

OPERATION AND MAINTENANCE, DEFENSE -WIDE

The Operation and Maintenance, Defense-Wide (O&M,D-W) appropriation finances a wide range of programs which have been consolidated to achieve maximum efficiency by avoiding overlap and duplication among the Services. The Defense Agencies and Activities are essential to the accomplishment of the missions of the Military Departments. Functions financed in the appropriation encompass: special operations forces; airlift and sealift of all Components participating in the Chairman, Joint Chiefs of Staff Exercise Program; information services support; dependent education and family assistance programs; logistics support; and various consolidated training, audit, and contract management activities. The functions also include: intelligence, security cooperation, nuclear weapons management and analysis, treaty implementation, and management of the Department.

At the summary level, the FY 2004 request is for \$16,570.8 million. The net change from FY 2003 to FY 2004 is comprised of \$315.4 million price growth and \$1,438.8 million net program growth. The following chart provides details by budget activity for BA-1, Operating Forces; BA-2, Mobilization; BA-3, Training and Recruiting; and BA-4, Administration and Service-wide Activities:

(TOA, Dollars in Millions)										
	FY 2002	Price	Program	FY 2003	Price	Program	FY 2004	Price	Program	FY2005
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
BA - 1	2,217.1	+64.9	-395.6	1,886.4	+37.3	+347.9	2,271.6	+57.0	-12.5	2,316.1
BA - 2	43.9	+0.4	-4.3	40.0	+0.6	+9.4	50.0	+0.8	-10.0	40.8
BA - 3	231.0	+4.4	+7.2	242.6	+4.2	+17.3	264.1	+5.3	+7.9	277.3
BA - 4	<u>11,048.1</u>	<u>+452.6</u>	<u>+1,146.9</u>	<u>12,647.6</u>	<u>+273.3</u>	<u>+1,064.2</u>	<u>13,985.1</u>	<u>+370.4</u>	<u>+91.4</u>	<u>14,446.9</u>
TOTAL	13,540.1	+522.3	+754.2	14,816.6	+315.4	+1,438.8	16,570.8	+433.5	+76.8	17,081.1

Of the FY 2004 \$+1,439 million net program growth, \$521 million is for classified agencies and programs (details provided in a separate classified justification book) and approximately \$267 million is for functional realignments to and from other appropriations.

- Transfers-in include: the Defense Information Services Agency Tier 1 network communications (from the Working Capital Funds (WCF) per congressional direction); the reorganized Defense Security Service (from WCF); the Enhanced Mobile Satellite Service that is used extensively by forward deployed forces (from various users); the Financial Management

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Modernization Program O&M activities, Defense Threat Reduction Agency (DTRA) Albuquerque operations O&M activities, Information Systems Support, and Critical Infrastructure Protection initiatives (from RDT&E). (\$300 million)

- Transfers-out include: the restructured Defense Travel Service contract (to RDT&E); the Overseas Military Banking Program and travel card program management offices of the Defense Finance and Accounting Service (to WCF); and the Nuclear Arms Control Technology Program of DTRA (to Army and Air Force) (\$-33 million)

Of the remaining \$650 million in net program growth, highlights of program increases include the following:

- Readiness programs for the U. S. Special Operations Command (USSOCOM) to provide a strategic planning capability at the USSOCOM and bolster the theater special operations commands in CENTCOM, EUCOM and PACOM; fund forward basing of the USSOCOM forces in the CENTCOM area of responsibility to provide a crisis response element; and fund the USSOCOM flying hour requirements, the aging aircraft sustaining engineering program, contractor logistics support, as well as Special Operations Forces enhancements and C3 capabilities. (\$363 million)
- The Counter-terrorism (CT) train and equip program to train, equip and sustain foreign military forces in CT operations and also fund a counter-terrorism fellowship program. (\$204 million)
- Information systems sustainment of the Global War on Terrorism requirements and transformation initiatives include leasing commercial transponders for CENTCOM operations, the White House Communications Agency Pioneer Project, and other C2 initiatives. (\$159 million)
- Dependent schools education and physical security requirements and family assistance programs. (\$137 million)
- Rent and renovation cost increases for tenants of the Pentagon facility. (\$104 million)
- Transformation training, CJCS exercises, and Combating Terrorism Readiness Initiatives of The Joint Staff, as well as adaptive planning initiatives to reduce planning timeframes. (\$59 million)
- Mobilization requirements and the price comparability program to cover military unique costs for contingency operations, forward positioning of stock, and diminishing manufacturing services. (\$60 million)
- Congressional increases and earmarks in FY 2003 that are not extended into FY 2004 are reflected as program decreases.

Further detail of all program changes for each agency is contained in the agency justification materials.

Program funding and price/program changes by Budget Activity O-1 line item, by Agency, are displayed on the next 3 pages.

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**Summary by Budget Activity
(Dollars in Millions)**

	<u>FY 2002 Actual</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2003 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2004 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2005 Estimate</u>
Total	13,540.1	+522.3	+754.2	14,816.6	+315.4	+1,438.8	16,570.8	+433.5	+76.8	17,081.2

Budget Activity 1 - Operating Forces

	<u>FY 2002 Actual</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2003 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2004 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2005 Estimate</u>
<u>Subtotal</u>	2,217.1	+64.9	-395.6	1,886.4	+37.3	+347.9	2,271.6	+57.0	-12.5	2,316.1
TJS	359.4	+14.9	+20.0	394.3	-23.4	+49.2	420.0	+3.9	-16.5	407.5
USSOCOM	1,857.7	+50.0	-415.6	1,492.1	+60.7	+298.7	1,851.5	+53.1	+4.0	1,908.6

Budget Activity 2 - Mobilization

	<u>FY 2002 Actual</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2003 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2004 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2005 Estimate</u>
<u>Subtotal</u>	43.9	+0.5	-4.3	40.0	+0.6	+9.4	50.0	+0.8	-10.0	40.8
DLA	43.9	+0.5	-4.3	40.0	+0.6	+9.4	50.0	+0.8	-10.0	40.8

Budget Activity 3 - Training and Recruiting

	<u>FY 2002 Actual</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2003 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2004 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2005 Estimate</u>
<u>Subtotal</u>	231.0	+4.3	+7.2	242.6	+4.2	+17.3	264.1	+5.3	+7.9	277.3
AFIS	11.0	+0.1	-0.6	10.6	+0.2	+3.2	14.0	+0.3	-0.2	14.1
DAU	98.2	+2.4	+1.3	101.9	+2.0	-2.2	101.7	+2.2	-0.1	103.8
DCAA	4.5	+0.1	+0.8	5.4	+0.1	-	5.5	+0.1	-	5.6

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(Dollars in Millions)

Budget Activity 3 - Training and Recruiting (Continued)

	<u>FY 2002</u>	<u>Price</u>	<u>Program</u>	<u>FY 2003</u>	<u>Price</u>	<u>Program</u>	<u>FY 2004</u>	<u>Price</u>	<u>Program</u>	<u>FY 2005</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
DFAS	8.6	+0.1	-1.3	7.4	+0.1	-7.5	-			
DHRA	34.7	-0.3	+12.0	46.4	+0.7	-11.8	35.3	+0.6	+9.1	44.9
DSS	7.5	+0.2	-0.7	7.0	+0.2	-	7.2	+0.1	-	7.3
DTRA	1.4	-	-0.2	1.2	-	+3.6	4.8	+0.1	+1.1	6.0
INTELL			+2.8	2.8	-	+0.2	3.1	-	-	3.1
USSOCOM	65.1	+1.7	-6.9	59.9	+0.9	+31.8	92.6	+1.9	-2.0	92.5

Budget Activity 4 - Administration and Servicewide Activities

	<u>FY 2002</u>	<u>Price</u>	<u>Program</u>	<u>FY 2003</u>	<u>Price</u>	<u>Program</u>	<u>FY 2004</u>	<u>Price</u>	<u>Program</u>	<u>FY 2005</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
<u>Subtotal</u>	11,048.1	+452.6	1,146.9	12,647.6	+273.3	+1,064.2	13,985.1	+370.4	+91.4	14,446.9
AFIS	95.0	+1.4	-1.1	95.3	+1.8	+8.2	105.3	+2.1	-4.8	102.6
CMP	89.5	+1.0	+16.9	107.4	+1.6	-10.0	99.0	+1.6	+0.8	101.4
INTELL	4,770.6	+320.6	+1,052.1	6,143.3	+125.7	+519.2	6,788.2	+161.0	-42.1	6,907.1
DCAA	330.6	+10.0	+6.0	346.6	+7.7	+4.6	359.0	+10.1	-1.1	368.0
DCMA	931.1	+29.4	+4.1	964.6	+19.7	+24.6	1,008.9	+26.7	-7.3	1,028.3
DFAS	5.5	+0.1	+0.5	6.1	+0.1	-4.5	1.7	-	+54.9	56.6
DHRA	189.6	+4.0	+40.8	234.4	+4.0	+38.4	276.8	+5.2	-17.5	264.5
DISA	1,042.7	+14.7	-239.2	818.2	+13.7	+298.0	1,129.9	+22.1	-102.3	1,049.7
DLA	196.4	+3.1	+12.0	211.4	+3.9	+44.4	259.7	+4.9	-1.2	263.4
DLSA	14.1	+0.4	+2.0	16.5	+0.3	+1.0	17.8	+0.6	-2.8	15.5
DoDDE	1,479.3	+46.3	+71.5	1,597.1	+65.4	+35.6	1,698.1	+57.3	-44.4	1,711.0

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(Dollars in Millions)

Budget Activity 4 - Administration and Servicewide Activities (Continued)

	<u>FY 2002</u>	<u>Price</u>	<u>Program</u>	<u>FY 2003</u>	<u>Price</u>	<u>Program</u>	<u>FY 2004</u>	<u>Price</u>	<u>Program</u>	<u>FY 2005</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
DPMO	15.0	+0.7	+0.9	16.6	+0.8	-1.6	15.8	+0.8	-0.6	16.0
DSCA	412.3	+4.6	-264.3	152.7	+2.3	+129.7	284.7	+4.6	-203.0	86.3
DSS	114.5	+4.4	+46.5	165.3	+4.9	+29.7	200.0	+3.4	-6.2	197.3
DTRA	248.3	+3.8	+23.7	275.8	+4.7	+10.8	291.2	+5.4	+1.6	298.2
DTSA			+19.9	19.9	+0.4	+0.1	20.4	+0.6	-0.5	20.5
OEA	36.6	+0.5	+12.4	49.5	+0.8	-36.2	14.1	+0.3	+30.4	44.8
OSD	536.1	+4.6	+144.5	685.3	+17.8	+9.5	712.6	+13.5	+468.1	1,194.2
TJS	156.7	+0.1	+28.8	185.6	-1.6	+50.5	234.5	+22.2	+14.2	270.9
Special Programs	16.3	+0.2	+83.9	100.4	-1.5	-98.9				
USSOCOM	42.9	+0.5	+19.9	63.2	+1.1	-2.3	61.9	+1.3	+7.6	70.8
WHS	325.0	+2.2	+65.2	392.4	-0.3	+13.4	405.5	+26.7	-52.4	379.8

Budget Estimate Totals may not sum due to rounding of price and program changes.