credit return policy. Currently, the credit policy is based on the asset availability position and fluctuates during the execution year. The revised policy calls for basing credit rates on need at the wholesale level, and credits will be issued at the national stock number level with no credit adjustments during the execution year. This change will enable the Army to maintain stable and predictable credits given by the wholesale supply system upon turn-in of the reparable items. The financial result of these changes is to increase the expected credit provided to units for return, reducing the need for direct funding. In addition, the program reduction in FY 2001 also includes cost decreases associated with demand changes in reparable and consumable parts and supplies by Army aviation units.

AIR OPERATIONS

Depot Maintenance: The FY 2001 program includes \$4.2 million to fund additional overhaul and repairs on the CH-47D Helicopters and depot level repairs to the AH-64 Helicopter (quantity of 2) and UH-1 Helicopter (quantity of 20) programs in FY 2001.

Flight Training: The FY 2001 program increases by \$9.3 million to provide additional advanced aircraft qualification training, combat skill training, and night vision training for the pilots who completed the Initial Entry Rotary Wing (IERW) Course before the pilots are assigned to an aviation unit. This increase will support a 200 training seat increase in IERW, which includes AH-64A/D Apache, UH-60 Blackhawk, OH-58D Kiowa, and CH-47D Chinook.

Service-Wide Support: The FY 2001 program decrease of \$0.6 million reflects the effects of changes in logistics policies in FY 2001 and the anticipated accompanying reduction in demand of reparable and consumable spare parts by Army aviation units.

ARMY RESERVE

The Army Reserve's Training Operations fund aviation training and operational requirements. The program includes fuel, consumable repair parts, and depot level repair parts to maintain the fleet. The program supports both unit training and operations. The Army Reserve's fixed wing and rotary wing units support the requirements of the warfighting combatant CINCs. The Reserve fixed wing aircraft are an integral part of the military operational mission support airlift system.

	(\$ in Millions)						
<u>Funding Summary</u>	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>	<u>Price</u>	<u>Program</u>	<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Training Operations	28.4	+0.7	+18.4	47.5	-1.2	-5.3	41.0
<u>Program Data</u>	<u>FY 1999</u>		<u>Change</u>	<u>FY 2000</u>		<u>Change</u>	<u>FY 2001</u>
	<u>Actual</u>		<u>Change</u>	<u>Estimate</u>		<u>Change</u>	<u>Estimate</u>
Primary Authorized Aircraft (PAA)	128		+24	152		-	152
Total Aircraft Inventory (TAI)	133		-1	132		+3	135
Flying Hours (000)	29.2		+17.2	46.4		-2.2	44.2
OPTEMPO (Hrs/Crew/Month)							
Rotary Wing		8.3	+1.2	9.5		-0.5	9.0
Fixed Wing		52.8	+1.8	54.6		-0.8	53.8

AIR OPERATIONS

The FY 2001 budget request reflects a price decrease of \$1.2 million and a program reduction of \$5.3 million. The program decrease is primarily attributed to reductions in the collective training requirements and flying hours for staff aviators and for test pilots at Aviation Intermediate Maintenance facilities.

ARMY NATIONAL GUARD

The Army National Guard's Training Operations program provides for training aircrew members, aviation units, and supported combined arms teams to achieve and sustain designated combat readiness. Resources support the utilization, maintenance, and overhaul of aviation assets and related support equipment to sustain unit capabilities. These funds are required to maintain and train units for immediate mobilization and to provide administrative support.

	(\$ in Millions)						
<u>Funding Summary</u>	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>	<u>Price</u>	<u>Program</u>	<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Training Operations	304.0	-6.0	+38.5	336.5	+5.8	-98.5	243.8
		FY 1999		FY 2000		FY 2001	
<u>Program Data</u>		<u>Actual</u>	<u>Change</u>	<u>Estimate</u>		<u>Change</u>	<u>Estimate</u>
Primary Authorized Aircraft (PAA)		2,071	+6	2,077		-	2,077
Total Aircraft Inventory		2,380	-186	2,194		-11	2,183
Flying Hours (000)		268.0	+95.0	363.0		+6.0	369.0
OPTEMPO (Hours/Crew/Month)							
Rotary		1.3	-	1.3		-	1.3
Fixed Wing		2.3	-	2.3		+0.4	2.7

The FY 2001 program decrease of \$98.5 million primarily reflects the effects of changes in Army logistics policies in FY 2001. The primary change is the implementation of the National Maintenance Management Program, which changes the supply inventory ownership from the installation level to the national level. As part of this plan, the credit return policy will be changed from the current policy, which is based on asset availability with credit rates fluctuating during the year, to a modified policy which will be based on a stable wholesale credit rate throughout the year. The wholesale credit rate for aviation will be higher than the current rate and reduce the need for direct funds. The program reduction in FY 2001 also includes cost decreases associated with anticipated reduction in demand of reparable and consumable spare parts by Army aviation units.

AIR OPERATIONS

NAVY

The Navy's Air Operations program funds the active Navy and Marine Corps operating tempo, intermediate, organizational and depot level maintenance, fleet training, engineering support, and logistical support to operate, maintain, and deploy aviation forces in support of the national military strategy. Navy Air Operations is subdivided into the following categories.

	(\$ in Millions)						
	FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Funding Summary</u>	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Flight Operations	2,457.9	-152.4	-51.0	2,254.5	+428.4	-46.6	2,636.3
Fleet Air Training	727.9	-26.8	+11.3	712.4	+106.5	-19.9	799.0
Intermediate Maintenance	55.8	+1.9	-1.1	56.6	+1.8	+1.0	59.4
Air Operations and Safety Support	80.6	+1.8	+7.0	89.4	+2.4	+10.4	102.2
Depot Maintenance	818.6	-	-21.0	797.6	+46.0	-194.9	648.7
Depot Operations Support	19.6	+0.6	+0.3	20.5	+1.7	-0.2	22.0
Combat Communications	50.0	-5.9	+0.8	44.9	+12.6	-3.7	53.8
Flight Training	300.9	-8.2	+23.9	316.6	+27.7	-1.7	342.6
External Relations	<u>17.3</u>	<u>-1.4</u>	<u>-2.7</u>	<u>13.2</u>	<u>+2.9</u>	<u>+0.2</u>	<u>16.3</u>
Total	4,528.6	-190.4	-32.5	4,305.7	+630.0	-255.4	4,680.3

	FY 1999	Change	FY 2000	Change	FY 2001
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
<u>Program Data</u>					
Primary Authorized Aircraft (PAA)	2,509	-24	2,485	+19	2,504
Total Aircraft Inventory (TAI)	4,100	+15	4,115	-14	4,101
Total Flying Hours (000)	1,233.1	+66.2	1,299.3	-11.9	1,287.4
Tactical Fighter Wings	10	-	10	-	10
Hours Per Crew Per Month	21.7	+0.6	22.3	+0.2	22.5
Primary Mission Readiness (PMR Percent)	83%	2%	85%	0%	85%

(includes 2% simulator contribution)

Naval Aviation Installations

CONUS	1	-2	15	-	15
Overseas	9	-1	8	-	8

* TAI includes Navy and Marine Corps Reserve aircraft.

AIR OPERATIONS

The average Primary Authorized Aircraft (PAA) increases from FY 2000 to FY 2001 due to various force structure changes, including increases in FA-18E/F and MV-22B. Hours per crew per month, Primary Mission Readiness (PMR), and flying hours maintain a level necessary to retain aircrew readiness and safety.

Mission and Other Flight Operations: The FY 2001 budget request includes a price growth of \$428.4 million primarily due to a significant increase in fuel prices and increases greater than standard inflation for maintenance and reparable. The program reduction of \$46.6 million includes an increase of \$23.2 million in start-up costs for a new EA-6B squadron, offset by decreases of \$28.3 million in lower costs due to higher reliability of certain components and better trouble shooting capability, \$13.5 million in reduced hours, \$8.8 million in reduced spares support, and \$19.2 million in reduced travel and other support requirements.

Fleet Air Training: The FY 2001 budget reflects a price growth of \$106.5 million primarily due to increased fuel prices. The program reduction of \$19.9 million includes program increases of \$5.8 million for civilian substitution and \$9.3 million for various contract efforts, offset by a program decrease of \$35.0 million due to reduced requirements for spare parts and maintenance.

Navy Intermediate Maintenance: The FY 2001 budget reflects a price growth of \$1.8 million and a program increase of \$1.0 million. The net increase will provide additional engineering and technical support for tactical aircraft.

Air Operations and Safety Support: The FY 2001 budget reflects a price growth of \$2.4 million and a program increase of \$10.4 million. The increase will provide additional engineering and maintenance on air traffic control equipment, landing aids, and airfield management systems. This includes \$4 million for support of the National Air Space System Modernization program.

Aircraft Depot Maintenance: The FY 2001 budget reflects a price growth of \$46.0 million and a program decrease of \$194.9 million. The program reduction is the result of a decrease in standard depot level maintenance actions, engine overhauls/repairs, and other maintenance actions. The program is fully funded to meet Navy readiness goals.

Aircraft Depot Operations: The FY 2001 budget reflects a price growth of \$1.7 million and a net program reduction of \$0.2 million. The net reduction is a result of a decrease in operating support activities at the Naval Aviation Pacific Repair Activity (NAPRA).

Combat Communications: The Combat Communications program funds the E-6A/B TACAMO program. The FY 2001 budget reflects a price growth of \$12.6 million. The net program decrease of \$3.7 million reflects reduced spares and maintenance requirements.

Flight Training: The FY 2001 budget reflects a price growth of \$27.7 million and a program decrease of \$1.7 million. Program changes are associated with net savings resulting from the phase-out of the T-2C aircraft, offset by additional T-45 aircraft being added to the inventory.

AIR OPERATIONS

External Relations: Funding for external relations remains relatively stable in FY 2001, continuing to support 68 Blue Angels shows.

NAVY RESERVE

The Naval Air Reserve Force consists of 1 carrier air wing with a total of 8 squadrons, 1 long-range Anti-Submarine Warfare (ASW) patrol wing with a total of 7 squadrons, 1 helicopter wing with 6 squadrons, and 1 air logistics wing with 14 squadrons. The Fourth Marine Corps Air Wing (4th MAW) consists of 15 flying squadrons and supporting units, which are budgeted for and maintained by the Commander, Naval Reserve Force. The Air Operations activity group provides funding for all aspects of Navy and Marine Corps Reserve air operations from flying hours to specialized training, maintenance, and associated support. The following table provides the funding for the programs supporting the Reserve Air Operations.

<u>Funding Summary</u>	<u>(\$ in Millions)</u>						
	<u>FY 1999</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2000</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2001</u> <u>Estimate</u>
Mission/Flight Operations	313.9	-30.7	+3.1	286.3	+63.5	+6.0	355.8
Fleet Air Training (FAT)	0.5	-	-0.5	-	-	-	-
Intermediate Maintenance	16.9	+0.3	-0.1	17.1	+0.4	-0.1	17.4
Air Operations and Safety Support	2.9	+0.1	+0.8	3.8	+0.1	-0.5	3.4
Depot Maintenance	118.9	+0.5	-17.8	101.6	+3.5	-3.7	101.4
Depot Operations Support	0.4	-	-0.1	0.3	-	-	0.3
Total	453.5	-29.8	-14.6	409.1	+67.5	+1.7	478.3

<u>Program Data</u>	<u>FY 1999</u> <u>Actual</u>	<u>Change</u>	<u>FY 2000</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2001</u> <u>Estimate</u>
	Primary Authorized Aircraft (Average PAA)	435	-17	418	-10
Total Flying Hours (000)	171.6	+2.1	173.7	-2.9	170.8
Tactical Fighter Wings	1	-	1	-	1
Hours Per Crew Per Month	11.0	-	11.0	-	11.0
Primary Mission Readiness (PMR Percent)	86%	+1	87%	-	87%

(includes 2% simulator contribution)

*TAI shown under the active account includes Navy and Marine Corps Reserve aircraft.

AIR OPERATIONS

The FY 2001 budget request includes a price growth of \$67.5 million primarily due to increased fuel prices. The net program growth of \$1.7 million is primarily attributed to a program increase in mission/flight operations as a result of changes in force mix and more costly flying hour requirements (e.g., increase in flying hours by 1,700 for the P-3C and 2,300 for the C-40A). These increases are partially offset by a decrease in aircraft depot maintenance, principally due to a change in the airframe mix and a reduction in engine rework requirements.

AIR FORCE

The Air Force Air Operations funding provides the predominant resources supporting combat forces. These activities provide for the operational flying requirements of bomber, fighter, mobility, and training forces stationed in the United States as well as overseas. Also included are resources supporting: land based intercontinental ballistic missiles; air launched strategic and tactical missiles; electronic warfare and defense suppression missions; combat command, control, and communications; combat aircrew training; and associated combat related base support.

Financing provides for the operating tempo, organizational and depot level maintenance, training, engineering support, logistical support, and base support to operate, maintain, and deploy aviation forces in support of the national military strategy. The Air Operations activity for the Air Force are subdivided into the following categories:

	(\$ in Millions)						
	FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Funding Summary</u>	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Air Operations	<u>7,566.4</u>	<u>5.0</u>	<u>-562.9</u>	<u>7,008.5</u>	<u>+549.2</u>	<u>-225.3</u>	<u>7,332.4</u>
Primary Combat Forces	2,463.9	-49.0	-137.2	2,277.7	+298.4	-212.4	2,363.7
Primary Combat Weapons	230.0	+3.2	+76.2	309.4	+7.5	-10.5	306.4
Combat Enhancement Forces	216.9	+2.4	-22.6	196.7	+5.2	+3.2	205.1
Air Operations Training	718.2	-10.4	+22.6	730.4	+79.8	-35.9	774.3
Combat Communications	1,165.1	-2.0	-134.5	1,028.6	+71.9	-6.6	1,093.9
Real Property Maintenance	745.7	+14.3	-42.8	717.2	+21.9	+0.7	739.8
Base Support	2,026.6	+46.5	-324.6	1,748.5	+64.5	+36.2	1,849.2
Mobility Operations - Airlift							
Operations	1,976.1	-38.0	-617.2	1,320.9	+181.4	+150.8	1,653.1

AIR OPERATIONS

<u>Funding Summary</u>	(\$ in Millions)						<u>FY 2001</u>
	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>	<u>Price</u>	<u>Program</u>	
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Training Operations - Flight Training	466.2	-15.4	+120.8	571.6	+56.8	-10.1	618.3
Other Operations - Rescue & Recovery	56.5	+0.7	-2.1	55.1	+4.3	-0.3	59.1
DPEM (Air Force-wide)	1,612.9	-61.6	+15.0	1,566.3	+106.1	+41.1	1,713.5
Total	11,678.1	-109.3	-1,046.4	10,522.4	+897.8	-43.8	11,376.4

<u>Program Data</u>	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Primary Aircraft Authorized (PAA)					
Bomber	115	+10	125	+5	130
Fighter/Attack	1,432	-13	1,419	-30	1,389
Trainer	998	+70	1,068	+34	1,102
Mobility	597	-2	595	+10	605
Other	<u>223</u>	<u>-29</u>	<u>194</u>	<u>+3</u>	<u>197</u>
Total	3,365	+36	3,401	+22	3,423

Total Aircraft Inventory (TAI)					
Bomber	175	+2	177	-16	161
Fighter/Attack	1,611	-1	1,610	-45	1,565
Trainer	1,379	-41	1,338	+17	1,355
Mobility	653	-5	648	+8	656
Other	<u>207</u>	<u>+25</u>	<u>232</u>	<u>-12</u>	<u>220</u>
Total	4,025	-20	4,005	-48	3,957

Flying Hours (000)	1,283.7	+9.1	1,292.8	+0.2	1,293.0
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AIR OPERATIONS

<u>Program Data</u>	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Fighter Wing Equivalents	13	-	13	-	13
Crew Ratios (Average)					
Bombers					
B-52	1.40	-	1.40	-	1.40
B-2	1.31	-	1.31	-	1.31
B-1	1.31	-	1.31	-	1.31
Fighters	1.25	-	1.25	-	1.25
OPTEMPO (Hrs/Crew/Month)					
Bombers	19.8	-4.0	15.8	-1.0	14.8
Fighters	16.0	+1.2	17.2	-0.1	17.1
Airlift	23.9	+0.1	24.0	-1.3	22.7
Tanker	27.1	-10.0	17.1	+1.6	18.7
Primary Mission Capable Rates (%)					
Bombers	65.3	+1.9	67.2	-2.5	64.7
Fighters	73.9	+1.1	75.0	+0.3	75.3
Airlift	70.5	+0.6	71.1	+0.7	71.8
Tanker	80.7	-1.9	78.8	+1.1	79.9
ICBM Inventory					
Minuteman III	500	-	500	-	500
Peacekeeper	<u>50</u>	-	<u>50</u>	-	<u>50</u>
Total	550	-	550	-	550

Primary Combat Forces: The FY 2001 budget request includes a price growth of \$298.4 million and a program decrease of \$212.4 million. The program decrease reflects a functional transfer of 18 A-10s to Combat Communications for the OA-10 mission (\$-15.9 million) and a reduction in the cost of the Flying Hour Program (\$-186.4 million). The Air Force reduced the estimate of the flying hour costs to reflect anticipated reductions in requirements for depot level reparable and general supplies (\$-112.9 million). The FY 2001 flying hour program

AIR OPERATIONS

decreases from 348,178 hours in FY 2000 to 334,229 hours in FY 2001. This decrease of 13,949 hours (\$-73.5 million; -4 percent) results primarily from a reduction in F-16 aircraft from 519 to 481 (-38 aircraft, -7 percent) and from a reduction in the duration of sorties flown by the B-1B bombers based on revised training requirements.

Primary Combat Weapons: The FY 2001 funding level decreases by \$3.0 million from FY 2000. This includes a price growth of \$7.5 million and a program decrease of \$10.5 million. The program decrease is primarily due to a deferral of missile maintenance in both Minuteman and Peacekeeper squadrons to fund Computer Network Defense (\$-10.7 million).

Combat Enhancement Forces: The FY 2001 funding increases by \$8.4 million above the FY 2000 level. Changes include a price growth of \$5.2 million and a program increase of \$3.2 million. The program growth is primarily due to funding for initial sustainment for the Joint Service Electronic Combat System Tester (\$2.2 million) and the CV-22 (\$1.7 million).

Air Operations Training: The FY 2001 budget request includes a price growth of \$79.8 million and a program decrease of \$35.9 million. The program reduction is primarily due to adjustments to cost per flying hour factors and flying hours for aircraft in the Combat Air Forces Training program and a transfer of Combat Search and Rescue Training from the Rescue and Recovery Services subactivity group.

Combat Communications: The FY 2001 budget request includes a price growth of \$71.9 million and a program decrease of \$6.6 million. The program decrease is primarily attributed to the addition of two E-8C aircraft (\$28.9 million), offset by a reduction of 1,000 flying hours in the RC-135 program (\$-34.2 million).

Real Property Maintenance: The FY 2001 budget request includes a price growth of \$21.9 million and a program growth of \$0.7 million. The program increase is primarily the result of the transfer of funding from the Military Personnel, Air Force appropriation for positions to be studied for competition and privatization studies/conversions (\$7.4 million). This increase is offset by fewer civilian separations (\$-3.7 million) and savings from prior competition and privatization efforts (\$-2.9 million).

Base Support: The FY 2001 budget request includes a price growth of \$64.5 million and a program growth of \$36.2 million. The program increases are primarily the result of the transfer of funding from the Military Personnel, Air Force appropriation for positions to be studied for competition and privatization studies and conversions (\$106.8 million). This increase is offset by the elimination of one-time equipment/supply purchases and the savings associated with the closure of Howard Air Force Base (\$-39.0 million); the functional transfer of funding for reimbursable DFAS customer payments to the Servicewide Base Support subactivity group to more properly align funding with execution (\$-15.0 million); fewer civilian separations (\$-10.0 million); and savings from prior competition and privatization efforts (\$-8.8 million).

Airlift Operations: The FY 2001 budget request includes a price growth of \$181.4 million and a program increase of \$150.8 million. The program increase includes net functional transfers totaling \$56.2 million. Transfers-in include the transfer of aeromedical evacuation

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responsibility from the Defense Health Program (\$64.3 million) and the transfer of funding from the Military Personnel, Air Force appropriation for positions to be studied for competition and privatization studies and conversions (\$10.8 million). Transfers-out include the transfer of \$28.2 million for combat search and rescue training from Airlift Operations to Air Operations Training in Budget Activity 1. Miscellaneous functional transfers total \$9.3 million. Program increases total \$94.6 million. Proficiency training has a net increase of \$22.5 million due to increased production of C-17 aircrews (169 crews with a crew ratio of three crewmembers) offset by a decreased production of C-141 crews (46 crews with a crew ratio of 1.8 crewmembers). Increases of \$54.7 million for contractor logistics support reflect additional support required to meet Federal Aviation Administration air-worthiness directives for Operational Support Aircraft (\$27.3 million) and for KC-10 aircraft (\$17.4 million). Miscellaneous program changes total \$27.4 million.

Flight Training: The FY 2001 budget request includes a price growth of \$56.8 million and a program decrease of \$10.1 million. The program reduction is primarily attributed to a one-time congressional increase for flying hour spares in FY 2000 (\$-56.4 million), offset by cost growth covering increased pilot production (\$43.4 million).

Rescue and Recovery Services: The FY 2001 budget request includes a price growth of \$4.3 million and a program reduction of \$0.3 million. The program decrease primarily results from a transfer of Combat Search and Rescue Training to the Air Operations Training subactivity group (\$-5.9 million). This decrease is offset by an increase in the Training and Combat Ranges program for tech orders and range operations (\$5.6 million).

Depot Maintenance: The FY 2001 budget request includes a price growth of \$106.1 million and a program growth of \$41.1 million. The program increases are primarily the result of 20 additional F-16 engine overhauls (\$26.1 million), 12 additional B-1 engine overhauls (\$13.0 million), 10 additional C-130 engine overhauls (\$6.8 million), and 4 additional A-10 engine overhauls (\$2.1 million). This increase is primarily offset by 9 fewer C-130 inductions for Programmed Depot Maintenance (\$-7.6 million).

AIR FORCE RESERVE

The Air Force Reserve Air Operations provide the resources to maintain and train units for immediate mobilization and to provide administrative support for the Air Reserve Personnel Center. The FY 2001 request provides for the operation and training of 60 flying units, 275 mission support units, 13 Air Force Reserve flying installations, and the flying and mission training of 74,300 Selected Reserve personnel. Activities supported include aircraft operations, base and depot level aircraft maintenance, facility maintenance, medical treatment, civilian pay, travel, transportation, maintenance of other equipment, and base operating support.

AIR OPERATIONS

<u>Funding Summary</u>	(\$ in Millions)						
	<u>FY 1999</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2000</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2001</u> <u>Estimate</u>
Aircraft Operations	1,000.1	-0.8	+62.7	1,062.0	+125.0	+13.0	1,200
Mission Support Ops	58.0	+2.2	-14.2	46.0	+1.8	+1.5	49.3
Base Support	249.7	+8.1	-11.9	245.9	+7.8	-29.6	224.1
Depot Maintenance	285.7	-3.4	-12.0	270.3	+30.1	-19.2	281.2
Real Property Maintenance	<u>88.7</u>	<u>+1.9</u>	<u>-30.0</u>	<u>60.6</u>	<u>+2.1</u>	<u>-17.0</u>	<u>45.7</u>
Total	1,682.2	+8.0	-5.4	1,684.8	+166.8	-51.4	+1,800.3

<u>Program Data</u>	<u>FY 1999</u> <u>Actual</u>	<u>Change</u>	<u>FY 2000</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2001</u> <u>Estimate</u>
	Primary Aircraft Authorized (PAA)	393	+1	394	-
Total Aircraft Inventory (TAI)	445	+11	456	-6	450
 Flying Hours (000)	 122.4	 +16.3	 138.7	 -1.8	 136.9
 Tactical Fighter Wing Equivalentents	 1.0	 -	 1.0	 -	 1.0
 Crew Ratios (Average)					
Bombers	1.31	-	1.31	-	1.31
Fighters	1.25	-	1.25	-	1.25
 OPTEMPO (Hrs/Crew/Month)					
Bombers	16.8	+0.3	17.1	-	17.1
Fighters	11.1	-0.1	11.0	-	11.0
Tankers	14.4	-0.6	13.8	-	13.8
Strategic Airlift	6.1	+2.3	8.4	-	8.4
Tactical Airlift	10.6	+1.5	12.1	-1.2	10.9

AIR OPERATIONS

Air Operations: The FY 2001 budget request includes a price growth of \$125.0 million and a program growth of \$13.0 million. The program growth is primarily attributed to the increase in second destination transportation costs, the increase in F-16 flying hours for training, and the implementation of C-130 schoolhouse at Dobbins, Air Force Reserve Base.

Mission/Flight Operations: The FY 2001 budget request includes a price growth of \$1.8 million and a program growth of \$1.5 million. The program increase is primarily the result of civilian personnel realignment to meet mission requirements.

Depot Maintenance: The FY 2001 budget request includes a price growth of \$30.1 million and a program decrease of \$19.2 million. The program decrease primarily reflects less engine maintenance scheduled for C-141 and C-130 aircraft.

Base Support: The FY 2001 budget request includes a price growth of \$7.8 million and a program decrease of \$29.6 million. The program decrease is primarily the result of a realignment of civilian personnel to meet mission requirements and a one-time congressional increase in FY 2000 for base support.

Real Property Maintenance: The FY 2001 budget request includes a price growth of \$2.1 million and a program reduction of \$17.0 million. The program decrease is primarily attributed to a one-time congressional increase for real property maintenance and reduced facility maintenance by contract.

AIR NATIONAL GUARD

The National Guard Air Operations provide for the flying and maintenance of Air National Guard mission related aircraft. These funds also provide for the facilities, equipment, and manpower required to train, equip, and support the Air National Guard force structure at a combat readiness level that enables it to immediately assimilate into the active Air Force and to be capable of conducting independent operations in accordance with unit taskings.

	(\$ in Millions)						
	FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Funding Summary</u>	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Aircraft Operations	1,955.6	-5.5	+35.2	1,985.3	+229.8	+1.4	2,216.5
Mission Support Ops	435.9	+15.4	-89.9	361.4	+14.2	-6.8	368.8
Depot Maintenance	409.1	-20.4	+53.2	441.9	+35.6	-24.6	452.9
Base Support	300.6	+5.6	+3.7	309.9	+5.9	-24.4	291.4
Real Property Maintenance	94.9	+1.1	+11.2	107.2	+1.6	-4.4	104.4
Total	3,196.1	-3.8	+13.4	3,205.7	+287.1	-58.8	3,434.0

AIR OPERATIONS

<u>Program Data</u>	FY 1999		FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Primary Aircraft Authorized (PAA)	1,170	+1	1,171	+9	1,180
Total Aircraft Inventory (TAI)	1,340	-28	1,312	+21	1,333
Flying Hours (000)	314	+23	337	-1	336
Tactical Fighter Wing Equivalents	6.2	+0.4	6.6	-	6.6
Crew Ratios (Average)					
Bombers	1.50	-	1.50	-	1.50
Fighters	1.25	-	1.25	-	1.25
Training	1.22	-	1.22	-	1.22
Tankers	1.27	-	1.27	-	1.27
Strategic Airlift	2.00	-	2.00	-	2.00
Tactical Airlift	1.75	-	1.75	-	1.75
Air Defense	1.25	-	1.25	-	1.25
OPTEMPO (Hrs/Crew/Month)					
Bombers	19.6	+0.1	19.7	-	19.7
Fighters	11.6	-	11.6	-	11.6
Training	11.6	-	11.6	-	11.6
Tankers	13.6	-	13.6	-	13.6
Strategic Airlift	11.8	-	11.8	-	11.8
Tactical Airlift	16.5	-	16.5	-	16.5
Air Defense	10.9	-0.2	10.7	-	10.7

Aircraft Operations: The FY 2001 budget request includes a price growth of \$229.8 million and a program increase of \$1.4 million. The program increases primarily due to the acceleration of F-16 engine safety upgrades caused by the increased number of engine related Class A mishaps (\$32.1 million) and the increase in flying hours cost based on current consumption data (\$24.1 million). These increases are primarily offset by reductions in spare parts requirements for the F-15 fighters, KC-135 tankers, B-1 bombers, and A-10 aircraft associated with the transition from three level to two level maintenance, less engine parts replacements, and less defensive systems upgrades (\$26.9 million); the annualization of converting two F-16 air defense units to F-16 general purpose forces squadrons during FY 2000 (\$16.8 million); decreased flying hours and maintenance manpower as the C-5 unit begins training on a flight simulator (\$5.5 million); and the loss of final 2 C-22B operational support aircraft (\$4.4 million).

AIR OPERATIONS

Mission Support Operations: The FY 2001 budget request includes a price growth of \$14.2 million and a program reduction of \$6.8 million. The program decrease is primarily attributed to the realignment of combat communications and tactical air control unit manpower to support three air support operations squadrons and the space operations mission (\$4.0 million); a one time congressional increase in FY 2000 for Project Alert and the National Guard State Partnership Program (\$3.2 million); and reduced civilian manpower and support funding for the Air National Guard Readiness Center (\$1.5 million). These decreases are primarily offset by an increase in non-flying depot level reparable to maintain Milstar communications vans plus full-time manpower for space operations at two locations (\$3.3 million).

Depot Maintenance: The FY 2001 budget request includes a price growth of \$35.6 million and a program decrease of \$24.6 million. The program decrease is primarily attributed to the completion of the FALCON UP program on F-16 aircraft and structural repairs to the tail and floor of C-5 aircraft (\$12.0 million) and a one-time congressional increase in FY 2000 to reduce the backlog of aircraft/engine maintenance and repair (\$20 million). These reductions are primarily offset by increases in overhaul and repair caused by additional F-16C/D (F110) and B-1 engines reaching life cycle limits on components (\$6.8 million) and additional C-130 aircraft scheduled for programmed depot maintenance (\$4.1 million).

Base Support: The FY 2001 budget request includes a price growth of \$5.9 million and a program decrease of \$24.4 million. Major reductions are caused by a one-time congressional increase in FY 2000 for base operations support (\$8.4 million); the transfer of base host responsibility from the Air National Guard to the active Air Force at Buckley Air National Guard effective October 1, 2000 (\$6.2 million); fewer FY 2001 environmental projects (\$2.9 million); and the savings associated with the privatization of the Precision Measurement Equipment Laboratory (PMEL) and utility operations activities (\$4.7 million).

Real Property Maintenance: The FY 2001 budget request includes a price growth of \$1.6 million and a program decrease of \$4.4 million. The program reduction is primarily due to a one-time congressional increase in FY 2000 for real property maintenance (\$10.0 million) and the transfer of base host responsibility from the Air National Guard to the active Air Force at Buckley Air National Guard effective October 1, 2000 (\$4.4 million). These reductions are primarily offset by increases due to the policy change to fund the real property maintenance at 1 percent of plant replacement value (\$6.0 million) and to reduce the critical maintenance backlog (\$4.0 million).

US SPECIAL OPERATIONS COMMAND

The Air Operations funding for the U.S. Special Operations Command (USSOCOM) supports the manpower authorizations, Special Operations Forces (SOF) unique support equipment, flying hours, aircraft, necessary facilities, and the associated costs specifically identified and measurable to initial qualification and training of aircrews for SOF aviation operations and tactics.

AIR OPERATIONS

	(\$ in Millions)						
<u>Funding Summary</u>	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>	<u>Price</u>	<u>Program</u>	<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
USSOCOM - SOF Operations	429.6	+1.2	-12.9	417.9	+32.5	-1.1	449.3
<u>Program Data</u>	<u>FY 1999</u>		<u>Change</u>	<u>FY 2000</u>		<u>Change</u>	<u>FY 2001</u>
Primary Aircraft Authorized (PAA)	<u>Actual</u>			<u>Estimate</u>			<u>Estimate</u>
AFSOC	130		-12	118		-5	113
USASOC	136		-	136		-	136
Total Aircraft Inventory (TAI)							
AFSOC	146		-4	142		-7	135
USASOC	136		-	136		-	136
Flying Hours (000)							
AFSOC	55.2		-1.2	54.0		-1.8	52.2
USASOC	32.3		-0.1	32.2		+0.1	32.3
Crew Ratio (Average)							
AFSOC	1.6		-	1.6		+0.1	1.7
USASOC	1.2		-	1.2		-	1.2
OPTEMPO							
AFSOC	23.0		+1.8	24.8		-0.6	24.2
USASOC	17.0		-	17.0		-	17.0
Primary Mission Readiness (PMR) (%)	75%		-	75%		-	75%

* Air Force Special Operations Command (AFSOC)

** U.S. Army Special Operations Command (USASOC)

AIR OPERATIONS

The FY 2001 budget request includes a price growth of \$32.5 million and a program reduction of \$1.1 million. The FY 2001 program declines as a result of the replacement of five MH-53J aircraft with lower flying hour cost for MH-47E aircraft in the Pacific Command area of operation.

DEFENSE HEALTH PROGRAM

The Air Operations funding for the Defense Health Program (DHP) supports 8 UH-1 aircraft at the U.S. Army Aeromedical Center (Lyster Army Hospital), Fort Rucker, Alabama that provide aeromedical evacuation support to the Army Aviation Center and 18 C-9A aircraft that provide the intra-theater, patient airlift in the western Pacific, Europe, Middle East, and the continental United States and the inter-theater patient airlift between the western Pacific, Hawaii, and the continental United States. Also included are the associated mission support personnel, three Aeromedical squadrons, and the international aeromedical evacuation (strategic airlift) account. Costs include fuel, supplies, depot level repairs, contract maintenance, and all other related expenses associated with the aeromedical evacuation system.

	(\$ in Millions)						
<u>Funding Summary</u>	<u>FY 1999</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2000</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2001</u> <u>Estimate</u>
Defense Health Program	86.0	+2.6	-9.1	79.5	+3.3	-59.6	23.3
<u>Program Data</u>	<u>FY 1999</u> <u>Actual</u>		<u>Change</u>	<u>FY 2000</u> <u>Estimate</u>		<u>Change</u>	<u>FY 2001</u> <u>Estimate</u>
Primary Aircraft Authorized (PAA)	27		-2	25		-18	7
Flying Hours (000)	20.1		+1.0	21.1		-18.1	3.0
Crew Ratio (Average)	2.0		+1	2.1		-	2.1

The FY 2001 budget request includes a price growth of \$3.3 million and a program reduction of \$59.6 million. The program reduction is primarily attributed to the functional transfer of non-strategic aeromedical evacuation responsibility to the Air Force (\$64.3 million), offset by an increase in flying hour cost factors for the remaining seven authorized aircraft available for air evacuation mission.

BASE OPERATIONS SUPPORT

	(\$ in Millions)						
	FY 1999 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2000 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2001 <u>Estimate</u>
Army	4,333.0	+176.0	+254.0	4,763.0	+78.0	+43.0	4,884.0
Navy	2,568.6	+68.2	-8.2	2,628.6	+66.0	-61.5	2,633.1
Marine Corps	885.4	+18.2	+5.5	909.1	+26.8	-46.8	889.1
Air Force	3,313.4	+96.2	-115.8	3,293.8	+121.0	+108.4	3,523.2
Defense-Wide	28.8	+1.4	+0.2	30.4	+4.2	-2.5	32.1
Army Reserve	297.2	+5.8	+17.6	320.6	+7.0	+18.2	345.8
Navy Reserve	164.8	+3.4	-3.5	164.7	+4.5	-26.5	142.7
Marine Corps Reserve	26.6	+0.4	-3.6	23.4	+0.3	+1.1	24.8
Air Force Reserve	117.6	+4.5	+1.6	123.7	+4.7	-14.5	113.9
Army National Guard	252.8	+4.0	+5.8	262.6	+5.2	-19.5	248.3
Air National Guard	448.3	+7.0	+59.4	514.7	+8.8	-62.9	460.6
Defense Health Program	<u>532.2</u>	<u>+8.6</u>	<u>+36.0</u>	<u>576.8</u>	<u>+13.9</u>	<u>-19.8</u>	<u>570.9</u>
Total	12,968.7	+393.7	+249.0	13,611.4	+340.4	-83.3	13,868.5

Base operations support (BOS) provides the resources to operate the bases, installations, camps, posts, and stations of the Military Departments. These resources sustain mission capability, ensure quality-of-life, and enhance work force productivity and primarily provide personnel and infrastructure support. Personnel support includes food and housing services for unaccompanied and deployed forces; religious services and programs; payroll support; personnel management; and morale, welfare, and recreation services to military members and their families. Infrastructure support includes utility systems operations; installation equipment maintenance; engineering services including fire protection, crash rescue, custodial, refuse collection, snow removal, and lease of real property; security protection and law enforcement; and transportation motor pool operations. The FY 2001 budget request of \$13,868.5 million includes a net price increase of \$340.4 million and a net program decrease of \$83.3 million (0.6 percent) from the FY 2000 funding level. Specific changes are addressed in the following sections for each Active Component.

BASE OPERATIONS SUPPORT

Active Forces Program Data

	FY 1999		FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Number of Active Installations</u>	<u>350</u>	<u>-</u>	<u>350</u>	<u>-</u>	<u>350</u>
CONUS	218	+6	224	-	224
Overseas	<u>132</u>	<u>-6</u>	<u>126</u>	-	<u>126</u>
<u>Active Forces Personnel</u>					
Military (End Strength)	107,157	-30,760	76,397	-4,204	72,193
Civilian (Full-Time Equivalents)	92,211	-5,319	86,892	-3,801	83,091

Installations: There are no changes in the overall total number of active forces installations in the United States and overseas from FY 2000 to FY 2001.

Personnel: Military and civilian personnel assigned to base support activities continue to decline from FY 2000 to FY 2001. The major change in personnel from FY 2000 to FY 2001 reflects the anticipated reduction in forces as a result of outsourcing and privatization efforts and the realignment of military personnel positions from the base operations account to the combat support program element.

ARMY

	FY 1999		FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Funding (\$ in Millions)	4,333.0	+430.0	4,763.0	+121.0	4,884.0
Installations	<u>141</u>	<u>+3</u>	<u>144</u>	<u>-</u>	<u>144</u>
CONUS	52	+6	58	-	58
Overseas	89	-3	86	-	86
Personnel					
Military (End Strength)	12,273	-2,087	10,186	-952	9,234
Civilian (Full-Time Equivalents)	35,169	-1,717	33,452	-1,502	31,950

BASE OPERATIONS SUPPORT

The FY 2001 budget request for BOS of the active Army increases \$121.0 million from the FY 2000 funding level. This net increase includes a foreign currency rate reduction of \$52.0 million, a price growth of \$130 million, a net decrease of \$41.0 million in functional transfers and resource realignments, a net program increase of \$194.0 million, and a net program decrease of \$110.0 million. A major program change includes an increase for critical quality of-life sustainment actions necessary to provide adequate and essential installation support in order to reduce the risk of migration of funds from mission programs, particularly OPTEMPO, during execution (\$63.0 million). Other major program increases include payments to the Pentagon Reservation Maintenance Revolving Fund (\$84.0million) and enhanced force protection in Europe and Korea (\$32.0 million). Major program decreases are primarily associated with efficiencies and savings resulting from outsourcing and privatization efforts (\$66.0 million); reduced requirements for the environmental program resulting from the completion of emission studies at Training Ranges and final fielding of the Hazardous Substance Management Systems (\$32.0 million); and one less compensable workday in FY 2001 (\$6.2 million).

NAVY

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Active</u>					
Funding (\$ in Millions)	2,568.6	+60.0	2,628.6	+4.5	2,633.1
Installations	<u>107</u>	<u>-2</u>	<u>105</u>	:	<u>105</u>
CONUS	80	-	80	-	80
Overseas	27	-2	25	-	25
Personnel					
Military (End Strength)	22,448	-2,995	19,453	-95	19,358
Civilian (Full-Time Equivalents)	20,260	-321	19,939	-1,613	18,326

The FY 2001 budget request for BOS of the active Navy reflects a net increase of \$4.5 million from the FY 2000 funding level. This net increase includes a foreign currency rate reduction of \$5.7 million, price growth of \$71.7 million, a net decrease of \$13.4 million in functional transfers and resource realignments, and a net program decrease of \$48.1 million. Major program decreases are primarily associated with efficiencies and savings resulting from outsourcing and privatization efforts (\$17.0 million); reduced base operations support requirement in FY 2001 associated with one time efforts in FY 2000 for service craft overhauls and Fort Island studies (\$20.0 million) and a one-time congressional add in FY 2000 for base operations support (\$10.0 million); and one less compensable workday in FY 2001 (\$2.8 million).

BASE OPERATIONS SUPPORT

MARINE CORPS

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Active</u>					
Funding (\$ in Millions)	885.4	+23.7	909.1	-20.0	889.1
Installations	<u>22</u>	:	<u>22</u>	:	<u>22</u>
CONUS	19	-	19	-	19
Overseas	3	-	3	-	3
Personnel					
Military (End Strength)	13,183	-134	13,049	-53	12,996
Civilian (Full-Time Equivalents)	7,646	+364	8,010	-198	7,812

The FY 2001 budget request for BOS of the active Marine Corps reflects a net decrease of \$20.0 million from the FY 2000 funding level. This net decrease includes a foreign currency rate growth of \$1.7 million, price growth of \$25.1 million, a net program increase of \$50.9 million, and a net program decrease of \$97.7 million. Major program increases include a quality of life initiative, Semper Fit program, to promote health and physical fitness (\$5.5 million); Public Key Infrastructure to provide a solid foundation for critical information assurance capabilities (\$3.3 million); Secretary of the Navy's Military Personnel Reapplication Initiative to return military personnel to the Fleet Marine Force and replace military personnel with civilians or contract labor (\$38.0 million); and base operating support to meet minimum operating requirements (\$4.1 million). Major program decreases include reduced base operations costs in FY 2001 due to a one-time increase (\$27.2 million) in FY 2000 associated with the FY 1999 Emergency Supplemental funding and FY 2000 congressional adjustments; one less workday (\$1.2 million); reduced collateral equipment associated with the completion of a one-time FY 2000 projects (\$1.7 million); reduced caretaker utilities at Marine Corps Air Station in Tustin, CA and Marine Corps Air Station in El Toro, CA (\$2.4 million); efficiencies and savings resulting from Installation Reform (\$7.6 million); Quadrennial Defense Review (QDR) civilian personnel reductions (\$2.8 million); utilities privatization studies based on the completion of the Economic Analysis phase of the plan which determined if systems were viable for privatization (\$2.3 million); transfer of the Food Service Regionalization contract to the Military Personnel, Marine Corps appropriation (\$36.7 million); and savings resulting from food service regionalization (\$14.8 million).

BASE OPERATIONS SUPPORT

AIR FORCE

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Active</u>					
Funding (\$ in Millions)	3,313.4	-19.6	3,293.8	+229.4	3,523.2
Installations	<u>80</u>	<u>-1</u>	<u>79</u>	:	<u>79</u>
CONUS	67	-	67	-	67
Overseas	13	-1	12	-	12
Personnel					
Military (End Strength)	59,253	-25,544	33,709	-3,104	30,605
Civilian (Full-Time Equivalents)	29,136	-3,645	25,491	-488	25,003

The FY 2001 budget request for BOS of the active Air Force reflects a net increase of \$229.4 million from the FY 2000 funding level. This net increase includes a foreign currency rate reduction of \$15.8 million, price growth of \$136.8 million, a net increase of \$191.4 million in functional transfers, a net program increase of \$58.7 million, and a net program decrease of \$141.7 million. Functional Transfers include \$184.3 million transferred from the Military Personnel, Air Force for competition and privatization and \$6.7 million from the Operation and Maintenance, Air National Guard appropriation to transfer host-management responsibilities at Buckley Air National Guard Base to the Active Air Force. Major program increases include critical base operations and facility support requirements associated with mobility gear/weapons qualification equipment, vehicle operations and maintenance, messing service contracts, fire protection, utilities, and municipal services (\$44.4 million) and additional base operations support for the increasing number of active duty personnel at Buckley Air National Guard Base (\$14.3 million). Major program decreases include a reduction in FY 2001 requirement due to a one time cost in FY 2000 for the relocation of C-130 aircraft from Panama to Puerto Rico associated with the final implementation of the Panama Canal Treaty (\$16.0 million); a one time increase in FY 2000 for Aviano Air Base, Italy (\$11.0 million); closure of Howard Air Base, Panama (\$8.0 million); projected savings associated with outsourcing and privatization (\$31.0 million); and a one time increase in FY 2000 to insure systems compliance with Y2K standards (\$59.9 million).

BASE OPERATIONS SUPPORT

DEFENSE HEALTH PROGRAM

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Active</u>					
Funding (\$ in Millions)	532.2	+44.6	576.8	-5.9	570.9
Installations	<u>6</u>	:	<u>6</u>	:	<u>6</u>
CONUS	6	-	6	-	6
Overseas	-	-	-	-	-
Personnel					
Military (End Strength)	1,304	+1,599	2,903	-19	2,884
Civilian (Full-Time Equivalents)	2,251	-94	2,157	-57	2,100

The FY 2001 budget request reflects a net decrease of \$5.9 million below the FY 2000 funding level. This net decrease includes a price growth of \$13.9 million, and a net program reduction of \$19.8 million. The net program decrease is primarily attributed to reduced payments for Defense Finance and Accounting Service support.

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

	(\$ in Millions)						
	FY 1999 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2000 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2001 <u>Estimate</u>
Army	384.2	+55.7	-9.5	430.4	+63.0	-57.9	435.5
Navy	468.5	+7.0	+21.4	496.9	+8.0	+25.3	530.2
Marine Corps	39.2	+0.6	+6.0	45.8	+0.7	-1.0	45.5
Air Force	1,650.6	+64.4	-208.4	1,506.6	+30.0	+104.2	1,640.8
Defense-Wide	599.0	+11.4	+42.6	653.2	+12.9	-54.5	611.6
Army Reserve	35.9	+0.7	+9.7	46.3	+1.0	+0.1	47.4
Navy Reserve	8.0	+0.1	+1.3	9.4	+0.2	-0.5	9.1
Marine Corps Reserve	2.9	-	-	2.9	-	-	2.9
Air Force Reserve	54.5	+1.1	-2.2	53.4	+1.1	-14.3	40.2
Army National Guard	71.9	+0.9	-4.1	68.7	+1.0	-9.5	60.2
Air National Guard	16.3	+1.0	-0.9	16.4	+0.1	-0.1	16.4
Defense Health Program	38.5	+0.6	+4.0	43.1	+1.0	+1.1	45.2
Court of Military Appeals	<u>7.3</u>	<u>+0.3</u>	<u>-</u>	<u>7.6</u>	<u>+0.3</u>	<u>+0.7</u>	<u>8.6</u>
Total	3,376.8	+143.8	-140.1	3,380.7	+119.3	-6.4	3,493.6

Totals may not add due to rounding.

Command, control, and communications (C³) resources provide seamless base-level and worldwide communication networks for voice, data, and imagery traffic of sufficient quality, reliability, and flexibility to ensure responsive support to U.S. forces. This information infrastructure contains communications networks, computers, software, databases, applications, data, security services, and other capabilities that meet the information processing and transport needs of DoD users. The C³ program specifically funds telecommunications systems, leased circuits, and other services necessary for information transfer, messaging operations, and equipment associated with sending and receiving communications transmissions. Additionally, this program funds efforts to integrate command and control systems with communications in order to support the information needs of field commanders. The FY 2001 budget request of \$3,493.6 million includes price increases of \$119.3 million and a net program decrease of \$6.4 million (0.2 percent) below the FY 2000 funding level.

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

Program Data

	(\$ in Millions)				
	FY 1999		FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Communications</u>	<u>2,142.9</u>	<u>+17.8</u>	<u>2,160.7</u>	<u>+25.2</u>	<u>2,186.2</u>
Sustaining Base Communications	1,065.2	-70.1	995.1	-15.5	979.7
Long-haul Communications	814.5	+75.1	889.7	+20.4	910.2
Deployable and Mobile Communications	263.2	+12.7	275.9	+20.3	296.2
<u>Command and Control</u>	<u>834.6</u>	<u>-71.0</u>	<u>763.6</u>	<u>+56.2</u>	<u>819.8</u>
National	491.2	-20.7	470.5	+33.8	504.3
Operational	304.3	-48.6	255.7	+17.7	273.4
Tactical	39.1	-1.7	37.4	+4.7	42.1
<u>C3-Related</u>	<u>399.3</u>	<u>+57.1</u>	<u>456.4</u>	<u>+31.2</u>	<u>487.6</u>
Navigation	37.0	+5.2	42.2	+4.4	46.6
Meteorology	150.1	+6.8	156.9	-2.5	154.4
Combat Identification	2.9	+0.8	3.7	-	3.7
Information Assurance Activities	209.3	+44.3	253.6	+29.3	282.9
Total	<u>3,376.8</u>	<u>+3.9</u>	<u>3,380.7</u>	<u>+112.8</u>	<u>3,493.6</u>

Totals may not add due to rounding.

Communications: Communications are an integral element of C³ and include sustaining base, long haul, and deployable and mobile forms of communications assets. Resources for sustaining base communications are almost exclusively fixed plant and installation support and provide the “backbone” and other communications infrastructure for CONUS and overseas locations. Funding for long-haul communications, largely comprised of the Defense Information Systems Network (DISN) costs, includes primarily voice and data services for all off-post connectivity, worldwide web, and other connectivity. The DISN is a combination of DoD-owned and leased telecommunications networks and subsystems comprised of equipment, services, personnel, and facilities under the management control and operational direction of the Defense Information Systems Agency (DISA). Resources for deployable and mobile communications include funding for systems and capabilities to extend communications into areas of operations, which are primarily provided through satellite systems and other wireless transmission means and

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constitute moveable or transportable communications. The FY 2001 budget request reflects a net increase of \$25.2 million over the FY 2000 funding level. The following are the significant changes:

- The Army's budget request reflects increased communications costs for the Network Integration System Agency – Pentagon (NISA-P) (\$16.5 million), partially offset by savings in their Long Haul Communications program resulting from efficiencies and organizational restructuring. (\$-11.1 million) for a net program growth of \$5.4 million.
- The Navy's request reflects implementation of the Satellite Communications (SATCOM) Information Technology 21 (IT21) programs (\$10.3 million) and increased requirements for an acoustic system, transition hub, and mail list management centers for the telecommunications network (\$3.9 million).
- The Air Force's request includes additional funding for contractor support related to increased outsourcing of base communications and long-haul communication (\$83.5 million) and the contract maintenance support for newly-acquired theater deployable communications systems (\$5.5 million).
- The USSOCOM budget includes increased funding to sustain several new systems including Multi-band/Multi-mission Inter/Intra-Team radios, Special Mission Radio Systems, and the additional Joint Base Stations (\$4.9 million).
- The budget request for DISA declines due to the congressionally mandated realignment of funds for the Defense Message System (DMS) program to the Research, Development, Test, and Evaluation, Defense-Wide appropriation (\$64.8 million) and implementation of MILSTAR National Command Authority (NCA) voice conferencing, delayed development on service contracts for the Pacific and European Theaters, and planned maintenance reductions in the Integrated Communications Data Base (\$13.9 million).
- The budget request for the Air Force Reserve declines due to a one-time transfer in from the Reserve Personnel, Air Force appropriation in FY 2000 (\$13.2 million) to combat Y2K problems.

Command and Control (C2): This category represents the facilities, systems, and manpower essential to a commander for planning, directing, coordinating, and controlling operations of assigned forces. These command and control capabilities cover the National Command Authority, through the joint operational and theater level echelon, and down to the front-line tactical elements. Additionally, this category includes funding for the Defense portion of the National Airspace System and other air traffic control activities. The FY 2001 budget request reflects a net increase of \$56.2 million over the FY 2000 funding level. Major changes include:

- The Navy's budget reflects funding increases for server purchases and maintenance and general contractor support of the Global Command and Control Systems for JFCOM, PACOM, and CENTCOM (\$4.3 million) and increased Multifunction Information Distribution System (MIDS) support to Joint Tactical Information Display System (JTIDS) (\$4.7 million).

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- The budget request for the Air Force reflects increased funding for increased modernization and sustainment costs of space-based systems including Space Based Infrared System (SBIRS) and Defense Support System (DSP), satellite communications systems including Global Broadcasting Service and support costs for training and activation of a new squadron (\$37.0 million).
- The increase for DISA's budget is focused primarily on additional resources for intelligence integration, testing, installation, training and program oversight, as well as enhancements to the Global Command and Control System (GCCS) (\$17.1 million).
- The budget request for the Army declines due to savings attributable to efficiencies resulting from the Army's consolidation of the Army Worldwide Military Command and Control System (AWIS), Combat Service Support Control System (STACCS), USEUCOM C2 System (UCCS), and the Theater Automated C2 Information Management System (TACCIMS) (\$7.2 million).

C3-Related: This category includes various programs and functions related to and supportive of communications, command, and control requirements and includes both communications security and computer security. Included are communication resources to support navigation, meteorological reporting, combat identification that provides positive identification of friendly forces to prevent fratricide, and information assurance to protect information systems against denial of service and unauthorized (accidental or intentional) disclosure, modification, or destruction of the information system or data. The FY 2001 budget request reflects a net increase of \$31.2 million over the FY 2000 funding level. The significant changes include:

- The Army's budget request includes increased funding to train more Network Security Systems Administrators (\$7.2 million).
- The Navy's budget request reflects funding increases for STU-III maintenance and the Community Security Equipment Repair Program (CERP) for overhaul of legacy equipment and Electronic Key Management Systems (EKMS) Tier II/III maintenance (\$7.8 million).
- The budget request for the Air Force includes the functional realignment of civilian personnel and support costs from base operations support elements in order to improve visibility and oversight (\$5.0 million) and additional outsourcing of military and civilian weather support personnel to contract services (\$3.2 million).
- The budget request for DISA includes additional funding for increased coverage of software licenses; enhanced Public Key Infrastructure (PKI) Defense Information Infrastructure (DII) directory services and the ability of other systems, including GCCS and Common Operating Environment (COE), to accept PKI certificates; enhanced Informational Warfare-Defense; and increased to establish web-deliverable courses on various network security subjects (\$10.0 million).

CONTINGENCY OPERATIONS

<u>By Region</u>	(\$ in Millions)				
	<u>FY 1999</u> <u>Actual*</u>	<u>Change</u>	<u>FY 2000</u> <u>Estimate**</u>	<u>Change</u>	<u>FY 2001</u> <u>Estimate</u>
Kosovo	3,132.4	-974.3	2,025.4	-312.4	1,713.0
Bosnia	1,586.6	+65.0	1,602.9	-194.3	1,408.6
Southwest Asia	1,261.4	-188.5	1,051.3	+7.2	1,058.5
East Timor	<u>1.5</u>	<u>+23.5</u>	<u>25.0</u>	<u>-21.1</u>	<u>3.9</u>
Total	5,981.9	-1,074.3	4,704.6	-520.6	4,184.0
 <u>By Component</u>					
Army	2,900.9	+51.3	2,952.2	-275.1	2,677.1
Navy	586.1	-287.3	298.8	+11.9	310.7
Navy Reserve	9.3	+4.8	14.1	-8.8	5.3
Marine Corps	23.1	-11.4	11.7	+0.9	12.6
Air Force	2,073.1	-1,135.1	938.0	-99.1	838.9
Defense-Wide	354.3	+305.4	456.7	-150.2	306.5
Def. Health Program (DHP)	<u>35.1</u>	<u>-2.0</u>	<u>33.1</u>	<u>-0.2</u>	<u>32.9</u>
Total	5,981.9	-1,074.3	4,704.6	-520.6	4,184.0

* Reflects costs reported by Components to the Defense Finance and Accounting Service (DFAS).

** The FY 2000 estimate includes the \$1,713.7 million appropriated for Bosnia and Southwest Asia (SWA) in the Overseas Contingency Operations Transfer Fund (OCOTF); the \$396.2 million appropriated to the Services' Military Personnel Appropriations for Bosnia and SWA; \$544.3 million of available FY 1999 funds; and \$2,050.4 million requested for an emergency supplemental appropriation for Kosovo (\$2,025.4 million) and East Timor (\$25.0 million).

The following tables provide a summary of the costs of contingency operations by fiscal year, region, and operation. After the tables, there is a summary that briefly describes the various operations by region.

CONTINGENCY OPERATIONS

FY 1999 Actuals

<u>By Operation</u>	(\$ in Millions)						<u>Def. Health Program</u>	<u>Total</u>
	<u>Army</u>	<u>Navy</u>	<u>Navy Reserve</u>	<u>Marine Corps</u>	<u>Air Force</u>	<u>Defense-Wide</u>		
<u>Kosovo</u>								
Balkan Calm	14.6	19.9	-	-	-	0.1	-	34.6
O&M	14.6	19.9	-	-	-	0.1	-	34.6
Military Personnel	-	-	-	-	-	-	-	-
Eagle Eye	-	1.6	-	-	18.7	-	-	20.3
O&M	-	1.6	-	-	17.1	-	-	18.7
Military Personnel	-	-	-	-	1.6	-	-	1.6
Noble Anvil	481.6	203.7	6.6	9.4	1,032.5	153.3	4.3	1,891.4
O&M	464.6	193.1	5.8	4.9	948.7	95.6	4.3	1,717.0
Military Personnel	13.7	10.1	0.8	4.3	83.8	-	-	112.7
Other	3.3	0.5	-	0.2	-	57.7	-	61.7
Sustain Hope	7.6	4.0	0.7	0.5	97.9	22.3	8.6	141.6
O&M	7.6	3.9	0.7	0.5	88.4	22.3	8.6	132.0
Military Personnel	-	0.1	-	-	9.5	-	-	9.6
Joint Guardian	926.0	53.0	0.7	2.3	7.8	49.1	5.6	1,044.5
O&M	897.7	35.4	0.6	2.3	7.2	49.1	5.6	997.9
Military Personnel	22.9	17.6	0.1	-	0.6	-	-	41.2
Other	5.4	-	-	-	-	-	-	5.4
<u>Kosovo Total</u>	<u>1,429.8</u>	<u>282.2</u>	<u>8.0</u>	<u>12.2</u>	<u>1,156.9</u>	<u>224.8</u>	<u>18.5</u>	<u>3,132.4</u>
O&M	1,384.5	253.9	7.1	7.7	1,061.4	167.1	18.5	2,900.2
Military Personnel	36.6	27.8	0.9	4.3	95.5	-	-	165.1
Other	8.7	0.5	-	0.2	-	57.7	-	67.1

CONTINGENCY OPERATIONS

FY 1999 Actuals

<u>By Operation</u>	(\$ in Millions)						<u>Def. Health Program</u>	<u>Total</u>
	<u>Army</u>	<u>Navy</u>	<u>Navy Reserve</u>	<u>Marine Corps</u>	<u>Air Force</u>	<u>Defense- Wide</u>		
<u>Bosnia</u>								
Able Sentry	14.0	-	-	-	-	-	-	14.0
O&M	11.2	-	-	-	-	-	-	11.2
Military Personnel	2.8	-	-	-	-	-	-	2.8
Deliberate Forge	-	36.9	-	-	104.3	0.2	-	141.4
O&M	-	35.6	-	-	104.3	0.2	-	140.1
Military Personnel	-	1.3	-	-	-	-	-	1.3
Joint Forge	1,179.8	21.8	0.2	4.7	116.0	96.5	12.2	1,431.2
O&M	1,052.8	13.5	-	2.1	87.6	47.8	12.2	1,216.0
Military Personnel	127.0	8.3	0.2	2.6	28.4	-	-	166.5
Other	-	-	-	-	-	48.7	-	48.7
<u>Bosnia Total</u>	<u>1,193.8</u>	<u>58.7</u>	<u>0.2</u>	<u>4.7</u>	<u>220.3</u>	<u>96.7</u>	<u>12.2</u>	<u>1,586.6</u>
O&M	1,064.0	49.1	-	2.1	191.9	48.0	12.2	1,367.3
Military Personnel	129.8	9.6	0.2	2.6	28.4	-	-	170.6
Other	-	-	-	-	-	48.7	-	48.7
<u>Southwest Asia</u>								
Northern Watch	2.2	15.4	0.4	0.6	136.5	0.9	0.4	156.4
O&M	1.5	15.0	0.1	0.3	109.8	0.9	0.4	128.0
Military Personnel	0.7	0.4	0.3	0.3	26.7	-	-	28.4
Southern Watch	214.7	207.0	0.7	1.0	497.9	29.9	3.6	954.8
O&M	179.6	172.4	0.3	1.0	445.7	8.3	3.6	810.9
Military Personnel	35.1	34.6	0.4	-	52.2	-	-	122.3
Other	-	-	-	-	-	21.6	-	21.6

CONTINGENCY OPERATIONS

<u>By Operation</u>	<u>FY 1999 Actuals</u>							<u>Total</u>
	<u>(\$ in Millions)</u>							
	<u>Army</u>	<u>Navy</u>	<u>Navy Reserve</u>	<u>Marine Corps</u>	<u>Air Force</u>	<u>Defense-Wide</u>	<u>Def. Health Program</u>	
Intrinsic Action	13.8	-	-	-	-	-	-	13.8
O&M	5.7	-	-	-	-	-	-	5.7
Military Personnel	8.1	-	-	-	-	-	-	8.1
Desert Fox	32.8	22.5	-	3.3	32.9	1.4	-	92.9
O&M	30.8	17.7	-	2.3	31.2	1.4	-	83.4
Military Personnel	2.0	3.1	-	1.0	1.7	-	-	7.8
Other	-	1.7	-	-	-	-	-	1.7
Desert Thunder	12.8	-	-	1.3	28.4	0.6	0.4	43.5
O&M	11.9	-	-	0.7	27.2	0.6	0.4	40.8
Military Personnel	0.9	-	-	0.6	1.2	-	-	2.7
<u>Southwest Asia</u>	<u>276.3</u>	<u>244.9</u>	<u>1.1</u>	<u>6.2</u>	<u>695.7</u>	<u>32.8</u>	<u>4.4</u>	<u>1,261.4</u>
O&M	229.5	205.1	0.4	4.3	613.9	11.2	4.4	1,068.8
Military Personnel	46.8	38.1	0.7	1.9	81.8	-	-	169.3
Other	-	1.7	-	-	-	21.6	-	23.3
<u>East Timor</u>	<u>1.0</u>	<u>0.3</u>	<u>-</u>	<u>-</u>	<u>0.2</u>	<u>-</u>	<u>-</u>	<u>1.5</u>
O&M	1.0	0.3	-	-	0.2	-	-	1.5
Military Personnel	-	-	-	-	-	-	-	-
<u>Grand Total</u>	<u>2,900.9</u>	<u>586.1</u>	<u>9.3</u>	<u>23.1</u>	<u>2,073.1</u>	<u>354.3</u>	<u>35.1</u>	<u>5,981.8</u>
O&M	2,679.0	508.4	7.5	14.1	1,867.4	226.3	35.1	5,337.8
Military Personnel	213.2	75.5	1.8	8.8	205.7	-	-	505.0
Other	8.7	2.2	-	0.2	-	128.0	-	139.1

CONTINGENCY OPERATIONS

FY 2000 Estimate

<u>By Operation</u>	(\$ in Millions)						<u>Defense- Wide</u>	<u>Def. Health Program</u>	<u>Total</u>
	<u>Army</u>	<u>Navy</u>	<u>Navy Reserve</u>	<u>Marine Corps</u>	<u>Air Force</u>				
<u>Kosovo (Joint Guardian)</u>	1,489.5	75.5	0.1	6.4	117.2*	317.3	19.4	2,025.4	
O&M	1,332.1	49.9	0.1	-	114.8	317.3	19.4	1,833.6	
Military Personnel	157.4	25.6	-	6.4	2.4	-	-	191.8	
<u>Bosnia</u>									
<u>Deliberate Forge</u>	-	41.8	-	0.3	100.6	-	-	142.7	
O&M	-	40.7	-	0.1	98.3	-	-	139.1	
Military Personnel	-	1.1	-	0.2	2.3	-	-	3.6	
<u>Joint Forge</u>	1,218.0	20.7	-	2.5	99.1	110.4	9.5	1,460.2	
O&M	1,034.2	12.7	-	0.5	82.2	110.4	9.5	1,249.5	
Military Personnel	183.8	8.0	-	2.0	16.9	-	-	210.7	
<u>Bosnia Total</u>	1,218.0	62.5	-	2.8	199.7	110.4	9.5	1,602.9	
O&M	1,034.2	53.4	-	0.6	180.5	110.4	9.5	1,388.6	
Military Personnel	183.8	9.1	-	2.2	19.2	-	-	214.3	
<u>Southwest Asia</u>									
<u>Northern Watch</u>	-	14.4	3.4	0.9	113.5	4.2	0.4	136.8	
O&M	-	14.0	2.1	0.6	96.1	4.2	0.4	117.4	
Military Personnel	-	0.4	1.3	0.3	17.4	-	-	19.4	
<u>Southern Watch</u>	-	134.4	10.6	0.6	504.6	24.8	3.8	678.8	
O&M	-	106.5	9.6	0.4	459.3	24.8	3.8	604.4	
Military Personnel	-	27.9	1.0	0.2	45.3	-	-	74.4	

* Includes \$97.2 million for reconstitution costs related to the air war.

CONTINGENCY OPERATIONS

FY 2000 Estimate

<u>By Operation</u>	(\$ in Millions)						<u>Defense- Wide</u>	<u>Def. Health Program</u>	<u>Total</u>
	<u>Army</u>	<u>Navy</u>	<u>Navy Reserve</u>	<u>Marine Corps</u>	<u>Air Force</u>				
Desert Spring	235.7	-	-	-	-	-	-	-	235.7
O&M	191.5	-	-	-	-	-	-	-	191.5
Military Personnel	44.2	-	-	-	-	-	-	-	44.2
<u>Southwest Asia Total</u>	235.7	148.8	14.0	1.5	618.1	29.0	4.2		1,051.3
O&M	191.5	120.5	11.7	1.0	555.4	29.0	4.2		913.3
Military Personnel	44.2	28.3	2.3	0.5	62.7	-	-		138.0
<u>East Timor (Operation Stabilise)</u>	9.0	12.0	-	1.0	3.0	-	-		25.0
O&M	9.0	12.0	-	1.0	3.0	-	-		25.0
Military Personnel	-	-	-	-	-	-	-		
<u>Grand Total</u>	2,952.2	298.8	14.1	11.7	938.0	456.7	33.1		4,704.6
O&M	2,566.8	235.8	11.8	2.6	853.7	456.7	33.1		4,160.5
Military Personnel	385.4	63.0	2.3	9.1	84.3	-	-		544.1

CONTINGENCY OPERATIONS

FY 2001 Estimate

<u>By Operation</u>	(\$ in Millions)						<u>Defense- Wide</u>	<u>Def. Health Program</u>	<u>Total</u>
	<u>Army</u>	<u>Navy</u>	<u>Navy Reserve</u>	<u>Marine Corps</u>	<u>Air Force</u>				
<u>Kosovo (Joint Guardian)</u>	<u>1,405.1</u>	<u>72.9</u>	-	<u>6.3</u>	<u>19.0</u>	<u>189.6</u>	<u>20.1</u>	<u>1,713.0</u>	
O&M	1,245.2	47.0	-	-	16.6	127.0	20.1	1,455.9	
Military Personnel	159.9	25.9	-	6.3	2.4	-	-	194.5	
Other	-	-	-	-	-	62.6	-	62.6	
 <u>Bosnia</u>									
<u>Deliberate Forge</u>	-	<u>47.7</u>	-	<u>0.3</u>	<u>105.0</u>	-	-	<u>153.0</u>	
O&M	-	46.6	-	0.1	102.6	-	-	149.3	
Military Personnel	-	1.1	-	0.2	2.4	-	-	3.7	
<u>Joint Forge</u>	<u>1,028.9</u>	<u>20.1</u>	-	<u>2.5</u>	<u>99.9</u>	<u>95.8</u>	<u>8.4</u>	<u>1,255.6</u>	
O&M	906.7	12.0	-	0.5	82.5	75.0	8.4	1,085.1	
Military Personnel	122.2	8.1	-	2.0	17.4	-	-	149.7	
Other	-	-	-	-	-	20.8	-	20.8	
 <u>Bosnia Total</u>	<u>1,028.9</u>	<u>67.8</u>	-	<u>2.8</u>	<u>204.9</u>	<u>95.8</u>	<u>8.4</u>	<u>1,408.6</u>	
O&M	<u>906.7</u>	<u>58.6</u>	-	<u>0.6</u>	<u>185.1</u>	<u>75.0</u>	<u>8.4</u>	<u>1,234.4</u>	
Military Personnel	<u>122.2</u>	<u>9.2</u>	-	<u>2.2</u>	<u>19.8</u>	-	-	<u>153.4</u>	
Other	-	-	-	-	-	<u>20.8</u>	-	<u>20.8</u>	
 <u>Southwest Asia</u>									
<u>Northern Watch</u>	-	<u>15.2</u>	-	<u>2.2</u>	<u>117.3</u>	<u>3.6</u>	<u>0.4</u>	<u>138.7</u>	
O&M	-	14.8	-	1.0	99.4	3.6	0.4	119.2	
Military Personnel	-	0.4	-	1.2	17.9	-	-	19.5	

CONTINGENCY OPERATIONS

FY 2001 Estimate

<u>By Operation</u>	(\$ in Millions)						<u>Defense- Wide</u>	<u>Def.-Health Program</u>	<u>Total</u>
	<u>Army</u>	<u>Navy</u>	<u>Navy Reserve</u>	<u>Marine Corps</u>	<u>Air Force</u>				
Southern Watch	-	154.4	5.3	0.7	496.1	17.5	4.0	678.0	
O&M	-	126.2	2.8	0.4	449.9	17.5	4.0	600.8	
Military Personnel	-	28.2	2.5	0.3	46.2	-	-	77.2	
Desert Spring	241.8	-	-	-	-	-	-	241.8	
O&M	193.7	-	-	-	-	-	-	193.7	
Military Personnel	48.1	-	-	-	-	-	-	48.1	
<u>Southwest Asia Total</u>	<u>241.8</u>	<u>169.6</u>	<u>5.3</u>	<u>2.9</u>	<u>613.4</u>	<u>21.1</u>	<u>4.4</u>	<u>1,058.5</u>	
O&M	193.7	141.0	2.8	1.4	549.3	21.1	4.4	913.7	
Military Personnel	48.1	28.6	2.5	1.5	64.1	-	-	144.8	
<u>East Timor (Operation Stabilise)</u>	<u>1.3</u>	<u>0.4</u>	-	<u>0.6</u>	<u>1.6</u>	-	-	<u>3.9</u>	
O&M	1.3	0.4	-	0.6	1.6	-	-	3.9	
Military Personnel	-	-	-	-	-	-	-	-	
<u>Grand Total</u>	<u>2,677.1</u>	<u>310.7</u>	<u>5.3</u>	<u>12.6</u>	<u>838.9</u>	<u>306.5</u>	<u>32.9</u>	<u>4,184.0</u>	
O&M	2,346.9	247.0	2.8	2.6	752.6	223.1	32.9	3,607.9	
Military Personnel	330.2	63.7	2.5	10.0	86.3	-	-	492.7	
Other	-	-	-	-	-	83.4	-	83.4	

CONTINGENCY OPERATIONS

DESCRIPTION OF OPERATIONS

KOSOVO

Balkan Calm: The U.S. contribution to the Kosovo Diplomatic Observer Mission (KDOM)/Expanded Kosovo Diplomatic Observer Mission (E-KDOM) from October 1998 – March 1999. The FY 1999 Army and Navy actuals are in support of State Department-led mission inside Kosovo and base support cost in Macedonia.

Eagle Eye: The U.S. contribution to air verification mission in Kosovo from October 1998 - March 1999. The FY 1999 actuals support Navy and Air Force flying hours and related costs.

Noble Anvil: The U.S. military participation in support of NATO air operations (Operation ALLIED FORCE) against Yugoslavia from March 1999 – July 1999.

Sustain Hope: The U.S. military operation in support of NATO humanitarian assistance support (Operation ALLIED HARBOUR) to refugees fleeing Serb repression in Kosovo from April 1999- July 1999.

Joint Guardian: The U.S. military support of the United Nations, since June 1999, to provide continued Military presence in Kosovo (KFOR) to deter renewed hostilities, stabilize the peace, and contribute to a secure environment for the ongoing civil implementation plan. The FY 2000 and FY 2001 estimate supports 6,200 soldiers in Kosovo; 1,000 enabling soldiers (500 permanent party and 500 transients) at Camp Able Sentry in Macedonia; 2 base camps in Kosovo; 1 base camp in Macedonia; and 2 major troop rotations per year—predominately from Central Europe. The FY 2000 estimate includes one-time cost of establishing the base camps and building temporary facilities.

BOSNIA

Able Sentry: The U.S. participation in the UN operation to observe the Serbian/Macedonian border. The UN mission ended on February 28, 1999. Task Force Able Sentry transitioned from UN control to U.S. control to support U.S. forces participating in operation Joint Guardian (KFOR).

Deliberate Forge: Formerly Operation Deny Flight. Joint/combined air operation to monitor, control, and police air space over Bosnia-Herzegovina. Provides air support for Joint Guardian and Joint Forge.

Joint Forge: The NATO Stabilization Force (SFOR) operation to deter the resumption of hostilities and to contribute to a secure environment which will promote the re-establishment of civil authority in Bosnia-Herzegovina. The FY 2000 budget estimate includes plans to reduce U.S.

CONTINGENCY OPERATIONS

troops levels in Bosnia from 6,200 to 4,600 by April 2000. The FY 2001 estimate is based on maintaining forces at the lower 4,600 level throughout FY 2001.

SOUTHWEST ASIA

Northern Watch: Program supports continued enforcement of the no-fly zone above the 36th parallel in Iraq. The Air Force performs the majority of this mission.

Southern Watch: Program supports continued levels of activity for forces deployed to the U.S. Central Command's Area of Responsibility (CENTCOM AOR) to counter potential aggression by Iraq and to continue enforcement of the no-fly zone below the 32nd parallel in southern Iraq.

Desert Spring: Operation Desert Spring incorporates all Army ground operations previously conducted as Operation Southern Watch or Operation Intrinsic Action. Operation Desert Spring facilitates the command, control, and coordination of routine ground force operations in Kuwait and Saudi Arabia. It also assimilates Operation Intrinsic Action which supported the cost of conducting battalion level training exercises in Kuwait, maintenance of brigade equipment, storage buildings, barracks, supply points, and purchase of spare parts. There is no increased cost associated with this re-designation. Establishes a forward deployed Coalition/Joint U.S. ground force for the purpose of deterring Iraqi aggression and providing assurance to U.S. coalition partners.

Intrinsic Action: Supports the deployment of Army troops to Kuwait to conduct interoperability training with coalition forces and to reinforce the U.S. commitment to regional stability. This operation is predominately funded by the Government of Kuwait by reimbursements through the Defense Cooperation Account (DCA). Intrinsic Action becomes part of Desert Spring beginning in FY 2000.

Desert Fox: December 1998 air strikes against Iraq in response to Iraq's continued failure to comply with UNSC resolutions as well as their interference with UNSCOM inspectors.

Desert Thunder: Aborted Air strikes against Iraq in response to Iraq's continued failure to comply with UNSC resolutions as well as their interference with UNSCOM inspectors from November 1998- December 1998.

EAST TIMOR

Operation Stabilise: The United Nations Security Council Resolution Number 1264, dated September 15, 1999, established the U.S. involvement in the international peacekeeping operations in East Timor. The International Force East Timor (INTERFET) peacekeeping

CONTINGENCY OPERATIONS

operations have been conducted under Australian led Operation Stabilise. Service and Agency participation has been primarily in the form of logistics, planning, intelligence, civil affairs, communications support, and some intra-theater transportation. In addition, the President authorized drawdown authority of \$55 million under section 506 (a) (1) of the Foreign Assistance Act. Some of this drawdown authority has been used to provide strategic lift on a non-reimbursable basis to other nations (Thailand, Philippines, Kenya, Jordan and Egypt) participating in INTERFET. As Operation Stabilise transitions to a UN peacekeeping force (UNTAET), the U.S. will also transition its forces to U.S. Support Group, East Timor (USGET) during the period of January 1 to February 29, 2000. Upon Presidential approval, USGET will provide assistance and coordinate U.S. support to UNTAET to include periodic ship visits; medical, dental, and engineering support; as well as logistics and staff support.

DEPOT MAINTENANCE

	(\$ in Millions)						
	FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Army	621.5	+25.5	-9.2	637.8	+27.0	+29.9	694.7
Navy	3,689.3	+116.7	+111.8	3,917.8	+163.8	-682.5	3,399.1
Marine Corps	100.1	+7.2	+17.0	124.3	+22.5	-49.7	97.1
Air Force	1,612.9	-61.7	+15.1	1,566.3	+106.0	+41.2	1,713.5
USSOCOM	<u>94.3</u>	<u>+1.2</u>	<u>+25.3</u>	<u>120.8</u>	<u>+2.2</u>	<u>+8.3</u>	<u>131.3</u>
Subtotal Active/USSOCOM	6,118.1	+88.9	+160.0	6,367.0	+321.5	-652.8	6,035.7
Army Reserve	35.8	+2.1	-1.3	36.6	+2.6	-4.2	35.0
Navy Reserve	203.6	+1.6	-7.4	197.8	+5.3	-31.3	171.8
Marine Corps Reserve	2.6	+0.2	+7.5	10.3	+1.7	-3.0	9.0
Air Force Reserve	285.7	-3.4	-11.9	270.4	+30.2	-19.3	281.3
Army National Guard	78.2	+4.5	+62.5	145.2	+10.3	+10.9	166.4
Air National Guard	<u>409.1</u>	<u>-20.4</u>	<u>+53.2</u>	<u>441.9</u>	<u>+35.6</u>	<u>-24.6</u>	<u>452.9</u>
Subtotal Reserve/Guard	1,015.0	-15.4	+102.6	1,102.2	+85.7	-71.5	1,116.4
Grand Total	7,133.1	+73.5	+262.6	7,469.2	+407.2	-724.3	7,152.1

Totals may not add due to rounding.

Depot Maintenance programs fund the overhaul, repair, and maintenance of aircraft, missiles, ships, submarines, combat vehicles and other equipment. Depot maintenance efforts are performed at both public (DoD) and private (contractor) facilities. These efforts provide maintenance necessary to sustain the operational readiness of combat forces, to ensure the safe and efficient operation of weapon systems, and to renovate assets that are being transferred from active forces to reserve components. The FY 2001 Depot Maintenance budget request reflects a net funding decrease of \$316.9 million below the FY 2000 funding level. This is comprised of \$407.2 million of price growth and a net program decrease of \$724.3 million (-9.2 percent).

DEPOT MAINTENANCE

Price Growth

Of the overall price increase, \$191.8 million is in aircraft maintenance, \$110.8 million is in ship maintenance, \$17.4 million is for vehicle maintenance, and \$87.2 million is for maintenance of missile and other equipment.

Program Changes

- Functional Transfer – The FY 2001 funding for one Submarine Refueling Overhaul (SRO) and advanced planning for two additional overhauls has been transferred from the O&M, Navy appropriation to the Shipbuilding and Conversion, Navy appropriation (\$-233.0 million).
- Program Growth -- The 1999 Emergency Supplemental Appropriation Act (P.L. 106-31) included \$400.0 million for Depot Maintenance. This increase helped the Components to reduce the financial backlog by \$159.5 million between FY 1999 and FY 2000. Partially as a consequence of the one-time congressional increase in FY 2000, the Depot Maintenance program decreases in FY 2001. Major programmatic changes include:
 - The Army-funded program increase of \$29.9 million is composed of a \$38.2 million increase to the Abrams Integrated Management XXI program and the M88 Recovery Vehicle overhaul program, and \$14.7 million for increased software maintenance. These increases are partially offset by reduced costs of overhauling the Mobile Subscriber Equipment (MSE) communications program and several missile and ground communications systems (\$-26.5 million). The Army Reserve program decreases slightly in FY 2001 while the Army National Guard increases funding to both the rotary wing aircraft and combat vehicle depot maintenance efforts.
 - The Navy's FY 2001 depot maintenance program reflects the most significant changes. Accounting for the functional transfer noted above, the program decrease in the Navy of more than \$449.5 million is largely the result of two fewer submarine and two fewer surface depot overhauls and the change in scope of remaining ship maintenance efforts (\$-265.2 million), and a significant reduction to the requirement for Standard Depot Level Maintenance (SDLM) repairs, engine overhauls and other maintenance actions on naval aircraft (\$-194.8 million). The "other" maintenance funded program decreases (\$-16.0 million) largely due to programmatic changes in the Pioneer UAV and the EA programs. The significant reduction in the Navy Reserve account is primarily attributable to the U.S.S. John Kennedy (CV-76) transfer out of the reserve appropriation as the carrier reverts to active status (\$-26.5 million).

DEPOT MAINTENANCE

- The Marine Corps's funded program decreases \$49.7 million primarily is a result of the one-time effect of the congressional increase and internal realignments into the Depot Maintenance Program in FY 2000. The Marine Corps Reserve funded program reflects a decrease in requirements in the "other" and combat vehicles categories (\$-5.7 million) partially offset by increases in missile maintenance requirements (\$+1.7 million).

- The Air Force funded program increase of \$41.2 million is primarily in the area of engine overhauls (\$+65.0 million), and additional Programmed Depot Maintenance (PDM) of bombers, surveillance aircraft and fighters (\$+36.5 million). Partially offsetting these increases is a reduced requirement to repair and maintain missile storage vaults at 13 nuclear storage sites in Europe (\$-30.6 million). The Air Force Reserve and Air National Guard funded programs also decrease in FY 2001. The Air Force Reserve funded program reflects decreases for engine maintenance on C-141 and C-130 airlift aircraft (\$-19.3 million). In addition to the one-time effect of the congressional increase in FY 2000 (\$-20.0 million), the Air National Guard program decreases as requirements for repairs to the tails and floors of C-5 airlift aircraft are completed (\$-4.5 million).

Maintenance Backlog

Between FY 2000 and FY 2001 the maintenance backlog increases by \$177.8 million. The Aircraft Depot Maintenance backlog increases by \$134.5 million with the Navy portion increasing \$120.1 million. The total financial backlog in the "other" category (missiles, software, and ordnance maintenance) increases by \$60.8 million with the Marine Corps' portion increasing by \$32.9 million. The Combat Vehicle backlog increases by \$10.0 million, which includes an increase of \$16.8 million for the Army and a reduction of \$6.8 million for the Marine Corps. The Navy has funded overall ship depot maintenance at 93.5 percent of requirements in FY 2001. The Navy's Ship Depot Maintenance backlog decreases by \$27.5 million. The following table displays funded and financial backlog amounts for depot maintenance:

DEPOT MAINTENANCE

	(\$ in Millions)							
	1999		Change in Unfunded Requirement	FY 2000		Change in Unfunded Requirement	FY 2001	
	Funded Requirement	Unfunded Requirement		Funded Requirement	Unfunded Requirement		Funded Requirement	Unfunded Requirement
<u>Army *</u>	<u>735.5</u>	<u>442.5</u>	<u>-231.6</u>	<u>819.6</u>	<u>210.9</u>	<u>+20.4</u>	<u>896.1</u>	<u>231.3</u>
Aircraft	192.6	72.5	-15.1	187.6	57.4	+1.3	223.7	58.7
Combat Vehicle	74.9	49.5	-14.0	170.8	35.5	+16.8	229.0	52.3
Other	468.0	320.5	-202.5	461.2	118.0	+2.3	443.4	120.3
<u>Navy *</u>	<u>3,892.9</u>	<u>548.2</u>	<u>+92.8</u>	<u>4,115.6</u>	<u>641.0</u>	<u>+104.9</u>	<u>3,570.9</u>	<u>745.9</u>
Ship	2,432.8	132.5	+55.4	2,703.7	187.9	-27.5	2,307.8	160.4
Aircraft	982.7	170.7	+46.9	952.3	217.6	+120.1	805.3	337.7
Other	477.4	245.0	-9.5	459.6	235.5	+12.3	457.8	247.8
<u>Marine Corps *</u>	<u>102.7</u>	<u>123.8</u>	<u>-65.3</u>	<u>134.6</u>	<u>58.5</u>	<u>+26.1</u>	<u>106.1</u>	<u>84.6</u>
Combat Vehicle	49.7	5.6	+8.1	44.4	13.7	-6.8	45.8	6.9
Other	53.0	118.2	-73.4	90.2	44.8	+32.9	60.3	77.7
<u>Air Force *</u>	<u>2,307.7</u>	<u>64.9</u>	<u>+44.6</u>	<u>2,278.6</u>	<u>109.5</u>	<u>+26.4</u>	<u>2,447.7</u>	<u>135.9</u>
Aircraft	1,482.7	13.0	+29.4	1,595.1	42.4	+13.1	1,722.0	55.5
Other	825.0	51.9	+15.2	683.5	67.1	+13.3	725.7	80.4
<u>USSOCOM</u>	<u>94.3</u>	<u>:</u>	<u>:</u>	<u>120.8</u>	<u>:</u>	<u>:</u>	<u>131.3</u>	<u>:</u>
Ship	7.1	-	-	8.7	-	-	9.6	-
Aircraft	58.7	-	-	69.1	-	-	72.3	-
Other	28.5	-	-	43.0	-	-	49.4	-
<u>Total</u>	<u>7,133.1</u>	<u>1,179.4</u>	<u>-159.5</u>	<u>7,469.2</u>	<u>1,019.9</u>	<u>+177.8</u>	<u>7,152.1</u>	<u>1,197.7</u>
Ship	2,439.9	132.5	+55.4	2,712.4	187.9	-27.5	2,317.4	160.4
Aircraft	2,716.7	256.2	+61.2	2,804.1	317.4	+134.5	2,823.3	451.9
Combat Vehicles	124.6	55.1	-5.9	215.2	49.2	+10.0	274.8	59.2
Other	1,851.9	735.6	-270.2	1,737.5	465.4	+60.8	1,736.6	526.2

* Includes Active and Reserve Components

ENVIRONMENTAL PROGRAMS

(\$ in Millions)

	FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Environmental Restoration	1,268.4	+15.2	+13.2	1,296.8	+19.5	-46.1	1,270.2
Environmental Compliance	1,717.7	+20.6	-41.9	1,696.4	+25.4	-125.1	1,596.7
Environmental Conservation	135.5	+1.6	-19.4	117.7	+1.8	+4.5	124.0
Pollution Prevention	239.4	+2.9	+19.1	261.4	+3.9	-17.6	247.7
Environmental Technology	258.4	+3.1	+26.9	288.4	+4.3	-106.0	186.7
Base Realignment & Closure (BRAC)	<u>714.1</u>	<u>+8.6</u>	<u>-400.1</u>	<u>322.6</u>	<u>+4.8</u>	<u>+537.9</u>	<u>865.3</u>
Total Environmental Program*	4,333.5	+52.0	-402.2	3,983.3	+59.7	+247.6	4,290.6

* Includes environmental funding for all DoD appropriations/funds, not just those funded in the operation and maintenance (O&M) title.

The Department of Defense Environmental Security Program addresses five overriding and interconnected goals: 1) to support the readiness of US Forces by ensuring access to air, land, and water for training and operations; 2) to improve the quality of life by protecting military personnel and families from environmental, safety, and health hazards; 3) to ensure that weapons systems, logistics, installations, et. al., have greater performance, lower life cycle costs, and minimal health and environmental effects; 4) to serve customers, clients, and stakeholders through public participation and advocacy; and 5) to enhance international security through military-to-military cooperation. To help achieve these goals, the Department established its environmental program around five pillars - - cleanup, compliance, conservation, pollution prevention, and environmental technology. Much of this program is addressed in the Defense Environmental Restoration (or Cleanup) Program Annual Report to Congress and the Defense Environmental Quality (includes Compliance, Conservation, and Pollution Prevention) Annual Report to Congress. Each of the Department's environmental pillars is discussed below.

Environmental Restoration

The Department's Environmental Restoration program focuses on reducing the risks to human health and the environment at active installations and Formerly Used Defense Sites (FUDS), while ensuring that DoD environmental cleanup policy conforms to existing laws and regulations. The DoD Environmental Restoration appropriations provide for: the identification, investigation, and cleanup of past contamination from hazardous substances and wastes; correction of other environmental damage; detection of unexploded ordnances; and the demolition and removal of unsafe buildings, structures, and debris. Until 1994, the Department spent the majority of the resources documenting the magnitude of the cleanup problem on DoD lands, a significant but necessary investment. In 1994, DoD turned the corner, by devoting more resources to actual cleanup than to studies. As a result, the pace of restoration has increased while more sites continue to be cleaned up and closed out. In FY 1996, DoD began a relative risk approach to environmental cleanup.

ENVIRONMENTAL PROGRAMS

This process enables the Department to prioritize cleanup activities that pose the greatest danger to the health and safety of the environment and public in the context of regulatory agreements. The relative risk process is now one of the key tools used by the Department in the planning, programming, and budgeting of the cleanup program as well as its execution. Between FY 2000 and FY 2001, the Department's Defense Environmental Restoration Program declines by \$26.6 million, reflecting programmatic reductions of \$46.1 million (3.5 percent) and price growth of \$19.5 million. The program decrease results from an FY2000 congressional increase to the FUDS account that is not continued into FY 2001.

Environmental Compliance

The FY 2001 compliance program includes sufficient resources to enable the Department's day-to-day operations to comply with state and local government enforcement of current environmental laws and regulations. Environmental Compliance projects include the replacement and upgrade of waste water treatment plants to comply with Clean Water Act standards, hazardous waste management, testing and remediation of underground storage tanks, and monitoring waste water treatment systems. In FY 2001, the environmental compliance program decreases by \$99.7 million. This decline reflects a price growth of \$25.4 million and a programmatic decrease of \$125.1 million (7.3 percent) as DoD benefits from its investments in pollution prevention. The more pollution that is eliminated at the source, the less compliance costs.

Environmental Conservation

The Department of Defense is the steward of nearly 25 million acres of public lands. The DoD has a responsibility to protect, maintain, and enhance the natural and cultural resources found on these lands. Through the conservation program, biological and cultural resources are managed to help support the military mission. Additionally, conservation activities are required by law (e.g., Endangered Species Act and National Historic Preservation Act) and must be funded. In FY 2001, the Environmental Conservation funding increases by \$6.3 million, reflecting a price growth of \$1.8 million and a program increase of \$4.5 million (3.8 percent). The increase in program funding reflects discontinuance of a congressional increase of about \$15 million in FY2000 for Legacy resource management activities and an increase of about \$20 million to protect threatened and endangered species and to comply with the Sikes Act deadline of November 2001, requiring installations to develop and complete coordinated Integrated Natural Resource Management Plans.

Pollution Prevention

The Pollution Prevention program targets the reduction of hazardous material, solid waste, toxic releases, air emissions, and water pollution at the source. The funding requested for FY 2001 will support these efforts, as well as implementation of Executive Order 12856, "Federal Compliance with Right-to-Know Laws and Pollution Prevention Requirements," and Executive Order 13101, "Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition." In FY 2001, the Pollution Prevention program decreases by \$13.7 million. This reflects a price increase of \$3.9 million and a program decrease of \$17.6 million

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(-6.6 percent). The program decrease reflects completion of several one-time projects and the significant success achieved within the Department towards meeting its goals.

Environmental Technology

Technology development is important to meet DoD-unique environmental needs with programs that yield quick results and have high payoffs, including accelerating the development and deployment of technologies that address issues such as shipboard discharges and remediation of soil, surface, and ground water contamination from explosives. The FY 2001 request allows DoD to continue environmental research, development, test, demonstration, and validation activities to provide technologies that result in direct operational savings, mitigate future liabilities, and permit the Department to meet its environmental obligations more cost-effectively. In FY 2001, the Environmental Technology program decreases from \$288.4 million in FY 2000 to \$186.7 million, a reduction of \$101.7 million (-36.2 percent). This reflects a price increase of \$4.3 million and a program decrease of \$106.0 million. This decrease results from the discontinuance of several congressional increases to the Department's Research, Development, Test & Evaluation (RDT&E) accounts in FY 2000 and completion in FY 2000 of environmental technology investments by the Air Force and the Defense Advanced Research Projects Agency.

Base Realignment and Closure (BRAC)

The DoD is striving to complete scheduled base closures as rapidly as possible to realize potential savings to the government and to make property available to local communities for redevelopment. The DoD must complete environmental restoration and compliance work at these bases. In FY 2001, the BRAC environmental program increases from \$322.6 million in FY 2000 to \$865.3 million, an increase of \$542.7 million. This increase in FY 2001 reflects the return to a full funding policy versus the advance appropriation financing approach proposed in FY 2000 and does not constitute real program growth. In fact, the program decreases in FY 2001. The FY 2000 funding level only partially finances the FY 2000 program while the FY 2001 level provides for the completion of projects begun in FY 2000 as well as fully funding the FY 2001 projects. Although the BRAC environmental funding increases by \$542.7 million in FY 2001 above the FY 2000 appropriation level, the program actually decreases by about \$365 million when the financing to complete FY 2000 projects is removed from the FY 2001 estimate and added to the FY 2000 requirement. The roughly \$365 million BRAC program decrease reflects refinement of cost estimates, re-phasing of the environmental clean-up schedule, and the reapplication of cost savings from prior BRAC projects.

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(\$ in Millions)

<u>ENVIRONMENTAL RESTORATION 1/</u>	FY 1999		FY 2000		FY 2001
<u>Cleanup</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army	246.5	+8.2	254.7	+48.3	303.0
Navy	170.1	+5.7	175.8	+27.8	203.6
Air Force	240.8	-6.6	234.2	+36.3	270.5
Formerly Used Defense Sites	127.9	+6.0	133.9	-19.4	114.5
Defense-Wide	<u>18.6</u>	<u>+0.2</u>	<u>18.8</u>	<u>-1.1</u>	<u>17.7</u>
Subtotal	803.9	+13.2	817.1	+92.2	909.3
<u>Investigations and Analysis</u>					
Army	85.7	-13.7	72.0	-29.2	42.8
Navy	67.9	-0.9	67.0	-17.4	49.6
Air Force	78.2	+5.3	83.5	-23.9	59.6
Formerly Used Defense Sites	77.3	+0.7	78.0	-32.5	45.5
Defense-Wide	<u>2.4</u>	<u>+0.1</u>	<u>2.5</u>	<u>-1.0</u>	<u>1.5</u>
Subtotal	311.5	-8.5	303.0	-104.0	199.0
<u>Program Oversight</u>					
Army	41.3	+8.2	49.5	-5.4	44.1
Navy	35.7	+4.1	39.8	+1.0	40.8
Air Force	52.1	+5.0	57.1	-10.9	46.2
Formerly Used Defense Sites	19.8	+6.2	26.0	+0.4	26.4
Defense-Wide	<u>4.1</u>	<u>-0.1</u>	<u>+4.0</u>	<u>+0.2</u>	<u>4.2</u>
Subtotal	153.0	+23.7	176.7	-15.0	161.7
<u>Total</u>					
Army	373.6	+2.6	376.2	+13.7	389.9
Navy	273.6	+8.9	282.5	+11.5	294.0
Air Force	371.1	+3.8	374.9	+1.4	376.3
Formerly Used Defense Sites	225.0	+13.0	238.0	-51.5	186.5
Defense-Wide	<u>25.1</u>	<u>+0.1</u>	<u>25.2</u>	<u>-1.8</u>	<u>23.4</u>
Total Environmental Restoration 2/	1,268.4	+28.4	1,296.8	-26.6	1,270.2

1/ This display shows the amounts budgeted by functional area for each of the five Environmental Restoration transfer appropriations – one for each Department, one for Formerly Used Defense Sites, and one for Defense-wide. The FY 1999 amounts (executed in various Component appropriations) are included for comparability purposes.

2/ Totals and Subtotals may not add because of rounding.

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(\$ in Millions)

<u>ENVIRONMENTAL COMPLIANCE</u>	FY 1999		FY 2000		FY 2001
<u>Army</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation & Maintenance, Army	298.1	+50.2	348.3	-3.7	344.6
Operation & Maintenance, Army Reserve	22.6	+0.2	22.8	-0.2	22.6
Operation & Maintenance, Army National Guard	84.4	-0.5	83.9	+20.0	103.9
RDT&E, Army	52.9	-48.9	4.0	-4.0	-
Reserve Personnel, Army	0.8	+0.9	1.7	-1.7	-
Procurement of Ammunition, Army	17.0	-2.7	14.3	-1.7	12.6
Military Construction, Army	2.0	+25.5	27.5	-27.5	-
Family Housing, Army	2.9	-2.9	-	+0.1	0.1
Defense Working Capital Fund	<u>25.5</u>	<u>+1.4</u>	<u>26.9</u>	<u>-1.2</u>	<u>25.7</u>
Total Army	506.4	+23.0	529.4	-19.8	509.6
<u>Navy</u>					
Operation & Maintenance, Navy	274.3	-23.2	251.1	-35.8	215.3
Operation & Maintenance, Navy Reserve	8.2	-1.6	6.6	-1.2	5.4
RDT&E, Navy	4.9	-	4.9	-1.2	3.7
Other Procurement, Navy	122.6	-1.2	121.4	-66.5	54.9
Military Construction, Navy	41.2	-20.5	20.7	-14.1	6.6
Military Construction, Navy Reserve	-	+1.9	1.9	-1.9	-
Defense Working Capital Fund	<u>91.7</u>	<u>+13.6</u>	<u>105.3</u>	<u>-9.4</u>	<u>95.9</u>
Total Navy	542.8	-30.9	511.9	-130.2	381.7
<u>Marine Corps</u>					
Operation & Maintenance, Marine Corps	106.0	-24.5	81.5	-1.7	79.8
Operation & Maintenance, Marine Corps Reserve	<u>2.2</u>	<u>+0.2</u>	<u>2.4</u>	<u>+1.5</u>	<u>3.9</u>
Total Marine Corps	108.2	-24.3	83.9	-0.2	83.7

ENVIRONMENTAL PROGRAMS

(\$ in Millions)

<u>ENVIRONMENTAL COMPLIANCE</u>	FY 1999		FY 2000		FY 2001
<u>Air Force</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation & Maintenance, Air Force	280.3	+18.5	298.8	+33.9	332.7
Operation & Maintenance, Air Force Reserve	12.7	-1.5	11.2	+0.1	11.3
Operation & Maintenance, Air National Guard	16.7	+1.5	18.2	-4.1	14.1
Aircraft Procurement, Air Force	9.4	+3.0	12.4	+0.7	13.1
Missile Procurement, Air Force	1.3	+0.1	1.4	-	1.4
RDT&E, Air Force	-	-	-	-	-
Military Personnel, Air Force	19.7	-1.3	18.4	-3.6	14.8
Guard Personnel, Air Force	0.8	+0.2	1.0	+0.1	1.1
Military Construction, Air Force	12.4	+11.0	23.4	-6.1	17.3
Military Construction, Air Force Reserve	-	+2.0	2.0	-2.0	-
Military Construction, Air National Guard	4.7	-3.0	1.7	+0.1	1.8
Defense Working Capital Fund	<u>27.2</u>	<u>-2.7</u>	<u>24.5</u>	<u>-1.7</u>	<u>22.8</u>
Total Air Force	385.2	+27.8	413.0	+17.3	430.3
<u>Defense-Wide</u>					
Operation & Maintenance, Defense-Wide	47.3	+8.4	55.7	-6.4	49.3
Military Construction, Defense-Wide	32.1	-30.8	1.3	+44.1	45.4
RDT&E, Defense-Wide	6.5	+0.3	6.8	-0.4	6.4
Defense Working Capital Fund	<u>89.2</u>	<u>+5.1</u>	<u>94.3</u>	<u>-3.9</u>	<u>90.4</u>
Total Defense-Wide	175.1	-17.0	158.1	+33.3	191.4
<u>Total</u>					
Army	506.4	+23.0	529.4	-19.8	509.6
Navy	542.8	-30.9	511.9	-130.1	381.7
Marine Corps	108.2	-24.3	83.9	-0.2	83.7
Air Force	385.2	+27.8	413.0	+17.3	430.3
Defense-Wide	<u>175.1</u>	<u>-17.0</u>	<u>158.1</u>	<u>+33.3</u>	<u>191.4</u>
Total Environmental Compliance 2/	1,717.7	-21.3	1,696.4	-99.7	1,596.7

ENVIRONMENTAL PROGRAMS

(\$ in Millions)

<u>ENVIRONMENTAL CONSERVATION</u>	FY 1999		FY 2000		FY 2001
<u>Army</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation & Maintenance, Army	40.8	+3.9	44.7	+3.5	48.2
Operation & Maintenance, Army Reserve	0.7	-0.3	0.4	+2.2	2.6
Operation & Maintenance, Army National	11.1	-9.3	1.8	+13.1	14.9
RDT&E, Army	2.5	-2.5	-	-	-
Defense Working Capital Fund	1.4	+0.1	1.5	-	1.5
Total Army	56.5	-8.2	48.3	+18.8	67.1
Navv					
Operation & Maintenance, Navy	20.2	-9.6	10.6	-0.3	10.3
Operation & Maintenance, Navy Reserve	0.6	-0.3	0.3	-0.3	-
RDT&E, Navy	0.5	+0.1	0.6	-0.1	0.5
Defense Working Capital Fund	2.1	-0.1	2.0	-0.2	1.8
Total Navy	23.4	-10.0	13.4	-0.7	12.7
Marine Corps					
Operation & Maintenance, MarCorps	6.5	+0.7	7.2	+0.2	7.4
Operation & Maintenance, MarCorps Reserve	-	+0.2	0.2	-0.2	-
Total Marine Corps	6.5	+0.9	7.4	-	7.4
Air Force					
Operation & Maintenance, Air Force	36.8	-6.7	30.1	+3.0	33.1
Operation & Maintenance, AF Reserve	2.2	-0.5	1.7	-	1.7
Operation & Maintenance, Air National Guard	1.1	-0.2	0.9	-	0.9
Total Air Force	40.1	-7.4	32.7	+3.0	35.7
Defense-Wide					
O& M, Defense-Wide (Includes Legacy)	8.9	+6.6	15.5	-14.7	0.8
DoD Working Capital Fund	0.1	+0.5	0.6	-0.3	0.3
Total Defense-Wide	9.0	7.1	16.1	-15.0	1.1
Total					
Army	56.5	-8.2	48.3	+18.8	67.1
Navy	23.4	-10.0	13.4	-0.7	12.7
Marine Corps	6.5	+0.8	7.3	+0.1	7.4
Air Force	40.1	-7.5	32.6	+3.1	35.7
Defense-Wide	9.1	+6.9	16.0	-14.9	1.1
Total Environmental Conservation 2/	135.5	-17.8	117.7	+6.3	124.0

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(\$ in Millions)

<u>POLLUTION PREVENTION</u>	FY 1999		FY 2000		FY 2001
<u>Army</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation & Maintenance, Army	39.1	+14.9	54.0	-21.0	33.0
Operation & Maintenance, Army Reserve	2.3	-0.9	1.4	-0.5	0.9
Operation & Maintenance, Army National Guard	3.2	-2.4	0.8	-0.1	0.7
RDT&E, Army	8.7	-8.7	-	+10.3	10.3
Aircraft Procurement, Army	8.9	-6.4	2.5	-2.5	-
Procurement of Weapons & Tracked Combat Vehicles, Army	6.8	-3.3	3.5	-3.5	-
Procurement of Ammunition, Army	0.7	-0.7	-	+2.7	2.7
Other Procurement, Army	-	+1.6	1.6	+0.2	1.8
Defense Working Capital Fund	<u>0.8</u>	<u>+0.1</u>	<u>0.9</u>	<u>+0.1</u>	<u>1.0</u>
Total Army	70.5	-5.8	64.7	-14.3	50.4
<u>Navy</u>					
Operation & Maintenance, Navy	40.8	-5.2	35.6	-5.1	30.5
Operation & Maintenance, Navy Reserve	1.2	-0.4	0.8	-0.2	0.6
RDT&E, Navy	1.1	-	1.1	-0.1	1.0
Other Procurement, Navy	15.2	+3.3	18.5	-1.8	16.7
Defense Working Capital Fund	<u>9.0</u>	<u>+2.1</u>	<u>11.1</u>	<u>-1.5</u>	<u>9.6</u>
Total Navy	67.3	-0.1	67.2	-8.7	58.5
<u>Marine Corps</u>					
Operation & Maintenance, Marine Corps	28.4	+4.6	33.0	+4.3	37.3
Operation & Maintenance, Marine Corps Reserve	<u>1.7</u>	<u>-0.2</u>	<u>1.5</u>	<u>-1.1</u>	<u>0.4</u>
Total Marine Corps	30.1	+4.4	34.5	+3.1	37.6

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(\$ in Millions)

<u>POLLUTION PREVENTION</u>	FY 1999		FY 2000		FY 2001
<u>Air Force</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation & Maintenance, Air Force	51.3	+21.8	73.1	+7.1	80.2
Operation & Maintenance, AF Reserve	5.5	-2.0	3.5	-0.6	2.9
Operation & Maintenance, Air National Guard	3.1	+0.1	3.2	-0.3	2.9
Aircraft Procurement, Air Force	1.9	+1.1	3.0	-0.1	2.9
Missile Procurement, Air Force	0.9	+0.2	1.1	-0.1	1.0
RDT&E, Air Force	5.0	-2.5	2.5	-	2.5
Other Procurement, Air Force	<u>1.0</u>	<u>-0.1</u>	<u>0.9</u>	<u>-</u>	<u>0.9</u>
Total Air Force	68.5	+18.9	87.4	+6.1	93.5
<u>Defense-Wide</u>					
Operation & Maintenance, Defense-Wide	1.1	+2.1	3.2	+0.2	3.5
RDT&E, Defense-Wide	0.1	-	0.1	-	0.1
Defense Working Capital Fund	<u>1.8</u>	<u>+2.4</u>	<u>4.2</u>	<u>+0.1</u>	<u>4.3</u>
Total Defense-Wide	3.0	+4.6	7.6	+0.2	7.8
<u>Total</u>					
Army	70.5	-5.8	64.7	-14.3	50.4
Navy	67.3	-0.1	67.2	-8.7	58.5
Marine Corps	30.1	+4.4	34.5	+3.1	37.6
Air Force	68.5	+18.9	87.4	+6.1	93.5
Defense-Wide	3.0	+4.6	7.6	+0.3	7.8
Total Pollution Prevention <u>2/</u>	239.4	+22.0	261.4	-13.7	247.7

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(\$ in Millions)

ENVIRONMENTAL TECHNOLOGY

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>					
RDT&E, Army	<u>76.3</u>	<u>+17.7</u>	<u>94.0</u>	<u>-69.3</u>	<u>24.7</u>
Total Army	76.3	+17.7	94.0	-69.3	24.7
<u>Navy</u>					
RDT&E, Navy	<u>98.4</u>	<u>+7.4</u>	<u>105.8</u>	<u>-20.4</u>	<u>85.4</u>
Total Navy	98.4	+7.4	105.8	-20.4	85.4
<u>Air Force</u>					
RDT&E, Air Force	<u>5.9</u>	<u>+2.3</u>	<u>8.2</u>	<u>-8.2</u>	-
Total Air Force	5.9	+2.3	8.2	-8.2	-
<u>Defense-Wide</u>					
Defense Advanced Research Projects Agency	2.5	-2.2	0.3	-0.3	-
Env Security Technology Certification Program	16.5	+6.3	22.8	+2.1	24.9
Strategic Environmental R&D Program (SERDP)	<u>58.8</u>	<u>-1.5</u>	<u>57.3</u>	<u>-5.6</u>	<u>51.7</u>
Total Defense-Wide	77.8	+2.6	80.4	-3.8	76.6
<u>Total</u>					
Army	76.3	+17.7	94.0	-69.3	24.7
Navy	98.4	+7.4	105.8	-20.4	85.4
Air Force	5.9	+2.3	8.2	-8.2	-
Defense-Wide	<u>77.8</u>	<u>+2.6</u>	<u>80.4</u>	<u>-3.8</u>	<u>76.6</u>
Total Environmental Technology 2/	258.4	+30.0	288.4	-101.7	186.7

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(\$ in Millions)

<u>BASE REALIGNMENT&CLOSURE (BRAC)</u>	FY 1999		FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>BRAC 93</u>					
Army	5.8	-5.8	-	-	-
Navy	127.0	-127.0	-	-	-
Air Force	90.9	-90.9	-	-	-
Defense-Wide	<u>0.6</u>	<u>-0.6</u>	:	:	:
Total BRAC 93 Budget Request	224.4	-224.4	-	-	-
<u>BRAC 95</u>					
Army	277.2	-197.6	79.6	+201.3	280.9
Navy	138.7	-22.6	116.1	+321.1	437.2
Air Force	56.9	+68.9	125.8	+14.7	140.5
Defense-Wide	<u>16.9</u>	<u>-14.4</u>	<u>1.2</u>	<u>+5.5</u>	<u>6.7</u>
Total BRAC 95 Budget Request	489.7	-165.7	322.6	+542.7	865.3
<u>Total</u>					
Army	283.0	-203.4	79.6	+201.3	280.9
Navy	265.7	-149.6	116.1	+321.1	437.2
Air Force	147.8	-22.0	125.8	+14.7	140.5
Defense-Wide	<u>17.5</u>	<u>-15.0</u>	<u>1.2</u>	<u>+5.5</u>	<u>6.7</u>
Total BRAC 2/	714.1	-391.5	322.6	+542.7	865.3

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(\$ in Millions)

<u>Operation & Maintenance Summary</u>	FY 1999		FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army	378.0	+69.0	447.0	-21.2	425.8
Army Reserve	25.6	-1.0	24.6	+1.5	26.1
Army National Guard	98.7	-12.2	86.5	+33.0	119.5
Navy	335.3	-38.0	297.3	-41.2	256.1
Navy Reserve	10.0	-2.3	7.7	-1.7	6.0
Marine Corps	140.9	-19.2	121.7	+2.8	124.5
Marine Corps Reserve	3.9	+0.2	4.1	+0.2	4.3
Air Force	368.4	+36.6	402.0	+44.0	446.0
Air Force Reserve	20.4	-4.0	16.4	-0.5	15.9
Air National Guard	20.9	+1.4	22.3	-4.4	17.9
Defense-Wide	57.3	+17.1	74.4	-20.8	53.6
Environmental Restoration	<u>1,268.4</u>	<u>+17.4</u>	<u>1,285.8</u>	<u>-15.6</u>	<u>1,270.2</u>
Total Operation & Maintenance <u>2/</u>	2,727.8	+62.0	2,789.8	-23.9	2,765.9
 <u>Program Summary for Operation and Maintenance</u>					
Environmental Restoration	1,268.4	+17.4	1,285.8	-15.6	1,270.2
Environmental Compliance	1,152.8	+27.7	1,180.5	+2.4	1,182.9
Environmental Conservation	128.9	-15.5	113.4	+6.5	119.9
Pollution Prevention	<u>177.7</u>	<u>+32.4</u>	<u>210.1</u>	<u>-17.3</u>	<u>192.8</u>
Total Operation & Maintenance <u>2/</u>	2,727.8	+62.0	2,789.8	-23.9	2,765.9

LAND FORCES

	(\$ in Millions)						
	FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Army	2,640.2	+47.3	+557.2	3,244.7	+23.2	+63.0	3,330.9
Marine Corps	<u>454.7</u>	<u>+8.4</u>	<u>-11.9</u>	<u>451.2</u>	<u>+14.8</u>	<u>-45.3</u>	<u>420.7</u>
Total	3,094.9	+55.7	+545.2	3,695.9	+38.0	+17.7	3,751.6

The Land Forces program describes those resources committed to the training and sustainment of DoD's land forces. Land Forces encompass the Land Forces O-1 Activity Group within the Army and that portion of the Expeditionary Forces O-1 Activity Group within the Marine Corps for the Fleet Marine ground forces. The Army's Land Forces are comprised of the units assigned to heavy, airborne, air assault and light division; corps combat units and corps support forces; echelon above corps forces; and combat training centers. The Marine Corps' land forces include Marine divisions, service support groups, helicopter groups, and light anti-aircraft missile battalions that constitute the Marine air-ground team and Marine security forces.

Resources in Land Forces train and sustain the active component ground combat forces. These resources support the key ingredients of combat readiness by providing the funds necessary to operate combat vehicles and weapon systems, train combat personnel, perform field level equipment maintenance, and maintain required readiness levels.

ARMY

The Army's Land Forces program provides Operating Tempo (OPTEMPO) resources to train and sustain the active component combat forces and support training strategies at high (T1/T2) readiness levels, which ensure that operating forces train to reach full proficiency on tasks identified in unit mission essential task lists (METL). Included is OPTEMPO funding for the M1 Abrams tank at 800 home station training miles. The 800 OPTEMPO miles include actual ground operations as well as a small number of Close Combat Tactical Trainer (CCTT) miles (simulator operations) for those units who have fielded CCTT as a part of the overall Army training strategy. Funding in this activity group will allow the Army to field a trained and ready force, possessing the combat capabilities necessary to execute assigned missions and fulfill the Army's critical role in meeting the National Military Strategy, threat scenarios, and other national military requirements. In addition to funding unit training and its associated costs (such as fuel, supplies, repair parts, travel and transportation), the Land Forces program includes the resources to fund the operation of the Combat Training Centers (CTCs).

LAND FORCES

The Army's Land Forces resources support a training strategy that exposes all soldiers, from the infantryman to the corps commander, to a full range of realistic training exercises. Funding in FY 2000 will permit the Army to train 9 Active Component (and 1 National Guard) brigades at the National Training Center, 9 Active Component (and 1 National Guard) brigades at the Joint Readiness Training Center, and 5 Active Component brigades at the Combat Maneuver Training Center. Additionally, 6 Active Component divisions and 3 Active Component corps staffs (which includes 1 Command and General Staff College (CGSC) Prairie Warrior Exercise, a Corps Battle Command Training Program equivalent) will participate in the Battle Command Training Program.

The FY 2001 program reflects a net increase of \$86.2 million above the FY 2000 funding level. The increase includes \$23.2 million in price growth, \$6.6 million net decrease in functional transfers, and \$69.6 million net increase in program growth. The functional transfers include: a transfer from Research, Development, Test and Evaluation, Army appropriation to properly align Simulations, Training and Instrumentation Command (STRICOM) contractor Logistic Support personnel to STRICOM supported programs in Operations and Maintenance, Army appropriation (\$1.2 million), and a transfer to Other Procurement, Army (OPA) appropriation to properly fund Post Production Software Support (PPSS) from the OPA appropriation until production is complete (\$7.7 million). The program increase in FY 2001 is primarily attributed to the implementation of the logistics policy changes (\$27.5 million). One such change is the National Maintenance Management Program that changes the supply inventory ownership from the installation level to the national level. Under this program, inventory will be managed nationally and requirements will be established based on the national need by a central provider – the Army Materiel Command (AMC). As part of this concept, the Army will implement a modified credit return policy. Currently, the credit policy is based on the asset availability position and fluctuates during the execution year. The revised policy calls for basing credit rates on need at the wholesale level, and credits will be issued at the national stock number level with no credit adjustments during the execution year. This change will enable the Army to maintain a stable and predictable credits given by the wholesale supply system upon turn-in of the repairable items. Other major program increases include cost increases associated with the demand changes in repairable and consumable parts and supplies (\$19.3 million); additional contractual logistics support and maintenance support to Combat Training Center pre-positioned fleet (\$19.1 million); and variations in normal cyclical rotations by OCONUS units to the Joint Readiness Training Center (\$13.1 million). These increases are primarily offset by a decrease reflecting savings associated with the Limited Division XXI redesign (\$8.9 million) and one less compensable work day in FY 2001 (\$.5 million). The effects of these changes in FY 2001 are reduced flying hour costs per hour and increased ground OPTEMPO costs to fully support a training requirement of 800 M1 Abrams tank miles and 14.5 flying hours per crew per month.

LAND FORCES

MARINE CORPS

The Marine Corps Land Forces program encompasses the ground portion of Fleet Marine Forces and includes three Marine divisions, three service support groups, five helicopter groups, and two light anti-aircraft missile battalions. Forces are located at installation on the east and west coasts of the United States and at bases in the Pacific Ocean.

The Operating Forces are considered the heart of the Marine Corps. About 65 percent of all active duty Marines are assigned to the operating forces. They constitute the forward presence, crisis response, and fighting power available to the warfighting combatant commanders. The Land Forces program supports the operating forces that constitute the Marine Air-Ground Team and Marine security forces at Naval installations and aboard Naval vessels. The funding provides for training and routine operations; maintenance and repair of organic ground equipment; routine supplies, travel, per diem and emergency leave; automatic data processing and initial purchase; and replenishment and replacement of both unit and individual equipment. Additionally, resources support the movement of troops and their participation in training exercises essential to sustaining readiness levels.

The FY 2001 program reflects a net decrease of \$30.5 million below the FY 2000 funding level. This decrease is the sum of a price growth of \$14.8 million and a net program decrease of \$45.3 million. Major program increases include O&M support for newly fielded equipment consisting of Joint Lethal Weapons, Topographic Production Capability, Medium Tactical Vehicle Remanufacture, Ground Mobile Forces, Super High Frequency Tri-Band Advanced Range Extension Terminal, Global Broadcast Service, Defense Messaging System, and Defense Technical Control ATM Upgrade (\$3.7 million); additional funding for the Corrosion Control and Coating program to continue preventative and corrective corrosion maintenance efforts to maintain aging equipment in functional state of readiness (\$0.9 million); and additional funding for Marine Forces Pacific theater lift resulting from the relocation of an Air Force C-141 squadron from Kadena AFB, Okinawa, Japan to the west coast of the United States (\$1.9 million). These increases are partially offset by savings associated with investment in the Environmental Stabilization System, a controlled humidity prevention technology for the prevention and elimination of corrosion and other equipment degradation problems (\$0.4 million); reduction in Warfighting Riverine Operations resulting from the discontinued requirement to deploy an infantry rifle company to Panama (\$1.0 million); decreased scope of the Marine Corps Warfighting Laboratory experiments (\$1.2 million); and a reduction for a on-time FY 2000 congressional increases for depot level and consumable spares, fuel conversion, training and OPTEMPO, Nuclear Biological and Chemical Defense equipment, Marine Corps Air Ground Combat Center improvements, and soldier support - initial issue (\$49.2 million).

LAND FORCES

Program Data

Army OPTEMPO Miles*

<u>Battalions</u>	<u>FY 1999</u>	<u>FY 2000</u>		<u>FY 2001</u>	
	<u>Actual</u>	<u>Requirement</u>	<u>Budget</u>	<u>Requirement</u>	<u>Budget</u>
Armor (M1)	601	800	800	800	800
Mech Infantry (M2)	598	934	934	934	934
Cavalry Squadron (M3)	573	970	970	970	970

*Excludes National Training Center (NTC) miles

Marine Corps Participation in Collective Unit Training

	<u>FY 1999</u>	<u>Change</u>	<u>FY 2000</u>	<u>Change</u>	<u>FY 2001</u>
<u>Marine Forces Atlantic (MFL)</u>					
Chairman Joint Chiefs of Staff Exercises	32	-1	31	-1	30
II Marine Expeditionary Forces Exercises	63	-2	61	-1	60
Marine Operating Force Exercises	21	-7	14	-	14
Marine Expeditionary Unit Special Operations Capable Exercises	18	-8	10	-	10
<u>Marine Forces Pacific (MPF)</u>					
Chairman Joint Chiefs of Staff Exercises	18	+3	21	-1	20
I Marine Expeditionary Forces Exercises	43	+5	48	+3	51
III Marine Expeditionary Forces Exercises	38	+6	44	+1	45
Marine Operating Force Exercises	10	-	10	-	10
Marine Expeditionary Unit Special Operations Capable Exercises	14	+3	17	-	17

LAND FORCES

Personnel Data

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Active Forces Personnel</u>			<u>(End Strength)</u>		
Army Officer	30,765	-296	30,469	-42	30,427
Army Enlisted	<u>250,397</u>	<u>+10,879</u>	<u>261,276</u>	<u>+2,278</u>	<u>263,554</u>
Subtotal Army	281,162	+10,583	291,745	+2,236	293,981
Marine Corps Officer	8,556	+87	8,643	-214	8,429
Marine Corps Enlisted	<u>97,364</u>	<u>+487</u>	<u>97,851</u>	<u>-1,208</u>	<u>96,643</u>
Subtotal Marine Corps	105,920	+574	106,494	-1,422	105,072
Total Officer	39,321	-209	39,112	-256	38,856
Total Enlisted	<u>347,761</u>	<u>+11,366</u>	<u>359,127</u>	<u>+1,070</u>	<u>360,197</u>
Total Active Force Personnel	387,082	+11,157	398,239	+814	399,053
<u>Civilian Personnel</u>			<u>(Full-Time Equivalent)</u>		
Army	3,578	-517	3,061	-150	2,911
Marine Corps	<u>200</u>	<u>+6</u>	<u>206</u>	<u>-1</u>	<u>205</u>
Total Civilian Personnel	3,778	-511	3,267	-151	3,116

MANAGEMENT HEADQUARTERS

	<u>(Military End Strength/Civilian Full-Time Equivalents)</u>				
	FY 1999		FY 2000		
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Military	30,809	-1,073	29,736	-420	29,316
Civilian	32,827	-962	31,865	-314	31,551
Total DoD	63,636	-2,035	61,601	-734	60,867

Management Headquarters include the Office of the Secretary of Defense, the Office of the Chairman of the Joint Chiefs of Staff, the Joint Staff, Headquarters of Unified and Specified Commands, Headquarters of the Defense Agencies, the Service Secretariats and Service Staffs, Headquarters of Major Service Commands, and other organizations that manage the programs and operations of the Department of Defense.

During FY 1999, the DoD adopted a new definition for management headquarters activities to include field operating activities and direct reporting units. This change in definition expanded the baseline for measuring management headquarters from approximately 48,000 to more than 63,000 personnel (30 percent increase) at the end of FY 1999. The FY 2001 estimate of 60,867 reflects a reduction of 2,769 (4.4 percent) below the FY 1999 program of 63,636. Detailed funding by appropriation is currently not available to accurately report these resources applicable to the expanded definition. However, the Components are in the process of implementing the necessary administrative actions to report these funding resources by appropriation. The DoD goal is for the Components to complete this process in time to report the appropriation detail in the FY 2002 President's Budget submission.

The FY 2000 National Defense Authorization Act mandated a 15 percent reduction in personnel assigned to management headquarters during FY 2000 - FY 2002, at a rate of 5 percent in each of those three years. The DoD plans to submit a report by October 2000 (as mandated) on the feasibility of implementing the additional reduction in personnel.

The estimates on the following pages reflect the total management headquarters military personnel and civilian full-time equivalents in the DoD assigned to the combatant and non-combatant commands between FY 1999 and FY 2001.

MANAGEMENT HEADQUARTERS

COMBATANT COMMANDS

(Military End Strength/Civilian Full-Time Equivalents)

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>	<u>1,817</u>	<u>-</u>	<u>1,817</u>	<u>-31</u>	<u>1,786</u>
Military	1,481	-11	1,470	-26	1,444
Civilian	336	+11	347	-5	342
<u>Navy</u>	<u>1,995</u>	<u>+75</u>	<u>2,070</u>	<u>-1</u>	<u>2,069</u>
Military	1,704	+79	1,783	-1	1,782
Civilian	291	-4	287	-	287
<u>Air Force</u>	<u>2,704</u>	<u>-28</u>	<u>2,676</u>	<u>-2</u>	<u>2,674</u>
Military	2,028	-31	1,997	-27	1,970
Civilian	676	+3	679	+25	704
<u>USSOCOM</u>	<u>608</u>	<u>-3</u>	<u>605</u>	<u>-13</u>	<u>592</u>
Military	408	-	408	-13	395
Civilian	200	-3	197	-	197
<u>Total Combatant Commands</u>	<u>7,124</u>	<u>+44</u>	<u>7,168</u>	<u>-47</u>	<u>7,121</u>
Military	5,621	+37	5,658	-67	5,591
Civilian	1,503	+7	1,510	+20	1,530

MANAGEMENT HEADQUARTERS

SERVICE COMBATANT COMMANDS

(Military End Strength/Civilian Full-Time Equivalents)

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>	<u>4,031</u>	<u>-208</u>	<u>3,823</u>	<u>-4</u>	<u>3,819</u>
Military	1,898	-125	1,773	+2	1,775
Civilian	2,133	-83	2,050	-6	2,044
<u>Navy</u>	<u>4,132</u>	<u>-144</u>	<u>3,988</u>	<u>-37</u>	<u>3,951</u>
Military	2,794	-110	2,684	-75	2,609
Civilian	1,338	-34	1,304	+38	1,342
<u>Air Force</u>	<u>7,181</u>	<u>-307</u>	<u>6,874</u>	<u>-47</u>	<u>6,827</u>
Military	5,380	-281	5,099	-77	5,022
Civilian	1,801	-26	1,775	+30	1,805
<u>USSOCOM</u>	<u>1,096</u>	<u>+13</u>	<u>1,109</u>	<u>:</u>	<u>1,109</u>
Military	730	+5	735	-	735
Civilian	366	+8	374	-	374
<u>Total Service Combatant Commands</u>	<u>16,440</u>	<u>-646</u>	<u>15,794</u>	<u>-88</u>	<u>15,706</u>
Military	10,802	-511	10,291	-150	10,141
Civilian	5,638	-135	5,503	+62	5,565
<u>Total Combatant/Service Commands</u>	<u>23,564</u>	<u>-602</u>	<u>22,962</u>	<u>-135</u>	<u>22,827</u>
Military	16,423	-474	15,949	-217	15,732
Civilian	7,141	-128	7,013	+82	7,095

MANAGEMENT HEADQUARTERS

NON-COMBATANT COMMANDS

(Military End Strength/Civilian Full-Time Equivalents)

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>	<u>11,623</u>	<u>-579</u>	<u>11,044</u>	<u>-111</u>	<u>10,933</u>
Military	3,136	-131	3,005	-67	2,938
Civilian	8,487	-448	8,039	-44	7,995
<u>Navy</u>	<u>9,565</u>	<u>-239</u>	<u>9,326</u>	<u>-211</u>	<u>9,115</u>
Military	3,847	-77	3,770	-46	3,724
Civilian	5,718	-162	5,556	-165	5,391
<u>Air Force</u>	<u>9,339</u>	<u>-455</u>	<u>8,884</u>	<u>-230</u>	<u>8,654</u>
Military	5,098	-255	4,843	-101	4,742
Civilian	4,241	-200	4,041	-129	3,912
<u>Office of the Secretary of Defense (OSD)</u>	<u>2,134</u>	<u>-127</u>	<u>2,007</u>	<u>-</u>	<u>2,007</u>
Military	578	-107	471	-	471
Civilian	1,556	-20	1,536	-	1,536
<u>The Joint Staff (TJS)</u>	<u>1,298</u>	<u>-4</u>	<u>1,294</u>	<u>-13</u>	<u>1,281</u>
Military	1,095	-5	1,090	-12	1,078
Civilian	203	+1	204	-1	203
<u>Defense-Wide (less OSD/TJS)</u>	<u>6,113</u>	<u>-29</u>	<u>6,084</u>	<u>-34</u>	<u>6,050</u>
Military	632	-24	608	+23	631
Civilian	5,481	-5	5,476	-57	5,419
<u>Total Non-Combatant Commands</u>	<u>40,072</u>	<u>-1,433</u>	<u>38,639</u>	<u>-599</u>	<u>38,040</u>
Military	14,386	-599	13,787	-203	13,584
Civilian	25,686	-834	24,852	-396	24,456

MANAGEMENT HEADQUARTERS

DOD SUMMARY

(Military End Strength/Civilian Full-Time Equivalents)

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>	<u>17,471</u>	<u>-787</u>	<u>16,684</u>	<u>-146</u>	<u>16,538</u>
Military	6,515	-267	6,248	-91	6,157
Civilian	10,956	-520	10,436	-55	10,381
<u>Navy</u>	<u>15,692</u>	<u>-308</u>	<u>15,384</u>	<u>-249</u>	<u>15,135</u>
Military	8,345	-108	8,237	-122	8,115
Civilian	7,347	-200	7,147	-127	7,020
<u>Air Force</u>	<u>19,224</u>	<u>-790</u>	<u>18,434</u>	<u>-279</u>	<u>18,155</u>
Military	12,506	-567	11,939	-205	11,734
Civilian	6,718	-223	6,495	-74	6,421
<u>USSOCOM</u>	<u>1,704</u>	<u>+10</u>	<u>1,714</u>	<u>-13</u>	<u>1,701</u>
Military	1,138	+5	1,143	-13	1,130
Civilian	566	+5	571	-	571
<u>Office of the Secretary of Defense (OSD)</u>	<u>2,134</u>	<u>-127</u>	<u>2,007</u>	<u>:</u>	<u>2,007</u>
Military	578	-107	471	-	471
Civilian	1,556	-20	1,536	-	1,536
<u>The Joint Staff (TJS)</u>	<u>1,298</u>	<u>-4</u>	<u>1,294</u>	<u>-13</u>	<u>1,281</u>
Military	1,095	-5	1,090	-12	1,078
Civilian	203	+1	204	-1	203
<u>Defense-Wide (less OSD/TJS)</u>	<u>6,113</u>	<u>-29</u>	<u>6,084</u>	<u>-34</u>	<u>6,050</u>
Military	632	-24	608	+23	631
Civilian	5,481	-5	5,476	-57	5,419
<u>DoD Total</u>	<u>63,636</u>	<u>-2,035</u>	<u>61,601</u>	<u>-734</u>	<u>60,867</u>
<u>Military</u>	<u>30,809</u>	<u>-1,073</u>	<u>29,736</u>	<u>-420</u>	<u>29,316</u>
<u>Civilian</u>	<u>32,827</u>	<u>-962</u>	<u>31,865</u>	<u>-314</u>	<u>31,551</u>

MOBILIZATION

	<u>(\$ in Millions)</u>						
	<u>FY 1999</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2000</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	
Army	584.6	+26.0	-7.3	603.3	-2.8	-73.6	526.9
Navy	971.1	+20.3	-231.0	760.4	+2.6	-94.1	668.9
Marine Corps	85.3	+1.2	-4.1	82.4	+1.9	+2.0	86.3
Air Force	<u>3,552.9</u>	<u>-11.8</u>	<u>-863.1</u>	<u>2,678.0</u>	<u>+261.1</u>	<u>+220.4</u>	<u>3,159.5</u>
Total	5,193.9	+35.7	-1,105.5	4,124.1	+262.8	+54.7	4,441.6

Mobilization provides for strategic and tactical airlift and sealift capability to deploy combat forces and materiel in contingencies. The Mobilization program funds an adequate inventory of immediately available supplies and equipment, stationed both afloat and on land, to sustain the operating forces for lengths of time and levels of conflict outlined in the National Military Strategy. In addition, it funds the inactivation of Navy ships and submarines, which accounts for over one-half of the Navy's Mobilization program.

The Mobilization program increases by \$317.5 million from FY 2000 to FY 2001. This includes price growth of \$262.8 million and real program increase of \$54.7 million (1.3 percent). The majority of the increases are associated with the Air Force, both price and program. The price change is primarily associated with an increase in fuel costs. The Air Force's increase also reflects the functional transfer of the aeromedical program from the Defense Health Program and adjustments to the Airlift Operations, C3I, Preparedness for War Readiness Materiel, and the Airlift Readiness programs. These increases are partially offset by decreases to the Army's Prepositioned Stocks program, and the Navy's completion of two nuclear cruiser inactivations. The funding profile shown above includes all Budget Activity 2 (Mobilization) resources plus the Marine Corps Prepositioning activity group included in Budget Activity 1 (Operating Forces).

	<u>(\$ in Millions)</u>				
	<u>FY 1999</u> <u>Actual</u>	<u>Change</u>	<u>FY 2000</u> <u>Estimate</u>	<u>Change</u>	
<u>Airlift Subsidy</u>	470.0	-157.8	312.2	24+117.6	429.8

The Air Force's airlift program is financed primarily through USTRANSCOM rates; however, a direct payment to USTRANSCOM is required to fully meet airlift expenses due to the difference between USTRANSCOM rates and total costs of airlift operations, which include maintaining

MOBILIZATION

airlift mobilization capabilities to meet potential contingency requirements. The FY 2001 increase is primarily associated with spares for the C-5.

<u>Afloat Prepositioned Fleet (Apf)</u>	<u>591.6</u>	<u>+21.3</u>	<u>612.9</u>	<u>-7.7</u>	<u>605.2</u>
Army APF	169.1	+17.8	186.9	-6.4	180.5
Navy Maritime Prepo Ships (MPS)	371.2	-5.8	365.4	-3.4	362.0
Navy Prepositioned Hospital Ship	6.9	-5.2	1.7	-1.7	-
CENTCOM Ammo Prepo Ship	10.1	+0.5	10.6	-3.3	7.3
Navy Maritime Prepo Ships (Enhanced)	-	+12.1	12.1	+5.9	18.0
Air Force APF	34.3	+1.9	36.2	+1.2	37.4

The Afloat Prepositioned Fleet program funds prepositioned ships, which carry equipment, supplies and ammunition, and are available for immediate and rapid response to unforeseen contingencies throughout the world. The Army forces consist of 18/18/17 APF ships in FY 1999/FY 2000/FY 2001, respectively, with a capability to deploy and sustain a five and one-third division corps with its associated force structure to any crisis worldwide. The Army is in the process of converting from the interim prepositioned fleet using converted Large, Medium Speed Roll-On/Roll-Off (LMSR) ships to new construction LMSR ships. The last phase of the conversion will be in FY 2000-FY 2001.

The Navy forces include 13 MPS ships in FY 1999/FY 2000/FY 2001 that can support three Marine Amphibious Brigades in forward areas for 30 days of combat operations and a cargo/ammunition ship to provide support to US Central Command (CENTCOM). In addition, the Navy will activate one additional Enhanced MPS ship in FY 2001. These ships will perform multiple roles and will replace the prepositioned fleet hospital beginning in FY 2001.

The Air Force funds three prepositioned ships, containing approximately 51,000 short tons of fighter/bomber munitions, for use in contingency operations.

MOBILIZATION

	(\$ in Millions)				
	FY 1999		FY 2000		FY 2001
<u>Other Mobilization Programs</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>	<u>415.5</u>	<u>-38.9</u>	<u>416.4</u>	<u>-80.9</u>	<u>392.3</u>
Prepositioned Stocks	151.8	+30.7	182.5	-52.0	130.5
Industrial Preparedness	58.4	-2.7	55.7	+10.9	66.6
Other Prepositioned	119.3	+9.1	128.4	-20.2	108.2
Exercises	31.1	-9.3	21.8	-1.4	20.4
Real Property Maintenance	54.9	-26.9	28.0	-7.3	66.6
<u>Navy</u>	<u>582.7</u>	<u>-212.2</u>	<u>370.6</u>	<u>-89.0</u>	<u>281.6</u>
Activations/Inactivations	497.7	-213.0	284.7	-88.3	196.4
Fleet Hospital Program	22.7	+0.2	22.9	+0.8	23.7
Industrial Readiness	11.7	-10.6	1.1	-	1.1
Coast Guard Support	15.6	+3.1	18.8	+0.5	19.3
Other Sealift/Surge	31.4	+7.9	39.3	-2.2	37.1
Exercises	3.6	+0.2	3.8	+0.2	4.0
<u>Marine Corps</u>	<u>85.3</u>	<u>-2.9</u>	<u>82.4</u>	<u>+3.9</u>	<u>86.3</u>
Prepositioned Equipment	85.3	-2.9	82.4	+3.9	86.3
<u>Air Force</u>	<u>3,048.6</u>	<u>-719.0</u>	<u>2,329.6</u>	<u>+362.7</u>	<u>2,692.3</u>
Airlift Operations	1,387.7	-632.5	755.2	+244.2	999.4
Airlift Operations C3I	27.6	+4.2	31.8	+6.2	38.0
Airlift Operations Training	588.4	-22.7	565.7	+87.9	653.6
Mobilization Preparedness	98.5	+5.8	104.3	+4.5	108.8
Depot Maintenance	353.6	-40.2	313.4	-8.2	305.2
Real Property Maintenance	158.9	-36.9	122.0	-1.5	120.5
Base Support	433.9	+3.3	437.2	+29.6	466.8
Total Other Mobilization	4,132.1	-909	3,226.7	+225.8	3,452.5

MOBILIZATION

The Army's Other Mobilization programs fund manpower, material handling and other supply support equipment, facilities, etc. required to store and handle war reserve materials. The Army's prepositioned stocks (formerly War Reserves) are designed to equip and sustain the operating forces for a specific length of time and intensity of conflict as required by the National Military Strategy. Industrial preparedness funds an industrial and installation support base capable of mobilizing on short notice to meet the nation's Defense requirements in high intensity and/or long duration conflicts. The Other Prepositioned program includes the procurement and maintenance of containers, the downloading of the older ships, and the uploading of new ships as well as repairs on strategic mobility infrastructure required to support and move early deploying forces. The FY 2001 request for prepositioned stocks declines as a result of one-time costs funded in FY 2000. The increase in FY 2000 for Industrial Preparedness is primarily associated with the redistribution of equipment from Central Europe to Qatar. The decrease in Real Property Maintenance is the result of fewer projects for the Army's Deployment Outload program, which is nearing completion. (The Deployment Outload program finances infrastructure improvements to enhance the Army's ability to deploy from the "fort to port.") The \$1.4 million decrease for exercises is primarily associated with reduced requirements for container equipment for early deploying units.

Included in the Navy's Other Mobilization programs are the cost to inactivate ships and submarines from the Navy's Active Ship Battle Forces. This cost can vary widely from year to year as the number, mix, and complexity of inactivations changes. The FY 2001 decrease of \$88.3 million primarily reflects the completion of two nuclear cruiser inactivations. The remainder of the Navy's Mobilization program funds amphibious sealift equipment, such as elevated causeways, barge ferries, and lighterage; maintenance and upgrade of equipment and replacement of medical supplies aboard prepositioned and surge ships; periodic exercises that involve the activation of surge ships; maintenance and resupply of fleet hospital assets in storage; maintenance, overhaul, and support of Navy equipment aboard Coast Guard vessels; and an industrial readiness program. The increase to the Fleet Hospital program is associated with price growth of \$0.4 million and a new requirement for transportation from forward-deployed locations to be done at commercial sealift costs (\$0.4 million). The increase of \$0.5 million to Coast Guard Support is associated with the consolidation of all Navy Coast Guard support into Budget Activity 2 (Mobilization). The reduction to the Other Sealift/Surge programs can be primarily associated with reduced support costs for the Joint Modular Lighter System as the system completes development and testing (\$-2.1 million).

The Marine Corps mobilization program finances the training and exercise costs associated with the Maritime Prepositioning Force program as well as the cost of maintaining equipment and supplies in a ready-to-operate status. The FY 2001 increase is associated with funding for the

MOBILIZATION

initial equipment loadout of the second Marine Prepositioned Fleet (Enhanced) ship, due to the ship delivery date moving from FY 2000 to FY 2001.

The Air Force's Airlift Operations program supports the day-to-day missions activity of Mobility Operations, including school-house and proficiency training for C-5, C-130, C-141, and C-17 aircrews, air refueling operations on KC-10 and KC-135 aircraft, operational support airlift, short takeoff and landing C-27 airlifters, and various simulators and trainer programs. The Air Force's Airlift Command, Control, Communication, and Intelligence (C3I) programs finance various command and control systems, which provide the capability to direct and control airlift and aircrew forces for worldwide deployment. Mobilization Preparedness funding provides the Air Force with the capability to sustain operations during crisis situations through the provision and prepositioning of war reserve material (WRM), theater nuclear weapon storage and security systems (WS3), Theater Nuclear Weapon Storage and Security (WS3), industrial preparedness, inactive aircraft storage and disposal, and station hospitals and clinics. The increases to Airlift Operations are primarily due to pricing increases (\$78.2 million), a functional transfer from the Defense Health Program for areomedical services (\$72.1 million), Contractor Logistics Support (CLS) (\$44.7 million), increased output for the C-17 to Air Mobility Command (AMC) (\$22.5 million), and repricing of the FY 2001 Flying Hour Program to reflect the latest CY 1999 Air Force Cost Analysis Improvement Group (AFCAIG) approved cost factors. Airlift Operations Training increases are associated primarily with pricing (\$65.9 million), training increases for the increased C-17 output to AMC (\$22.5 million), repricing of the FY 2001 Flying Hour Program to reflect the latest AFCAIG cost factors (\$15.5 million), and CLS costs (\$13 million); these increases are partially offset by the transfer out of funding and manpower for Combat Search and Rescue training at Kirtland AFB to Combat Air Forces Training (\$-28.2 million), funded in Budget Activity 1 (Operating Forces). Base Support increases primarily due to pricing (\$17.4 million), a transfer in from the Military Personnel Appropriation to reflect activities and functions that are not military essential (\$18.4 million) and will be examined further to determine if the functions should be contracted or remain in-house, and additional environmental compliance efforts (\$9.0 million); these increases are partially offset by the one-time costs for the relocation of the C-130's from Panama to Puerto Rico (\$-16.5 million).

REAL PROPERTY MAINTENANCE

	(\$ in Millions)						
	FY 1999 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2000 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2001 <u>Estimate</u>
Army	1,295.7	+48.1	+92.7	1,436.5	+4.9	-12.4	1,429.0
Navy	939.8	+22.1	+9.5	971.4	+16.8	+185.4	1,173.6
Marine Corps	388.4	+9.3	-	397.7	+9.0	+41.5	448.2
Air Force	1,484.0	+31.0	-87.0	1,428.0	+42.0	+45.0	1,515.0
Defense-Wide	99.2	+1.6	-26.9	73.9	+1.4	+25.1	100.4
Defense Health Program	322.1	+5.2	-30.1	297.2	+7.1	+68.6	372.9
Army Reserve	68.7	+1.0	+58.2	127.9	+2.1	-15.3	114.7
Navy Reserve	43.5	+0.7	-3.9	40.3	+0.7	+22.6	63.6
Marine Corps Reserve	8.3	+0.1	+0.2	8.6	+0.1	-0.4	8.3
Air Force Reserve	88.1	+1.8	-30.0	59.9	+1.1	-16.1	44.9
Army National Guard	140.0	+1.7	+52.0	193.7	+2.9	+7.1	203.7
Air National Guard	91.1	+1.1	+13.1	105.3	+1.6	-4.5	102.4
Quality of Life Enhancements, Defense	<u>455.0</u>	<u>+7.3</u>	<u>-162.3</u>	<u>300.0</u>	<u>+4.8</u>	<u>-304.8</u>	<u>-</u>
Total	5,423.9	+131.0	-114.5	5,440.4	+94.5	+41.8	5,576.7

Totals may not add due to rounding.

The Real Property Maintenance (RPM) program provides funding to maintain and repair buildings, structures, warehouses, roadways, runways, aprons, railway tracks, utility plants, and distribution systems. It also includes funding for minor construction to erect, install, or assemble new facilities and to expand, alter, or convert existing facilities when the costs of such efforts, by project, do not exceed \$500 thousand. The funds depicted above do not include amounts financed through the Working Capital Funds for repair and maintenance of the Fund activities. Costs of military personnel assigned to RPM activities are also excluded as are RPM requirements funded in the RDT&E and Military Construction accounts. The FY 2000 program reflects \$300.0 million of congressional adds for quality-of-life enhancements including maintenance and repair of barracks, work places, and other quality-of-life facilities. The FY 2001 O&M RPM request reflects a net increase of approximately \$441.1 million above the FY 2000 program without congressional adds. Specifically, the FY 2001 budget request of \$5,576.7 million includes price growth of \$94.5 million and net program growth of \$346.6 million above the FY 2000 funding levels when congressional adds are factored out.

The following data provides details on O&M funding levels for Maintenance and Repair and Minor Construction and on the personnel data associated with these efforts.

REAL PROPERTY MAINTENANCE

MAINTENANCE AND REPAIR OF REAL PROPERTY (MRP)

	(\$ in Millions)						
	FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
Army	1,188.5	+44.0	+156.1	1,388.6	+4.8	-14.2	1,379.2
Navy	911.5	+21.5	+13.2	946.2	+16.4	+185.3	1,147.9
Marine Corps	359.5	-0.5	-	359.0	+8.1	+52.6	419.7
Air Force	1,420.0	+28.4	-72.4	1,376.0	+40.0	+52.0	1,468.0
Defense-Wide	80.8	+1.4	-25.7	56.5	+1.2	+23.3	81.0
Defense Health Program	285.2	+4.6	-23.4	266.4	+6.4	+53.5	326.3
Army Reserve	64.3	+0.9	+51.2	116.4	+1.9	-12.0	106.3
Navy Reserve	41.7	+0.7	-6.1	36.3	+0.6	+20.4	57.3
Marine Corps Reserve	6.6	+0.1	+0.2	6.9	+0.1	-0.1	6.9
Air Force Reserve	75.0	+1.5	-21.2	55.3	+1.1	-13.7	42.7
Army National Guard	91.0	+1.1	+94.9	187.0	+2.9	+7.1	197.0
Air National Guard	71.8	+0.8	+23.9	96.5	+1.4	-4.6	93.3
Quality of Life Enhancements, Defense	<u>455.0</u>	<u>+7.3</u>	<u>-162.3</u>	<u>300.0</u>	<u>+4.8</u>	<u>-304.8</u>	<u>-</u>
Total	5,050.9	+111.8	+28.4	5,191.1	+89.7	+44.8	5,325.6

MINOR CONSTRUCTION

Army	107.2	+4.1	-63.4	47.9	+0.1	+1.8	49.8
Navy	28.3	+0.6	-3.7	25.2	+0.4	+0.1	25.7
Marine Corps	28.9	+9.8	-	38.7	+0.9	-11.1	28.5
Air Force	64.0	+2.6	-14.6	52.0	+2.0	-7.0	47.0
Defense-Wide	18.4	+0.2	-1.2	17.4	+0.2	+1.8	19.4
Defense Health Program	36.9	+0.6	-6.7	30.8	+0.7	+15.1	46.6
Army Reserve	4.4	+0.1	+7.0	11.5	+0.2	-3.3	8.4
Navy Reserve	1.8	-	+2.2	4.0	+0.1	+2.2	6.3
Marine Corps Reserve	1.7	-	-	1.7	-	-0.3	1.4
Air Force Reserve	13.1	+0.3	-8.8	4.6	-	-2.4	2.2
Army National Guard	49.0	+0.6	-42.9	6.7	-	-	6.7
Air National Guard	<u>19.3</u>	<u>+0.3</u>	<u>-10.8</u>	<u>8.8</u>	<u>+0.2</u>	<u>+0.1</u>	<u>9.1</u>
Total	373.0	+19.2	-142.9	249.3	+4.8	-3.0	251.1

REAL PROPERTY MAINTENANCE

BACKLOG OF MAINTENANCE AND REPAIR (BMAR)

	(\$ in Millions)				
	FY 1999		FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army	16,900.0	-1,700.0	15,200.0	+1,000.0	16,200.0
Navy	2,709.7	+280.2	2,989.9	+254.6	3,244.5
Marine Corps	709.0	-23.9	685.1	-19.3	665.8
Air Force	3,300.0	+25.0	3,325.0	-166.0	3,159.0
Defense-Wide	82.4	+2.4	84.8	-11.7	73.1
Defense Health Program	864.2	+472.0	1,336.2	+399.7	1,735.9
Army Reserve	364.2	+29.6	393.8	+40.5	434.3
Navy Reserve	95.3	+24.8	120.1	+0.9	121.0
Marine Corps Reserve	7.5	-0.4	7.1	+0.3	7.4
Air Force Reserve	167.1	-7.0	160.1	+6.8	166.9
Army National Guard	479.0	-1.0	478.0	+1.0	479.0
Air National Guard	<u>778.7</u>	<u>+81.4</u>	<u>860.1</u>	<u>+81.3</u>	<u>941.4</u>
Total	26,457.1	-816.9	25,640.2	1,588.1	27,228.3

Totals may not add due to rounding.

BMAR

The BMAR represents unconstrained, unvalidated estimates. The Components still estimate a 6.3 percent increase in the BMAR for FY 2001 despite congressional adds of \$455 million in FY 1999 and \$300 million in FY 2000 and a program net increase of \$41.8 million in FY 2001. The Services attribute the growth in backlog to decisions to forego maintenance and repair projects due to the acceleration in the downsizing of the force and a lag in the consolidation and closure of excess infrastructure. There are several efforts underway within the Department to improve management of the RPM program. The DoD is developing a standard definition of real property maintenance, creating a standard definition of backlog, and reviewing Plant Replacement Value calculations. Further, the Department is in the process of developing a facility sustainment model that will be used to gauge the proper amount to be programmed for RPM.

REAL PROPERTY MAINTENANCE

PERSONNEL DATA

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Active Force Military Personnel (End Strength)</u>	<u>10,779</u>	<u>-5,177</u>	<u>5,602</u>	<u>-604</u>	<u>4,998</u>
Officer	693	+63	756	+19	775
Enlisted	10,086	-5,240	4,846	-623	4,223
<u>Civilian Personnel (Full-Time Equivalents)</u>	<u>21,674</u>	<u>-2,404</u>	<u>19,2270</u>	<u>-675</u>	<u>18,595</u>
U.S. Direct Hires	16,181	-1,725	14,456	-593	13,863
Foreign National Direct Hires	1,288	-279	1,009	-19	990
Total Direct Hire	17,476	-2,004	15,465	-612	14,853
Foreign National Indirect Hire	4,205	-400	3,805	-63	3,742

Army

The Army is requesting \$1,429.0 million in FY 2001 for RPM in its O&M, Army appropriation. These funds reflect a net decrease of \$7.5 million from the FY 2000 funding level (\$+4.9 million in price growth and \$12.4 million (-0.9 percent) of net program decreases). The Army is unable to fully sustain its infrastructure; however, it is able to continue to work on barracks, utility systems and strategic mobility upgrades.

Navy

The Navy is requesting \$1,173.6 million in FY 2001 for RPM in its O&M, Navy appropriation. These funds reflect a net increase of \$202.2 million from the FY 2000 funding level (\$16.8 million in price growth and \$185.4 million (18.8 percent) of net program increases). The program increase in FY 2001 will fund both major and minor specific work required to maintain full operational capability in airport/seaport functions, utility infrastructure reliability, and training functions at readiness levels.

Marine Corps

The Marine Corps is requesting \$448.2 million in FY 2001 for RPM in its O&M, Marine Corps appropriation. These funds reflect a net increase of \$50.5 million from the FY 2000 funding level (\$9.0 million in price growth and \$41.5 million (10.2 percent) of net program

REAL PROPERTY MAINTENANCE

increases). The program provides maintenance and repair to arrest the growth of the backlog of maintenance associated with barracks and to reduce the growth of the regular maintenance backlog.

Air Force

The Air Force is requesting \$1,515.0 million in FY 2001 for RPM in its O&M, Air Force appropriation. These funds reflect a net increase of \$87.0 million from the FY 2000 funding level (\$42.0 million in price growth and \$45.0 million (3.1 percent) in increased program). The request provides resources for in-service and contractual accomplishment and repair work on buildings, structures, warehouses, roadways, runways and aprons, and utility and distribution systems.

Defense-Wide

The Defense-Wide activities are requesting \$100.4 million in FY 2001 for RPM in its O&M, Defense-Wide appropriation. These funds reflect a net increase of \$26.5 million from FY 2000 funding level (\$1.4 million in price growth and \$25.1 million (33.3 percent) in increased program). The funds will be used primarily for replacement of heating and air conditioning units, plumbing, electrical systems and other mechanical equipment because of their age and condition.

Defense Health Program (DHP)

The DHP is requesting \$372.9 million in FY 2001 for RPM in its O&M budget activity. These funds reflect a net increase of \$75.7 million from the FY 2000 funding level (\$7.1 million for price growth and \$68.6 million (22.5 percent) of program growth). The program increase reflects funding for higher priority direct patient care.

Guard and Reserve Forces

The Guard and Reserve Forces are requesting \$537.6 million in FY 2001, which reflects a net decrease of \$2.1 million from the FY 2000 funding level (\$8.5 million in price growth and \$6.6 million (-1.2 percent) in net program reduction). The program in FY 2001 reflects a constant level of funding and is consistent with prior year levels. The program supports the operation, protection, and maintenance of real property facilities including buildings, roads, grounds, and airfields of the Guard and Reserve supporting a level of combat readiness that enables them to augment the active forces.

RECRUITING, ADVERTISING, AND EXAMINING

	(\$ in Millions)						
	FY 1999 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2000 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2001 <u>Estimate</u>
Army	353.0	+7.0	+41.1	401.1	+9.1	+52.8	463.0
Navy	183.2	+2.6	+10.7	196.5	+4.6	-20.4	180.7
Marine Corps	98.0	+1.7	+3.9	103.6	+1.7	-5.3	100.0
Air Force	98.7	+1.6	+19.2	119.5	+2.3	-4.8	117.0
Defense-wide	5.6	+0.1	+17.2	22.9	+0.4	+0.6	23.9
Defense Health Program	28.8	+0.6	+2.2	31.6	+0.6	+1.8	34.0
Army Reserve	63.8	+0.9	+9.7	74.4	+1.4	-6.6	69.2
Navy Reserve	15.4	+0.2	+9.1	24.7	+0.3	-7.0	18.0
Marine Corps Reserve	7.8	+0.1	+1.9	9.8	+0.1	-2.0	7.9
Air Force Reserve	14.1	+0.3	+0.4	14.8	+0.3	-4.5	10.6
Army National Guard	44.9	+0.6	+9.8	55.3	+0.9	+11.0	67.2
Air National Guard	<u>14.8</u>	<u>+0.2</u>	<u>+1.6</u>	<u>16.6</u>	<u>+0.3</u>	<u>-7.2</u>	<u>9.7</u>
Total	928.1	+15.9	+126.8	1,070.8	+22.0	+8.4	1,101.2

Recruiting

The recruiting funds provide support for recruiting commands and stations throughout the United States. Recruiting costs are for those items essential to the accomplishment of the recruiting mission, including meals, lodging, and travel of applicants; recruiter expenses, travel and per diem; civilian pay; vehicle operation and maintenance; lease of office space; and other incidental expenses necessary to support the recruiting mission. The FY 2001 Recruiting program reflects a net increase of \$49.7 million. Of this amount, \$10.6 million is for price growth and \$39.1 million is for net program growth.

Advertising

The advertising funds provide for local, regional, and national advertising to support the procurement and retention of quality enlisted and officer personnel. All advertising is designed to increase public awareness, portray opportunities, and generate recruit leads. The Services fund a media mix of advertising that includes television and radio; magazines and newspapers; direct mail campaigns; and recruiting booklets, pamphlets, and posters. The Operation and Maintenance (O&M), Defense-Wide appropriation funds common services for the Active and Reserve Components to include providing unified lead lists and direct mail campaigns. The FY 2001 Advertising program reflects a net decrease of \$22.4 million. This amount reflects the net sum of \$9.2 million for price growth that is more than offset by a net program decrease of \$32.0 million.

RECRUITING, ADVERTISING, AND EXAMINING

Examining

The examining funds provide support for the U.S. Military Entrance Processing Command (MEPCOM), which includes the Military Entrance Processing Stations (MEPS) that process all enlisted personnel entering on active duty. The MEPCOM is a joint-Service organization. Each Service contributes military personnel based on its share of total budgeted accessions. The Army is the DoD Executive Agent for the command and provides the civilian staff. In addition, the Army provides funds for the MEPCOM to administer the Armed Service Vocational Aptitude Battery (ASVAB) test. This administration includes both the production and institutional (high school) testing programs and the Mobile Examining Teams (MET) operating under MEPS direction. Funds also provide for automated data processing (ADP) requirements of MEPCOM and the Selective Service System at their shared Joint Computer Center. The Air Force provides funding for an Air Force specific strength aptitude test program. This Air Force program provides a gender neutral test to ensure personnel are capable of performing their duties, therefore, decreasing accidents and injuries due to overexertion and alleviating attrition in strenuous jobs.

The Defense Health Program finances the medical activities in the MEPS, primarily the examination of applicants to determine their medical qualifications for enlistment in the Armed Forces. In addition, the Defense Health Program includes funds for the DoD Medical Evaluation Review Board, which schedules and reviews physical examinations for the Service Academies and for the Reserve Officers Training Corps (ROTC) scholarship program.

The FY 2001 Examining program reflects a net increase of \$3.1 million, of which \$2.2 million is for price growth and \$1.3 million is for net program growth.

Explanation of Funding Changes

Overall funding in recruiting, advertising, and examining increases from \$1,070.8 million in FY 2000 to \$1,101.2 million in FY 2001, an increase of \$30.4 million above the FY 2000 level. This increase reflects price growth of \$22.0 million and net program growth of \$8.4 million. These adjustments are described further below:

	<u>(\$ in Millions)</u>
FY 2000 Current Estimate	1,070.8
Price Growth	+22.0
Net Transfers out of the O&M accounts and into the Procurement and Research, Development, Test and Evaluation appropriations primarily for the Army Recruiting Information Support System.	-19.5

RECRUITING, ADVERTISING, AND EXAMINING

(\$ in Millions)

Program Increases

+118.6

- Funds Secretary of the Army recruiting initiatives to directly support recruiters in the field by providing better training, communication, administrative support and quality-of-life. Some administrative support functions will be outsourced. Additionally, the Army will redistribute actual and virtual Army recruiting presence in the general public by funding several initiatives that include virtual recruiting stations and development of a scenario-based multi-level game and interactive simulation; and electronic recruiting kiosks that will be placed in high traffic areas such as shopping malls, community colleges, and special events to increase visibility. +93.0
- Funds increased recruiting and advertising campaign for the Army National Guard. +11.0
- Funds support costs for 300 additional Air Force recruiters needed for the Service to achieve its accession goal. +8.0
- Funds Marine Corps initiatives for increased advertising, recruiter support for applicant processing, and other one-time costs for recruiter tools-of-the-trade (i.e., communication devices, vehicles, etc.). +6.6

Program Decreases

-90.7

- Reflects one-time requirements in FY 2000 for Army recruiter systems support and reduced funding resulting from FY 2000 congressional increases in recruiting and advertising for the Navy, Marine Corps, Air Force, Army Reserve, and Air National Guard. -83.8
- Reflects reductions in the Army for contractor support for the Military Entrance Processing Command (MEPCOM) Integrated Resource System (MIRS) and in the Navy for recruiter support (i.e., laptops, office equipment, furniture, etc.). -5.8
- Other minimal reductions in recruiting and advertising support for both the Army and the Marine Corps. -1.1

FY 2001 Estimate

1,101.2

RECRUITING, ADVERTISING, AND EXAMINING

The following tables provide the funding by Component for each category.

	<u>(\$ in Millions)</u>				
	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
<u>Funding Summary</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Recruiting</u>	<u>449.8</u>	<u>+77.3</u>	<u>527.1</u>	<u>+49.7</u>	<u>576.8</u>
Army	161.4	+38.0	199.4	+60.7	260.1
Navy	110.2	+16.2	126.4	-17.3	109.1
Marine Corps	59.2	+4.7	63.9	-4.0	59.9
Air Force	41.8	+8.9	50.7	+3.8	54.5
Army Reserve	33.1	+0.5	33.6	+3.2	36.8
Navy Reserve	13.0	+3.6	16.6	-3.0	13.6
Marine Corps Reserve	5.0	+1.1	6.1	-0.9	5.2
Air Force Reserve	5.4	+1.2	6.6	-1.8	4.8
Army National Guard	17.9	+2.4	20.3	+8.9	29.2
Air National Guard	2.8	+0.7	3.5	+0.1	3.6
<u>Advertising</u>	<u>378.0</u>	<u>+53.4</u>	<u>431.6</u>	<u>-22.4</u>	<u>409.2</u>
Army	120.3	+3.9	124.2	+1.0	125.2
Navy	73.0	-2.9	70.1	+1.5	71.6
Marine Corps	38.8	+0.9	39.7	+0.4	40.1
Air Force	54.7	+11.1	65.8	-6.8	59.0
Defense-Wide	5.6	+17.3	22.9	+1.0	23.9
Army Reserve	30.7	+10.1	40.8	-8.4	32.4
Navy Reserve	2.4	+5.7	8.1	-3.7	4.4
Marine Corps Reserve	2.8	+0.9	3.7	-1.0	2.7
Air Force Reserve	8.7	-0.5	8.2	-2.4	5.8
Army National Guard	27.0	+8.0	35.0	+3.0	38.0
Air National Guard	14.0	-1.1	13.1	-7.0	6.1
<u>Examining</u>	<u>102.3</u>	<u>+9.8</u>	<u>112.1</u>	<u>+3.1</u>	<u>115.2</u>
Army	71.3	+6.2	77.5	+0.2	77.7
Air Force	2.2	+0.8	3.0	+0.5	3.5
Defense Health Program	28.8	+2.8	31.6	+2.4	34.0

The following tables provide the enlisted accession requirements for each Component.

RECRUITING, ADVERTISING, AND EXAMINING

**RECRUITING, ADVERTISING, AND EXAMINING
ENLISTED ACCESSION REQUIREMENTS (000)**

	FY 1999		FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Active Forces</u>	<u>189.8</u>	<u>+10.1</u>	<u>199.9</u>	<u>+3.5</u>	<u>203.4</u>
<u>Nonprior Service</u>	<u>180.2</u>	<u>+9.1</u>	<u>189.3</u>	<u>+5.3</u>	<u>194.6</u>
Army	64.8	+4.7	69.5	+2.3	71.8
Navy	49.7	+2.7	52.4	+1.3	53.7
Marine Corps	33.6	-0.2	33.4	+1.7	35.1
Air Force	32.1	+1.9	34.0	-	34.0
<u>Prior Service</u>	<u>9.6</u>	<u>+1.0</u>	<u>10.6</u>	<u>+1.8</u>	<u>8.8</u>
Army	7.1	-0.1	7.0	-	7.0
Navy	1.8	+1.2	3.0	-1.8	1.2
Marine Corps	0.1	-0.1	-	-	-
Air Force	0.6	-	0.6	-	0.6
<u>Reserve Forces</u>	<u>145.3</u>	<u>+4.8</u>	<u>150.1</u>	<u>+5.4</u>	<u>155.5</u>
<u>Nonprior Service</u>	<u>56.7</u>	<u>+3.7</u>	<u>60.4</u>	<u>+6.3</u>	<u>66.7</u>
Army Reserve	18.0	+1.4	19.4	+0.8	20.2
Navy Reserve	1.0	+1.0	2.0	+2.2	4.2
Marine Corps Reserve	5.8	+0.2	6.0	-	6.0
Air Force Reserve	2.4	+0.1	2.5	+0.1	2.6
Army National Guard	26.0	+1.0	27.0	+3.1	30.1
Air National Guard	3.5	-	3.5	+0.1	3.6
<u>Prior Service</u>	<u>88.6</u>	<u>1.1</u>	<u>89.7</u>	<u>-0.9</u>	<u>88.8</u>
Army Reserve	23.8	+5.2	29.0	-4.9	24.1
Navy Reserve	19.4	-0.4	19.0	-	19.0
Marine Corps Reserve	-	-	-	-	-
Air Force Reserve	9.4	-0.3	9.1	+0.1	9.2
Army National Guard	31.1	-4.1	27.0	+3.1	30.1
Air National Guard	4.9	+0.7	5.6	+0.8	6.4
Total Active and Reserve Forces	335.1	+14.9	350.0	+8.9	358.9

SHIP OPERATIONS

	(\$ in Millions)						
	FY 1999 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2000 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2001 <u>Estimate</u>
<u>Active Forces</u>	<u>6,397.2</u>	<u>+43.6</u>	<u>-41.7</u>	<u>6,399.1</u>	<u>+423.0</u>	<u>-487.9</u>	<u>6,334.2</u>
Mission and Other Ship Operations	2,083.3	-119.6	-75.6	1,888.1	+298.0	+51.0	2,237.1
Operational Support and Training	560.5	+11.1	-36.0	535.7	+12.5	-8.2	539.9
Intermediate Maintenance	378.2	+6.7	-19.8	365.1	+20.8	+7.6	393.5
Depot Maintenance	2,233.8	+107.2	+94.3	2,435.2	+54.8	-377.0	2,113.1
Depot Operations Support	1,141.5	+38.1	-4.6	1,175.0	+37.0	-161.3	1,050.7
<u>Reserve Forces</u>	<u>171.1</u>	<u>-3.1</u>	<u>+9.9</u>	<u>177.9</u>	<u>+16.6</u>	<u>-64.3</u>	<u>130.1</u>
Mission and Other Ship Operations	76.1	-4.3	-2.1	69.7	+13.3	-34.8	48.2
Operational Support and Training	0.6	-	-	0.6	-	-	0.6
Intermediate Maintenance	10.4	-0.3	+1.7	11.7	+1.5	-2.0	11.2
Depot Maintenance	83.0	+1.5	+10.0	94.5	+1.7	-27.5	68.7
Depot Operations Support	1.1	-	0.3	1.4	-	-	1.4
Total	6,568.3	+40.5	-31.8	6,577.0	+439.6	-552.2	6,464.3

Ship Operations funds the operating tempo (OPTEMPO), intermediate maintenance, depot level maintenance, engineering support, and logistical support to maintain and deploy combat-ready ships to ensure control of the sea. From this activity the Navy purchases ship fuel, repair parts, utilities, consumable supplies, and repair maintenance at public and private shipyards, as well as Fleet intermediate maintenance facilities. In addition, this category includes the cost to charter logistics support and other ships from the Military Sealift Command (MSC), and includes payments to the Department of Energy (DOE) for consumed nuclear fuel as well as storage and processing of expended nuclear cores. The FY 2001 Ship Operations budget request decreases by \$112.6 million from the FY 2000 level. The net decrease is composed of a price increase of \$439.6 million and net program reductions of \$552.2 million (8.3 percent).

The FY 2001 budget request provides \$6,334.2 million for ship operations of the active forces, which includes price growth of \$423.0 million and real decline in program of \$487.9 million (7.2 percent) below the FY 2000 level. The large price change reflects a 63 percent increase in the cost of conventional ship fuel and a 19 percent increase in supply and material rates as the primary cost drivers.

SHIP OPERATIONS

Additionally, two fewer submarine and two fewer surface depot overhauls are scheduled for FY 2001, resulting in \$171 million in reduced requirements in the Ship Depot Maintenance program. As a result of the decreased number of availabilities, the number of months during which the battle force will be available for operations increases. Consequently, the reductions of \$377.0 million in the Ship Depot Maintenance program are partially offset by increased requirements of \$51.0 million in the Mission and Other Ship Operations program.

The \$161 million decrease in the Ship Depot Operations Support program reflects reduced requirements in a number of programs, including Fleet Modernization and LHA Mid-life Availabilities.

The FY 2001 Operation and Maintenance, Navy Reserve (OMNR) Ship Operations request includes \$16.6 million in price growth, and a program reduction of \$64.3 million below the FY 2000 level, associated with the transfer of the USS JOHN F KENNEDY from reserve to active status to meet forward presence requirements and to stabilize ship rotation schedules. The associated funding is transferred to the OMN appropriation.

<u>Ship Inventory (End of Year)</u>	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Navy Active	258	+1	259	+1	260
MSC Charter/Support	41	-	41	-	41
Battle Force Ships (Active)	299	+1	300	+1	301
Reserve Battle Force	18	-2	16	-1	15
Reserve Non-Battle Force	10	+1	11	-	11
Naval Reserve Force	28	-1	27	-1	26
Total Battle Force Ships (Active plus Reserve)	317	-1	316	-	316

The size of the deployable Battle Force declines from FY 1999 to FY 2000, in parallel with the “shape-respond-prepare” national strategy, and in recognition of the reduced threat of global warfare. The decrease was possible because of the multipurpose capability of ships being added to the naval inventory, as well as the assumption of a major portion of the combat logistics force mission by the Military Sealift Command, which is funded through the Defense Working Capital Fund. The Ship Battle force reaches a steady state in FY 2000.

SHIP OPERATIONS

<u>Battle Force Ships Inventory by Category</u>	<u>FY 2000 Ending Inventory</u>	<u>Gains</u>	<u>Losses</u>	<u>FY 2001 Ending Inventory</u>
Strategic	18	-	-	18
Carriers	12	-	-	12
Surface Combatants	116	+3	-3	116
Submarines	56	-	-1	55
Amphibious	39	+1	-	40
Mine Warfare, Patrol	16	-	-	16
Support Ships	<u>59</u>	<u>-</u>	<u>-</u>	<u>59</u>
Total	316	+4	-4	316

The total number of Battle Force ships remains constant from FY 2000 to FY 2001. The decommissioning of three SPRUANCE class destroyers and one attack submarine are offset by the activation's of three ARLIEGH BURKE class guided missile destroyers and one WASP class amphibious assault ship. The Navy will continue to maintain a force of 12 aircraft carriers; in FY 2001 the USS John F. Kennedy transfers from the Reserve Battle Force to the Active Battle Force.

<u>Shipyears</u>	<u>FY 1999 Actual</u>	<u>Change</u>	<u>FY 2000 Estimate</u>	<u>Change</u>	<u>FY 2001 Estimate</u>
Conventional	181.6	-6.7	174.9	+3.3	178.2
Nuclear	86.5	-3.5	83	-1	82
Reserve	27.1	+0.5	27.6	-1.6	26

Shipyear data provide a more accurate indicator of the overall force level for that year. A shipyear measures that portion of a fiscal year that a ship serves in the fleet. For example, a ship decommissioning on June 30th would have 0.75 shipyears for that fiscal year (October through June) – whereas the end-of-year ship inventory would be zero.

The changes from FY 2000 to FY 2001 for the Conventional Forces reflect the transfer of the USS JOHN F. KENNEDY from the Reserve (+1 shipyear) and 27 months during which ships being commissioned and ships being inactivated in FY2001 are simultaneously in service (+2.3 shipyears). The Nuclear Forces are reflective of submarine inactivation schedules. The changes to the Reserve shipyears are indicative of the transfer of the USS JOHN F. KENNEDY to the Active Force and two ships inactivated in FY 2000 that remained in service for a total of 7 months.

SHIP OPERATIONS

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Operating Tempo (Underway Days Per Quarter)</u>					
Deployed Fleet ^{1/}	50.5	-	50.5	-	50.5
Nondeployed Fleet	26.1	+1.9	28.0	-	28.0
Deployed Mine Warfare (Reserve) ¹	51.0	-	51.0	-	51.0
Non-Deployed Mine Warfare (Reserve)	20.5	+3.5	24.0	-	24.0
Surface Combatant/Amphibious (Reserve)	23.8	-5.8	18.0	-	18.0
Deployed CV (Reserve) ¹	N/A	N/A	51.0	N/A ²	N/A ²
Non-Deployed CV (Reserve)	30.9	+2.1	33.0	N/A ²	N/A ²

1/ Deployed Operating Tempo does not reflect additional underway days in support of contingency operations as funded from the Overseas Contingency Operation Transfer Fund.

2/ USS KENNEDY is budgeted for 55 days of deployed OPTEMPO during her FY 2000 deployment. Nondeployed OPTEMPO remains at 33 days per quarter.

Sustaining the ship operation tempo is critical to meeting global forward-deployed missions and overseas presence commitments of the deployed fleet and to maintain a combat ready and rapidly deployable force in the nondeployed fleet. The budget request supports 50.5 underway days per quarter for the deployed forces and 28 underway days per quarter for the nondeployed forces.

Operating Months (Less Charter Ships)

Conventional	1,956	-119	1,837	+69	1,906 ¹
Nuclear	920	-32	888	-25	863
Reserve	293	+16	309	-30	2791

1/ Values reflect the FY 2001 transition of the USS JOHN F. KENNEDY from the Reserve to the Active Force.

Operating month data is also a good measure of ship operations costs. Operating months reflect the part of the fiscal year that a ship is fully available for missions. The complement of operating months is repair months. For example, a ship not available for missions while undergoing a 3-month repair period would have 9 operating months and 3 repair months (assuming it was not to be commissioned or decommissioned in that particular year).

Underway Steaming Hours (Thousands) ¹

Conventional	521.4	-35.8	485.6	+22.1	507.7 ²
Nuclear	22.4	+0.9	23.3	-4	19.3
Reserve	39.8	+0.4	40.2	-4.5	35.7 ²

1/ Underway Steaming Hours do not reflect those in support of contingency operations since they are funded from the Overseas Contingency Operation Transfer Fund.

2/ Values reflect the FY 2001 transition of the USS JOHN F. KENNEDY from the Reserve to the Active Force.

SHIP OPERATIONS

Underway steaming hours display the estimated total number of hours ships in the battle force are underway. Total steaming hours is dependent upon operating tempo and operating months. Fuel consumed will generally change directly with steaming hours for conventionally powered ships (although fuel burn rates will vary widely between ship classes).

Ship Depot Level Maintenance

Ship Depot Level Maintenance requires skills or facilities beyond the ability of organizational and intermediate level maintenance activities and is performed by naval shipyards, private shipyards, naval ship repair facilities, or item depot activities. Alterations and modifications to the ship's military and technical capabilities may also be accomplished during the maintenance availability. The majority of planned depot maintenance periods are categorized as overhauls, selected restricted availabilities, or phased maintenance availabilities.

Overhauls involve major repairs and modernization, and normally exceed a 6-month duration. Selected restricted availabilities (SRAs) and phased-maintenance availabilities (PMAs) are similar in that both are relatively short (2-3 months) and involve labor intensive repair and modernization efforts. However, ships that are scheduled for PMAs typically do not undergo overhauls. Since the SRAs are scheduled at longer intervals than PMAs, those ships periodically require an overhaul. A ship will undergo overhauls, SRAs, or PMAs as part of the maintenance cycle, depending on the maintenance plan established for that ship class.

The following table shows the number of major depot level maintenance available for the fleet. The maintenance requirement is derived by discrepancies found during pre-overhaul test and inspections or developed from historical maintenance analysis.

<u>Ship Depot Level Maintenance</u>	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
<u>Active Forces</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Overhauls	6	+3	9	-5	4
Selected Restricted Availability	69	-1	68	+19	87
Phased Maintenance Availability	20	-	20	+1	21
 <u>Reserve Forces</u>					
Selected Restricted Availability	3	+2	5	-1	4
Phased Maintenance Availability	8	-1	7	+4	11

SPECIAL OPERATIONS FORCES

	(\$ in Millions)						
	FY 1999 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2000 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2001 <u>Estimate</u>
Army Special Operations Command	393.0	+5.6	-38.9	359.7	+9.3	+16.7	385.7
Joint Special Operations Command	111.7	+2.1	-13.0	100.8	+5.5	-4.8	101.4
Naval Special Warfare Center	209.2	+1.9	+1.1	212.3	+9.8	+2.6	224.7
Air Force Special Operations Command	400.1	+2.2	-23.6	378.7	+31.5	-10.2	400.1
Special Operations Command	112.3	+2.0	-13.2	101.0	+3.7	-16.8	87.9
Special Operations Acquisition Center	84.0	+1.0	+43.4	128.4	+2.0	+11.9	142.4
Theater Special Operations Command	<u>19.8</u>	<u>+0.3</u>	<u>-5.2</u>	<u>15.0</u>	<u>+0.3</u>	<u>-0.9</u>	<u>14.3</u>
Defense-Wide (USSOCOM)	1,330.1	+15.2	-49.4	1,295.9	+62.1	-1.4	1,356.6

Totals may not add due to rounding.

The United States Special Operations Command (USSOCOM) is a unified command with worldwide responsibilities to train, maintain, and provide Special Operations Forces (SOF) in support of the contingency plans developed by the regionally oriented unified commands (USEUCOM, USCENTCOM, USPACOM and USSOUTHCOM). When directed by the President, The USCINCSOC will assume command of a special operation anywhere in the world. The USSOCOM's Army forces include Special Forces, Rangers, short to medium range infiltration/exfiltration aircraft, Civil Affairs specialists, and Psychological Operations specialists. The Navy forces consist of SEAL (Sea, Air, Land) Teams, Patrol Coastal ships, and Special Boat Units. The Air Force special operation units provide medium to long range air infiltration/exfiltration aircraft, specially equipped gunships, and aerial refueling capability. The USSOCOM is the only operational command within DoD directly responsible for determining its own force structure and related material requirements, procuring SOF-unique equipment, and training and deploying its own units.

The Operation and Maintenance (O&M) funding directly supports; SOF units' training; deployments; reaction to contingency requirements; and the day-to-day operations of USSOCOM's Army, Navy, and Air Force Special Operations units. The resources include operations funding for mission enhancements, fielding of SOF equipment, depot maintenance of SOF unique equipment, combat development activities, anti-terrorism/force protection initiatives, and force structure changes. The special operations schools (the John F. Kennedy Special Warfare Center and School at Fort Bragg, NC; the Naval Special Warfare Center at Coronado, CA; and the Air Force Special Operations School at Hurlburt Field, FL) and training development and support activities are also supported. Also included is the operations and maintenance funding

SPECIAL OPERATION FORCES

associated with the acquisition of advanced special operations forces equipment and management headquarters (USSOCOM Headquarters and staff, Naval Special Warfare Command, the U. S. Army Special Operations Command; and the Air Force Special Operations Command).

	(\$ in Millions)						
	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>	<u>Price</u>	<u>Program</u>	<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
<u>Budget Activity 1 - Operating Forces</u>	<u>1,251.3</u>	<u>+13.6</u>	<u>-60.2</u>	<u>1,204.6</u>	<u>+59.6</u>	<u>-0.6</u>	<u>1,263.6</u>
<u>Special Operations Operational Forces</u>	<u>907.0</u>	<u>+7.1</u>	<u>-60.0</u>	<u>854.0</u>	<u>+51.7</u>	<u>-15.2</u>	<u>890.3</u>
Flight Operations	429.6	+1.2	-12.9	417.9	+32.5	-1.1	449.3
Ship/Boat Operations	50.4	-	+8.9	59.2	+3.8	-8.7	54.4
Combat Development Activities	247.6	+3.5	-8.6	242.5	+9.6	-1.6	250.3
Other Operations	179.4	+2.4	-47.4	134.4	+5.8	-3.8	136.3
<u>Special Operations Operational Support</u>	<u>344.2</u>	<u>+6.5</u>	<u>-.1</u>	<u>350.6</u>	<u>+8.0</u>	<u>+14.1</u>	<u>373.3</u>
Force Related Training	35.8	+0.6	-1.6	34.8	+1.2	-0.6	35.3
Operational Support	20.7	+0.4	+10.7	31.8	+0.6	-5.9	26.5
Intelligence & Communication	81.3	+1.1	+0.6	83.0	+1.3	+18.7	103.0
Management/Operational Headquarters	90.8	+2.3	-14.9	78.3	+2.3	-0.5	80.1
Depot Maintenance	97.5	+1.9	+9.2	108.6	+2.4	+3.4	114.4
Base Support	18.0	+0.2	-4.1	14.1	+0.2	-0.4	13.9
<u>Budget Activity 3 - Training And Recruiting</u>	<u>33.6</u>	<u>+0.7</u>	<u>+15.0</u>	<u>49.4</u>	<u>+1.4</u>	<u>-1.7</u>	<u>49.1</u>
<u>Skill and Advanced Training</u>	<u>33.6</u>	<u>+0.7</u>	<u>+15.0</u>	<u>49.4</u>	<u>+1.4</u>	<u>-1.7</u>	<u>49.2</u>
Specialized Skill Training	30.2	+0.7	+15.4	46.3	+1.4	-1.7	46.0
Professional Development Education	2.0	-	-0.4	1.7	-	-	1.7
Base Support	1.4	-	-	1.4	-	-	1.4
<u>Budget Activity 4 - Administrative and</u>							
<u>Servicewide Activities</u>	<u>45.2</u>	<u>+0.8</u>	<u>-4.2</u>	<u>41.9</u>	<u>+1.1</u>	<u>+0.9</u>	<u>43.9</u>
<u>Logistics Operations</u>	<u>45.2</u>	<u>+0.8</u>	<u>-4.2</u>	<u>41.9</u>	<u>+1.1</u>	<u>+0.9</u>	<u>43.9</u>
Acquisition/Program Management	45.2	+0.8	-4.2	41.9	+1.1	+0.9	43.9

SPECIAL OPERATION FORCES

Total Special Operations Command	1,330.1	+15.2	-49.4	1,295.9	+62.1	-1.4	1,356.6
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Totals may not add due to rounding

Explanation of FY 2000 to FY 2001 Program Changes

Budget Activity 1 Operating Forces (\$-.6 million)

Special Operations Operational Forces (\$-15.2 million)

Flight Operations (\$-1.1 million)

Flight Operations increases by \$7.0 million to forward base six 160th SOAR MH-47Es in the PACOM theater beginning in FY 2001. These costs are offset by a decrease of \$8.1 million due to the transfer of five MH-53Js helicopters from the 31st Special Operations Squadron in the PACOM theater to Air Education and Training Command (AETC).

Ship/Boat Operations (\$-8.7 million)

The reduction in Ship/Boat Operations is due to a decrease in Patrol Coastal support because of increased use (and funding) of this asset for counterdrug-related deployments and cyclic decreases in phased replacement of equipment and shelf spares (\$-3.6 million); a decrease for a one-time buy in FY 2000 of MK-16 Underwater Breathing Apparatus (UBA) (\$-3.4 million), and a decrease for the one-time costs of the Service Life Extension Program (SLEP) for one Advanced Seal Delivery Vehicle (ASDV) currently in inventory (\$-3.1 million). These decreases were partially offset by an increase in sustainment costs for a full year support of the Advanced SEAL Delivery System-1 (ASDS) (+\$1.4 million).

Combat Development Activities (\$-1.6 million)

This program is classified. Specific details of this decrease are provided under separate cover in the USSOCOM classified annex.

Other Operations (\$-3.8 million)

SPECIAL OPERATION FORCES

The program reduction is caused by the introduction of a centrally managed phased equipment program at Naval Special Warfare Command (\$-1.8 million). This program reduced the cost of managing free-fall parachutes, boats, motors, waterproof equipment, night vision, and other types of equipment. Also, reductions due to decreases in transportation, per diem, and logistics costs for a biannual exercise and a decrease in the projected costs for command inspection visits to remote Reserve Component sites (\$-2.0 million).

Special Operations Operational Support (\$+14.1 million)

Force Related Training (\$-.6 million)

The force related training decrease (\$-.6 million) is due to a functional transfer of operations from the 31st Special Operations Squadron to the 160th Special Operations Aviation Regiment in Korea, which caused a reduction in USSOCOM Special Assigned Air Mission requirements.

Operational Support (\$-5.9M)

Part of the decrease in operational support is caused by a one-time purchase in FY 2000 of seven bare basing packages to replace 15-year old power generation equipment (\$-2.1 million). The equipment provides Special Operations Groups with the capability to erect small self-sustaining base packages. The decrease is due to a one-time costs in FY 2000 for the pre-design of MILCON projects (\$-2.7 million) and the purchase of SOF-unique supplies, equipment and maintenance for Special Operations Support Operations Command (SOSCOM) and Civil Affairs/Psychological Operations Command (CAPOC) (\$-1.0 million).

Intelligence and Communication (\$+18.7 million)

The Intelligence and Communications Programs increased by \$18.7 million due to the functional realignment of funds from the Command, Control, Communication, Computers and Intelligence Automation System (C4IAS) (\$+6.1 million) and program growth for the time-phased system-wide upgrade (\$+2.3 million); the functional transfer of procurement funds (\$+2.4 million), RDT&E (\$+1.0 million), and MILCON (\$+1.1 million) for Public Key Infrastructure (PKI); increased sustainment funds for the Joint Base Station (\$+1.4 million); contractor support for the Special Operations Command Research, Analysis, and Threat Evaluation System (SOCRATES) (\$+1.4 million) and increased funding for sustainment of systems being fielded, i.e., Multi-Band Inter/Intra Team Radios (MBITR), Multi-Band/Multi Mission Radios (MBMMR), Special Mission Radio Systems (SMRS) (\$+1.0 million); fielding of SOF Tactical Assured Connectivity Systems (SOFTACS) (\$+2.0 million).

SPECIAL OPERATION FORCES

Management/Operational Headquarters (\$-.5 million)

The reduction in Management/Operational Headquarters is due to a decrease in Planning, Programming, Budgeting and Execution System Contract (\$-.5 million).

Depot Maintenance (\$+3.4 million)

The increase in Depot Maintenance provides for a full year support of Advanced SEAL Delivery System 1 (ASDS) and testing and acceptance of ASDS 2 (\$+3.4 million).

Base Support (\$-.4 million)

Base Support decreases due to small adjustments in the program (\$-.4 million).

Budget Activity 3 Training and Recruiting (\$-1.7 million)

The SOF Specialized Skills Training program decreases due to one-time initial costs in FY 2000 for Naval Small Craft Instruction and Technical Training School (NAVSCIATTS) (\$-1.7 million).

Budget Activity 4 Administrative and Servicewide Activities (\$+.9 million)

The increase in Acquisition/Program Management provides engineering and technical assistance to support the migration of national systems into the SOCRATES architecture (\$+.9 million). The increase includes an increase for Mission Planning, Analysis, Rehearsal, and Execution System (MPARE) (\$+1.3 million), which is offset by a reduction in the MC-130H Talon II and Family of Loudspeakers (FOL) programs (\$-2.2 million). The MPARE is a joint, fully integrated command and control system, which is focused on a common operation capability for SOF Commanders' at all levels. The MPARE will allow for collaborative and distributed information sharing from all echelons in and out of the SOF community through all phases of the mission for both the deliberate and time-critical environment.

SPECIAL OPERATION FORCES

USSOCOM Flying Operations

The USSOCOM Flying Operations includes SOF dedicated aviation assets of the active Army and the Air Force active Reserve and National Guard and units, which operate and maintain over 250 uniquely equipped fixed and rotary wing aircraft. Funding satisfies operations and maintenance requirements necessary to provide highly trained aircrews and mission capable aircraft to accomplish SOF aviation missions including insertion, extraction, resupply, aerial fire support, air-to-air refueling, combat search and rescue, psychological operations, aerial security, medical evacuation, electronic warfare, mine dispersal, and command and control.

<u>Aircraft Inventory (End of FY)</u>	<u>FY 1999</u> <u>Actual</u>	<u>Change</u>	<u>FY 2000</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2001</u> <u>Estimate</u>
<u>Air Force Special Operations Command (AFSOC)</u>					
Tactical/Mobility	121	-4	117	-7	110
Training	<u>25</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>25</u>
Total	146	-4	142	-7	135
<u>United States Army Special Operations Command (USASOC)</u>					
Tactical/Mobility	115	-	115	-	115
Training	<u>21</u>	<u>-</u>	<u>21</u>	<u>-</u>	<u>21</u>
Total	136	-	136	-	136

TRAINING AND EDUCATION

	(\$ in Millions)						
	FY 1999 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2000 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2001 <u>Estimate</u>
Army	2,435.1	+58.1	-26.2	2,467.0	+62.1	+28.8	2,557.9
Navy	1,470.5	+21.6	+28.2	1,520.3	+60.7	+29.7	1,610.7
Marine Corps	297.8	+5.3	-4.4	298.7	+8.1	-14.6	292.2
Air Force	1,572.0	+13.7	+131.8	1,717.5	+90.7	+116.1	1,924.3
American Forces Information Services	8.9	+0.2	+1.5	10.6	+0.2	+0.2	11.0
Defense Acquisition University	94.8	+1.7	+4.7	101.2	+2.4	-3.3	100.3
Defense Finance and Accounting Service	27.2	+0.3	-10.6	16.9	+0.3	-1.9	15.3
Defense Human Resources Activity	21.6	+0.3	+15.1	37.0	+0.6	+16.2	53.8
Defense Security Service	7.6	+0.2	-0.5	7.3	+0.2	-0.1	7.4
Defense Threat Reduction Agency	1.3	-	-0.2	1.1	-	-	1.1
USSOCOM	33.6	+0.8	+15.0	49.4	+1.5	-1.7	49.2
Defense Health Program	<u>311.8</u>	<u>+9.3</u>	<u>-6.9</u>	<u>314.2</u>	<u>+9.8</u>	<u>-22.4</u>	<u>301.6</u>
Total	6,282.2	+111.5	+147.5	6,541.2	+236.6	+147.0	6,924.8

Funds (including the costs of staff, curricula, equipment, and services) provide for the training and educational requirements primarily for military personnel. The principal effort is to acquire and maintain a trained force of personnel able to effectively man and support DoD's military units, ships, aircraft, and installed weapon systems. To accomplish this goal, resources are required to operate and finance a wide range of training centers, Service schools and colleges, DoD and joint-Service schools, Reserve Officer Training Corps (ROTC) units, Service academies, the Health Professional Scholarship Program (HPSP), and continued operation of the Uniformed Services University of Health Services (USUHS). The above figures also include base support activities. The FY 2001 budget request reflects a total funding increase of \$383.6 million. Of this amount, \$236.6 million is for price growth and \$147.0 million (2.2 percent) is for net program growth. Specific changes by program are provided after the workload data. The following table summarizes the financial data displayed above by various training categories.

TRAINING AND EDUCATION

Individual Training by Category by Service

	(\$ in Millions)						
	FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Recruit Training</u>	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
Army ^{1/}	32.4	+1.1	-5.3	28.2	+1.2	+9	30.3
Navy	5.1	+0.1	-0.1	5.1	+0.1	+1.4	6.6
Marine Corps	10.3	+0.1	-0.2	10.2	+0.2	+0.2	10.6
Air Force	<u>8.8</u>	<u>+0.2</u>	<u>-4.6</u>	<u>4.4</u>	<u>+0.1</u>	<u>-0.2</u>	<u>4.3</u>
Total	56.6	+1.5	-10.2	47.9	+1.6	+2.3	51.8
<u>Specialized Skills Training</u>							
Army	230.5	+7.9	-9.9	228.5	+7.8	+6.5	242.8
Navy	257.2	+3.4	-2.1	258.5	+7.4	+11.0	276.9
Marine Corps	30.9	+0.5	-0.2	31.2	+0.9	+0.8	32.9
Air Force	215.4	+6.1	+27.4	248.9	+7.0	+0.1	256.0
Defense Health Program	124.6	+2.7	-8.3	119.0	+1.7	-2.4	118.3
USSOCOM	<u>30.1</u>	<u>+0.7</u>	<u>+15.5</u>	<u>46.3</u>	<u>+1.4</u>	<u>-1.7</u>	<u>46.0</u>
Total	888.7	+21.3	+22.4	932.4	+26.2	+14.3	972.9
<u>Officer Acquisition</u>							
Army	70.5	+2.2	-1.8	70.9	+2.1	+1.0	74.0
Navy	78.1	+2.8	-0.6	80.3	+2.7	+7.1	90.1
Marine Corps	0.3	-	+0.5	0.8	-	-0.5	0.3
Air Force	59.0	+2.0	-0.5	60.5	+2.2	+5.5	68.2
Defense Health Program	<u>167.0</u>	<u>+6.2</u>	<u>+4.2</u>	<u>177.4</u>	<u>+7.8</u>	<u>-19.7</u>	<u>165.5</u>
Total	374.9	+13.2	+1.8	389.9	+14.8	-6.6	398.1

^{1/} Includes Army One Station Unit Training (OSUT).

TRAINING AND EDUCATION

	(\$ in Millions)						
	FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
<u>Professional Development</u>	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
Army	89.8	+2.4	-2.8	89.4	+2.6	+8.3	100.3
Navy	91.0	+2.8	+9.5	103.3	+2.9	+1.4	107.6
Marine Corps	6.7	+0.2	+1.7	8.6	+0.2	-0.1	8.7
Air Force	90.5	+2.2	+9.8	102.5	+2.8	+4.1	109.4
AFIS	8.9	+0.2	+1.5	10.6	+0.2	+0.2	11.0
DAU	94.8	+1.7	+4.7	101.2	+2.4	-3.3	100.3
DFAS	27.2	+0.3	-10.6	16.9	+0.3	-1.9	15.3
DHRA	21.6	+0.3	+15.1	37.0	+0.6	+16.2	53.8
DSS	7.6	+0.2	-0.5	7.3	+0.2	-0.1	7.4
DTRA	1.3	-	-0.2	1.1	-	-	1.1
USSOCOM	2.1	-	-0.4	1.7	-	-	1.7
Defense Health Program	<u>20.3</u>	<u>+0.4</u>	<u>-2.9</u>	<u>17.8</u>	<u>+0.3</u>	<u>-0.4</u>	<u>17.7</u>
Total	461.8	+10.7	+24.9	497.4	+12.5	+24.4	534.3
<u>Senior ROTC</u>							
Army	149.5	+2.7	-8.0	144.2	+3.0	-12.6	134.6
Navy	70.3	+3.0	-1.8	71.5	+3.3	+3.1	77.9
Air Force	<u>44.3</u>	<u>+0.6</u>	<u>+13.1</u>	<u>58.0</u>	<u>+1.0</u>	<u>+2.5</u>	<u>61.5</u>
Total	264.1	+6.3	+3.3	273.7	+7.3	-7.0	274.0
<u>Flight Training</u>							
Army	249.9	+3.1	+7.5	260.5	+3.9	+59.0	323.4
Navy	300.9	-8.2	+23.9	316.6	+27.8	-1.8	342.6
Marine Corps	0.1	-	+0.1	0.2	-	-	0.2
Air Force	<u>466.2</u>	<u>-15.4</u>	<u>+120.8</u>	<u>571.6</u>	<u>+56.8</u>	<u>-10.1</u>	<u>618.3</u>
Total	1,017.1	-20.5	+152.3	1,148.9	+88.5	+47.1	1,284.5

TRAINING AND EDUCATION

<u>Training Support</u>	(\$ in Millions)						
	<u>FY 1999</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2001</u> <u>Estimate</u>
Army	400.9	+9.5	+2.7	413.1	+9.6	-5.1	417.6
Navy	172.2	+4.1	+35.1	211.4	+4.9	-30.1	186.2
Marine Corps	85.3	+1.4	-1.2	85.5	+1.5	-2.6	84.4
Air Force	<u>74.6</u>	<u>+2.7</u>	<u>-10.5</u>	<u>66.8</u>	<u>+2.6</u>	<u>+6.2</u>	<u>75.6</u>
Total	733.0	+17.7	+26.1	776.8	+18.6	-31.6	763.8
 <u>Base Support/Real Property Maintenance</u>							
Army ^{2/}	1,211.6	+29.0	-8.6	1,232.0	+32.1	-29.2	1,234.9
Navy	495.8	+13.6	-35.7	473.7	+11.4	+37.7	522.8
Marine Corps	164.2	+3.1	-5.1	162.2	+5.3	-12.4	155.1
Air Force	613.2	+15.3	-23.7	604.8	+18.2	+108.1	731.1
USSOCOM	<u>1.4</u>	<u>-</u>	<u>-</u>	<u>1.4</u>	<u>-</u>	<u>-</u>	<u>1.4</u>
Total	2,486.2	+61.0	-73.1	2,474.1	+67.0	+104.2	2,645.3

^{2/} Includes Base Operations Support and Real Property maintenance in support of training.

PROGRAM DATA

<u>Flying Hours</u>	(Hours in Thousands)				
	<u>FY 1999</u> <u>Actual</u>	<u>Change</u>	<u>FY 2000</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2001</u> <u>Estimate</u>
Army	204.5	+41.5	246.0	+17.7	263.7
Navy	309.8	+50.6	360.4	-4.8	355.6
Air Force	<u>454.2</u>	<u>-22.1</u>	<u>432.1</u>	<u>-0.3</u>	<u>431.8</u>
Total	968.5	+70.0	1,038.5	+12.6	1,051.1

TRAINING AND EDUCATION

WORKLOAD INDICATORS

	<u>(Student/Trainee Workyears)</u>				
	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>	<u>54,488</u>	<u>+10,543</u>	<u>65,031</u>	<u>+4,165</u>	<u>69,196</u>
Recruit Training	12,012	+2,423	14,435	+3,454	17,889
One Station Unit Training	7,944	+1,442	9,386	-141	9,245
Specialized Skill ^{3/}	27,000	+6,390	33,390	+596	33,986
Officer Acquisition	4,434	+37	4,471	-20	4,451
Flight Training	1,028	+112	1,140	+211	1,351
Professional Development	2,070	+139	2,209	+65	2,274
<u>Navy</u>	<u>47,048</u>	<u>+573</u>	<u>47,621</u>	<u>+1,131</u>	<u>48,752</u>
Recruit Training	9,219	+1,184	10,403	+406	10,809
One Station Unit Training	-	-	-	-	-
Specialized Skill ^{3/}	22,986	-1,620	21,366	+222	21,588
Officer Acquisition	10,794	+328	11,122	+399	11,521
Flight Training	1,986	+509	2,495	+1	2,496
Professional Development	2,063	+172	2,235	+103	2,338
<u>Marine Corps</u>	<u>15,651</u>	<u>+2,447</u>	<u>18,098</u>	<u>+403</u>	<u>18,501</u>
Recruit Training	8,468	+340	8,808	+385	9,193
One Station Unit Training	-	-	-	-	-
Specialized Skill ^{3/}	5,873	+1,829	7,702	+45	7,747
Officer Acquisition	362	+83	445	-27	418
Flight Training	-	-	-	-	-
Professional Development	948	+195	1,143	-	1,143

^{3/} Specialized skill includes initial skill, skill progression, and functional training for both officer and enlisted.

TRAINING AND EDUCATION

	<u>(Student/Trainee Workyears)</u>				
	FY 1999		FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Air Force</u>	<u>29,763</u>	<u>+2,716</u>	<u>32,479</u>	<u>+372</u>	<u>32,851</u>
Recruit Training	4,209	+245	4,454	-	4,454
One Station Unit Training	-	-	-	-	-
Specialized Skill ^{3/}	14,310	+2,133	16,443	+132	16,575
Officer Acquisition	4,555	-61	4,494	+42	4,536
Flight Training	1,764	+54	1,818	+33	1,851
Professional Development	4,925	+345	5,270	+165	5,435
<u>Defense Health Program</u>	<u>58,588</u>	<u>+4,216</u>	<u>62,804</u>	<u>+4,712</u>	<u>67,516</u>
Recruit Training	-	-	-	-	-
One Station Unit Training	-	-	-	-	-
Specialized Skill	45,964	+4,173	50,137	+4,713	54,850
Officer Acquisition	5,131	+23	5,154	+35	5,189
Flight Training	-	-	-	-	-
Professional Development	7,493	+20	7,513	-36	7,477
<u>USSOCOM</u>	<u>1,753</u>	<u>+700</u>	<u>2,453</u>	<u>-32</u>	<u>2,421</u>
Recruit Training	-	-	-	-	-
One Station Unit Training	-	-	-	-	-
Specialized Skill	1,672	+697	2,369	-34	2,335
Officer Acquisition	-	-	-	-	-
Flight Training	-	-	-	-	-
Professional Development	81	+3	84	+2	86

^{3/} Specialized skill includes initial skill, skill progression, and functional training for both officer and enlisted.

Note: Training workload and dollars includes Guard and Reserve Forces when training is the mission responsibility of the Activity Component.

TRAINING AND EDUCATION

Funding for the Training and Education activity increases by \$383.6 million, from \$6,541.2 million in FY 2000 to \$6,924.8 million in FY 2001. This net increase reflects price growth of \$236.6 million, net functional transfers into the training account of \$89.4 million primarily from the Operation and Maintenance, Army appropriation, Operating Forces (Budget Activity 1), to fund training development for the Advanced Warfighting Experiment, and from the Military Personnel, Air Force appropriation to outsource functions that are deemed to be not military essential; and program increases of \$326.2 million partially offset by decreases of \$268.6 million. These adjustments are further described as follows:

	<u>(\$ in Millions)</u>
FY 2000 Current Estimate	6,541.2
Price Growth	+236.6
Net Transfers	+89.4
<u>Program Increases</u>	<u>+326.2</u>
? Real property maintenance projects and base operations support: Funds approximately 96 percent of the Army requirements primarily at TRADOC installations, Mahan Hall, and the visitor center at the U.S. Military Academy (\$+33.5 million); funds the Air Force Investment Strategy (includes the Air Force Academy) and other requirements for child development centers and facilities costs to support the increase in pilot production (\$+48.1 million); and reduces the backlog of maintenance and repair at Navy Service Schools and Professional Military Institutions (\$+38.0 million).	+119.6
? Flight training for increased pilot production in the Active Components, including undergraduate navigator training.	+99.6
? Professional development increases for the Defense Acquisition Workforce Improvement Act (DAWIA) training (\$+13.0 million); Army intern program (\$+10.8 million), and Army and Air Force Continuing Education programs (off-duty and voluntary education) (\$+6.4 million).	+30.2
? Basic military training costs for increased non-prior service recruits (\$+1.6 million); advanced individual training for military occupational specialty (\$+5.4 million); and specialized training for recruiters and linguists (includes update of curricula and proficiency tests, manuals, textbooks, etc.) (\$+19.6 million).	+26.6
? Air Force civilian separation incentives as authorized by Section 4436 of PL 102-484. These costs reflect the incremental funds required over and above salary savings to voluntarily separate personnel. The personnel reductions are necessary to comply with the Quadrennial Defense Review and outsourcing initiatives.	+17.4

TRAINING AND EDUCATION

(\$ in Millions)

? Training support for expanded DoD computer-based education efforts (i.e., Distance Learning and video teletraining) (\$+4.5 million), and other fact-of-life increases for equipment modernization (\$+4.4 million), and the conversion to lease vice purchase of vehicles (\$+2.5 million).	+11.4
? Air Force base communications requirements that support the DoD acquisition reform initiative to eliminate the use of military specifications and standards. Funds pay for contractor support to consolidate financial and performance management for base communication products and services into a single training program and ensure statutory compliance with Title 10, U.S. Code, Chapter 145, Defense Cataloging and Standardization.	+11.4
? Reserve Officers Training Corps funds increases in the Navy (\$+3.1 million) and the Air Force (\$+2.5 million) for a total of 627 additional scholarship contracts in FY 2001 and the annualization of the 402 additional students who started in FY 2000.	+5.6
? One-time increase primarily for the United States Military Academy Bicentennial (Army upfront costs for the FY 2002 event).	+4.4
<u>Program Decreases</u>	<u>-268.6</u>
? Funds added by the Congress in FY 2000 to increase the inventory of Air Force aviation spares (\$-56.4 million) and for Navy professional development education, distance learning, computer mediated learning initiatives (CNET), and Navy Electricity and Electronics training) (\$-14.5 million) that were not continued in FY 2001.	-70.9
? Base Operations Support and Real Property Maintenance reflects anticipated savings from outsourcing, privatization, continued downsizing of the workforce, and other initiatives to increase efficiency.	-44.9
? Specialized skills training and training support reflects projected savings directly associated with the continued implementation of distance learning as traditional classroom costs and student travel costs are reduced commensurate with reductions in resident instruction time.	-42.2
? Army Training Support Systems reflects a decrease in funding for the Combined Arms Training System; development of the multi-media Training Support Packages for weapons systems; and the Training Aids Devices, Simulators, and Simulations.	-39.4

TRAINING AND EDUCATION

TRAINING AND EDUCATION

(\$ in Millions)

? Army Advanced Warfighting Experiment (AWE) reflects a decrease in funding for AWE doctrine, training, leader development, organizations, material and soldiers (DTLOMS) development, train-up, and analytic support to the Division Capstone Exercise (DCX). Even with the AWE funding reductions, the Army remains committed to ensuring that the DCX is successful and digitization of the force occurs.	-35.9
? One-time projects that include the Air Force move to Moody Air Force Base (\$-1.4 million), Army completion of the Fort Leonard Wood project (\$-10.9 million) and various other projects at the Training and Doctrine Command (\$-5.3 million), savings generated from the Marine Corps Installation Reform Program (\$-1.9 million), and other one-time projects in the Defense Acquisition University (\$-3.3 million).	-22.8
? Senior Reserve Officer Training Center decrease reflects Army's one-time start up costs funded in FY 2000.	-12.5
FY 2001 Estimate	6,924.8

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	(\$ in Millions)						
	FY 1999 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2000 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2001 <u>Estimate</u>
Army	348.3	+20.9	+97.3	466.7	+14.0	-78.4	402.2
Navy	159.0	+9.3	-8.2	160.1	+5.6	+20.4	186.1
Marine Corps	28.8	-0.1	+0.5	29.2	+2.5	-0.3	31.4
Air Force	197.1	+26.9	-16.3	207.7	+7.0	-1.6	213.1
Defense-Wide	400.6	+6.1	-50.2	356.5	+34.6	-15.3	375.9
Army Reserve	1.6	-	-0.2	1.4	-	-0.1	1.3
Navy Reserve	0.5	-	-0.1	0.4	-	-	0.4
Marine Corps Reserve	4.6	+0.1	-0.7	4.0	-	-0.2	3.8
Air Force Reserve	1.3	+0.2	+1.1	2.6	+0.1	-	2.7
Army National Guard	28.5	+0.3	-4.5	24.3	+0.4	+5.6	30.3
Air National Guard	<u>13.7</u>	<u>+0.3</u>	<u>-6.4</u>	<u>7.6</u>	<u>+0.4</u>	<u>-0.6</u>	<u>7.4</u>
Total	1,184.0	+64.0	+12.3	1,260.5	+64.6	-70.5	1,254.6

□ Totals may not add due to rounding

Transportation costs provide for the movement of materiel between contractors' plants, military logistics centers, and field activities throughout the world. The Components purchase transportation from DoD activities in the Defense Working Capital Funds (DWCF) and from commercial sources. Transportation consists of two types: First Destination and Second Destination. In addition to DoD military supplies and equipment, other major commodities shipped include overseas mail, subsistence items, and Base Exchange stock.

In FY 2001, total DoD transportation costs are \$1,254.6 million, a decrease of \$5.9 million below the FY 2000 estimate of \$1,260.5 million. This net decrease includes price growth of \$64.6 million and a net program decrease of \$70.5 million (-5.3 percent). The FY 2001 program decrease of \$70.5 million results from various program changes among the Components. The Army's decrease of \$78.4 million (16.3 percent) reflects constrained resources and a decision to fund higher Army priorities in FY 2001. The decrease primarily affects the Army's force structure and War Reserve equipment redistribution efforts associated with the 8th Brigade set as well as the movement of training ammunition. The Navy's FY 2001 program increase of \$20.4 million (12.3 percent) reflects an increase in reimbursements to Military Traffic Management Command (MTMC) for port-handling costs related to military documentation requirements and contingency cargo management planning, and for freight management, personal property services and other transportation support outside the rate structure. The Marine Corps shipping costs declined \$0.3 million (0.9 percent). A very small reduction in requirements for the movements of air munitions, missiles, engines, and

TRANSPORTATION

special weapons and war reserve material drives the FY 2001 Air Force program decrease of \$1.6 million (0.7 percent). The \$15.3 million (4.0 percent) decrease in the Defense-Wide activities primarily reflects a 30 percent mandatory reduction to the Chairman of the Joint Chiefs of Staff (CJCS) Exercise Program by FY 2001. The net \$4.7 million (11.4 percent) increase to the Guard and Reserve programs primarily reflect the \$5.6 million (22.7 percent) increase for the Army National Guard to support increased unit training at the National Training Center at Fort Irwin, California.

First Destination Transportation (FDT)

First Destination Transportation (FDT) amounts support transportation costs associated only with Operation and Maintenance purchased items for delivery directly from the manufacturer. Transportation costs for delivery of procurement-funded weapon systems and equipment or supplies and equipment purchased through the Defense Working Capital Fund are not included here. The following table summarizes FDT funding:

	(\$ in Millions)						
	FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
<u>By Major Commodity</u>	<u>36.6</u>	<u>+0.6</u>	<u>-1.4</u>	<u>35.8</u>	<u>+3.0</u>	<u>-1.9</u>	<u>37.0</u>
Military Supplies and Equipment	36.6	+0.6	-1.4	35.8	+3.0	-1.9	37.0
<u>By Mode of Shipment</u>	<u>36.6</u>	<u>0.6</u>	<u>-1.4</u>	<u>35.8</u>	<u>3.0</u>	<u>-1.9</u>	<u>37.0</u>
<u>Military Commands</u>	<u>24.0</u>	<u>+0.4</u>	<u>-0.5</u>	<u>23.9</u>	<u>+2.9</u>	<u>-1.7</u>	<u>25.2</u>
Traffic Management	0.3	+0.3	+0.1	0.7	-0.1	-	0.6
Surface	0.5	-	-0.1	0.4	-	-	0.4
Sealift	18.5	-0.1	-0.4	18.0	+2.7	-1.9	18.9
Airlift	4.7	+0.2	-0.1	4.8	+0.3	+0.2	5.3
<u>Commercial</u>	<u>12.6</u>	<u>+0.2</u>	<u>-0.9</u>	<u>11.9</u>	<u>+0.1</u>	<u>-0.2</u>	<u>11.8</u>
Surface	12.1	+0.2	-0.9	11.4	+0.1	-0.2	11.3
Air	0.5	-	-	0.5	-	-	0.5

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Second Destination Transportation (SDT)

The SDT provides for the movement of equipment and materiel among and between depots, logistics centers, and field activities including: retrograde cargo; Post Office mail; strategic missiles; support of classified and special programs; spare parts and other cargo by either military airlift and sealift worldwide, commercial surface transportation or commercial air carriers operating daily flights over regular routes within the Continental United States and Alaska; accessory transportation services such as vessel per diem, retention and demurrage charges; and other cargo. The following table summarizes SDT funding:

	(\$ in Millions)						
	FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
<u>By Major Commodity</u>	<u>1,147.4</u>	<u>+63.4</u>	<u>+13.7</u>	<u>1,224.7</u>	<u>+61.6</u>	<u>-68.6</u>	<u>1,217.6</u>
Military Supplies and Equipment	843.8	+52.1	-66.1	830.0	+48.2	-50.1	828.0
Mail Overseas	153.8	+2.2	+27.0	183.0	+3.8	+1.8	188.6
Subsistence	14.6	+0.6	+1.9	17.1	+0.6	-2.9	14.8
Base Exchange	135.2	+8.5	+50.9	194.6	+9.0	-17.4	186.2
<u>By Mode of Shipment</u>	<u>1,147.4</u>	<u>+63.4</u>	<u>+13.7</u>	<u>1,224.7</u>	<u>+61.6</u>	<u>-68.6</u>	<u>1,217.6</u>
<u>Military Commands</u>	<u>879.6</u>	<u>+54.5</u>	<u>-21.8</u>	<u>912.4</u>	<u>+53.0</u>	<u>-47.7</u>	<u>917.7</u>
Traffic Management	124.8	+8.8	-21.0	112.6	-1.8	+6.4	117.2
Surface	27.6	+1.7	-1.2	28.1	+0.8	-5.8	23.1
Sealift	325.1	+30.4	+22.7	388.7	+14.7	-25.7	367.3
Airlift	402.1	+13.6	-22.3	383.0	+39.3	-22.6	410.1
<u>Commercial</u>	<u>267.8</u>	<u>8.9</u>	<u>35.5</u>	<u>312.3</u>	<u>8.6</u>	<u>-20.9</u>	<u>299.9</u>
Surface	89.1	+2.9	+29.4	121.3	+4.1	-25.6	99.8
Sea	0.5	-0.1	+11.0	11.7	+0.4	+30.1	42.1
Air	178.2	+6.1	-4.9	179.3	+4.1	-25.4	158.0

CIVILIAN PERSONNEL

	<u>(Full-Time Equivalents)</u>				
	FY 1999		FY 2000		
<u>Total DoD Hires by Service</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army	226,848	-8,144	218,704	-4,159	214,545
Navy	203,519	-5,171	198,348	-5,957	192,391
Air Force*	169,105	-6,788	162,317	-2,328	159,989
Defense-Wide	<u>119,938</u>	<u>-481</u>	<u>119,457</u>	<u>-3,737</u>	<u>115,720</u>
DoD Total	719,410	-20,584	698,826	-16,181	682,645

	<u>(Full-Time Equivalents)</u>				
	FY 1999		FY 2000		
<u>Total DoD by Type of Hire</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
U.S. Direct Hire*	665,020	-18,556	646,464	-15,791	630,673
Foreign National Direct Hire	16,406	-1,381	15,025	-204	14,821
Total – Direct Hire	681,426	-19,937	661,489	-15,995	645,494
Foreign National Indirect Hire	<u>37,984</u>	<u>-647</u>	<u>37,337</u>	<u>-186</u>	<u>37,151</u>
DoD Total	719,410	-20,584	698,826	-16,181	682,645

	<u>(Full-Time Equivalents)</u>				
	FY 1999		FY 2000		
<u>Total DoD Hires by Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation and Maint, Active & Defense-Wide	384,163	-8,832	375,331	-7,779	367,552
Operation and Maintenance, Reserve*	27,534	+55	27,589	-557	27,032
Operation and Maintenance, National Guard	48,306	-273	48,033	-217	47,816
Research, Development, Test, and Evaluation	31,542	-3,759	27,783	-1,197	26,586
Military Construction	8,621	+210	8,831	-343	8,488
Family Housing	1,197	+39	1,236	-34	1,202
Defense Working Capital Funds	215,100	-8,171	206,929	-6,035	200,894

* The FY 1999 total differs from the Appendix to the *Budget of the United States Government*, because the Air Force actual experience for FY 1999 is 403 FTEs higher than reflected in the Appendix. The Appendix reflects a total in FY 1999 of 719,007.

CIVILIAN PERSONNEL

	<u>(Full-Time Equivalents)</u>				
	FY 1999	FY 2000			FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Total DoD Hires by Appropriation</u>					
Pentagon Reservation Maintenance Fund	651	+45	696	-	696
National Rifle Practice	27	-27	-	-	-
Defense Stockpile	267	+31	298	-18	280
Building Maintenance Fund	63	+3	66	-	66
Foreign Military Assistance	374	+91	465	-1	464
Defense Health Program	321	-24	297	-	297
Office of the Inspector General	1,191	+22	1,213	-	1,213
U.S. Court of Appeals for the Armed Forces	53	+6	59	-	59
DoD Total	719,410	-20,584	698,826	-16,181	682,645

ARMY

	<u>(Full-Time Equivalents)</u>				
	FY 1999	FY 2000			FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Direct Hires by Appropriation</u>					
<u>Operation and Maintenance, Army</u>					
U. S. Direct Hire	115,701	-2,884	112,817	-1,606	111,211
Foreign National Direct Hire	8,673	-952	7,721	-16	7,705
Total Direct Hire	124,374	-3,836	120,538	-1,622	118,916
<u>Operation and Maintenance, Army Reserve</u>					
U. S. Direct Hire	10,599	-159	10,440	-272	10,168
Foreign National Direct Hire	2	-2	-	-	-
Total Direct Hire	10,601	-161	10,440	-272	10,168

CIVILIAN PERSONNEL

ARMY

(Full-Time Equivalents)

<u>Direct Hires by Appropriation</u>	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Operation and Maintenance, Army National Guard</u>					
U. S. Direct Hire	23,830	-22	23,808	+178	23,986
Foreign National Direct Hire	-	-	-	-	-
Total Direct Hire	23,830	-22	23,808	+178	23,986
 <u>Research, Development, Test & Evaluation, Army</u>					
U. S. Direct Hire	20,668	-3,253	17,415	-857	16,558
Foreign National Direct Hire	11	+139	150	-8	142
Total Direct Hire	20,679	-3,114	17,565	-865	16,700
 <u>Military Construction, Army</u>					
U. S. Direct Hire	5,519	+28	5,547	+6	5,553
Foreign National Direct Hire	165	+47	212	-	212
Total Direct Hire	5,684	+75	5,759	+6	5,765
 <u>Family Housing, Army</u>					
U. S. Direct Hire	761	+16	777	-49	728
Foreign National Direct Hire	49	-5	44	-2	42
Total Direct Hire	810	+11	821	-51	770
 <u>Working Capital Fund, Army</u>					
U. S. Direct Hire	23,193	-855	22,338	-1,502	20,836
Foreign National Direct Hire	120	-19	101	+1	102
Total Direct Hire	23,313	-874	22,439	-1,501	20,938

CIVILIAN PERSONNEL

ARMY

(Full-Time Equivalents)

<u>Direct Hires by Appropriation</u>	<u>FY 1999 Actual</u>	<u>Change</u>	<u>FY 2000 Estimate</u>	<u>Change</u>	<u>FY 2001 Estimate</u>
<u>Foreign Military Assistance, Army</u>					
U. S. Direct Hire	22	+26	48	-1	47
Foreign National Direct Hire	<u>-</u>	<u>+68</u>	<u>68</u>	<u>-</u>	<u>68</u>
Total Direct Hire	22	+94	116	-1	115
<u>Army Total</u>					
U. S. Direct Hire	200,293	-7,103	193,190	-4,103	189,087
Foreign National Direct Hire	<u>9,020</u>	<u>-724</u>	<u>8,296</u>	<u>-25</u>	<u>8,271</u>
Total Direct Hire	209,313	-7,827	201,486	-4,128	197,358

Explanation of Major Changes for Direct Hires

	<u>FY 00-01 Change</u>
Working Capital Fund Reductions	
Depot Maintenance	-826
Information Services	-228
Ordnance	-256
Supply Maintenance	-132
Transportation	-60
Research and Development	-865
Medical Structure	-473
Force Structure/Streamlining	<u>-1,288</u>
Total Direct Hire	-4,128

CIVILIAN PERSONNEL

ARMY

(Full-Time Equivalents)

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
<u>Indirect Hires by Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation and Maintenance, Army	16,646	-356	16,290	-46	16,244
Military Construction, Army	233	+10	243	-1	242
Family Housing, Army	387	+28	415	+17	432
Working Capital Fund, Army	269	-	269	-1	268
Foreign Military Financing, Army	<u>-</u>	<u>+1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Indirect Hire	17,535	-317	17,218	-31	17,187
Total Direct Hire	209,313	-7,827	201,486	-4,128	197,358
Total Indirect Hire	<u>17,535</u>	<u>-317</u>	<u>17,218</u>	<u>-31</u>	<u>17,187</u>
Total Army Civilians	226,848	-8,144	218,704	-4,159	214,545

CIVILIAN PERSONNEL

	<u>NAVY</u>				
		<u>(Full-Time Equivalents)</u>			
<u>Direct Hires by Appropriation</u>	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Operation and Maintenance, Navy</u>					
U. S. Direct Hire	77,444	-1,442	76,002	-3,603	72,399
Foreign National Direct Hire	<u>2,753</u>	<u>-54</u>	<u>2,699</u>	<u>+35</u>	<u>2,734</u>
Total Direct Hire	80,197	-1,496	78,701	-3,568	75,133
 <u>Operation and Maintenance, Marine Corps</u>					
U. S. Direct Hire	12,969	-440	12,529	-394	12,135
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	12,969	-440	12,529	-394	12,135
 <u>Operation and Maintenance, Navy Reserve</u>					
U. S. Direct Hire	2,053	-87	1,966	-127	1,839
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	2,053	-87	1,966	-127	1,839
 <u>Operation and Maintenance, Marine Corps Reserve</u>					
U. S. Direct Hire	152	+8	160	-3	157
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	152	+8	160	-3	157
 <u>Research, Development, Test and Evaluation, Navy</u>					
U. S. Direct Hire	1,522	-265	1,257	+42	1,299
Foreign National Direct Hire	<u>294</u>	<u>-21</u>	<u>273</u>	<u>-4</u>	<u>269</u>
Total Direct Hire	1,816	-286	1,530	+38	1,568

CIVILIAN PERSONNEL

	<u>NAVY</u>		<u>(Full-Time Equivalents)</u>		
	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
<u>Direct Hires by Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Military Construction, Navy</u>					
U. S. Direct Hire	2,598	+104	2,702	-348	2,354
Foreign National Direct Hire	<u>62</u>	<u>-1</u>	<u>61</u>	<u>-</u>	<u>61</u>
Total Direct Hire	2,660	+103	2,763	-348	2,415
<u>Working Capital Fund, Navy</u>					
U. S. Direct Hire	92,739	-2,872	89,867	-1,526	88,341
Foreign National Direct Hire	<u>20</u>	<u>+6</u>	<u>26</u>	<u>-</u>	<u>26</u>
Total Direct Hire	92,759	2,866	89,893	-1,526	88,367
<u>Foreign Military Assistance, Navy</u>					
U. S. Direct Hire	9	-1	8	-	8
Foreign National Direct Hire	<u>49</u>	<u>-2</u>	<u>47</u>	<u>-</u>	<u>47</u>
Total Direct Hire	58	-3	55	-	55
<u>Total Navy</u>					
U. S. Direct Hire	176,365	-4,563	171,802	-5,562	166,240
Foreign National Direct Hire	<u>3,178</u>	<u>-72</u>	<u>3,106</u>	<u>+31</u>	<u>3,137</u>
Total Direct Hire	179,543	-4,635	174,908	-5,531	169,377
<u>Total – Marine Corps</u>					
U. S. Direct Hire	13,121	-432	12,689	-397	12,292
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	13,121	-432	12,689	-397	12,292

CIVILIAN PERSONNEL

	<u>NAVY</u>		<u>(Full-Time Equivalents)</u>		
	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
<u>Direct Hires by Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Total Department of Navy (DON)</u>					
U. S. Direct Hire	189,486	-4,995	184,491	-5,959	178,532
Foreign National Direct Hire	<u>3,178</u>	<u>-72</u>	<u>3,106</u>	<u>+31</u>	<u>3,137</u>
Total Direct Hire	192,664	-5,067	187,597	-5,928	181,669
				<u>FY 00-01</u>	
<u>Explanation of Major Changes for Direct Hires</u>				<u>Change</u>	
Changes to Working Capital Fund Workload					
Aviation Depots				-106	
Warfare Centers				-310	
Public Works				-95	
Supply Management				-48	
Other Workload Changes				-215	
Strategic Sourcing				-752	
Changes to Non-Working Capital Fund Workload					
Officer Acquisition				-2	
Servicewide Communications				-21	
Planning, Engineering, & Design				-220	
Military Construction				-310	
Ship Depot Operations				-53	
Miscellaneous adjustments				-425	
Strategic Sourcing				<u>-3,371</u>	
Total Direct Hires				-5,928	

CIVILIAN PERSONNEL

NAVY

(Full-Time Equivalents)

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
<u>Indirect Hires by Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation and Maintenance, Navy	6,062	+277	6,339	-29	6,310
Operation and Maintenance, Marine Corps	2,941	-131	2,810	-	2,810
Research, Development, Test, and Evaluation, Navy	3	-	3	-	3
Military Construction, Navy	71	-5	66	-	66
Working Capital Fund, Navy	1,773	-245	1,528	-	1,528
Foreign Military Assistance, Navy	<u>5</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>
Total Indirect Hire	10,855	-104	10,751	-29	10,722
<u>DON Direct Hire</u>					
Navy	179,543	-4,635	174,908	-5,531	169,377
Marine Corps	<u>13,121</u>	<u>-432</u>	<u>12,689</u>	<u>-397</u>	<u>12,292</u>
Total – Direct Hire	192,664	-5,067	187,597	-5,928	181,669
<u>DON Indirect Hire</u>					
Navy	7,914	+27	7,941	-29	7,912
Marine Corps	<u>2,941</u>	<u>-131</u>	<u>2,810</u>	<u>-</u>	<u>2,810</u>
Total – Indirect Hire	10,855	-104	10,751	-29	10,722
<u>Total Department of the Navy</u>					
Navy	187,457	-4,608	182,849	-5,560	177,289
Marine Corps	<u>16,062</u>	<u>-563</u>	<u>15,499</u>	<u>-397</u>	<u>15,102</u>
Total Civilians	203,519	-5,171	198,348	-5,957	192,391

CIVILIAN PERSONNEL

AIR FORCE

<u>Direct Hires by Appropriation</u>	<u>(Full-Time Equivalents)</u>				<u>FY 2001</u>
	<u>FY 1999</u>		<u>FY 2000</u>		
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Operation and Maintenance, Air Force</u>					
U. S. Direct Hire	84,147	-2,193	81,954	-1,528	80,426
Foreign National Direct Hire	<u>2,731</u>	<u>-414</u>	<u>2,317</u>	<u>-179</u>	<u>2,138</u>
Total Direct Hire	86,878	-2,607	84,271	-1,707	82,564
 <u>Operation and Maintenance, Air Force Reserve</u>					
U. S. Direct*	14,728	+295	15,023	-155	14,868
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	14,728	+295	15,023	-155	14,868
 <u>Operation and Maintenance, Air National Guard</u>					
U. S. Direct	24,476	-251	24,225	-395	23,830
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	24,476	-251	24,225	-395	23,830
 <u>Research, Development, Test, and Evaluation, Air Force</u>					
U. S. Direct Hire	7,993	-523	7,470	-354	7,116
Foreign National Direct Hire	<u>2</u>	<u>-2</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	7,993	-525	7,470	-354	7,116
 <u>Working Capital Fund, Air Force</u>					
U. S. Direct Hire	28,171	-3,264	24,907	+448	25,355
Foreign National Direct Hire	<u>161</u>	<u>-43</u>	<u>118</u>	<u>-27</u>	<u>91</u>
Total Direct Hire	28,332	-3,307	25,025	+421	25,446

*FY 1999 total for the Air Force differs from the Appendix to the Budget of the United States Government, and reflects final FY 1999 actuals.

CIVILIAN PERSONNEL

AIR FORCE

<u>Direct Hires by Appropriation</u>	<u>(Full-Time Equivalents)</u>				<u>FY 2001</u>
	<u>FY 1999</u>		<u>FY 2000</u>		
<u>Air Force Total</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
U. S. Direct Hire	159,515	-5,936	153,579	-1,984	151,595
Foreign National Direct Hire	<u>2,894</u>	<u>-459</u>	<u>2,435</u>	<u>-206</u>	<u>2,229</u>
Total Direct Hire	162,409	-6,395	156,014	-2,190	153,824

FY 00-01
Change

Explanation of Major Changes for Direct Hires

Strategic Force	-463
General Purpose Forces	+185
Intelligence and Communications	-60
General Research and Development	-352
Other Defense Wide Missions	+256
Logistics Support	-1,060
Personnel Support	-281
Other Centralized Support	<u>-415</u>
Total Direct Hires	-2,190

CIVILIAN PERSONNEL

AIR FORCE

	<u>(Full-Time Equivalents)</u>				FY 2001 <u>Estimate</u>
	FY 1999 <u>Actual</u>	<u>Change</u>	FY 2000 <u>Estimate</u>	<u>Change</u>	
<u>Indirect Hires by Appropriation</u>					
Operation and Maintenance, Air Force	6,470	-400	6,070	-138	5,932
Research, Development, Test, and Evaluation, Air	5	-5	-	-	-
Working Capital Fund, Air Force	<u>221</u>	<u>+12</u>	<u>233</u>	<u>-</u>	<u>233</u>
Total Indirect Hire	6,696	-393	6,303	-138	6,165
Total Direct Hire	162,006	-5,992	156,014	-2,190	153,824
Total Indirect Hire	<u>6,696</u>	<u>-393</u>	<u>6,303</u>	<u>-138</u>	<u>6,165</u>
Total Air Force Civilians	168,702	-6,385	162,317	-2,328	159,989

DEFENSE-WIDE ACTIVITIES

	<u>(Full-Time Equivalents)</u>				FY 2001 <u>Estimate</u>
	FY 1999 <u>Actual</u>	<u>Change</u>	FY 2000 <u>Estimate</u>	<u>Change</u>	
<u>Direct Hires by Appropriation</u>					
<u>Operation and Maintenance, Defense-Wide</u>					
U. S. Direct Hire	46,766	+206	46,972	-274	46,698
Foreign National Direct Hire	<u>563</u>	<u>-66</u>	<u>497</u>	<u>-1</u>	<u>496</u>
Total Direct Hire	47,329	-140	47,469	-275	47,194
<u>Research, Development, Test, & Evaluation, Defense-Wide</u>					
U. S. Direct Hire	1,044	+171	1,215	-16	1,199
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	1,044	+171	1,215	-16	1,199

CIVILIAN PERSONNEL

DEFENSE-WIDE ACTIVITIES

(Full-Time Equivalents)

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
<u>Direct Hires by Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Working Capital Fund</u>					
U. S. Direct Hire	65,083	-982	64,101	-3,437	60,664
Foreign National Direct Hire	<u>751</u>	<u>-60</u>	<u>691</u>	<u>-3</u>	<u>688</u>
Total Direct Hire	65,834	-1,042	64,792	-3,440	61,352
<u>Pentagon Reservation Fund</u>					
U. S. Direct Hire	651	+45	696	-	696
<u>National Defense Stockpile</u>					
U. S. Direct Hire	266	+32	298	-18	280
<u>Building Maintenance Fund</u>					
U. S. Direct Hire	63	+3	66	-	66
<u>Defense Health Program</u>					
U. S. Direct Hire	321	-24	297	-	297
<u>U. S. Court of Appeals for the Armed Forces</u>					
U. S. Direct Hire	53	+6	59	-	59
<u>Office of the Inspector General</u>					
U. S. Direct Hire	1,190	+22	1,212	-	1,212
<u>Foreign Military Sales, Defense-Wide</u>					
U. S. Direct Hire	289	-1	288	-	288

CIVILIAN PERSONNEL

DEFENSE-WIDE ACTIVITIES

(Full-Time Equivalents)

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
<u>Direct Hires by Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Total Defense-Wide Activities</u>					
U. S. Direct Hire	115,726	-522	115,204	-3,745	111,459
Foreign National Direct Hire	<u>1,314</u>	<u>-126</u>	<u>1,188</u>	<u>-4</u>	<u>1,184</u>
Total Direct Hire	117,040	-648	116,392	-3,749	112,643

FY 00-01
Change

Explanation of Major Changes for Direct Hires

Defense Contract Audit Agency	+40
Defense Commissary Agency	-646
Defense Finance and Accounting Services	-727
Defense Security Services	+79
Defense Logistics Agency	-2,405
Defense Threat Reduction Agency	+30
DoD Dependents Education Agency	+7
Intelligence and Communications	-184
Ballistic Missile Defense Organization	-16
Other	<u>+73</u>
Total Direct Hires	-3,749

CIVILIAN PERSONNEL

DEFENSE-WIDE ACTIVITIES

(Full-Time Equivalents)

	FY 1999		FY 2000		FY 2001
<u>Indirect Hires by Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation and Maintenance, Defense-Wide	312	+2	314	-	314
Office of the Inspector General	1	-	1	-	1
Working Capital Fund, Defense-Wide	<u>2,585</u>	<u>+165</u>	<u>2,750</u>	<u>+12</u>	<u>2,762</u>
Total Indirect Hire	2,898	+167	3,065	+12	3,077
Total Direct Hire	117,040	-648	116,392	-3,749	112,643
Total Indirect Hire	<u>2,898</u>	<u>+167</u>	<u>3,065</u>	<u>+12</u>	<u>3,077</u>
Total Defense-Wide Civilians	119,938	+481	119,457	-3,737	115,720

MILITARY PERSONNEL

ACTIVE FORCE PERSONNEL

	FY 1999		(End Strength)		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>DoD Total by Type</u>	<u>1,385,703</u>	<u>-3,485</u>	<u>1,382,218</u>	<u>-618</u>	<u>1,381,600</u>
Officer	218,905	-306	218,599	+656	219,255
Enlisted	1,154,231	-2,612	1,151,619	-1,274	1,150,345
Cadets	12,567	-567	12,000	-	12,000
<u>DoD Total by Service</u>	<u>1,385,703</u>	<u>-3,485</u>	<u>1,382,218</u>	<u>-618</u>	<u>1,381,600</u>
Army	479,426	+574	480,000	-	480,000
Navy	373,046	-1,246	371,800	+200	372,000
Marine Corps	172,641	-123	172,518	+82	172,600
Air Force	360,590	-2,690	357,900	-900	357,000

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

<u>Average Strength by Service</u>	(Average Strength)				
	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>	<u>475,289</u>	<u>1,079</u>	<u>476,368</u>	<u>+1,467</u>	<u>477,835</u>
Officer	78,492	-159	78,333	-369	77,964
Enlisted	392,738	+1,350	394,088	+1,783	395,871
Cadets	4,059	-112	3,947	+53	4,000
<u>Navy</u>	<u>372,806</u>	<u>-4,077</u>	<u>368,729</u>	<u>-423</u>	<u>368,306</u>
Officer*	54,111	-896	53,215	+267	53,482
Enlisted	314,759	-3,091	311,668	-693	310,975
Midshipmen	3,936	-90	3,846	+3	3,849
<u>Marine Corps</u>	<u>172,084</u>	<u>-323</u>	<u>171,761</u>	<u>-598</u>	<u>171,163</u>
Officer	18,087	-48	18,039	+7	18,046
Enlisted	153,997	-275	153,722	-605	153,117
<u>Air Force</u>	<u>367,091</u>	<u>-4,870</u>	<u>362,221</u>	<u>-25</u>	<u>362,196</u>
Officer	71,651	-1,231	70,420	+310	70,730
Enlisted	291,509	-3,719	287,790	-403	287,387
Cadets	3,931	+80	4,011	+68	4,079
<u>DoD Total</u>	<u>1,387,270</u>	<u>-8,191</u>	<u>1,379,079</u>	<u>+421</u>	<u>1,379,500</u>
Officer	222,341	-2,334	220,007	+215	220,222
Enlisted	1,153,003	-5,735	1,147,268	+82	1,147,350
Cadets	11,926	-122	11,804	+124	11,928

* The FY 2000 average strength for Navy officers differs from the average strength shown in the *Appendix to the Budget of the United States Government for FY 2001* due to changes in the reported actual end strength made after the official budget was sent to the printers.

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

ARMY

	FY 1999		(End Strength) FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Total</u>	<u>479,426</u>	<u>+574</u>	<u>480,000</u>	<u>:</u>	<u>480,000</u>
Officer	77,152	+648	77,800	-	77,800
Enlisted	398,138	+62	398,200	-	398,200
Cadets	4,136	-136	4,000	-	4,000

	FY 00-FY 01
	<u>Change</u>
<u>Total</u>	<u>:</u>
Strategic Forces	-1
General Purpose Forces	+1,342
Intelligence & Communications	+4
General Research & Development	-20
Other Defense Wide Missions	-8
Logistics Support	-128
Personnel Support	-1,146
Other Centralized Support	-43

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

NAVY

	FY 1999		(End Strength) FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Total</u>	<u>373,046</u>	<u>-1,246</u>	<u>371,800</u>	<u>+200</u>	<u>372,000</u>
Officer	53,538	-188	53,350	+17	53,367
Enlisted	315,180	-730	314,450	+183	314,633
Midshipmen	4,328	-328	4,000	-	4,000

	FY 00-FY 01
	<u>Change</u>
<u>Total</u>	<u>+200</u>
Strategic Forces	+77
General Purpose Forces	+946
Intelligence & Communications	-815
General Research & Development	-105
Other Defense Wide Missions	-48
Logistics Support	+13
Personnel Support	+137
Other Centralized Support	-5

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

MARINE CORPS

	FY 1999		(End Strength)		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>FY 2000</u>	<u>Change</u>	<u>Estimate</u>
			<u>Estimate</u>		
<u>Total</u>	<u>172,641</u>	<u>-123</u>	<u>172,518</u>	<u>+82</u>	<u>172,600</u>
Officer	17,897	-37	17,860	+28	17,888
Enlisted	154,744	-86	154,658	+54	154,712

	FY 00-FY 01
	<u>Change</u>
<u>Total</u>	<u>+82</u>
Strategic Forces	-
General Purpose Forces	+77
Intelligence & Communications	-2
General Research & Development	-5
Other Defense Wide Missions	-
Logistics Support	-5
Personnel Support	-
Other Centralized Support	+17

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

AIR FORCE

	FY 1999		(End Strength) FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Total</u>	<u>360,590</u>	<u>-2,690</u>	<u>357,900</u>	<u>-900</u>	<u>357,000</u>
Officer	70,318	-729	69,589	+611	70,200
Enlisted	286,169	-1,858	284,311	-1,511	282,800
Cadets	4,103	-103	4,000	-	4,000

	FY 00-FY 01
	<u>Change</u>
<u>Total</u>	<u>-900</u>
Strategic Forces	-1,020
General Purpose Forces	-1,843
Intelligence & Communications	-183
General Research & Development	-111
Other Defense Wide Missions	-594
Logistics Support	-1,531
Personnel Support *	+4,768
Other Centralized Support	-386

* The Personnel Support category reflects a projected 3,000 understrength in FY 2000 and a program growth of 1,800 in FY 2001 to meet increased accession goals.

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

U.S. SPECIAL OPERATIONS COMMAND (USSOCOM) SUPPORT

Included within the Services' estimates are the following active military end strength that provide direct support to USSOCOM.

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>	<u>15,231</u>	-	<u>15,231</u>	<u>+1</u>	<u>15,232</u>
Officer	2,889	-	2,889	+1	2,890
Enlisted	12,342	-	12,342	-	12,342
<u>Navy</u>	<u>5,077</u>	<u>+17</u>	<u>5,094</u>	<u>+52</u>	<u>5,146</u>
Officer	797	+8	805	+7	812
Enlisted	4,280	+9	4,289	+45	4,334
<u>Marine Corps</u>	<u>49</u>	-	<u>49</u>	-	<u>49</u>
Officer	24	-	24	-	24
Enlisted	25	-	25	-	25
<u>Air Force</u>	<u>9,176</u>	<u>-330</u>	<u>8,846</u>	<u>-119</u>	<u>8,727</u>
Officer	1,664	-29	1,635	+27	1,662
Enlisted	7,512	-301	7,211	-146	7,065
<u>DoD Total</u>	<u>29,533</u>	<u>-313</u>	<u>29,220</u>	<u>-66</u>	<u>29,154</u>
Officer	<u>5,374</u>	<u>-21</u>	<u>5,353</u>	<u>+35</u>	<u>5,388</u>
Enlisted	<u>24,159</u>	<u>-292</u>	<u>23,867</u>	<u>-101</u>	<u>23,766</u>

SELECTED RESERVE, NATIONAL GUARD, AND RESERVE SUPPORT PERSONNEL

	<u>(Military End Strength/ Civilian Full-Time Equivalents)</u>				
	FY 1999		FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Total Selected Reserve</u>	<u>870,917</u>	<u>-6,773</u>	<u>864,144</u>	<u>+1,556</u>	<u>865,700</u>
(Trained in Units)	(739,671)	(-3,505)	(736,166)	(-2,455)	(733,711)
(Individual Mobilization Augmentees (IMAs))	(22,238)	(+268)	(22,506)	(+20)	(22,526)
(Training Pipeline)	(43,967)	(-3,302)	(40,665)	(+4,266)	(44,931)
(Full-time Duty)	(65,041)	(-234)	(64,807)	(-275)	(64,532)
Active Military Support to Reserves	12,896	-203	12,693	+259	12,952
Civilian FTEs	75,840	-218	75,622	-774	74,848
(Technicians Included Above)	(62,121)	(+167)	(62,288)	(-184)	(62,104)
<u>Reserve Military By Service</u>	<u>870,917</u>	<u>-6,773</u>	<u>864,144</u>	<u>+1,556</u>	<u>865,700</u>
Army Reserve	206,836	-1,836	205,000	-	205,000
Navy Reserve	89,172	-38	89,134	-234	88,900
Marine Corps Reserve	39,953	-329	39,624	-124	39,500
Air Force Reserve	71,772	+1,936	73,708	+592	74,300
Army National Guard	357,469	-7,469	350,000	-	350,000
Air National Guard	105,715	+963	106,678	+1,322	108,000

SELECTED RESERVE, NATIONAL GUARD, AND RESERVE SUPPORT PERSONNEL

(Military End Strength/ Civilian Full-Time Equivalents)

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army Reserve</u>	<u>206,836</u>	<u>-1,836</u>	<u>205,000</u>	<u>-</u>	<u>205,000</u>
(Trained in Units)	(173,631)	(-2,434)	(171,197)	(-2,049)	(169,148)
(Individual Mobilization Augmentees (IMAs))	(8,019)	(-19)	(8,000)	(-)	(8,000)
(Training Pipeline)	(12,203)	(+796)	(12,999)	(+2,047)	(15,046)
(Full-time Duty)	(12,983)	(-179)	(12,804)	(+2)	(12,806)
Active Military	463	+75	538	-	538
Civilian FTEs	10,601	-161	10,440	-272	10,168
(Technicians Included Above)	(6,507)	(-57)	(6,450)	(-221)	(6,229)
<u>Navy Reserve</u>	<u>89,172</u>	<u>-38</u>	<u>89,134</u>	<u>-234</u>	<u>88,900</u>
(Trained in Units)	(73,297)	(+827)	(74,124)	(+127)	(74,251)
(Individual Mobilization Augmentees (IMAs))	(-)	(-)	(-)	(-)	(-)
(Training Pipeline)	(-)	(-)	(-)	(-)	(-)
(Full-time Duty)	(15,875)	(-865)	(15,010)	(-361)	(14,649)
Active Military	6,550	-148	6,402	298	6,700
Civilian FTEs	2,053	-87	1,966	-127	1,839
(Technicians Included Above)	(-)	(-)	(-)	(-)	(-)
<u>Marine Corps Reserve</u>	<u>39,953</u>	<u>-329</u>	<u>39,624</u>	<u>-124</u>	<u>39,500</u>
(Trained in Units)	(32,852)	(-322)	(32,530)	(-45)	(32,485)
(Individual Mobilization Augmentees (IMAs))	(1,788)	(+7)	(1,795)	(-)	(1,795)
(Training Pipeline)	(2,996)	(+31)	(3,027)	(-10)	(3,017)
(Full-time Duty)	(2,317)	(-45)	(2,272)	(-69)	(2,203)
Active Military	4,265	-13	4,252	-25	4,227
Civilian FTEs	152	+8	160	-3	157
(Technicians Included Above)	(-)	(-)	(-)	(-)	(-)

SELECTED RESERVE, NATIONAL GUARD, AND RESERVE SUPPORT PERSONNEL

(Military End Strength/ Civilian Full-Time Equivalents)

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Air Force Reserve</u>	<u>71,772</u>	<u>+1,936</u>	<u>73,708</u>	<u>+592</u>	<u>74,300</u>
(Trained in Units)	(57,966)	(+1,126)	(59,092)	(+428)	(59,520)
(Individual Mobilization Augmentees (IMAs))	(12,431)	(+280)	(12,711)	(+20)	(12,731)
(Training Pipeline)	(394)	(+377)	(771)	(-)	(771)
(Full-time Duty)	(981)	(+153)	(1,134)	(+144)	(1,278)
Active Military	707	-	707	-2	705
Civilian FTEs	14,728	+295	15,023	-155	14,868
(Technicians Included Above)	(9,210)	(+630)	(9,840)	(+32)	(9,872)
<u>Army National Guard</u>	<u>357,469</u>	<u>-7,469</u>	<u>350,000</u>	<u>-</u>	<u>350,000</u>
(Trained in Units)	(310,786)	(-4,286)	(306,500)	(-2,379)	(304,121)
(Individual Mobilization Augmentees (IMAs))	(-)	(-)	(-)	(-)	(-)
(Training Pipeline)	(24,771)	(-3,701)	(21,070)	(+2,361)	(23,431)
(Full-time Duty)	(21,912)	(+518)	(22,430)	(+18)	(22,448)
Active Military	184	-	184	-	184
Civilian FTEs	23,830	-22	23,808	+178	23,986
(Technicians Included Above)	(23,339)	(-48)	(23,291)	(+170)	(23,461)
<u>Air National Guard</u>	<u>105,715</u>	<u>+963</u>	<u>106,678</u>	<u>+1,322</u>	<u>108,000</u>
(Trained in Units)	(91,139)	(+1,584)	(92,723)	(+1,463)	(94,186)
(Individual Mobilization Augmentees (IMAs))	(-)	(-)	(-)	(-)	(-)
(Training Pipeline)	(3,603)	(-805)	(2,798)	(-132)	(2,666)
(Full-time Duty)	(10,973)	(+184)	(11,157)	(-9)	(11,148)
Active Military	727	-117	610	-12	598
Civilian FTEs	24,476	-251	24,225	-395	23,830
(Technicians Included Above)	(23,065)	(-358)	(22,707)	(-165)	(22,542)

DoD CUSTOMER FUEL PRICES

The Department procures only refined fuel products. The fuel prices identified in the following table include the cost of the crude oil, refining, inventory control, transportation, and storage.

The DoD makes its refined fuel purchases in a two-step process involving both the Defense Logistics Agency (DLA) and the individual Service or Agency customers. The DLA, through its Defense Energy Management Center operating under the Defense Working Capital Fund, purchases most of the fuel and subsequently sells it primarily to DoD customers. This operation permits the Department to take advantage of price breaks for large quantity purchases and allows the DoD customer to plan on a stabilized price for all products during that fiscal year.

Based on current economic assumptions, the FY 2001 President's budget has established the stabilized composite price of \$42.42 to be charged to DoD customers in FY 2001. This price is anticipated to result in adequate revenue to fully finance the Defense Business Working Capital Fund's costs of anticipated fuel purchases, costs of FY 2001 operations, and recovery of prior year operating losses. The FY 2001 stabilized composite price increases 63 percent above the FY 2000 stabilized price of \$26.04. The increase reflects projected increases in fuel costs and the recovery of prior year operating losses that resulted from fuel prices that were higher than stabilized rates charged to customers in FY 1999 and FY 2000.

The following table reflects the composite price and stabilized prices by product that DoD customers are paying and will pay for fuel in each fiscal year.

<u>Product Type</u>	<u>(Rates in Dollars)</u>					
	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>	
	<u>Gallon</u>	<u>Barrel</u>	<u>Gallon</u>	<u>Barrel</u>	<u>Gallon</u>	<u>Barrel</u>
AVGAS OCONUS	3.33	139.86	2.43	102.06	3.76	157.92
AVGAS CONUS	1.03	43.26	0.75	31.50	1.22	51.24
Motor Gas Leaded	0.98	41.16	0.81	34.02	1.27	53.34
Motor Gas Unleaded	0.80	33.60	0.68	28.56	1.09	45.78
Premium	0.88	36.96	0.74	31.08	1.17	49.14
Midgrade	0.84	35.28	0.71	29.82	1.13	47.46
Regular	0.79	33.18	0.67	28.14	1.07	44.94
Gasohol	0.82	34.44	0.69	28.98	1.10	46.20
JP-4 Milspec	1.08	45.36	0.80	33.60	1.21	50.82
JP-4 Commercial	0.81	34.02	0.61	25.62	1.00	42.00
JP-5	0.85	35.70	0.63	26.46	1.03	43.26
JP-8	0.83	34.86	0.62	26.04	1.01	42.42

DOD CUSTOMER FUEL PRICES

<u>Product Type</u>	(Rates in Dollars)					
	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>	
	<u>Gallon</u>	<u>Barrel</u>	<u>Gallon</u>	<u>Barrel</u>	<u>Gallon</u>	<u>Barrel</u>
Distillates	0.80	33.60	0.60	25.20	0.98	41.16
Diesel (Generic)	0.76	31.92	0.57	23.94	0.95	39.90
Diesel KSN PC&S	0.78	32.76	0.58	24.36	0.96	40.32
Diesel KS1 PC&S	0.81	34.02	0.61	25.62	1.00	42.00
Diesel FS2 PC&S	0.68	28.56	0.51	21.42	0.85	35.70
Diesel FS1 PC&S	0.78	32.76	0.58	24.36	0.96	40.32
Diesel DFA High Sulfur	0.81	34.02	0.61	25.62	1.00	42.00
Diesel DLA Low Sulfur	0.88	36.96	0.74	31.08	1.17	49.14
Diesel DL1 Low Sulfur	0.79	33.18	0.67	28.14	1.07	44.94
Diesel DF1 High Sulfur	0.76	31.92	0.57	23.94	0.95	39.90
Diesel DF2 High Sulfur	0.69	28.98	0.52	21.84	0.87	36.54
Diesel DL2 Low Sulfur	0.72	30.24	0.62	26.04	1.00	42.00
Residuals	0.50	21.00	0.38	15.96	0.65	27.30
Navy Reclaimed	0.35	14.70	0.37	15.54	0.35	14.70
Into Plane	1.06	44.52	0.79	33.18	1.27	53.34
Local Purchase Jet Fuel	1.50	63.00	1.50	63.00	1.50	63.00
Into Plane AVGAS	1.28	53.76	0.94	39.48	1.50	63.00
Bunker - Marine	0.75	31.50	0.58	24.36	0.96	40.32
Bunker - Intermediate	0.48	20.16	0.29	12.18	0.67	28.14
<u>Composite Price</u>	0.83	34.86	0.62	26.04	1.01	42.42
<u>Budgeted DWCF Cost</u>	0.64	26.83	0.83	34.88	0.80	33.73
<u>Special Fuels:</u>						
Special Fuels 2 (JP-TS)	2.85	119.70	3.25	136.50	3.25	136.50
Special Fuels 1 (JP-7)	3.00	126.00	3.00	126.00	3.00	126.00

FOREIGN CURRENCY RATES

The Foreign Currency Fluctuations, Defense (FCF,D) appropriation was established in FY 1979 to enable execution of budgeted programs without concern for adverse variations in foreign currency rates. This centralized account is managed by the Under Secretary of Defense (Comptroller). Funds are transferred from this appropriation to selected DoD Components' Operation and Maintenance (O&M) and Military Personnel (MILPERS) appropriations to offset net losses in purchasing power because of unfavorable fluctuations in the foreign currency exchange rates of specified currencies. If a net gain results, the asset is transferred from the gaining appropriation to the FCF,D appropriation. The specified currencies are shown below as well as the rates used to formulate the budget. It is these rates the Department intends to use to measure foreign currency fluctuation during execution. These rates are expressed in terms of units of foreign currency that can be purchased with one (1) U.S. dollar.

FOREIGN CURRENCY EXCHANGE RATES

(Units of Foreign Currency Per One U.S. Dollar)

<u>Country</u>	<u>Monetary Unit</u>	<u>Execution Rates</u>		<u>President's</u>
		<u>FY 1999</u>	<u>FY 2000</u>	<u>Budget Rates</u>
				<u>FY 2001</u>
Belgium	Franc	38.648	38.260	40.2100
Denmark	Krone	7.324	7.110	7.393
European Community	Euro	.9824	.9486	.9982
France	Franc	6.452	6.2211	6.5471
Germany	Deutsche Mark	1.928	1.8549	1.9521
Greece	Drachma	302.197	312.67	326.90
Italy	Lira	1,888.189	1,836.37	1,932.19
Japan	Yen	140.59	111.6695	102.670
Netherlands	Guilder	2.167	2.0899	2.1968
Norway	Krone	7.805	7.8880	8.0720
Portugal	Escudo	196.773	190.680	198.830
Singapore	Dollar	1.7390	1.6640	1.6850
South Korea	Won	1,446.75	1,199.1	1,149.8
Spain	Peseta	162.738	158.250	165.30
Turkey	Lira	211,747.729	480,770	518,220.0
United Kingdom	Pound	.6670	.6080	.6250

KEY ACTIVITY INDICATORS

	FY 1999		FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>ARMY</u>					
Active Duty Military Personnel (End Strength)	479,426	+574	480,000	-	480,000
Civilian Personnel (O&M FTEs)	141,020	-4,192	136,828	-1,668	135,160
Total Aircraft Inventory (TAI)	3,140	-35	3,105	+4	3,109
Primary Authorized Aircraft (PAA)	2,472	-10	2,462	+46	2,508
Flying Hours (000s)	564	+126	690	+17	707
Training Workloads	54,488	+10,543	65,031	+4,165	69,196
Major Installations	141	+3	144	-	144
<u>NAVY</u>					
Active Duty Military Personnel (End Strength)	373,046	-1,246	371,800	+200	372,000
Civilian Personnel (O&M FTEs)	86,259	-1,219	85,040	-3,597	81,443
Total Aircraft Inventory (TAI) (Includes Reserves)	4,100	+15	4,115	-14	4,101
Primary Authorized Aircraft (PAA) (Active)	2,509	-24	2,485	+19	2,504
Flying Hours (000's)	1,233	+66	1,299	-12	1,287
Ship Inventory	299	+1	300	+1	301
Steaming Hours (Surface) (000's)	543	-34	509	+19	527
Steaming Hours (Submarine) (000's)	305	-19	286	-6	280
Training Workloads	47,048	+573	47,621	+1,131	48,752
Major Installations	107	-2	105	-	105
<u>MARINE CORPS</u>					
Active Duty Military Personnel (End Strength)	172,641	-123	172,518	+82	172,600
Civilian Personnel (O&M FTEs)	15,910	-571	15,339	-394	14,945
Training Workloads	15,651	+2,447	18,098	+403	18,501
Major Installations	22	-	22	-	22
Major Supply Depots	2	-	2	-	2

KEY ACTIVITY INDICATORS

	FY 1999		FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>AIR FORCE</u>					
Active Duty Military Personnel (End Strength)	360,590	-2,690	357,900	-900	357,000
Civilian Personnel (O&M FTEs)	93,348	-3,007	90,341	-1,845	88,496
Total Aircraft Inventory (TAI)	4,025	-20	4,005	-48	3,957
Primary Assigned Aircraft (PAA)	3,365	+36	3,401	+22	3,423
Flying Hours (000's)	1,284	+9	1,293	-	1,293
Training Workloads	29,763	+2,716	32,479	+372	32,851
Major Installations	80	-1	79	-	79
<u>ARMY RESERVE</u>					
Total Selected Reserve Strength (End Strength)	206,836	-1,836	205,000	-	205,000
Civilian Personnel (O&M FTEs)	10,601	-161	10,440	-272	10,168
(Technicians Included Above)	(6,507)	(-57)	(6,450)	(-221)	(6,229)
Total Aircraft Inventory (TAI)	133	-1	132	+3	135
Primary Authorized Aircraft (PAA)	128	+24	152	-	152
Flying Hours (000's)	29	+17	46	-2	44
Major Installations	6	-	6	-	6
Training Locations (Installations and Reserve Centers)	809	-	809	-	809
<u>NAVY RESERVE</u>					
Total Selected Reserve Strength (End Strength)	89,172	-38	89,134	-234	88,900
Civilian Personnel (O&M FTEs)	2,053	-87	1,966	-127	1,839
Primary Authorized Aircraft (PAA)*	435	-17	418	-10	408
Flying Hours (000's)	172	+2	174	-3	171
Ship Inventory	28	-1	27	-1	26
Steaming Hours (000's)	40	-	40	-4	36
Reserve Centers	159	-2	157	-	157
Major Installations	6	-	6	-	6

* Total Aircraft Inventory (TAI) is included under active Navy.

KEY ACTIVITY INDICATORS

	FY 1999		FY 2000		FY 2001
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>MARINE CORPS RESERVE</u>					
Total Selected Reserve Strength (End Strength)	39,953	-329	39,624	-124	39,500
Civilian Personnel (O&M FTEs)	152	8	160	-3	157
Division/Wing Team	1/1	-	1/1	-	1/1
Training Centers	188	-	188	-	188
<u>AIR FORCE RESERVE</u>					
Total Selected Reserve Strength (End Strength)	71,772	+1,936	73,708	+592	74,300
Civilian Personnel (O&M FTEs)	14,728	+295	15,023	-155	14,868
(Technicians Included Above)	(9,210)	+630	(9,840)	+32	(9,872)
Total Aircraft Inventory (TAI)	445	+11	456	-6	450
Primary Authorized Aircraft (PAA)	393	+1	394	-	394
Flying Hours (000's)	122	+16	139	-2	137
Major Installations	13	-	13	-	13
<u>ARMY NATIONAL GUARD</u>					
Total Selected Reserve Strength (End Strength)	357,469	-7,469	350,000	-	350,000
Civilian Personnel (O&M FTEs)	23,830	-22	23,808	+178	23,986
(Technicians Included Above)	(23,339)	(-48)	(23,291)	(+170)	(23,461)
Total Aircraft Inventory (TAI)	2,380	-186	2,194	-11	2,183
Primary Authorized Aircraft (PAA)	2,071	+6	2,077	-	2,077
Flying Hours (000's)	268	+95	363	+6	369
Training Locations	283	-	283	-	283
Divisions	8	-	8	-	8
Brigades	15	-	15	-	15

KEY ACTIVITY INDICATORS

	<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>AIR NATIONAL GUARD</u>					
Total Selected Reserve Strength (End Strength)	105,715	+963	106,678	+1,322	108,000
Civilian Personnel (O&M FTEs)	24,476	-251	24,225	-395	23,830
(Technicians Included Above)	(23,065)	(-358)	(22,707)	(-165)	(22,542)
Total Aircraft Inventory (TAI)	1,340	-28	1,312	+21	1,333
Primary Authorized Aircraft (PAA)	1,170	+1	1,171	+9	1,180
Flying Hours (000's)	314	+23	337	-1	336
Major Installations	3	-	3	-1	2
Other Operating Locations	215	-	215	+1	216
<u>DEFENSE HEALTH PROGRAM</u>					
Total Aircraft Inventory (TAI)/(PAA)	27	-2	25	-18	7
Flying Hours (000's)	20	+1	21	-18	3
Medical Centers and Hospitals	93	-5	88	-7	81
Average Daily Patient Load	2,789	-96	2,693	-29	2,664
<u>U.S. SPECIAL OPERATIONS COMMAND</u>					
Total Aircraft Inventory (TAI)					
USASOC	136	-	136	-	136
AFSOC	146	-4	142	-7	135
Primary Authorized Aircraft (PAA)					
USASOC	136	-	136	-	136
AFSOC	130	-12	118	-5	113
Flying Hours (000's)					
USASOC	55	-1	54	-2	52
AFSOC	32	-	32	-	32

LEGISLATIVE PROPOSALS

The FY 2001 President's budget submission includes funding and legislation for new authorities to enhance retention and improve quality-of-life for military and civilian members of the Department. The following tables provide a summary of the legislative proposals and the applicable funding reflected in the FY 2001 President's budget request.

	<u>(\$ in Millions)</u> <u>FY 2001</u>
Military Personnel, Army	+1.9
Military Personnel, Navy	+12.1
Military Personnel, Marine Corps	+0.5
Military Personnel, Air Force	+1.5
Reserve Personnel, Army	+2.7
Reserve Personnel, Navy	+2.7
Reserve Personnel, Marine Corps	+3.6
Reserve Personnel, Air Force	+1.4
National Guard Personnel, Army	+4.1
National Guard Personnel, Air Force	+3.2
Operation and Maintenance, Army	+1.4
Operation and Maintenance, Navy	+0.6
Operation and Maintenance, Marine Corps	+0.2
Operation and Maintenance, Air Force	<u>+1.1</u>
Total	+37.0

LEGISLATIVE PROPOSALS

Military Personnel Initiatives

(\$ in Millions)
FY 2001

Enlisted Signing Bonus (Item 137) – Expands the authority to pay enlistment bonuses, currently available only to the Army, to all Services to enhance recruiting of enlisted personnel to serve in skill areas designed as critical. The Navy is the only other Service that intends to also use this authority at this time.

Military Personnel, Navy	+11.3
Total	+11.3

Reimbursement of Parking Expenses (Item 143) – Authorizes reimbursement of parking expenses incurred by military recruiters, Senior ROTC cadre members, and Military Entrance Processing Command (MEPCOM) members in the performance of their assigned duties.

Operation and Maintenance, Army	+0.5
Operation and Maintenance, Navy	+0.2
Operation and Maintenance, Marine Corps	+0.1
Operation and Maintenance, Air Force	+0.2
Total	+1.0

Officer Uniform Allowance (Item 150) – Increases uniform allowances from \$300 to \$600 for officers.

Military Personnel, Army	+1.9
Military Personnel, Navy	+0.8
Military Personnel, Marine Corps	+0.5
Military Personnel, Air Force	+1.5
Total	+4.7

LEGISLATIVE PROPOSALS

(\$ in Millions)
FY 2001

Funded Student Travel (Item 147) – Expands current authority, which allows undergraduate dependents under age 23 to travel to their sponsor’s overseas duty station, to also apply to graduate and vocational technical students.

Operation and Maintenance, Army	+0.8
Operation and Maintenance, Navy	+0.1
Operation and Maintenance, Marine Corps	*
Operation and Maintenance, Air Force	<u>+0.6</u>
Total	+1.5

*Less than \$50 thousand

Civilian Personnel Initiative

Foreign Language Proficiency Allowance (Item 128) – Allows the head of a Military Department or Defense Agency to pay an allowance to civilian employees who are proficient in one or more foreign languages provided the knowledge and use of such language is determined to be critical in supporting the mission of the organization.

Operation and Maintenance, Army	+0.1
Operation and Maintenance, Navy	+0.3
Operation and Maintenance, Marine Corps	+0.1
Operation and Maintenance, Air Force	<u>+0.3</u>
Total	+0.8

LEGISLATIVE PROPOSALS

Personnel Support and Families Initiative

(\$ in Millions)

FY 2001

Reserve Support for Funeral Honors (Item 80) – Adds to the current authority to pay a \$50 stipend the option of paying instead the specified inactive duty rate payable to members of the Ready Reserve when they participate in funeral honors duty. In most cases the inactive duty rate is higher than \$50. This authority provides the Service Secretaries with the option of providing the compensation that they believe is most appropriate to Reserve Component members who provide honors at the funeral of a veteran when such duty is performed in a funeral honors duty status.

Reserve Personnel, Army	+2.7
Reserve Personnel, Navy	+2.7
Reserve Personnel, Marine Corps	+3.6
Reserve Personnel, Air Force	+1.4
National Guard Personnel, Army	+4.1
National Guard Personnel, Air Force	<u>+3.2</u>
Total	+17.7

Relocation Initiative

Streamlining Military Relocation (Item 2927) – Seeks to streamline the moving process for members relocating by paying costs up-front and reducing administrative procedures.

* Cost Neutral

*

DISTRIBUTION LIST

House Appropriations Committee	6
Senate Appropriations Committee	6
House Armed Services Committee	10
Senate Armed Service Committee	10
House Budget Committee	1
Senate Budget Committee	1
Congressional Budget Office	1
General Accounting Office	3
Office of Management and Budget	10
National Security Council	1
Library of Congress, Congressional Research Service	2
Defense Technical Information Center	1
Under Secretary of Defense (Comptroller)	1
Principal Deputy Under Secretary of Defense (Comptroller)	1
Deputy Comptroller, Program/Budget	1
Assistant Deputy Comptroller, Program/Budget	1
Directorate for Investment	2
Directorate for Military Construction	2
Directorate for Operations and Personnel	20
Directorate for Plans and Systems	12
Directorate for Program and Financial Control	2
Directorate for Revolving Funds	4
Deputy Chief Financial Officer	5
Director for Program Analysis and Evaluation	3
Department of the Army, Office of the Assistant Secretary of the Army (FM&C)	5
Department of the Army, Office of the Army Reserve, Comptroller Division	2
Department of the Army, National Guard Bureau, Comptroller Division	2
Department of the Navy, Office of the Assistant Secretary of the Navy (FM&C)	5
Department of the Navy, Directorate of Naval Reserve, Financial Management	2
Department of the Navy, Headquarters U.S. Marine Corps, Fiscal Directorate	2
Department of the Navy, Headquarters U.S. Marine Corps, Reserve Affairs, Budget	2
Department of the Air Force, Office of the Assistant Secretary of the Air Force (FM&C)	5
Department of the Air Force, Office of Air Force Reserve, Comptroller Division	2
Department of the Air Force, National Guard Bureau, Comptroller Division	2
Office of the Under Secretary of Defense (Policy)	1
Office of the Assistant Secretary of Defense (Strategy and Threat Reduction)	1
Office of the Assistant Secretary of Defense (SO/LIC)	1
Office of the Assistant Secretary of Defense (International Security Affairs)	1
Office of the Under Secretary of Defense (Personnel & Readiness)	1
Office of the Deputy Under Secretary of Defense (Readiness)	2

DISTRIBUTION LIST

Office of the Deputy Under Secretary of Defense (Program Integration)	1
Office of the Assistant Secretary of Defense (Force Management Policy)	1
Office of the Assistant Secretary of Defense (Health Affairs)	1
Office of Assistant Secretary of Defense (Reserve Affairs)	1
Office of the Assistant Secretary of Defense (Command, Control, Communications & Intelligence)	1
Office of the Under Secretary of Defense (Acquisition, Technology & Logistics)	1
Office of the Assistant Secretary of Defense (Industrial Affairs)	1
Office of the Assistant Secretary of Defense (Installations)	1
Office of the Deputy Under Secretary of Defense (Logistics)	1
Office of the Deputy Under Secretary of Defense (Environmental Security)	1
Office of the Deputy Under Secretary of Defense (Acquisition Reform)	1
Office of the Deputy Under Secretary of Defense (International & Commercial Programs)	1
Office of the Assistant Secretary of Defense (Legislative Affairs)	1
Office of the Assistant Secretary of Defense (Public Affairs)	2
Office of the General Counsel, Department of Defense	1
Office of the Joint Staff, Force Structure, Resource and Assessment Directorate	5
American Forces Information Service	1
Ballistic Missile Defense Organization	1
Defense Acquisition University	1
Defense Advanced Research Projects Agency	1
Defense Contract Audit Agency	1
Defense Finance and Accounting Service	1
Defense Human Resources Activity	1
Defense Information Systems Agency	1
Defense Intelligence Agency	1
Defense Legal Services Agency	1
Defense Logistics Agency	1
Defense Prisoner of War/Missing Personnel Office	1
Defense Threat Reduction Agency	1
Defense Security Cooperation Agency	1
Defense Security Service	1
Department of Defense Education Activity	1
National Imagery and Mapping Agency	1
National Security Agency	1
Office of Economic Adjustment	1
Office of the Inspector General, DoD	1
Uniformed Services University of Health Sciences	1
U.S. Special Operations Command	1
Washington Headquarters Services	5

WORLD WIDE WEB ADDRESS

**The Operation and Maintenance Overview is available
on the World Wide Web at**

<http://www.dtic.mil/comptroller/fy2001budget/>

Operation and Maintenance Programs (O-1)

**Department of Defense Budget
For Fiscal Year 2001**

February 2000

The O-1 is provided annually to the DoD oversight committees of the Congress coincident with the transmittal of the President's budget. This document is also provided to the OASD(PA) for use by non-DoD activities and is available to the public on the Internet at <http://www.dtic.mil/comptroller/fy2001budget>

Office of the Secretary of Defense
(Comptroller)

**Department of Defense
FY 2001 Operation and Maintenance**

	<u>(Dollars in Thousands)</u>		
<u>Appropriation Summary</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>DEPARTMENT OF THE ARMY</u>			
OPERATION & MAINTENANCE, ARMY	21,190,648	18,919,336	19,123,731
OPERATION & MAINTENANCE, ARMY RESERVE	1,246,046	1,470,392	1,521,418
OPERATION & MAINTENANCE, ARMY NATIONAL GUARD	2,779,287	3,160,977	3,182,335
TOTAL DEPARTMENT OF THE ARMY	25,215,981	23,550,705	23,827,484
<u>DEPARTMENT OF THE NAVY</u>			
OPERATION & MAINTENANCE, NAVY	23,232,593	22,591,509	23,300,154
OPERATION & MAINTENANCE, MARINE CORPS	2,675,366	2,712,421	2,705,658
OPERATION & MAINTENANCE, NAVY RESERVE	970,323	963,637	960,946
OPERATION & MAINTENANCE, MARINE CORPS RESERVE	126,629	138,293	133,959
TOTAL DEPARTMENT OF THE NAVY	27,004,911	26,405,860	27,100,717
<u>DEPARTMENT OF THE AIR FORCE</u>			
OPERATION & MAINTENANCE, AIR FORCE	22,075,827	20,652,119	22,346,977
OPERATION & MAINTENANCE, AIR FORCE RESERVE	1,778,893	1,773,329	1,885,859
OPERATION & MAINTENANCE, AIR NATIONAL GUARD	3,213,598	3,224,888	3,446,375
TOTAL DEPARTMENT OF THE AIR FORCE	27,068,318	25,650,336	27,679,211
<u>DEFENSE-WIDE</u>			
OPERATION & MAINTENANCE, DEFENSE-WIDE	11,380,224	11,880,623	11,920,069
<u>TRANSFER ACCOUNTS AND MISCELLANEOUS</u>			
ENVIRONMENTAL RESTORATION, ARMY	-	376,214	389,932
ENVIRONMENTAL RESTORATION, NAVY	-	282,531	294,038
ENVIRONMENTAL RESTORATION, AIR FORCE	-	374,852	376,300
ENVIRONMENTAL RESTORATION, DEFENSE-WIDE	-	25,239	23,412
ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES	-	237,977	186,499
DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE	-	931,072	836,300
OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND	-	4,308,392	4,100,577
PENTAGON RENOVATION TRANSFER FUND	279,820	221,648	-
TOTAL O&M, TRANSFER ACCOUNTS	279,820	6,757,925	6,207,058
DEFENSE HEALTH PROGRAM	10,525,097	11,319,999	11,600,429
EMERGENCY RESPONSE FUND, DEFENSE	22,235	-	-
FORMER SOVIET UNION THREAT REDUCTION	440,400	458,119	458,400
OFFICE OF THE INSPECTOR GENERAL	131,845	136,651	147,545
OPPLAN 34A-35 P.O.W.	170	6,976	5,000
OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID	104,495	55,511	64,900
PAYMENT TO KAHO'OLAWA ISLAND	25,097	34,819	25,000
QUALITY OF LIFE ENHANCEMENTS, DEFENSE	455,000	298,449	-
U.S. COURT OF APPEALS FOR THE ARMED FORCES	7,246	7,582	8,574
TOTAL MISCELLANEOUS	11,711,585	12,318,106	12,309,848
TOTAL OPERATION AND MAINTENANCE TITLE	102,660,839	106,563,555	109,044,387

**Department of Defense
FY 2001 Operation and Maintenance**

		<u>(Dollars in Thousands)</u>		
<u>Operation & Maintenance, Army</u>		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>				
<u>LAND FORCES</u>		<u>2,640,171</u>	<u>3,244,706</u>	<u>3,330,899</u>
2020a	010 DIVISIONS	940,643	1,143,942	1,174,856
2020a	020 CORPS COMBAT FORCES	224,707	343,684	321,297
2020a	030 CORPS SUPPORT FORCES	259,651	342,675	350,844
2020a	040 ECHELON ABOVE CORPS FORCES	425,178	481,310	503,390
2020a	050 LAND FORCES OPERATIONS SUPPORT	789,992	933,095	980,512
<u>LAND FORCES READINESS</u>		<u>2,269,979</u>	<u>2,214,164</u>	<u>2,370,841</u>
2020a	060 FORCE READINESS OPERATIONS SUPPORT	1,257,054	1,102,930	1,144,565
2020a	070 LAND FORCES SYSTEMS READINESS	391,475	473,375	531,614
2020a	080 LAND FORCES DEPOT MAINTENANCE	621,450	637,859	694,662
<u>LAND FORCES READINESS SUPPORT</u>		<u>6,529,106</u>	<u>3,886,747</u>	<u>3,879,341</u>
2020a	090 BASE OPERATIONS SUPPORT (OPERATING FORCES)	2,637,640	2,607,057	2,698,913
2020a	100 REAL PROPERTY MAINTENANCE (OPERATING FORCES)	858,050	879,188	916,378
2020a	110 MANAGEMENT AND OPERATIONAL HEADQUARTERS	147,679	122,963	131,042
2020a	120 UNIFIED COMMANDS	86,377	77,550	82,388
2020a	130 ADDITIONAL ACTIVITIES	2,799,360	199,989	50,620
TOTAL OPERATING FORCES		11,439,256	9,345,617	9,581,081
<u>BUDGET ACTIVITY 02: MOBILIZATION</u>				
<u>MOBILITY OPERATIONS</u>		<u>584,575</u>	<u>603,293</u>	<u>526,913</u>
2020a	140 STRATEGIC MOBILIZATION	319,528	337,168	309,219
2020a	150 ARMY PREPOSITIONED STOCKS	151,784	182,499	130,471
2020a	160 INDUSTRIAL PREPAREDNESS	58,400	55,664	66,557
2020a	170 REAL PROPERTY MAINTENANCE (MOBILITY OPERATIONS)	54,863	27,962	20,666
TOTAL MOBILIZATION		584,575	603,293	526,913
<u>BUDGET ACTIVITY 03: TRAINING AND RECRUITING</u>				
<u>ACCESSION TRAINING</u>		<u>387,989</u>	<u>356,592</u>	<u>364,026</u>
2020a	180 OFFICER ACQUISITION	70,478	70,889	73,963
2020a	190 RECRUIT TRAINING	20,368	13,699	15,728
2020a	200 ONE STATION UNIT TRAINING	11,998	14,528	14,618
2020a	210 SENIOR RESERVE OFFICERS' TRAINING CORPS	149,542	144,212	134,581
2020a	220 BASE OPERATIONS SUPPORT (ACCESSION TRAINING)	75,276	72,955	75,468
2020a	230 REAL PROPERTY MAINTENANCE (ACCESSION TRAINING)	60,327	40,309	49,668

**Department of Defense
FY 2001 Operation and Maintenance**

		<u>(Dollars in Thousands)</u>		
<u>Operation & Maintenance, Army</u>		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>BASIC SKILL/ADVANCE TRAINING</u>		<u>2,047,144</u>	<u>2,110,381</u>	<u>2,193,890</u>
2020a	240 SPECIALIZED SKILL TRAINING	230,512	228,518	242,799
2020a	250 FLIGHT TRAINING	249,929	260,534	323,414
2020a	260 PROFESSIONAL DEVELOPMENT EDUCATION	89,776	89,415	100,260
2020a	270 TRAINING SUPPORT	400,886	413,144	417,639
2020a	280 BASE OPERATIONS SUPPORT (BASIC SKILL/ADVANCED TRAINING)	846,224	842,458	845,136
2020a	290 REAL PROPERTY MAINTENANCE (BASIC SKILL/ADVANCED)	229,817	276,312	264,642
<u>RECRUITING/OTHER TRAINING</u>		<u>803,463</u>	<u>827,238</u>	<u>895,653</u>
2020a	300 RECRUITING AND ADVERTISING	281,726	323,599	385,251
2020a	310 EXAMINING	71,242	77,472	77,700
2020a	320 OFF-DUTY AND VOLUNTARY EDUCATION	110,654	85,210	87,629
2020a	330 CIVILIAN EDUCATION AND TRAINING	71,685	66,747	79,207
2020a	340 JUNIOR RESERVE OFFICERS' TRAINING CORPS	73,296	82,982	77,491
2020a	350 BASE OPERATIONS SUPPORT (RECRUIT/OTHER TRAINING)	194,860	191,228	188,375
TOTAL TRAINING AND RECRUITING		3,238,596	3,294,211	3,453,569
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>				
<u>SECURITY PROGRAMS</u>		<u>447,714</u>	<u>418,424</u>	<u>472,588</u>
2020a	360 SECURITY PROGRAMS	447,714	418,424	472,588
<u>LOGISTICS OPERATIONS</u>		<u>1,527,354</u>	<u>1,641,909</u>	<u>1,551,090</u>
2020a	370 SERVICEWIDE TRANSPORTATION	431,593	538,832	488,831
2020a	380 CENTRAL SUPPLY ACTIVITIES	352,043	401,700	365,993
2020a	390 LOGISTICS SUPPORT ACTIVITIES	384,448	348,365	356,748
2020a	400 AMMUNITION MANAGEMENT	359,270	353,012	339,518
<u>SERVICEWIDE SUPPORT</u>		<u>3,663,785</u>	<u>3,364,521</u>	<u>3,289,407</u>
2020a	410 ADMINISTRATION	479,368	317,187	327,113
2020a	420 SERVICEWIDE COMMUNICATIONS	657,695	630,002	466,906
2020a	430 MANPOWER MANAGEMENT	157,328	154,377	164,992
2020a	440 OTHER PERSONNEL SUPPORT	190,418	141,783	154,893
2020a	450 OTHER SERVICE SUPPORT	1,341,529	672,578	739,315
2020a	460 ARMY CLAIMS	99,569	113,060	112,851
2020a	470 REAL ESTATE MANAGEMENT	66,124	73,157	69,439
2020a	480 BASE OPERATIONS SUPPORT (SERVICEWIDE SUPPORT)	579,121	1,049,543	1,076,077
2020a	490 REAL PROPERTY MAINTENANCE (SERVICEWIDE SUPPORT)	92,633	212,834	177,821

**Department of Defense
FY 2001 Operation and Maintenance**

<u>Operation & Maintenance, Army</u>		<u>(Dollars in Thousands)</u>		
		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>SUPPORT OF OTHER NATIONS</u>		<u>289,368</u>	<u>251,361</u>	<u>249,083</u>
2020a	500 INTERNATIONAL MILITARY HEADQUARTERS	248,821	203,318	194,381
2020a	510 MISC. SUPPORT OF OTHER NATIONS	40,547	48,043	54,702
2020a	520 EXPANSION OF NATO	0	0	0
TOTAL ADMINISTRATION & SERVICEWIDE ACTIVITIES		5,928,221	5,676,215	5,562,168
TOTAL OPERATION & MAINTENANCE, ARMY		21,190,648	18,919,336	19,123,731

**Department of Defense
FY 2001 Operation and Maintenance**

<u>Operation & Maintenance, Navy</u>		<u>(Dollars in Thousands)</u>		
		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>				
<u>AIR OPERATIONS</u>		<u>4,160,310</u>	<u>3,930,853</u>	<u>4,267,564</u>
1804n	010 MISSION AND OTHER FLIGHT OPERATIONS	2,457,853	2,254,435	2,636,230
1804n	020 FLEET AIR TRAINING	727,880	712,363	798,956
1804n	030 INTERMEDIATE MAINTENANCE	55,804	56,615	59,407
1804n	040 AIR OPERATIONS AND SAFETY SUPPORT	80,559	89,363	102,182
1804n	050 AIRCRAFT DEPOT MAINTENANCE	818,637	797,552	648,745
1804n	060 AIRCRAFT DEPOT OPERATIONS SUPPORT	19,577	20,525	22,044
<u>SHIP OPERATIONS</u>		<u>6,397,178</u>	<u>6,399,077</u>	<u>6,334,227</u>
1804n	070 MISSION AND OTHER SHIP OPERATIONS	2,083,264	1,888,076	2,237,075
1804n	080 SHIP OPERATIONAL SUPPORT AND TRAINING	560,484	535,665	539,919
1804n	090 INTERMEDIATE MAINTENANCE	378,157	365,078	393,478
1804n	100 SHIP DEPOT MAINTENANCE	2,233,797	2,435,241	2,113,052
1804n	110 SHIP DEPOT OPERATIONS SUPPORT	1,141,476	1,175,017	1,050,703
<u>COMBAT OPERATIONS/SUPPORT</u>		<u>1,618,648</u>	<u>1,547,501</u>	<u>1,667,580</u>
1804n	120 COMBAT COMMUNICATIONS	252,299	325,254	371,080
1804n	130 ELECTRONIC WARFARE	9,730	14,742	16,452
1804n	140 SPACE SYSTEMS AND SURVEILLANCE	180,435	158,646	167,779
1804n	150 WARFARE TACTICS	133,029	132,265	141,835
1804n	160 OPERATIONAL METEOROLOGY AND OCEANOGRAPHY	241,781	251,541	257,981
1804n	170 COMBAT SUPPORT FORCES	639,915	496,713	548,600
1804n	180 EQUIPMENT MAINTENANCE	160,786	167,589	163,062
1804n	190 DEPOT OPERATIONS SUPPORT	673	751	791
<u>WEAPONS SUPPORT</u>		<u>1,361,769</u>	<u>1,384,925</u>	<u>1,386,942</u>
1804n	200 CRUISE MISSILE	123,582	132,516	139,779
1804n	210 FLEET BALLISTIC MISSILE	781,905	803,282	816,722
1804n	220 IN-SERVICE WEAPONS SYSTEMS SUPPORT	55,361	44,060	48,635
1804n	230 WEAPONS MAINTENANCE	400,921	405,067	381,806
<u>WORKING CAPITAL FUND SUPPORT</u>		<u>18,400</u>	<u>40,497</u>	<u>19,100</u>
1804n	240 NWCF SUPPORT	18,400	40,497	19,100
<u>BASE SUPPORT</u>		<u>2,740,967</u>	<u>2,839,654</u>	<u>3,017,265</u>
1804n	250 REAL PROPERTY MAINTENANCE	681,404	716,160	866,050
1804n	260 BASE SUPPORT	2,059,563	2,123,494	2,151,215
TOTAL OPERATING FORCES		16,297,272	16,142,507	16,692,678

**Department of Defense
FY 2001 Operation and Maintenance**

		<u>(Dollars in Thousands)</u>		
<u>Operation & Maintenance, Navy</u>		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>BUDGET ACTIVITY 02: MOBILIZATION</u>				
<u>READY RESERVE AND PREPOSITIONING FORCES</u>				
1804n	270 SHIP PREPOSITIONING AND SURGE	<u>423,208</u>	<u>432,899</u>	<u>428,418</u>
		423,208	432,899	428,418
<u>ACTIVATIONS/INACTIVATIONS</u>				
1804n	280 AIRCRAFT ACTIVATIONS/INACTIVATIONS	<u>497,791</u>	<u>284,738</u>	<u>196,403</u>
		710	2,956	2,939
1804n	290 SHIP ACTIVATIONS/INACTIVATIONS	497,081	281,782	193,464
<u>MOBILIZATION PREPAREDNESS</u>				
1804n	300 FLEET HOSPITAL PROGRAM	<u>50,059</u>	<u>42,729</u>	<u>44,113</u>
		22,714	22,876	23,707
1804n	310 INDUSTRIAL READINESS	11,731	1,071	1,112
1804n	320 COAST GUARD SUPPORT	15,614	18,782	19,294
TOTAL MOBILIZATION		971,058	760,366	668,934
<u>BUDGET ACTIVITY 03: TRAINING AND RECRUITING</u>				
<u>ACCESSION TRAINING</u>				
1804n	330 OFFICER ACQUISITION	<u>153,418</u>	<u>156,855</u>	<u>174,633</u>
		78,052	80,257	90,121
1804n	340 RECRUIT TRAINING	5,115	5,065	6,594
1804n	350 RESERVE OFFICERS TRAINING CORPS (ROTC)	70,251	71,533	77,918
<u>BASIC SKILLS AND ADVANCED TRAINING</u>				
1804n	360 SPECIALIZED SKILL TRAINING	<u>821,253</u>	<u>889,728</u>	<u>913,264</u>
		257,181	258,474	276,861
1804n	370 FLIGHT TRAINING	300,854	316,617	342,553
1804n	380 PROFESSIONAL DEVELOPMENT EDUCATION	91,015	103,285	107,625
1804n	390 TRAINING SUPPORT	172,203	211,352	186,225
<u>RECRUITING, AND OTHER TRAINING AND EDUCATION</u>				
1804n	400 RECRUITING AND ADVERTISING	<u>318,294</u>	<u>348,153</u>	<u>354,956</u>
		183,173	196,524	180,737
1804n	410 OFF-DUTY AND VOLUNTARY EDUCATION	77,551	80,255	86,613
1804n	420 CIVILIAN EDUCATION AND TRAINING	34,449	44,632	56,234
1804n	430 JUNIOR ROTC	23,121	26,742	31,372
<u>BASE SUPPORT</u>				
1804n	440 REAL PROPERTY MAINTENANCE	<u>495,800</u>	<u>473,707</u>	<u>522,786</u>
		181,794	160,115	198,071
1804n	450 BASE SUPPORT	314,006	313,592	324,715
TOTAL TRAINING AND RECRUITING		1,788,765	1,868,443	1,965,639

**Department of Defense
FY 2001 Operation and Maintenance**

		<u>(Dollars in Thousands)</u>		
<u>Operation & Maintenance, Navy</u>		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>				
<u>SERVICEWIDE SUPPORT</u>		<u>1,429,504</u>	<u>1,313,049</u>	<u>1,346,099</u>
1804n	460 ADMINISTRATION	668,491	595,811	618,145
1804n	470 EXTERNAL RELATIONS	23,556	16,746	19,987
1804n	480 CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT	112,934	114,051	114,660
1804n	490 MILITARY MANPOWER AND PERSONNEL MANAGEMENT	127,927	88,104	97,812
1804n	500 OTHER PERSONNEL SUPPORT	191,685	209,993	187,270
1804n	510 SERVICEWIDE COMMUNICATIONS	289,142	288,344	308,225
1804n	520 MEDICAL ACTIVITIES	15,769	0	0
<u>LOGISTICS OPERATIONS AND TECHNICAL SUPPORT</u>		<u>1,874,004</u>	<u>1,628,699</u>	<u>1,728,826</u>
1804n	530 SERVICEWIDE TRANSPORTATION	159,061	160,145	186,105
1804n	540 ENVIRONMENTAL PROGRAMS	273,223	0	0
1804n	550 PLANNING, ENGINEERING AND DESIGN	376,574	357,070	355,482
1804n	560 ACQUISITION AND PROGRAM MANAGEMENT	600,117	682,050	721,560
1804n	570 AIR SYSTEMS SUPPORT	273,024	263,445	303,087
1804n	580 HULL, MECHANICAL AND ELECTRICAL SUPPORT	58,596	52,896	61,092
1804n	590 COMBAT/WEAPONS SYSTEMS	48,441	59,332	47,240
1804n	600 SPACE AND ELECTRONIC WARFARE SYSTEMS	84,968	53,761	54,260
<u>SECURITY PROGRAMS</u>		<u>579,832</u>	<u>583,476</u>	<u>622,854</u>
1804n	610 SECURITY PROGRAMS	579,832	583,476	622,854
<u>SUPPORT OF OTHER NATIONS</u>		<u>9,644</u>	<u>8,400</u>	<u>8,508</u>
1804n	620 INTERNATIONAL HEADQUARTERS AND AGENCIES	9,644	8,400	8,508
<u>BASE SUPPORT</u>		<u>271,586</u>	<u>286,569</u>	<u>266,616</u>
1804n	630 REAL PROPERTY MAINTENANCE	76,587	95,094	109,485
1804n	640 BASE SUPPORT	194,999	191,475	157,131
<u>CANCELLED ACCOUNTS</u>		<u>10,583</u>	<u>0</u>	<u>0</u>
1804n	650 CANCELLED ACCOUNT	10,583	0	0
<u>PROBLEM DISBURSEMENTS</u>		<u>345</u>	<u>0</u>	<u>0</u>
1804n	660 PROBLEM DISBURSEMENTS	345	0	0
TOTAL ADMINISTRATION & SERVICEWIDE ACTIVITIES		4,175,498	3,820,193	3,972,903
TOTAL OPERATION & MAINTENANCE, NAVY		23,232,593	22,591,509	23,300,154

**Department of Defense
FY 2001 Operation and Maintenance**

		<u>(Dollars in Thousands)</u>		
<u>Operation & Maintenance, Marine Corps</u>		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>				
<u>EXPEDITIONARY FORCES</u>		<u>1,876,279</u>	<u>1,931,769</u>	<u>1,908,545</u>
1106n	010 OPERATIONAL FORCES	454,723	451,177	420,702
1106n	020 FIELD LOGISTICS	235,554	239,116	235,561
1106n	030 DEPOT MAINTENANCE	100,174	124,335	97,194
1106n	040 BASE SUPPORT	757,438	773,697	760,299
1106n	050 REAL PROPERTY MAINTENANCE	328,390	343,444	394,789
<u>USMC PREPOSITIONING</u>		<u>85,315</u>	<u>82,349</u>	<u>86,281</u>
1106n	060 MARITIME PREPOSITIONING	80,368	78,579	82,390
1106n	070 NORWAY PREPOSITIONING	4,947	3,770	3,891
TOTAL OPERATING FORCES		1,961,594	2,014,118	1,994,826
<u>BUDGET ACTIVITY 03: TRAINING AND RECRUITING</u>				
<u>ACCESSION TRAINING</u>		<u>90,340</u>	<u>93,155</u>	<u>86,386</u>
1106n	080 RECRUIT TRAINING	10,331	10,245	10,655
1106n	090 OFFICER ACQUISITION	289	793	300
1106n	100 BASE SUPPORT	53,510	59,032	55,649
1106n	110 REAL PROPERTY MAINTENANCE	26,210	23,085	19,782
<u>BASIC SKILLS AND ADVANCED TRAINING</u>		<u>207,563</u>	<u>205,600</u>	<u>205,972</u>
1106n	120 SPECIALIZED SKILLS TRAINING	30,922	31,235	32,975
1106n	130 FLIGHT TRAINING	130	162	166
1106n	140 PROFESSIONAL DEVELOPMENT EDUCATION	6,673	8,575	8,704
1106n	150 TRAINING SUPPORT	85,331	85,496	84,417
1106n	160 BASE SUPPORT	54,649	53,877	50,948
1106n	170 REAL PROPERTY MAINTENANCE	29,858	26,255	28,762
<u>RECRUITING AND OTHER TRAINING EDUCATION</u>		<u>135,568</u>	<u>141,782</u>	<u>140,518</u>
1106n	180 RECRUITING AND ADVERTISING	98,016	103,597	100,001
1106n	190 OFF-DUTY AND VOLUNTARY EDUCATION	17,881	16,379	17,961
1106n	200 JUNIOR ROTC	10,547	11,102	11,917
1106n	210 BASE SUPPORT	7,448	8,062	8,006
1106n	220 REAL PROPERTY MAINTENANCE	1,676	2,642	2,633
TOTAL TRAINING AND RECRUITING		433,471	440,537	432,876

**Department of Defense
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<u>Operation & Maintenance, Marine Corps</u>		<u>(Dollars in Thousands)</u>		
		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>				
<u>SERVICEWIDE SUPPORT</u>		<u>279,950</u>	<u>257,766</u>	<u>277,956</u>
1106n	230 SPECIAL SUPPORT	205,056	186,635	204,293
1106n	240 SERVICEWIDE TRANSPORTATION	28,806	29,226	31,414
1106n	250 ADMINISTRATION	31,504	25,241	25,811
1106n	260 BASE SUPPORT	12,308	14,420	14,157
1106n	270 REAL PROPERTY MAINTENANCE	2,276	2,244	2,281
<u>CANCELLED ACCOUNT</u>		<u>351</u>	<u>0</u>	<u>0</u>
1106n	280 CANCELLED ACCOUNT	351	0	0
TOTAL ADMINISTRATION & SERVICEWIDE ACTIVITIES		280,301	257,766	277,956
TOTAL OPERATION & MAINTENANCE, MARINE CORPS		2,675,366	2,712,421	2,705,658

**Department of Defense
FY 2001 Operation and Maintenance**

		<u>(Dollars in Thousands)</u>		
<u>Operation & Maintenance, Air Force</u>		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>				
<u>AIR OPERATIONS</u>		<u>8,661,436</u>	<u>8,180,965</u>	<u>8,673,688</u>
3400f	010 PRIMARY COMBAT FORCES	2,463,943	2,277,710	2,363,665
3400f	020 PRIMARY COMBAT WEAPONS	230,027	309,426	306,379
3400f	030 COMBAT ENHANCEMENT FORCES	216,869	196,717	205,101
3400f	040 AIR OPERATIONS TRAINING	718,236	730,394	774,341
3400f	050 DEPOT MAINTENANCE	1,094,921	1,172,360	1,341,224
3400f	060 COMBAT COMMUNICATIONS	1,165,070	1,028,619	1,093,924
3400f	070 BASE SUPPORT	2,026,638	1,748,513	1,849,247
3400f	080 REAL PROPERTY MAINTENANCE	745,732	717,226	739,807
<u>COMBAT RELATED OPERATIONS</u>		<u>1,643,785</u>	<u>1,454,854</u>	<u>1,536,955</u>
3400f	090 GLOBAL C3I AND EARLY WARNING	717,729	646,555	680,464
3400f	100 NAVIGATION/WEATHER SUPPORT	136,702	146,181	154,153
3400f	110 OTHER COMBAT OPS SUPPORT PROGRAMS	269,657	266,665	280,971
3400f	120 JCS EXERCISES	33,347	24,263	37,052
3400f	130 MANAGEMENT/OPERATIONAL HEADQUARTERS	256,344	120,519	124,998
3400f	140 TACTICAL INTELLIGENCE AND OTHER SPECIAL ACTIVITIES	230,006	250,671	259,317
<u>SPACE OPERATIONS</u>		<u>1,099,074</u>	<u>1,162,882</u>	<u>1,279,808</u>
3400f	150 LAUNCH FACILITIES	214,290	225,483	234,395
3400f	160 LAUNCH VEHICLES	107,835	111,996	116,766
3400f	170 SPACE CONTROL SYSTEMS	221,301	240,428	248,564
3400f	180 SATELLITE SYSTEMS	31,899	53,095	53,473
3400f	190 OTHER SPACE OPERATIONS	97,569	97,794	114,729
3400f	200 BASE SUPPORT	307,105	312,100	377,605
3400f	210 REAL PROPERTY MAINTENANCE	119,075	121,986	134,276
TOTAL OPERATING FORCES		11,404,295	10,798,701	11,490,451
<u>BUDGET ACTIVITY 02: MOBILIZATION</u>				
<u>MOBILITY OPERATIONS</u>		<u>3,552,943</u>	<u>2,677,958</u>	<u>3,159,544</u>
3400f	220 AIRLIFT OPERATIONS	1,976,079	1,320,912	1,653,084
3400f	230 AIRLIFT OPERATIONS C3I	27,557	31,774	37,961
3400f	240 MOBILIZATION PREPAREDNESS	132,819	140,515	146,133
3400f	250 DEPOT MAINTENANCE	353,578	313,398	305,244
3400f	260 PAYMENTS TO TRANSPORTATION WORKING CAPITAL FUND	470,035	312,228	429,775
3400f	270 BASE SUPPORT	433,952	437,120	466,832
3400f	280 REAL PROPERTY MAINTENANCE	158,923	122,011	120,515
TOTAL MOBILIZATION		3,552,943	2,677,958	3,159,544

**Department of Defense
FY 2001 Operation and Maintenance**

<u>Operation & Maintenance, Air Force</u>		<u>(Dollars in Thousands)</u>		
		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>BUDGET ACTIVITY 03: TRAINING AND RECRUITING</u>				
<u>ACCESSION TRAINING</u>		<u>211,470</u>	<u>231,190</u>	<u>266,841</u>
3400f	290 OFFICER ACQUISITION	58,956	60,419	68,142
3400f	300 RECRUIT TRAINING	8,808	4,424	4,302
3400f	310 RESERVE OFFICER TRAINING CORPS (ROTC)	44,291	57,982	61,522
3400f	320 BASE SUPPORT (ACADEMIES ONLY)	59,549	61,423	68,220
3400f	330 REAL PROPERTY MAINTENANCE (ACADEMIES ONLY)	39,866	46,942	64,655
<u>BASIC SKILLS AND ADVANCED TRAINING</u>		<u>1,388,744</u>	<u>1,502,305</u>	<u>1,669,169</u>
3400f	340 SPECIALIZED SKILL TRAINING	215,387	248,875	256,003
3400f	350 FLIGHT TRAINING	466,207	571,637	618,293
3400f	360 PROFESSIONAL DEVELOPMENT EDUCATION	90,469	102,415	109,263
3400f	370 TRAINING SUPPORT	74,634	66,797	75,599
3400f	380 DEPOT MAINTENANCE	28,199	16,056	11,626
3400f	390 BASE SUPPORT (OTHER TRAINING)	380,472	392,561	471,268
3400f	400 REAL PROPERTY MAINTENANCE (OTHER TRAINING)	133,376	103,964	127,117
<u>RECRUITING, AND OTHER TRAINING AND EDUCATION</u>		<u>269,552</u>	<u>303,189</u>	<u>305,491</u>
3400f	410 RECRUITING AND ADVERTISING	96,451	116,482	113,524
3400f	420 EXAMINING	2,205	2,954	3,483
3400f	430 OFF DUTY AND VOLUNTARY EDUCATION	82,327	84,987	87,032
3400f	440 CIVILIAN EDUCATION AND TRAINING	62,464	69,460	69,633
3400f	450 JUNIOR ROTC	26,105	29,306	31,819
TOTAL TRAINING AND RECRUITING		1,869,766	2,036,684	2,241,501

**Department of Defense
FY 2001 Operation and Maintenance**

		<u>(Dollars in Thousands)</u>		
<u>Operation & Maintenance, Air Force</u>		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>				
<u>LOGISTICS OPERATIONS</u>				
3400f	460 LOGISTICS OPERATIONS	<u>2,738,019</u> 799,029	<u>2,971,109</u> 939,199	<u>3,131,611</u> 985,411
3400f	470 TECHNICAL SUPPORT ACTIVITIES	378,785	382,147	396,144
3400f	480 SERVICEWIDE TRANSPORTATION	215,687	217,425	222,395
3400f	490 DEPOT MAINTENANCE	136,231	64,519	55,398
3400f	500 BASE SUPPORT	923,692	1,042,450	1,131,172
3400f	510 REAL PROPERTY MAINTENANCE	284,595	325,369	341,091
<u>SERVICEWIDE ACTIVITIES</u>				
3400f	520 ADMINISTRATION	<u>1,860,632</u> 158,717	<u>1,558,883</u> 138,840	<u>1,624,374</u> 153,206
3400f	530 SERVICEWIDE COMMUNICATIONS	270,009	305,235	322,654
3400f	540 PERSONNEL PROGRAMS	125,667	126,931	146,783
3400f	550 RESCUE AND RECOVERY SERVICES	56,545	55,063	59,073
3400f	560 ARMS CONTROL	30,332	25,801	41,094
3400f	570 OTHER SERVICEWIDE ACTIVITIES	982,216	593,384	590,249
3400f	580 OTHER PERSONNEL SUPPORT	28,102	31,178	35,109
3400f	590 CIVIL AIR PATROL CORPORATION	23,497	21,470	13,917
3400f	600 BASE SUPPORT	166,429	242,088	237,050
3400f	610 REAL PROPERTY MAINTENANCE	19,118	18,893	25,239
<u>SECURITY PROGRAMS</u>				
3400f	620 SECURITY PROGRAMS	<u>634,169</u> 634,169	<u>596,046</u> 596,046	<u>685,834</u> 685,834
<u>SUPPORT TO OTHER NATIONS</u>				
3400f	630 INTERNATIONAL SUPPORT	<u>16,003</u> 16,003	<u>12,738</u> 12,738	<u>13,662</u> 13,662
TOTAL ADMINISTRATION & SERVICEWIDE ACTIVITIES		5,248,823	5,138,776	5,455,481
TOTAL OPERATION & MAINTENANCE, AIR FORCE		22,075,827	20,652,119	22,346,977

**Department of Defense
FY 2001 Operation and Maintenance**

<u>Operation & Maintenance, Defense-Wide</u>		<u>(Dollars in Thousands)</u>		
		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>				
0100d	010 JOINT CHIEFS OF STAFF	442,113	376,077	396,489
0100d	020 SPECIAL OPERATIONS COMMAND	1,251,264	1,204,622	1,263,572
TOTAL OPERATING FORCES		1,693,377	1,580,699	1,660,061
<u>BUDGET ACTIVITY 02: MOBILIZATION</u>				
0100d	030 DEFENSE LOGISTICS AGENCY	35,419	34,635	45,677
TOTAL MOBILIZATION		35,419	34,635	45,677
<u>BUDGET ACTIVITY 03: TRAINING AND RECRUITING</u>				
0100d	040 AMERICAN FORCES INFORMATION SERVICE	8,899	10,608	10,999
0100d	050 DEFENSE ACQUISITION UNIVERSITY	94,829	101,164	100,331
0100d	060 DEFENSE FINANCE AND ACCOUNTING SERVICE	0	16,984	15,354
0100d	070 DEFENSE HUMAN RESOURCES ACTIVITY	28,173	59,992	78,299
0100d	080 DEFENSE SECURITY SERVICE	7,649	7,254	7,445
0100d	090 DEFENSE THREAT REDUCTION AGENCY	1,256	1,085	1,089
0100d	100 SPECIAL OPERATIONS COMMAND	33,582	49,387	49,158
TOTAL TRAINING AND RECRUITING		174,388	246,474	262,675

**Department of Defense
FY 2001 Operation and Maintenance**

		<u>(Dollars in Thousands)</u>		
<u>Operation & Maintenance, Defense-Wide</u>		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>				
0100d	110 AMERICAN FORCES INFORMATION SERVICE	98,337	93,268	94,525
0100d	120 CIVIL MILITARY PROGRAMS	74,616	91,035	88,431
0100d	130 CLASSIFIED AND INTELLIGENCE	4,023,338	4,079,538	4,207,597
0100d	140 CLASSIFIED AND INTELLIGENCE (FY 98/99)	3,194	0	0
0100d	150 CLASSIFIED AND INTELLIGENCE (NO YEAR)	0	19,897	0
0100d	160 DEFENSE CONTRACT AUDIT AGENCY	310,190	328,535	348,658
0100d	170 DEFENSE FINANCE AND ACCOUNTING SERVICE	95,511	24,040	1,416
0100d	180 DEFENSE HUMAN RESOURCES ACTIVITY	184,308	163,589	184,856
0100d	190 DEFENSE INFORMATION SYSTEMS AGENCY	816,888	812,895	755,197
0100d	200 DEFENSE LEGAL SERVICES AGENCY	9,090	10,939	12,596
0100d	210 DEFENSE LOGISTICS AGENCY	1,199,907	1,205,507	1,143,496
0100d	220 DEFENSE POW/MISSING PERSONS OFFICE	13,558	14,434	14,827
0100d	230 DEFENSE SECURITY COOPERATION AGENCY	49,016	62,490	67,598
0100d	240 DEFENSE SECURITY SERVICE	76,660	128,378	126,929
0100d	250 DEFENSE THREAT REDUCTION AGENCY	231,499	186,341	215,624
0100d	260 DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION	1,406,423	1,425,236	1,434,204
0100d	270 JOINT CHIEFS OF STAFF	128,545	132,279	157,883
0100d	280 OFFICE OF ECONOMIC ADJUSTMENT	34,104	76,480	22,495
0100d	290 OFFICE OF THE SECRETARY OF DEFENSE	462,223	474,987	417,126
0100d	300 OFFICE OF THE SECRETARY OF DEFENSE (NO YEAR)	0	230	0
0100d	310 SPECIAL OPERATIONS COMMAND	45,235	41,874	43,864
0100d	320 WASHINGTON HEADQUARTERS SERVICES	214,398	247,772	299,334
0100d	330 NATURAL DISASTERS	0	27,400	0
0100d	340 SPECIAL PROGRAMS	0	371,671	315,000
TOTAL ADMINISTRATION & SERVICEWIDE ACTIVITIES		9,477,040	10,018,815	9,951,656
TOTAL OPERATION & MAINTENANCE, DEFENSE-WIDE		11,380,224	11,880,623	11,920,069

**Department of Defense
FY 2001 Operation and Maintenance**

<u>Operation & Maintenance, Army Reserve</u>		(Dollars in Thousands)		
		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>				
<u>LAND FORCES</u>		<u>489,055</u>	<u>648,763</u>	<u>680,318</u>
2080a	010 DIVISION FORCES	10,416	12,469	9,921
2080a	020 CORPS COMBAT FORCES	13,481	26,406	22,544
2080a	030 CORPS SUPPORT FORCES	164,837	198,860	218,697
2080a	040 ECHELON ABOVE CORPS FORCES	84,914	103,315	103,347
2080a	050 LAND FORCES OPERATIONS SUPPORT	215,407	307,713	325,809
<u>LAND FORCES READINESS</u>		<u>215,515</u>	<u>197,672</u>	<u>211,288</u>
2080a	060 FORCES READINESS OPERATIONS SUPPORT	137,896	128,988	129,020
2080a	070 LAND FORCES SYSTEM READINESS	31,077	32,110	35,501
2080a	080 DEPOT MAINTENANCE	46,542	36,574	46,767
<u>LAND FORCES READINESS SUPPORT</u>		<u>367,463</u>	<u>449,847</u>	<u>461,815</u>
2080a	090 BASE SUPPORT	297,185	320,595	345,771
2080a	100 REAL PROPERTY MAINTENANCE	68,694	127,858	114,704
2080a	110 UNIFIED COMMANDS	18	40	0
2080a	120 ADDITIONAL ACTIVITIES	1,566	1,354	1,340
TOTAL OPERATING FORCES		1,072,033	1,296,282	1,353,421
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>				
<u>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</u>		<u>174,013</u>	<u>174,110</u>	<u>167,997</u>
2080a	130 ADMINISTRATION	33,333	30,183	34,708
2080a	140 SERVICEWIDE COMMUNICATIONS	30,829	23,199	22,482
2080a	150 PERSONNEL/FINANCIAL ADMINISTRATION	46,078	46,346	41,594
2080a	160 RECRUITING AND ADVERTISING	63,773	74,382	69,213
TOTAL ADMINISTRATION & SERVICEWIDE ACTIVITIES		174,013	174,110	167,997
TOTAL OPERATION & MAINTENANCE, ARMY RESERVE		1,246,046	1,470,392	1,521,418

**Department of Defense
FY 2001 Operation and Maintenance**

		<u>(Dollars in Thousands)</u>		
<u>Operation & Maintenance, Navy Reserve</u>		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>				
<u>RESERVE AIR OPERATIONS</u>		<u>453,544</u>	<u>409,104</u>	<u>478,297</u>
1806n	010 MISSION AND OTHER FLIGHT OPERATIONS	313,935	286,318	355,803
1806n	020 FLEET AIR TRAINING	482	0	0
1806n	030 INTERMEDIATE MAINTENANCE	16,915	17,129	17,381
1806n	040 AIR OPERATION AND SAFETY SUPPORT	2,934	3,829	3,384
1806n	050 AIRCRAFT DEPOT MAINTENANCE	118,903	101,561	101,391
1806n	060 AIRCRAFT DEPOT OPS SUPPORT	375	267	338
<u>RESERVE SHIP OPERATIONS</u>		<u>171,101</u>	<u>177,886</u>	<u>130,106</u>
1806n	070 MISSION AND OTHER SHIP OPERATIONS	76,066	69,672	48,182
1806n	080 SHIP OPERATIONAL SUPPORT AND TRAINING	608	615	621
1806n	090 INTERMEDIATE MAINTENANCE	10,356	11,716	11,207
1806n	100 SHIP DEPOT MAINTENANCE	82,953	94,466	68,721
1806n	110 SHIP DEPOT OPERATIONS SUPPORT	1,118	1,417	1,375
<u>RESERVE COMBAT OPERATIONS SUPPORT</u>		<u>27,883</u>	<u>27,495</u>	<u>34,850</u>
1806n	120 COMBAT SUPPORT FORCES	27,883	27,495	34,850
<u>RESERVE WEAPONS SUPPORT</u>		<u>5,193</u>	<u>5,224</u>	<u>5,436</u>
1806n	130 WEAPONS MAINTENANCE	5,193	5,224	5,436
<u>BASE SUPPORT</u>		<u>208,320</u>	<u>205,015</u>	<u>206,409</u>
1806n	140 REAL PROPERTY MAINTENANCE	43,480	40,341	63,728
1806n	150 BASE SUPPORT	164,840	164,674	142,681
TOTAL OPERATING FORCES		866,041	824,724	855,098
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>				
<u>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</u>		<u>101,680</u>	<u>138,913</u>	<u>105,848</u>
1806n	160 ADMINISTRATION	7,278	7,818	7,004
1806n	170 CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT	1,339	1,402	1,847
1806n	180 MILITARY MANPOWER AND PERSONNEL MANAGEMENT	25,912	35,319	27,713
1806n	190 SERVICEWIDE COMMUNICATIONS	61,320	87,874	63,070
1806n	200 COMBAT/WEAPONS SYSTEMS	5,349	5,899	5,566
1806n	210 GENERAL DEFENSE INTELLIGENCE PROGRAM	482	601	648
<u>LOGISTICS OPERATIONS AND TECHNICAL SUPPORT</u>		<u>2,525</u>	<u>0</u>	<u>0</u>
1806n	220 AIR SYSTEMS SUPPORT	2,525	0	0
<u>CANCELLED ACCOUNTS</u>		<u>77</u>	<u>0</u>	<u>0</u>
1806n	230 CANCELLED ACCOUNTS	77	0	0
TOTAL ADMINISTRATION & SERVICEWIDE ACTIVITIES		104,282	138,913	105,848
TOTAL OPERATION & MAINTENANCE, NAVY RESERVE		970,323	963,637	960,946

**Department of Defense
FY 2001 Operation and Maintenance**

<u>Operation & Maintenance, Marine Corps Reserve</u>		<u>(Dollars in Thousands)</u>		
		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>				
<u>MISSION FORCES</u>		<u>93,688</u>	<u>101,734</u>	<u>98,867</u>
1107n	010 TRAINING	18,471	18,053	17,938
1107n	020 OPERATING FORCES	44,350	49,155	46,561
1107n	030 BASE SUPPORT	19,769	15,688	17,024
1107n	040 REAL PROPERTY MAINTENANCE	8,305	8,563	8,330
1107n	050 DEPOT MAINTENANCE	2,793	10,275	9,014
TOTAL OPERATING FORCES		93,688	101,734	98,867
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>				
<u>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</u>		<u>32,941</u>	<u>36,559</u>	<u>35,092</u>
1107n	060 RECRUITING AND ADVERTISING	7,821	9,800	7,907
1107n	070 SPECIAL SUPPORT	10,987	11,107	11,317
1107n	080 SERVICEWIDE TRANSPORTATION	422	476	484
1107n	090 ADMINISTRATION	6,929	7,431	7,628
1107n	100 BASE SUPPORT	6,782	7,745	7,756
TOTAL ADMINISTRATION & SERVICEWIDE ACTIVITIES		32,941	36,559	35,092
TOTAL OPERATION & MAINTENANCE, MARINE CORPS RESERVE		126,629	138,293	133,959

**Department of Defense
FY 2001 Operation and Maintenance**

(Dollars in Thousands)

Operation & Maintenance, Air Force Reserve

FY 1999 FY 2000 FY 2001

<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>				
	<u>AIR OPERATIONS</u>	<u>1,682,231</u>	<u>1,684,816</u>	<u>1,800,275</u>
3740f	010 PRIMARY COMBAT FORCES	1,000,076	1,061,993	1,199,990
3740f	020 MISSION SUPPORT OPERATIONS	58,081	45,972	49,309
3740f	030 DEPOT MAINTENANCE	285,698	270,317	281,177
3740f	040 BASE SUPPORT	249,669	245,906	224,138
3740f	050 REAL PROPERTY MAINTENANCE	88,707	60,628	45,661
	TOTAL OPERATING FORCES	1,682,231	1,684,816	1,800,275
	<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>			
	<u>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</u>	<u>96,662</u>	<u>88,513</u>	<u>85,584</u>
3740f	060 ADMINISTRATION	55,099	46,819	47,817
3740f	070 MILITARY MANPOWER AND PERSONNEL MANAGEMENT	19,592	19,797	20,094
3740f	080 RECRUITING AND ADVERTISING	14,160	14,875	10,562
3740f	090 OTHER PERSONNEL SUPPORT	6,409	6,390	6,457
3740f	100 AUDIOVISUAL	1,402	632	654
	TOTAL ADMINISTRATION & SERVICEWIDE ACTIVITIES	96,662	88,513	85,584
	TOTAL OPERATION & MAINTENANCE, AIR FORCE RESERVE	1,778,893	1,773,329	1,885,859

**Department of Defense
FY 2001 Operation and Maintenance**

<u>Operation & Maintenance, Army National Guard</u>		(Dollars in Thousands)		
		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>				
<u>LAND FORCES</u>		<u>1,454,056</u>	<u>1,667,955</u>	<u>1,639,496</u>
2065a	010 DIVISIONS	341,447	403,152	420,846
2065a	020 CORPS COMBAT FORCES	741,539	804,957	743,303
2065a	030 CORPS SUPPORT FORCES	157,002	203,136	192,504
2065a	040 ECHELON ABOVE CORPS FORCES	133,887	156,323	184,399
2065a	050 LAND FORCES OPERATION SUPPORT	80,181	100,387	98,444
<u>LAND FORCES READINESS</u>		<u>122,292</u>	<u>195,208</u>	<u>262,419</u>
2065a	060 LAND FORCES SYSTEM READINESS	886	5,889	72,247
2065a	070 DEPOT MAINTENANCE	121,406	189,319	190,172
<u>LAND FORCES READINESS SUPPORT</u>		<u>998,263</u>	<u>1,100,945</u>	<u>1,085,439</u>
2065a	080 BASE OPERATIONS	448,298	514,739	460,632
2065a	090 REAL PROPERTY MAINTENANCE	140,641	194,332	202,431
2065a	100 MANAGEMENT AND OPERATIONAL HEADQUARTERS	409,324	391,874	422,376
TOTAL OPERATING FORCES		2,574,611	2,964,108	2,987,354
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>				
<u>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</u>		<u>204,676</u>	<u>196,869</u>	<u>194,981</u>
2065a	110 STAFF MANAGEMENT	45,504	66,292	73,993
2065a	120 INFORMATION MANAGEMENT	45,991	20,481	20,115
2065a	130 PERSONNEL ADMINISTRATION	68,284	54,784	33,627
2065a	140 RECRUITING AND ADVERTISING	44,897	55,312	67,246
TOTAL ADMINISTRATION & SERVICEWIDE ACTIVITIES		204,676	196,869	194,981
TOTAL OPERATION & MAINTENANCE, ARMY NATIONAL GUARD		2,779,287	3,160,977	3,182,335

**Department of Defense
FY 2001 Operation and Maintenance**

<u>Operation & Maintenance, Air National Guard</u>		<u>(Dollars in Thousands)</u>		
		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>				
<u>AIR OPERATIONS</u>				
3840f	010 AIRCRAFT OPERATIONS	<u>3,196,115</u>	<u>3,205,603</u>	<u>3,433,996</u>
		1,955,567	1,985,326	2,216,504
3840f	020 MISSION SUPPORT OPERATIONS	435,944	361,352	368,761
3840f	030 BASE SUPPORT	300,570	309,889	291,414
3840f	040 REAL PROPERTY MAINTENANCE	94,911	107,150	104,385
3840f	050 DEPOT MAINTENANCE	409,123	441,886	452,932
TOTAL OPERATING FORCES		3,196,115	3,205,603	3,433,996
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>				
<u>SERVICEWIDE ACTIVITIES</u>				
3840f	060 ADMINISTRATION	<u>17,483</u>	<u>19,285</u>	<u>12,379</u>
		2,688	2,656	2,668
3840f	070 RECRUITING AND ADVERTISING	14,795	16,629	9,711
TOTAL ADMINISTRATION & SERVICEWIDE ACTIVITIES		17,483	19,285	12,379
TOTAL OPERATION & MAINTENANCE, AIR NATIONAL GUARD		3,213,598	3,224,888	3,446,375

**Department of Defense
FY 2001 Operation and Maintenance**

(Dollars in Thousands)

TRANSFER ACCOUNTS AND MISCELLANEOUS

FY 1999 FY 2000 FY 2001

		<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
<u>TRANSFER ACCOUNTS</u>				
0810a	010 ENVIRONMENTAL RESTORATION, ARMY	0	376,214	389,932
0810n	020 ENVIRONMENTAL RESTORATION, NAVY	0	282,531	294,038
0810f	030 ENVIRONMENTAL RESTORATION, AIR FORCE	0	374,852	376,300
0810d	040 ENVIRONMENTAL RESTORATION, DEFENSE-WIDE	0	25,239	23,412
0811d	050 ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES	0	237,977	186,499
0105d	060 DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE	0	931,072	836,300
0118d	070 OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND	0	4,308,392	4,100,577
0841d	080 PENTAGON RENOVATION TRANSFER FUND	279,820	221,648	0
	TOTAL O&M, TRANSFER ACCOUNTS	279,820	6,757,925	6,207,058
<u>MISCELLANEOUS ACCOUNTS</u>				
0130d	090 DEFENSE HEALTH PROGRAM	10,525,097	11,319,999	11,600,429
0833d	100 EMERGENCY RESPONSE FUND, DEFENSE	22,235	0	0
0134d	110 FORMER SOVIET UNION THREAT REDUCTION	440,400	458,119	458,400
0107d	120 OFFICE OF THE INSPECTOR GENERAL	131,845	136,651	147,545
0840d	130 OPPLAN 34A-35 P.O.W.	170	6,976	5,000
0819d	140 OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID	104,495	55,511	64,900
1236n	150 PAYMENT TO KAHO'OLAWA ISLAND	25,097	34,819	25,000
0839d	160 QUALITY OF LIFE ENHANCEMENTS, DEFENSE	455,000	298,449	0
0104d	170 U.S. COURT OF APPEALS FOR THE ARMED FORCES	7,246	7,582	8,574
	TOTAL MISCELLANEOUS	11,711,585	12,318,106	12,309,848
	TOTAL OPERATION AND MAINTENANCE TITLE	102,660,839	106,563,555	109,044,387