DoD 7000.14 - R

DEPARTMENT OF DEFENSE
FINANCIAL MANAGEMENT REGULATION

VOLUME 2B: "BUDGET FORMULATION AND PRESENTATION (CHAPTERS 4-19)"

UNDER SECRETARY OF DEFENSE (COMPTROLLER)

VOLUME 2B, CHAPTER 4: "PROCUREMENT APPROPRIATIONS"

SUMMARY OF MAJOR CHANGES

This chapter has been extensively reorganized and should be reviewed in its entirety.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by ***bold, italic, blue and underlined font*.**

The previous version dated September 2010 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Overall	Reorganized Chapter 4 to reflect revised PPBES process and to make it easier to read	Revison
0402	Added requirements for preparation of procurement exhibits using Extensible Mark-up Language (XML)	Addition
0402	Clarified that no subordinate exhibits will be submitted for procurement line items with less than $5 million in the budget year, except as noted	Revision
0402	Added guidance concerning P-1 quantities, dual-use equipment, advance procurement, and Major Defense Acquisition Programs (MDAPs)/Major Automation Information Systems (MAIS)	Addition
0403	Deleted the requirement to submit a listing of ships still under construction in the SCN justification book, as this is an obsolete requirement	Deletion
0404	Deleted unused/little used procurement exhibits: P-1C, P-5b, P-10 (pages 3/4/5), P-17, P-23, P-23a, P-25, P-26, P-29a, P-30a, P-36, and Multi-Year Procurement (MYP) Contract Summary Report	Deletion
0404	Revised (MYP) instructions to eliminate redundancy with SNaP	Revision
0404	Clarified that P-3a and P-21 exhibits will not be submitted for modifications/cost elements with less than $5 million in the budget year, except as noted	Revision
0404	Deleted requirement to submit the 4-column ship list, Derivation of Cost Growth/Escalation, and the "Stevens Report", as these are obsolete requirements	Deletion

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CHAPTER 4

PROCUREMENT APPROPRIATIONS

0401 GENERAL

040101. Purpose

This chapter provides instructions applicable to budget formulation and congressional justification for procurement and production activities. Unless otherwise specified, these instructions apply to all procurement appropriations and to all budgets.

040102. References

Volume 2A, Chapter 1, Section 0102, provides policies and definitions concerning costs that are to be financed by the procurement appropriations.

040103. Submission Requirements

A. General guidance with regard to submission requirements is presented in Volume 2A, Chapter 1. This chapter provides guidance for the preparation of procurement appropriation backup material required to support the Budget Estimates Submission (BES) and the President's budget request. The procurement accounts should also submit applicable exhibits required by other chapters in the Financial Management Regulation. The Components will also submit any exhibits required by the Office of Management and Budget (OMB) Circular A-11, Preparation and Submission of Budget Estimates.

B. Military Departments and Defense Agencies are responsible for clearing the justification material with the Washington Headquarters Services, Directorate for Freedom of Information and Security Review, prior to transmittal to OMB and the congressional committees.

040104. Classification

The budget justification material should be unclassified. All classified material shall be submitted separately. Components must include a P-40 Budget Justification exhibit for special access programs (SAPs) that are not labeled as secret. The P-40 exhibits for SAPs must only include funding streams and cite the following justification: "This program is reported in accordance with Title 10, United States Code, Section 119(a)(1) in the Special Access Program Annual Report to Congress." All other (non-intel and non-SAP) classified funding requests must be identified (submit a one page P-40 exhibit) within unclassified justification budget materials.

0402 PROCUREMENT EXHIBIT REQUIREMENTS

040201. Purpose

This section prescribes instructions for the preparation and submission of procurement appropriations budget material to support the BES and the President's budget request. See Volume 2A, Chapter 1. Section 0104, for specific printing requirements.

SUMMARY OF EXHIBIT REQUIREMENTS

	Exhibit	Appropriation
P-1	Procurement Program	All
P-1M	Procurement Program - Modification Summary	Aircraft/Missiles
P-1R	Procurement Program - Reserve Components	All, except SCN
P-3a	Individual Modification Program	All, except SCN
P-5	Cost Analysis	All
P-5a	Procurement History and Planning	All, except SCN
P-8a	Analysis of Ship Cost Estimates - Major Equipment	SCN
P-10	Advance Procurement Requirements Analysis	All, as applicable
P-18	Initial and Replenishment Spares Requirements	All, except SCN
P-20	Requirements Study	All, as applicable
P-21	Production Schedule	All
P-27	SCN Ship Production Schedule	SCN
P-29	SCN Outfitting Costs	SCN
P-30	SCN Post Delivery Costs	SCN
P-35	Major Ship Component Fact Sheet	SCN
P-40	Budget Item Justification Sheet	All
P-40a	Budget Item Justification for Aggregated Items	All
MYP-1	Multiyear Procurement Criteria (SNaP)	All, as applicable
MYP-2	Total Program Funding Plan (SNaP)	All, as applicable
MYP-3	Contract Funding Plan (SNaP)	All, as applicable
MYP-4	Present Value Analysis (SNaP)	All, as applicable

*040202. Submission Requirements

A. Extensible Markup Language (XML) Exhibits. All Components must submit required budget exhibits as PDFs with the source XML file embedded. These PDFs will be generated by one of the following two processes:

1. Submit an XML file to the XML Tools section of the Comptroller XML Exhibits web site, ***https://exhibits.dtic.mil/r2/app*** (for Components capable of building an XML file from an internal system). The XML files submitted through the XML Tools section must be compliant with the latest Procurement XML schema, located within the same section of the web site; or,

2. Create a Procurement exhibit manually within the "Create New P-40" section of the Comptroller XML Exhibits web site, ***https://exhibits.dtic.mil/p40***.

3. The result of either process will be a PDF file with an XML file embedded. All Procurement exhibit PDFs/XMLs must be assembled into a Justification Book(s) within the same website using one of the Justification Book tools and posted to the SIPRNET website ***https://cisweb.ousdc.osd.smil.mil/***.

4. Formats and examples of the exhibits are contained in Section 0403.

B. Each backup book will include an Exhibit P-1, Procurement Program, an index of procurement lines (including P-1 line number, line item title, line item number, and backup book page number), and specific exhibits for those items covered by the backup book.

* C. All applicable budget exhibits will be prepared for those programs with a budget year (BY) funding value of $5 million or greater. For programs with a BY funding value less than $5 million, only the P-40 and P-40a exhibits are required. No other subordinate exhibits will be submitted for those programs with a total BY funding value less than $5 million.

* D. Periodically, changes to standard budget exhibit formats may be directed through separate guidance (for example, through the Budget Estimates Submission guidance). This guidance may precede formal adoption of exhibit changes into the Financial Management Regulation, or direct temporary exhibit changes, such as including funding for Overseas Contingency Operations (OCO). These changes will be incorporated into the applicable XML exhibit templates.

E. The exhibits will be aggregated in the following order for each P-1 line item, as applicable to that line item and submitted in P-1 line item order.

Arrangement of Exhibits – General (except as noted below)

P-1	Procurement Program
P-40	Budget Item Justification
P-40a	Budget Item Just for Aggregated Items
MYP 1-4	Multiyear Procurement
P-10	Advance Procurement Requirements Analysis
P-5	Cost Analysis
P-5a	Procurement History and Planning
P-21	Production Schedule
P-25	Production Support and Industrial Facilities Cost Analysis
P-18	Initial and Replenishment Spares Requirements
P-20	Requirements Study (BES only, as applicable)

Arrangement of Exhibits for Modifications

P-1	Procurement Program
P-1M	Modification Summary
P-40	Budget Item Justification
MYP 1-4	Multiyear Procurement
P-3a	Individual Modification Program
P-40a	Budget Item Just for Aggregated Items

Arrangement for Ship Procurement Accounts

P-1	Procurement Program
P-40	Budget Item Justification
MYP 1-4	Multiyear Procurement
P-10	Advance Procurement Requirements Analysis
P-5	Cost Analysis
P-27	Ship Production Schedule
P-8a	Analysis of Ship Cost Estimates - Major Equipment
P-29	Outfitting Costs
P-30	Post Delivery Estimates
P-35	Major Ship Component Fact Sheet

Arrangement for Ammunition Accounts

P-1	Procurement Program
P-40	Budget Item Justification
P-40a	Budget Item Just for Aggregated Items
P-5	Cost Analysis
P-5a	Procurement History and Planning
P-21	Production Schedule
MYP 1-4	Multiyear Procurement
P-18	Initial and Replenishment Spares Requirements
P-20	Requirements Study (BES only, as applicable)

Chemical Agents and Munitions Destruction

The Chemical Agents and Munitions Destruction, Defense appropriation contains multiple types of funds (Operation and Maintenance (O&M), Research, Development, Test and Evaluation (RDT&E), and Procurement) in separate budget activities. While the RDT&E and O&M efforts may be incrementally funded, the Procurement program must comply with the full funding policy. The Army is required to provide the justification book in the following order:

Table of Contents
Appropriation Language
Appropriation Justification

Part I	Purpose and Scope
Part II	Justification of Funds Required
Part III	Milestones

Budget Activity 1: Operation and Maintenance

Part I	Purpose and Scope
Part II	Justification of Funds Required
Part III	Financial Summary

Budget Activity 2: Research, Development, Test and Evaluation

Part I	Purpose and Scope
Part II	Justification of Funds Required
Part III	Financial Summary
RDT&E	RDT&E Exhibits (See Chapter 5)

Budget Activity 3:	Procurement
Part I	Purpose and Scope
Part II	Justification of Funds Required
Part III	Financial Summary
P-40	Budget Item Justification
P-5	Cost Analysis
P-5a	Procurement History & Planning
OP-5 (Pt 1)	Budget Activity Summary (See Volume 2A, Chapter 3)
OP-5 (Pt 2)	Activity Group Detail, Including a Reconciliation of Increases and Decreases (See Volume 2A, Chapter 3)
OP-32	Summary of Price and Program Changes (See Volume 2A, Chapter 3)

* F. P-Series Major Platform Quantities

Congress requires that all Major Platform end items, including Service Life Extension Programs, Major Defense Acquisition Programs (MDAPs), and Major Automated Information Systems (MAIS), reflect quantities on all P-series (i.e., P-1, P-40, P-5, etc.) budget exhibits. For those Major Platform end items where there are different variants being procured (e.g., Family of Medium Tactical Vehicles), total quantities should not be entered on the P-1 exhibit or in the Program Resources Collection Process (PRCP) database, but specific quantities by variant must be provided on all other P-series documents. Major Platform end items are defined as the new procurement of:

- Aircraft
- Unmanned Air Vehicles
- Ships
- Missiles
- Tanks
- Combat and Tactical Vehicles
- Satellites

For programs that are not considered Major Platforms, quantities are to be included in all P-series exhibits (e.g., P-40, P-5, P-5a, etc.) with the exception of the P-1 exhibit.

* G. Major Defense Acquisition Programs (MDAPs)/Major Automated Information Systems (MAIS)

1. Joint budget guidance from the Under Secretaries of Defense for Acquisition, Technology & Logistics (AT&L) and Comptroller directs that all MDAPs or MAIS will be budgeted in separate, dedicated Procurement (P-1) line items, and associate all of the funding for a given MDAP/MAIS with a PRCP Program Number (PNO).

2. For all MDAP/MAIS programs, the P-40 Budget Item Justification exhibit must include the PNO. Components must also ensure that all applicable years of the PRCP and FYDP annex data bases are updated to reflect the program budget estimates for all MDAP/MAIS programs, including all prior years and cost-to-complete columns. Each MDAP/MAIS subprogram is a component that will be identified by appropriation, budget line item, and budget activity under the End Item P-1 Line Item header.

H. Multiyear Procurements (MYP)

1. Volume 2A, Chapter 1, section 010203, provides guidance for MYP programs. The MYP exhibits are required for new candidate systems seeking MYP funding in the budget year (BY); multiyear contracts approved in prior years that have been significantly restructured; and MYP candidates that are requesting BY advance procurement funding in support of a later year MYP contract. Any changes to the MYP budget justification and backup materials, as approved by OUSD(C), must be re-submitted via SNaP. The approved MYP exhibits must be included in the Justification book along with the other procurement exhibits for that program.

2. Annual Congressional Multiyear Reporting Requirement. Section 2306b(l) of Title 10, United States Code (Multiyear Contracts) directs the Secretary of Defense to submit an annual report to the congressional defense committees regarding multiyear contracts. The OUSD(C) is responsible for coordinating the consolidated report.

I. Subsystem Budget Estimates

Any platform that includes funding for subsystems that are designated as Defense Acquisition Executive Summary or Selected Acquisition Reporting programs must identify the specific subsystem funding by fiscal year and by subsystem on the P-5 exhibits (or P-35 exhibit for SCN). The program must be labeled "MDAP/MAIS Subprogram: Program Name" and include the associated PNO. For example, "MDAP/MAIS Subprogram: Air Missile Defense Radar (AMDR), PNO: 384."

J. Congressionally authorized and requested Advance Procurement funds for major end items must be clearly identified on all P-series exhibits for each end item by fiscal year for the program. Programs authorized to execute advance construction labor within their advance procurement must cite in the P-10 Exhibits description that "advance procurement items, including advance construction labor, is limited to components whose long-lead times require purchase early in order to reduce the overall procurement leadtime of the major end item."

K. If an amended budget is submitted, applicable revised budget exhibits are required.

L. Guard and Reserve Procurement

1. Exhibit P-1R, Procurement Program - Reserve Components, shows all investment funding allocated for National Guard and Reserve Component equipment, to include quantities and costs of procurement items. The Military Departments are required to identify the applicable memo entries by P-1 Budget Line Item those lines that include quantity and funding for the National Guard and Reserve Components for each fiscal year (PY, CY, BY, BY+1 through BY+4, To Complete). The Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) generates the P-1R based on the FYDP data in PRCP.

2. All supporting procurement justification documentation must clearly annotate equipment allocated to the National Guard and Reserves. Specifically, the P-40 Budget Item Justification exhibit and the P-21 Production Schedule exhibit must contain a non-add memo entry indicating the funding and delivery schedule for all of the items being procured for

allocation to the National Guard and Reserve Components. This data must balance to the data in the PRCP database.

* M. Dual-Use Equipment

All Components must include the following statement on their P-40 exhibit for all Army, Navy, Marine Corps, and Air Force Active and Reserve dual-use equipment items: "In accordance with section 1815 of the FY 2008 National Defense Authorization Act (P.L. 110-181), this item is necessary for use by the active and reserve components of the Armed Forces for homeland defense missions, domestic emergency responses, and providing military support to civil authorities."

0403 CONGRESSIONAL JUSTIFICATION/PRESENTATION

This Section presents the backup book organization and the exhibit requirements for submission to Congress. See Volume 2A, Chapter 1, Section 0104 for specific printing requirements. Justification material will be organized into a Committee Staff Procurement Backup Book. Volume 2A, Chapter 1, Section 010403 provides a detailed distribution schedule for the procurement backup books. A separate congressional committee backup book will be prepared for the President's budget request for each procurement appropriation.

Department of Defense
FY 20BY President's Budget Submission
Justification Book Volume X of X
Appropriation

Section 1 - Summary Material
Table of Contents
P-1 listing (P-1 Exhibits will be prepared using the OUSD(C) automated system with input from the Services and Defense Agencies)

Section 2 - Budget Appendix Extract Language

Section 3 - P-1 Line Item Detail. Procurement budget exhibits will be organized as discussed in paragraph 040203.D.

*0404 PROCUREMENT APPROPRIATION BUDGET EXHIBIT FORMATS

040401. Standardized budget exhibit formats.

Section 040402 describes the use of XML budget exhibits for procurement appropriations. In addition to the key attribute of making budget exhibit data electronically searchable, the XML exhibits standardize the various budget displays, enabling more effective and efficient budget formulation, review, analysis, and submission.

A. The exhibit formats provided on the following pages reflect guidance presented in previous sections.

B. The use of XML exhibits is mandatory for BES and President's budget request backup justification material.

C. XML exhibits will automatically standardize formatting, to include:

1. Exhibits displayed on 8 1/2 inch by 11 inch paper in landscape format.

2. Actual fiscal years (e.g., FY 2016, FY 2017, etc.) rather than the template entries (i.e., Prior Years (PYs), Prior Year (PY), Current Year (CY), Budget Year (BY), BY+1, BY+2, BY+3, and BY+4 and "to complete" where applicable).

3. Annotating the applicable P-1 line item number (using the number shown on the OSD-generated P-1 exhibit from PRCP) and page number within the line item (e.g., Item 1-1 of 5, 2-1 of 1, 3-1 of 20, etc.) at the bottom center of each exhibit page.

4. Properly paginate the backup book.

040402. Procurement exhibit formats

There are 21 procurement exhibits that support the formulation and submission of the BES and the President's budget request. The exhibits provide data and information that justifies budgetary requirements for the various procurement appropriations. The exhibit formats follow. Volume 2B, Chapter 19, Other Special Analyses, also identifies budget exhibits that may be required.

Exhibit P-1

Exhibit P-1, Procurement Program

Department of the _____

Appropriation: _____ **Date: _____**

Budget Activity: _____

			TOA, $ in Millions									
P-1 Line	Item	Ident	Prior Year		Current Year		Budget Year		Budget Year OCO		Budget Year Total	
Item No	Nomenclature	Code	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

Exhibit P-1, Procurement Program
(Exhibit P-1, page 1 of 6)

Exhibit P-1M

Exhibit P-1M, Procurement Programs - Modification Summary
(TOA, $ in Millions)

System/ Modification	Prior Years	PY	CY	BY	BY+1	BY+2	BY+3	BY+4
EXAMPLE:								
A-10 Modifications								
AIM-9L Capability				*x.x*	*x.x*			
Chem/Bio Protection				-	x.x	x.x		
Outer Wing Fatigue Reskin					*x.x*	*x.x*		
Integrated Drive Generator					*x.x*	*x.x*	*x.x*	
ALE-40 Correction of Def					*x.x*	*x.x*		
Engine Monitoring Sys				*xx.x*	*xx.x*	*xx.x*		
Skin & Lgnrn Strengthening					*x.x*	*x.x*		
Total for A-10				*xx.x*	*xx.x*	*xx.x*	*x.x*	
S-3 Modifications								
AIM-9L Capability				*x.x*	*x.x*			
Chem/Bio Protection				-	*x.x*			
Total for S-3				*x.x*	*xx.x*			

Exhibit P-1M, Procurement Program - Modification Summary
(Exhibit P-1, page 2 of 6)

Exhibit P-1R

Exhibit P-1R Procurement Program - Reserve Components

Department of the _____

Appropriation: _____ **Date: _____**

Budget Activity: _____

			TOA, $ in Millions													
P-1 Line	Item	Ident	PY		CY		BY		BY +1		BY +2		BY +3		BY +4	
Item No	Nomenclature	Code	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost

Examples:
F-16 Modifications
National Guard
Reserve

Exhibit P-1R, Procurement Program- Reserve Components
(Exhibit P-1, page 3 of 6)

Instructions
Exhibit P-1, Procurement Program
Exhibit P-1M, Procurement Program - Modification Summary
Exhibit P-1R, Procurement Program - Reserve Components

General.

A. A summary by budget project/activity will be prepared for each appropriation, showing the amount for each project/activity and the total program for each appropriation. The detail of the consolidated line items in this entry should be available upon request. There should be no consolidation into a "Less than $5.0 million" line item for any line item requiring specific quantity authorization and for any Code B item (i.e., items not approved for Service use).

B. Unless otherwise prescribed for a specific commodity area, only procurement line items with funding of $5.0 million or more in the Prior Year (PY), Current Year (CY) or Budget Year (BY) will be listed individually. Items less than $5.0 million should be consolidated into a single line item entry, "Items less than $5.0 million," under each budget activity.

Exhibit P-1, Procurement Program Instructions. Provide funding and applicable quantities by budget activity and line item. Data must match submission to the PRCP data base.

Advance Procurement. Advance procurement should be debited and credited according to the lead-times of the advance procurement. For instance, if FY *2015* and FY *2016* Advance Procurement funds are required for a FY *2017* procurement, the FY *2015* Advance Procurement funds would be debited in FY *2015*, the FY *2016* Advance Procurement funds would be debited in FY *2016*, and the total of the FY *2015* and FY *2016* Advance Procurement funds would be credited in FY *2017*.

Advance Procurement

FY TOA	**FY *2015***	**FY *2016***	**FY *2017***	**FY *2018***	**FY *2019***	**FY *2020***
FY *2015* for FY *2017* (memo)	*x*					
FY *2016* for FY *2017* (memo)		*x*				
FY *2016* for FY *2018* (memo)		*x*				
FY *2017* (memo)			-*x*			
FY *2017* for FY *2018* (memo)			*x*			
FY *2017* for FY *2019* (memo)			*x*			
FY *2018*(memo)				-*x*		
FY *2018* for FY 2019 (memo)				*x*		
FY *2018* for FY 2020 (memo)				*x*		
FY *2019*(memo)					-*x*	
FY *2019* for FY 2020 (memo)					*x*	
FY *2019* for FY 2021 (memo)					*x*	
FY *2020*(memo)						-*x*
FY *2020* for FY 2021 (memo)						*x*
FY *2020* for FY 2022 (memo)						*x*

(Exhibit P-1, page 4 of 6)

Exhibit P-1 Instructions (Continued)

List each aircraft and missile type and model separately, for both new procurement and modifications. Each ship type, Outfitting, Post Delivery, Cost Growth, Escalation, Service Craft, and Landing Craft will be listed as separate line items.

Include initial and replenishment spares financed in procurement appropriations in a single line item. Indicate the amounts included for initial and replenishment spares separately as subentries. For this purpose, all spare aircraft engines shall be considered initial spares.

All line items will be double spaced.

Costs will be expressed in millions of dollars using one decimal place, i.e.:

($ in Millions)
15.6

List the following Support Equipment and Facilities as separate line items:

Common Ground Equipment
Industrial Facilities
War Consumables
Other Production Charges
Classified Projects
Production Base Support
Space Programs (list separately)
Astronautics

Specific instructions.

Appropriation. Include the title and number of the appropriation, i.e., 2034A, Procurement of Ammunition, Army.

Budget Activity. Include the number and title of the budget activity, i.e., Budget Activity 04, Spare and Repair Parts.

Column 1: Include the P-1 line item number (generated from the OSD PRCP database).

Column 2: Item Nomenclature. Identify the name of the program. This must match what is shown in PRCP.

Column 3: Identification Code. The letter "A" or "B" will be entered in this column. Line items will be appropriately coded according to the status of the item at the time the exhibit is prepared as follows:

Code "A". Line items of material that have been approved for Service use. The term "approved for service use" means that:

Exhibit P-1 Instructions (Continued)

Army. The item has been type-classified as Standard (STD) and excludes Limited Procurement (LP) type-classification that is included in the development category.

Navy. The item has been approved for full rate production.

Air Force. The item has been approved for full rate production.

USSOCOM. The system is effective, suitable, safe, and logistically supportable. Release for Special Operations Forces is in conjunction with full rate production decision.

Code "B". Line items or material that has not been approved for Service use.

Columns 4-11: Self-explanatory.

Exhibit P-1M, Procurement Program - Modification Summary Instructions

This exhibit will be prepared for all years reflected on the sample P-1M exhibit and will represent a summary by weapon system of all individual modifications that are requested for that weapon system.

Show the total procurement cost in millions using at least one decimal place for each individual modification and total cost for that weapon system or family of models of that weapon system. For example, all models of the F-4 aircraft would be included in the F-4 line (e.g., RF-4B, F-4B, F-4E, F-4G, etc.), and all models of the AIM-7 missile would be included in the AIM-7 line (e.g. AIM-7E, AIM-7F, AIM-7M, etc.). Total modification cost will include only those costs budgeted in the individual P-1 line item, including installation costs.

Exhibit P-1R, Procurement Program - Reserve Components Instructions

In addition to the instructions for the P-1, Procurement Program, the P-1R line item entries will be exactly the same line item entries as the P-1. The Exhibit P-1R line items will include 2 sub-line items. One is for the National Guard and one is for the Reserve. Subtotal of the two lines is not required, but the total for the Reserve Components cannot exceed the amount of funding included in the P-1 line item. All procurement line items having funding for National Guard and Reserve requirements, including advance procurement, ammunition, and spares and repair parts, will be included in the P-1R exhibit and be provided for all years (i.e., for PY, BY, BY+1 – BY+4). Each Military Department is required to update the PRCP database for this information supporting the National Guard and Reserve for both the BES and the President's Budget submissions.

Exhibit P-3a

Exhibit P-3a, Individual Modification

MODELS OF SYSTEMS AFFECTED: _____ TYPE MODIFICATION: _____ MODIFICATION TITLE: _____

DESCRIPTION/JUSTIFICATION:

DEVELOPMENT STATUS/MAJOR DEVELOPMENT MILESTONES:

FINANCIAL PLAN: (TOA, $ in Millions)

	Prior Yrs		PY-1		PY		CY		BY		BY+1		BY+2		BY+3		BY+4		TC		Total	
	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$
RDT&E																						
PROC																						
A Kit NRE			25	2.0	10	1.0	15	1.5	15	1.5	25	2.0	25	2.0	25	2.0	90	7.5			255	21.5
A Kit			25	2.0	10	1.0	15	1.5	15	1.5	25	2.0	25	2.0	25	2.0	90	7.5			255	21.5
Comp A			25	2.5	10	1.0	15	1.5	15	1.5	25	2.5	25	2.5	25	2.5	90	9.0			255	25.5
Comp B			50	1.0	20	0.4	30	0.6	30	0.6	50	1.0	50	1.0	50	1.0	180	3.6			510	10.2
Comp C			75	3.6	30	1.5	45	2.2	45	2.2	45	2.2	45	2.2	45	2.2	270	13.0			765	36.7
Eqpt NRE																						
Eqpt																						
Eqpt A																						
Eqpt B																						
ECP 1 Gp A																						
ECP 1 Gp B																						
ECP 2 Gp A																						
ECP 2 Gp B																						
ECP 3 Gp A																						
ECP 3 Gp B																						
Data																						
Training Eq																						
SE																						
Other																						
Other																						
Other																						
ICS																						
Install Cost					25	.3	10	.1	15	.2	25	.3	25	.3	25	.3	115	1.5			255	3.2
Total Proc																						

P-1 Line- Item No X
(Page X of X)

Exhibit P-3a, Individual Modification
(Exhibit P-3a, page 1 of 5)

Exhibit P-3a (Continued)

Exhibit P-3a, Individual Modification (Continued)

MODELS OF SYSTEMS AFFECTED: _____ MODIFICATION TITLE: _____

INSTALLATION INFORMATION:

METHOD OF IMPLEMENTATION: _____

ADMINISTRATIVE LEADTIME: Months PRODUCTION LEADTIME: Months

CONTRACT DATES: Prior Year:_____ Current Year:_____ Budget Year 1: _____ Budget Year 2: _____

DELIVERY DATES: Prior Year:_____ Current Year:_____ Budget Year 1: _____ Budget Year 2: _____

($ in Millions)

Cost:	Prior Yrs		PY-1		PY		CY		BY		BY+1		BY+2		BY+3		BY+4		TC		Total	
	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$
(PY-25 kits)					15	0.2	10	0.1														
(FY(CY) 10 kits)									10	0.2												
(FY(BY) - 15 kits)											5	0.1										
(FY(BY+1) - 25 kits)													10	0.2	15	0.3						
etc.																						
					15	0.2	10	0.1	10	0.2	10	0.2	20	0.4	15	0.3						

Installation Schedule

	PY	CY				BY				BY+1				BY+2				BY+3				BY+4				TC	Total
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4		
In																											
Out																											

P-1 Line Item No X
(Page X of X)

Exhibit P-3a, Individual Modification
(Exhibit P-3a, page 2 of 5)

Instructions - Exhibit P-3a, Individual Modification

This exhibit will be submitted for all individual modifications whose costs are greater than $5.0 million in the budget year. Except as noted, individual modifications whose costs are less than $5.0 million in the budget year will not submit this exhibit.

For Other Procurement appropriations, when only a simple modification kit is being procured and installation is being performed at the organizational level, there is no need to submit an Exhibit P-3a as long as the P-5 and P-21 include the necessary information.

The sample exhibit displays additional line items for equipment and Group A installation kits. Tailor line item entries to the modification content. Use additional lines when quantities for these components differ from the quantity of end items being procured or when a unit cost comparison between years cannot be performed.

Model. Enter the model and series designation (e.g., A-10, AGM-86, F/A-18, etc.).

Classification. Enter the modification classification or type (e.g., safety, reliability, added capability, etc.), as applicable.

Modification No. And Title: Identify the modification number and title.

Description/Justification: Provide a description of what additional capability is added to the system by this modification, and why the modification is necessary (i.e., to increase reliability, maintainability, or mission capability). If the modification is related to reliability and maintainability, indicate the current Mean-Time Between Failure (MTBF) rate of the system, what MTBF will be specified in the development/production contract, and the estimated annual savings. Identify all engineering change proposals included in the modification and provide a brief description of each and how they relate to the particular overall effort. Identify the operational requirement document (ORD) that validates the modification. Identify the quantity of aircraft in the inventory and the quantity that will receive the modification, as identified in the ORD. For example, the total objective for a radar modification might be 75 units at an estimated unit cost of $300,000 each or total cost of $23.5 million. Twenty units have been procured in prior years, 10 units are included in the budget year leaving 45 units to be procured in subsequent years. Identify when a different number of Group A and Group B kits are being procured (the ORD should also include this information). Identify the applicable quantity of National Guard and Reserve end items ensuring quantities and costs match the P-1R. Do not use abbreviations or acronyms of a highly technical nature. Spell the acronyms the first time and abbreviate thereafter.

Development Status/Major Development Milestones: Provide status of engineering effort testing and data package availability as of the budget submission date. Provide significant accomplished and planned milestone dates such as Preliminary Design Review (PDR), Critical Design Review

Exhibit P-3a Instructions (Continued)

(CDR), completion of Contractor Test and Evaluation (CTE), completion of Development Test and Evaluation (DTE), completion of Initial Operational Test and Evaluation (IOT&E), etc.

Financial Plan:

Note: Prior year column includes all funding from beginning of program through the Prior Year-2 (PY-2). Quantities and costs should be provided for all applicable line items. PY-1, PY, and CY are the fiscal years currently available for obligation.

RDT&E: Enter programmed RDT&E resources by fiscal year. These resources should be consistent with the Program Element Summary Data Sheets for RDT&E programs.

Procurement: Categories of cost shall be tailored to the individual system consistent with the program's approved work breakdown structure (WBS) elements or modification content. Use as many line items as necessary to show this data. Enter the recurring and nonrecurring cost of the installation kits. Installation kits (Group A kits) are the provisions (e.g., cables, brackets, interface devices) necessary to prepare the system to accept the new equipment. Enter the recurring and nonrecurring cost of the equipment (Group B kits) to be installed (e.g., radar, ECM, engine etc.). If different quantities of kits are being procured for various engineering change proposals within a modification (or operational system improvement program), list the ECP A kit and ECP B kit as separate line item entries (i.e., a line item for the A kit and a line item for the B kit). Do not use an asterisk to indicate that the quantity cannot be shown because a mix of end items with different procurement quantities is being procured. This precludes the need for an addendum and presents all cost information together. Exhibits should reflect all costs and quantities from prior years (PYs) through to complete (TC) because modifications procure a finite quantity.

Installation. The installation costs should be portrayed in the year of actual installation so that the total cost of the installation is portrayed for each year's procurement of end items. Procurement quantities and installation quantities reflected in the procurement detail should equal the quantity displayed in the installation schedule.

Method of Implementation: Indicate how installation will be accomplished (e.g., Contractor, Depot field team, Depot modification line, etc.).

Contract Date: Enter the actual/estimated contract date (month/year, not quarter) for the item with the longest lead time.

Production Delivery Date: Enter the actual/estimated production delivery dates (month/year, not quarter) for the initial item of installed equipment for the current year and budget year.

Exhibit P-3a Instructions (Continued)

Installation Schedule: For all years of the program, show system inductions and modification completions by quarter. An installation schedule is required for all programs requiring installation funds. However, if the modification is being installed organically (i.e., by service managed and operated depots or field activities) and no installation funds are required, then no schedule is required. The schedule will include completed inductions for total Prior Years, Prior Year, and planned inductions for all uninstalled equipment for CY, BY, BY+1, BY+2, BY+3, and BY+4, To Complete, and Total Program. Input and output must equal each other, as well as equal the total quantity of kits procured. Input and output refer to the start and end date of the modification into the aircraft (or end item). This information is required to determine when kits need to be procured. The input and output date is used as a barometer to determine the feasibility of the schedule (and thus, the procurement profile). For ongoing programs, identify the separate program using alpha or alpha-numeric suffixes to the current modification number. Include separate installation schedules for those items that have more than one method of implementation.

(Exhibit P-3a, page 5 of 5)

Exhibit P-5, Cost Analysis

Exhibit P-5 Cost Analysis	Weapon System	Date:
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number	D Code	P-1 Line Item Nomenclature

WBS COST ELEMENTS (Tailor to System/Item Rqmts)	Prior Years Unit Cost	Prior Years Total Cost	PY Unit Cost	PY Total Cost	CY Unit Cost	CY Total Cost	BY Unit Cost	BY Total Cost
Quantity								
Airframes/CFE								
Engine/Accessories								
CFE Avionics								
GFE Avionics								
Armament								
ECO (Flyaway)								
Nonrecurring Costs								
Tooling								
Software Costs								
Other Costs								
Subtotal Flyaway								
Airframe PGSE								
Engine PGSE								
Avionics PGSE								
Peculiar Training Eqpt								
Publications/Tech Data								
ECO (Support Items)								
Other								
Subtotal Support Costs								
Gross-P-1 End Item Cost								
Less PY Adv Proc (by PY FY)								
Net P-1 Full Funding Cost								
Plus CY Adv Proc								
Other Non-P-1 Costs								
Initial Spares								
Total								

P-1 Line Item No X
(Page X of X)

Exhibit P-5, Cost Analysis

(Exhibit P-5, page 1 of 9)

Exhibit P-5, Cost Analysis (Continued)

Exhibit P-5 Cost Analysis (Page 2)	Weapon System	P-1 Line Item Nomenclature

WBS COST ELEMENTS (Tailor to Sys/Item Rqmts)	BY+1 Unit Cost	BY+1 Total Cost	BY+2 Unit Cost	BY+2 Total Cost	BY+3 Unit Cost	BY+3 Total Cost	BY+4 Unit Cost	BY+4 Total Cost	To Complete Costs	Total Costs
Quantity										
Airframes/CFE										
Engine/Accessories										
CFE Avionics										
GFE Avionics										
Armament										
ECO (Flyaway)										
Nonrecurring Costs										
Tooling										
Software										
Other Costs										
Subtotal Flyaway										
Airframe PGSE										
Engine PGSE										
Avionics PGSE										
Peculiar Training Eqpt										
Publications/Tech Data										
ECO (Support Items)										
Other										
Subtotal Support Costs										
Gross-P-1 End Item Cost										
Less PY Adv Proc (by PY FY)										
Net P-1 Full Funding Cost										
Plus CY Adv Proc										
Other Non-P-1 Costs										
Initial Spares										
Total										

P-1 Line Item No X
(Page X of X)

Exhibit P-5, Cost Analysis
(Exhibit P-5, page 2 of 9)

Instructions - Exhibit P-5, Cost Analysis

Purpose. The purpose of this exhibit is to provide detailed cost information in support of Exhibit P-1 line items consistent with the appropriate work breakdown structure (WBS) elements for the program. It is essential that this exhibit be complete and accurate, as it is the most important exhibit in the backup book. Requirement exhibits and production schedules are related to the entries on this exhibit, and it is used as the framework for line item review. The program and budget review submission will include P-5 exhibits containing information for all fiscal years (FYs) from prior years (PYs) through to complete years for all major (Acquisition Category (ACAT) 1) programs and through BY (as a minimum) for all other programs. The President's budget request backup justification books will include P-5 exhibits containing information for all FYs from PY through BY for all programs including ACAT 1 programs. However, a P-5 exhibit (or an AF Form 1537) containing information for all FYs from PY through To Complete years for all ACAT 1 programs will be provided separately to OUSD(C) P/B, Investment Directorate.

General. This exhibit will be prepared for all procurement programs for which funds are requested in the P-1 exhibit. If two or more Services procure the same system, the P-5 exhibit cost elements should be as identical as possible except for Service unique requirements. A P-5 exhibit is not required for those programs that use a P-40a exhibit to display items included in an aggregated line item or if an Exhibit P-3a Modification Summary, has been prepared for a line item.

Entries:

Heading. Insert Appropriation, Budget Activity, and identification code (as identified on the Exhibit P-1 generated from the OSD PRCP database) in the appropriate block. Insert the Exhibit P-1 line item title and add after the title the subhead number for the line item in parenthesis.

Elements of Cost. Categories of cost shall be tailored to the individual system consistent with the program's approved work breakdown structure (WBS) elements. Standard categories are to be used for similar type systems (i.e. aircraft, ships, missiles, tanks, satellites, ammunition, etc.).

Production Support Services. Use generic entries such as Production Engineering, Engineering Services, Quality Assurance, Acceptance Testing, Product Improvement, etc. Include the name of the performing activity (for example, Production Support - NOP Indian Head, or Material Handling - Iowa AAP) only when needed to further clarify the generic categories.

Quantity/Total Cost entries. The quantity related to any cost element will be stated in units (not thousands). Only those entries where quantitative measurement is applicable should have entries in the quantity column. For example, the term "1 set" should not be used for publications, entries, documentation, etc. If the item is not subject to quantitative measurement, leave the column blank. The total cost for a cost element entry will be shown in millions, using 3 decimal places, i.e., 1.225. All cost columns will be totaled.

Advance Procurement Funding. Add (debit) the advance procurement funding in each fiscal year and subtract the advance procurement funding (credit) from the fiscal year the advance procurement supports. Ensure the credit is against the correct fiscal year (check leadtimes). Generally, Advance Procurement debits and credits will net to zero in the "total costs" column. If they do not net to zero, Components must provide rational why they do not.

Initial Spares. Separately identify initial spares funding and include in the total for the net weapon system/end item cost.

Exhibit P-5 Instructions (Continued)

Unit Cost. The unit cost should be displayed for each flyaway cost element on the P-5 exhibit. This should be a manual entry, not computed. Otherwise, there could be lost budget authority if a reviewer (OSD, GAO, or congressional staff) asks to see the unit cost for a particular item from the contract. The last entry line, or overall weapon system unit cost, for each FY is the procurement unit cost.

Aircraft Cost Element Categories.

Airframes/Contractor Furnished Equipment (CFE): Enter estimate for recurring airframe cost, airframe contractor furnished equipment, and engineering changes.

Engine/Accessories: Enter total engine cost including accessories. As part of stub entry, enter quantity of engines per aircraft and indicate model designation including all "dash" designators (example: Engines (4) 53-L-13). Engine unit cost column will reflect the cost of one engine.

Avionics: Separately identify CFE and Government Furnished Equipment (GFE) avionics equipment.

Armament: Enter costs for all armament.

Software: Software costs are to be separately identified.

Other GFE: Enter costs for all Other GFE.

Engineering Change Orders (ECOs) - Flyaway: Include cost of anticipated, but unknown ECOs and value engineering changes for all installed aircraft components (CFE or GFE). Engineering Change Orders should be funded commensurate with the level of risk in the program.

Nonrecurring Costs: Enter total nonrecurring costs associated with production of the flyaway article. Identify and separately display funds budgeted for production tooling in the nonrecurring cost category.

Other Costs: Use as many line items as necessary to identify elements and associated costs.

Airframe Peculiar Ground Support Equipment (PGSE): Enter cost of peculiar airframe ground support equipment.

Engine PGSE: Enter cost of peculiar engine ground support equipment.

Peculiar Training Equipment: Enter cost of all peculiar training equipment.

Publications/Technical Data: Enter cost of all CFE/GFE publications and technical data.

ECOs - All Support Items. Enter cost of ECOs anticipated but unknown for all support and training equipment.

Other: Use as many line items as necessary (example: aerial cameras, or jammer transmitter sets, receiver sets or sensor sets for special mission aircraft). These items are not necessarily procured on a one-for-one basis with aircraft.

(Exhibit P-5, page 4 of 9)

Exhibit P-5 Instructions (Continued) Missile Cost Analysis

A missile P-5 exhibit will be submitted by all Services for each missile/drone type and model. If more than one model or configuration is procured in the same P-1 line item, then individual P-5 exhibits will be prepared for each model or configuration and a summary P-5 exhibit will also be prepared for the P-1 line item. Weapon systems that are composed of fire units or launchers that are procured in the same P-1 line item as the missile will provide separate cost identification for each vehicle of the fire unit or launching system (launcher, launch control center, radar set, vehicle, etc.). The cost categories on the P-5 exhibit represent a number of elements and the list should be tailored as appropriate to adequately depict the missile system cost. The flexibility exists to revise the elements to depict unique system characteristics, but a comparable cost detail to that shown in the P-5 exhibit format should be maintained.

Missile P-5 Cost Element Categories

Missile Hardware - Recurring
- Airframe
- Propulsion (By stage, where applicable)
- Target Detection Device
- Guidance & Control
- Warhead
- Fuze
- Safe & Arm
- Engineering Change Orders
- (Value Engineering)
- Government Costs
  - Integration & Assembly (Labs, etc.)
  - Acceptance Test Program
- Other (Specify)
- Subtotal Missile Hardware

Nonrecurring and Ancillary Equipment
- Tooling and Test Equipment
- Missile Ancillary Hardware
- (Containers, etc.)
- Total Missile Flyaway

Command and Launch Hardware
- Launcher
- Launch Control Center
- Radar Set
- Platform/Track Vehicle
- Engineering Change Orders
- Other (Specify)
- Subtotal Command and Launch Equipment

(Exhibit P-5, page 5 of 9)

Exhibit P-5 Instructions (Continued)

Support Costs

Peculiar Support Equipment (Specify, e.g., test, handling, etc.)
Special Handling Equipment
Training Equipment
Publications/Technical Data
Engineering Change Orders
Other (Specify)
Subtotal Support
Gross P-1 End Cost
Less: Prior Year Adv. Procurement (Breakout by Prior FY of funding)
Net P-1 Full Funding Cost (Must equal FY amount displayed on the P-40 exhibit)
Plus Current Year Advance Procurement.
Other Non-P-1 Weapon System Costs
Initial Spares

Ship Cost Element Categories

Include the following format for every year from construction inception for which there are undelivered ships through the end of the FYDP:

Plan Costs
Basic Construction/Conversion
Change Orders
Electronics
Propulsion Equipment
HM&E
Other Cost
Ordnance
Escalation
Project Manager's Growth
Total Ship Estimate
Less: Advance Procurement FY (specify by individual fiscal year)
Net P-1 Line Item
Ship/Unit Cost

Space System Cost Analysis.

A P-5 exhibit is required for each space weapon system employing a launch vehicle or satellite.

(Exhibit P-5, page 6 of 9)

Exhibit P-5 Instructions (Continued)

Satellite Cost Element Categories

Launch Vehicle:
- Airframe/Integ & Assembly
- Stage I
- Stage II
- Stage III
- Stage IV
- Guidance and Control
- Other (specify)
- Nonrecurring (specify)

Stage Vehicle:
- Airframe/Integ & Assembly
- Propulsion
- Guidance and Control
- Other (specify)
- Nonrecurring (specify)

Space Vehicle:
- Integration & Assembly
- Spacecraft
- Payload
- Reentry Vehicle
- Other (specify)
- Nonrecurring (specify)
- Engineering Change Orders (ECO)
- In-House Production Support
- Total Flyaway Cost

Checkout and Launch:
- Storage, Reactivation, and Transport
- Integration and Checkout
- Propellants
- Orbital Incentives
- Other (specify)
- Total *Checkout and Launch*

Support:
- Technical Support
- On-Orbit Support
- Flight Support
- Other Support (specify)
- Total Support

- Total Systems Cost
- Less Advance Procurement, Prior Year
- Net P-1 Line Item Cost

(Exhibit P-5, page 7 of 9)

Exhibit P-5 Instructions (Continued)

Other Procurement Cost Analysis.

A. Unique entries will vary depending on the nature of the procurement item. Most line items require more than one procurement action to complete the program. If only one contract is involved, the line item is composed of several separate cost elements such as the end item itself, publications, engineering services, production support, etc. Each of these elements (called "building blocks" for simplicity) carries its own dollar value. The sum of the building block values equals the line item value. In general, entries on this form should be structured in the same way that procurement has been accomplished (or is planned) and/or the way that the cost estimate for the line item was derived. For new programs, it is not always possible to predict exactly how procurement will be accomplished but the cost estimate for the line item is built up through price out of separate cost elements that are known to be required.

B. Care should be taken to ensure that the building block title accurately describes the effort. Frequently, attempts are made to use the same building block entry for more than one year when the program effort in the following year is not exactly the same. For example, Model A of particular equipment is procured in one year and an improved Model B version planned for the following year. Separate stub entries should be used to avoid comparisons of unlike items.

Ammunition Procurement Cost Analysis.

A. For items to be procured through the Single Manager for Conventional Ammunition (SMCA), the P-5 will be used to display the program cost breakdown. The Service is responsible for justifying and defending its budget request for ammunition even if the item has transitioned to the SMCA for procurement. The production support section should depict the cost of production support materials and services that are included in the P-1 line item. When the developing Service retains configuration management responsibility for a SMCA-procured item, the developing Service will formulate the production engineering cost estimate, but all other estimates will be formulated by the SMCA.

B. Actual ammunition quantities will be displayed, unless the quantities being procured are in the millions (the quantities will then be displayed in thousands). Dollars will be displayed in millions, using 3 decimal places, i.e., 1.225. Normal rounding methodology will be utilized.

C. The hardware section should include the full cost of hardware incorporated into the round or item that is included in the P-1 item line. The hardware section entries should be tailored to match the major components of the ammunition item and should reflect the acquisition strategy. If two or more Services procure the same ammunition/ordnance round, the P-5 Exhibit should be as identical as possible except for Service-unique requirements. If the round is to be procured using a component breakout strategy, the entries should include, as applicable, the following: load-assemble-pack, major metal parts, fuzes, explosives, propellants

Exhibit P-5 Instructions (Continued)

and shipping containers. Any small-dollar value components that are non-significant/non-problem can be rolled up into an Other, Miscellaneous line (the dollar amount of this line will not exceed 20 percent of the program value). Where an all-up round is to be delivered under a systems contract, the cost of the all-up round may be displayed as a single entry.

D. The production support section should depict the cost of production support materials and services that are included in the P-1 line item. The following standard entries should be used as applicable: production engineering, quality assurance, proof and acceptance testing, interim transportation and industrial stock support. Any other categories should be added as required and identified accordingly (e.g., special testing). When configuration management responsibility is retained by the Navy or Air Force as developing Service, the production engineering cost estimate will be formulated by the developing Service, but all other estimates will be formulated by the SMCA.

E. The nonrecurring cost section should depict the cost of such items as first article testing, product improvement, value engineering, tooling and test equipment, procurement technical data package updates, start-up/layaway costs and/or other special requirements identified accordingly. In the event that applying government-furnished material or components can reduce the cost of the round, the negative entry will be shown in this section.

F. Each section's subtotal should be displayed at the end of the subentries listing.

G. The total P-1 line item is equal to the sum of subtotal cost of hardware, procurement support and nonrecurring less the Government Furnished Material (GFM) applications. This entry must agree with the P-1 value for the ammunition item.

(Exhibit P-5, page 9 of 9)

Exhibit P-5a Procurement History and Planning

Exhibit P-5a, Procurement History and Planning

Exhibit P-5a, Procurement History and Planning (Page 1)	Weapon System	DATE:
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number	P-1 Line Item Nomenclature	

WBS COST ELEMENTS Tailor to System/Item Requirements)	Qty	Unit Cost	Location of PCO	RFP Issue Date	Contract Method and Type	Contractor and Location	Award Date	Date of First Delivery	Tech Data Available Now?	Date Revisions Available
Prior Year (or last yr of proc)										
Airframes/CFE										
Engine/Accessories										
CFE Avionics										
GFE Avionics										
Armament										
Tooling										
Airframe PGSE										
Engine PGSE										
Avionics PGSE										
Peculiar Training Equipment										
Current Year										
Airframes/CFE										
Engine/Accessories										
CFE Avionics										
GFE Avionics										
Armament										
Tooling										
Airframe PGSE										
Engine PGSE										
Avionics PGSE										
Peculiar Training Equipment										

P-1 Line Item No X

Exhibit P-5a, Procurement History and Planning
(Exhibit P-5a, page 1 of 5)

Exhibit P-5a, Procurement History and Planning (Continued)

Exhibit P-5a, Procurement History and Planning (Page 2)	Weapon System	DATE:
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number	P-1 Line Item Nomenclature	

WBS COST ELEMENTS Tailor to System/Item Requirements)	Qty	Unit Cost	Location of PCO	Contract Method and Type	Contractor and Location	Award Date	Date of First Delivery	Tech Data Available Now?	Date Revisions Available
Budget Year									
Airframes/CFE									
Engine/Accessories									
CFE Avionics									
GFE Avionics									
Armament									
Tooling									
Airframe PGSE									
Engine PGSE									
Avionics PGSE									
Peculiar Training Equipment									

P-1 Line Item No X

Exhibit P-5a, Procurement History and Planning
(Exhibit P-5a, page 2 of 5)

Instructions - Exhibit P-5a, Procurement History & Planning

1. Purpose. This exhibit provides detailed information on the P-5 entries regarding all prior years having contracts with undelivered assets, current year (CY) and budget year (BY). Contract information is used to compare cost estimates between fiscal years by comparing unit costs on previous contracts. For example, if an item was awarded in FY 2015 using FY 2014 funding, is the FY 2017 cost based on an FY 2014 cost inflated 3 years, or to an FY 2016 cost inflated one year? The contract information is used to determine if there has been a problem awarding the contract early or late in the fiscal year and if it occurred as planned. The contract information also is used to identify potential current year assets and to answer congressional inquiries.

2. Submission. Exhibit P-5a will be submitted for all P-5 elements of cost (building block) entries involving quantities in the current or budget year. Information for PY, CY, and BY will be updated for each succeeding submission.

3. Entries.

Cost Elements (Building Blocks)/Fiscal Year. The cost element/building block title is to be taken from the Exhibit P-5 Cost Analysis for items meeting the criteria of paragraph 2. For each cost element, provide information for the PY, CY, and BY. The first fiscal year line will provide information on the last buy prior to the current year (if the item was procured in a fiscal year that is no longer available for obligation, identify the fiscal year for which the item was last procured. Update CY and PY entries to show actual contractor and contract award dates. For the BY, use best estimates.

If Advance Procurement funding is part of the program, then provide contract data for each subsequent year to support the leadtime of the advance procurement. For example, if advance procurement is required 2 years in advance of BY, then provide contract data through BY+2.

Quantity and Unit Cost. Insert PY actual quantity procured and actual unit cost. For the CY and BY lines, insert actual or estimated unit costs. The quantities and unit costs should agree with entries on the Exhibit P-5 Cost Analysis exhibit, except for the ammunition items that are fixed standard priced. For these ammunition items, the entries should be the actual unit costs that were negotiated and/or estimated. This update is necessary for the initial starting point for computing future fixed standard prices. Provide an explanation in the remarks block for all items for which the actual unit costs vary significantly with the forecasted unit costs.

Procurement Contracting Office (PCO) Location. Identify the organization that will award the contract. Also identify the organization preparing the purchase request, if different.

Contractor. For each fiscal year, insert actual contractor name, and facility or plant location (city and state). For the current year, insert contractor name if item is to be sole source or if procurement has been accomplished; otherwise insert "Unknown". For budget year, insert contractor name if sole source; otherwise use "Unknown". Identify the city/state location of the contractor plant.

Instructions - Exhibit P-5a, Procurement History & Planning (Continued)

Contract Method/Type. The following codes will be used to identify the "Contract Method/Type":

Contract Method
SS - Sole Source
C - Competitive
MIPR - Military Interdepartmental Purchase Request (use only if MIPR obligates funding)
PO - Project Order
WR - Work Request
Allot - Allotment
Reqn - Requisition
Other - Explain by footnote

Contract Type
FP - Fixed Price
CPIF - Cost Plus Incentive Fee
CPAF - Cost Plus Award Fee
FPI - Fixed Price Incentive
Option - Option to prior year contract
Other - Explain by footnote

Additionally, indicate those contracts that are multiyear procurements by placing the code "MYP" and a corresponding number to indicate the year of the MYP after the Contract Method/ Contract Type as in the following 5-year MYP example:

SS/FPIF/MYP-1 (indicates this is the first year of the MYP)
SS/FPIF/MYP-2
SS/FPIF/MYP-3
SS/FPIF/MYP-4
SS/FPIF/MYP-5

Follow the pattern of the "Contractor" block in displaying actual and estimated contract method and type. "Option" refers to an existing contract that contains an option clause for future procurement. Identify whether the option is priced (already negotiated) or unpriced.

Award Date. For the last actual buy, provide the date that the contract was awarded. For the current year, provide the actual or estimated date. Provide estimated contract award dates for the BY. If the contract is a multiyear contract or a contract with options, identify the date that the option will be exercised.

Date of First Delivery. Same basis as Award Date.

Technical Data Package Available Now. Answer "yes" or "no" for the current year and budget year. No entry is required for prior year. The answer is to be provided as of the time the exhibit is prepared. The term "specifications" refers to full competitive specifications (or their equivalent in the case of a sole source contract).

(Exhibit P-5a, page 4 of 5)

Date Revisions Available. No entry is required for the prior year line if the contract has been awarded. If revisions are required, provide in last column the date or estimated date when they will be available.

Use Footnotes to provide reasons for Sole Source procurement; to provide reasons for use of letter contracts; to provide reasons why a multiyear contact cannot be used; to explain significant variations in unit cost from year to year, etc.

(Exhibit P-5a, page 5 of 5)

Date: _____

Shipbuilding and Conversion, Navy (Continued)
Exhibit P-8a, Analysis of Ship Cost Estimate - Major Equipment

Ship Type: _____

	FY 20PY		FY 20CY		FY 20BY	
	Qty	Amt	Qty	Amt	Qty	Amt
Electronics Equipment						
Ordnance Equipment						
Propulsion Equipment						
HME Equipment						

Instructions: List the major equipment for each of these cost codes shown on the P-35 exhibit and include the next 10 high dollar value items. All other items can be summarized in one line item. System engineering, spares, documentation, and other equipment costs should be included in the equipment estimate. Value engineering changes should be included in the change order cost category.

Analysis of Ship Cost Estimate – Major Equipment
(Exhibit P-8a, page 1 of 1)

Exhibit P-10, Advance Procurement Requirements Analysis

Exhibit P-10 Advance Procurement Requirements Analysis								Date:					
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number								P-1 Line Item Nomenclature					
Weapon System				First System (BY1) Award and Completion Date						Interval between Systems			
	PLT	When Rqd	Prior Years	PY	CY	BY		BY+1	BY+2	BY+3	BY+4	To Complete	Total
End Item Qty													
CFE													
Engines													
GFE													
GFE													
GFE													
EOQ													
Design													
Term Liab													
Other*													
Total AP													

P-1 Line Item No X

Exhibit P-10, Advance Procurement Requirements Analysis
Exhibit P-10, (Page 1 of 4)

Exhibit P-10, Advance Procurement Funding (Continued)

Exhibit P-10, Advance Procurement Funding

Exhibit P-10 Advance Procurement Requirements Analysis (Page 2 - Budget Justification)		Date:
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number	Weapon System	P-1 Line Item Nomenclature

(TOA, $ in Millions)

	PLT	QPA	Unit Cost	BY QTY*	BY Contract Forecast Date	BY Total Cost Request			
End Item		N/A				N/A			
CFE									
GFE									
GFE									
GFE									
EOQ									
Design									
Termination Liability									
Other									
Other									
Other									
Other									
Total Advance Proc									

Description:

*When the advance procurement funding supports more than one subsequent program year end item, then the funding for each line item entry must be separately identified for each applicable end item fiscal year (i.e., when lead-times are greater than one year).

(Use continuation pages, as necessary)

P-1 Line Item No X **Exhibit P-10, Advance Procurement Funding**
(Exhibit P-10, page 2 of 4)

Instructions - Exhibit P-10, Advance Procurement Requirements Analysis

This Exhibit should be submitted for each BY in which Advance Procurement funds are being requested.

Page 1 - Budget Justification entries.

This format will include funding for all years of the program.

Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number. This entry should match the procurement annex.

P-1 Line Item Nomenclature: Self explanatory.

Weapon System Type: End item for which advance procurement is required.

First System Award and Completion Date: Enter the month/year (do not use quarters) of the projected contract award for the end item for which the funds in the budget year supports. For example: FY 2017 advance procurement funds are required in support of an FY 2018 procurement. The FY 2017 AP supporting the FY 2018 end item procurement will be awarded in March 2017 and the FY 2018 procurement will be awarded in January 2018. Enter March 2017. If the manufacturing processes require 24 months, then the item will be delivered in March 2019. Enter March 2019.

Interval Between Systems: Enter the time between end item deliveries.

Column 1. The first entry should be the procurement quantity budgeted for each year (specify the actual fiscal year rather than showing the template years) for the end item for which the advance procurement is requested. In addition, list the items that are required to be purchased ahead of the end item. Be specific as possible. Some examples are:

Contractor Furnished Equipment (CFE): This entry includes all advance procurement funding associated with effort accomplished by the prime weapon system contractor (e.g. airframe contractor for aircraft; guidance and control contractor for missiles, satellites; chassis contractor for tanks, engines, nuclear propulsion equipment for ships).

Government Furnished Equipment (GFE): This entry should include a separate entry for each major subcomponent furnished by the government (e.g. engines and radars for ships and aircraft; warhead, fuzes, and rocket motors for missiles; engines and major electronic subsystems for tanks, satellites).

Economic Order Quantity (EOQ): This entry includes items for which an economic order is justified. List each item separately. The entry will require additional justification showing the analysis that supports an EOQ procurement in an advance procurement line.

Instructions-Exhibit P-10, Advance Procurement Requirements Analysis (Continued)

Other Advance Funding. This would normally include non-EOQ funding that is requested in advance of authorization of the end item and is not based on leadtime considerations but based on price/cost considerations only.

Column 2. Production Leadtime (PLT). Enter the number of months required to manufacture the end item.

Column 3. Enter the number of months after the manufacturing process begins that the item is required for incorporation into the end item.

Columns 4-15. Enter the approved funding for all years of the program.

Page 2 Entries:

Column 1. List the items that need to be purchased ahead of the end item. This column should match the entries in column 1 on page 1.

Column 2. Production Leadtime (PLT): Enter the production leadtime of this particular item.

Column 3. Quantity Per Assembly (QPA): Indicate the quantity of the item required for each end item.

Column 4. Unit Cost: Enter the unit cost in tenths of millions.

Column 5. BY Qty: Enter the total quantity being procured in the BY. For the end item enter the quantity (qty) of end items being procured in subsequent years and identify by qty and year for which the advance procurement in the BY supports.

Column 6. BY Contract Forecast Date: Enter the date of the planned contract award for each of the items listed in column 1. For the end item enter the date of planned contract award of the end items being procured in subsequent years for which the advance procurement in the BY supports.

Column 7. Cost: Enter the cost in millions with one decimal place.

Description. Describe the technique used to estimate the termination liability request. If advance procurement funding is to be applied to years beyond the immediately succeeding year, the amounts and quantities by year should be specified and explained.

(Exhibit P-10, page 4 of 4)

Exhibit P-18, Initial and Replenishment Spares and Repair Parts Justification

Exhibit P-18 Initial and Replenishment Spare and Repair Parts Justification						Date: Month/Year					
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No				Weapon System		P-1 Line Item Nomenclature					
End Item P-1 Line Item	Prior Years	PY FY	CY FY	BY FY		BY+1 FY	BY+2 FY	BY+3 FY	BY+4 FY	To Complete	Total
INITIAL											
B-1											
B-2											
F/A-18											
P-3											
UH-60											
Etc.											
TOTAL INITIAL											
REPLENISHMENT											
B-1											
B-2											
F-15											
Etc.											
TOTAL REPLEN											
Remarks (Use continuation pages, as necessary)											

P-1 Line Item No X
(Page X of X)

Exhibit P-18, Initial and Replenishment Spares and Repair Parts Justification
(Exhibit P-18, page 1 of 2)

Instructions - Exhibit P-18, Initial/Replenishment Spares Requirements

The purpose of this exhibit is to provide the funding requirements for the procurement of initial and replenishment spares and repair parts in support of end items of equipment and in support of modifications to existing end items of equipment where end items of equipment are being supported by procurement appropriations. A copy of this exhibit will be included in the budget justification book for the end item for the Budget Estimates Submission only.

Entries:

Column 1. Enter the budget Exhibit P 1 line item and end items of equipment for which the initial spares and repair parts are required.

Columns 3 through 13. Enter the total cost of the initial or replenishment spares and repair parts for each fiscal year displayed in support of the end items procured. Funding must be consistent with the P-1 and P-40 exhibits.

If some of the initial spares and repair parts are to be financed by the DWCF or for buy-out by a procurement appropriation, provide a memorandum entry to indicate the DWCF-financed portion or footnote accordingly.

Include the following information in the remarks block.

Procurement Requirement:

Funded Initial Spares.
Funded Replenishment Spares.
Funded Mobilization (War Reserve) Spares.
Total Funded.
Repair Turnaround time.

(Exhibit P-18, page 2 of 2)

Exhibit P-20, Requirements Study

Exhibit P-20, Requirements Study	Appropriation (Treasury) Code/CC/BA/BSA/Item Control No	Date
P-1 Line Item Nomenclature (Include DODIC for Ammunition Items)	Admin Leadtime (after Oct 1): xx months	Prod Leadtime: xx months

	PY FY	CY FY	BY FY		BY+1 FY	BY+2 FY	BY+3 FY	BY+4 FY
Quantity Budgeted	500	500	500		605	605	605	605
Unit Cost	.1	.1	.1		.1	.1	.1	.1
Total Cost	.5	.5	.5		.6	.6	.6	.6
Asset Dynamics								
Beginning Asset Position	500	545	545		355	295	295	295
Deliveries from all prior year funding	150	500						
Deliveries from CY funding			500					
Deliveries from BY funding								
					545	605	605	605
Deliveries from subsequent years' funding						605	605	605
Other Gains	50	10	20					
Combat Losses/Usage	0	0	0		0	0	0	0
Training Losses/Usage	-150	-500	-600		-600	-600	-600	-600
Test Losses/Usage	-5	-10	-5		-5	-5	-5	-5
Other Losses/Usage	0	0	0		0	0	0	0
Disposals/Retirements/Attritions/etc.								
End of Year Asset Position	**545**	**545**	**460**		**295**	**295**	**295**	**295**
Inventory Objective or Current Authorized Allowance	545	545	545		545	545	190	190

Inventory Objective	Actual Training Expenditures	Other than Training Usage	Disposals (Vehicles/Other)	Vehicles Eligible for BY Replacement: 50	Aircraft: TOAI:
Assets Rqd for Combat Loads: 500	PY thru _____: 350	PY thru _____: 5	PY thru _____:: 50		PAA: TAI
WRM Rqmt: 500	PY-1: 450	PY-1: 4	PY-1: 40	Vehicle Augment: 50	Attrition Res:
Pipeline: 45	PY-2: 650	PY-2: 6	PY-2: 60		BAI
Other:	PY-3: 200	PY-3: 2	PY-3: 20		Inactive Inv:
TOTAL: 545					Storage:
REMARKS: For ammunition items, list all substitute items for the round.					

P-1 Line Item No X
(Page X of X)

Exhibit P-20, Requirements Study
(Exhibit P-20, page 1 of 4)

Instructions - Exhibit P-20, Requirements Study

1. Purpose. The purpose of this form is to provide detailed information with regard to the determination of asset availability and requirements.

2. Submission. The P-20 exhibit is required only for the Budget Estimates Submission (BES) for ammunition and weapons procurement accounts, but can be used for other procurement accounts as determined by the Services and Defense Agencies. The P-20 exhibit is required for only those items costing $5.0 million or more in the budget year (BY).

3. Entries.

Leadtimes: Administrative leadtime is the amount of time after October 1 that is required to award a contract. Procurement leadtime is the amount of time from contract award until delivery of the first unit.

Quantity Budgeted. Show the quantities, unit cost, and funding approved for this program.

Asset Dynamics. This section will reflect the changing asset position starting with the assets on hand and adjusting for gains and losses. Tailor the entries to the program being represented.

Beginning Asset Position. Use the inventory position as of the end of the prior fiscal year, or specify other date. As a memo entry in the remarks section, identify assets that are not in a serviceable condition.

Deliveries from all prior year funding and deliveries from CY and BY funding. Enter the quantity funded during all prior years that are not yet delivered. Show the deliveries or other gains in the fiscal year in which they will be received. The analyst can then compare these entries to the P-21 Production Schedule (deliveries and leadtimes).

Deliveries from subsequent years' funding. Enter the quantity in the appropriate fiscal year. The due-ins should match the P-21 Production Schedule and be reflective of the procurement leadtimes and planned delivery schedules to be included on the contract.

Other Gains. Quantity due in for loans to other Services, other receipts, etc.

Usage. Identify projected annual usage, disposals, retirements, etc. that are projected for each fiscal year. There should be some correlation of the projected usage to actual expenditures. For aircraft, usage equates to attrition, retirement, FMS sales, etc. For vehicles, usage equates to disposals (quantity of vehicles scheduled for disposal through sale, salvage or transfer to another agency).

End of Year Asset Position. Add the gains and subtract the losses from the beginning of the year asset position.

(Exhibit P-20, page 2 of 4)

Exhibit P-20 Instructions (Continued)

Inventory Objective (IO). Identify the elements of the IO and the Approved Acquisition Objective, as applicable and approved through the Program Objective Memorandum process. For missiles, munitions, and munitions-related items, use the capabilities based munitions requirements process. Annotate in the Remarks block if the IO is different for any of the FYDP years. Cite the document and the date of the document that established the IO.

Actual Expenditures (for ammunition items). Identify actual expenditures for training and other than training for at least 3 years. For example, for the FY 2018 submission, FY 2017 will be the current year but no usage will have occurred. FY 2016 would be the Prior Year but data will probably not be available for the entire fiscal year prior to the submission. Therefore, show actual usage for FY 2016 through June 30, 2016 and the usage for 3 fiscal years (FY 2015 (Prior Year minus one, PY-1), FY 2014 (Prior Year minus two, PY-2), and FY 2013 (Prior Year minus three, PY-3)).

Authorized Allowances. Enter the authorized Vehicle allowances for units, installations, and activities supported by the appropriations of the service preparing the form. Replacement requirements will be excluded.

Vehicles Eligible for Replacement: Enter the quantity of vehicles eligible for replacement during the budget year funded leadtime based upon the age, repair limits and mileage criteria of DoD 4500.36-R, Acquisition, Management, and Use of DoD Non-Tactical Vehicles.

Vehicle Augmentation. Enter the quantity that represents an augmentation to the inventory. On a separate sheet, list the organizational units and quantities for each unit involved in the augmentation and include a full justification for the augmentation.

Aircraft. Include memo entries for each configuration of aircraft. Identify the acquisition objective determined by The Joint Staff (TJS) inventory category (see Chairman of the Joint Chiefs of Staff Instruction (CJCSI) 4410.01G, Standardized Terminology for Aircraft Inventory Management) for each FY. Explain the basis for the approved acquisition objective and identify the applicable requirements document and approval authority (e.g., TJS/Service) that provides the basis for the approved acquisition objective number.

Also each Service should submit documentation, by aircraft type, that provides the average age and average hours projected for the aircraft and the current age and hours. This documentation is required for all aircraft being procured and modified, as well as for the aircraft that are being replaced. Identify Active, National Guard and Reserve aircraft. Each Service may submit this documentation in formats currently used by each Service, as long as the above information is incorporated.

Entries should include: (1) total overall aircraft inventory; (2) active aircraft inventory, including primary aircraft inventory (with appropriate subcategories for mission aircraft, training aircraft, dedicated test aircraft, etc.), backup aircraft inventory, and attrition/reconstitution reserve; (3) inactive aircraft inventory, including bailment's, drones, foreign military sales or other transfers, leases, loans, maintenance training, reclamation, and storage; and (4) the Joint Staff approved inventory requirements.

(Exhibit P-20, page 3 of 4)

Exhibit P-20, Requirements Study (Continued)

Not Installed Nonconsumables. Tailor the asset position to elements that pertain to this category. Include a brief explanation in the remarks block to explain why the entire quantity to meet the IO is not being procured. Include memo entries for those items that total to the entire program inventory objective. Where applicable, the IO will be supported by showing the number of units or activities, by type and quantity required per unit or activity. Example:

	Required
20 Units	40
30 Activities	60
Spares	10
Total IO	110

REMARKS: Identify any items that can be substituted and explain why substitutes cannot be used to satisfy the IO, why expenditures do not represent an accurate portrayal of usage, and any other anomalies.

(Exhibit P-20, page 4 of 4)

Exhibit P-21, Production Schedule

Exhibit P-21, Production Schedule		Date
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No	Weapon System	P-1 Line Item Nomenclature

		PRODUCTION RATE			PROCUREMENT LEADTIMES					
Item	Manufacturer's Name and Location	MSR	ECON	MAX	ALT Prior to Oct 1	ALT After Oct 1	Initial Mfg PLT	Reorder Mfg PLT	Total	Unit of Measure
List each end item										

						Fiscal Year													**Fiscal Year**											
									Calendar Year												**Calendar Year**										
ITEM	FY	SVC	QTY	DEL	BAL	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	BAL
5.56	94	A	.5	.2	.3	.1	.1	.1																						
	95	A	.5	0	.5									.1	.1	.1	.1	.1												
	96	A	.5	0	.5																			.1	.1	.1	.1	.1		
	94	M	.5	0	.5				.1	.1	.1	.1	.1																	
	95	M	.5	0	.5														.1	.1	.1	.1	.1							
	96	M	.5	0	.5																								.1	.4
	96	F	.5	0	.5																									.5

						Fiscal Year													**Fiscal Year**											
									Calendar Year												**Calendar Year**										
ITEM	FY	SVC	QTY	DEL	BAL	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	BAL
5.56	94	A	.5	.2	.3	.1	.1	.1																						
	95	A	.5	0	.5									.1	.1	.1	.1	.1												
	96	A	.5	0	.5																			.1	.1	.1	.1	.1		
	95	M	.5	0	.5														.1	.1	.1	.1	.1							
	96	M	.5	0	.5																								.1	.4

REMARKS: Use continuation pages as necessary to complete all procurements. If only one component or item is being delivered, show deliveries on one page.

P-1 Line Item No X

Exhibit P-21, Production Schedule
(Exhibit P-21, page 1 of 3)

Instructions - Exhibit P-21, Production Schedule

1. Purpose. The purpose of this exhibit is to provide detailed information with regard to the monthly production of all applicable items.

2. Submission. Exhibit P-21 will be submitted to show the planned contractual production deliveries for Exhibit P-5 cost elements that have a value of $5.0 million or more in the budget year (BY). Exhibit P-5 cost elements that have a value of less than $5.0 million in the BY will not submit Exhibit P-21. Each Service, whether a leader or follower, is to provide the delivery schedule for the entire program. This ensures that each Service has the opportunity to adjust procurement quantities in terms of contractor capability to deliver all assets during the funded delivery period.

3. Entries.

a. Entries will be displayed in the same order as they appear on the Exhibit P-5 Cost Analysis.

b. Use "E" for "each," "M" for "millions" and "K" for "thousands" for unit of measure.

c. Production rates should be yearly rates. The following definitions apply.

Minimum Sustaining Rate. This is the production rate that is necessary to keep production lines open while maintaining a base of responsive vendors and suppliers; the quantity that will preclude start-up costs in the case of a production break; or the quantity that the contractor is willing to accept and produce at a reasonable cost

Economical Production Rate. This is the most efficient production rate for each budget year at which the item can be produced with existing or planned plant capacity and tooling, with 1 shift a day running for 8 hours a day and 5 days a week (1-8-5).

Maximum Production Rate. This is the maximum capacity rate that a contractor can produce with extant or PY planned tooling. Indicate the number of shifts.

d. The following leadtime definitions apply.

Administrative Leadtime (ALT). This is the amount of time required to complete the administrative actions leading to contract award. Since these actions do not require funding, the ALT can be separately identified into prior to October 1 and after October 1. The ALT is used to forecast contract awards. Longer leadtimes require that a larger quantity be purchased to support yearly requirements. Leadtimes should therefore reflect an accurate assessment of the time required to process the administrative actions.

Production Leadtime (PLT). This is the amount of time required by a contractor to produce an item once a contract is awarded. Leadtimes should be based on a realistic projection of a contractor's capability.

(Exhibit P-21, page 2 of 3)

Exhibit P-21 Instructions (Continued)

Procurement Leadtime. This is the total of ALT (post October 1) and PLT.

e. Where procurements are being made for customers such as the FMS program or another Service, a separate line will be used to reflect each customer's planned buy and phased deliveries with a total provided by item by manufacturer. Use A for Army, N for Navy, AF for Air Force, F for FMS, and O for Other (and explain in the remarks section).

f. Enter respective schedules for all prior fiscal years with undelivered assets, for CY, and BY. In addition, Acquisition Category 1 programs and programs requesting advance procurement funding will also enter schedules for all years of the future years defense plan. Show detail of production by month so that analysis can be accurately performed.

g. Missile Delivery Schedule. A separate P-21 exhibit will be prepared for each missile system reflecting the latest actual deliveries and scheduled outyear requirements. When the missile system includes the procurement of fire units or launching systems within the P-1 line item, the missiles and the major components of the fire unit or launching system (launcher, launch control center, radar set, track vehicle) will be depicted on the P-21 exhibit.

h. Ammunition. The total production plan for hardware items should be displayed to include time-phased schedules for LAP and the major limiting or pacing component as applicable. For Improved Conventional Munitions, display schedules for all major components. Provide separate information in those cases where procurement leadtimes for LAP and major components differ.

(Exhibit P-21, page 3 of 3)

.

Exhibit P-27, SCN - Ship Production Schedule

Exhibit P-27, SCN - Ship Production Schedule				Date	
Appropriation (Treasury) Code/BA/BSA				P-1 Line Item Number	
Ship	Shipbuilder	Fiscal Year	Contract Award	Start of Construction	Delivery Date
Description					

P-1 Line Item No X
(Page X of X)
Exhibit P-27, SCN - Ship Production Schedule
(Exhibit P-27, page 1 of 2)

*Instructions - Exhibit P-27, SCN – Ship Production Schedule

Purpose. The purpose of this exhibit is to provide information concerning production of ships authorized for construction, but not yet delivered, and for each ship programmed for construction in the Future Years Defense Program (FYDP).

General. This exhibit will be prepared for all Ship Construction, Navy (SCN) programs for which ship construction funds are requested in the P-1 exhibit. Ships will be listed in chronological order by the year authorized, then date of contract award, and then by start of construction.

Entries:

Heading. Insert Appropriation, Budget Activity, and identification code (as identified on the Exhibit P-1 generated from the OSD PRCP database) in the appropriate block. Insert the Exhibit P-1 line item title and add after the title the subhead number for the line item in parenthesis.

Ship. Identify each individual ship by Ship Class and hull number (e.g., SSN 792, CVN 79) that has previously been authorized for construction, but has not yet delivered, and each ship that is programmed for construction in the FYDP.

Shipbuilder. Identify the shipbuilder(s) for each ship.

Fiscal Year. List the year funds were appropriated or are programmed for each ship.

Contract Award. Enter the month and year of the shipbuilding contract award (actual or planned) using “MMM YYYY” format (e.g., Dec 2017).

Start of Construction. Enter the month and year that construction began/is scheduled to begin using “MMM YYYY” format.

Delivery Date. Enter the month and year each ship is planned to deliver using “MMM YYYY” format.

Exhibit P-29, SCN Outfitting Costs

Exhibit P-29, Shipbuilding and Conversion (SCN) Outfitting Costs	Date:
Appropriation (Treasury) Code/BA/BSA	P-1 Line Item Nomenclature

Ship Class	Hull No	Prog Year	Contract Award	Start of Construction	Delivery Date	CFO Date	PSA Start	PSA Finish	OWL Date	Prior Years	PY	CY	BY	To Complete	Total

Comments

P-1 Line Item No X

Exhibit P-29, SCN Outfitting Costs
(Exhibit P-29, page 1 of 3)

*Instructions - Exhibit P-29, SCN – Outfitting Costs

Purpose. The purpose of this exhibit is to provide detailed information concerning Outfitting funds for ships authorized for construction, but not yet delivered, and for each ship programmed for construction in the Future Years Defense Program (FYDP).

General. This exhibit will be prepared for all Ship Construction, Navy (SCN) programs for which ship Outfitting funds are requested. Outfitting funds are used to acquire on board repair parts, other secondary items, equipage, recreation items, pre-commissioning crew support and general use consumables furnished to the shipbuilder or the fitting-out activity to fill the ship's initial allowances as defined by the baseline coordinated shipboard allowance list (COSAL). Outfitting funds are also budgeted for contractor-furnished spares, at lead-time away from delivery. The SCN funding for the initial fill of allowance list items are limited to those items on the COSAL and authorized requirements through the Obligation Work Limiting Date (OWLD). While most outfitting funds are executed prior to ships' completion of fitting out dates, some outfitting funding may be required in the fiscal year following the scheduled Delivery Date.

Ships will be listed by Ship Class, then in chronological order by the year authorized, then date of contract award, and then by start of construction.

Entries:

Heading. Insert Appropriation, Budget Activity, and identification code (as identified on the Exhibit P-1 generated from the OSD PRCP database) in the appropriate block. Insert the Exhibit P-1 line item title and add after the title the subhead number for the line item in parenthesis.

Ship Class and Hull Number. Identify each individual ship by Ship Class and hull number (e.g., SSN 792, CVN 79) that has previously been authorized for construction, but has not yet delivered, and each ship that is programmed for construction in the FYDP.

Program Year. List the year ship construction funds were appropriated or are programmed for each ship.

Contract Award. Enter the month and year of the shipbuilding contract award (actual or planned) using “MMM YYYY” format (e.g., Dec 2017).

Start of Construction. Enter the month and year that construction began/is scheduled to begin using “MMM YYYY” format.

Delivery Date. Enter the month and year each ship is planned to deliver using “MMM YYYY” format.

Completion of Fitting Out (CFO). Enter the month and year each ship is planned to complete fitting out using “MMM YYYY” format.

Post-Shakedown Availability (PSA) Start. Enter the month and year each ship is planned to begin PSA using “MMM YYYY” format.

PSA Finish. Enter the month and year each ship is planned to finish PSA using “MMM YYYY” format.

Obligation Work Limiting (OWL) Date. Enter the OWLD for each ship using "MMM YYYY" format.

Funding. Enter Outfitting funding for each ship. Annual funding will be provided in the Prior Year (PY), Current Year (CY) and Budget Year (BY) columns only. Total Outfitting funding received in all fiscal years before the Prior Year (PY) will be entered in the Prior Years column. All Outfitting funds programmed in the FYDP years (i.e., BY+1 through BY+4) will be entered in the To Complete column. The total Outfitting cost for each ship will be entered in the Total column.

(Exhibit P-29, page 3 of 3)

Exhibit P-30, SCN Post Delivery Costs

Exhibit P-30, Shipbuilding and Conversion (SCN) Post Delivery Costs	Date:
Appropriation (Treasury) Code/BA/BSA	P-1 Line Item Nomenclature

Ship Class	Hull No	Prog Year	Contract Award	Start of Construction	Delivery Date	CFO Date	PSA Start	PSA Finish	OWL Date	Prior Years	PY	CY	BY	To Complete	Total

Comments

P-1 Line Item No X

Exhibit P-30, SCN Post Delivery Costs
(Exhibit P-30, page 1 of 3)

*Instructions - Exhibit P-30, SCN – Post Delivery Costs

Purpose. The purpose of this exhibit is to provide detailed information concerning Post Delivery funds for ships authorized for construction, but not yet delivered, and for each ship programmed for construction in the Future Years Defense Program (FYDP).

General. This exhibit will be prepared for all Ship Construction, Navy (SCN) programs for which ship Post Delivery funds are requested. Post Delivery funding covers the fixing of government-responsible items which were believed to have been complete to standard and/or operable at delivery, as well as funding to conduct tests and trials after delivery. The Post Shakedown Availability (PSA) is a shipyard availability assigned to commence after delivery and to be completed prior to the expiration of the SCN Obligation Work Limiting Date (OWLD). Funding is used for corrections authorized by the ship's Program Manager as a result of builders' trials (pre-delivery), acceptance or underway trials, final contract trials, trial board items, and correction of production-related defects or deficiencies which develop during the post delivery period. Although the majority of post delivery funding occurs after ships' delivery dates, some funding is required prior to the delivery date in preparation for post delivery events.

Ships will be listed by Ship Class, then in chronological order by the year authorized, then date of contract award, and then by start of construction.

Entries:

Heading. Insert Appropriation, Budget Activity, and identification code (as identified on the Exhibit P-1 generated from the OSD PRCP database) in the appropriate block. Insert the Exhibit P-1 line item title and add after the title the subhead number for the line item in parenthesis.

Ship Class and Hull Number. Identify each individual ship by Ship Class and hull number (e.g., SSN 792, CVN 79) that has previously been authorized for construction, but has not yet delivered, and each ship that is programmed for construction in the FYDP.

Program Year. List the year ship construction funds were appropriated or are programmed for each ship.

Contract Award. Enter the month and year of the shipbuilding contract award (actual or planned) using “MMM YYYY” format (e.g., Dec 2017).

Start of Construction. Enter the month and year that construction began/is scheduled to begin using “MMM YYYY” format.

Delivery Date. Enter the month and year each ship is planned to deliver using “MMM YYYY” format.

Completion of Fitting Out (CFO). Enter the month and year each ship is planned to complete fitting out using “MMM YYYY” format.

Post-Shakedown Availability (PSA) Start. Enter the month and year each ship is planned to begin PSA using “MMM YYYY” format.

PSA Finish. Enter the month and year each ship is planned to finish PSA using “MMM YYYY” format.

Obligation Work Limiting (OWL) Date. Enter the OWLD for each ship using "MMM YYYY" format.

Funding. Enter Post Delivery funding for each ship. Annual funding will be provided in the Prior Year (PY), Current Year (CY) and Budget Year (BY) columns only. Total Post Delivery funding received in all fiscal years before the Prior Year (PY) will be entered in the Prior Years column. All Post Delivery funds programmed in the FYDP years (i.e., BY+1 through BY+4) will be entered in the To Complete column. The total Post Delivery cost for each ship will be entered in the Total column.

(Exhibit P-30, page 3 of 3)

Exhibit P-35, Major Ship Component Fact Sheet

Exhibit P-35, Major Ship Component Fact Sheet

(TOA, $ in Millions)

Ship Type - (SSN-21) Equipment Item - (AN/BSY-2 Combat System) PARM Code - (NAVSEA PMS XXX)

Description/Characteristics/Purpose:

Current Funding	**FY 20PY**		**FY 20CY**		**FY 20BY**			
Major Hardware	Hull	Total FY	Hull	Total FY	Hull	Total FY	Hull	Total FY
Hardware								
Warranty								
Battle Spare/Trainer								
GFE								
Ancillary Equipment								
Test Equipment								
Shipping and Installation Fix								
Technical Data and Documentation								
Spares								
Installation & Checkout								
Installation & Sup Spt								
System Engineering								
Technical Engineering Services								
Contract Field Services								
Govt Field Services								
Other Costs (List separately)								
Other Costs								

Contract Data (major hardware)	**Prime Contractor**	**Contract Award Date (indicate if estimated)**	**Contract Type**	**New/Option**	**Contract Qty**	**Contract Hardware Unit Cost**
PY						
CY						
BY						

Delivery Data	**Earliest Ship Delivery Date**	**Months Required before Delivery**	**Production Leadtime**	**Required Award Date**
PY				
CY				
BY				

V. Competition/Second-Source Initiatives:

P-1 Line Item No X

Exhibit P-35, Major Ship Component Fact Sheet

(Exhibit P-35, page 1 of 2)

Instructions Exhibit P-35, Major Ship Component Fact Sheet

Item: A separate sheet is to be submitted for each component having a unit cost of $3.0 million or more.

Description/Characteristics/Purpose. Self-explanatory.

Current Funding. The cost details will be provided for each ship type for which equipment is being procured on a hull basis for the prior year (PY), current year (CY), and budget year (BY).

Identify estimates on an end item cost basis. If equipment was procured in a prior year with advance procurement funds, it should be reflected on the exhibit next to the end cost estimates in parenthesis. The equipment costs in this section of the exhibit will include the building block elements listed below:

Major Hardware
Ancillary Equipment
Technical Data and Documentation
Spares
System Engineering
Technical Engineering Services
Other Costs

Major hardware costs in excess of $20 million must be broken down into sub-element hardware components that comprise the equipment cost estimate included on the P-5a cost analysis.

Contract Data. This section will be prepared for major hardware procurement. The exhibit will include the contract plans for the BY, the planned or actual contract information for the current year (CY) and the actual information for the last buy prior to the current year. The last buy should be included even though it is two or more years prior to the current year. The following codes should be used for indicating contract types: Fixed Price Incentive (FPI); Cost Plus Incentive Fee (CPIF); Fixed Price (FP); Sole Source (SS); and Competitive (C). Indicate whether it is a new contract or an option to an existing contract. Also indicate estimated or actual award dates and item delivery dates. List quantities for each fiscal year and the production leadtime associated for each type of equipment.

Delivery Data. This section should indicate delivery plans for BY, CY and Prior Year (PY) programs contained in Section II of this exhibit. The required award date entry is determined by subtracting the months required before delivery and production leadtime from the earliest ship delivery date.

Competition/Second Source Initiatives. Describe any competition or second source initiatives associated with major hardware items.

(Exhibit P-35, page 2 of 2)

Exhibit P-40, Budget Item Justification

Exhibit P-40, Budget Item Justification	Date
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number	P-1 Line Item Nomenclature
Program Element for Code B Items:	Other Related Program Elements

	ID Code	Prior Years	PY FY	CY FY	BY FY		BY+1 FY	BY+2 FY	BY+3 FY	BY+4 FY	To Complete	Total
Proc Qty												
Gross Cost												
Less PY Adv Proc												
Plus CY Adv Proc												
Net Proc (=P-1)												
Initial Spares												
Total Proc Cost												
Flyaway U/C												
Wpn Sys Proc U/C												

Description

(Use continuation pages, as necessary)

P-1 Line Item No X
(Page X of X)

Exhibit P-40, Budget Item Justification
(Exhibit P-40, page 1 of 4)

Instructions Exhibit P-40, Budget Item Justification

1. Purpose. The purpose of this exhibit is to provide overall narrative justification and total procurement costs for each P-1 line item. Include all advance procurement, initial spares and repair parts for acquisition category 1 programs.

2. Submission. A separate P-40 exhibit will be submitted to support each P-1 line item with funding of $5.0 million or more in the budget year (BY) or $5.0 million or more in either the Prior Year (PY) or Current Year (CY). Funding will be provided for all years displayed on the P-40 exhibit for all programs for both the program and budget review submission and the President's budget submission. If the prior years and to complete data are not relevant (i.e., items have a continuing requirement such as vehicles or ammunition), then leave those fields blank. In order to ensure compliance with the Department's policy to fully fund procurement programs, exhibits must reflect all costs and quantities from prior years through to complete for those programs buying a finite quantity. Note: for programs with a funding value less than $5 million, only the P-40 and P-40a exhibits are required. No other budget exhibits will be submitted for programs with a funding level less than $5 million in the PY through BY.

3. Entries.

a. Enter the applicable information that identifies the appropriation number and title, budget activity, procurement line item number, and serial number (the combination of these codes should match the procurement annex). Include the P-1 line item title (must be identical to what is shown in PRCP for that line item) and identify nicknames in parenthesis. Identify the program element for all Code B items shown on the P-5. Also list all other Program Elements associated with this procurement.

b. Funding will be presented for all Prior Years before the current prior year (i.e., PY-1, PY-2, PY-3, etc.), the Prior Year, the Current Year, the Budget Year, the FYDP years, to complete, and total on all line items having a finite quantity requirement. It is not relevant to show funding or quantities for items that are continuing requirements such as ammunition or non-tactical vehicles. It is relevant to show funding for all fiscal years for items being procured to specified quantity, such as aircraft, missiles, tactical vehicles, or modifications. The funding should agree with the funding approved in the FYDP Procurement Annex. Omit line items that do not apply (for example, ammunition items would not include an initial spares line).

*c. Procurement programs that include funding for National Guard and Reserve Components will list Secondary Distribution to Active, National Guard, and Reserve Components, as applicable. Secondary Distribution will include quantity and funding for each component for the Prior Year, the Current Year, the Budget Year, and the FYDP years. This data must match submission to the PRCP data base.

d. A complete narrative description of the line item will be provided. The description will include, but not be limited to, the nature, purpose and intended use of the item with sufficient depth of information to serve as a justification for funding.

e. If the item is a Code B item, provide the month and calendar year, actual or projected, for each applicable Developmental Test & Evaluation (DTE), Initial Operational Test & Evaluation (IOT&E), Operational Test & Evaluation (OTE), and technical data package (TDP) or performance specification milestone date. The TDP is assumed to be the date when all data necessary to initiate the procurement is available. Also provide the planned date for type classification as Standard or Alternate Standard (Army and Air Force) or approved by the Chief of Naval Operations (CNO) or other responsible official (Navy). Provide the nomenclature and model number of each item (as applicable) that will be replaced, as well as

the comparative information in definitive terms with units of measure such as range, speed, cycle rate, meantime before failure, useful life, etc. Enter a brief but specific discussion of pertinent test results and development effort to date (i.e., successful firings, slippages, test failures, cost overruns, etc.).

f. For those programs that include advance procurement funds that support more than just the next or one subsequent FY program, specific FY detail needs to be provided to identify which FY programs are supported by prior year advance procurement. Advance procurement should be debited and credited according to the leadtimes of the advance procurement. For instance, if FY *2015* and FY *2016* Advance Procurement funds are required for a FY *2017* procurement, the FY *2015* Advance Procurement funds would be debited in FY *2015*, the FY *2016* Advance Procurement funds would be debited in FY *2016*, and the total of the FY *2015* and FY *2016* Advance Procurement funds would be credited in FY *2017*.

Advance Procurement

FY TOA	**FY *2015***	**FY *2016***	**FY *2017***	**FY *2018***	**FY *2019***	**FY *2020***
FY *2015* for FY *2017* (memo)	.*x*					
FY *2016* for FY *2017* (memo)		.*x*				
FY *2016* for FY *2018* (memo)		*x*				
FY *2017* (memo)			-.*x*			
FY *2017* for FY *2018* (memo)			.*x*			
FY *2017* for FY *2019* (memo)			.*x*			
FY *2018*(memo)				-*x*		
FY *2018* for FY 2019 (memo)				*x*		
FY *2018* for FY 2020 (memo)				*x*		
FY *2019*(memo)					-*x*	
FY *2019* for FY 2020 (memo)					*x*	
FY *2019* for FY 2021 (memo)					*x*	
FY *2020*(memo)						-*x*
FY *2020* for FY 2021 (memo)						*x*
FY *2020* for FY 2022 (memo)						*x*

4. Specific Guidance by Program Type.

a. Shipbuilding and Conversion, Navy Programs. Include the following information:

Mission
Characteristics (hull length overall, beam, displacement, draft)
Armament
Major Electronics
Production status, by hull
- Contract Award Planned (Month/Year)
- Months to Complete
  - a) Award to Delivery
  - b) Construction
- Start to Delivery
- Delivery Date
- Completion of Fitting Out
- Obligation Work Limiting Date (OWLD)

The P-40 exhibit must list all Service and Other Small Craft Items by types and provide funding for all years still being executed.

(Exhibit P-40, page 3 of 4)

b. Modification Programs. For procurement modification programs the P-40 exhibit shall include the following information; a complete narrative description of the weapon system, its overall mission, number of aircraft in the inventory (include a breakout by Active, National Guard and Reserve), the designed service life, and the average service life remaining. The exhibit will, just below the narrative, include the specific modifications budgeted and programmed displayed in the format provided below:

Instructions Exhibit P-40, Budget Item Justification (Continued)

Mod/		Total	(TOA, $ in Millions)							
OSIP No.	Title	PYs	PY	CY	BY	BY+1	BY+2	BY+3	BY+4	TC	Total

Mod/OSIP No. Enter the modification number as applicable. List each modification on the aircraft P-40 exhibit. All P-3a exhibits must be included in the budget backup book in this numerical order.

(Exhibit P-40, page 4 of 4)

Exhibit P-40a, Budget Item Justification for Aggregated Items

Exhibit P-40a, Budget Item Justification for Aggregated Items															Date					
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number							P-1 Line Item Number								Aggregated Items Title					
Item Number/Title [DODIC]	ID Code	Prior Years			Past Year			Current Year			Budget Year			Budget Year OCO			Budget Year Total		
		Unit Cost	Qty	Total Cost	Unit Cost	Qty	Total Cost	Unit Cost	Qty	Total Cost	Unit Cost	Qty	Total Cost	Unit Cost	Qty	Total Cost	Unit Cost	Qty	Total Cost

P-1 Line Item No X
(Page X of X)

Exhibit P-40a, Budget Item Justification for Aggregated Items
(Exhibit P-40a, page 1 of 2)

Instructions - Exhibit P-40a, Budget Item Justification for Aggregated Items

1. Purpose. The purpose of this exhibit is to provide the quantities and funding covering the procurement programs included in aggregated P-1 line items such as "Items Less Than $5.0 million." A P-5 exhibit is not required for items included on a P-40a exhibit.

2. Entries.

a. Enter the applicable information that identifies the appropriation, budget activity, and title. There should be no Code B (not approved for service use) items on the P-40a exhibit. If an item is a Code B item, however, the item must be listed as separate line items in the P-1, P-5 and P-40 exhibits.

b. Unit Cost, Quantity and Total Cost will be presented for all Prior Years, Prior Year (PY), Current Year (CY), Budget Year (BY). The funding should agree with the funding approved in the FYDP Procurement Annex.

(Exhibit P-40a, page 2 of 2)

Exhibit MYP-1, Multiyear Procurement Criteria Content

Date: _____

Exhibit MYP-1, Multiyear Procurement Criteria Content

Program_____

1. Multiyear Procurement Description.
2. Benefit to the Government.
   a. Substantial Savings
   b. Stability of Requirement
   c. Stability of Funding
   d. Stable Configuration
   e. Realistic Cost Estimates
   f. National Security
3. Source of Savings $ in Millions
   Inflation
   Vendor Procurement
   Manufacturing
   Design/Engineering
   Tool Design
   Support Equipment
   Other
   Total

P-1 Line Item No X
(Page X of X)

Exhibit MYP-1, Multiyear Procurement Criteria
MYP, page 1 of 8

Exhibit MYP-1, Multiyear Procurement Criteria Content

Exhibit MYP-1, Multiyear Procurement Criteria Content (Continued)

Program_____

4. Advantages of the MYP

5. Impact on Defense Industrial Base

6. Multiyear Procurement Summary | Annual Contracts | Multiyear Contract

Quantity		
Total Contract Price		
Cancellation Ceiling (highest point)		
Funded		
Unfunded		
$ Cost Avoidance Over Annual		
% Cost Avoidance Over Annual		

P-1 Line Item No X

MYP, page 2 of 8

Exhibit MYP-2, Total Program Funding Plan

Exhibit MYP-2, Total Program Funding Plan										Date
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No										P-1 Line Item Nomenclature
	PY	BY	BY +1	BY +2	BY +3	BY+4	BY +5	BY +6	BY +7*	Total
Procurement Quantity										
Annual Procurement										
Gross Cost										
Less PY Adv Procurement										
Net Procurement (= P-1)										
Plus CY Adv Procurement										
Weapon System Cost										
Multiyear Procurement										
Gross Cost (P-1)										
Less PY Adv Procurement										
Net Procurement (= P-1)										
Advance Procurement										
For BY	*xx.x*									*xx.x*
For BY +1		*xx.x*	*xx.x*							*xxx.x*
For BY +2		*xx.x*	*xx.x*	*xx.x*						*xxx.x*
For BY +3		*xx.x*	*xx.x*	*xx.x*	*xx.x*					*xxx.x*
Plus CY Adv Procurement	*xx.x*	*xxx.x*	*xxx.x*	*xx.x*	*xx.x*					*xxx.x*
Weapon System Cost										
Multiyear Savings ($)										
Multiyear Savings (%) (total only)										
Cancellation Ceiling -Funded										
Cancellation Ceiling -Unfunded										
Outlays										
Annual										
Multiyear										
Savings										
Remarks.										

P-1 Line Item No X

Exhibit MYP-2, Total Program Funding Plan
MYP, page 3 of 8

Exhibit MYP-3, Contract Funding Plan

Exhibit MYP-3, Contract Funding Plan								Date		
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No								P-1 Line Item Nomenclature		
	PY	BY	BY +1	BY +2	BY+3	BY +4	BY +5	BY +6	BY +7*	Total
Procurement Quantity										
Annual Procurement										
Gross Cost										
Less PY Adv Procurement										
Net Procurement (= P-1)										
Plus CY Adv Procurement										
Contract Price										
Multiyear Procurement										
Gross Cost (P-1)										
Less PY Adv Procurement										
Net Procurement (= P-1)										
Advance Procurement										
For BY	*xx.x*									*xx.x*
For BY +1		*xx.x*	*xx.x*							*xxx.x*
For BY +2		*xx.x*	*xx.x*	*xx.x*						*xxx.x*
For BY +3		*xx.x*	*xx.x*	*xx.x*	*xx.x*					*xxx.x*
Plus CY Adv Procurement	*xx.x*	*xxx.x*	*xxx.x*	*xx.x*	*xx.x*					*xxx.x*
Contract Price										
Multiyear Savings ($)										
Multiyear Savings (%) (total only)										
Cancellation Ceiling -Funded										
Cancellation Ceiling -Unfunded										
Outlays										
Annual										
Multiyear										
Savings										
Remarks. Explain assumptions (outlay rate, contractor termination liability, other - explain what's behind the numbers).										

P-1 Line Item No X **Exhibit MYP-3, Contract Funding Plan**
MYP, page 4 of 8

Exhibit MYP-4, Present Value Analysis

Exhibit MYP-4 Present Value Analysis										Date
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No										P-1 Line Item Nomenclature
	PY	BY	BY +1	BY +2	BY +3	BY +4	BY +5	BY +6	BY +7	Total
Annual Proposal										
Then Year Cost										
Constant Year Cost										
Present Value										
Multiyear Procurement										
Then Year Cost										
Constant Year Cost										
Present Value										
Difference										
Then Year Cost										
Constant Year Cost										
Present Value										

Remarks

Explain assumptions (outlay rate, contractor termination liability, other - explain what's behind the numbers).

P-1 Line Item No X

Exhibit MYP-4, Present Value Analysis
MYP, page 5 of 8

Instructions – Exhibit Multiyear Procurement

1. Provide a narrative justification (MYP-1 Multiyear Procurement Criteria) for all proposed multiyear procurements candidates regardless of costs. Exhibits MYP-1, MYP-2 Total Program Funding, MYP-3 Total Contract Funding and MYP-4 Present Value Analysis will be included for all MYP candidate systems in the Program Budget Review submission. The President's Budget request will include a P-5a MYP-annotated entry for those multiyear programs not requiring congressional authorization and appropriation language and exhibits. Exhibits MYP-1 through MYP-4 are required for all multiyear candidate systems for which any of the following is true:

    a. The anticipated multiyear procurement contract is $500 million or greater.

    b. There are economic order quantity (EOQ) procurements in excess of $20 million in any one year.

    c. There are EOQ procurements in advance of an MYP contract in excess of $20 million in any one year.

    d. There will be an unfunded contingent liability in excess of $20 million in any one year.

    e. The procurement quantities of a previously approved MYP have been adjusted.

2. Detailed instructions for filling out MYP exhibits are published in SNaP on the home page of the SNaP-Multiyear Procurement (MYP) application.

3. If a system proposed for a multiyear contract includes more than one P-1 line item, prepare combined MYP-1 and MYP-2 exhibits. Prepare separate exhibits for the remaining MYP exhibit formats. All the exhibits associated with the system will be combined in one package, and submitted in numerical order MYP-1, MYP-2, MYP-3^1, MYP-3^2, etc.

4. If multiple MYPs are proposed for components of the same P-1 line item, prepare a separate set of exhibits for each component. Note that the MYP-3 will be the same in each package.

5. If a joint Service program is proposed for multiyear procurement, the executive Service is responsible for submission of all multiyear exhibits and the congressional authorization language.

6. Provide the narrative description in sufficient detail to define the multiyear procurement, i.e., this multiyear procurement will procure "x" number of units over "x" number of fiscal years by using one (or more) multiyear contract.

7. Describe in detail the benefit to the government of the MYP. The process of deciding to use or not to use a multiyear procurement (MYP) for production programs as well as how best to tailor and structure the MYP requires management judgment. A MYP should yield substantial cost avoidance or other benefits when compared to conventional annual contracting methods. Any MYP alternatives with greater risk to the government should demonstrate increased cost avoidance or other benefits over those with lower risk. Savings can be defined as significant either in terms of dollars or percentage of total costs. Detailed descriptions of benefits justifying the MYP should cover the following: Substantial Savings, Stability of Requirements, Stability of Funding, Stable Design, Realistic Cost Estimates, and National Security.

8. Identify the Substantial Savings detailing the sources of savings to include, as appropriate, inflation, vendor procurement, manufacturing, design/engineering, tool design, and support equipment. Each identified source of savings must include a narrative description of the specific savings, an estimate for that specific source and how the estimate was derived. The sum of the detailed sources should equal the total savings.

9. The narrative justification for Stability of Requirement must contain the statement that "the minimum need for the property to be purchased is expected to remain substantially unchanged during the contemplated contract period in terms of production rate, procurement rate, and total quantities." The item should be technically mature, have completed RDT&E (including development testing, or equivalent) and Initial Operational, Test and Evaluation (IOT&E), with relatively few changes in item design anticipated. Deliveries of production items will indicate that the underlying technology is stable. This does not mean that changes will not occur but that the estimated cost of such changes is not anticipated to drive total costs beyond the proposed funding profile.

10. Identify the advantages the MYP will achieve and how they will achieve them. These advantages include: production of items in economic order quantities, thereby resulting in lower costs; enhancement of standardization; reduction of administrative burden in the placement and administration of contracts; substantial continuity of production or performance, thus avoiding annual startup costs, pre-production testing costs, make-ready expenses, and phase-out costs; stabilization of contractor and subcontractor work forces; avoiding the need to establish quality control techniques and procedures for a new contractor each year; broadening the competitive base with opportunity for participation by firms not otherwise willing or able to compete for lesser quantities, particularly in cases involving high startup costs; providing incentives to contractors to improve productivity through investment in capital facilities, equipment, and advanced technology; enhancing partnering efforts between contractors/government and prime contractor/subcontractor; providing stable environment; and enhancing best commercial practices..

11. Exhibit MYP-2, Total Program Funding Plan, will compare the funding for the annual proposal and the multiyear proposal and Exhibit MYP-3, Total Contract Funding Plan, will compare the funding for the annual proposal and the multiyear proposal for the multiyear contract.

12. All multiyear procurements (MYP), regardless of cost, require the use of a present value analysis to determine lowest cost compared to an annual procurement. This analysis will be completed by the SNaP based on funding plans provided and results displayed as Exhibit MYP-4, Present Value Analysis. Present value analysis will be calculated in accordance with DoD Instruction 7041.3, Economic Analysis for Decision Making, and OMB Circular A-94.

VOLUME 2B, CHAPTER 5: "RESEARCH, DEVELOPMENT, TEST, AND EVALUATION APPROPRIATIONS"

SUMMARY OF MAJOR CHANGES

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by ***bold, italic, blue and underlined font*.**

The previous version dated March 2016 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
050202	Establishes the threshold for submitting most RDT&E Project budget exhibits to $10.0 million in the Budget Year (BY).	Addition
050402	Revises guidance for various RDT&E budget exhibits, primarily related to the new thresholds for submission.	Revision

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CHAPTER 5

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION APPROPRIATIONS

0501 GENERAL

050101. Purpose

This chapter provides instructions applicable to budget formulation and congressional justification for Research, Development, Test, and Evaluation (RDT&E) appropriations. Unless otherwise specified, these instructions apply to all RDT&E appropriations and to all budgets.

050102. References

Volume 2A, Chapter 1, Section 010210 provides policies and definitions concerning costs that are to be financed in RDT&E appropriations.

050103. Submission Requirements

A. General guidance on submission requirements is in Volume 2A, Chapter 1. This chapter provides guidance for the preparation of RDT&E appropriation backup material required to support the Budget Estimates Submission (BES) and the President's budget request. Other chapters in the Financial Management Regulation require additional exhibits. The Components will also submit any exhibits required by the Office of Management and Budget (OMB) Circular A-11, Preparation and Submission of Budget Estimates.

B. Military Departments and Defense Agencies will be responsible for clearing the justification material with the Washington Headquarters Services, Directorate for Office of Security Review, prior to transmittal to the OMB, the Office of the Secretary of Defense (OSD), and the congressional committees.

050104. Classification

The budget justification material should be unclassified. All classified material shall be submitted separately. Components must include a R-2 RDT&E Budget Justification exhibit for special access programs (SAPs) that are not labeled as secret. The R-2 exhibits for SAPs must only include funding streams and cite the following justification: "This program is reported in accordance with Title 10, United States Code, Section 119(a)(1) in the Special Access Program Annual Report to Congress." All other (non-intel and non-SAP) classified funding requests must be identified (i.e., submit a one page R-2 exhibit) within unclassified justification budget materials.

050105. RDT&E Budget Activities

The RDT&E budget activities are broad categories reflecting different types of RDT&E efforts. The definitions are provided in paragraphs A through G. The acquisition milestones

identified in the definitions are established by Department of Defense Instruction 5000.02, "Operation of the Defense Acquisition System." Acquisition program developmental criteria and administrative requirements for each milestone are set forth in this instruction.

A. Budget Activity 1, Basic Research. Basic research is systematic study directed toward greater knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications towards processes or products in mind. It includes all scientific study and experimentation directed toward increasing fundamental knowledge and understanding in those fields of the physical, engineering, environmental, and life sciences related to long-term national security needs. It is farsighted high payoff research that provides the basis for technological progress. Basic research may lead to: (a) subsequent applied research and advanced technology developments in Defense-related technologies, and (b) new and improved military functional capabilities in areas such as communications, detection, tracking, surveillance, propulsion, mobility, guidance and control, navigation, energy conversion, materials and structures, and personnel support. Program elements in this category involve pre-Milestone A efforts.

B. Budget Activity 2, Applied Research. Applied research is systematic study to understand the means to meet a recognized and specific need. It is a systematic expansion and application of knowledge to develop useful materials, devices, and systems or methods. It may be oriented, ultimately, toward the design, development, and improvement of prototypes and new processes to meet general mission area requirements. Applied research may translate promising basic research into solutions for broadly defined military needs, short of system development. This type of effort may vary from systematic mission-directed research beyond that in Budget Activity 1 to sophisticated breadboard hardware, study, programming and planning efforts that establish the initial feasibility and practicality of proposed solutions to technological challenges. It includes studies, investigations, and non-system specific technology efforts. The dominant characteristic is that applied research is directed toward general military needs with a view toward developing and evaluating the feasibility and practicality of proposed solutions and determining their parameters. Applied Research precedes system specific technology investigations or development. Program control of the Applied Research program element is normally exercised by general level of effort. Program elements in this category involve pre-Milestone B efforts, also known as Concept and Technology Development phase tasks, such as concept exploration efforts and paper studies of alternative concepts for meeting a mission need.

C. Budget Activity 3, Advanced Technology Development (ATD). This budget activity includes development of subsystems and components and efforts to integrate subsystems and components into system prototypes for field experiments and/or tests in a simulated environment. Budget Activity 3 includes concept and technology demonstrations of components and subsystems or system models. The models may be form, fit, and function prototypes or scaled models that serve the same demonstration purpose. The results of this type of effort are proof of technological feasibility and assessment of subsystem and component operability and producibility rather than the development of hardware for service use. Projects in this category have a direct relevance to identified military needs. Advanced Technology Development demonstrates the general military utility or cost reduction potential of technology

when applied to different types of military equipment or techniques. Program elements in this category involve pre-Milestone B efforts, such as system concept demonstration, joint and Service-specific experiments or Technology Demonstrations and generally have Technology Readiness Levels of 4, 5, or 6. (For further discussion on Technology Readiness Levels, see the Assistant Secretary of Defense for Research and Engineering's Technology Readiness Assessment (TRA) Guidance.) Projects in this category do not necessarily lead to subsequent development or procurement phases, but should have the goal of moving out of Science and Technology (S&T) and into the acquisition process within the Future Years Defense Program (FYDP). Upon successful completion of projects that have military utility, the technology should be available for transition.

D. Budget Activity 4, Advanced Component Development and Prototypes (ACD&P). Efforts necessary to evaluate integrated technologies, representative modes, or prototype systems in a high fidelity and realistic operating environment are funded in this budget activity. The ACD&P phase includes system specific efforts that help expedite technology transition from the laboratory to operational use. Emphasis is on proving component and subsystem maturity prior to integration in major and complex systems and may involve risk reduction initiatives. Program elements in this category involve efforts prior to Milestone B and are referred to as advanced component development activities and include technology demonstrations. Completion of Technology Readiness Levels 6 and 7 should be achieved for major programs. Program control is exercised at the program and project level. A logical progression of program phases and development and/or production funding must be evident in the FYDP.

E. Budget Activity 5, System Development and Demonstration (SDD). System Development and Demonstration (SDD) programs have passed Milestone B approval and are conducting engineering and manufacturing development tasks aimed at meeting validated requirements prior to full-rate production. This budget activity is characterized by major line item projects, and program control is exercised by review of individual programs and projects. Prototype performance is near or at planned operational system levels. Characteristics of this budget activity involve mature system development, integration, demonstration to support Milestone C decisions, conducting live fire test and evaluation, and initial operational test and evaluation of production representative articles. A logical progression of program phases and development and production funding must be evident in the FYDP consistent with the Department's full funding policy.

F. Budget Activity 6, RDT&E Management Support. This budget activity includes management support for research, development, test, and evaluation efforts and funds to sustain and/or modernize the installations or operations required for general research, development, test, and evaluation. Test ranges, military construction, maintenance support of laboratories, operation and maintenance of test aircraft and ships, and studies and analyses in support of the RDT&E program are funded in this budget activity. Costs of laboratory personnel, either in-house or contractor operated, would be assigned to appropriate projects or as a line item in the Basic Research, Applied Research, or ATD program areas, as appropriate. Military construction costs directly related to major development programs are included in this budget activity.

G. Budget Activity 7, Operational System Development. This budget activity includes development efforts to upgrade systems that have been fielded or have received approval for full rate production and anticipate production funding in the current or subsequent fiscal year. All items are major line item projects that appear as RDT&E Costs of Weapon System Elements in other programs. Program control is exercised by review of individual projects. Programs in this category involve systems that have received approval for Low Rate Initial Production (LRIP). A logical progression of program phases and development and production funding must be evident in the FYDP, consistent with the Department's full funding policy.

050106. Establishing RDT&E Program Elements

A. The program element is the primary data element in the FYDP and is the major aggregation, at which RDT&E efforts are organized, budgeted, and reviewed. All funding associated with a major system new start must be identified in a unique program element. Requests to establish program elements should be forwarded to Office of the Secretary of Defense (OSD) Cost Assessment and Program Evaluation (CAPE) for coordination and approval.

B. In general, the coding symbology identifies the RDT&E budget activity for the program element. Program elements in RDT&E budget activities 1 through 6 will have "06" in the first two positions; "06"indicates it is part of Major Force Program 6, Research and Development. The third and fourth position will identify the specific budget activity (e.g., 0602 is an RDT&E budget activity 2 program element). Program elements in RDT&E budget activity 7 reflect the Major Program of the fielded system in the first two positions (e.g., "01" indicates a strategic system).

*0502 RDT&E EXHIBIT REQUIREMENTS

050201. Purpose

This section prescribes instructions for the preparation and submission of RDT&E appropriations budget material to support the BES and the President's budget request. See Volume 2A, Chapter 1, Section 0104, for specific printing requirements.

SUMMARY OF EXHIBIT REQUIREMENTS

	Exhibit	**Appropriation**
R-1	RDT&E Programs	All
R-2	RDT&E Budget Item Justification	All
R-2a	RDT&E Project Justification	All
R-3	Cost Analysis	All
R-4	RDT&E Program Schedule Profile	All
R-4a	RDT&E Program Schedule Detail	All

050202. Submission Requirements

A. Extensible Markup Language (XML) Exhibits. All Components must submit required budget exhibits as PDFs with the source XML file embedded. These PDFs will be generated by one of the following two processes:

1. Submit an XML file to the XML Tools section of the Comptroller XML Exhibits web site, ***https://exhibits.dtic.mil/r2/app*** (for Components capable of building an XML file from an internal system). The XML files submitted through the XML Tools section must be compliant with the latest RDT&E XML schema, located within the same section of the website; or

2. Create a RDT&E exhibit manually within the "Create New R-2" section of the Comptroller XML Exhibits web site, ***https://exhibits.dtic.mil/r2***.

3. The result of either process will be a PDF file with an XML file embedded. All RDT&E exhibit PDFs/XMLs must be assembled into a Justification Book(s) within the same website using one of the Justification Book tools and posted to the SIPRNET website ***https://cisweb.ousdc.osd.smil.mil/***

4. Formats and examples of the exhibits are contained in Section 0503.

B. Each backup book will include an Exhibit R-1, RDT&E Program, two indices of program elements (including R-1 line number, program element title, program element number, and backup book page number), one alphabetically by program element title and on by budget activity and R-1 line number, and specific exhibits for those items covered by the backup book.

* C. All applicable budget exhibits will be prepared for those RDT&E Projects with a budget year (BY) funding value of $10.0 million or greater. For non-Major Defense Acquisition Programs (MDAPs)/Major Automated Information Systems (MAIS) RDT&E projects with a BY funding value less than $10.0 million, only the R-2 and R-2a exhibits are required. No other subordinate exhibits will be submitted for those projects with a total BY funding value less than $10.0 million. MDAP/MAIS programs must submit all required budget exhibits regardless of BY funding value.

D. The exhibits will be aggregated in the following order for each R-1 line item, as applicable to that line item and submitted in R-1 line item order.

Arrangement of Exhibits – General

R-1	RDT&E Programs
R-2	RDT&E Budget Item Justification
R-2a	RDT&E Project Justification
R-3	RDT&E Project Cost Analysis
R-4	RDT&E Program Schedule Profile
R-4a	RDT&E Program Schedule Detail

Note: the R-3/R-4/R-4a supporting each R-2a Project Justification will be arranged immediately following the R-2a.

D. Major Defense Acquisition Programs (MDAPs)/Major Automated Information Systems (MAIS)

1. Joint budget guidance from the Under Secretaries of Defense for Acquisition, Technology & Logistics (AT&L) and Comptroller directs that all MDAPs or MAIS will be budgeted in separate, dedicated Program Elements (R-1 line items), and associate all of the funding for a given MDAP/MAIS with a PRCP Program Number (PNO).

2. For all MDAP/MAIS programs, the R-2 RDT&E Budget Item Justification exhibit must include the PNO. Components must also ensure that all applicable fiscal years of the PRCP and FYDP annex data bases are updated to reflect the program budget estimates for all MDAP/MAIS programs, including all prior years and cost-to-complete columns. Each MDAP/MAIS subprogram is a component that will be identified by appropriation, budget line item, and budget activity under the End Item R-1 Line Item header.

E. If an amended budget is submitted, identify the revised budget exhibits accordingly.

F. Facilities Exhibit. For improvements to and construction of government-owned facilities funded in the RDT&E appropriation, a DD Form 1391, Military Construction Project Data, must be provided separately for each Budget Year (BY) project and any Prior Year (PY) or Current Year (CY) projects not previously reported. These exhibits will be included with the program element justification. In addition, a copy of all DD Forms 1391 should be packaged together and a copy provided to the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) Program/Budget (P/B) Investment Directorate and to the Military Personnel and Construction Directorate. A copy of the form and the instructions are in Volume 2B, Chapter 6.

0503 CONGRESSIONAL JUSTIFIATION/PRESENTATION

This Section presents the backup book organization and the exhibit requirements for submission to Congress. See Volume 2A, Chapter 1, Section 0104 for specific printing requirements. Justification material will be organized into a Committee Staff Procurement Backup Book. Volume 2A, Chapter 1, Section 010403 provides a detailed distribution schedule for the procurement backup books. A separate congressional committee backup book will be prepared for the President's budget request for each RDT&E appropriation.

<u>Cover</u>
Department of Defense
FY 20BY President's Budget Submission
Justification Book Volume X of X
Appropriation Title

Section 1 - Summary Material
Table of Contents
R-1 listing (R-1 Exhibits will be prepared using the OUSD(C) automated system with input from the Services and Defense Agencies)

Section 2 - Budget Appendix Extract Appropriation Language

Section 3 - R-1 Line Item Detail. RDT&E budget exhibits will be organized as discussed in paragraph 050202.C.

*0504 RDT&E APPROPRIATION BUDGET EXHIBIT FORMATS

050401. Standardized budget exhibit formats.

Section 050202 describes the use of XML budget exhibits for RDT&E appropriations. In addition to the key attribute of making budget exhibit data electronically searchable, the XML exhibits standardize the various budget displays, enabling more effective and efficient budget formulation, review, analysis, and submission.

A. The exhibit formats provided on the following pages reflect guidance presented in previous sections.

B. The use of XML exhibits is mandatory for BES and President's budget request backup justification material.

C. XML exhibits will automatically standardize formatting, to include:

1. Exhibits displayed on 8 1/2 inch by 11 inch paper in landscape format.

2. Actual fiscal years (e.g., FY 2016, FY 2017, etc.) rather than the template entries (i.e., Prior Years (PYs), Prior Year (PY), Current Year (CY), Budget Year (BY), BY+1, BY+2, BY+3, and BY+4).

3. Annotating the applicable R-1 line item number and page number within the line item (e.g., Item 1-1 of 5, 2-1 of 1, 3-1 of 20, etc.) at the bottom center of each exhibit page.

4. Properly paginate the backup book.

050402. RDT&E exhibit formats

There are six RDT&E exhibits that support the formulation and submission of the BES and the President's budget request. The exhibits provide data and information that justifies budgetary requirements for the various RDT&E appropriations. The exhibit formats follow. Volume 2B, Chapter 19, Other Special Analyses, also identifies budget exhibits that may be required.

Exhibit R-1: RDT&E Programs

Exhibit R-1, RDT&E Programs
Department of the _____

Appropriation: _____ **Date: _____**

TOA, $ in Millions

R-1 Line Item No	Program Element Number	Item	Budget Activity	Prior Year Cost	Current Year Cost	Budget Year Cost	Budget Year OCO Cost	Total Budget Year Cost

Exhibit R-1, RDT&E Programs
(Exhibit R-1, page 1of 2)

Exhibit R-1: RDT&E Programs

A. General Instructions:

Unless otherwise specified, this format will be used to present the Research, Development, Test and Evaluation (RDT&E) program to:

1. The Office of the Under Secretary of Defense (Comptroller) in support of the OSD/OMB budget review and,

2. The Congress in support of the President's budget request.

B. RDT&E Line Item Content:

The basic document for presenting RDT&E requirements is the Exhibit R-1, RDT&E Programs. The R-1 line items are program elements, which define a development effort with specific design, cost, schedule and capability parameters. All costs of basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, and lease/operation of facilities and equipment will be included in appropriate R-1 line items. The R-1 exhibit will contain the following information:

1. Program element title and number. Appropriate security classification coding should be included as part of each program element title listed. All classified material should be bracketed.

2. Line items will be arranged in ascending program element order within each budget activity.

3. Approved funding for the Prior Year (PY), the Current Year (CY), and Budget Year (BY).

4. Subtotals by Budget Activity and total funding for the appropriation for the Prior Year (PY), the Current Year (CY), and Budget Year (BY).

(Exhibit R-1, page 2 of 2)

Exhibit R-2: RDT&E Budget Item Justification

Exhibit R-2, RDT&E Budget Item Justification: BES/PB 20xx Service/Agency | DATE: Month/Year

APPROPRIATION/BUDGET ACTIVITY
Appropriation Code: Appropriation Name
BA Number: Budget Activity Title

R-1 ITEM NOMENCLATURE
Program Element Number: Program Element Title

COST ($ in Millions)	FY PY	FY CY	FY BY Base	FY BY OCO	FY BY Total	FY BY+1	FY BY+2	FY BY+3	FY BY+4	Cost to Complete	Total Cost
Total Program Element											
Project Number: Project Title 1											
Project Number: Project Title N											

Note

Identify when a Program Element or a Project: 1) is a new start, 2) was terminated/completed, 3) was previously funded, or will be funded, in a different Program Element, or 4) has had a Title change.
For Program Element or Project transfers, include the current and previous Program Element number and title, and Project number and title, if applicable.

A. Mission Description and Budget Item Justification

The R-2 shall include a general decription and justification of the efforts included in the program element.
The R-2A shall include a detailed description and justification of the efforts included in the specific project.Every Project shall include an R-2A exhibit; including where a Project is an aggregate of Congressional Adds. An exception may be to create an R-2 without an R-2A for Single Project PEs.
For ACAT 1D programs, identify Cost to Complete and Total Cost for the program and all projects; otherwise, the appropriate value shall be "Continuing".
An R-3 Exhibit must be provided for Budget Activity 4, 5, and 7 Programs.

B. Program Change Summary ($ in Millions)	FY PY	FY CY	Base FY BY	OCO FY BY	Total FY BY
Previous President's Budget					
Current President's Budget					
Total Adjustments					
Congressional General Reductions					
Congressional Directed Reductions					
Congressional Rescissions					
Congressional Adds (appropriated)					
Congressional Directed Transfers					
Reprogrammings					
SBIR/STTR Transfer					
Other Adjustment Title 1					
Other Adjustment Title N					

Congressional Add Details ($ in Millions, and includes General Reductions)	FY PY	FY CY
Project Number, Project Title 1		
Congressional Add Title:		
Congressional Add Title:		
Subtotal for Project 1		
Project Number, Project Title N		
Congressional Add Title:		
Subtotal for Project N		
Total for all Projects		

Change Summary Explanation

R-2 Schema 3.4 Template as of 5-19-2010

(Exhibit R-2, page 1 of 6)

Exhibit R-2a: RDT&E Budget Item Justification (Project)

Exhibit R-2A, RDT&E Project Justification: BES/PB 20xx Service/Agency									DATE: Month/Year		
APPROPRIATION/BUDGET ACTIVITY Appropriation Code/ BA Number					R-1 ITEM NOMENCLATURE Program Element Number: Program Element Title				PROJECT Project Number: Project Title		
COST ($ in Millions)	FY PY Actual	FY CY Estimate	Base FY BY Estimate	OCO FY BY Estimate	Total FY BY Estimate	FY BY+1 Estimate	FY BY+2 Estimate	FY BY+3 Estimate	FY BY+4 Estimate	Cost to Complete	Total Cost
Project Number: Project Title											
Quantity of RDT&E Articles											

Project Articles are optional. If none are included, the Articles row is not required.
Article Quantities can be included at the Project level and/or Accomplishments/Planned Programs level.

Note

Identify when a Project: 1) is a new start, 2) was terminated/completed, 3) was previously funded, or will be funded, in a different Program Element, or 4) has had a Title change.
For Project transfers, include the current and previous Program Element number and title, and Project number and title, if applicable.

A. Mission Description and Budget Item Justification

Provide a Project overview. For BAs 1, 2 and 3, specify the technology area as defined in annual budget guidance.
Provide a description and justification. Identify the military requirement(s) that this Project will meet. Identify new start efforts for the budget year(s) within the Program Element and new start efforts since the previous President's budget. New start details shall be displayed on the R-2A rather than the R-2.

B. Accomplishments/Planned Program ($ in Millions, Article in Whole Units)".	FY PY	FY CY	Base FY BY	OCO FY BY	Total FY BY
Title: Accomplishment/Planned Program Title 1					
Articles					
Description:					
FY PY Accomplishments:					
FY CY Plans:					
Base FY BY1 Plans:					
OCO FY BY1 Plans:					
Total FY BY1 Plans:					
Title: Accomplishment/Planned Program Title N					
Articles					
Description:					
FY PY Accomplishments:					
FY CY Plans:					
Base FY BY1 Plans:					
OCO FY BY1 Plans:					
Total FY BY1 Plans:					

Provide a brief description using key terms of the Accomplishment and/or Planned Program. Include objectives, output or end product, and specific program name or major technology effort.
For BAs 1, 2, and 3 also include specific technology terms as defined in budget guidance or provided by the DDR&E.
Accomplishments/Planned Programs Articles are optional. If none are included, the row is not required.
Accomplishments/Planned Programs Descriptions are optional.

Congressional Add Details ($ in Millions, and includes General Reductions)	FY PY	FY CY
Congressional Add: Title 1		
FY PY Accomplishments:		
FY CY Plans:		
Congressional Add: Title N		
FY PY Accomplishments:		
FY CY Plans:		
Congressional Add Subtotal		

(Exhibit R-2, page 2 of 6)

C. Other Program Funding Summary ($ in Millions)

Line Item	FY PY	FY CY	Base FY BY	OCO FY BY	Total FY BY	FY BY+1	FY BY+2	FY BY+3	FY BY+4	Cost to Complete	Total Cost
Line Item #/Title											

Note: P-1 Procurement Line Item No./Name; C-1 MilCon Project No./Name; Related RDTE: PE Number/Name (it is not necessary to include the related RDT&E funding profile unless there is a funding dependency between the RDT&E programs).

D. Acquisition Strategy

Note: Acquisition Strategy is NOT required for BA 1, 2, 3, and 6.

E. Performance Metrics

Narrative description

F. Major Performers

Narrative description

Name	Description	Location	Award Date	Funding
Name	Description	Location	YYYY/MM	
Name	Description	Location	YYYY/MM	
Name	Description	Location	YYYY/MM	
Name	Description	Location	YYYY/MM	

Major Performers is required for the BES cycle only.
List major contractors, universities, colleges, government facilities, federally funded research and development centers, laboratories, centers, or other organizations contributing to this effort through BY 1.
List only those who were primary recipients of funds (e.g., received 15% or over $10 million, whichever is less).
Include name or titles, locations, and brief description of work performed. Include actual or projected award date (month/year).
Tabular data is optional, and can be included in addition to a general description.

(Exhibit R-2, page 3 of 6)

Exhibit R-2a: RDT&E Budget Item Justification (Project)
Exhibit R-2: RDT&E Budget Item Justification

* A. General Instructions:

1. An Exhibit R-2 shall be prepared for each program element. An Exhibit R-2a shall be prepared for each RDT&E project, even if there is only one project and even if a project is funded only in a Prior Year (PY) and/or a Current Year (CY), regardless of funding amount. To provide full-funding visibility, every program, project, and activity specifically added by Congress to the President's Budget Request (a.k.a. Congressional Adds) shall be identified within an Exhibit R-2a. The programs, projects, and activities may be treated as individual projects, grouped, but separately identified, in one or more "Congressional Adds" projects, and/or included within "core" projects. Classified material will be submitted separately. Note: for non-Major Defense Acquisition Programs (MDAPs)/Major Automated Information Systems (MAIS) RDT&E projects with a BY funding value less than $10.0 million, only the R-2 and R-2a exhibits are required. No other budget exhibits will be submitted for programs with a funding level less than $10.0 million in the BY. MDAP/MAIS RDT&E projects must submit all required budget exhibits regardless of BY funding value.

2. All funding within any R-exhibit will be expressed in millions, with three decimal places, unless specifically noted otherwise.

3. Care should be taken to see that exhibits are clear and concise. Abbreviations shall be identified on the page on which they occur.

B. Exhibit Instructions:

1. Date. Include the month and year of submission of the exhibit. If an Amended Budget is submitted, identify the date of the revised submission.

2. Exhibit R-2 RDT&E Budget Item Justification. Identify the Budget Cycle/Budget Year/Service Agency Name. Identify BES (Budget Estimates Submission) or PB (President's Budget) for Budget Cycle, the Budget Year, and the Service Agency Name. Information must match the Program Resources Collection Process (PRCP) (R-1) data base lock position.

3. Appropriation/Budget Activity. Identify Appropriation Code (Treasury Account Symbol) and Name/Budget Activity Number and Title. Identify the appropriation and budget activity. Information must match the RDT&E PRCP (R-1) data base lock position.

4. R-1 Item Nomenclature/Title (Program Element Name). Identify the name of the R-1 line item. Information must match the RDT&E PRCP (R-1) data base lock position.

5. Program Element Number. Identify the program element. Information must match the RDT&E PRCP (R-1) data base lock position.

6. Project Number and Nomenclature. Identify the project number and nomenclature.

(Exhibit R-2, page 4 of 6)

7. Resource Summary. The Exhibit R-2 shall include a fiscal resource summary total for the total program element and, if there is more than one project in that program element, a fiscal resource summary for each project in that program element. Ensure the total funding for the program element matches the RDT&E PRCP (R-1) data base lock position by budget line item and that total costs for Acquisition Category 1 (ACAT) programs are consistent with Selected Acquisition Reports.

8. For ACAT 1 programs, identify Cost-to-Complete and Total Cost for the program and all projects; otherwise, the appropriate value shall be "Continuing". The XML process will automatically insert "Continuing" if no data is submitted.

9. RDT&E Articles (R-2a only). Identify the test articles (engineering development models, test articles, low rate initial production test article, government furnished equipment articles) that are being procured and why. Test Articles can be identified for a project and/or for activities identified in Accomplishments/Planned Programs.

10. Program Element and Project Notes. Identify when a program element or project is: (1) a new start, (2) was terminated/completed, (3) was previously funded, or (4) will be funded in a different program element, or Title changes.

11. For program element or project transfers, include the current and previous program element number and names, and projected number and name if applicable.

12. Mission Description and Budget Item Justification. The R-2 will include a description and justification of the efforts included in the program element. The R-2a will include a description and justification of the efforts included in the specific project.

13. Program Change Summary. If there have been changes to the total funding, schedule, or technical parameters since the previous President's budget submission, the Exhibit R-2 shall include a concise narrative summary explaining the changes in the total program element for the PY, CY, and BY. Further adjustments will be broken out into the following categories:

Congressional General Reductions
Congressional Directed Reductions
Congressional Rescissions
Congressional Adds
Congressional Directed Transfers
Reprogrammings
SBIR/STTR* Transfers
Total Other Adjustments – (unique titles may be added to describe the change)

*Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR)

(Exhibit R-2, page 5 of 6)

14. Congressional Add Details (Exhibit R-2). Each "Congressional Add" will be identified separately by project and may be included as: (1) an individual project, (2) as groups in one or more "Congressional Add" projects, and/or (3) within "core" projects. The title (provided by Congress) and the funding for PY and CY will be listed in a bullet format. Congressional Adds should include only the funding provided by Congress.

15. Change Summary Explanation. Provide a separate, concise narrative summary explaining the changes in the total program element in the Prior Year, the Current Year, and the Budget Year, as applicable.

16. Accomplishments/Planned Programs (Exhibit R-2a). Provide a concise narrative summary and associated funding for each project for PY, CY, and BY in a bullet format. The total funding reflected should match the total project funding.

17. Other Program Funding Summary (Exhibit R-2a). Development projects often lead to subsequent development phases, production, and military construction. Also, some projects may depend on concurrent development in other projects. These related efforts and the funding profiles for other appropriation efforts shall be identified by appropriation, budget activity, R-1 line item and program element, and P-1 line item title and number. If there are funding dependencies among related research, development, test, and evaluation programs, then the funding profiles for these related programs shall be included.

18. Acquisition Strategy (Exhibit R-2a). An explanation of acquisition, management, and contracting strategies shall be provided for each project. This section is not required for the program element budget line items in Budget Activities 1 (Basic Research), 2 (Applied Research), 3 (Advanced Technology Development) and 6 (RDT&E Management Support).

19. Major Performers (Exhibit R-2a). This data is required for the Budget Estimates Submission (BES) only.

(Exhibit R-2, page 6 of 6)

Exhibit R-3: RDT&E Project Cost Analysis

Exhibit R-3, RDT&E Project Cost Analysis: BES/PB 20xx Service/Agency										DATE: Month/Year			
APPROPRIATION/BUDGET ACTIVITY				R-1 ITEM NOMENCLATURE						PROJECT NAME AND NUMBER			
Appropriation Code/BA Number				Program Element Number: Program Element Name						Project Number: Project Title			
Product Development ($in Millions)				FY CY		FY BY Base		FY BY OCO		FY BY Total			
	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	Cost	Award Date	Cost	Award Date	Cost	Award Date	Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item 1	See notes below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Cost Category Item N	See notes below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Subtotal:													
Remarks: Typical Cost Categories are: Primary Hardware Development, Ancillary Hardware Development, Systems Engineering, Licenses, Tooling, GFE, and Award Fees.													
Support ($in Millions)				FY CY		FY BY Base		FY BY OCO		FY BY Total			
	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	Cost	Award Date	Cost	Award Date	Cost	Award Date	Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item 1	See notes below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Cost Category Item N	See notes below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Subtotal:													
Remarks: Typical Cost Categories are: Development Support, Software Development, Training Development, Integrated Logistics Support, Configuration Management, Technical Data, and GFE.													
Test & Evaluation ($in Millions)				FY CY		FY BY Base		FY BY OCO		FY BY Total			
	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	Cost	Award Date	Cost	Award Date	Cost	Award Date	Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item 1	See notes below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Cost Category Item N	See notes below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Subtotal:													
Remarks: Typical Cost Categories are: Developmental Test & Evaluation, Operational Test & Evaluation, Tooling, and GFE.													
Management ($in Millions)				FY CY		FY BY Base		FY BY OCO		FY BY Total			
	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	Cost	Award Date	Cost	Award Date	Cost	Award Date	Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item 1	See notes below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Cost Category Item N	See notes below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Subtotal:													
Remarks: Typical Cost Categories are: Contractor Engineering Support, Government Engineering Support, Program Management Support, Program Management Personnel, Travel, Labor (Research Personnel), and Overhead.													
				CY Cost		Cost		Total Cost	Cost	Total Cost	Cost To Complete	Total Cost	
Project Total Cost:													
Remarks:													

An R-3 Exhibit shall be provided for BudgetActivityNumber 4, 5, or 7 PEs.
The Project Total Cost shall equal the Project Cost on the R-2A.
Contract Method may be any one of: C, SS, TBD, or Various.
Contract Type may be any one of: CPAF, DPFF, DPIF, FP, FFP, FPI, TBD, or Various.
Funding Vehicle may be any one of: Allot, BPA, FFRDC, MIPR, PO, Reqn, RO, TM, or Various.

(Exhibit R-3, page 1 of 4)

Exhibit R-3: RDT&E Project Cost Analysis

* A. General Instructions:

1. The R-3 exhibit is required for programs funded in budget activities 4 (Advanced Component Development and Prototypes), 5 (System Development and Demonstration), and 7 (Operational System Development) only, except as directed in the instruction for exhibits R-2/R-2a (page 5-15). A separate R-3 exhibit shall be prepared for each project in an applicable R-1 line item.

2. These exhibits shall be printed on 8 1/2 by 11 inch paper in landscape format. Classified material shall be submitted separately.

3. All funding within any R-exhibit will be expressed in millions, with three decimal places.

B. Exhibit Instructions:

1. Identify the month and year of submission of the exhibit. If an Amended Budget is submitted, identify the date of the revised submission.

2. Appropriation Code (Treasury Account Symbol)/ and Name/Budget Activity Number and Title. Identify the appropriation and budget activity. This information must match the PRCP (R-1) lock position.

3. R-1 Item Nomenclature/Title (Program Element Name): Identify the name of the R-1 line item as identified in PRCP (R-1) lock position. This information must match the PRCP (R-1) lock position.

4. Program Element Number: The Program Element must be unique. An R-2 Exhibit with a Budget Activity Number that is different from the previous years should include PY and CY information within the current R-2 Exhibit.

5. Project Number and Nomenclature: Identify the project number and nomenclature as identified in PRCP (R-1) lock position.

6. Project Cost Categories. Cost information shall be provided for each project regardless of funding amount, with project costs broken down into cost categories. Total of all project costs shall equal the project funding for any funding years. Sample cost categories shown are typical of various types of defense research and development efforts. Costs shall be distributed among categories in accordance with the project work breakdown structure (WBS) or other categories used by the project office in project execution. The illustrated sample cost categories may be used if these correspond to the project's structure; however, there is no requirement to use cost categories other than those used by the project office in project execution. Sample cost categories not used in project execution need not be included in the exhibit for that project.

(Exhibit R-3, page 2 of 4)

7. If the program office tracks efforts by major contract, then display the information accordingly. The cost categories shall be separated into 4 information categories as follows:

a. Product Development. Efforts associated with the delivery of a fully integrated system that are in direct support of the system and essential to the development, training, operation, and maintenance of the system. Include all efforts directly supporting system development and delivery to include primary contracts, major component contracts, contracted services, in-house support, and government furnished property. Contracts or government efforts greater than $1 million in any displayed budget year shall be reported individually.

b. Support Costs. Efforts not directly associated with the delivery of the primary product, including technical engineering services, research studies, and technical support not related directly to product development or to testing and evaluation. Contracts or government efforts greater than $1 million in any displayed budget year shall be reported individually.

c. Test and Evaluation. Efforts (other than those included within contracts or government efforts) associated with engineering or support activities to determine the acceptability of a system, subsystem, or component. Contracts or government efforts greater than $1 million in any displayed budget year shall be reported individually.

d. Management Services. Efforts associated with services provided in support of program office management and administration processes such as: program oversight, resource justification, budget and programming, milestone and schedule tracking. Federally Funded Research and Development Centers (FFRDCs) are in this category. Contracts or government efforts greater than $1 million in any displayed budget year shall be reported individually.

8. Government Furnished Property. Property, such as hardware, software, or information, which the government is contractually obligated to furnish a contractor or government performing activity shall be identified. Provide a brief identification of the item to be provided, and the contractor or government activity providing the item. Provide the estimated date that the government furnished property will be provided to the requiring contractor or activity. Provide the name of the requiring contractor or activity.

9. Award Fees. Identify amounts budgeted for award fees and indicate contractor performance and percentage of award fees actually awarded in past award fee periods.

10. Contract Method/Type or Funding Vehicle. The following codes shall be used to identify the contract method, contract type, and funding vehicle:

Contract Type	Contract Method
CPIF	Cost Plus Incentive
SS	Sole Source
TBD	To Be Determined
VAR	Various

(Exhibit R-3, page 3 of 4)

Contract Type	Contract Method
FFP	Firm Fixed Price
FP	Fixed Price
FPI	Fixed Price Incentive
C	Competitive
CPAF	Cost Plus Award Fee
CPFF	Cost Plus Fixed Fee

Funding Vehicle (when a government agency is the performing activity)

MIPR - Military Interdepartmental Purchase Request
PO - Project Order
WR - Work Request
Allot - Allotment
Reqn - Requisition
BPA - Blanket Purchase Agreement
FFDC - Federally Funded Research and Development Center
VAR -Various

11. Performing Organizations. Identify each contractor and government or performing activity and the location for each effort greater than $1 million in any of the displayed years.

12. Total Prior Year (PY) Cost. Provide actual amounts for the total of all years before the Current Year (CY).

13. CY - BY. Provide actual or budget amounts for each year for the Current Year (CY) and the Budget Year (BY).

14. Award or Obligation Date. Provide actual or estimated date of contract award or the estimated date that funds will be obligated to government performing activities.

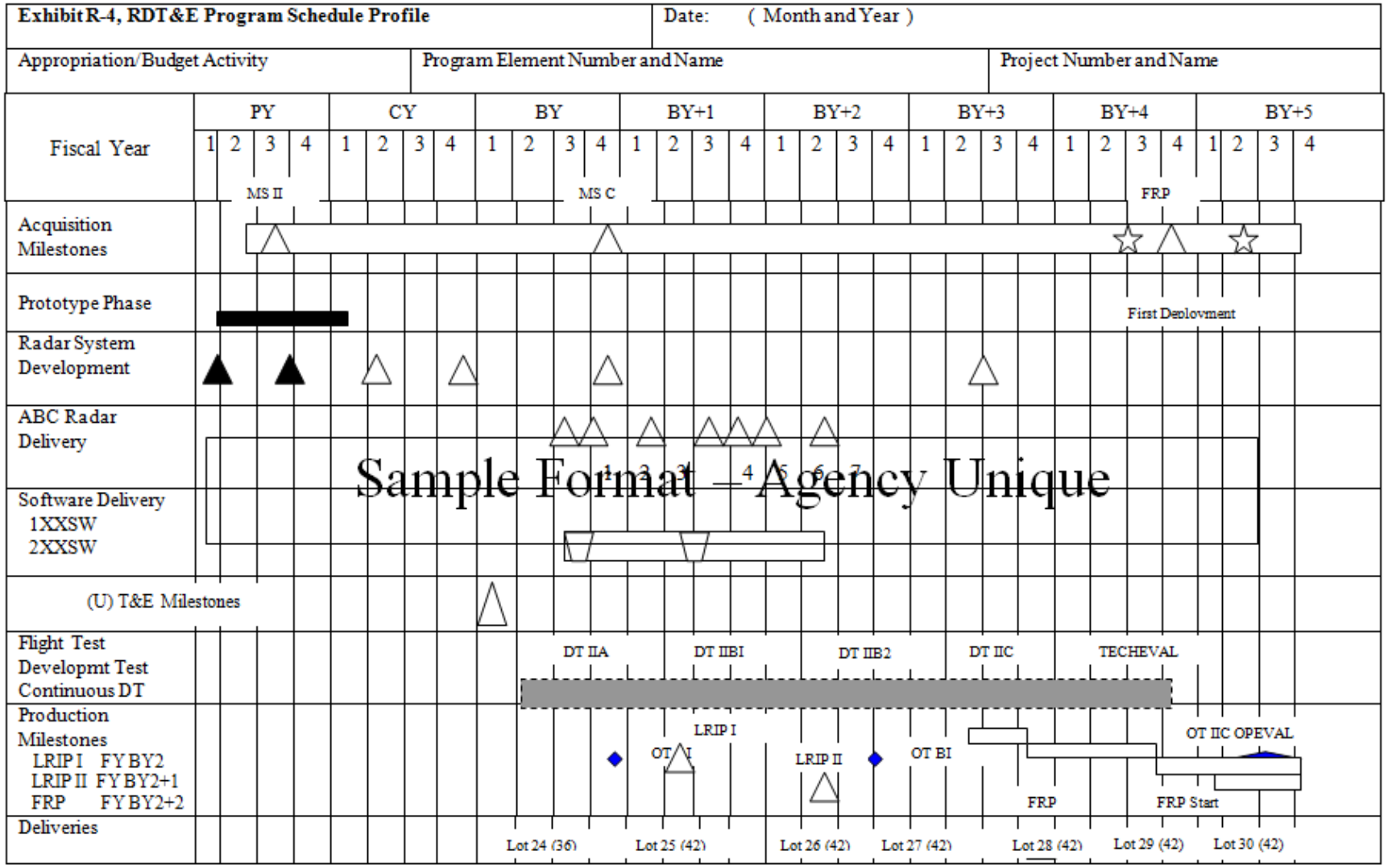
15. To Complete. Provide the amount required to complete this effort beyond.

16. Total Cost. Provide the cumulative total of all budgeted funds for the program (including funds obligated/budgeted for PY, CY, BY and to complete). Provide a comment in the Remarks section when the Project Office Estimate at Completion (EAC) differs from the total cost. Also provide a comment when the Performing Activity EAC differs from the Project Office EAC.

17. Target Value of Contract. Identify the target value of the contract and explain those cases where total cost differs significantly. For example, if the budget is at ceiling value of the contract vice target value or if budget is "program manager's best estimate" vice target value, then explain.

(Exhibit R-3, page 4 of 4)

Exhibit R-4: RDT&E Schedule Profile



R-1 Line Item No. XX

(Page X of X) **R-4 Program Schedule Profile**

(Exhibit R-4/R-4a, page 1 of 3)

Exhibit R-4a: RDT&E Schedule Detail

Exhibit R-4A, RDT&E Project Cost Analysis: BES/PB 20xx Service/Agency		DATE: Month/Year
APPROPRIATION/BUDGET ACTIVITY	R-1 ITEM NOMENCLATURE	PROJECT NUNBER AND Title
Appropriation Code/BA Number	Program Element Number: Program Element Title	Project Number: Project Title

Schedule Details

	Start		End	
Event	Quarter	Year	Quarter	Year
Event Title	Q	YYYY	Q	YYYY
Event Title	Q	YYYY	Q	YYYY
Event Title	Q	YYYY	Q	YYYY
Event Title	Q	YYYY	Q	YYYY
Event Title	Q	YYYY	Q	YYYY
Event Title	Q	YYYY	Q	YYYY
Event Title	Q	YYYY	Q	YYYY
Event Title	Q	YYYY	Q	YYYY
Event Title	Q	YYYY	Q	YYYY
Event Title	Q	YYYY	Q	YYYY
Event Title	Q	YYYY	Q	YYYY
Event Title	Q	YYYY	Q	YYYY
Event Title	Q	YYYY	Q	YYYY
Event Title	Q	YYYY	Q	YYYY
Event Title	Q	YYYY	Q	YYYY
Event Title	Q	YYYY	Q	YYYY

Within a Schedule Detail, the Start and End elements must be chronologically correct (value of Start <= value of End).
Within a Schedule Detail, the Start and End elements cannot refer to years before the PriorYear and after the last budget year (BudgetYear 5).

(Exhibit R-4/R-4a, page 2 of 3)

Exhibit R-4: RDT&E Schedule Profile
Exhibit R-4a: RDT&E Schedule Detail

A. General Instructions:

1. The R-4 and R-4a exhibits are required for programs or projects funded in budget activities 4 (Advanced Component Development and Prototypes), 5 (System Development and Demonstration), and 7 (Operational System Development) only, except as directed in the instruction for exhibits R-2/R-2a (page 5-15). Separate R-4 and R-4a exhibits shall be prepared for each project in an applicable R-1 line item.

2. These exhibits shall be printed on 8 1/2 by 11 inch paper in landscape format. If a program element is not divided into projects, then the program element itself is defined as a project for purposes of submitting R-4 and R-4a exhibits, and the exhibits and instructions apply to the entire program element. Classified material shall be submitted separately.

B. Detail Instructions:

1. Date: Identify the month and year of submission of the exhibit. If an Amended Budget is submitted, identify the date of the revised submission.

2. Appropriation Code (Treasury Account Symbol) and Name/Budget Activity Number and Title. Identify the appropriation and budget activity. The budget activity title must match the RDT&E annex and the Program Resources Collection Process (PRCP) (R-1) locked position.

3. R-1 Item Nomenclature: Identify the name of the R-1 line item as identified in PRCP (R-1) locked position.

4. Program Element Number and Name: Identify the number and nomenclature of the program element as identified in PRCP (R-1) locked position.

5. Project Number and Nomenclature: Identify the project number and nomenclature on each page as identified in PRCP (R-1) locked position.

* 6. For the R-4, Schedule Profile, provide a schematic display (in image file format: tif, jpeg, gif, bmp, or png) of major program milestones that reflect engineering milestones, acquisition approvals, test and evaluation events, and other key milestones for the program events. Cover the program years, not just the budget year. Stub entries should be tailored to the events and activities of the reported program. Congressional "staffer day" briefing schematics are desired to minimize potential schedule display inconsistencies. However, the option to build the Schedule Profile using XML software is still available.

7. For the R-4a, Schedule Detail, provide a tabular display of the major program milestones identified on the R-4 as well as any additional programmatic events that contribute to and support the schedule profile identified on the R-4.

(Exhibit R-4/R-4a, page 3 of 3)

VOLUME 2B, CHAPTER 6: "MILITARY CONSTRUCTION/FAMILY HOUSING APPROPRIATIONS"

SUMMARY OF MAJOR CHANGES

All changes are denoted by blue font.

Substantive revisions are denoted by a * preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by *bold, italic, blue and underlined font*.

The previous version dated December 2010 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
060105.C1	Updates responsibilities for OSD I&E	Update
060106.B1	Includes additional guidance related to the Family Housing Improvement Fund (FHIF).	Update
060202.A2	Changes Family Housing Post Acquisition Construction to Construction Improvements.	Update
060301.B1n	Add submit Guard and Reserve Joint Military Construction Project Exhibit, MC-2	New
060302.B6	Changes Family Housing Post Acquisition to Construction to Construction Improvements	Update
060302.B20c	Revised the FH-5 GFOQ Anticipated Expenditures to include leasing and utilities costs	Update
060302.B20d	Includes guidance and format for new FH-6-BES Housing Privatization Comparison and FH-13 Details of Awarded Privatization Projects.	New
060306.B1	Includes new FH-14 FHIF Admin Requirements guidance and format	New
060307	Changed this section from Unaccompanied Housing to MHPI Investments and Credit Financing to include guidance for Reestimates, Federal Credit Budget (OMB MAX Schedules), and Credit Supplemental Reporting, and new FH-15 Reestimate Cash Flow Status.	New
060404.A6	Added the FH-6-BES to be excluded from the Congressional justification material.	New
060503	Updated the list of Family Housing exhibits	Update

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CHAPTER 6

MILITARY CONSTRUCTION/FAMILY HOUSING APPROPRIATIONS

0601 GENERAL

060101. Purpose

A. This chapter provides instructions applicable to budget formulation and congressional justification for Military Construction, Family Housing, Homeowners Assistance and North Atlantic Treaty Organization (NATO) Security Investment Program appropriations.

B. The following appropriations and accounts are covered:

Paragraph

060201: Military Construction
Military Construction, Army
Military Construction, Navy and Marine Corps
Military Construction, Air Force
Military Construction, Defense-Wide
Military Construction, Army National Guard
Military Construction, Air National Guard
Military Construction, Army Reserve
Military Construction, Navy Reserve
Military Construction, Air Force Reserve
Chemical Demilitarization Construction, Defense

060202: Family Housing
Family Housing, Army
Family Housing, Navy and Marine Corps
Family Housing, Air Force
Family Housing, Defense-Wide

060203: Homeowners' Assistance
Homeowners' Assistance Fund, Defense

060304: NATO Security Investment Program

060305: NATO Security Investment Program
NATO Enlargement

060306: Family Housing Improvement Fund

060102. Submission Requirements

General guidance with regard to submission requirements is presented in Volume 2A, Chapter 1. This chapter covers specific back-up material requirements for the above

accounts. The above appropriations/accounts should also submit any applicable exhibits required in Volume 2B, Chapter 19 – Other Special Analyses.

060103. Preparation of Material

General guidance with regard to format and preparation of material is presented in Volume 2A, Chapter 1. This chapter provides additional specific guidance with regard to the back-up material required for Military Construction, Family Housing Homeowners Assistance and NATO Security Investment Program appropriations.

060104. References

Volume 2A, Chapter 1, section 010212 provides policies and definitions concerning costs that are to be financed by the Military Construction appropriations as opposed to other appropriations for Research and Development facilities.

060105. Family Housing Program Policies and Guidelines

A. Purpose

1. This section outlines the service aspects of the Family Housing Program; establishes policies and guidelines for program financial management, budgeting, accounting, and reporting; and assigns responsibilities for executing the program. Specific procedures for the administration and management of program funds are set forth in section 060106, below.

2. The Family Housing Program encompasses Military Family Housing as defined and authorized by the provisions of ***Title 10, United States Code (U.S.C.), Chapter 169***, and includes all Department of Defense (DoD) Component family housing in the Defense Family Housing Property Account, leases of real property utilized by DoD Components for family housing, and associated family housing support services programs.

B. Policy

1. It is DoD Policy: 1) to provide Military Family Housing for military families and for eligible civilian families only when suitable housing in the community does not exist; 2) to provide for the housing and support services, as authorized by law, that are necessary to meet the requirements of the DoD; 3) that the program shall be financed and managed in the most cost effective and efficient manner possible in order to support these requirements and to maximize the use of available program resources; 4) that the program shall include the provision of assistance to all military personnel and certain eligible civilians in locating and utilizing privately owned housing including leasing; 5) that the program shall include, within available resources, the provision of Government-owned or leased family housing and furnishings (referred to as Defense Family Housing Property); and 6) that the program shall include the efficient and effective financial and program management of Defense Family Housing Property, including acquisition, privatization, operation, improvement, maintenance, debt financing, leasing, and family housing support programs.

* C. Responsibilities

1. The Under Secretary of Defense for Acquisition, Technology and Logistics (USD (AT&L)) is responsible for program management as set forth in ***DoD Instruction 4165.63, "DoD Housing***," dated July 21, 2008, and DoD 4165.63-M, "DoD Housing Management," manual dated October 28, 2010, which also addresses Unaccompanied Housing. Effective June 6, 2011, Family Housing oversight responsibilities were realigned, with the Facilities Energy and Privatization Directorate (FE&P) within the Office of the Deputy Under Secretary of Defense (ODUSD) (Installations and Environment) (I&E) retaining oversight of privatization initiatives, including family and unaccompanied housing privatization; and Facilities Investment & Management Directorate (FIM) within I&E assuming oversight responsibilities of government-owned family and unaccompanied housing, including housing leasing authorities and Homeowner's Assistance Program (HAP). The Under Secretary of Defense (Comptroller) (USD(Comptroller)) is responsible for financial management, program budget policies, program accounting policies, and financial reporting. As prescribed by the USD (Comptroller), the Director, Defense Finance and Accounting Service, is responsible for central accounting and financial reporting for the program. The Secretaries of the Military Departments and the Directors of the Defense Agencies, as prescribed by DoD Directive 4165.63, are responsible for execution of the program for personnel under their respective jurisdictions, including program and financial management, accounting and reporting.

2. In the financial management and execution of the program, DoD Components shall conduct program budget formulation, presentation, and execution in accordance with the guidance and provisions contained in this chapter and adhere to the program accounting and financial reporting guidance and provisions contained in Volume 4.

D. Objectives and Procedures

1. This section outlines the objectives and procedures of the Family Housing Program and is divided into the following subsections: assistance in locating and utilizing privately owned family housing; Defense Family Housing Property; and, management of Defense Family Housing Property.

a. Assistance in Locating and Utilizing Privately Owned Family Housing. Assistance provided to DoD personnel to obtain privately owned family housing under the program includes privatized housing referral service including administration of private rental housing for DoD personnel overseas; DoD leasing of private housing; rental guarantee payments pursuant to Public Law 88-174, section 507, Military Construction Authorization Act, 1964 as amended and; service members' mortgage insurance payments on their privately owned housing made pursuant to ***Title 12, United States Code (U.S.C.), Chapter 13, section 1701***, the National Housing Act, as amended.

b. Defense Family Housing Property. All DoD-owned or DoD-controlled physical property described below will be managed and controlled under the Family Housing Program. The properties will be recorded in a property account entitled the Defense Family Housing Property Account, which should be fully consistent with the DoD Real Property Inventory and Select & Native Programming (SNaP) databases. Guidance for the maintenance of property accounting records is contained in Volume 4. A continuing permanent

accounting record will be maintained of the real property included in each installation's Family Housing Property Account. Appropriate classifications will be entered on the records to distinguish between real and personal property. Property will be removed from the Defense Family Housing Property account when the property is disposed of as (DoD property), when it is transferred to DoD non-family housing use. The Report Control Symbol assigned to the special record keeping requirements is DD-COMP (AR)1501.

(1) The Defense Family Housing Property Account includes the following properties, under the jurisdiction of the DoD, to which the Government has a right, title, or interest, with exceptions noted in paragraph 060105D.1.b.(2) below.

(a) All types of family dwelling units and mobile home park facilities, without regard to the military status of the occupant and including housing that is: located on or off station, owned or leased, occupied or unoccupied; situated in dispersed locations or in community-type areas; located at an active, inactive, standby, or reserve facility; or, operated or maintained by the Government, directly or by contract.

(b) Non-dwelling buildings directly associated with family dwelling units or a family housing area, including structures outside the housing area required solely for family housing support.

(c) Roads, driveways, walks, and utility systems which primarily serve family housing units or areas.

(d) The grounds area of a group of family housing units and the yards of dispersed family housing units or areas.

(e) Community facilities which are integral to a family housing area and are available for use only by family housing area residents and their house guests.

(f) Fixtures and other appliances or equipment in a housing unit that are either integral components or movable items, such as: refrigerators, kitchen ranges and, when authorized, food freezers, room air- conditioners, washing machines, clothes dryers, dishwashing machines, garbage disposals, exhaust fans, roof or attic television antennas; and those appliances provided for family housing rented privately by DoD personnel in areas outside the conterminous United States, pursuant to DoD 4165.63-M.

(g) Furniture, furnishings, and other personal property that are directly associated with providing and supporting family housing units, including personal property provided for use outside the conterminous United States, pursuant to DoD 4165.63-M.

(2) The Defense Family Housing Property Account excludes the following properties, irrespective of the Government's right, title, or interest therein:

(a) Aerial roads, public walks, utility lines, and utility mains that may pass through or in front of family housing locations but serve those locations as an incidental or secondary purpose to other station requirements.

(b) Facilities similar to hotels or motels, which are provided for temporary family occupancy.

(c) Community facilities which are not integral to a family housing area or are available for use by other than family housing area residents and their house guests.

(d) Educational facilities.

(e) Telephone and other communication facilities for official use, and telephone facilities for unofficial use, installed in a family housing unit.

(f) Community Antenna Television distribution service by other Government agency, commercial cooperative, or private enterprise.

(g) Properties financed by and supporting the Defense Security Assistance Program.

(h) Food service facilities.

(i) Facilities used primarily for religious services or religious activities.

c. Management of Defense Family Housing Property. Management undertakings, which arise in connection with the DoD responsibility for and jurisdiction over Defense Family Housing Property, include:

(1) The acquisition, privatization, construction, and replacement of family housing facilities and the preliminary planning and design studies on prospective projects, including housing requirement surveys.

(2) The conversion of other real property facilities to family housing quarters.

(3) The upgrading to “adequate public quarters” of those family dwelling units designated as rental, substandard, or inadequate.

(4) The alteration of, or addition, expansion, or extension to, family housing facilities.

(5) The outfitting of family housing facilities, as defined in paragraph 060105D.1.b above, with fixtures and other equipment that are either integral components or movable items of major equipment of a housing unit, including major appliances; and furniture, furnishings, and other personal property. This function includes maintenance and repair.

(6) The maintenance and repair of family housing facilities.

(7) The furnishing of the following services to family housing facilities: utilities services, except telephone service and cable television; refuse collection and disposal; insect and rodent control; snow removal; handling and moving Government-owned furnishings; police and fire protection; and, administrative, supervisory and clerical services related to the performance of services rendered the family housing facilities.

(8) The maintenance and security of family housing property declared excess to DoD needs, which rests with the DoD Component until the Department of Defense is relieved of this responsibility. The following rules and principles apply:

(a) If the property is being disposed of by the General Services Administration (GSA), the transfer of financial responsibility to GSA will be in accordance with Federal Property Management Regulations, Part 101-47, 402.

(b) When the Department of Defense recommends to GSA that disposal of excess property be delayed because of economic considerations and a contract has been made with a local agency to rent the property and to protect and maintain it, the residual financial responsibility for maintenance and security rests with the Department of Defense.

(c) It has been agreed with the GSA that, in interpreting property disposal regulations, the Department of Defense will be deemed to have declared the property excess to GSA on the date that the protection and maintenance contact is discontinued.

060106. Family Housing Procedures for Administration and Management of Program Funds

A. Purpose

This section outlines the procedures for the administration and management of funds appropriated or otherwise made available to the DoD for the Family Housing Program including: authorized reimbursements; application of proceeds from sales or handling of excess family housing for debt service; administration of separate “fixed year” and “annual” accounts; and clarification and amplification of certain financial administration procedures.

* B. Treasury Accounts

For Family Housing Construction, funds are appropriated to remain available for five years. For Family Housing Operation and Maintenance (O&M), funds are appropriated with annual account limitations. For the Deprtment of Defense Family Housing Improvement Fund (FHIF), funds are appropriated to support Military Housing Privatization Initiative (MHPI) administrative program expenses, including accounting and financial reporting services, and remain available until expended. These and other funds made available for family housing are administered under the Treasury accounts outlined in Volume 2A, Chapter 1, section 010603 of this Regulation.

C. Funding the Family Housing Program

1. The Family Housing Program will be financed from:

a. Those funds primarily appropriated for family housing purposes.

b. Authorized reimbursements and collections from housing rentals and services furnished as set forth below:

(1) Charges will be made for rentals and services furnished certain occupants or users of family housing facilities. The amount of rent charged shall be determined in accordance with the provisions of DoD 4165.63-M. Disposition of the proceeds of handling or disposal of excess family housing property is treated in subparagraph 060106.C.1.c, below.

(2) Those collections for rents and services which will be utilized to finance family housing expenses in accordance with applicable statutes are listed below. Such reimbursements will be utilized within the financial authority issued by the Office of the Under Secretary of Defense (Comptroller) OUSD (Comptroller) but limited to the amount of reimbursements earned.

(3) Collections received for rental of Defense housing shall be utilized within the applicable DoD Component family housing account to defray O&M expenses. If the housing is rented with Government furniture provided, the combined total charge for shelter rent and furniture rent shall be treated as indicated above.

(4) Collections from the sale of utilities and services will be utilized within the appropriation currently available for the supply of that utility or service in accordance with the authority set forth in ***Title 10, United States Code (U.S.C.), section 2686***.

(5) Collections from other agencies related to O&M charges pursuant to Title 31 United States Code, section 686 will be effected.

(6) When nonexcess family housing property is leased, pursuant to ***Title 10 United States Code (U.S.C.), section 2667***, rental moneys received will be deposited in a special account in the U.S. Treasury established for DoD Components for

allocation as prescribed in Title 10 United States Code (U.S.C), section 2667. Moneys received for utilities or services will be deposited to the applicable DoD Component family housing account.

(7) For accounting purposes, those reimbursements described above to be used for O&M purposes will be identified as financing the operations portion of the O&M expenses.

(8) All collections for family housing rents or services, other than those described above and in subparagraph 060106.C.1.c, below will be deposited to Treasury Miscellaneous Receipt Account 1830, "Rent of Real Property not Otherwise Classified," under a citation which includes the appropriate DoD Component two-digit prefix symbol. Such collections include those to cover costs of repairing damages to family housing facilities (including replacement of items) caused by family housing occupants.

c. Other funds which are available from disposal of excess family housing property as set forth below:

(1) In the case of family housing in the United States disposed of pursuant to Public Law (P.L.) 101-526, Title II, the Defense Authorization Amendments and Base Closure and Realignment Act or Public Law 101-510, Defense Base Closure and Realignment Act of 1990, the proceeds should be deposited in the Department of Defense Base Closure Account 1990.

* (2) In the case of family housing disposed of under authorities contained in Title 10 Untied States Code (U.S.C.), section 2871-2885, as added by section 2801 of the National Defense Authorization Act for FY 1996, for purposes of using the proceeds to carry out activities authorized under those provisions, the proceeds should be deposited in the DoD Family Housing Improvement Fund (FHIF). Section 2883(d) limits the funds that can be expended from the account to such amounts as provided in the appropriations act. Therefore, non-appropriated proceeds deposited into the FHIF account cannot be used to fund privatization projects, without it being appropriated, first.

(3) In the case of family housing overseas disposed of under circumstances which fall within the provisions of Public Law 101-510, section 2921 as amended, the proceeds should be deposited in the Defense Overseas Military Facility Investment Account.

(4) In the case of family housing disposed of under other circumstances, the proceeds should be deposited in the appropriate military family housing account.

2. Family Housing Program costs will be programmed, budgeted and accounted for by the DoD Component having responsibility for the Defense installation or housing area, regardless of the DoD Component of the housing occupant. Reimbursement for such costs will not be made between DoD Components.

3. Funding will be on a program-year basis. The detailed program-year criteria for the major functional categories and for the immediate subordinate accounts is set forth below:

a. The program year for the undertakings (projects for new construction, acquisition of housing, construction improvements, and minor construction) shall be the same as the year of the applicable annual Military Construction Authorization Act.

b. After the program year for a specific project is established as provided above, the related appropriation for that project will be administered under the designated program year, irrespective of when the work is undertaken. In the event there are savings due to lower bids, change in scope, etc., these savings may be reprogrammed for projects authorized in different program years in accordance with guidance provided in Volume 3, Chapter 5, "Reprogramming of Military Construction and Family Housing Appropriated Funds".

c. For planning and design, which is a "level of effort" type activity, the following program year concept applies:

(1) Budget estimates for the budget year and each future year will include the planning and design work programmed to be placed on contract or intragovernmental order during the program year and the planning and design work expected to be performed with in-house capabilities during the program year. The dollar value of a planned program will be determined on the basis of estimated obligations to be incurred during the program year for the program scope embraced by subparagraphs 060106.C.3.a and b, above.

(2) Obligation authorities will be requested and issued by program year on the basis of obligations estimated to be incurred as a result of the issuance during the program year of contracts or other orders which constitute valid obligations pursuant to Volume 4 for planning and design work, irrespective of when the work is to be performed and the accomplishment during the program year of planning and design work with in-house capability. Obligations will be charged by program year on these same bases.

(3) Adjustments to obligations charged against a prior program year will be made only to the extent of an adjustment in the amount of an obligation recorded for specific work ordered in that prior program year or deobligations to reflect cancellation of work ordered in that prior year. New obligations for planning and design work for a particular project which are in addition to that ordered in prior program years for that project are charges against the program year in which those new obligations are incurred.

d. For rental guarantee payments, the program year shall be the fiscal year in which the rental guarantee payments are obligated. No new obligations may be incurred under a program year obligation authority after the close of that program fiscal year. Adjustments to obligations for rental guarantee payments may be made as necessary to reflect actual obligations incurred during the fiscal program year in accordance with existing procedures covering adjustment to annual accounts.

e. The major functional categories of O&M and debt payment are considered "level of effort" type activities. Program planning and budget estimates for these

categories will be developed in accordance with that concept. Obligational authority for O&M and debt payment will be requested and issued by program year and will not be available for new obligations after the close of the fiscal year for which such authority is issued. Adjustments to obligations for O&M and debt payment may be made as necessary to reflect actual obligations incurred during the fiscal program year in accordance with existing procedures covering adjustment to annual accounts.

4. Economic analysis will be applied to all program investment proposals in accordance with this manual which sets forth budget submission requirements.

5. Apportionment of funds and issuance of financial authorities will be obtained as follows: each DoD Component (except Defense Agencies) shall submit to the OUSD (Comptroller) an apportionment request, as prescribed in DoD FMR Volume 3, Chapter 2, "Apportionments and Reapportionments," then the OUSD (Comptroller) will issue specific financial authority to the DoD Components concerned in such amounts and at such levels as appropriate for efficient and economical administration of the Family Housing Program.

6. For the Construction category, Office of the Secretary of Defense (OSD) program approval and obligating authority will be provided by fiscal year, generally at the construction element level (immediate subordinate account level) or at project level where circumstances warrant. Volume 3 defines the scope of realignment authority delegated to the DoD Components. All program/fund realignments will be reported in accordance with Volumes 2 and 4 of this Regulation.

7. Obligations, incurred costs, accrued expenditures, accrued revenues, disbursements and receipts will be recorded and reported in accordance with Volume 4. When another appropriation, e.g., O&M, initially incurs a funded cost, the applicable DoD Component family housing account will be billed at least monthly. Obligations, incurred costs, accrued expenditures and disbursements will be charged to the applicable accounts.

8. The balance due on indebtedness previously assumed should be in a "Borrowing Account" in conformance with Federal budget concepts.

The acquisition of property will be recorded in accordance with Volume 4 of this Regulation. The amount of the mortgage assumed will be recorded as an increase in the "Borrowing Account" and will be reported to the Treasury under Code (97).

060107. Use of O&M Funds under Contingency Construction Authority

The criteria and procedures for the use of O&M funds under Contingency Construction Authority (also known as Section 2808 Authority) are listed in Volume 3, Chapter 17, Section 170102(L).

0602 UNIFORM BUDGET AND FISCAL ACCOUNTING CLASSIFICATION

060201. Military Construction Appropriations

Programming, budgeting, financing and accounting for the Military Construction Program will be accomplished under an account structure uniformly used for these purposes by all DoD Components. The uniform account structure and scope of each account prescribed for the administration of the Military Construction Program are as follows:

A. Major Functional Category: Construction

1. Immediate Subordinate Account: Major Construction. Includes construction projects authorized under ***Title 10 United States Code (U.S.C.), section 2802*** for the purposes of erection, installation, or assembly of a new facility; the addition, expansion, extension, alteration, conversion, or replacement of an existing facility; or the relocation of a facility from one installation to another. Includes equipment installed and made a part of such facilities, and related site preparation, demolition, excavation, filling and landscaping, or other land improvements.

2. Immediate Subordinate Account: Minor Construction. Includes any urgently required construction project not otherwise authorized by law having a cost equal to or less than $2,000,000. However, if the military construction project is intended solely to correct a deficiency that is life-threatening, health-threatening, or safety-threatening, a minor military construction project may have an approved cost equal to or less than $3,000,000. Minor construction projects costing more than $750,000 may not be carried out unless ***Title 10 United States Code (U.S.C.), section 2805*** requirements are met. This includes advance approval by the Secretary concerned and notification to the Congress. An unspecified military construction project costing not more than $750,000 may be funded from appropriations available for O&M. However, if the project is intended solely to correct a deficiency that is life-threatening, health-threatening, or safety-threatening, up to $1,500,000 may be funded from O&M accounts.

3. Immediate Subordinate Account: Planning and Design. Includes architectural and engineering services, construction design, planning, study, working drawings, specifications and estimates for construction projects. ***Title 10 United States Code (U.S.C.), section 2807*** pertains to architectural and engineering services and construction design.

a. Design Status. Projects with parametric cost estimates and supporting documentation, e.g. site plan, economic analysis, and National Environment Policy Act (NEPA) documentation, will be considered at the 15 percent design level. Projects using the traditional method of design, being designed in-house, using a standardized design, or site adapting a previous design should use the milestone chart below to gauge their design status.

1% Design Complete:	Design instructions issued to major command.
2% Design Complete:	Major command design instructions issued to design agent.
3% Design Complete	Notice to proceed issued to architect/engineering firm (A&E) by the design agent.
30% Design Complete	Concept plan, early preliminary working drawings,

	design analyses, and outline specifications issued by the designer.
5% Design Complete	Concept or early preliminary review comments forwarded to the design agent.
60% Design Complete	Regular preliminary working drawings, design analyses, and updated cost estimate and outline specifications issued by the designer
65% Design Complete	Regular preliminary review comments forwarded to the design agent.
90% Design Complete:	Final design (working drawings, design analyses, cost estimates, and specifications) completed by the designer.
95% Design Complete	Final design review comments forwarded to the design agent
100% Design Complete	Corrected final design accepted by the DoD Component.

4. Immediate Subordinate Account: Supporting Programs. Includes Defense access roads and land acquisitions.

B. Major Functional Category: North Atlantic Treaty Organization (NATO) Security Investment Program

Includes contributions for the United States share of the cost of multilateral programs for the acquisition and construction of military facilities and installations (including international military headquarters) and for the related expenses for the collective defense of the North Atlantic Treaty Area. ***Title 10 United States Code (U.S.C.), section 2806*** pertains to contributions for (NATO) Security Investment Program.

060202. Family Housing

DoD Components will use the uniform account structure established for programming, budgeting, financing and accounting for the family housing program. The account structure will be administered so as to provide program and financial control of the family housing program consistent with applicable statutes. The uniform account structure and scope of each account for the family housing program are as follows:

A. Major Functional Category: Construction

1. Immediate Subordinate Account: New Construction (by Installation and Project). Includes the erection, installation, assembly, relocation or replacement of single or multifamily dwelling units; related land acquisition, site preparation, excavation, filling and landscaping, or other land improvements. Also included are the initial outfitting during construction of a dwelling unit with fixtures and other requirements which are either integral components or movable items of major equipment thereof, including major appliances; and architectural and engineering supervision and inspection of construction. Includes design costs of contractor to perform a turnkey contract. New construction also includes the construction of items included in subparagraphs 060105.D.1.b.(1) (a), (b), (c), and (e), above.

* 2. Immediate Subordinate Account: Construction Improvements (formerly Post Acquisition Construction). Includes major construction projects (projects beyond those authorized under the minor construction program) for the following (by installation and project): upgrading inadequate public quarters, rental housing and acquired units to produce adequate public quarters; conversion of existing facilities to public quarters; alterations, additions-expansions-extensions; construction of family housing real property, other than dwelling units required subsequent to and because of previously acquired dwelling units; and the payments made to military personnel for telephone reconnection charges shall be included in project costs under this subaccount when a construction project involves relocation, alteration, improvement, or other work necessitating Government directed, non-Permanent Change of Station moves between Government quarters. However, in cases where concurrent maintenance/repair work is involved, telephone reconnection costs shall be charged to the maintenance account.

3. Immediate Subordinate Account: Planning and Design. Includes the design, working drawings, specifications and estimates for construction projects approved by the Secretary of Defense for inclusion in the President's Budget. Also includes consolidated DoD guide drawings, specifications, and planning and design efforts on projects which are not subsequently constructed.

B. Major Functional Category: O&M

1. Immediate Subordinate Account: Operation. This account includes the costs associated with Management, Services, Furnishing, and Miscellaneous subaccount categories identified below:

(a) Management. This account includes costs for management, administrative, and support-type services at the installation level, such as, inspection of construction and administration of rental guarantee projects, housing referral administration, housing office base support costs, surveys, engineering studies, and other identifiable management costs.

(b) Services. This account includes cost associated with refuse collection and disposal, fire protection, police protection, entomological services, custodial services, snow removal, street cleaning, and other municipal-type services.

(c) Furnishings. This account includes initial acquisition, maintenance, repair and replacement of furniture, furnishings and other personal property (see subparagraph 060105D.1.b.(1)(g) above); the furnishing of services included in subparagraph 060105D.1.c.(7).

(d) Miscellaneous. This account includes other family housing program operational costs that do not fall into the other Operation categories.

2. Immediate Subordinate Account: Housing Privatization Support. Includes the costs that the government incurs in direct support of the family housing privatization program under the authorities of ***Title 10 United States Code (U.S.C.), Chapter 169, Subchapter IV*** (Alternative Authority for Acquisition and Improvement of Military Housing) with the exception of those costs that will be included as part of the privatization project. These costs

include all administrative, planning, development, solicitation, award, transition, construction oversight, and portfolio management activities associated with military housing privatization and specifically for:

(a) Site Assessment Costs. Includes all costs in direct support of the family housing privatization program for environmental baseline assessments, environmental assessments, environmental impact statements, and any efforts required to be accomplished by the government prior to privatization for, environmental mitigation, site surveys, or real estate costs.

(b) Project Costs. Includes all costs in direct support of the family housing privatization program for project feasibility studies, concept development, consultant fees, solicitation, procurement, contracting, execution, transition, construction management (supervision, inspection and overhead), post award management/monitoring, and portfolio management.

(c) Administrative Costs. Includes all costs in direct support of the family housing privatization program for civilian pay, travel, training, supplies, equipment, and for any services provided by a Component in support of the privatization program.

3. Immediate Subordinate Account: Maintenance of Real Property Facilities. This account includes maintenance and repair of buildings, roads, driveways, walks, exterior and interior utility systems and grounds care; and maintenance, repair and replacement of fixtures and other equipment which are integral components of a housing unit. This account also finances the costs of reimbursements made to military personnel for telephone reconnection charges when maintenance or repair work necessitates Government-directed, non-PCS moves. This includes such charges resulting from improvement/repair projects funded in part from the family housing construction account.

4. Immediate Subordinate Account: Leasing: This account includes leasing of family housing facilities by the Government as outlined in subparagraph 060105D.1.a.

5. Immediate Subordinate Account: Utilities: This account includes costs for utilities consumed in government-owned family housing, including electricity, water, sewage, natural gas, fuel oil, or other heating fuels. It excludes the costs associated with the maintenance and repair of utility systems covered under the Maintenance of Real Property Facilities Account.

* 6. Immediate Subordinate Account: Mortgage Insurance Premiums (or also known as Servicemen's Mortgage Insurance Premiums). This account includes payments of servicemen's mortgage insurance premiums pursuant to ***Title 12 United States Code (U.S.C.), Chapter 13, section 1701***, the National Housing Act as amended.

C. Major Functional Category: DoD Family Housing Improvement Fund: Includes activities required in connection with the Military Housing Privatization Initiative (MHPI) program planning, execution, accounting and financial reporting, and administration of contracts entered into under the authorities of ***Title 10 United States Code (U.S.C.), Chapter 169, Subchapter IV*** (Alternative Authority for Acquisition and Improvement of Military Housing).

060203. Homeowners' Assistance Fund, Defense

The program/budget account classification structure for the Homeowners' Assistance program is prescribed in Exhibits HA-1 through HA-4, found in Section 060504.

0603 PROGRAM AND BUDGET REVIEW SUBMISSION

060301. Military Construction

A. Purpose

1. This Section prescribes instructions for the preparation and submission of program and budget estimates for the Military Construction appropriations.

2. Unless otherwise specified, these instructions apply to all Military Construction appropriations and to all program and budget estimates. Data submitted must be consistent with the program and budget estimate being supported.

B. Submission Requirements

1. General Guidance. Supporting data for each of the military construction appropriation requests will be submitted concurrently with all other Department of Defense appropriation requests. To facilitate the review and decision making process, it is essential that the packaging of justification materials conform to the uniform facility category structure established by ***DoD Instruction 4165.3***, "DoD Facility Classes and Construction Categories."

a. Construction requirements will be determined in consonance with Program Decision Memorandum (PDM) guidance and with applicable Executive Orders, Office of Management and Budget (OMB) Circulars, and DoD 4270.1-M, "Policy Guidelines for Installation Planning, Design, Construction and Upkeep."

b. Each proposed construction project will be supported by DD Form 1391/1391C, Military Construction Project Data. These will be prepared in accordance with guidance contained in Section 060502, below. Projects associated with intelligence or intelligence-related operations will be so identified. Block 5, Program Element, DD Form 1391, will include the annotation National Intelligence Program (NIP) or Military Intelligence Program (MIP) as appropriate. DD Form 1390, Military Construction Program, will be prepared for each installation at which major construction is planned, utilizing the format prescribed in Section 060502. DD Form 1390S, Guard and Reserve Forces Military Construction, will be utilized by the Guard and Reserve Components.

c. Each Component will also submit a Major Initiatives exhibit which must include a general description of each of its major initiatives for the budget year and what the Component plans to accomplish in the budget year to support that initiative. Be specific, including the impact on force structure. This exhibit will be prepared in accordance with the format contained in Section 060502, below.

d. Lump sum requests for a number of construction projects at a single location or for related projects at several locations will not be considered.

e. OMB is strictly enforcing the full funding policy contained in ***OMB) Circular A-11***. The Components are required to ensure that all projects are fully funded in compliance with OMB Circular A-11. For large projects that formally would have been considered for incremental funding over multiple years (an increment is not a complete and usable facility), the Components may break projects down into complete and usable phases, with phases in multiple years. OMB's intent is that incremental funding for construction will be for rare and exceptional cases only.

f. In the rare case that OMB grants a waiver to allow for budgeting for the incremental funding of a project, the Components have the flexibility to move funding between increment/years to allow for flexibility but only if there is no increase in the total cost of the project or number of increments. Additional increments or an increase in the total cost of the project requires another waiver request to and approval from OMB. When projects fully funded in a given year's President's Budget request are incrementally funded by Congress, the Components should not infer that OMB has agreed to continued incremental funding of the remaineder of the project. The Components' subsequent budget submission should request funding for the full cost of completing the project. Budget justification materials (1391/1391C) should include a chart depicting all outyear liabilities resulting from incremental funding decisions.

g. In order to ensure prudent and economic investments a life-cycle, net present value economic cost analysis is required to support all new construction or renovation projects estimated to cost in excess of $ 2 million dollars. Copies of these studies are to be retained by the DoD Components and must be available, when requested, during the OSD - OMB program and budget review. In accordance with Chapter 1, section 010303, components are required to indicate on the justification page for each individual construction project whether or not an economic analysis is applicable or pertinent. If not applicable, a statement is required indicating why.

h. In accordance with guidance provided under Section VI.D. of ***DoD Directive 2010.5***, "DoD Participation in the NATO Infrastructure Program," components are required to indicate on the justification page for each individual construction project for U.S. forces committed to NATO a statement whether or not the project is planned for prefinancing, with appropriate explanation as to: (a) why U.S. unilateral financing is being proposed; and (b) as appropriate, follow-on actions planned to seek reimbursement through NATO channels. A similar statement is required for any other overseas construction, describing why the project is not eligible for host nation funding. More specific guidance is provided in ***DoD Directive 2010.5***.

i. Justification materials DD Forms 1390/1391/1391C will be submitted in book form, with appropriate cover, bound on the left margin. Classified materials are to be submitted in separate volumes, with appropriate security classification markings on covers.

j. The following sections outline the specific materials to be provided including special guidance as to formats to be followed. The numbers of copies required are identified in Volume 2A, Chapter 1. Other special materials required for intelligence activities are outlined in Volume 2B, Chapter 16.

k. It is recognized that it may be necessary to revise construction project costs subsequent to the budget submission which have changed significantly because of Congressional action, design changes, etc. Such changes will be considered as an additional budget submission and all ground rules, including cut-off dates, will apply.

l. All budget submissions for military construction and family housing programs should include outyear project level detail in the format specified in Section 060502, below.

m. If a military construction project is associated with global defense posture initiatives, it should be identified at the end of the Requirements section under Item 11 of the DD Form 1391.

* n. For any joint funded Guard or Reserve military construction project, the lead component is required to submit a DD Form 1391 for the complete joint facility and a signed Memorandum of Agreement (MOA). Additionally, the lead component will submit the Guard and Reserve Joint Military Construction Project Exhibit, MC-2, in accordance with the format contained in Section 060502, below.

2. Construction Programs for the Active Forces and Defense Agencies. The books containing the DD Forms 1391/1391C will be arranged by facility category, following the guidelines established by ***DoD Instruction 4165.3***. For each project, the DD Form 1390 will immediately precede the DD Form 1391/1391C. In each DD Form 1391/1391C provided for the OSD submission, the following design status is required: (1) date of design or parametric cost estimate initiation; (2) percentage of design complete on the OSD submission date; (3) date on which 35 percent design or a parametric cost estimate (15 percent design level) will be or has been completed (including review and approval of 35 percent drawings); (4) projected or actual date of design completion; (5) percentage of design utilizing standard design, (6) if the project cost is based on parametric estimates, include the annotation "Parametric estimates have been used to develop project costs"; and (7) type of design contract, i.e. design-build, design-bid-build, or other, if other, provide a brief explanation of the design contract. Projects proposed for alternative construction methods such as turnkey, or private financing alternatives, for which percent design is not appropriate, should be noted in place of the design status required for normal projects. Prior to the submission of the President' Budget to Congress, the OUSD(Comptroller) Military Personnel and Construction Directorate shall be notified of any projects in the request where the cost estimate is not based on either 35 percent design or a parametric cost estimate (15 percent design level).

a. Major Construction. For purposes of the OSD and OMB review:

(1) No project will be identified or listed under more than one facility category.

(2) The "Operation and Training Facilities" category is to be packaged in the justification books as two separate categories, i.e., "Operation Facilities" followed by "Training Facilities."

(3) Books containing the DD Forms 1391/1391C are to include omnibus packages for the energy conservation investment, and air and water pollution abatement programs. The total requested for each of these programs will be identified separately on single DD Form 1391's with the detail of program (installation, location, cost, and project description) provided on continuation pages DD Form 1391C. None of the projects included in these categories are to be listed under any other facility category.

(4) Each DD Form 1391 for a major construction project must show the construction contract award date (indicate month and year the contract is planned to be awarded to the construction firm, the construction start date (indicate month and year construction is planned to start), and construction completion date (indicate month and year construction is planned to be completed). The information should be displayed on the DD Form 1391, section 12, Supplemental Data.

(5) All DD Forms 1391 must include a name and phone number of the civil engineer at the installation responsible for the requested project. This information should be displayed in the bottom left hand corner on the last page of the DD Form 1391.

b. Minor Construction. The total minor construction program request should be submitted as an omnibus package on a single Form DD Form 1391, specifying the lump-sum amount proposed for unspecified (unforeseen) minor construction projects costing up to $ 2.0 million per project.

c. Supporting Activities. The funding request for Supporting Activities will continue to be reflected as a lump sum amount on DD Form 1391. Supporting detail (location/cost) will be shown parenthetically following the lump sum estimate. While this item will be addressed for decision making purposes in the document covering Utilities and Real Estate, it should be listed separately and not included in the indexes for either Utilities or Real Estate, which fall under different facility category codes.

d. Restrictions on Omnibus Construction Packages. Apart from the specific exceptions noted for the pollution abatement, energy conservation, and minor construction programs, which are discrete decisions, there are to be no other omnibus packages or breakouts in the DD Form 1391 justification books. All other projects are to be listed under the appropriate facility category. In this respect, the Marine Corps facilities program is to be integrated with the Navy facilities program so that all Navy and Marine facilities are included in a single Department of Navy facility category listing covering the entire "Military Construction, Navy and Marine Corps" appropriation request. However, a separate "non-add" listing or index of all Marine Corps unique facilities, similar to those provided in the past, is both useful and desired.

e. Budget Summary and Indexing. Each Component will provide a one page Budget Summary at the front of the justification book that provides a summary of the total construction program request. The summary will show, by column, the Total Obligation Authority (TOA), Budget Authority (BA), and authorization requested with subtotals by budget activity. Additionally, the books containing the DD Forms 1391/1391C should provide, immediately preceding each category section, an index showing facility category code numbers, installation and location, project number and title, cost, and DD Forms 1391 page number. The index should also identify each project as either new mission or current mission.

f. Multi-service and National Level Support Programs. Projects providing multi-service or national level support are to be programmed/budgeted under the appropriation, "Military Construction, Defense-Wide", or, in the case of NATO Security Investment Program, under the appropriation "NATO Investment Program." These are to be determined on a case-by-case basis, and should be identified as early as possible in the program planning phase. Such items will be identified in the Program Objective Memorandum (POM) and PDM process with appropriate programmatic adjustment or treatment during that phase of the review.

g. Should, on rare occasions, other candidates surface outside of the POM/PDM process, they will require review in the budget review process. The following guidelines apply:

(1) The individual military departments will serve in an executive agency capacity for support of those construction items. The military department assigned executive agency responsibility will continue to provide all necessary and appropriate management support for such projects, including preparation of budget justification materials, and will continue to fully manage and execute the program including the preparation of all budget justification materials and defense of estimates submitted to Congress.

(2) For those projects which have been identified and programmed as multi-service or national level support programs during the POM and PDM process, the executive agent will provide, at the time of its own budget submission, a separate submission consisting of all justification materials (DD Forms 1391/1391C) necessary for OSD and OMB review. Such projects are not to be reflected (duplicated) in the submission covering the department's own program (i.e., financial program, facility category listings, etc.).

(3) For those projects which may surface outside the POM and PDM process as possible additional candidates, the sponsoring military departments will include these in their own construction program submissions as outlined earlier in this chapter, within their own fiscal levels, and separately highlight such items, providing a narrative explaining the basis for change.

3. Construction Programs for the Guard and Reserve Forces. Justification materials for the Guard and Reserve construction programs will be submitted on DD Forms 1391/1391C (Project Data). A separate justification book is required for each of the five Guard and Reserve appropriations.

a. The DD Forms 1391/1391C will be in a single volume covering total requirements for each appropriation. The materials will be sequenced in alphabetical order, by state and by installation within state. The justification pages covering the lump-sum amount requested for minor construction will appear last. The DD Form 1390S will be in a separate section following the DD Forms 1391/1391C. Each book is to include an index in the front, showing the installation and location, project title, project cost, DD Form 1391 page number, and arranged in alphabetical order by state.

b. Each Guard and Reserve program submission is to include separate listings identifying amounts requested in the budget year for: (a) air and water pollution abatement; and (b) energy conservation investment programs. Each listing is to show the installation and location, project title, project cost, and DD Form 1391 page number. "Negative response" listings are required to assure complete coverage.

4. Construction Planning and Design. The annual estimates for planning and design are to be identified and justified on DD Form 1391. In preparing the annual estimates, full consideration should be given to the lead-time required to meet the objective of having each construction project at the 35 percent design stage at the time the Budget is submitted to OSD. Guard and Reserve component construction projects will meet the design criteria established in ***DoDI 1225.8***, "Programs and Procedures for Reserve Component Facilities and Unit Stationing," at the time the budget request is submitted to OSD.

a. The Military Departments will develop and submit planning estimates in support of the construction programs for the individual Active Forces, Guard and Reserve programs.

b. OSD will prepare a DD Form 1391, consolidating estimates to be submitted by the Defense Components having justified requirements for Defense Agencies planning and design funds.

(1) Each Defense Agency having a requirement for planning funds during the current and budget years is to submit its estimates on a DD Form 1391.

. (2) The individual Military Departments may have a justified requirement for use of Defense-Wide planning funds under circumstances where the Military Departments serve as executive agents for certain multi-service or national-level support projects if funding is required to design a project which will be constructed using Military Construction**,** Defense-Wide funds. Under such circumstances, the Military Department should submit its estimates on a separate DD Form 1391.

5. Automated Data Requirement. All Military Construction estimates for the Active Forces, Defense Agencies, Guard and Reserve Components shall be addressed in the Exhibit C-1 Construction Annex input prescribed in Volume 2A, Chapter 1.

6. Long-Term Facilities Contracts. DD Forms 1390 and 1391 must be submitted for each project proposed under the authorities of Title 10 U. S. C., Chapter 169. All additional supporting justification should be included in the DD Form 1390 and DD Form 1391 Justifications. These include Section 2809 ("Long-term facilities contracts for certain activities

and services"), Section 2812 ("Lease-Purchase of Facilities"), Section 2835 (Long-term leasing of military family housing to be constructed"), Section 2836 ("Military housing rental guarantee program"), and other third party financed construction authorities. Private financing initiatives will be closely reviewed to ensure their programmatic and budgetary viability. So that an informed decision regarding inclusion of the project in the budget may be made during the program and budget review, proposed projects must be supported by an economic analysis. In addition, to establish a reasonable expectation that the long-term facility project meets Congressional guidance that all third party financed projects, including proposed child care facilities, be at least five percent less expensive than regular military construction appropriation, a lease-versus-buy analysis conducted in accordance with the provisions of OMB Circular A-94 must also be submitted as backup documentation for the DD Form 1391.

a. In development of cost estimates, military construction alternatives should not exceed the published DoD pricing guidance. Private sector construction estimates should be fully supported by documentation and include all pertinent cost factors.

b. Guidance for development of the basic economic analysis required to support these long-term facility contracts is contained in ***DoDI 7041.3***, "Economic Analysis for Decision Making." The separate lease-versus-buy analysis must conform with OMB Circular A-104, and include full life-cycle costs and net present value discounting of each alternative.

c. Proposed child care facilities should also include in their justification the results of a market survey of child care services available in the local community, and the results of a need assessment and installation interest survey that documents and supports the need for the proposed project.

d. Authorization and appropriation procedures for long-term lease and lease-purchase contracts are special cases and may not be treated as regular military construction in some respects. General guidance for the treatment of budget authority, outlays, and scorekeeping guidelines for lease-purchase and capital lease contracts is contained in OMB Circular A-11.

(1) Under the provisions of public law these contracts may, depending on the authority used, be for periods of up to thirty-two years exclusive of the period of construction. However, for projects proposed under the authority of Title 10 United States Code (U.S.C.), Sections 2809, 2835, and 2836 the obligation of the United States to make payments under the contract in any fiscal year is subject to appropriations being provided specifically for that fiscal year and specifically for that project.

(2) Annual lease or annual lease-purchase payments commence at the time of beneficial occupancy, usually after the budget year in which the project is proposed for authorization.

(3) Components will request authorization for the full asset value of the contract (the estimated construction or acquisition cost, the differential cost of financing, and any contract termination liability costs). Components will request budget authority for each project in the amount equal to the full extent of the Government's first year liability

under the contract (the sum of all cost and contract termination liability costs), in the budget year the project is submitted for approval.

e. Components shall submit proposals for long-term facilities contracts in a separate section in the OSD/OMB Justification books. The section shall be entitled "Long-Term Facilities Contracts". The section will include all DD Form 1390 and DD Form 1391's for newly proposed projects, and be preceded with an index showing facility category code numbers, installation and location, project number and title, estimated military construction cost and DD Form 1391 page number. Long-term leases and lease-purchases will be separately summarized in the index. In order to assess the long term financial impact of these proposals the section should also include a financial table that provides project data and cumulative totals for; total estimated project authorization, estimated annual lease payment, and year of planned beneficial occupancy.

f. Congressional budget presentation Justification Book guidance is provided in section 0604, below.

g. Following approval of projects for inclusion in the President's Budget, Components may then proceed with project development.

h. In accordance with Title 10 United States Code (U. S. C.) these projects must be submitted to Congress for final review or approval 21 days in advance of contract award. Unless denied by Congress, Components may make contract award following the 21 day notification period.

(1) Components will submit these projects for approval to the Under Secretary of Defense for Acquisition, Technology, and Logistics, and the OUSD (Comptroller), prior to congressional notification, and again prior to the final submission to Congress.

(2) In order to ensure that only economical investments are approved, and that budget requests are sufficient to cover the full financing of the contract, only those projects demonstrated to be more cost effective than regular Military Construction will be approved for submission to Congress.

7. Construction Programs for Working Capital Funds

The Working Capital Funds related capital construction projects costing over $750,000 will be included in the component military construction appropriation (including budget authority) program and budget estimates submission for review.

a. Military construction projects supporting the Working Capital Funds must be clearly labeled as Working Capital Fund projects. The C-1 Annex will include the Working Capital Fund projects (annotated as such) with their associated budget authority.

b. A separate copy of military construction projects supporting the Working Capital Funds will be provided to the Directorate for Revolving Funds, OUSD (Comptroller) (Pentagon, room 3D755).

c. Copies of associated economic analysis studies supporting the construction requirements for Fund projects will be separately provided to the Directorate for Military Personnel and Construction, OUSD(Comptroller) (Pentagon, room 3C654).

8. Facilities Programming and Financing at DoD Installations Utilized by Two or More DoD Components. This section establishes the policy for programming and financing facilities at DoD installations where utilization by more than one DoD Component is involved, including host-tenant relationships.

a. Responsibilities

(1) To ensure joint use construction is considered when assessing the Department's facilities needs, each DD Form 1391 must include a certification by the Secretary or Defense Agency Director concerned that the proposed project has been considered for joint use potential; a recommendation for either joint use or unilateral construction; and the reason(s) for that recommendation if joint use is not recommended. The certification may be delegated not lower than the Assistant Secretary responsible for the project. This certification is not required for family housing construction and improvement projects.

(2) Single-Use Facilities. The DoD Component requiring a facility for its own use shall program and budget for the construction project involved.

(3) Joint-Use Facilities. The DoD Component which has jurisdiction over the host command shall program and budget for a facility which is planned for the joint use or joint occupancy of two or more DoD Components.

(4) Common-Purpose Facilities. On a case-by-case basis, the individual DoD Components shall function as executive agents for programs whose output directly and uniquely operates to the benefit of two or more DoD Components. The executive agent shall be responsible for planning and programming all facilities.

(5) Required Facilities. Generally, the host Military Department will program and budget an extension, expansion, and/or increase the capacity of the main utilities and communications or transportation systems, consistent with the master plan of the installation, to support any required facilities, including those required by a tenant. However, programming and budgeting for such connecting utilities and communications or transportation systems as an integral part of any single-use facility are the responsibilities of the DoD Components requiring the facility.

(6) Siting Facilities. Siting of any facility for a tenant will conform to the master plan of the installation or will be in accordance with an agreed-upon location by the DoD Components concerned.

(7) Design. Standards of design and construction will conform to those of the host Military Department, consistent with the master plan of the installation; however, exceptions will be made in those instances where tactical or other operational considerations requiring limited duration of occupancy economically would not justify construction of facilities to higher standards.

b. Utilization

(1) The tenant DoD Component will have exclusive use of any facility constructed for the duration of the tenant's requirement. Upon termination of tenancy or use by the tenant, the facility will revert to the host Military Department for utilization without fee.

(2) Should the tenant DoD Component, at a later date have a requirement for use of the same facility, the host Military Department will make the facility, or an acceptable existing facility, available within a reasonable time period to the tenant. The host Military Department will not reconstruct or acquire a new facility for the tenant instead of returning the original facility or an acceptable existing substitute. If the host Military Department is not able to make a facility available to the tenant without creating unacceptable conditions for the host, the tenant will be responsible for obtaining a new facility.

c. Maintenance and Service Support. Determination as to the levels of maintenance and service support and reimbursement therefore will be made by the DoD Components concerned consistent with DoD policies for host-tenant agreements.

9. Energy Conservation Investment Program (ECIP). DD Forms 1390's and 1391's should be submitted for each ECIP project requested in the budget. These forms should include the location, the nature or category of the project, the cost and the expected payback using the most current technological and economic information available, and the name and telephone number of a point of contact. The Components should submit these forms to the OUSD (Acquisition, Technology, and Logistics) ECIP Program Manager 7 days prior to the OUSD (Comptroller) budget due date to allow sufficient time for the ECIP Program Manager to review them prior to transmittal to OUSD (Comptroller).

060302. Family Housing

A. Purpose

1. This Section prescribes instructions for the preparation and submission of budget estimates for the Services' and Defense-Wide Family Housing, appropriations.

2. Budget estimates will be submitted by the Services and Defense Agencies, which have requirements for financing the Family Housing Program as defined in Section 060106.

B. Submission Requirements

1. Budget Estimates. Each DoD Component is to submit data to support the budget requirement for Family Housing on the basis of the accounts and account structure set forth in the detail prescribed in Section 060302 B.3, below (Preparation of Material). In addition, each DoD Component will address Family Housing estimates in the Exhibit C-1 Construction Annex input prescribed in Volume 2A, Chapter 1, section 010504.

2. General

a. All data (including the OP-5 exhibit) will be provided on 8-1/2 inch by 11 inch size paper, typed across the short dimension of the paper, except for the formal exhibits contained in Section 0605. All pages will be bound on the 11 inch side.

b. The family housing budget data will be bound in separate books for the Army, Navy (including Marine Corps, with O&M Cost and Debt Payment for Marine Corps shown separately), Air Force, and Defense Agencies.

c. The number of required copies of the above material is specified in Volume 2A, Chapter 1, section 010302.

3. Preparation of Material. Submit data using forms and formats as indicated below. Separate tabbed sections will be submitted for each of the categories below (a, b, and 4-18).

a. Index. Provide a detailed index to the submission.

b. Summary

(1) Provide a narrative summary describing the most significant features of the request. This summary need not cover every facet of the request and is intended to highlight those items of special significance.

(2) Provide a one-page financial summary of the entire request. This should include, as a minimum, the amounts requested for authorization and appropriation for the major programs and their immediate subordinate accounts (Construction: New Construction, Post Acquisition Construction, Planning and Design; O&M: Operating Expenses, Utilities, Maintenance, Leasing, Housing Privatization Support, Debt Payment, Servicemen's Mortgage Insurance Premium and Reimbursable Program).

(3) Provide the summary metric tables, Exhibit FH-11, Inventory and Condition of Government-owned Family Housing Units, (which replaced the Summary of Inadequate Unit Elimination, FH-7 Exhibit) and Exhibit FH-8, Annual Inadequate Family Housing Elimination.

(a) These exhibits support the measures and targets developed in the DoD Performance Budget, which are based on the condition of the facilities (Q-Ratings) and maintaining a minimum specified percentage level of adequate housing units.

(b) All government-owned Family Housing inventory should be reflected in these exhibits, including transitional units. Inventory should be consistent with number of units and Q-Ratings contained in the Real Property Inventory database. Additional information on Q-Ratings is available in OSD (AT&L) Facility Quality Rating Memorandum of September 5, 2007 and the GSA Guidance for Real Property Inventory Reporting .

4. Legislative Language. Provide the required authorization and appropriation language for the budget year. The current year language should serve as the base, with changes and omissions bracketed.

5. New Construction

a. Summary. Provide a brief summary of the New Construction program. The summary should include, as a minimum: a short narrative highlighting the most significant features of the request, a comparison of the prior year program with the request, and a listing of each project requested showing new construction or replacement, location, number of units and the estimated cost. The listing should also identify each project as either new mission or current mission requirement, as well as provide the major initiative category.

b. Project Justification. For each New Construction project, including the construction of mobile home spaces, the following forms and exhibits are required. Additionally, in accordance with ***Title 10 United States Code (U.S.C.), Sections 2823*** and ***2824*** provide documentation of consultations with the Department of Housing and Urban Development on the availability of suitable alternative housing at each construction location.

(1) Military Construction Project Data –DD Form 1391. Form will be prepared in accordance with the instructions contained in Section 0605, below. It is important to avoid the use of "boiler-plate" justification. Cost estimates for new construction projects will include the maximum level of detail practicable, including construction contract award date (indicate month and year the contract is planned to be awarded to the construction firm), the construction start date (include month and year construction is planned to start), and construction completion date (indicate month and year construction is planned to be completed). Any unusual features impacting on the cost of the project must be identified and fully justified. In order to ensure prudent and economic investments, a life-cycle net present value economic cost analysis is required to support all new construction projects estimated to cost in excess of $2 million. Copies of these analyses are to be provided with the Family Housing budget estimates. Each DD Form 1391 will (1) state if an economic analysis has been prepared and provide a summary of the results of that analysis, including the calculated savings-to-investment ratio, or (2) provide the specific reasons why an economic analysis is not required. Assemble the DD Form 1391's in the same sequence as the listing of projects on the summary page.

(2) DD Form 1523, Military Family Housing Justification. Form will be prepared in accordance with DoD 4165.63-M, "DoD Housing Management" manual. Data supplied should be in agreement with the latest formal housing survey for the location, and with the information provided on the DD Form 1390. The date of the survey should be specified. The form must include a statement indicating whether a private sector housing market analysis has been conducted and the date the market analysis was completed. When a market analysis has been conducted and is used as justification for new construction, a copy of the analysis must be available for review upon request. Since this form deals with housing deficit calculations, the DD Form 1523 is needed only for new requirements.

(3) Tri-Service Family Housing Cost Model. Provide, for each housing project, the calculations on which the budget estimate is based, using Exhibit FH-1, the "Tri-Service Family Housing Cost Model". The appropriate DoD cost factors must be used in the calculations. In addition, Tri-Service Family Housing Cost Models should be prepared using metric units of measure.

* 6. Construction Improvements

a. Summary. Provide a general summary of the Construction Improvements program being requested. The summary should include, as a minimum, a short narrative highlighting the most significant features of the request, and a comparison of the prior year program with the request. For consistency, the program should be referred to as "Construction Improvements" rather than "Post Acquisition Construction" or any other title.

b. Project Justification. Provide a DD Form 1391 covering the entire Construction Improvements program and DD Form 1391C listing each project requested. Project description should be specific with regard to the work which is to be done (specify the number of units to be improved by intended occupant grade -- senior officer, junior officer, or enlisted), and show any planned concurrent, non-routine, maintenance costs, including construction contract award date (indicate month and year the contract is planned to be awarded to the construction firm), the construction start date (include month and year construction is planned to start), and construction completion date (indicate month and year construction is planned to be completed). Projects should be arranged alphabetically by state and country. Federal Energy Management Program funding, if any, must be separately totaled. Projects, or portions of projects, for General and Flag Officer Quarters (GFOQ) must be identified separately. For improvement projects, where the unit improvement cost exceed seventy percent of the replacement cost, the project must be supported by a life-cycle economic analysis which demonstrates that renovation is more cost effective than replacement construction or other available alternatives, such as demolition and reliance on housing allowances.

c. Projects in Excess of $50,000 Per Unit. A separate DD Form 1391 is required for each project for which the per unit cost exceeds $50,000, taking into consideration the applicable area cost factor. If the improvement is required to make the unit suitable for habitation by a handicapped person, the threshold is $60,000 multiplied by the applicable area cost factor. The cost estimate should also include concurrent repair to be funded

under O&M. The justification for the project must detail the findings of an economic analysis and the resulting savings-to-investment ratio. Any unusual features impacting on the cost of the project must be clearly cited. Additionally, note the total Construction Improvements and non-routine maintenance for the unit or set of units over the past five years.

d. Restriction on the Amount Invested in Improving Foreign Source Housing Units. The three-year limitation on overseas units is $35,000. If the Services intend to program improvements to specific units which exceed $35,000 over a period of three years, total funding should be requested in one year. The justification for each unit should identify all improvements and major maintenance work done in the past three years, and all improvements and major maintenance planned in the following three years.

7. Rental Guarantee Housing. For each rental guarantee housing project, both foreign and domestic, provide a listing showing: (1) location, (2) number of units (by intended occupants (senior officer, junior officer, enlisted), (3) term of contract, (4) FY and month of contract renewal, and (5) maximum termination costs.

8. Advance Planning and Design. All requirements for Advance Planning and Design should be submitted in the format prescribed for military construction in Volume 2B, Chapter 6, section 060301.

9. O&M Summary

a. Narrative Summary. Provide a general summary of the entire O&M program being requested, excluding leasing, housing privatization support, debt, and servicemen's mortgage insurance premium, which are to be addressed elsewhere in the budget submission. The summary should include, as a minimum, a succinct narrative highlighting the significant features of the request and a comparison of the prior year program with the budget request, particularly the reasons for any significant upward or downward shifts in funding levels.

b. Inventory and Funding Summary

(1) Provide the data called for in Exhibit FH-2, Family Housing O&M Summary. Include for each fiscal year, as a subset of "Average Inventory for Year," the total number of units that are classified as historic (units that DoD must manage in accordance with the National Historic Preservation Act of 1966). Display the historic figures in parenthesis immediately below the Average Inventory line.

(2) Provide the total civilian personnel compensation for all U.S. Direct Hires, Foreign National Direct Hires and Foreign National Indirect Hires. This information should be provided for the prior year, current year and budget years in the format of Exhibit OP-8, Civilian Personnel Costs, shown in Volume 2A, Chapter 3, section 030402. This exhibit is only required for inclusion in the OMB and OSD review, but should be provided separately for the President's Budget submission.

10. Operations. The sub-accounts of Operations are Management, Services, Furnishings and Miscellaneous. For each of these provide:

a. Summary. Provide a short narrative describing what the funds will be used for, how the budget was developed, major assumptions made, and highlighting the most significant features of the request. The summary should also explain the effect that the housing privatization program has on the budget estimates for each of the O&M accounts and subaccounts. For the Furnishings program only, provide additional information in the format of Exhibit FH-3, "Furnishings Summary".

b. Reconciliation of Increases and Decreases. A reconciliation of increases and decreases, at the worldwide level, between the amounts requested in the President's Budget for the current year and budget years. The format of this reconciliation is to be identical to the Exhibit OP-5 shown in section 0605, below. For each program increase or decrease, quantitative and qualitative information relative to the proposed change must be provided. Increases and decreases should be supported by specific reasons why these adjustments in the program are necessary, particularly changes in the number of family housing units being supported, changes in the FH-2 and FH-3 exhibits, etc.

11. Utilities. For the Utilities program, separate from Operations, provide the following:

a. Provide a short narrative describing what the funds will be used for, how the budget was developed, major assumptions made, and highlighting the most significant features of the request. The summary should also explain the effect that the housing privatization program has on the budget estimates for the account. This section must address energy consumption reductions accomplished and progress made towards meeting Congressional and Defense energy conservation goals.

b. Include a table that breaks out, for each FY reflected in the budget submission, kilowatt hour of electricity, tons of coal, cubic feet of gas, barrels of oil, and other forms of energy that support the utilities budget request.

c. Reconciliation of Increases and Decreases. A reconciliation of increases and decreases, at the worldwide level, between the amounts requested in the President's Budget for the current year and budget years. The format of this reconciliation is to be identical to the Exhibit OP-5 shown in Section 0605, below. For each program increase or decrease, quantitative and qualitative information relative to the proposed change must be provided. Increases and decreases should be supported by specific reasons why these adjustments in the program are necessary, particularly changes in the number of family housing units being supported, changes in the FH-2 exhibit, etc.

12. Maintenance

a. Provide a short narrative describing what the funds will be used for, how the budget was developed, major assumptions made, and highlighting the most significant features of the request. The summary should also explain the effect that the housing privatization program has on the budget estimates for the account.

b. Reconciliation of Increases and Decreases. A reconciliation of increases and decreases, at the worldwide level, between the amounts requested in the President's Budget for the current year and budget years. The format of this reconciliation is to be identical to the Exhibit OP-5 shown in Section 0605 of this manual. For each program increase or decrease, quantitative and qualitative information relative to the proposed change must be provided. Increases and decreases should be supported by specific reasons why these adjustments in the program are necessary, particularly changes in the number of family housing units being supported, changes in the FH-2 exhibit, etc.

c. Provide a summary on the backlog of deferred maintenance. Describe the plans for reducing the backlog to a manageable level. Provide an analysis of types of projects, type and accuracy of reporting and special efforts to reduce the backlog. Provide a table covering the Future Years Defense Program (FYDP) including: (1) backlog at beginning of year, (2) recurring maintenance arising during the year, (3) maintenance funds approved or planned, (4) backlog at end of year, and (5) backlog reduction (-) or growth (+) during the FY.

13. Maintenance and Repair Cost Over $20,000 Per Unit

a. Using DD Forms 1391 and 1391C, provide data on maintenance and repair projects for which the per-unit cost exceeds $20,000. As a minimum, the 1391C should provide, for each project: (1) location, (2) number of units, (3) age of units, (4) per unit cost, (5) total square footage of unit and square footage of project, (6) total cost, and (7) short narrative description and justification of the work, including results of economic analysis and savings-to-investment ratio. Projects should be listed alphabetically by state and country, as displayed for the Post Acquisition Construction projects.

b. Projects which appear as concurrent maintenance and repair on the 1391's for Post-Acquisition Construction (see Section 060302 B.7 above) will be shown here if they exceed the $20,000 per unit threshold, with a notation stating that the project is also shown in the post acquisition construction section.

* 14. GFOQ Maintenance and Repair Cost Over $35,000 Per Unit

a. Provide a narrative summary, detailing efforts to control and reduce expenditures for the "high-cost" GFOQ units.

b. Provide a listing of all GFOQ for which total maintenance and repair cost per unit exceeds $35,000 for the Budget Year. Listing should include, for each unit: (1) state/country/location, (2) quarters identification, (3) size of unit, (4) age of unit, (5) total operations cost, (6) total utilities cost, (7) total maintenance and repair cost, (8) total O&M cost, and (9) a short narrative description and justification of the work, including results of economic analysis and savings-to-investment ratio. In addition, identify any Construction Improvements project and funding requested for any GFOQ in the listing.

c. This listing will include all GFOQ projects for which total maintenance and repair cost exceeds $35,000, including those listed in other sections of the submission.

d. Provide a similar listing for the Prior Year and Current Year units with M&R over $35,000 and which were not included in the previous budget request.

e. To satisfy Congressional reporting requirements, provide:

(1) A report identifying each family housing unit used, or intended for use, as a quarters for a general officer or flag officer for which the total operations, utilities, leasing, maintenance, and repair costs are anticipated to exceed $35,000 in the next fiscal year. For each family housing unit so identified specify the total of such anticipated operation, utilities, leasing, maintenance, and repair costs for the unit. This shall be reported in the format of Exhibit FH-5 General and Flag Officers Quarters (Anticipated expenditures for O&M exceeding $35,000).

(2) A report specifying for each family housing unit used as quarters for a general officer or flag officer at any time during the most recently completed fiscal year, the total expenditures for O&M, utilities, leasing, maintenance, and repair costs of the unit during that fiscal year. This shall be reported in the format of Exhibit FH-9 GFOQ (O&M Expenditures for FY 2XXX). This report should also be provided to the Military Personnel and Construction Directorate in electronic excel format, no later than December 1.

(3) A report identifying each family housing unit used or intended for use, as a quarters for a general officer or flag officer which is in excess of 6,000 square feet (SF). For each unit over 6,000SF specify any alternative and more efficient use to which the unit could be converted (including cost of conversion) and an explanation as to why the unit is not being converted to the alternative use. For each unit identified whose annual O&M costs are greater than $35,000 or if new construction costs are anticipated to exceed $100,000 in the next FY, specify any alternative use (including cost of conversion) and an estimate of the costs to demolish and rebuild the unit to private sector standards. This shall be reported in the format of Exhibit FH-10, GFOQ 6,000NSF Units for FY 2XXX.

(4) As amended by section 2805 of the FY 2009 National Defense Authorization Act (NDAA), 10 USC 2884 requires annual reporting of privatized GFOQ units and the total operation, maintenance, and repair costs incurred by private sector developer/partners that exceed $50,000 per housing unit. Therefore, the Components are required to complete the Exhibit FH-12, Privatized GFOQ Operation, Maintenance and Repair Costs Incurred by Private Sector Developer/Partner/Owner Exceeding $50K per Housing Unit, annually.

15. Reimbursable Program. Provide a detailed justification for the Reimbursable Authority requested. Include information on what precisely is funded through the reimbursable program and details on the sources of receipts for the prior year, current year and budget year.

16. Leasing

a. Provide a short narrative describing what the funds will be used for, how the budget was developed, major assumptions made, and highlighting the most significant features of the request. The summary should also explain the effect that the housing

privatization program has on the budget estimates for the account. The summary shall include a table reflecting the authorized number of leases, average number of leases supported and costs for each of the PY, CY and BY, for Domestic Leasing, Section 801 and Section 802 leases, and foreign leasing.

b. For both domestic and foreign leases, provide a summary justification statement. Also provide data on the leasing program in the format of Exhibit FH-4, "Analysis of Leased Units." Information should be provided at the installation or community level, whichever is most applicable. For each new project requested, include a full justification and description, in the same format as for a New Construction project (see Section 060302 B.6 above).

c. Reconciliation of Increases and Decreases. A reconciliation of increases and decreases, at the worldwide level, between the amounts requested in the President's Budget for the current year and budget years. The format of this reconciliation is to be identical to the Exhibit OP-5 shown in Section 0605, below. For each program increase or decrease, quantitative and qualitative information relative to the proposed change should be provided. Increases and decreases should be supported by specific reasons why these adjustments in the program are necessary, particularly changes in the number of family housing units being supported.

d. For each new Public Law 98-115, section 801 lease project requested, include a full justification and description, in the same format as for a New Construction project (see Section 060302 B.6 above) , including the results of the economic analysis.

e. Under Section Title 10 United States Code (U.S.C.), section 2828, the Components are allowed not more than 10,000 domestic (United States, Puerto Rico, or Guam) leased family housing units. The cost of domestic leases may not exceed $12,000 (including the cost of utilities, maintenance, and operation) per unit per year.

(1) Section 2828 permits an exception for 500 of these domestic leased units that may exceed $12,000 per unit per year but can not exceed $14,000 per unit per year as adjusted from time to time. At the beginning of each fiscal year, the Secretary concerned shall adjust the maximum lease amount for domestic leases for the previous fiscal year by the percentage (if any) by which the national average monthly cost of housing (as calculated for purposes of determining rates of Basic Allowance for Housing under section 403 of title 37) for the preceding fiscal year exceeds the national average monthly cost of housing (as so calculated) for the fiscal year before such preceding fiscal year.

(2) The Army has authority to lease eight units in Miami, Florida for key and essential personnel, as designated by the Secretary, for the United States Southern Command. Total lease cost for all eight units may not exceed $280,000 per year as adjusted from time to time. The terms of any lease under this paragraph may not exceed 5 years. At the beginning of each FY the Secretary of the Army shall adjust the maximum aggregate amount for these leases for the previous FY by the percentage (if any) by which the annual average cost of housing for the Miami Military Housing Area (as calculated for purposes of determining Basic Allowance for Housing under Section 403 of Title 37) for the preceding FY

exceeds the annual average cost of housing for the Miami Military Housing Area (as so calculated) for the FY before such preceding FY. Additionally, not more than 600 domestic housing units may be leased by the Secretary of the Army for which the expenditure for the rental of such units does not exceed $35,000 per unit per year, as adjusted from time to time.

f. Also under Title 10 United States Code (U.S.C.), section 2828, the Components are allowed not more than 55,775 foreign leased units. Foreign leases may not exceed $20,000 per unit per year (including the cost of utilities, maintenance, and operation). Section 2828 permits exceptions for 450 leased units that may exceed $20,000 but that can not exceed $25,000 per unit per year and for 350 leases that may exceed $25,000 per unit per year.

(1) In addition to the 450 units:

(a) The Secretaries of the military departments may lease not more than 3,300 units of family housing in Italy that may not exceed $25,000 per unit per year.

(b) The Army may lease not more than 1,175 units in Korea that may exceed $25,000. Also, the Army may lease not more than 2,800 units of family housing in Korea subject to a maximum lease amount of $35,000.

(2) The maximum lease amounts for the previous FY will be adjusted at the beginning of each FY, by the percentage (if any) by which the Consumer Price Index (CPI) for all Urban Consumers, published by the Bureau of Labor Statistics, during the preceding FY exceeds such CPI for the FY before such preceding FY and for foreign currency fluctuations from October 1, 1987. To determine the impact of foreign currency fluctuation on the rental rate, these high cost "cap" rental rates must be computed for each foreign country, each year to adjust for the impact of foreign currency fluctuation. After the caps of $20,000, $25,000 and $35,000 U.S. dollars are adjusted by country, the adjusted rates becomes the new cap for determining whether a lease must be counted against the exception limits for a given budget year. Then, if a rental exceeds the adjusted maximum costs, it counts against the high cost ceiling limitations of 450 and 350, units, respectively, DoD-wide. For each country the formula that is to be applied is: $20,000 adjusted for CPI changes or $25,000 adjusted for CPI changes or $35,000 adjusted for CPI changes * [FY 1988 exchange rate / current budget exchange rate] = new cap limit.

(a) Where the "FY 1988 exchange rate" is the exchange rate that was published by the USD (Comptroller) for use in preparing the FY 1988 budget estimates, stated in units of foreign currency for one (1) U.S. dollar:

Country	Monetary Unit	FY 1988 Exchange Rate
Belgium	Franc	42.77
Canada	Dollar	1.39
Denmark	Krone	7.75
Germany	Mark	2.06
France	Franc	6.72
Greece	Drachma	139.90
Italy	Lira	1,423.00
Japan	Yen	163.10

Netherlands	Guilder	2.33
Norway	Krone	7.52
Portugal	Escudo	150.50
Spain	Peseta	137.60
Turkey	Lira	743.50
UK	Pound	0.70

For countries not listed, use the October 1, 1987 exchange rate.

(b) Where the "current budget exchange rate" is the rate published by the USD (Comptroller) for use in preparing the fiscal year budget estimates for which the lease funds are being requested, stated in units of foreign currency for one (1) U.S. dollar.

(c) The new cap limit is the maximum amount in dollars that a lease may cost per unit per annum for each nation, before that unit must count against the worldwide 350 and 450 unit limits on exceptions for high cost leases for the fiscal year for which the budget resources are being requested.

(d) Provide a summary table showing application of the above formula for each nation where high cost leases exist or are proposed, and the total number of such leases.

17. Mortgage Insurance Premium (also known as Servicemen's Mortgage Insurance Premium).

a. Provide a brief justification statement describing the requested program.

b. Provide a table identifying separately the total of the principal payments, and interest charges, and the totals for the Servicemen's Mortgage Insurance Premium program for the prior, current, and budget years.

c. For the Servicemen's Mortgage Insurance Premium program provide a listing for each fiscal year, showing: the number of terminations, the number of mortgages on which payments are to be made, the average payment per mortgage, and the estimated payments for the year. This table should start with the prior year, and end with BY+1.

18. Foreign Currency Exchange Data. All Family Housing O&M appropriations that participate in the Foreign Currency Fluctuations, Construction, Defense appropriation are required to prepare and submit a PB-18 Exhibit using the approved foreign currency exchange rates. The format for the PB-18 Exhibit is in Volume 2B, Chapter 19, section 191204.

19. Each Component will also submit a Major Initiatives exhibit which must include a general description of each of its major initiatives for the budget year and what the Component plans to accomplish in the budget year to support that initiative. Be specific,

including the impact on force structure. This exhibit will be prepared in accordance with the format contained in Section 060502.

20. Housing Privatization Support. The Components shall add a separate tab and section called "Housing Privatization Support" (after the Leasing section) in the family housing justification book, and include, as a minimum, the following information in the new section:

a. A narrative summary of the Component's overall family housing privatization efforts and accomplishments/progress to date.

b. A summary list of privatization projects and associated funding requested in the Construction portion of the program and budget submission. (DD Form 1391 for New Construction and Construction Improvement projects should indicate which projects are intended as a source of funding for privatization initiatives.)

* c. Detailed of Awarded Privatization Projects (FH-13). This new exhibit formalizes previously provided information in the President's Budget and shall be prepared to include a list of all awarded projects, including: award date; types of financing (direct loan, loan guarantee, investment, differential lease payments, etc); scored amounts for each type of financing used in the deal; term of the deal in years; status of IDP; and total number of end-state units in the privatized project (breakout total units conveyed, renovated, replaced, and/or new/added units).

* d. Family Housing Privatization (FH-6). This exhibit shall be prepared for the President's Budget to include the all privatization projects (past, current and future); type of investment or financing; funding sources for financing and investments by appropriation, fiscal year and project (include project number); number of units conveyed; number of end-state number of units, etc. For grouped projects, the first line should be the grouped project name with lines below for each installation and state in the grouped project. This exhibit shall reflect the actual or current project scoring information.

e. Housing Privatization Comparison (FH-6-BES). This new exhibit shall be prepared for the Budget Review, and shall will not be included as part of the President's Budget. For the President's Budget, use the FH-6 Exhibit (mentioned above). This exhibit compares the OSD/OMB approved project scoring with the actual/current project scoring. Information provided should be consistent or similar with data to be submitted for the Military Housing Privatization Initiative (MHPI) Program Evaluation Plan Executive Report to Congress for September, which also incorporates a similar comparison.

f. Reconciliation of Increases and Decreases (OP-5). This exhibit shall be prepared for the Housing Privatization Support (as defined previously in 060202.B.1) budget and must include detailed explanation/justification for the request, and explanation for all increases and decreases from prior budget request.
See section 060306 below.

060303. Homeowners' Assistance Fund, Defense

A. Purpose

1. This Section provides guidance for the preparation and submission of Homeowners' Assistance Fund, Defense budget estimates under the Department of the Army allocation account.

2. Budget estimates will be submitted only by the Department of the Army, which has been assigned the overall responsibility for the administration and management of the Department of Defense Homeowners' Assistance program by DoD Directive 4165.50 "Homeowners Assistance Program (HAP)."

3. Each Component is responsible for including sufficient resources in its budget to fund HAP costs related to the Component's actions associated with base closures, realignments, and force reductions. The level of resources required to fund HAP costs shall be developed in consultation with the Army, as the HAP executive agent. Budget estimates for HAP costs shall be separately identified and submitted in the Component' Base Realignment and Closure (BRAC) submissions for HAP costs associated with realignments and closures and in the O&M submission for non-BRAC related HAP costs.

B. Submission Requirements

1. The following exhibits, provided in Section 0605, below will be submitted:

HA-1	Workload and Obligation Data
HA-2	Status of Accounts
HA-3	Work Unit Data
HA-4	Program and Financing

In addition, the Army will input Homeowners' Assistance Fund estimates for the C-1 Construction Annex input prescribed in Volume 2A, Chapter 1, section 010504.

2. Required copies of the above material are identified in Volume 2A, Chapter 1, section 010302 of this Regulation.

3. For the biennial budget, separate sections or volumes will be provided for BY1 and BY2. For the BY2 section, BY1 will be considered as the prior year and BY2 as the budget year.

C. Preparation of Material. All material will be provided on 8-1/2 inch by 11 inch size paper, and bound on the long side. All narrative data will be typed across the short dimension of the paper, while Exhibits HA-1, 2, 3 and 4 will be typed across the long dimension.

060304. NATO Security Investment Program

A. Purpose

1. This section provides guidance for preparation and submission of the NATO Security Investment Program budget estimates.

2. Budget estimates will be submitted by the OUSD (AT&L) since that office has been assigned the overall responsibility for the oversight and management of the NATO Security Investment Program by DoDD 2010.5, "DoD Participation in the NATO Infrastructure Program."

B. Submission Requirements. Submit a detailed exhibit, NATO Security Investment Program-1 (NSIP-1), listing requirements at the project level for both construction and procurement requirements. The listing should be sufficiently detailed to identify discrete projects and initiatives. Aggregations at the capability package level i.e., Defense of the Mediterranean, are not sufficiently detailed and should be broken down further to show the individual projects/initiatives comprising the capability packages. A narrative explanation and description of each of the requirements for the current and budget years should be provided. The NSIP-1 exhibit is provided in section 060505, below for the NATO Security Investment Program to identify the following information: Location, Installation, Project Title, Description of Project, Budget Scheme (how many NATO Nations participating in the funding of the project), Project Cost, U.S. Cost Share, Other Nations Cost Share. This will be provided for both the current year and budget year.

Submit a detailed exhibit, NSIP-2, listing each NSIP major construction project that are eligible for recoupment (reimbursement by other member countries for eligible costs). The NSIP-2 exhibit is provided in section 060505, below for the NATO Security Investment Program to identify the following information: Component, Appropriation, FY, Location, Installation, Project Title, Slice/Serial (if known), Recoupment Budget Estimate, and Rate of Conversion.

C. Preparation of Material. All material will be provided on 8-1/2 inch by 11 inch size paper, and bound on the long side. All narrative data will be typed across the short dimension of the paper.

060305. NATO Security Investment Program Expansion Costs

Expansion Costs. Submit a list of all requirements, construction and procurement, associated with NATO expansion. The listing should be sufficiently detailed to identify discrete projects and initiatives. Aggregations at the capability package level i.e., Defense of the Southern Region, are not sufficiently detailed and should be broken down further to show the individual projects/initiatives comprising the capability packages. The NSIP-1 exhibit is provided in section 060505, below for the NATO Security Investment Program to identify the following information of projects associated with NATO Expansion: Location, Installation, Project Title, Description of Project, Budget Scheme (how many NATO Nations participating in the funding of the project), Total Project Cost, U.S. Cost Share, Other Nations Cost Share. This will be provided for both the current year and budget year. A narrative explanation and description of each of the requirements

for the budget years should be provided. The budget estimate for NATO Expansion Costs should be identified in BA 02 as presented in Volume 2A, Chapter 1.

060306. Family Housing Improvement Fund (FHIF) Program

A. Purpose

This section prescribes instructions for the preparation and submission of budget estimates for the DoD Family Housing Improvement Fund (FHIF) and related requirements, to include Military Housing Privatization Initiative (MHPI) administrative program expenses for accounting and financial reporting services.

B. Submission Requirements

* 1. The Facilities Energy and Privatization (FE&P) Directorate of the Office of the Deputy Under Secretary of Defense (ODUSD) (Installation and Environment (I&E)), shall submit to the OUSD (Comptroller), Military Personnel and Construction (MPC) Directorate a memorandum which includes a narrative overview of the Military Housing Privatization Initiative (MHPI), current status of the MHPI, and future plans for the program. In addition, the FE&P memorandum shall include funds required for the budget year for administration and oversight of the MHPI program, including for accounting and financial reporting services from DFAS, and detailed justification for these funds. The new FHIF Admin Requirements Exhibit (FH-14) shall also be completed and provided electronically to OUSD (Comptroller) MPC, Family Housing.

* 060307. MHPI Investments and Credit Financing

A. The Federal Credit Reform Act of 1990 and OMB Circular A-11 require credit financing and investment information for privatization projects to be reflected in the President's budget. Credit financing information required for the President's budget is explained in OMB Circular A-11, Part 5, Section 85 (Federal Credit). On an annual basis, OMB sends out Budget Data Requests (BDR) for Credit Reestimates, MAX Schedule updates, and Credit Supplemental Reporting information for the President's Budget (for Prior Year (PY), Current Year (CY), and Budget Year (BY)).

B. OUSD (Comptroller) MPC directorate is leading a business process improvement effort focusing on current MHPI and credit related processes, which could result in future changes to the DoDFMR.

C. Credit Reestimates. Reestimates are performed throughout the life of each cohort of direct loans or loan guarantees to account for differences between the original assumptions of cash flow and the actual cash flow or revised assumptions about future cash flow. There are two types of Reestimates, Interest Rate Reestimates and Technical Reestimates.

1. Interest Rate Reestimates (IRR) adjust for the effect on the subsidy of differences between the actual interest rate and the discount rates assumed when the estimates were made for budget formulation and obligation. IRR are performed once, in the fiscal year

following the fiscal year in which the direct or guaranteed loan was "*originally*" estimated to be at least 90 percent disbursed.

2. Technical Reestimates adjust for revised assumptions about loan performance, such as differences between assumed and actual default rates or new projections of repayments; and are performed annually for outstanding direct and guaranteed loans.

3. Reestimates are used for yearend financial reporting and for the President's Budget.

4. In July, OUSD(C) MPC Directorate will send out the Reestimate Data Call and forward the associated direct loan and loan guarantee cash flow files and reestimate timeline to the Services for review and completion by mid-August, and coordination with DFAS. The FH-15 Reestimate Cash Flow Status questionnaire format has been incorporated into the DoDFMR. All files and completed questionnaire should be forwarded, electronically, to Evelyn Roll, OUSD (Comptroller) MPC Family Housing Budget Analyst by the August deadline.

a. The Services are required to prepare cash flow files for new direct loans and loan guarantees, as needed; review all risk factors; substitute reamortization schedules in the files for existing loans after coordination with DFAS, as needed; and complete the Reestimate Questionnaire on the status of the cash flows.

b. DFAS is required to enter transactions with Treasury into the new and existing cash flow files and coordinate any reamortization schedules with the Services, before substitution into the cash flow files.

D. Federal Credit Budget (OMB MAX Schedules). For all privatization projects that have been awarded and those planned for award in the President's Budget, the Components shall provide the relevant investment and credit financing data required for the preparation of credit financing schedules.

In October, OUSD (Comptroller) MPC Directorate will forward the annual Federal Credit Budget Data Call and template to the Services for review and completion by early November. This data will be used to update the MAX schedules for the FHIF Program, FHIF Financing for Direct Loan, and FHIF Financing for Loan Guarantee accounts.

a. A separate list by Component and FY will include, the installation name, state, type of financing, total number of end-state units in the privatized project (breakout total units conveyed, renovated, replaced, and/or new/added units, total scored amount for each type of financing, and source of funds. The source of funds will be broken out by FY of funds, account (new construction or construction improvements, etc.), project name and amount.

b. Cash flows for future new direct or guaranteed loans will also be required. The completed template and cash flows should be provided, electronically, to OUSD(C) MPC Family Housing by the November deadline.

E. Credit Supplemental Reporting (CSR). In October, OUSD (Comptroller) MPC Directorate will forward the annual Credit Supplemental Reporting Data Call and template to the Services for completion by early November.

1. Additional project information, such as, subsidy percentage, financing, defaults, average contractual loan maturity (in years), average contractual loan interest rate, maximum grace period (in years) and other data is required to update the CSR for the President's Budget.

2. The completed template shall be provided, electronically, to OUSD (Comptroller) MPC Family Housing by the November deadline.

060308. Unaccompanied Housing

A. Purpose

1. This section prescribes instructions for the preparation and submission of budget exhibits related to Unaccompanied Housing (UH). These exhibits are to be included in the unaccompanied housing section of the Military Construction Budget Estimates for OSD and OMB. They are not required to be included in the President's Budget justification books for Congress, but will still need to be updated and provided to OUSD (Comptroller), Directorate for Military Personnel and Construction, separately.

2. Similar to Family Housing, the ultimate goal is to have UH at 90% Q1/Q2 adequacy for U.S. and Foreign. As such, UH exhibits have been developed to support the two UH performance goal and targets, one for U.S. and the other for Foreign.

B. Submission Requirements

1. The UH-1a/1b Exhibits – "Inventory and Condition of Government-owned Unaccompanied Housing (UH)." These budget exhibits are based on facility condition (Q-Ratings). Additional information on Q-Ratings is available in OSD AT&L memorandum of September 5, 2007, "Facility Quality Rating Guidance"; and the GSA Guidance for Real Property Inventory Reporting. All Government-owned UH inventory should be reflected in this exhibit, including transitional UH.

a. UH-1a Exhibit - "Inventory and Condition of Permanent Party, Government-owned Unaccompanied Housing (UH) ". The two DoD Performance Goals are to have 90% of Government-owned, Permanent Party UH bedrooms: 1) in the United States (CONUS plus Hawaii and Alaska) at Q1-Q2 adequate levels by FY 2017, and 2) for the foreign locations (includes U.S. Territories) at Q1-Q2 adequate levels by the end of FY 2017. Inventory counts and Q-Ratings should be consistent with the SNaP and Real Property Inventory databases. This includes Facilities Analysis Categories, 7210 – Enlisted UH, and 7240 – Officer UH.

b. UH-1b Exhibit – "Inventory and Condition of raining/Mobilization, Government-owned Unaccompanied Housing (UH)." At this time, there are no DoD Performance Goals associated with Training and Mobilization UH. This includes

Facilities Analysis Categories, 7213 – Student UH, 7214 – Annual Training/Mobilization UH, and 7218 – Recruit/Trainee UH.

2. UH-2 Exhibit – "Configuration and Privacy of Permanent Party Unaccompanied Housing (UH)." This budget exhibit was created to capture the Services' configuration standard design, their range of various configurations in use, the privacy of assigned members (number of personnel who are sharing a bedroom or living on ship), and the Services' plans for improvement in these areas. At this time, there are no DoD Performance Goals associated with configuration and privacy. However, the Services are requested to provide their own specific configuration and privacy standards and goals, and implementation plans, including timelines.

3. UH-3 Exhibit – "Summary of Military Construction Unaccompanied Housing Projects". This UH project list should match information already provided in Program/Budget submissions and related DD Form 1391s (Military Construction Project Detail).

0604 CONGRESSIONAL JUSTIFICATION/PRESENTATION

060401. Purpose

This Section presents the justification book organization and the exhibit requirement for submission to Congress. Examples of budget exhibits can be found in Section 0605, below.

060402. Organization of Justification Book

A. Justification material will be entitled:

Supporting Data for Fiscal Year
20BY Budget Estimates
Descriptive Summaries

B. The budget justification book will be divided into sections, organized as shown on the following pages.

1. Organization:

2. Table of Contents and Summary Data

3. The summary data will include a state list of all major, minor and family housing construction projects.

Section 1 Special Program Considerations

This section will include the following topics with a short narrative or summary table, and other special interest items as applicable.

Facilities Funded Through Other Than Military Construction
Pollution Abatement Program
Energy Conservation Program
Drug Interdiction Program

Section 2 Budget Appendix Extract
Legislative Language

Section 3 Installation and Project Justification Data
DD Forms 1390 and 1391

Section 4 Architectural and Engineering Services and Construction Design

Section 5 Unspecified Minor Construction

Section 6 Defense Access Roads

Section 7 Family Housing

Section 8 Homeowners' Assistance (Army Only)

Section 9 Long-Term Facilities Contracts

Section 10 Working Capital Fund Capital Construction

C. The volume will be organized by state/country and location. Projects should be shown in precisely the same order as they appear in the State List portion of the Construction Annex (C-1).

D. All construction line items included in the funding program in support of the total obligational authority for the Military Construction appropriations in the President's Budget will be summarized on Installation and Project Justification Data, DD Forms 1390 and 1391/1391C. In addition to data provided on DD Forms 1390 and 1391, justification books submitted to the House and Senate Appropriations, the House Armed Services Committee**,** and the Senate Armed Services Committee~~s~~ in support of Military Construction Program requests will contain supplemental data prepared in the formats prescribed below on the reverse of DD Form 1391. The Guard and Reserve Forces will use a DD Form 1390S continuation page in lieu of DD Form 1390. All forms required for a project will be grouped and combined in the same book arranged in category code order within state and station.

E. Section 5 will include an exhibit entitled "Long-Term Facilities Contracts", separately listing projects proposed under ***Title 10 United States (U. S. C.), Sections 2809*** and ***2812*** authorities, arranged in the same order as they would appear in the State list portion of the Construction Annex (C-1). This exhibit will be followed by the DD Forms 1390 and 1391 for each new project proposed. The section will also include a special financing table reflecting both prior approved long-term facility contracts and new requests, as specified in Section 060301 B.7, above.

F. Section 060502 contains detailed instructions for preparation of DD Forms 1390 and 1391/1391C. Detailed instructions for preparation of the supplementary justification material are given in Section 060405, below. The following additional instructions apply:

1. In addition to other data requirements, components are required to indicate on the DD Form 1391C for each individual project a statement indicating whether or not an economic analysis has been utilized in evaluating the project. In those instances where an economic analysis has not been prepared, a statement is required indicating why such analysis is not applicable or pertinent.

2. Lump-sum requests for a number of construction projects at a single location or for related projects at several locations will not be considered.

3. Projects associated with intelligence or intelligence-related operations will be so identified. Block 5, Program Element, DD Form 1391, will include the annotation NIP or MIP as appropriate.

4. All DD Forms 1391 should include a name and phone number of the civil engineer at the installation responsible for the requested project. This information should be displayed in the bottom left hand corner on the last page of the 1391.

5. The budget submission should include the Restoration and Modernization (R&M) unfunded requirement at all installations for which there is a requested construction project. This information is to be provided as subsection c. in block 9 of the DD Form 1390 (Block 10 for the Guard and Reserve 1390s) under the heading, “R&M Unfunded Requirement.” In addition, for all unaccompanied housing project requests, the DD Form 1391 is to show all unaccompanied housing R&M conducted in the past 2 years (BY-2 and BY-1) and all future R&M requirements (defined as R&M funding for unaccompanied housing included in the FY DP years) for unaccompanied housing at that installation. This information should appear as the last data in the DD Form 1391 under the heading “BY-2 Unaccompanied Housing R&M Conducted," "BY-1 Unaccompanied Housing R&M Conducted," and "Future Unaccompanied Housing R&M Requirements.”

G. Justification Book Covers and Binding of Data

1. Justification materials will be provided on 8-1/2” x 11” white paper, typed across the short dimension of the paper (portrait) with 3 holes punched on the left margin and bound with Acco fasteners. Material is to be printed on both sides of the page using 1” margins. The DD Form 1390 should be printed on white paper, not on yellow paper as previously required.

2. Separate justification books will be prepared for those projects which require classified information on the DD Forms 1390 and 1391/1391C.

3. The individual Defense Agencies will submit either originals of DD Forms 1390 and 1391/1391C, or copies of a quality suitable for printing. These are to be used for preparation of consolidated justification books for submission to congress. These submissions are

not to be punched or bound. Pages are not to be numbered. Covers are not required. One complete set of each is to be delivered to the OUSD (Comptroller), Directorate for Military Personnel and Construction; and the ODUSD/Installations and Environment.

4. Each justification book (and each submission of the Defense Agencies described in paragraph 3, above) is to include an index of installations and projects by state and country, arranged alphabetically, in precisely the same order as the projects appear in the State List portion of the Construction Annex (C-1).

060403. Submission of Military Construction Justification Books

A. Review by OSD. Before the justification material can be released by the Military Departments to the Congress, it must be reviewed by USD (Comptroller) to assure that policies and decisions made by the President and Secretary of Defense are fully reflected. Justification material prepared by the individual Defense Agencies will be submitted to USD(Comptroller) as requested for preparation of consolidated justification books for submission to the Committees on Appropriations.

B. Security Clearances. Each Military Department will be responsible for the clearance of its justification books through OSD Security Review. OUSD(Comptroller) will be responsible for the clearance of the Defense Agencies justification books through OSD Security Review.

C. Number of Copies. Three advance sets of justification books will be forwarded for review to the Directorate for Military Personnel and Construction, OUSD(Comptroller), Room 3C654, Pentagon. See Volume 2A, Chapter 1 for the detailed instructions on number of copies and distribution of printed material.

D. Instructions for Preparation of Supplemental Justification Data in Support of Annual Military Construction Programs. Each data requirement shall be filled in as appropriate including negative responses to indicate that the item has been addressed.

1. Instructions for Preparation of Summary Lists. Each Military Service and Defense Agency shall prepare a State List and an Installation List. These lists shall include every project for which funds have been requested.

2. Instructions for Preparation of DD Form 1390 Supplemental Installation Data. The following data shall be provided in an appropriate place on DD Form 1390:

a. Outstanding Pollution and Safety (OSHA) Deficiencies

(1) Air Pollution. Enter cost of all air pollution abatement projects for the out years. Do not include cost of budget year projects.

(2) Water Pollution. Follow instructions for Air Pollution, a.1., above.

(3) Safety and Occupational Health Deficiencies. Follow instructions for a.1 above and use definitions cited in Section 060403 above for this data.

3. Instructions for Preparation of DD Form 1391 Supplemental (Facility) Data. The following data shall be provided for each facility in the program using the back of standard DD Form 1391.

a. Design Data (Estimates)

(1) Status

(a) Enter date design was started (i.e., date when all appropriate design contracting procedures have been completed and the designer directed to proceed with design).

(b) Enter the percent of design completed as of January 1, of the year in which the budget is submitted to the Congress (e.g., January 2, 2000, for FY 2001 projects).

(c) Enter date design expected to be 35% completed.

(d) Enter date design will be completed (i.e., date when all reviews will be completed and construction contract ready for advertising).

(e) Include the annotation "parametric estimates have been used to develop project cost" if the cost estimate is based on parametric estimates in lieu of the traditional 35% design.

(f) Enter the type of design contract (design-bid, design-bid-build, or other, if other, provide a brief description of the design contract.

(g) Indicate whether an energy study and a life-cycle analysis was performed in support of the design of the proposed facility.

(2) Basis

(a) Indicate whether or not design is based on a standard or definitive design.

(b) If answer to (a) is affirmative, indicate where design was previously used.

(3) Total Design Cost. Indicate total federal cost (all costs to be charged to planning and design accounts) as follows:

(a) Cost of the production of plans and specifications (those costs included within the 6 percent statutory cost limitations).

(b) All other costs of design.

(c) Total Cost (a + b or d + e).

(d) Amount of cost estimated to be spent on contracts.

(e) Amount of cost to be spent in-house (total cost if design is all within house; overhead and administration costs if design is contracted out, or other breakout).

(4) Construction Contract Award Date. Indicate month and year the contract is planned to be awarded to the construction firm.

(5) Construction Start Date. Indicate month and year construction is planned to start.

(6) Construction Completion Date. Indicate month and year construction is planned to be completed.

b. Equipment Associated with This Project Which Will be Provided From Other Appropriations

List only those items which support the cost shown in Block 9 of the DD Form 1391, for Equipment Provided from Other Appropriations. Enter the equipment nomenclature, procuring appropriation, fiscal year in which the equipment was appropriated or is to be requested and the cost in thousands of dollars.

c. Working Capital Fund Projects. DD Form 1391's submitted in support of Working Capital Fund Capital Budget requirements will be labeled as such in Block 4, above the project title.

E. FYDP Project Listing. Military Construction/Family Housing Outyear Project Data will be submitted via the Automated Construction Program (C-1 Annex) at the time program and budget submissions are due to OSD for review. Additional guidance on the Automated Construction Program is provided in Volume 2A, Chapter 1, section 010504. Construction data elements and record formats for the Automated Construction Database are prescribed on the Secret Internet Protocol Router Network (SIPRNET) ***home page*** of the OUSD (Comptroller). The out year project data exhibits for the Active Forces will not be included in the justification books provided to Congress. However, the justification book for each component of the National Guard and Reserve, as well as the Defense Agencies will contain a listing of all projects that are funded in the FYDP.

060404. Submission of Family Housing Justification Books

A. Family Housing Justification, Military Departments. The format for the Congressional justification books for Family Housing will be identical to that detailed in Section 060302, above for the budget estimates, with the following exceptions:

1. Submission Requirements. Family Housing Congressional justification material will be submitted with the Military Construction justification books for each military department. The Family Housing material should follow that provided for Military Construction. (See Section 060302B.2.b, above)

2. DD Form 1390, Military Construction Program. Form will be prepared in accordance with section 060502, below. One form is required for each location. Personnel data should be based on latest approved totals for the installation or area. Inventory data should include only Family Housing assets. The form should be printed on white paper, and should precede the DD Form 1391.

3. Tri-Service Family Housing Cost Model. This form is not required. (See subparagraph 060302B.5.b.(3), above).

4. Civilian Personnel Costs -- Exhibit OP-8. This form is not required. (See subparagraph 060302B.9.b.(2), above).

5. Furnishings Summary -- Exhibit FH-3. This form is not required. (See subparagraph 060302B.10.a, above)

* 6. Family Housing Privatization Comparison – Exhibit FH-6-BES. This exhibit shall not be included in the President's Budget. Instead, include the FH-6 Family Housing Privatization exhibit.

7. Submission by Department of the Army Only. Since the Department of the Army has been designated as the executive agent to execute the Homeowners' Assistance Program for the DoD, only the Department of the Army will submit justification material as described in Section 060303, above.

B. Family Housing Justification, Defense Agencies

1. Component Responsibilities. Separate justification material, in the format described in Section 060302, above and similar to that specified above for the Military Departments, will be provided by the individual Defense Agencies. The submissions will provide separate Construction, O&M, and Leasing exhibits, as appropriate, for Defense Intelligence Agency, Defense Logistics Agency, and National Security Agency.

2. Consolidation and Review by OSD. Original pages of justification material prepared by the individual Defense Agencies will be submitted to the Directorate for Military Personnel and Construction, OUSD (Comptroller) Program/Budget, Room 3C654, as requested by the call letter for the preparation of consolidated justification books for submission to the Congress. One copy of the justification material should be submitted concurrently to the ODUSD (Installations and Environment).

3. Justification Material Format. Justification material submitted by the Defense Agencies will be unbound. Covers are not required. Pages will not be numbered. All data will be provided on 8-1/2 inch by 11 inch paper, typed across the short dimension of the paper with 1 inch margins, except for the FH-2, and FH-4 exhibits, which will be typed across the long dimension.

4. Classification. All justification material will be unclassified.

060405. Submission of Justification Books for the Homeowners' Assistance Fund, Defense Appropriation

A. Organization of Justification Books. Justification data will include items detailed in Section 060303, above for the budget estimates. Material will be incorporated as the final section of the Army's military construction/family housing justification book.

B. Submission by Department of the Army Only. Since the Department of the Army has been designated as the executive agent to execute the Homeowners' Assistance Program for the Department of Defense, only the Department of the Army will submit justification data.

C. Review by OSD. Before the justification material can be released to the Congress, it must be reviewed by the USD(Comptroller) to assure that policies and decisions made by the President and Secretary of Defense are fully reflected.

D. Security Clearances. The Department of the Army will be responsible for obtaining clearance of the justification book through OSD Security Review.

E. Number of Copies. See Volume 2A, Chapter 1, section 010401 for instructions on the number of copies required and the distribution.

0605 MILITARY CONSTRUCTION/FAMILY HOUSING APPROPRIATION SUBMISSION FORMATS

060501. Purpose

The formats provided on the following pages reflect guidance presented in previous sections of the chapter. Unless modified in a submission budget call, these formats should be adhered to.

060502. Exhibits in Support of Section 060301 - Budget Estimates Submission/ Military Construction

DD 1390 Military Construction Program.....56
DD1390S/1 Guard and Reserve Military Construction 60
DD 1391/1391C Military Construction Project Data.....64
MC-1 Implementation of Major Initiatives.....73

MC-2 Guard andReserve Joint Military Construction Project 74

*060503. Exhibits in Support of Section 060302 - Budget Estimates Submission/ Family Housing

DD 1390 Military Construction Program.....56
DD1390S/1 Guard and Reserve Military Construction 60
DD 1391/1391C Military Construction Project Data..... 64
MC-1 Implementation of Major Initiatives 73
Exhibit FH-1 Tri-Service Family Housing Cost Model 75
Exhibit FH-2 Family Housing O&M 76
Exhibit FH-3 Furnishings Summary 77
Exhibit FH-4 Analysis of Leased Units 79
Exhibit FH-5 General and Flag Officer Anticipated Expenditures 80
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DD 1390 Military Construction Program

1. COMPONENT	FY 19___ MILITARY CONSTRUCTION PROGRAM	2. DATE 22 Apr 96
3. INSTALLATION AND LOCATION	4. COMMAND	5. AREA CONSTRUCTION COST INDEX

6. PERSONNEL	PERMANENT			STUDENTS			SUPPORTED			TOTAL
	OFFICER	ENLISTED	CIVILIAN	OFFICER	ENLISTED	CIVILIAN	OFFICER	ENLISTED	CIVILIAN	
a. AS OF										
b. END FY 19										

7. INVENTORY DATA ($000)

a. TOTAL ACREAGE.....

b. INVENTORY TOTAL AS OF.....

c. AUTHORIZATION NOT YET IN INVENTORY.....

d. AUTHORIZATION REQUESTED IN THIS PROGRAM.....

e. AUTHORIZATION INCLUDED IN THE FOLLOWING PROGRAM.....

f. PLANNED IN NEXT THREE PROGRAM YEARS.....

g. REMAINING DEFICIENCY.....

h. GRAND TOTAL.....

8. PROJECTS REQUESTED IN THIS PROGRAM:

CATEGORY CODE	PROJECT TITLE	SCOPE	COST ($000)	DESIGN STATUS START	DESIGN STATUS COMPLETE

9. FUTURE PROJECTS:

10. MISSION OR MAJOR FUNCTIONS:

11. OUTSTANDING POLLUTION AND SAFETY DEFICIENCIES:

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DD 1390 Military Construction Program

INSTRUCTIONS FOR PREPARATION OF DD FORM 1390, "FY_ MILITARY CONSTRUCTION PROGRAM"

The DD Form 1390 will be used by the active services to list the projects proposed for inclusion in the Military Construction Program, including requests for (10 new authorization; (2) funding of new authorization; and (3) funding of prior years' authorization. The Guard and Reserve Forces will use a DD Form 1390s instead of the DD Form 1390.

Instructions for preparation of DD Form 1390 follow:

Items 1 and 2 - Component and Date: Self explanatory. Date prepared or the date the budget justification material is due to OSD.

Item 3 - Installation and Location: Enter the official name of the installation. Enter the name of the state if within the United States or the name of the country or island chain if outside the United States. In the case of Guard and Reserve facilities, enter the city and state if the facility is not to be constructed on a military installation. Use "classified location" only when necessary to meet security classification guidelines.

Item 4 - Command: Enter the name of the host major command responsible for management control of the installation.

Item 5 - Area Construction Cost Index: Enter the construction cost index used in estimating the cost of the project(s). Consult the latest guidance published by DUSD(I).

Item 6 - Personnel Strength: Enter personnel strengths for permanent, student, and support activities. Include transient personnel where applicable.

a. As of: Enter September 30 of the year of submittal to OSD.

b. End FY 20_: Enter end of the budget year, plus 5 years.

Item 7 - Inventory Data ($000):

a. Total Acreage: Enter the number of acres owned and/or leased by the Government, under accountability of the Military Department concerned, as shown in the latest Inventory of Military Real Property.

b. Inventory Total As Of September 30 ___: Enter the date and the current real property inventory total (except land rent). These totals should include inventory amounts for family housing.

c. Authorization Not Yet In Inventory: Enter the amount of funded and unfunded authorization for the construction of facilities or acquisition of land which have not been included in the September 30 Inventory of Real Property. This amount will include only such authorization as is related to either the Military Construction Program or the Family Housing Program as the case may be.

INSTRUCTIONS FOR PREPARATION OF DD FORM 1390 (Continued)

d. Authorization Requested In This Program: Enter the total cost for construction and land acquisition being requested for authorization in the budget year.

e. Authorization Included in Following Program: Enter the total estimated cost of construction and land acquisition required for authorization for the program year following the budget year.

f. Planned in Next Three Program Years: Enter the total estimated cost of construction and land acquisition required for the three years beyond the budget year and following year programs (i.e., second, third, and fourth years beyond the budget year). This amount should agree with the data used in the preparation of the military construction or family housing estimates contained in the Future Years Defense Program.

g. Remaining Deficiency: Enter the total estimated cost of construction and land acquisition required for existing facilities deficiencies remaining beyond the three program years covered in 7.f., above.

h. Grand Total: Enter the total of items 7.b. through 7.g.

Item 8 - Projects Requested In This Program: Installation or activity projects for the budget year shall be listed individually with attendant information provided in the appropriate column. Both major and minor construction projects are to be included as shown on the sample form.

a. Column 1 - Category Code: Enter the applicable category code consistent with the category code shown in Item 6 of the DD Form 1391 for the project.

b. Column 2 - Projects Title: Enter the project title consistent with the title shown in Item 4 of the DD Form 1391.

c. Column 3 - Scope: Enter the same quantity shown in Item 9 of the DD Form 1391, "Cost Estimates," and include the unit of measure (e.g., SM, SY, LF, PR, EA, CY, etc.). Immediately following or directly beneath the metric quantity and unit of measure, parenthetically include the English quantity and measurement. In those instances where a specific quantity cannot be satisfactorily identified, enter LS for lump sum.

d. Column 4 - Cost ($000): Enter the project cost consistent with the cost shown in Item 8 of the DD Form 1391. If two or more projects are listed, enter the total in this column, and use this figure in Item 7.d., above.

e. Column 5 - Design Status: Enter the most accurate possible dates for the start and completion of design using numerals (e.g., 6/94, 11/95).

Item 9 - Future Projects:

a. Included in Following Program (FY__): List all installation projects regardless of the number and include columnar data comparable to that provided in Item 8, but leave design status blank.

(Page 3 of 4)

INSTRUCTIONS FOR PREPARATION OF DD FORM 1390 (Continued)

b. Planned Next Three Years: List projects planned for next three years in 9.b. and include columnar data comparable to that provided in Item 8, but leave design status blank. The total costs of the projects listed under Items 9.a. and 9.b. should be identical to the entries under Items 7.e. and 7.f., respectively. If additional space is required to list all projects under Items 9.a. and 9.b., a separate sheet of paper should be utilized.

c. Also include the R&M unfunded requirement in this block under the heading "R&M Unfunded Requirement."

Item 10 - Mission or Major Functions: Enter the principal types of peacetime units and/or functions assigned or scheduled for assignment to the installation that require facilities or substantially contribute to the base population. Also enter the current mission stating precisely what the activity will do and list the major functions performed. All entries should address the time period shown in Items 6.a. and 6.b.

Item 11 - Outstanding Pollution and Safety Deficiencies ($000): List all projects included in the budget request and planned for the next three years that are programmed for outstanding pollution and safety deficiencies. Use the format in Item 8.

Notes:

1. Space requirements for Items 8, 9, 10, and 11 may vary. Therefore, remaining space on the DD Form 1390 may be utilized as necessary for the specific entries and continued on a separate sheet of paper. A solid black line should be used to set Items 8, 9, 10, and 11 apart and individual item titles and subheadings should be added.

2. Projects that were authorized (but not appropriated) in prior years will be listed in the same manner as projects for which new authorization is requested. The fiscal year in which the project was authorized will be shown after the project title in Item 8.

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DD1390S/1 Guard and Reserve Military Construction

1. COMPONENT	FY 20__ GUARD AND RESERVE MILITARY CONSTRUCTION	2. DATE
3. INSTALLATION AND LOCATION		4. AREA CONSTR COST INDEX
5. FREQUENCY AND TYPE OF UTILIZATION		
6. OTHER ACTIVE/GUARD/RESERVE INSTALLATIONS WITHIN 15 MILES RADIUS		

7. PROJECTS REQUESTED IN THIS PROGRAM:

CATEGORY CODE	PROJECT TITLE	SCOPE	COST $(000)	DESIGN STATUS START	DESIGN STATUS CMPL

8. STATE RESERVE FORCES FACILITIES BOARD RECOMMENDATION

(Date)

9. LAND ACQUISITION REQUIRED _____
(Number of Acres)

10. PROJECTS PLANNED IN NEXT FOUR YEARS

CATEGORY CODE	PROJECT TITLE	SCOPE	COST $(000)

DD FORM 1390s, 1 DEC 76 Previous editions may be usedPage Page No
DD1390S/1 Guard and Reserve Military Construction Page 1 of 4

DD 1390S/2 Guard and Reserve Military Construction (Continued)

1.	FY 20__ GUARD AND RESERVE MILITARY CONSTRUCTION	2. DATE

3. INSTALLATION AND LOCATION

11. PERSONNEL STRENGTH AS OF

	PERMANENT				GUARD/RESERVE		
	TOTAL	OFFICER	ENLISTED	CIVILIAN	TOTAL	OFFICER	ENLISTED
AUTHORIZED							
ACTUAL							

12. RESERVE UNIT DATA

UNIT DESIGNATION	STRENGTH AUTHORIZED	ACTUAL

13. MAJOR EQUIPMENT AND AIRCRAFT

TYPE	AUTHORIZED	ACTUAL

14. OUTSTANDING PLLUTION AND SAFETY DEFICIENCIES

($000)

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DD1390S/2 Guard and Reserve Military Construction
Page 2 of 4

INSTRUCTIONS FOR PREPARATION OF DD FORM 1390s, "FY__ GUARD AND RESERVE FORCES MILITARY CONSTRUCTION"

The DD Form 1390 will be used by the Guard and Reserve Forces to supplement the data entered in the DD Form 1391, FY 19_ Military Construction Program.

Instructions for preparation of DD Form 1390s follow:

Item 1 - Component: Enter the specific Guard or Reserve Forces component of the active services. Recognized abbreviations such as ARNG (Army National Guard); ANG (Air National Guard); etc., are acceptable.

Item 2 - Date: Date prepared or the date to OSD.

Item 3 - Installation and Location: For facilities not located at DoD installations or commercial airfields, enter the name of the city and State in which the projects are located. For other facilities, enter the name of the DoD installation and its geographical location to the extent that it is not included in the installation name.

Item 4 - Area Construction Cost Index: Enter the construction cost index used in estimating the cost of the project(s). Consult the latest guidance published by DUSD(IA&I).

Item 5 - Frequency And Type Of Utilization: Enter the type of utilization (e.g., weekend drill, weeknight drill, unit training activities, annual active duty for training, etc.) and indicate number of days the installation is used per month/year, as appropriate.

Item 6 - Other Active/Guard/Reserve Installations Within 15 Mile Radius: List the nearest six existing Active and existing or programmed (within the next five years) Reserve component facilities and their distances, within a fifteen mile radius of the proposed construction site. If no facilities exist within the fifteen mile radius, identify the three closest installations. Indicate the year the facilities were constructed and the size of the facility.

Item 7 - Projects Requested In This Program: Installation or activity projects for the budget year shall be listed individually with attendant information provided in the appropriate column. Both major and minor construction projects are to be included.

a. Column 1 - Category Code: Enter the applicable category code consistent with the category code shown in Item 6 of the DD Form 1391.

b. Column 2 - Project Title: Enter the project title consistent with the title shown in Item 4 of the DD Form 1391.

c. Column 3 - Scope: Enter the same quantity shown in Item 9 of the DD Form 1391, Cost Estimates, and include the unit of measure (e.g., SM, SY, LF, PR, EA, CY, etc.). Immediately following or directly beneath the metric quantity and unit of measure, parenthetically include the English quantity and measurement. In those instances where a specific quantity cannot be satisfactorily identified, enter LS for lump sum.

INSTRUCTIONS FOR PREPARATION OF DD FORM 1390s,
"FY GUARD AND RESERVE FORCES MILITARY CONSTRUCTION (Continued)

d. Column 4 - Cost ($000): Enter the project cost consistent with the cost shown in Item 8 of the DD Form 1391. If two or more projects are listed, enter the total in this column. In the case of Army National Guard projects where part of the financing is from other than Federal sources, enter only the Federal share.

e. Column 5 - Design Status: Enter the most accurate possible dates for the start and completion of design using numerals (e.g., 6/94, 11/95).

Item 8 - State Guard/Reserve Forces Facilities Board Recommendations (Date): Enter the following statement "facilities identified in Item 6 have been examined by the State Reserve Forces Facilities Board for possible joint use/expansion. The Board recommendations are ." (Note: Project folders will contain justification data to support the recommendation.)

Item 9 - Land Acquisition Required (Number of Acres): Enter the acreage required for the project and the method of acquisition (e.g., fee, title, donation, lease, etc.). For all projects involving land acquisition, a site survey must be conducted in accordance with DoD Directive 1225.5 and the following statement must be entered, either in Item 9 or Item 10: "Site survey has been completed and site is suitable for constructing the proposed project at the estimated cost indicated."

Item 10 - Projects Planned In Next Four Years: Enter the Project Title and Estimated Cost for projects planned at the installation identified in Item 3 for the next four years beyond this program year. A maximum of five projects should be identified. For armory-type projects, list those facilities which are programmed for replacement within the next four years within a fifteen mile radius of the proposed project as well as the year the facilities were constructed. If none are planned, so indicate. Items shall contain columnar data comparable to that provided in Item 7 with the exception of design status which should be left blank. Also include the restoration and modernization (R&M) unfunded requirement in this block under the heading "R&M Unfunded Requirement."

Item 11 - Personnel Strength As Of _____: In the appropriate columns, enter the number of authorized and actual personnel at this facility as of six months prior to project submission.

Item 12 - Reserve Unit Data: List the designated units assigned and/or scheduled to be trained in the requested facilities. Enter the corresponding authorized and actual strengths of each unit, indicating actual strength as of the date listed in Item 11.

Item 13 - Major Equipment and Aircraft: List the vehicular and/or other large equipment and aircraft which are to be accommodated at the installation and which have a bearing on the type and/or scope of the facility requirement. When vehicle maintenance shops are being requested, the Weighted Equipment Density (WED) for the vehicles to be maintained will be included in this item.

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DD 1391/1391C Military Construction Project Data

1.COMPONENT	FY 20__ MILITARY CONSTRUCTION PROJECT DATA	2. Date

3.INSTALLATION AND LOCATION	4. PROJECT TITLE

5. PROGRAM ELEMENT	6. CATEGORY CODE	7. PROJECT NUMBER	8. PROJECT COST ($000)

9. COST ESTIMATES

ITEM	U/M	QUANTITY	Unit Cost	Cost ($000)

10. DESCRIPTION OF PROPOSED CONSTRUCTION

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DD 1391/1391C Military Construction Project Data

DD 1391/1391C Military Construction Project Data (Continued)

1.COMPONENT	FY 20__ MILITARY CONSTRUCTION PROJECT DATA		2. Date
3.INSTALLATION AND LOCATION		4. PROJECT TITLE	
5. PROGRAM ELEMENT	6. CATEGORY CODE	7. PROJECT NUMBER	8. PROJECT COST ($000)

DD FORM 1391C
1 DEC 76

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UNTIL EXHAUSTED

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INSTRUCTIONS FOR PREPARATION OF DD FORM 1391/1391C "FY __MILITARY CONSTRUCTION PROJECT DATA"

1. The DD Form 1391 will be used, as applicable, by the Active, Guard, and Reserve Forces to support each project proposed for inclusion in the Military Construction Program. This includes both new authorization projects in the program as well as urgent unforeseen projects using emergency or contingency authorization. This form will also be used to transmit supporting data for the following types of projects:

   a. Minor construction projects, 10 U.S.C. 2805.

   b. O&M type projects required to be submitted to OSD in accordance with the provisions of DoD Directives 4270.36, 1225.7 and 4165.6.

   c. Nonappropriated fund construction projects requiring OSD concurrence or approval.

   d. Family housing projects.

2. The continuation sheet (DD Form 1391c) will be used as required for explanation of the requirement for the project (item 11.) and other mandatory statements concerning flood plains and wetlands environmental impact, accessibility to the handicapped, fallout shelters, etc. However, when submitting an annual Military Construction Program, these mandatory statements may be included in the front of the program book.

3. Instructions for preparation of DD Form 1391 are outlined below:

   a. ITEMS 1 and 2 - COMPONENT AND DATE: Self-evident.

   b. ITEM 3 - INSTALLATION AND LOCATION: Enter the official name of the installation. Use code name or designations only when necessary to preclude security classification or when an official name is not available. Enter the name of the State if within the United States or the name of the country or island chain if outside the United States. In the case of Guard and Reserve Forces facilities, enter the city and State if the facility is not to be constructed on a military installation.

   c. ITEM 4 - PROJECT TITLE: Enter the title used in item 8, column 2 of the DD Form 1390, assuring that it corresponds to the category code in item 6.

      (1) Except for new construction, the type of work, such as "addition," "conversion," "alteration," or "modernization" shall be used in the title.

      (2) Where a single structure is to serve more than one purpose, the title should reflect the predominate use.

      (3) The scope of a project or number of buildings involved will not be shown in the title (i.e., and "Enlisted Quarters" project will not be shown as "Two 250 Man Enlisted Quarters.")

      (4) Avoid the inclusion of acronyms.

INSTRUCTIONS FOR PREPARATION OF DD FORM 1391/1391C (Continued)

(5) If a project requires land acquisition estimated to cost in excess of $50,000, the project title will be suffixed with "With Land Acquisition". Land to be acquired for the construction of several projects or for other purposes shall be programmed as a separate project and identified on a separate DD Form 1391.

d. ITEM 5 -PROGRAM ELEMENT: Enter the appropriate number as it relates to the "Future Years Defense Program," except when inclusion of this number would require classification of an otherwise unclassified form.

e. ITEM 6 - CATEGORY CODE: Enter the applicable category code using no less than three or more than six digits consistent with item 8, column 1 on DD Form 1390.

f. ITEM 7 -PROJECT NUMBER: Enter the number of the project assigned by the Component concerned. If no number has been assigned, indicate N/A (not applicable).

g. ITEM 8 - PROJECT COST: Enter the estimated cost in thousands of dollars (excluding design except for family housing) for which funding is being requested. The amount indicated should be identical to that shown in item 8, column 4, of the DD Form 1390 and should include the costs of the primary facilities, supporting facilities, contingencies, supervision, inspection, and overhead. Figure will be the Total Request entered in item 9. and will not include the figure entered for "Equipment Provided From Other Appropriations."

h. ITEM 9 - COST ESTIMATES: This portion of the DD Form 1391 is comprised of several elements which collectively comprise the Total Request. Each element will be identified, quantified, and costed in a series of five column entries as follows:

(1) Item: Identity of the Primary or Supporting Facility, etc. After each "Item" entry where the metric measurement (square meters) is used in the Unit of Measure column, include in parenthesis the size of the facility in the English measurement (Square Feet).

(2) U/M (unit of Measure): Each entry in the "item" column will be followed in the "U/M" column by the accepted two-character abbreviation for the unit of measure associated with the quantity of the item concerned (e.g., SM, SY, LF, KV, etc.). Where it is not feasible to show a specific unit of measure, use LS (Lump Sum).

(3) Quantity: Enter the required number of units of measure comprising the "item" entry. Where "LS" is the unit of measure, enter a dash (-).

(4) Unit Cost: Enter the appropriate unit cost for each "item" entry where a unit of measure is indicated. Where the unit of measure is "LS" enter a dash in the unit cost column.

(5) COST ($000):

(a) Enter the cost, in thousands of dollars, represented by the product of the "Quantity" and "Unit Cost" entries.

INSTRUCTIONS FOR PREPARATION OF DD FORM 1391/1391C (Continued)

(b) When a single primary facility is listed enter the cost of the facility without parentheses. If unusual features or functional areas of the primary facility are listed, the cost of each shall be enclosed with parentheses. The sum total cost of these features shall equal the figure entered for the primary facility.

(c) When more than one primary facility is listed, the cost of each facility will be entered in the cost column without parentheses.

(d) The cost entry for the item "Supporting Facilities" shall be entered without parentheses and shall be the total of the various supporting facilities listed. However, each of the individual supporting facility costs shall be enclosed by parentheses.

(e) The cost entered for items such as "Subtotal," "Contingency," "Contract Cost," "SIOH," and "Total Request" shall be entered without parentheses. However, the cost for Equipment Provided From Other Appropriations" shall be entered as a nonadd item.

(f) Projects in category Code 500 will have separately identified the equipment purchased for the Surgeons General as "Category Equipment" showing the total cost of such equipment added to the "Total Request". Labor cost for installation of "Category E" equipment should be included in the unit cost for the primary facility because it is part of the "Total Contract Cost."

(6) PRIMARY FACILITY: Enter the identity and required columnar data for the primary facility. When the primary facility consists of two or more components the cost of the primary facility will be the sum of the costs of the individual components. In addition, subordinate components will be entered under the primary facility after indenting two spaces.

(a) Normally, the cost of fixed equipment provided as part of the construction contract (e.g., cooling, heating, and electrical systems, etc.) will be included in the cost of the primary facility. However, when the primary facility includes unusual features of significant cost, such as hyperbaric vessels and standby cooling, such features should be identified under the primary facility.

(b) Land acquisition required specifically for the project and estimated to cost $50,000 or more shall be listed in the same manner as an unusual feature. Conversely, land acquisitions estimated to cost less than $50,000 are to be accomplished under 10 U.S.C. 2672 and should not be listed.

(c) For family housing new construction, the entry under primary facility will show the total number of units in the project. As subordinate components to the primary facility "Units to 5' line," "GFE," and "Land Acquisition" will be shown in parentheses in the cost column to add up to the cost of the primary facility shown. "Item 10 will be used to show the numbers and cost computations for the various types of living units which comprise the primary facility.

(d) "Lump-sum" funding requests are prohibited. The only instance for which separate construction projects can be combined under a single DD Form1391 is when each

INSTRUCTIONS FOR PREPARATION OF DD FORM 1391/1391C (Continued)

of the projects is in the same general facility category (i.e., supply facilities, maintenance and production facilities, unaccompanied housing, etc.). Programs such as "facility upgrades," "ATB Beddown Facilities," and others combining a number of disparate construction efforts must be justified as separate projects. If it is planned, in execution, to construct several of these projects at a single location under one contract, a statement to that effect should be included in the "Additional" section of Item 10.

(e) Antiterrorism Force Protection/physical security measures: the entry under primary facility will show physical security improvements (e.g. special structural improvements, ballistic glass, etc.). Where land acquisition serves a specific purpose such as stand-off distance for force protection, the acquisition shall be listed as an antiterrorism force protection subordinate component to the primary facility.

(7) SUPPORTING FACILITIES: List those items of construction directly related to and required for the support of the primary facility. Such items should include (a) special construction features (piles, spread footings, seismic, fill, etc.); (b) utilities (gas, oil, steam, electric, and water supply lines as well as sanitary and storm sewers); (c) site preparation; (d) roads, sidewalks, and parking; (e) site improvements (seeding, sodding, landscaping, etc.); (f) antiterrorism force protection/physical security measures such as physical security site improvements (e.g. fencing, perimeter/area lighting, blast mitigation barriers, berms and landscaping, etc); and (g) demolition. All supporting facility items should be listed in terms of accepted units of measure and quantity whenever practicable. For family housing, design cost will be identified under "Supporting Facilities."

(8) SUBTOTAL: Enter the sum of the costs shown for all primary and supporting facilities.

(9) CONTINGENCY: Enter the appropriate contingency rate, in parentheses, immediately following the item designation in column 1, and enter the cost equivalent in the proper column.

(10) TOTAL CONTRACT COST: Enter the sum of the "Subtotal" and the "Contingency" costs. In the case of Army National Guard, armory projects which are funded, in part, from other than Federal funds, enter the Federal costs on the first line and the State or other cost on the next line below.

(11) SUPERVISION, INSPECTION, AND OVERHEAD (SIOH): Enter the appropriate SIOH rate in column 1 after the item designation and reflect the cost equivalent in the proper column.

(12) DESIGN/BUILD: For major construction projects where the Design/Build contracting method is planned to be used, the design cost associated with the contract should be included in the Cost Estimates (Block 9) section of the DD Form 1391. The entry "Design/Build – Design Cost" will be used and should appear after the "SIOH" entry and before the "Total Request" entry with the associated cost in the proper column.

(13)TOTAL REQUEST: Enter the sum of the "Total Contract Cost" and the "SIOH". This figure should be identical to the entry in item 8, "Project Cost ($1000)". Total requestshould be rounded-off to provide a more realistic approach to the presentation

INSTRUCTIONS FOR PREPARATION OF DD FORM 1391/1391C (Continued)

of MILCON programs. The following guidance is provided for "rounding-off" a projects' total request:

Project (P) Estimate ($000)			Rounding Guidance ($000)	
	<	1,000	Nearest $	10K
1,000	to	5,000	Nearest $	50K
5,000	to	10,000	Nearest $	100K
10,000	to	15,000	Nearest $	200K
15,000	to	20,000	Nearest $	500K
	>	20,000	Nearest $	1,000K

(14) EQUIPMENT PROVIDED FROM OTHER APPROPRIATIONS: Enter the total cost of equipment which is procured with other than MILCON funds and which is essential to the mission of the facility. DD Form 1391 should reflect only the cost of equipment identified in the Associated Equipment Report. If no such major equipment is associated with the project, enter a "zero" in the appropriate space. Note that this figure is not included in the "Total Request" above. This excludes minor items procured with O&M funds, and in the case of Army National Guard, excludes equipment provided from other then Federal appropriations.

i. ITEM 10 - DESCRIPTION OF PROPOSED CONSTRUCTION:

(1) In a clear and concise manner, provide a complete outline of all principal features of the work and its correlation with the various data entered in item 9.

(2) State whether or not the proposed construction is in compliance with applicable antiterrorism force protection measures and antiterrorism force protection standards.

(3) Begin with an accurate description of the primary facility. For buildings, indicate the materials planned to be used for the frame, walls, roof, and foundations, and identify the major functions for which space is being provided. For structures other than buildings, describe each major element required to produce a complete and usable facility. Avoid the use of generalities such as "most economical means" or "modern methods and materials."

(4) Provide only such additional descriptive details as are necessary for clarity.

(5) Identify and list the buildings or structures to be demolished in connection with the proposed construction, if applicable.

(6) For single person quarters projects, indicate the grade mix of personnel, officer or enlisted, who will occupy the facilities.

(7) For projects involving additions, alterations, or conversions, describe the changes to be made.

INSTRUCTIONS FOR PREPARATION OF DD FORM 1391/1391C (Continued)

(8) At the last entry in item 10, indicate the amount of air conditioning required (e.g., air conditioning - 15 tons).

j. ITEM 11 - REQUIREMENT: This portion of the DD Form 1391 is comprised of seven elements which are to be set forth in the following format:

(1) Immediately after the item title "Requirement" indicate, in appropriate units of measure, the total facility requirement (e.g., 5,500 SM), followed by two additional entries giving the status of the existing facility (e.g., adequate: 66,134 SF; substandard: -0-).

(2) PROJECT: Provide a one-sentence statement indicating what this project provides.

(3) REQUIREMENT: Provide detailed, informative statements as to precisely why the project is needed. Use positive statements to support the requirement and avoid the use of such words as "inadequate," "uneconomical," and "necessary" unless they are fully explained. Similarly, when identifying contributing factors, assure that the presentation leaves no pertinent questions unanswered (e.g., vulnerability to terrorist threats (reference threat/vulnerability assessment); excessive maintenance (show cost comparison); self-liquidation (show amortization); or advanced deterioration (describe effects)). The requirements must establish maximum utilization of existing facilities and identify alternatives considered, along with reasons for their rejection. If the project is a result of the Integrated Global Posture and Basing study, include the phrase, "This project is associated with the global Defense posture changes".

(4) CURRENT SITUATION. Describe how and under what conditions the requirement is presently being met. Comments should support the stated requirement and include the identity and description of current assets as well as the reason they are considered unsuitable for continued use. For Guard and Reserve Forces projects which are to replace existing facilities, identify and describe the disposition to be made of them. Similarly, for Guard and Reserve Forces facilities to be constructed and/or utilized jointly with other Guard/Reserve components, include pertinent information and status of coordination or negotiations.

(5) IMPACT IF NOT PROVIDED. Describe the manner and extent to which mission accomplishment would be affected if the project were not approved.

(6) ADDITIONAL. If the project is justified on an economic basis (primary economic analysis), so state and indicate the projected payback period. As a minimum, all renovation, upgrade, and replacement projects must be supported by an economic analysis. For all other projects, state precisely why a primary economic analysis cannot be applied to the project. When providing supporting documentation for the OSD budget submission, enter appropriate statements on commercial/industrial operations in accordance with the DD

OMB Circular A-76 and as required by applicable DoD Instruction. Entry of this information on the DD 1391 or on a separate DD 1391c is optional. For all overseas projects, state whether or not the project is eligible for NATO Infrastructure or other host nation funding.

(7) JOINT USE CERTIFICATION. Include the following certification: "The (enter the title of the certifying official) certifies that this project has been considered for

joint use potential. Joint use construction is recommended." Or "The (enter the title of the certifying official) certifies that this project has been considered for joint use potential. Unilateral construction is recommended. The reasons for this recommendation are…" The Joint Use Certification is not required for family housing construction projects.

(8) For all unaccompanied housing project requests, the DD Form 1391 is to show all unaccompanied housing restoration and modernization conducted in the past 2 years (BY-2 and BY-1) and all future R&M requirements (defined as R&M funding for unaccompanied housing included in the FYPD years) for unaccompanied housing at that installation. This information should appear as the last data in the DD Form 1391 under the heading "BY-2 Unaccompanied Housing R&M Conducted," "BY-1 Unaccompanied Housing R&M Conducted," and "Future Unaccompanied Housing R&M Requirements."

NOTE: Space requirements for items 10 and 11 will vary. Therefore, remaining space on the DD Form 1391 may be used as necessary for the specific entries and continued on a DD Form 1391c as appropriate. A solid, black line should be used to set items 10 and 11 apart, and individual item titles and subheadings should be added.

DD 1391/1391C (Page 9 of 9)

MC-1 Implementation of Major Initiatives

Implementation of Major Initiatives

Appropriation: _____

Major Initiative #: _____(choose from the list below)
Major Initiative Title: _____(should correspond to the number chosen above)

General Description of Major Initiative: (Explain the overall strategic goal.)

Total Budget Year Funding Obligation Plan ($000): _____

Budget Year Implementation Plan: Explain what will be accomplished in the budget year to support the initiative. Be specific, including the impact on force structure.

- 001 - Modularity
- 002 – Global Defense Posture (Discontinued)
- 003 – New Mission
- 004 – BRAC - Global Defense Posture (Discontinued)
- 005 – BRAC – Army Modularity (Discontinued)
- 006 – BRAC
- 007 – Family Housing - Global Defense Posture
- 008 – Family Housing – Army Modularity
- 009 – Family Housing - Privatization
- 010 – Family Housing - Other
- 011 – Improve Quality of Life (e.g. Child Care Centers but excluding ousing/barracks)
- 012 – Barracks Initiative
- 013 – Replace Aging Facilities
- 014 – Growing the Force – Military Construction
- 015 – Growing the Force – Family Housing
- 016 – Other
- 017 – Planning and Design
- 018 – Minor Construction
- 019 – Nuclear Security
- 020 – Training Barracks Initiative
- 021 – Global Posture – BCTs in Europe
- 022 – Global Posture – AFRICOM Headquarters
- 023 – Global Posture – Missile Defense
- 024 – Global Posture – Other Europe
- 025 – Global Posture – Relocation of Marines from Okinawa to Guam
- 026 – Global Posture – USFK housing to Support YRP/LPP/Phase I Tour ormalization
- 027 – Global Posture – Phase II & III Tour Normalization
- 028 – Global Posture – Other Asia Pacific
- 029 – Global Posture – CENTCOM AOR
- 030 – Global Posture – AFRICOM AOR
- 031 – Global Posture – Mayport
- 032 – Global Posture – Consequence Management (Western Hemisphere)
- 033 – Global Posture – Other (be specific)
- 034 – Energy Savings Initiative
- 035 – Homeport Ashore Barracks Initiative
- 036 – Dorms for Airmen

MC-1 Implementation of Major Initiatives

Joint Military Construction Project Exhibit
[Lead Componet]
FY ___ - FY ___ Program/Budget Review
(Dollars in Thousands)

Location:
Project Title:
Lead Component:

Funding Requirement		**BY**	**BY+1**	**BY+2**	**BY+3**	**BY+4**
	Army Reserve					
	Army National Guard					
	Navy/MC Reserve					
	Air Force Reserve					
	Air National Guard					
	Total Requirement	**0**	**0**	**0**	**0**	**0**

Budgeted Amount		**BY**	**BY+1**	**BY+2**	**BY+3**	**BY+4**
	Army Reserve					
	Army National Guard					
	Navy/MC Reserve					
	Air Force Reserve					
	Air National Guard					
	Total Requirement	**0**	**0**	**0**	**0**	**0**

Instructions:

1. For each joint project, fill in the information above (each project should be identified separately).
2. In the "Funding Requirement" section, enter the amounts that each Component is expected to contribute to the joint project.
3. In the "Budgeted Amount" section, enter the amount that has been included in the FY ____ - FY ____ budget submission.
4. All dollars should be in thousands.

Exhibit FH-1 Tri-Service Family Housing Cost Model

TRI-SERVICE FAMILY HOUSING COST MODEL

Service _____ Activity and Location _____ _____ Project Number _____ Fiscal Year _____

Harsh climate location? (Y/N) Overseas? (Y/N) Replacement? (Y/N) ___ ACF

DWELLING COSTS:

Paygrade	Bedrooms	Size of House	$/GSM	# of units	Project Factor	=	Dwelling Cost (000)	Cumulative Project Cost (000)
_____	_____	(NSF/GSF/GSM)	( )	( )	( )	=	$_____	
_____	_____	(NSF/GSF/GSM)	( )	( )	( )	=	$_____	
		DWELLING TOTAL:	_____		$_____		$_____	

PROJECT FACTORS:
( ) ( ) = _
(ACF) (Proj Size Factor) = Project Factor

ADJUSTMENT TO DWELLING COSTS:

	Unit Cost	No. Units	Project Factor	= Adjustment (000)
Additional Fire Protection/Unit	( )	( )	( )	= $ _____
Renewable Energy Source Cost/Unit	( )	( )	( )	= $ _____
Other Special Construction/Unit	( )	( )	( )	= $ _____

TOTAL ADJUSTMENTS: $_____ $_____

Avg. Unit Costs: = $_____

SUPPORT COSTS:

Lot Costs	$_____
Site Improvements	$_____
Utility Mains	$_____
Streets	$_____
Landscaping	$_____
Recreation	$_____
Environmental	$_____
Demolition	$_____
Special Construction Features	$_____
Other (Specify)	$_____

TOTAL SUPPORT COSTS: $_____ $_____

SUMMARY:
( ) + ( ) + ( ) = $_____ $_____
(Dwelling Cost) + (Adjustment) + (Support Cost) = Subtotal

( ) + ( ) + ( ) + ( ) = $_____
(Subtotal) + (Contingency) + (SIOH) + (Design) = Project Cost

PROJECT SIZE:	NSF ( )	GSF ( )	GSM ( )	NSF Normalized Average Costs (ACF=1)	GSF	GSM
Adj. Dwelling Cost per Project Size:	$_____	$_____	$_____	$_____	$_____	$_____
Project Cost per Project Size:	$_____	$_____	$_____	$_____	$_____	$_____

The Unit Cost Per Gross Square Meter, Project Size Factors, and Area Cost Factors (ACF) will be provided in Unified Facilities Criteria (UFC) 3-701-03 each year

Exhibit FH-1 Tri-Service Family Housing Cost Model

Exhibit FH-2 Family Housing O&M

Family Housing, _____

Operation and Maintenance Summary

(Excludes Leased Units and Costs)

FY ____

	FY(PY)		FY(CY)		FY(BY)	
A. Inventory Data						
Units in Beginning of Year						
Units at End of Year						
Average Inventory for Year						
a. Historic Units 1/						
Units Requiring O&M Funding:						
a. Conterminous U.S.						
b. U.S. Overseas						
c. Foreign						
d. Worldwide						
	Unit Cost 2/	**Total**	**Unit Cost 2/**	**Total**	**Unit Cost 2/**	**Total**
B. Funding Requirement						
1. Operations						
a. Management						
b. Services						
c. Furnishings						
d. Miscellaneous						
Subtotal-- Direct Obligations						
Anticipated Reimbursements						
Gross Obligations--Operations						
2. Utilities - Direct Obligations						
Anticipated Reimbursements						
Gross Obligations--Utilities						
3. Maintenance						
a. M&R, Dwellings						
b. M&R, Exterior Utilities						
c. M&R, Other Real Property						
d. Alterations & Additions						
Subtotal--Direct Obligations						
Anticipated Reimbursements						
Gross Obligations--Maintenance						
Grand Total, O&M - Direct Obligations						
Grand Total, Anticipated Reimbursements						
Grand Total, O&M - Gross Obligations						

1/ Show, as a subset of "Average Inventory for Year," the total number of units classified as historic (units that DoD must manage in accordance with the National Historic Act of 1966).
2/ Based on number of units requiring O&M funding

Exhibit FH-2 Family Housing O&M

Exhibit FH-3 Furnishings Summary

Family Housing, _____
Furnishings Summary
(Dollars in Thousands)
FY _____

	Furnishings less Household Equipment					Household Equipment					Total Furnishings				
	Movg/ Hdling	Maint/ Repair	Replace ment	Initial Issue	Total	Movg/ Hdling	Maint/ Repair	Replace ment	Initial Issue	Total	Movg/ Hdling	Maint/ Repair	Replace ment	Initial Issue	Total
(PY)															
CONUS															
US O/S															
Foreign															
Public															
Private															
Total															
(CY)															
CONUS															
US O/S															
Foreign															
Public															
Private															
Total															
(BY)															
CONUS															
US O/S															
Foreign															
Public															
Private															
Total															

Exhibit FH-3 Furnishings Summary (Page 1 of 2)

INSTRUCTIONS FOR PREPARATION OF FAMILY HOUSING FURNISHINGS SUMMARY EXHIBIT FH-3

General. Furnishings to be included in Exhibit FH-3 are defined in Enclosure 6 to DoD Instruction 4165.43. For Unaccompanied Personnel Housing furnishings, see Exhibit OP-21, Chapter 232, this Manual.

Prior Year Data. For the prior year, enter estimated end year obligations.

Current and Budget Year Data. Estimates should be based on requirements determined to be in accordance with Section XI of DoD Instruction 4165.43 and applicable experience data. Provide an explanation for differences of more than $1 million or 10%, whichever is less, between the total amount shown for furnishings in the current year and the budget year.

Moving and Handling. All identifiable transportation, handling and storage costs should be included here.

Initial Issue. Certain initial issue movable equipment, such as stoves and refrigerators, is usually procured as part of a construction project with construction funds, instead of operation funds. Likewise, in some circumstances leasing funds are utilized for furnishings in leased quarters. The FH-3 should reflect all family housing resources applied to furnishings, with memo entries to indicate the amounts funded from accounts other than the Furnishings portion of Operations and Maintenance.

Exhibit FH-4 Analysis of Leased Units

Family Housing, _____
Analysis of Leased Units
FY_____

	FY(PY)			FY(CY)			FY(BY)_____		
Location	Unit Auth	Lease Months	Cost ($000)	Unit Auth	Lease Months	Cost ($000)	Unit Auth	Lease Months	Cost ($000)
Domestic Leases (list each location and month in which the annual award is exercised)									
Total Domestic Leases									
Foreign Leases (list each location and month in which the annual award is exercised)									
Total Foreign Leases									
Grand Total									

Exhibit FH-5 General and Flag Officers' Anticipated Expenditures

Department of the [1]_____
General and Flag Officers' Quarters (GFOQ)
Operations and Maintenance Expenditures Anticipated to Exceed $35,000 per Unit for Fiscal Year FYXX[2]
(Dollars in Thousands)

State/ Country[3]	Installation[4]	Quarters Address[5]	Year Built[6]	Size NSF[7]	Opns Cost[8]	Utilities Cost[9]	Maint Cost[10]	Leasing Cost[11]	Total Costs[12]
Total GFOQ Costs									

Total GFOQ # Units

Footnotes[13]:

Instruction Notes:

1 Service name.

2 Budget year.

3 State name or foreign country.

4 Installation name.

5 Specific quarters address or unit identification.

6 Calendar year in which the dwelling unit or building (in case of multiple units) was built. Identify with an asterisk (*) next to the year built those units that are on the national, state and/or local historic registry.

7 Total net square footage of the dwelling unit.

8 Total operations (BA6) anticipated for the fiscal year.

9 Total utilities (BA5) anticipated for the fiscal year.

10 Total maintenance (BA10) expenditure anticipated for the fiscal year.

11 Total Leasing (BA7) expenditure for the fiscal year, if applicable.

12 Total Family Housing Operations and Maintenance expenditures anticipated for the GFOQ unit for the fiscal year.

13 Include any non- Family Housing O&M expenditures anticipated and a short description of these expenditures in a footnote.

* Show these cost figures in thousands of dollars, carried out to no more than one decimal place.

Exhibit FH-6 Family Housing Privatization

FY 2XXX [Department Name] Housing Privatization

Privatization Date (1)	Installation/State (2)	Units Conveyed (3)	End State Units (4)	Funding				Authority (9)
				Amount ($M) (5)	Budget Year(s) (6)	Type (7)	Project (8)	
Total (10)								

Exhibit FH-6 Family Housing Privatization

Instructions:

1. Provide the award date of the project (annotate with "(E)" if not awarded).
2. Installation name and state.
3. Number of units conveyed to the developer.
4. Number of end state units.
5. Identify the amount of funds to be used for the Government's cost of the project.
6. Identify the fiscal year(s) of funding source to be used for the Government's cost of the project.
7. Identify the type of funds (e.g., new construction, post-acquisition construction, etc.) to be used for the Government's cost of the project.
8. Identify the project(s) that are used to source the Government's cost of the privatized project.
9. Indicate which authorities provided in subchapter IV of Chapter 169 in title 10 U.S.C. will be used for each project (e.g., Sec 2873, Sec 2875, etc.).
10. Total unit conveyed, end state units, and amounts.

Note: Use this format for the President's Budget.

DEPARTMENT OF _____

Exhibit FH-6-BES Family Housing Privatization Comparison

Fiscal Year 20XX
(BES Use Only)

Privatization Date[1]	Project Name and/or Installation/State[2]	Approved by OSD & OMB[3]						Actual/Current[4]						Author-ities[7]
		Units[5] Conveyed	End State Units[5]	Funding Source[6]				Units[5] Conveyed	End State Units[5]	Funding Source[6]				
				Amount ($M)	Budget Year(s)	Type	Project			Amount ($M)	Budget Year(s)	Type	Project	
	Grand Totals	-	-	-				-	-	-				

NOTES:
1 - The date real property is transferred (land and housing units) to private ownership/developer, and when service members become entitled to receive a basic allowance for housing.
2 - For grouped projects, the first line should be the grouped project name with lines below for each installation and state in the grouped project.
3 - The latest scope and funding amount approved by OSD and OMB in a scoring package, which should be consistent with the latest Transfer of Funds into the FHIF Notifications to Congress.
4 - The actual/current scope and funding, as of 30 Sep 2011, corresponding to the end state that the owner is obligated to provide, subsequent to OSD/OMB approval, based on changes due to local market conditions and operational transformations. These definitions are consistent with those in the semi-annual MHPI Program Evaluation Plan Report.
5 - Show the total conveyed and end-state units for a grouped project, and for each installation within a grouped project.
6 - Provide all funding sources.
7 - AUTHORITIES:
1 - 10 USC 2873 "Direct Loans and Loan Guarantees"
2 - 10 USC 2875 "Investments in Nongovernmental Entities"
3 - 10 USC 2877 "Differential Lease Payments"
4 - 10 USC 2878 "Conveyance or Lease of Existing Property and Facilities"

Exhibit FH-8 Inadequate Family Housing Elimination

Family Housing _____
Annual Inadequate Family Housing Elimination

	Total Inventory	Total Inadequate Inventory	Total Inadequate Addressed
Total Units at beginning of FY 200x	1/	2/	
FY 200x total traditional military construction (Milcon) projects to eliminate inadequate units	3/	3/	3/
project 1/installation	3/	3/	3/
project 2/installation	3/	3/	3/
etc.	3/	3/	3/
FY 200x total units privatized (no longer require FH O&M) to eliminate inadequate housing	3/	3/	3/
project 1/installation	3/	3/	3/
project 2/installation	3/	3/	3/
etc.	3/	3/	3/
FY 200x total units demolished/divested/ or otherwise permanently removed from family housing inventory	3/	3/	3/
project 1/installation			
project 2/installation			
etc.			
Total Units at end of FY 200x	1/	2/	
Note: The beginning total inventory and total inadequate inventory figures represent the sum total for all installations world-wide. The data listed for the individual projects/installations is a subset.			

1/ These total figures for the beginning and end of the fiscal year must cross-reference to the similar figures in Exhibit FH-2 and the FH-11 summary tables in the budget justification book.

2/ These total figures for the beginning and end of the fiscal year must cross-reference to the similar figures in Exhibit FH-11 summary table in the budget justification book.

3/ The Total Inventory data, Total Inadequate Inventory data, and Total Inadequate Addressed data should be included for each location in which the Service has a funded traditional Milcon project, will award a privatization project, or expects to demolish, divest, or otherwise permanently remove units from the family housing inventory.

Exhibit FH-8 Inadequate Family Housing Elimination

Exhibit FH-9 General and Flag Officers' Expenditures

Department of the [1]_____
General and Flag Officers' Quarters (GFOQ)
Operations and Maintenance Expenditures for Fiscal Year XXXX[2]
(Dollars in Thousands*)

State/ Country[3]	Installation[4]	Quarters Address[5]	Year Built[6]	Size NSF[7]	Opns Cost[8]	Utilities Cost[9]	Maint Cost[10]	Leasing Cost[11]	Total Costs[12]
	[13]								
	Total GFOQ Costs								

Total GFOQ # Units
#Owned Units
Leased Units
Privatized Units[13]

Footnotes[14]:

Instruction Notes:

1 Service name.

2 Budget year.

3 Name of state or foreign country.

4 Installation name.

5 Specific quarters address or unit identification.

6 Calendar year in which the GFOQ unit was built. Identify with an asterisk (*) next to the year built those units that are on the national, state and/or local historic registry.

7 Total net square footage of the dwelling unit.

8 Total operations (BA6) anticipated for the fiscal year.

9 Total Utilities (BA5) anticipated for the fiscal year.

10 Total Maintenance (BA8) expenditure anticipated for the fiscal year.

11 Total Leasing (BA7) expenditure for the fiscal year, if applicable.

12 Total Family Housing Operations and Maintenance expenditures anticipated for the GFOQ unit for the fiscal year.

13 Annotate privatized units on the list with an asterisk after the installation location.

14 Include any non- Family Housing O&M expenditures anticipated and a short description of these expenditures in a footnote.

* Show these cost figures in thousands of dollars, carried out to no more than one decimal place.

Exhibit FH-10 GFOQ 6,000 NSF Units for FY 2XXX

[Department Name]

General and Flag Officers' Quarters (GFOQ)

6,000 NSF Units for Fiscal Year 2XXX

(Dollars in Thousands)

State/Country	Installation	Quarters ID	Year Built	Size NSF	Total FH O&M Cost	Alternative Use	Cost to Convert Unit	If O&M>$35K Demolish & Rebuild Cost
California	China Lake	Unit #1	1994	6,500	$100	This house could be converted to a childcare center.	$5,000	$500
Total					**$100**		**$5,000**	**$500**

Exhibit FH-10 GFOQ 6,000 NSF Units for FY 2XXX

FH 11 Inventory and Condition Govenement-Owned, Family Housing Units United States

DEPARTMENT OF _____
FH-11 Inventory and Condition of Government-Owned, Family Housing Units
UNITED STATES (CONUS plus Hawaii and Alaska)
(Number of Dwelling Units in Inventory)
Fiscal Year 20XX

	Number of Units - U.S.						
	PY	CY	BY	BY+1	BY+2	BY+3	BY+4
Beginning of FY Adequate Inventory Total	-	-	-	-	-	-	-
Q1 - 90% to 100%							
Q2 - 80% to 89%							
Beginning of FY Inadequate Inventory Total	-	-	-	-	-	-	-
Q3 - 60% to 79%							
Q4 - 59% and below							
Beginning of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - Beginning of FY Inventory	%	%	%	%	%	%	%
Inadequate Inventory Reduced Through:	-	-	-	-	-	-	-
Construction (MilCon)							
Maintenance & Repair (O&M)							
Privatization							
Demolition/Divestiture/Diversion/Conversion							
Funded by Host Nation							
Adequate Inventory Changes:	-	-	-	-	-	-	-
Privatization							
Demolition/Divestiture/Diversion/Conversion							
End of FY Adequate Inventory Total	-	-	-	-	-	-	-
Q1 - 90% to 100%							
Q2 - 80% to 89%							
End of FY Inadequate Inventory Total	-	-	-	-	-	-	-
Q3 - 60% to 79%							
Q4 - 59% and below							
End of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - End of FY Inventory	%	%	%	%	%	%	%

NOTE:
1 - Condition Index (CI) is a general measure at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of Plant Replacement Value (PRV) minus the estimated cost of maintenance and repair requirements, divided by PRV. This provides a CI, or Q-rating (Q1 to Q4), from 0% to 100%, with 100% representing excellent condition.

FH 11 Inventory and Condition Govenement-Owned, Family Housing Units Foreign

DEPARTMENT OF _____
FH-11 Inventory and Condition of Government-Owned, Family Housing Units
FOREIGN (includes U.S. Territories)
(Number of Dwelling Units in Inventory)
Fiscal Year 20XX

	Number of Units - Foreign						
	PY	CY	BY	BY+1	BY+2	BY+3	BY+4
Beginning of FY Adequate Inventory Total	-	-	-	-	-	-	-
Q1 - 90% to 100%							
Q2 - 80% to 89%							
Beginning of FY Inadequate Inventory Total	-	-	-	-	-	-	-
Q3 - 60% to 79%							
Q4 - 59% and below							
Beginning of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - Beginning of FY Inventory	%	%	%	%	%	%	%
Inadequate Inventory Reduced Through:	-	-	-	-	-	-	-
Construction (MilCon)							
Maintenance & Repair (O&M)							
Privatization							
Demolition/Divestiture/Diversion/Conversion							
Funded by Host Nation							
Adequate Inventory Changes:	-	-	-	-	-	-	-
Privatization							
Demolition/Divestiture/Diversion/Conversion							
End of FY Adequate Inventory Total	-	-	-	-	-	-	-
Q1 - 90% to 100%							
Q2 - 80% to 89%							
End of FY Inadequate Inventory Total	-	-	-	-	-	-	-
Q3 - 60% to 79%							
Q4 - 59% and below							
End of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - End of FY Inventory	%	%	%	%	%	%	%

NOTE:
1 - Condition Index (CI) is a general measure at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of Plant Replacement Value (PRV) minus the estimated cost of maintenance and repair requirements, divided by PRV. This provides a CI, or Q-rating (Q1 to Q4), from 0% to 100%, with 100% representing excellent condition.

FH 11 Inventory and Condition Govenement-Owned, Family Housing Units Worldwide

DEPARTMENT OF _____
FH-11 Inventory and Condition[1] of Government-Owned, Family Housing Units
WORLDWIDE
(Number of Dwelling Units in Inventory)
Fiscal Year 20XX

	Number of Units - Worldwide						
	PY	CY	BY	BY+1	BY+2	BY+3	BY+4
Beginning of FY Adequate Inventory Total	-	-	-	-	-	-	-
Q1 - 90% to 100%	-	-	-	-	-	-	-
Q2 - 80% to 89%	-	-	-	-	-	-	-
Beginning of FY Inadequate Inventory Total	-	-	-	-	-	-	-
Q3 - 60% to 79%	-	-	-	-	-	-	-
Q4 - 59% and below	-	-	-	-	-	-	-
Beginning of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - Beginning of FY Inventory	%	%	%	%	%	%	%
Inadequate Inventory Reduced Through:	-	-	-	-	-	-	-
Construction (MilCon)	-	-	-	-	-	-	-
Maintenance & Repair (O&M)	-	-	-	-	-	-	-
Privatization	-	-	-	-	-	-	-
Demolition/Divestiture/Diversion/Conversion	-	-	-	-	-	-	-
Funded by Host Nation	-	-	-	-	-	-	-
Adequate Inventory Changes:	-	-	-	-	-	-	-
Privatization	-	-	-	-	-	-	-
Demolition/Divestiture/Diversion/Conversion	-	-	-	-	-	-	-
End of FY Adequate Inventory Total	-	-	-	-	-	-	-
Q1 - 90% to 100%	-	-	-	-	-	-	-
Q2 - 80% to 89%	-	-	-	-	-	-	-
End of FY Inadequate Inventory Total	-	-	-	-	-	-	-
Q3 - 60% to 79%	-	-	-	-	-	-	-
Q4 - 59% and below	-	-	-	-	-	-	-
End of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - End of FY Inventory	%	%	%	%	%	%	%
DoD Performance Goal - At least 90% Q1/Q2 beginning in FY 2012		90%	90%	90%	90%	90%	90%

NOTE:
1 - Condition Index (CI) is a general measure at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of Plant Replacement Value (PRV) minus the estimated cost of maintenance and repair requirements, divided by PRV. This provides a CI, or Q-rating (Q1 to Q4), from 0% to 100%, with 100% representing excellent condition.

Include narrative describing the Service's funding and improvement strategy for maintaining at least 90% of the world-wide, government-owned Family Housing inventory at good or fair (Q1/Q2) condition, beginning in FY 2012, except for Navy with a goal of FY 2017. If the Service will not meet the DoD Performance Goal beginning in FY 2012 or for Navy by FY 2017, please provide the reasons behind the delay, the funding plan to accomplish this goal, and the fiscal year when the DoD goal will be met.

Exhibit FH-12 Privatized GFOQ Private Sector Cost Exceeding

AGENCY NAME
Privatized General and Flag Officers' Quarters
Operations, Maintenance and Repair Costs Incurred by Private Sector Developer/Partner/Owner
Exceeding $50K per Housing Unit
for Fiscal Year 2##
(Dollars in Thousands)

State/Country	Installation	Quarters ID	Year Built	Size NSF	Operations Cost	Maint & Repair Cost	Total FH O&M Cost
Total							

Exhibit FH-12 Privatized GFOQ Private Sector Costs Exceeding $50K

Notes:
1. Place an astericks (*) by the GFOQ units, where Utility Costs are included as part of Operation Costs.
2. This annual report complies with the FY 2009 National Defense Authorization Act (NDAA), amended section 2805 requirement.

DEPARTMENT OF _____

Exhibit FH-13 Detail of Awarded Family Housing Privatization Projects

Fiscal Year 20XX

Project Name and/or Installation/State[1]	Award[2] Date	Privatization Date[3]	Financial Closing Date[4]	Type of Financing[5]	Amount of Govt Financing ($000)	Term of Deal (Yrs)	Actual/Current Scope[6]						Status of IDP
							Conveyed[7]	Demolished	As Is	Renovated	New	End State[7]	

NOTES:
1 - For grouped projects, the first line should be the grouped project name with lines below for each installation and state in the grouped project.
2 - Award date for the Air Force and Dept of Navy is the effective date of the ground lease and operating agreement, and usually coincides with Privatization date (transfer of operations). For the Army, Award date is when a contract is awarded to the winning offeror to produce a Community Development Plan.
3 - Privatization date is when real property is transferred (land and housing units) to private ownership/developer, and when service members become entitled to receive a basic allowance for housing. Same as "Operationally Closed".
4 - Financial Closing date is when financial documents are signed, loans are obtained, and the government provides an investment (equity, direct loan or loan guarantee), as required/agreed.
5 - Types of Financing: Direct Loan (DL), Loan Guarantee (LG), Equity Investment (EQ) or Differential Lease Payments (DLP).
6 - The actual/current scope and funding, as of 30 Sep 2011, corresponding to the end state that the owner is obligated to provide, subsequent to OSD/OMB approval, based on changes due to local market conditions and operational transformations. These definitions are consistent with those in the semi-annual MHPI Program Evaluation Plan Report.
7 - Show the total conveyed and end state units for a grouped project, and for each installation within a grouped project.

Exhibit FH-14: FhIF Admin Requirements

Family Housing Improvement Funds (FHIF) Admin Requirements (FH-14)
Military Housing Privatization Initiative (MHPI) Program Support
Consolidated OSD and DFAS Requirements
FY 20XX
(Dollars in thousands)

CIS OCC[1]		FY 20XX (PY)	FY 20XX (CY)	FY 20XX (BY)	Comments
	CIVILIAN LABOR				
	Number of FTE[2] - Direct				
	Number of FTE[2] - Reimbursable				
11110	Full-Time Permanent Positions - Basic Compensation				
11310	Other Than Full-Time Permanent - Basic Compensation				
11510	Other Personnel Pay (overtime/comptime, awards, etc.)				
12110	Civilian Personnel Fringe Benefits				
	Total Labor	-	-	-	
21010	**Travel**				
25210	**Training - Non-Federal Sources**				
25310	**Training - Federal Sources**				
23010	**Rent, Communications & Utilities**				
24010	**Printing and Reproduction**				
26010	**Supplies & Material**				
31010	**Equipment Purchases (please specify if IT or non-IT)**				
	Other Contractual Services (Please list contracts and amounts):				
25110	**Advisory and Assistance Services:**				
25210	**Other Services from non-Federal Sources:**				
25310	**Other Goods and Services from Federal Sources:**				
	Total Non-Labor	-	-	-	
	Total FHIF Admin Request for OSD FE&P	-	-	-	

FH-14 FHIF Admin Requirements

Notes:
1 - CIS Object Class Codes (OCC), which can also be found in OMB Circular A-11.
2 - Provide number of Full-Time Equivalent (FTE) and type of support being provided by FTE in the comment column.

Family Housing Improvement Funds (FHIF) Admin
Military Housing Privatization Initiative (MHPI) Program Support
For OSD Facilities Energy & Privatization (FE&P)
FY 20XX
(Dollars in thousands)

CIS OCC[1]		FY 20XX (PY)	FY 20XX (CY)	FY 20XX (BY)	Comments
	CIVILIAN LABOR				
	Number of FTE[2] - Direct				
	Number of FTE[2] - Reimbursable				
11110	Full-Time Permanent Positions - Basic Compensation				
11310	Other Than Full-Time Permanent - Basic Compensation				
11510	Other Personnel Pay (overtime/comptime, awards, etc.)				
12110	Civilian Personnel Fringe Benefits				
	Total Labor	-	-	-	
21010	**Travel**				
25210	**Training - Non-Federal Sources**				
25310	**Training - Federal Sources**				
23010	**Rent, Communications & Utilities**				
24010	**Printing and Reproduction**				
26010	**Supplies & Material**				
31010	**Equipment Purchases (please specify if IT or non-IT)**				
	Other Contractual Services (Please list contracts and amounts):				
25110	**Advisory and Assistance Services:**				
25210	**Other Services from non-Federal Sources:**				
25310	**Other Goods and Services from Federal Sources:**				
	Total Non-Labor	-	-	-	
	Total FHIF Admin Request for OSD FE&P	-	-	-	

FH-14 FHIF Admin Requirements

Notes:
1 - CIS Object Class Codes (OCC), which can also be found in OMB Circular A-11.
2 - Provide number of Full-Time Equivalent (FTE) and type of support being provided by FTE in the comment column.

Family Housing Improvement Funds (FHIF) Admin
Military Housing Privatization Initiative (MHPI) Program Support
For Defense Finance and Accounting Services (DFAS) Indianapolis (IN)
FY 20XX
(Dollars in thousands)

CIS OCC[1]		FY 20XX (PY)	FY 20XX (CY)	FY 20XX (BY)	Comments
	CIVILIAN LABOR				
	Number of FTE[2] - Direct				
	Number of FTE[2] - Reimbursable				
11110	Full-Time Permanent Positions - Basic Compensation				
11310	Other Than Full-Time Permanent - Basic Compensation				
11510	Other Personnel Pay (overtime/comptime, awards, etc.)				
12110	Civilian Personnel Fringe Benefits				
	Total Labor	-	-	-	
21010	**Travel**				
25210	**Training - Non-Federal Sources**				
25310	**Training - Federal Sources**				
23010	**Rent, Communications & Utilities**				
24010	**Printing and Reproduction**				
26010	**Supplies & Material**				
31010	**Equipment Purchases (please specify if IT or non-IT)**				
	Other Contractual Services (Please list contracts and amounts):				
25110	**Advisory and Assistance Services:**				
25210	**Other Services from non-Federal Sources:**				
25310	**Other Goods and Services from Federal Sources:**				
	Total Non-Labor	-	-	-	
	Total FHIF Admin Request for DFAS-IN	-	-	-	

FH-14 FHIF Admin Requirements

Notes:
1 - CIS Object Class Codes (OCC), which can also be found in OMB Circular A-11.
2 - Provide number of Full-Time Equivalent (FTE) and type of support being provided by FTE in the comment column.

Exhibit FH-15 Reestimate Cash Flow Status Exhibit

PBXX Reestimate CASH FLOW STATUS (FH-15)
DEPARTMENT OF THE _____
FOR FY 20XX[1]

File Name	Cash Flows	
	Correct As Is	Need Further Changes
DIRECT LOAN CASH FLOW FILES:		
LOAN GUARANTEE CASH FLOW FILES:		

Cash Flows Requiring Further Revision	
File Name	**Revision/Comments**

Point of Contact for Additional Information:
Name:
Telephone number:
Email address:

FH-15 Reestimate Cash Flow Status Exhibit

Note:
1 – Current Year (CY) of President's Budget

Exhibit OP-5 (Part 2) Attachment 1: Reconciliation of Increases and Decreases

Reconciliation of Increases and Decreases

(Dollars in Thousands)

1. FY 19CY President's Budget Request

2. Congressional Adjustments:
a.
b.
c.
etc.

3. FY 19CY Appropriated Amount

4. Supplemental Appropriation (if applicable):
a. Civilian Pay Raise
   1) General Schedule
   2) Wage Board

b. Program Supplemental
   1)
   2)
   etc.

5. Price Growth:

(Categorize and explain significant price growth.)

6. Functional Program Transfers:
a) Transfers in
1)
2)
etc.

b) Transfers Out
1)
2)
etc.

Exhibit OP-5 (Part 2) Attachment 1: Reconciliation of Increases and Decreases (Continued)

(This category should be used only when a program function is transferred between activity groups or Services. This category should not be used to show the transfer of funds between activity groups in instances where the transfer of funds is not accompanied by a functional transfer of the program for which the funds were initially requested. Also see end "NOTE" on next page)

Exhibit OP-5 (Part 2) Attachment 1: Reconciliation of Increases and Decreases (Continued)

Reconciliation of Increases and Decreases (Continued)

(Dollars in Thousands)

7. Program Increases: (For each program increase or decrease, provide
a. quantitative and qualitative information relative
b. to these changes, as well as the baseline
c. (in dollars) to which the increase or decrease
etc. applies. Increases and decreases should address
specific adjustments in program, particularly
changes in inventory, management initiatives, transfers,
8. Program Decreases: statutory requirements, etc.)
a.
b.
c.
etc.

9. FY 19CY Current Estimate

10. Price Growth (See 5 above)

11. Functional Program Transfers (See 6 above)

12. Program Increases (See 7 above)

13. Program Decreases (See 8 above)

14. FY 19BY1 Budget Request

15. Price Growth (See 5 above)

16. Functional Program Transfers (See 6 above)

17. Program Increases (See 7 above)

18. Program Decreases (See 8 above)

19. FY 19 BY2 Budget Request

NOTE: If a particular category of increase or decrease does not apply, leave it off the Exhibit OP-5 (rather than include it on the Exhibit OP-5 with a value of zero). Reprogramming actions included in the budget submission for the Current Year other than 1415-IR functional transfers should be shown separately. Except for this, categories of increases and/or decreases other than those shown above should not be used.

Exhibit OP -5 (Part 2) Attachment 1: Reconciliation of Increases and Decreases (page 3 of 3)

Exhibit HA-1 Homeowners Assistance - Workload and Obligation Data

HOMEOWNERS' ASSISTANCE FUND, DEFENSE
WORKLOAD AND OBLIGATION DATA
FY____

	Actual FY (PY)			Estimated FY (CY)			Estimated FY (BY)____		
	Units	Dollars (000)	Average ($)	Units	Dollars (000)	Average ($)	Units	Dollars (000)	Average ($)
1. Investment									
a. Equity Payments									
b. Liquidation of Second Mortgages									
c. Total Payments									
d. Mortgages Assumed									
e. Total Investment									
2. Expense - Corps of Engineers									
a. Payments - Private Sales									
b. Payments - Foreclosures									
c. Subtotal - Reimbursements to Homeowners									
d. Appraisals									
e. Administrative Expense									
f. Total Expense - CoE									
3. Expense - FHA									
a. Management & Maintenance of Homes									
b. Sales Expense									
c. Administrative Expense									
d. Total Expense - FHA									
4. Total Expense									
5. Total Program - Investment and Expense									

Exhibit HA-1 Homeowners Assistance – Workload and Obligation Data

Exhibit HA-2 Homeowners Assistance Status of Accounts

HOMEOWNERS' ASSISTANCE FUND, DEFENSE
STATUS OF ACCOUNTS

ITEM	Cash ($000)	Authority to Spend Agency Debt Receipts ($000)	Total ($000)
1. EXPENDITURE ACCOUNT - RESOURCES AND APPLICATIONS (OBLIGATION BASIS)			
a. Resources			
(1) Unobligated balance, start of year			
(2) Appropriations			
(3) New authorization to spend Agency debt receipts			
(4) Revenue			
(a) Sales (Cash)			
(b) Other Revenue			
(5) Principal payments on mortgages (retirement of debt)			
(6) Total			
b. Applications			
(1) Payments on acquisition of properties			
(2) Value of mortgages payable assumed			
(3) Expenses			
(4) Transfer to miscellaneous receipts			
(5) Total			
c. Unobligated balance, end of period (line 1a(6) minus 1b(5))			
2. PROPERTY ACCOUNT			
a. On hand, start of year			
b. Payments for equity and second mortgages on acquisition of properties			
c. Value of mortgages payable assumed			
d. Less acquisition price of properties sold or disposed of otherwise (line 5b(1) below)			
e. On hand; end of period			
3. BORROWING ACCOUNT (MORTGAGES PAYABLE)			
a. Balance payable, start of year			
b. Value of mortgages payable assumed			
c. Less payments on principal			
d. Less value of mortgages liquidated			
e. Subtotal - Principal payments (retirement of debt)			
f. Balance payable, end of period			
4. NET EQUITY IN PROPERTY (line 2e minus line 3f)			

	Total ($000)	Average ($)
5. RECAPITULATION FOR PROPERTIES SOLD		
a. Sales price		
b. Less:		
(1) Acquisition Price		
(2) FHA or ACE Administrative Expenses		
c. Net gain or (loss)		

* Excludes Corps of Engineers Expense and FHA Expense

Exhibit HA-2 Homeowners Assistance Status of Accounts

Exhibit HA-3 Homeowners Assistance Work Unit Data

HOMEOWNERS' ASSISTANCE FUND, DEFENSE
WORK UNIT DATA
FY____

ITEM		MILITARY	CIVILIAN	TOTAL	
1.	APPLICATIONS FOR ASSISTANCE				
	a.	On hand - start of	_____	_____	_____
	b.	Received	_____	_____	_____
	c.	Less Actions Completed			
	(1)	Homes Acquired - For Outstanding Mortgage Balances	_____	_____	_____
	(2)	Homes Acquired - At 75%	_____	_____	_____
	(3)	Homes Acquired - No Mortgage	_____	_____	_____
	(4)	Reimbursements for Losses on Private Sales	_____	_____	_____
	(5)	Payments in Foreclosure Cases	_____	_____	_____
	(6)	Settlements - No Payment Due	_____	_____	_____
	(7)	Other (Not Eligible)	_____	_____	_____
	d.	On hand - end of period	_____	_____	_____
2.	ACQUIRED HOMES				
	a.	On hand - start of year			_____
	b.	Acquired			_____
	c.	Disposed of			_____
	d.	On hand - end of period			_____
3.	MORTGAGES PAYABLE				
	a.	On hand - start of year			_____
	b.	Assumed			_____
	c.	Less Liquidations			_____
	d.	On hand - end of period			_____
4.	OTHER DATA				
	a.	Second Mortgages Liquidated			_____
	b.	Appraisals Made			_____
	c.	Appeals processed			_____
	(Approved)				_____
	(Disapproved)				_____

Exhibit HA-3 Homeowners Assistance Work Unit Data

Exhibit HA-4 Homeowners Assistance Program and Financing

Homeowners' Assistance Fund, Defense
Program and Financing
FY _____

	FY PY Actual		FY CY Estimate		FY BY Estimate	
	Units	Obligations ($000)	Units	Obligations ($000)	Units	Obligations ($000)
Payments to homeowners 1/						
Other operating costs 2/						
Acquisition of properties 3/						
Mortgages assumed 4/						
Total program						
Available from prior year						
Estimated revenue 5/						
Available for other years						
Budget Authority						
Authorization to spend agency debt receipts						
Appropriation						

NOTES: 1/ Reimbursements to homeowners for losses; private sales or foreclosures. Work unit, "number of payments."
2/ DoD and FHA expenses. Work unit, "total number of applications processed, including rejections."
3/ Payments to homeowners for equity in properties acquired by the Government. Work unit, "number of properties."
4/ Value of mortgage balances assumed by the Government on properties acquired. Work unit "number of mortgages assumed."
5/ Recovery of Government's investment by the sale of properties. Work unit, "number of properties sold."

Exhibit NSIP -1 NSIP Project Data

NATO Security Investment Program (NSIP) Project Data

Location	Installation	Project Title	Project Description	Budget Scheme	Project Cost	U. S. Cost Share	Other Nation Cost Share

Instructions:

1. This exhibit will identify the NSIP requirements, both military construction and procurement, at the project level detail. The exhibit should be completed for both the normal NSIP requirements and NATO Expansion requirements. The listing should be sufficiently detailed to identify discrete projects and initiative; aggregation at the capability package level i.e., Defense of the Mediterranean, is NOT sufficiently detailed.

2. Data should be submitted in hard copy and on a disk in a Microsoft Access format or in Microsoft Excel format.

3. Location: State or country where the project will be executed, i.e. Alaska, Turkey, or Italy.

4. Installation: Base where the project will be executed, i.e. Aviano AB.

5. Project Title.

6. Project Description: Explanation and description of each project.

7. Budgeted Scheme: Identify the number of NATO nations sharing in the cost of the project.

8. Project Cost: The total cost for the NSIP project. The projects cost should be displayed in thousands.

9. U.S. Cost Share: Identify the estimated U.S. share of the project cost. The U.S. share should be displayed in thousands.

10. Other NATO Cost Share: Identify the estimated share of the other NATO nations. The cost should be displayed in thousands.

11. This exhibit should be completed for the current year and budget year, i.e., current year FY 2001; budget Year FY 2002.

12. The hard copy and electronic submission should include a total that reflects the cost of normal NSIP requirements and NSIP Expansion requirements by fiscal year.

Exhibit NSIP-1 NSIP Project Data

Exhibit NSIP-2 NSIP Recoupment Estimates

NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM RECOUPMENT ESTIMATES

Component	Appropriation	Fiscal Year	Location	Installation	Project Title	Slice/Serial (if known)	Recoupment Budget Estimate	Rate of Conversion

Instructions:

1. This exhibit will be executed at the project level for each NSIP major construction project that is eligible for recoupment (reimbursement by other member countries for eligible costs). No project level detail is required for minor construction, planning and design, family housing improvement or BRAC.

2. Data should be submitted in hard copy and on a disk in a Microsoft Excel format.

3. Component should be the specific Service Active, Guard or Reserve Force component or Defense Agency. Recognized abbreviations such as ARNG (Army National Guard), etc. are acceptable.

4. Appropriation should be a four digit number (treasury code).

5. Fiscal year should be a four-digit number.

6. Location is the two digit state or country code.

7. Installation is the military base where the project is being built.

8. Slice/Serial, if known, or pre-financing notification reference number.

9. Recoupment budget estimate amount is in thousands.

10. The estimated budget recoupment should reflect the rate of conversion at the time of estimate.

11. For the hard copy, the data should be sorted by fiscal year, location and then by installation. The hard copy and should also include a total for each fiscal year.

Date
Point of Contact: Name, Organization, and Phone number
Exhibit NSIP-2 NSIP Recoupment Estimates

UH-1a Inventory and Condition of Permanent Party, Government Owned, Unaccompanied Housing (UH) United States (CONUS plus Hawaii and Alaska)

Department of _____
UH-1a Inventory and Condition of Permanent Party, Government-Owned, Unaccompanied Housing (UH)
UNITED STATES (CONUS plus Hawaii and Alaska)
(Number of bedrooms in inventory)

Facility Analysis Categories (FAC): 7210 & 7240	**Number of Bedrooms - U.S.**							
	PY	**CY**	**BY**	**BY + 1**	**BY + 2**	**BY + 3**	**BY + 4**	**BY + 5**
Beginning of FY Adequate Inventory Total	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
Beginning of FY Inadequate Inventory Total	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
Beginning of FY Total Inventory	-	-	-	-	-	-	-	-
Percent Adequate - Beginning of FY Inventory	%	%	%	%	%	%	%	%
Funding that Impacts Inventory:								
MILCON - New Foorprint ($M)								
MILCON - Replacement/Renovation ($M)								
Overall Sustainment vs FSRM Requirement (%)								
End of FY Adequate Inventory Total	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
End of FY Inadequate Inventory Total	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
End of FY Total Inventory	-	-	-	-	-	-	-	-
Percent Adequate - End of FY Inventory	%	%	%	%	%	%	%	%
FY 2012 Performance Goal - % of Adequate Units		**30%**	**40%**	**50%**	**60%**	**70%**	**80%**	**90%**

*Condition Index (CI) is a general measure of the constructed asset's condition at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of the estimated cost of maintenance and repair requirements to Plant Replacement Value (PRV).

FAC 7210 - Enlisted Unaccompanied Personnel Housing
FAC 7240 - Officer Unaccompanied Personnel Housing

Include narrative describing the Military Department/Service's strategy to meet the 90% Q1/Q2 adequacy goal by the end of FY 2017.

UH-1a Inventory and Condition of Permanent Party, Government-Owned, UH Foreign

Department of _____
UH-1a Inventory and Condition of Permanent Party, Government-Owned, Unaccompanied Housing (UH)
FOREIGN (includes U.S. Territories)
(Number of bedrooms in inventory)

Facility Analysis Categories (FAC): 7210 & 7240	Number of Bedrooms - Foreign							
	PY	CY	BY	BY + 1	BY + 2	BY + 3	BY + 4	BY + 5
Beginning of FY Adequate Inventory Total	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
Beginning of FY Inadequate Inventory Total	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
Beginning of FY Total Inventory	-	-	-	-	-	-	-	-
Percent Adequate - Beginning of FY Inventory	%	%	%	%	%	%	%	%
Funding that Impacts Inventory:								
MILCON - New Foorprint ($M)								
MILCON - Replacement/Renovation ($M)								
Overall Sustainment vs FSRM Requirement (%)								
End of FY Adequate Inventory Total	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
End of FY Inadequate Inventory Total	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
End of FY Total Inventory	-	-	-	-	-	-	-	-
Percent Adequate - End of FY Inventory	%	%	%	%	%	%	%	%
FY 2012 Performance Goal - % of Adequate Units		30%	40%	50%	60%	70%	80%	90%

*Condition Index (CI) is a general measure of the constructed asset's condition at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of the estimated cost of maintenance and repair requirements to Plant Replacement Value (PRV).

FAC 7210 - Enlisted Unaccompanied Personnel Housing
FAC 7240 - Officer Unaccompanied Personnel Housing

Include narrative describing the Military Department/Service's strategy to meet the 90% Q1/Q2 adequacy goal by the end of FY 2017.

UH-1a Inventory and Condition of Permanent Party, Government-Owned, UH Wordwide

Department of _____
UH-1a Inventory and Condition of Permanent Party, Government-Owned, Unaccompanied Housing (UH)
WORLDWIDE
(Number of bedrooms in inventory)

Facility Analysis Categories (FAC): 7210 & 7240	Number of Bedrooms - Worldwide							
	PY	CY	BY	BY + 1	BY + 2	BY + 3	BY + 4	BY + 5
Beginning of FY Adequate Inventory Total	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
Beginning of FY Inadequate Inventory Total	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
Beginning of FY Total Inventory	-	-	-	-	-	-	-	-
Percent Adequate - Beginning of FY Inventory	%	%	%	%	%	%	%	%
Funding that Impacts Inventory:								
MILCON - New Foorprint ($M)								
MILCON - Replacement/Renovation ($M)								
Overall Sustainment vs FSRM Requirement (%)								
End of FY Adequate Inventory Total	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
End of FY Inadequate Inventory Total	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
End of FY Total Inventory	-	-	-	-	-	-	-	-
Percent Adequate - End of FY Inventory	%	%	%	%	%	%	%	%
FY 2012 Performance Goal - % of Adequate Units		30%	40%	50%	60%	70%	80%	90%

*Condition Index (CI) is a general measure of the constructed asset's condition at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of the estimated cost of maintenance and repair requirements to Plant Replacement Value (PRV).

FAC 7210 - Enlisted Unaccompanied Personnel Housing
FAC 7240 - Officer Unaccompanied Personnel Housing

UH-1b Inventory and Condition of Training/Mobilization, Government-Owned, UH CONUS plus Hawaii and Alaska

Department of _____
UH-1b Inventory and Condition of Training/Mobilization, Government-Owned, Unaccompanied Housing (UH)
UNITED STATES (CONUS plus Hawaii and Alaska)
(Number of beds/spaces in inventory based on normal occupancy)

Facility Analysis Categories (FAC): 7213, 7214, and 7218	**Number of Beds/Spaces - U.S.**							
	PY	**CY**	**BY**	**BY + 1**	**BY + 2**	**BY + 3**	**BY + 4**	**BY + 5**
Beginning of FY Adequate Inventory Total	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
Beginning of FY Inadequate Inventory Total	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
Beginning of FY Total Inventory	-	-	-	-	-	-	-	-
Percent Adequate - Beginning of FY Inventory	%	%	%	%	%	%	%	%
Funding that Impacts Inventory:								
MILCON - New Foorprint ($M)								
MILCON - Replacement/Renovation ($M)								
Overall Sustainment vs FSM Requirement (%)								
End of FY Adequate Inventory Total	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
End of FY Inadequate Inventory Total	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
End of FY Total Inventory	-	-	-	-	-	-	-	-
Percent Adequate - End of FY Inventory	%	%	%	%	%	%	%	%

*Condition Index (CI) is a general measure of the constructed asset's condition at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of the estimated cost of maintenance and repair requirements to Plant Replacement Value (PRV).

FAC 7213 - Student Unaccompanied Housing
FAC 7214 - Annual Training/Mobilization Unaccompanied Housing
FAC 7218 - Recruit/Trainee Unaccompanied Housing

Include narrative describing the Military Department/Service's strategy to improve Training/Mobilization UH, and to meet space requirements.

UH-1b Inventory and Condition of Training/Mobilization, Government-Owned, UH Foreign

Department of _____
UH-1b Inventory and Condition of Training/Mobilization, Government-Owned, Unaccompanied Housing (UH)
FOREIGN (includes U.S. Territories)
(Number of beds/spaces in inventory based on normal occupancy)

Facility Analysis Categories (FAC): 7213, 7214, and 7218	Number of Beds/Spaces - Foreign							
	PY	CY	BY	BY + 1	BY + 2	BY + 3	BY + 4	BY + 5
Beginning of FY Adequate Inventory Total	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
Beginning of FY Inadequate Inventory Total	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
Beginning of FY Total Inventory	-	-	-	-	-	-	-	-
Percent Adequate - Beginning of FY Inventory	%	%	%	%	%	%	%	%
Funding that Impacts Inventory:								
MILCON - New Foorprint ($M)								
MILCON - Replacement/Renovation ($M)								
Overall Sustainment vs FSM Requirement (%)								
End of FY Adequate Inventory Total	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
End of FY Inadequate Inventory Total	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
End of FY Total Inventory	-	-	-	-	-	-	-	-
Percent Adequate - End of FY Inventory	%	%	%	%	%	%	%	%

*Condition Index (CI) is a general measure of the constructed asset's condition at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of the estimated cost of maintenance and repair requirements to Plant Replacement Value (PRV).

FAC 7213 - Student Unaccompanied Housing
FAC 7214 - Annual Training/Mobilization Unaccompanied Housing
FAC 7218 - Recruit/Trainee Unaccompanied Housing

Include narrative describing the Military Department/Service's strategy to improve Training/Mobilization UH, and to meet space requirements.

UH-1b Inventory and Condition of Training/Mobilization, Government-Owned, UH Worldwide

Department of _____
UH-1b Inventory and Condition of Training/Mobilization, Government-Owned, Unaccompanied Housing (UH)
WORLDWIDE
(Number of beds/spaces in inventory based on normal occupancy)

Facility Analysis Categories (FAC): 7213, 7214, and 7218	Number of Beds/Spaces - Worldwide							
	PY	CY	BY	BY + 1	BY + 2	BY + 3	BY + 4	BY + 5
Beginning of FY Adequate Inventory Total	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
Beginning of FY Inadequate Inventory Total	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
Beginning of FY Total Inventory	-	-	-	-	-	-	-	-
Percent Adequate - Beginning of FY Inventory	%	%	%	%	%	%	%	%
Funding that Impacts Inventory:								
MILCON - New Foorprint ($M)								
MILCON - Replacement/Renovation ($M)								
Overall Sustainment vs FSM Requirement (%)								
End of FY Adequate Inventory Total	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
End of FY Inadequate Inventory Total	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
End of FY Total Inventory	-	-	-	-	-	-	-	-
Percent Adequate - End of FY Inventory	%	%	%	%	%	%	%	%

*Condition Index (CI) is a general measure of the constructed asset's condition at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of the estimated cost of maintenance and repair requirements to Plant Replacement Value (PRV).

FAC 7213 - Student Unaccompanied Housing
FAC 7214 - Annual Training/Mobilization Unaccompanied Housing
FAC 7218 - Recruit/Trainee Unaccompanied Housing

UH-2 Configuration and Privacy of Permanent Party UH

Department of _____

UH-2 Configuration and Privacy of Permanent Party Unaccompanied Housing (UH)

	Beginning of FY 2010			Beginning of FY 2011			Beginning of FY 2012		
	U.S. (CONUS, HI and AK)	Foreign (Includes U.S. Territories)	Worldwide Totals	U.S. (CONUS, HI and AK)	Foreign (Includes U.S. Territories)	Worldwide Totals	U.S. (CONUS, HI and AK)	Foreign (Includes U.S. Territories)	Worldwide Totals
UNIT CONFIGURATION (Bedrooms)									
Government Owned Total									
Market-Style [1]									
Two bedrooms (each <180 SF), one bath [2]									
Two bedrooms (each ≥180 SF), one bath [3]									
One bedroom, one bath [4]									
Central Latrine									
Relocatable & Temporary									
Other Junior Enlisted									
Senior Enlisted/Officers									
Privatized Total									
New one-bedroom apartments									
New two-bedroom apartments									
Conveyed									
Leased Total									
Relocatables									
Other									
Host Nation Owned Total									

CONFIGURATION GOAL. Narrative description of the Services' specific configuration standards and goals, and implementation plan (including timelines).

PRIVACY (Number of Personnel)			
Sharing a bedroom with 90 SF or more per occupant			
Sharing a bedroom with less than 90 SF per occupant			
E1-E4s residing aboard a ship while in homeport			

PRIVACY GOAL. Narrative description of the Services' specific privacy standards and goals, and implementation plan (including timelines).

NOTES:
1 - Module with 2 to 4 bedrooms, 2 to 4 baths, full kitchen, living room, laundry
2 - Each module counts as 2 bedrooms even if one bedroom used as a living room (e.g., 1+1)
3 - Each module counts as 2 bedrooms even if occupied by 4 service members (e.g., 2+2)
4 - Each module counts as1 bedroom even if occupied by 2 service members (e.g., 2+0)

UH-3 Summary of Military Construction UH Projects

DEPARTMENT of _____ UH-3 Summary of Military Construction (MilCon) Unaccompanied Housing (UH) Projects *										
Fiscal Year	State/Country	Project Location	Project Title	Project Number	Total Project Amount ($000)	Project Amount for Just UH ($000)	Perm Party UH Number of Bedrooms	Train or Mob UH Number of Beds/Spaces	Total Intended Number of Occupants	Strategic Objective
FY 2012										
FY 2011										
FY 2010										

NOTE:
* Should match information on the DD Form 1391 - Military Construction Project Detail
** For projects added by Congress, provide DD Form 1391 to OSD Comptroller (hard copy and pdf)

VOLUME 2B, CHAPTER 7: "BASE REALIGNMENT AND CLOSURE APPROPRIATIONS"

SUMMARY OF MAJOR CHANGES

All changes are denoted by blue font.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by ***bold, italic, blue, and underlined font*.**

The previous version dated September 2008 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
070201	Updated for BRAC 2005 implementation procedures	Update
070303	Added requirement for BRAC 2005 BC-04 exhibit submission. Deleted language concerning incrementally-funded projects. Deleted DD 1391 requirement.	Update Addition
070403	Added requirement for Overall summary and package specific BC-04 exhibits.	Addition
070602	Added exhibit BC-04 for BRAC 2005.	Addition

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CHAPTER 7

BASE REALIGNMENT AND CLOSURE APPROPRIATIONS

0701 GENERAL

070101. Purpose

A. This chapter provides instructions applicable to budget formulation and congressional justification for Base Realignment and Closure (BRAC) appropriations.

B. The following appropriations and accounts are covered:

Section

070201.
- DoD Base Closure Account
(1988 Commission)

- DoD Base Closure Account 1990
(1991, 1993 & 1995 Commissions)

- DoD Base Closure Account 2005
(2005 Commission)

070102. Submission Requirements

General guidance with regard to submission requirements is presented in Chapter 1. Chapter 7 covers specific back-up material requirements for the above accounts. Components should also submit any applicable exhibits required in Volume 2, Chapter 19 for the above appropriations/accounts, as applicable.

070103. Preparation of Material

General guidance with regard to format and preparation of material is presented in Chapter 1. Chapter 7 volume provides additional specific guidance with regard to the back-up material required for the Base Realignment and Closure appropriations.

070104. References

Chapter 3 provides guidance related to Operation and Maintenance costs and Chapter 6 of provides guidance and formats related to Military Construction and Family Housing costs.

0702 UNIFORM BUDGET AND FISCAL ACCOUNTING CLASSIFICATION

070201. Base Closure Account, Defense Appropriations

A. Overview

Defense Authorization Amendments and Base Closure and Realignment Act, Public Law 100-526, established the Defense Base Closure Account (Part I) as a mechanism to provide the required funding to implement the approved recommendations of the Base Closure and Realignment Commissions. Public Law 101-510, Title XXIX, Defense Base Closure and Realignment Act of 1990, established Base Closure Account 1990 (Part II), and the FY 2002 National Defense Authorization Act established the DoD Base Closure Account 2005 (BRAC 2005). From aspects of management, budgeting and accounting, these Accounts are treated in the same fashion. Funding approved by Congress in these Accounts is appropriated and authorized in a lump sum amount and may be spent for construction, planning and design, civilian severance pay, civilian permanent change in station, transportation of things, and other costs related to the realignment or closure of the subject bases. The management structure of the program is described below.

B. Guidance

1. The Deputy Under Secretary of Defense (Installations & Environment) is responsible for issuing policy for management of the BRAC program and overseeing the DoD Components' execution of the program.

2. To properly account for and manage appropriated fund resources, the DoD Base Closure Accounts were established on the books of the Treasury to aid the DoD Components in the closure and realignment of certain military installations. Treasury has assigned account symbol 97-0103 to identify the DoD Base Closure Account - Part I, 97-0510 to identify DoD Base Closure Account 1990 - Part II, Part III, and Part IV and 97 0512 to identify DoD Base Closure Account 2005.

3. Funds made available to the DoD Components are subdivided and distributed to the activities responsible for base closure actions. Separate allocations are made for each of the accounts by program year. Each DoD Component distributes the base closure funds in accordance with its normal fund distribution procedures. The applicable reporting requirements include:

Military Construction
Construction
Planning and Design
Family Housing
Construction
Operations
Environmental
Operation and Maintenance
Civilian Severance Pay

Civilian Permanent Change of Station (PCS) costs
Transportation of things
Facilities Maintenance
Program Management (civilian work years, TDY travel, and related support dedicated to implementation efforts)
Military Personnel (limited to PCS expenses dedicated to implementation efforts)
Other (including procurement-type items)

4. The Under Secretary of Defense (Comptroller) makes funds available to the DoD Components based on their official financial plans. Financial plans are prepared by the DoD Components in cooperation with and at the direction of the program manager, the Deputy Under Secretary of Defense (Installations & Environment). The DoD Components' financial plans and the subsequent allocation of funds are supported by detailed, line-item military and family housing construction justification. Separate narrative explanations for other planned expenditures are also submitted to the Under Secretary of Defense (Comptroller) in sufficient detail to support the DoD Component's financial plan. Each DoD Component is allocated funds based upon its official budget justification and financial plan.

5. All closures and realignments must be completed no later than the end of the six year implementation period beginning on the date on which the President transmitted to Congress the report containing the recommendations of such closures or realignments. The President transmitted the recommendations of the 1995 Commission on July 13, 1995. After July 13, 2001, funds in the DoD Base Closure Account 1990 shall be available only to incur new obligations for environmental restoration, property management and disposal, and other caretaker costs at closed or realigned installations and for the purpose of recording, adjusting and liquidating obligations property chargeable to the account under Title 31, United States Code, section 1553. The 2005 BRAC Commission recommendations became law on November 9, 2005 and the six-year implementation period for BRAC 2005 approved recommendations ends on September 15, 2011. After September 15, 2011, funds in the DoD Base Closure Account 2005 shall be available only to incur new obligations for environmental restoration, property management and disposal, and other caretaker costs at closed or realigned installations and for the purpose of recording, adjusting and liquidating obligations property chargeable to the account under Title 31, United States Code, section 1553.

C. Fiscal Accounting Classification

The account classification structure for the Base Closure Account, Defense is prescribed in Volume 12, Chapter 13 of this regulation. Treasury Code 97 0512 has been established as a single account on the books of the Treasury to execute actions to implement BRAC 2005 closures and realignments.

0703 PROGRAM AND BUDGET REVIEW SUBMISSION

070301. Purpose

A. This Section prescribes instructions for the preparation and submission of budget estimates for the Base Realignment and Closure appropriations.

B. Unless otherwise specified, these instructions apply to all Base Realignment and Closure appropriations and to all budget estimates. Data submitted must be consistent with the budget estimate being supported.

C. Examples of budget exhibits can be found in Sections 0705 for Prior-Round BRACs and 0706 for BRAC 2005.

070302. Submission Requirements – Prior-Round BRACs

A. General Guidance. Each Service and Defense Agency, as applicable, will prepare a Prior-Round Base Closure justification book. The justification book will include a summary BC-02 exhibit showing cost and savings data for each prior round (BRAC Parts I, II, III and IV) covering the six-year implementation period for that respective closure round. The Services will also prepare a continuing environmental restoration and caretaker cost exhibit (BC-04) for funds requested beyond FY 2001 for Base Closure Parts I, II, III, and IV. The justification book will include BC-01, BC-02, BC-03 and BC-04 exhibits. Environmental Exhibits, BRAC ENV-30 will be submitted separately and not included in the bound justification book. These exhibits will be included in the Component's Environmental Summary justification material as mentioned in Chapter 13. For Base Closure Account-Part I, the summary BC-02 will include cost and savings data for FY 1990 through FY 1995. For Base Closure Account-Part II, the summary BC-02 will include cost and savings data for FY 1992 through FY 1997. For Base Closure Account-Part III, the summary BC-02 will include cost and savings data for FY 1994 through FY 1999. Section 070502 contains sample exhibits BC 01 through BC 04 and ENV-30 for use in preparing justification material for BRAC Parts I, II, III, and IV. Included in the sample exhibits are instructions pertaining to the substance and format of the information to be displayed. Submission requirements for BRAC 2005 are included in section 070303 below.

B. Base Realignment and Closure Service Overview Exhibit (BC-01). Each Service will prepare an overview exhibit (BC-01), as described in section 070502, for the Base Closure-Part IV account summarizing by fiscal year, the names and locations of the affected bases, and how much of the DoD Base Closure Account will be expended in that fiscal year. The BC-01 should separately identify the amount of funds expended for environmental restoration and caretaker functions at installation closed under prior rounds of base closure. The overview will also address mission impact and environmental considerations affecting closures and realignments.

C. Base Realignment and Closure Cost and Saving Exhibit (BC-02). Each Service will prepare a summary BC-02 Exhibit, as described in section 070502, showing costs and savings data for each round of closure, and a cost and saving exhibit (BC-02), as described in section 070502. Continuing environmental restoration and caretaker costs incurred after

FY 2001 will be separately displayed on the BC-04 exhibit as described below. BRAC saving estimates reported in Exhibit BC-02 must be based on the best projection of what savings will actually accrue from approved realignments and closures. Prior year estimated savings must be updated to reflect actual savings when available.

D. Base Realignment and Closure Package Description Exhibit (BC-03). Each Service will prepare a short narrative exhibit (BC-03), as described in section 070502, for each package describing the actions necessary to complete the realignment or closure at that location. The narrative will also address one-time implementation costs and anticipated savings that will accrue from the partial or complete closure of the base.

E. Continuing BRAC Environmental Restoration and Caretaker Cost Exhibit (BC-04). Each Service will prepare a continuing environmental and caretaker cost exhibit, as described in Section 0705, for each closure package for which funds have been requested beyond FY 2001 for BRAC IV and the prior rounds of closures and realignments. Each Service/Agency will also prepare a BC-04 summarizing the packages for which funds have been requested beyond FY 2001.

F. Base Realignment and Closure Environmental Exhibits. Each service will prepare environmental progress and funding by priority exhibits BRAC ENV-30 as provided in section 070502 below. These BRAC environmental exhibits include requirements by relative risk category and each phase of environmental restoration, as well as requirements for environmental compliance and planning. These exhibits will be prepared for the President's Budget and included in the Component's justification material for Environmental Restoration as provided in Chapter 13. The totals for these exhibits will match the totals submitted in the BC-01. A diskette with installation level detail for environmental restoration activities at BRAC installations, similar to that identified for submission in Chapter 13 for environmental restoration activities at active installations, should be forwarded together with hard copy versions to OUSD (Comptroller), Military Personnel and Construction Directorate (Room 3C962). Questions concerning the data file structure should be addressed to OUSD(AT&L), Deputy Under Secretary of Defense (Installation and Environment), Director for Environmental Management (703) 571-9073).

G. Budget Submission. Coincident with the hard copy submission of the Base Closure budget estimates, Military Departments and Defense Agencies, as applicable, will submit budgetary data via the Automated Construction Program Database as described in Volume 2, Chapter 1, Section 010504.

070303. Submission Requirements – BRAC 2005

A. General Guidance. Each Service and Defense-Wide Agency/Activity, as applicable, will prepare Bases Closure-2005 justification material. The justification material will include BC-01, BC-02, BC-03, BC-04 and BC-05 exhibits, as applicable. BC-02, BC-03 and BC-04 (where applicable) exhibits must be included for each closure package. Additionally, DoD Components must submit a summary BC-02 exhibit showing cost and savings data for FY 2006 through FY 2011 (the six-year implementation period for BRAC 2005) and a summary BC-

04 for FY 2012 and the budget year. Section 070602 contains sample BC 01 through BC 04 exhibits for use in preparing the justification material for BRAC 2005.

B. Each Military Service will submit bounded BRAC 2005 justification books to OUSD(C). The Defense Agencies and Defense-Wide Activities will submit unbounded justification material to OUSD(C). The OUSD(C) will consolidate the Defense Agencies and Defense-Wide Activities material into a bounded Defense-Wide Agencies and Activities BRAC 2005 justification book for submission to Congress. The Defense Agencies and Defense-Wide Activities are not to submit separate BRAC 2005 justification material to the Congress.

C. Base Realignment and Closure Service Overview Exhibit (BC-01). Each Service, Defense Agency and Defense-Wide Activity will prepare an overview exhibit (BC-01), as described in section 070602 for Base Closure-2005 summarizing by fiscal year, the names and locations of the affected bases, and how much of the DoD Base Closure Account will be expended in each fiscal year. The overview will also address mission impact and environmental considerations affecting closures and realignments.

D. Base Realignment and Closure Cost and Saving Exhibit (BC-02). Each Service, Defense Agency and Defense-Wide Activity will prepare a cost and saving exhibit (BC-02), as described in section 070602, for each base closure package included in Base Closure-2005 account and a BC-02 exhibit summarizing the packages contained in that round of closures. The Base Closure 2005 BC-02 exhibit will show cost and savings from FY 2006 through FY 2011. BRAC saving estimates reported in Exhibit BC-02 must be based on the best projection of what savings will actually accrue from approved realignments and closures. Prior year estimated savings shall be updated to reflect actual savings when available.

E. Base Realignment and Closure Package Description Exhibit (BC-03). Each Service, Defense Agency and Defense-Wide Activity will prepare a short narrative exhibit (BC-03), as described in section 070602, for each package describing the actions necessary to complete the realignment or closure at that location. The narrative will also address one-time implementation costs and anticipated savings that will accrue from the partial or complete closure of the base.

F. Continuing BRAC Environmental Restoration and Caretaker Cost Exhibit (BC-04). Each Service will prepare a continuing environmental and caretaker cost exhibit, as described in Section 0705, for each closure package for which funds have been requested for FY 2012 and beyond for BRAC 2005. Each Service/Agency will also prepare a BC-04 summarizing the packages for which funds have been requested for FY 2012 and beyond.

G. BRAC Construction Projects Exhibit (BC-05)

1. Each Service, Defense Agency and Defense-Wide Activity will prepare a construction project listing exhibit BC-05, as described in section 070602, showing the Location/State, Project Description/Title, dollar request in thousands and award date for BRAC construction projects and planning and design included in the budget request. Immediately following Exhibit BC-05, Each Service and Defense-Wide Agency/Activity shall provide

DD 1391 exhibits for each construction project included in the budget request. A lump sum 1391 for planning and design and minor construction projects shall also be included.

2. For construction projects that are funded by multiple components or by a single component on another component's installation, the initial budget justification material submitted to OSD will include a fully documented DD Form 1391 reflecting the total cost of the project showing the proportional costs by Component. The narrative of the DD Form 1391 will also include the proportional cost share by Component. For projects that include the receiving site Component as a user, the receiving site Component (which is normally the Business Manager) will indicate itself in Block 1 "Component" of the DD 1391. For projects that do not include the receiving site Component as a user, the user with the highest proportional cost share will be responsible for compiling project documentation and will include itself in Block 1 of the DD 1391. For single Component use facilities projects, the DD Form 1391 Block 1 will indicate the single Component user who will program and budget for the full cost of the project.

H. Base Realignment and Closure Environmental Exhibits. Each service, Defense Agency and Defense-Wide Activity will prepare environmental progress and funding by priority exhibits BRAC ENV-30 as provided in section 070602 below. These BRAC environmental exhibits include requirements by relative risk category and each phase of environmental restoration, as well as requirements for environmental compliance and planning. These exhibits will be prepared for the President's Budget and included in the Components justification material for Environmental Restoration as provided in Chapter 13. The totals for these exhibits will match the Environmental total identified on the Component's summary BC-01. A diskette with installation level detail for environmental restoration activities at BRAC installations, similar to that identified for submission in Chapter 13 for environmental restoration activities at active installations, should be forwarded together with hard copy versions to OUSD (Comptroller), Military Personnel and Construction Directorate (Room 3C962). Questions concerning the data file structure should be addressed to OUSD(AT&L), Deputy Under Secretary of Defense (Installation and Environment), Director for Environmental Management ((703) 571-9073).

I. BRAC 2005 Data Input to Program Resources Collection Process Systems. Each Service, Defense Agency and Defense-Wide Activity will submit BRAC 2005 data to the Program Resources Collection Process (PRCP) System to populate the Existing Footprint field of that data collection system. A new code, E, has been added for use in populating the existing footprint field. The E code will be used to identify BRAC Environmental funding. The requirement to populate the Existing Footprint field for traditional military construction remains in effect. The other three codes authorized for populating the existing footprint field are listed and explained as follows:

1. Y-Yes. The funding restores and modernizes an existing facility, or constructs a new facility to replace one or more facilities of approximately the same constructed value. This normally applies only to facilities that are primarily capitalized with military construction funds and excludes family housing and procurement funded facilities. Demolition banking is not to be used for BRAC.

2. N-New Footprint. The value of construction that does not meet the definition "Y".

3. O-Other. This funding provides for land acquisition and other actions not covered by codes, Y, N, or E.

4. The Services and Defense Agencies/Activities shall enter the required PRCP data at the BRAC recommendation level.

J. Each Component will also submit a Major Initiatives exhibit which must include a general description of each of its major initiatives for the budget year and what the Component plans to accomplish in the budget year to support that initiative. Be specific, including the impact on force structure. This exhibit will be prepared in accordance with the format contained in Volume 2B, Chapter 6, Section 060502.

K. Budget Submission. Coincident with the hard copy submission of the Base Closure budget estimates, Military Departments and Defense Agencies/Activities, as applicable, will submit budgetary data via the Automated Construction Program Database as described in Volume 2, Chapter 1, Section 010504.

0704 CONGRESSIONAL JUSTIFICATION/PRESENTATION FOR BRAC PART IV and PRIOR ROUNDS

070401. Purpose

This Section presents the justification book organization and the exhibit requirements for submission to Congress for Prior-Round BRACs. Examples of budget exhibits can be found in Section 0705, below and reflect those addressed in Section 0703, above.

070402. Organization Of Justification Books for Prior-Round BRACs (Incorporating Prior Rounds of Brac, Parts I, II, III AND IV)

A. Justification material consolidated into a single volume entitled:

DoD Base Realignment and Closure, Prior-Rounds

B. The justification book will be organized as shown below.

070403. Organization of Justification Books for BRAC 2005

A. Each Military Department will submit their justification material into a consolidated single volume book entitled:

DoD Base Realignment and Closure 2005 Commission

B. The Military Departments will organize their justification book as shown below.

C. Defense Agencies and Defense-Wide Activities will submit their justification material in unbounded separate sheets using the formats shown on pages above. OUSD Comptroller will consolidate the Defense Agencies and Defense-Wide Activities material into a bounded Defense Agencies and Defense-Wide Activities Justification Book for submission to Congress. The Defense Agencies and Defense-Wide Activities are not to submit separate BRAC 2005 budget justification material to Congress.

ORGANIZATION/EXHIBIT REQUIREMENTS FOR PRIOR ROUND BRACS

Organization

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ORGANIZATION/EXHIBIT REQUIREMENTS For BRAC 2005 COMMISSION

Organization

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Base Realignment and Closure Construction Project Listing Exhibit BC-05
By Component, State, Project Description, Project Number,
and Dollar Amount

0705 BASE REALIGNMENT AND CLOSURE APPROPRIATION SUBMISSION FORMATS for PRIOR-ROUND BRAC

070501. Purpose

The formats provided on pages 7-14 through 7-22 reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, these formats should be adhered to for Prior-Round BRACs budget submissions.

070502. Exhibits in Support of Prior-Round BRACs

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INSTRUCTIONS FOR PREPARATION OF EXHIBIT BC-01
"FY ____ BASE REALIGNMENT AND CLOSURE DATA"
19__ COMMISSION

Service Overview

Schedule: Summarize by fiscal year, the names and locations of the affected bases, and how much of the DoD Base Closure Account will be expended in the fiscal year. Discuss possible problems in meeting the schedule. Highlight realignment/closure actions where the estimated implementation costs and impacts significantly differ from those determined by the Commission.

Mission Impact: Describe possible mission impact in completing the realignment/closure.

Environmental Considerations: Describe potential problems in closing an installation due to the complexity in cleaning up environmental wastes and hazards.

Address any other items/issues appropriate for the overview section.

EXHIBIT BC-01 BRAC Service Overview
(Page 1 of 1)

Exhibit BC-02 BRAC Implementation Costs

BASE REALIGNMENT AND CLOSURE ACCOUNT - 19__ COMMISSION _ 1/
2/
(DOLLARS IN 3/)

	FY 1990	FY 1991	FY 1992	FY 1993
ONE-TIME IMPLEMENTATION COSTS:				
Military Construction				
Family Housing - Construction				
Operations				
Environmental				
Operation and Maintenance				
Military Personnel - PCS				
Other				
Homeowners Assistant Program				
TOTAL ONE-TIME COSTS				
Revenues From Land Sales(-)				
Budget Authority Request				
FUNDED OUTSIDE OF THE ACCOUNT:				
Military Construction				
Family Housing - Operations				
Operation and Maintenance				
Other				
Homeowners Assistant Program				
TOTAL OUTSIDE THE ACCOUNT				
SAVINGS:				
Military Construction				
Family Housing - Construction				
Operations				
Operation and Maintenance				
Military Personnel				
Other				
Homeowners Assistance Program				
Civilian ES				
Military ES				
TOTAL SAVINGS				
NET IMPLEMENTATION COSTS:				
Military Construction				
Family Housing - Construction				
Operations				
Environmental				
Operation and Maintenance				
Military Personnel				
Other				
Homeowners Assistance Program				
Revenues From Land Sales				
NET IMPLEMENTATION COSTS				
Less Estimated Land Revenues:				

EXHIBIT BC-02 BRAC Implementation Costs
(Page 1 of 2)

Exhibit BC-02 BRAC Implementation Costs (Continued)

BASE REALIGNMENT AND CLOSURE ACCOUNT - 19__ Commission _ 1/
2/
(DOLLARS IN 3/)

	FY 1994	FY 1995	Total FY 1990-1995
ONE-TIME IMPLEMENTATION COSTS:			
Military Construction			
Family Housing - Construction			
Operations			
Environmental			
Operation and Maintenance			
Military Personnel - PCS			
Homeowners Assistant Program			
Other			
TOTAL ONE-TIME COSTS			
Revenues From Land Sales(-)			
Budget Authority Request			
FUNDED OUTSIDE OF THE ACCOUNT:			
Military Construction			
Family Housing - Operations			
Operation and Maintenance			
Homeowners Assistance Program			
Other			
TOTAL OUTSIDE THE ACCOUNT			
SAVINGS:			
Military Construction			
Family Housing - Construction			
Operations			
Operation and Maintenance			
Military Personnel			
Other			
Civilian End Strength			
Military End Strength			
TOTAL SAVINGS			
NET IMPLEMENTATION COSTS:			
Military Construction			
Family Housing - Construction			
Operations			
Environmental			
Operation and Maintenance			
Military Personnel			
Other			
Homeowners Assistance Program			
Revenues From Land Sales			
NET IMPLEMENTATION COSTS			
Less Estimated Land Revenues:			

1/ 1988 Commission, 1991 Commission, 1993 Commission, etc.
2/ Identification, e.g., DoD Financial Summary, Army Summary or Pease AFB Package, etc.
3/ Dollars in thousands.

EXHIBIT BC-02 BRAC Implementation Costs
(Page 2 of 2)

BASE REALIGNMENT AND CLOSURE
19__ COMMISSION
PACKAGE DESCRIPTION

Service/Location/Package: Cross-reference to standard terminology employed in the Commission's report.

Closure/Realignment Package: Brief description of the actions necessary to complete the realignment or closure at this location. A package is defined as all actions, costs and savings associated with the closing or realignment of a base or installation as recommended by the Commissions. Include how the physical plant will be affected and the missions that must be terminated or transferred to other locations. Reflect planning and design and management overhead costs in a separate package covering, overall one-time implementation cost. All military construction savings should also be addressed in this same package.

One-time Implementation Costs:

Military Construction: New facilities that must be constructed to accommodate a realignment or closure action. List the construction projects associated with the package as follows:

Location/Project Title	Fiscal Year of Award	Amount ($ in 000)
Subtotal for Each Fiscal Year		

Conjunctively-Funded Construction: Identify each project that is funded conjunctively, the total cost of each project and the amounts funded by non-Base Closure Account sources. These projects will also appear on the above list, which will reflect only that portion of the project to be funded by the Base Closure Account.

Family Housing Construction: Specify the number of units and location. As with military construction, list each family housing construction project.

Family Housing Operations: The one-time family housing operations costs associated with package implementation.

Operation and Maintenance: Includes PCS of civilian personnel, civilian severance costs, transportation of things, RPM and other one-time implementation costs as a result of closure or realignment. Program management costs should also be addressed, but only in the separate package covering overall one-time implementation costs.

Exhibit BC-03 BRAC Package Description (Continued)

Procurement Items: Items normally funded from procurement appropriations.

Revenues From Land Sales: Provide statistics and narrative to adequately describe the land being proposed for sale. Describe the method and date of appraisal.

Environmental: Indicate the environmental restoration actions that will occur at both the losing and gaining locations, the funding requirements and status of all such restoration actions.

Savings: Demonstrated savings that will accrue from the partial or complete closure of the base.

Military Construction: To be addressed in the single package addressing overall/program management costs.

Family Housing Construction: Self-explanatory.

Family Housing Operations: Savings (offset by increased recurring costs).

Operation and Maintenance: One-time and recurring savings (offset by increased recurring costs) in civilian personnel, base operations, RPMA and other costs as a result of closure or realignment. Be specific as to the category,

Military Personnel: One-time and recurring savings (offset by increased recurring costs) in military personnel as a result of closure or realignment. Be specific as to the category.

Other: Self-explanatory.

EXHIBIT BC-03 (Page 2 of 2)

Exhibit BC-04 Continuing BRAC Environmental Restoration and Caretaker Costs

BASE REALIGNMENT AND CLOSURE ACCOUNT

Continuing Environmental restoration and Caretaker Cost

1/

(DOLLARS IN 2/)

	FY2003	FY2004	FY2005	FY2006	FY2007	Total 3/
CONTINUING ENVIRONMENTAL AND CARETAKER COSTS:						
Environmental						
Operation and Maintenance						
Homeowners Assistant Program						
TOTAL COSTS						
Revenues From Land Sales(-)						
Budget Authority Request						

1/ Identification, e.g., DoD Financial Summary, Army Summary or Pease AFB Package, etc.
2/ Dollars in thousands
3/ Reflect the Budget Year and four prior fiscal years.

Exhibit BC-04 Continuing BRAC Environmental Restoration and Caretaker Costs
(Page 1 of 1)

Env 30 DERA and BRAC Funds Budgeted for Environmental Clean

Class	Component	FUDS	FundSource	CleanUp Action	RiskMSRPP Level	RiskMSRPP Type	SiteFunding Requirements	FY PY Actual	FY CY Estimate

A.

FY BY 1	FY BY 2	FY BY +1	FY BY 2 +2	FY BY 2 +3	FY BY 2 +4	BalanceToComplete

B. Instructions

1) The new ENV 30 replaces the former ENV 30 DERA and ENV 1A/1B BRAC exhibits. Part 2 captures Project Management activity breakouts for IRP, Munitions Response, BD/DR, BRAC Compliance, and BRAC Planning. Legacy BRAC includes BRAC rounds I-IV, and there is a separate format required for BRAC 2005.
2) For all Fund Sources, all Clean-Up Programs provide number of sites and funding by Clean-Up and Analysis in all years identified and Balance to Complete. See Relationship Matrix below. For BRAC Planning and BRAC Compliance, provide number of facilities in lieu of sites.
3) Only the Army reports FUDS.
4) For Clean-up Action—for Assessments, Analysis/Investigation, Interim Actions, Remedial Designs, and Remedial Action Construction provide the funding detail by Relative-Risk or MRSPP Level and Type.
5) If there is no analysis associated with an action, report funding only.
6) Components shall program adequate resources in each year of the FYDP to achieve the programs goals for all restoration activities.
7) Military Departments and applicable Defense Agencies shall develop and submit to the Comptroller separate narrative justification material (including any program increases and decreases) for their respective programs as part of their Program and Budget Review submission.
8) Components shall provide to the DUSD (I&E) no later than two weeks before their POM and budget submissions are due to OSD, the updated relative risk site evaluations, site status updates and cost to complete estimates for every site as required by DoD Instruction 4715.7.
9) The reporting entities directed to submit this data requirement refers to Military Departments (Active, Guard, Reserve)/Defense Agencies.

C. Definitions

Class: System Field: Classification

C: CONFIDENTIAL
C/NF: CONFIDENTIAL//NOFORN
F: FOR OFFICIAL USE ONLY
S: SECRET
S/NF: SECRET//NOFORN
U: UNCLASSIFIED

Component: For the Military Departments report by Active, Guard and Reserve. Defense Agencies choose Defense Agency. Army also reports for FUDS.

Active:

DADW: Defense Area Defense Wide. Used by non-service defense agencies.
Guard:
Reserve:

FUDS: Army will use this field to identify the Formerly Used Defense Sites (FUDS) data by selecting a "Yes" or "No" value. All other Services/Agencies will enter "No" as the FUDS data value

No:
Yes:

Env 30 DERA and BRAC Funds Budgeted for Environmental Clean-Up (Continued)

FundSource:

BRAC-Building Demolition/Debris Removal: Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. The demolition and removal of unsafe buildings and structures in accordance with DERP Management Guidance at facilities or sites that are or were owned by, leased to, or otherwise possessed by the United States under the jurisdiction of the Secretary of Defense. Separate entries are required for Legacy BRAC and BRAC 2005.

BRAC-COMPLIANCE: Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. See DoD Instruction 4715.6. Separate entries are required for Legacy BRAC and BRAC 2005

BRAC-IRP: Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Covers the Hazardous and Petroleum Waste project management. Separate entries are required for Legacy BRAC and BRAC 2005

BRAC-Munitions Response: Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Clean up activities (i.e., the identification, investigation, and removal actions, remedial actions, or a combination of removal and remedial actions) to address military munitions (i.e., UXO) or the chemical residues of munitions at BRAC installations. Separate entries are required for Legacy BRAC and BRAC 2005

BRAC-PLANNING: Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. See DoD Instruction 4715.9. Separate entries are required for Legacy BRAC and BRAC 2005

Environmental Restoration-Building Demolition/Debris Removal: Funded by Environmental Restoration appropriations. The demolition and removal of unsafe buildings and structures in accordance with DERP Management Guidance at facilities or sites that are or were owned by, leased to, or otherwise possessed by the United States under the jurisdiction of the Secretary of Defense.

Environmental Restoration-IRP: Funded by Environmental Restoration appropriations. Covers the Hazardous and Petroleum Waste project management.

Environmental Restoration-Munitions Response: Funded by Environmental Restoration appropriations. Clean up activities (i.e., the identification, investigation, and removal actions, remedial actions, or a combination of removal and remedial actions) to address military munitions (i.e., UXO) or the chemical residues of munitions at FUDS properties, or on closed munitions response sites at active installations.

Land Sale Revenue: A one line entry for Legacy BRAC and BRAC 2005 to indicate how much land sale revenue will be applied to Environmental Requirements.

CleanUpAction:

Analysis/Investigation: Analysis used to characterize the nature, extent, and risk of releases of hazardous substances into the environment and to develop and select a cleanup remedy.

Assessments: A limited scope investigation designed to distinguish sites that pose little or no threat to human health and the environment from sites that require further investigation. The assessment typically is based on installation records searches, visual site inspections, and interviews with personnel.

Interim Actions: An interim measure that can be implemented at any time in the restoration process and that is designed to abate contamination until the final remedial action can be implemented.

Land Sale Revenue: Term used to identify funds recovered from the sale of real property used to offset restoration funding requirements.

Long Term Management: Term used for environmental monitoring, review of site conditions, and/or maintenance of a remedial action to ensure continued protection as designed once a site achieves response complete.

N/A: Not applicable; leave blank.

No Further Action: No further action planned or funded.

Potentially Responsible Party: (PRP)-As defined in the Comprehensive Environmental Response Compensation and Liability Act(CERCLA) Recovery-Pursuant to 10USC Section 2703(d)(1) and (2)

Env 30 DERA and BRAC Funds Budgeted for Environmental Clean-Up (Continued)

Components are authorized to credit their environmental restoration account with amounts recovered pursuant to CERCLA for response costs at DERP sites.

Recovery: Pursuant to 10USC Section 2703(d)(1) and (2) Components are authorized to credit their environmental restoration account with amounts recovered pursuant to CERCLA for response costs at DERP sites.

Remedial Action Construction: The restoration phases during which the final remedy is being put in place. The end date signifies that the construction is complete, all testing has been accomplished, and that the remedy will function properly.

Remedial Action Operations: Remedial Action Operations (RAO) - The period when a remedy is being operated but cleanup objectives have not yet been achieved.

Remedial Designs: Restoration phases during which construction parameters and equipment specifications for a selected cleanup technology are defined.

RiskMSRPPLevel: Risk Level as defined to the DoD Relative Risk Site Evaluation Primer or Munitions Response Site Prioritization Protocol (MRSPP) priority level.

High Relative Risk: As defined in the DoD Relative Risk Site Evaluation Primer.

Low Relative Risk: As defined in the DoD Relative Risk Site Evaluation Primer.

Medium Relative Risk: As defined in the DoD Relative Risk Site Evaluation Primer.

MRSPP 1: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP 2: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP 3: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP 4: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP 5: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP 6: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP 7: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP 8: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP Evaluation Pending: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP No Known or Suspected Hazard: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP No Longer Required: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

N/A: N/A

N/A: Not applicable; leave blank.

Not Evaluated Relative Risk: As defined in the DoD Relative Risk Site Evaluation Primer.

RiskMSRPPType:

N/A: Not applicable; leave blank.

With Agreements:

With Reuse: Action is necessary to support a future land use identified in an approved Reuse Plan.

Without Agreements:

Without Reuse: Future land reuse either has not been identified or the action is not necessary to support a future land use identified in an approved Reuse Plan.

SiteFundingRequirements:

Analysis: $TOA (and includes PA/SI and RI/FS activities)

Clean-up: $TOA (includes IRA, RD, and RA-C activities)

Sites: # of sites (projects for FUDS) at the beginning of the FY.

BalanceToComplete: Balance to Complete: Total Funding beyond required to complete the projected.

Env 30 DERA and BRAC Funds Budgeted for Environmental Clean
(page 3 of3)

Env 30 DERA and BRAC Funds Budgeted for Environmental Clean-Up

Business Rules

Data Matrix: FundSource, CleanUpAction, RiskMSRPPLevel, RiskMSRPPType Relationship

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
Environmental Restoration-IRP	Analysis/Investigation	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Assessments	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Interim Actions	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Land Sale Revenue		N/A
			With Agreements
			Without Agreements
	Long Term Management		N/A
			With Agreements
			Without Agreements
	Potentially Responsible Party	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Recovery	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Remedial Action Construction	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Remedial Action Operations		N/A
			With Agreements
			Without Agreements
	Remedial Designs	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
Environmental Restoration-Munitions Response	Analysis/Investigation	MRSPP 1	N/A
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Assessments	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Interim Actions	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Long Term Management	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	No Further Action	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
	Potentially Responsible Party	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		MRSPP 5	
	Recovery	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Remedial Action Construction	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Remedial Action Operations	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Remedial Designs	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
Environmental Restoration-Building Demolition/Debris Removal	N/A	N/A	
Legacy BRAC-IRP	Analysis/Investigation	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
	Assessments	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Interim Actions	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Long Term Management	N/A	
	Potentially Responsible Party	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Recovery	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Construction	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Operations	N/A	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
	Remedial Designs	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
Legacy BRAC-Building Demolition/Debris Removal	N/A	N/A	N/A
Legacy BRAC-PLANNING			
Legacy BRAC-COMPLIANCE			
Legacy BRAC Land Sale revenue			
BRAC 2005-IRP	Analysis/Investigation	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Assessments	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Interim Actions	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Long Term Management	N/A	
	Potentially Responsible Party	High Relative Risk	
		Medium Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Recovery	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Construction	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Operations	N/A	
	Remedial Designs	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
BRAC 2005-Building Demolition/Debris Removal	N/A	N/A	N/A
BRAC 2005-PLANNING			
BRAC 2005-COMPLIANCE			
Land Sale Revenue			

***Subject Matter Experts*:** Questions regarding this data requirement should be directed to Shah Choudhury 703-571-9067 and Bob Furlong 703-571-9073.

***Technical Issues*:** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: https://snap.pae.osd.mil or call (703) 601-4860 ext #107 or #108.

0706 BASE REALIGNMENT AND CLOSURE SUBMISSION FORMATS For BRAC 2005 COMMISSION

070601. Purpose

The formats provided on pages 7-25 through 7-32 reflect guidance for preparation of exhibits pertaining to BRAC 2005 budget justification material. Unless modified in a submission budget call, these formats should be adhered to.

*070602. Exhibits in Support of BRAC 2005 - Budget Estimates Submission

BC-01 BRAC Service Overview 7-31
BC-02 BRAC Implementation Costs 7-32
BC-03 BRAC Package Description 7-34
BC-04 BRAC Continuing Environmental and Caretaker Costs 7-36
BC-05 BRAC Construction Projects by Location, Project Title, Author and Appro. Request 7-37
BRAC ENV-30 7-38

Exhibit BC-01 BRAC Service Overview 2005 COMMISSION

INSTRUCTIONS FOR PREPARATION OF EXHIBIT BC-01
"FY ____ BASE REALIGNMENT AND CLOSURE DATA
2005 COMMISSION
Service/Defense Agency/Defense-Wide Activity

Service Overview

Schedule: Summarize by fiscal year, the names and locations of the affected bases, and how much of the DoD Base Closure Account 2005 funding will be obligated/expended in the fiscal year. Discuss possible problems in meeting the schedule. Highlight realignment/closure actions where the estimated implementation costs and impacts significantly differ from those determined by the Commission.

Mission Impact: Describe possible mission impact in completing the realignment/closure.

Environmental Considerations: Describe potential problems in closing an installation due to the complexity in cleaning up environmental wastes and hazards.

Address any other items/issues appropriate for the overview section.

Exhibit BC-02 BRAC Implementation Costs 2005 COMMISSION

FY ____ Budget Estimates
BASE REALIGNMENT AND CLOSURE ACCOUNT - 2005 COMMISSION
Costs and Savings by Fiscal Year
(DOLLARS IN MILLIONS)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Total
One-Time Implementation Costs:							
Military Construction - BRAC							
Family Housing - Construction							
Family Housing - Operations							
Environmental							
Operation and Maintenance							
Military Personnel - PCS							
Other							
Homeowners Assistant Program							
TOTAL ONE-TIME COSTS							
Revenues From Land Sales(-)							
Budget Authority Request							
One-Time Costs							
Funded Outside Of The Account:							
Military Construction							
Family Housing - Operations							
Operation and Maintenance							
Other							
Homeowners Assistant Program							
Total Outside The Account							
Grand Total One-Time Implementation Cost							
Recurring Costs (memo non-add)							
Operations & Maintenance							
Military Personnel							
Other							
Total Recurring Costs (memo non-add)							
One-time savings:							
Military Construction							
Family Housing – Construction							
Military PCS Cost Avoidance							
Operation and Maintenance							
Other							
Total one-time savings							

Exhibit BC-02 BRAC Implementation Costs 2005 COMMISSION (Continued)

Recurring Savings
- Civilian Salary:
- Military Entitlement:
- Officer Salary
- Enlisted Salary
- Housing Allowance
- Overhead:
- Family Housing Operations
- Sustainment
- Recapitalization
- BOS
- Other
- Procurement
- Mission Activity
- Miscellaneous

Total Recurring Savings

Grand Total Savings

Net Civilian Manpower Position Changes(+/-)
Net Military Manpower Position Changes (+/-)
Net Implementation Costs
Less Estimated Land Revenues:…

Exhibit BC-02 BRAC Implementation Costs

Exhibit BC-03 BRAC Package Description 2005 COMMISSION

FY ____ BASE REALIGNMENT AND CLOSURE DATA
2005 COMMISSION
PACKAGE DESCRIPTION

Service/Location/Package: Cross-reference to standard terminology employed in the Commission's report.

Closure/Realignment Package: Brief description of the actions necessary to complete the realignment or closure at this location. A package is defined as all actions, costs and savings associated with the closing or realignment of a base or installation as recommended by the Commissions. Include how the physical plant will be affected and the missions that must be terminated or transferred to other locations. Reflect planning and design and management overhead costs in a separate package covering, overall one-time implementation cost. All military construction savings should also be addressed in this same package.

One-time Implementation Costs:

Military Construction: New facilities that must be constructed to accommodate a realignment or closure action. List the construction projects associated with the package as follows:

Location/Project Title	Fiscal Year of Award	Amount ($ in 000)
Subtotal for Each Fiscal Year		

Conjunctively-Funded Construction: Identify each project that is funded conjunctively, the total cost of each project and the amounts funded by non-Base Closure Account sources. These projects will also appear on the above list, which will reflect only that portion of the project to be funded by the Base Closure Account.

Family Housing Construction: Specify the number of units and location. As with military construction, list each family housing construction project.

Family Housing Operations: The one-time family housing operations costs associated with package implementation.

Operation and Maintenance: Includes PCS of civilian personnel, civilian severance costs, transportation of things, RPM and other one-time implementation costs as a result of closure or realignment. Program management costs should also be addressed, but only in the separate package covering overall one-time implementation costs.

Procurement Items: Items normally funded from procurement appropriations.

Revenues From Land Sales: Provide statistics and narrative to adequately describe the land being proposed for sale. Describe the method and date of appraisal.

Exhibit BC-03 BRAC Package Description
(page 1 of 2)

Exhibit BC-03 BRAC Package Description 2005 Commission (Continued)

Environmental: Indicate the environmental restoration actions that will occur at both the losing and gaining locations, the funding requirements and status of all such restoration actions.

Savings: Demonstrated savings that will accrue from the partial or complete closure of the base.

Military Construction: To be addressed in the single package addressing overall/program management costs.

Family Housing Construction: Self-explanatory.

Family Housing Operations: Savings (offset by increased recurring costs).

Operation and Maintenance: One-time and recurring savings (offset by increased recurring costs) in civilian personnel, base operations, RPMA and other costs as a result of closure or realignment. Be specific as to the category,

Military Personnel: One-time and recurring savings (offset by increased recurring costs) in military personnel as a result of closure or realignment. Be specific as to the category.

Other: Self-explanatory.

Exhibit BC-03
(Page 2 of 2)

Exhibit BC-04 Continuing BRAC Environmental Restoration and Caretaker Costs

BASE REALIGNMENT AND CLOSURE 2005 ACCOUNT
Continuing Environmental Restoration and Caretaker Cost
1/
(DOLLARS IN 2/)

	FY2003	FY2004	FY2005	FY2006	FY2007	Total 3/
CONTINUING ENVIRONMENTAL AND CARETAKER COSTS:						
Environmental						
Operation and Maintenance						
Homeowners Assistant Program						
TOTAL COSTS						
Revenues From Land Sales(-)						
Budget Authority Request						

1/ Identification, e.g., DoD Financial Summary, Army Summary or Pease AFB Package, etc.
2/ Dollars in thousands
3/ Reflect the Budget Year and four prior fiscal years.

Exhibit BC-04 Continuing BRAC Environmental Restoration and Caretaker Costs
(page 1 of 1)

Exhibit BC-05 Construction Project Listing 2005 COMMISSION

COMPONENT: _____
FY ____ BASE REALIGNMENT AND CLOSURE DATA
2005 COMMISSION
BRAC CONSTRUCTION PROJECT LISTING
(Dollars in Thousands)

State Code	Project Location	Project Title	Fiscal Year	Authorization Request	Appropriation Request	Award Date

BRAC Construction Project Listing Exhibit BC-05

Env 30 DERA and BRAC Funds Budgeted for Environmental Clean-Up

Class	Component	FUDS	FundSource	CleanUp Action	RiskMSRPP Level	RiskMSRPP Type	SiteFunding Requirements	FY PY Actual	FY CY Estimate

D.

FY BY 1	FY BY 2	FY BY +1	FY BY 2 +2	FY BY 2 +3	FY BY 2 +4	BalanceToComplete

E. Instructions

1) The new ENV 30 replaces the former ENV 30 DERA and ENV 1A/1B BRAC exhibits. Part 2 captures Project Management activity breakouts for IRP, Munitions Response, BD/DR, BRAC Compliance, and BRAC Planning. Legacy BRAC includes BRAC rounds I-IV, and there is a separate format required for BRAC 2005.
2) For all Fund Sources, all Clean-Up Programs provide number of sites and funding by Clean-Up and Analysis in all years identified and Balance to Complete. See Relationship Matrix below. For BRAC Planning and BRAC Compliance, provide number of facilities in lieu of sites.
3) Only the Army reports FUDS.
4) For Clean-up Action—for Assessments, Analysis/Investigation, Interim Actions, Remedial Designs, and Remedial Action Construction provide the funding detail by Relative-Risk or MRSPP Level and Type.
5) If there is no analysis associated with an action, report funding only.
6) Components shall program adequate resources in each year of the FYDP to achieve the programs goals for all restoration activities.
7) Military Departments and applicable Defense Agencies shall develop and submit to the Comptroller separate narrative justification material (including any program increases and decreases) for their respective programs as part of their Program and Budget Review submission.
8) Components shall provide to the DUSD (I&E) no later than two weeks before their POM and budget submissions are due to OSD, the updated relative risk site evaluations, site status updates and cost to complete estimates for every site as required by DoD Instruction 4715.7.
9) The reporting entities directed to submit this data requirement refers to Military Departments (Active, Guard, Reserve)/Defense Agencies.

F. Definitions

Class: System Field: Classification

C: CONFIDENTIAL
C/NF: CONFIDENTIAL//NOFORN
F: FOR OFFICIAL USE ONLY
S: SECRET
S/NF: SECRET//NOFORN
U: UNCLASSIFIED

Component: For the Military Departments report by Active, Guard and Reserve. Defense Agencies choose Defense Agency. Army also reports for FUDS.

Active:
DADW: Defense Area Defense Wide. Used by non-service defense agencies.
Guard:
Reserve:

Env 30 DERA and BRAC Funds Budgeted for Environmental Clean-Up (Continued)

FUDS: Army will use this field to identify the Formerly Used Defense Sites (FUDS) data by selecting a "Yes" or "No" value. All other Services/Agencies will enter "No" as the FUDS data value

No:

Yes:

FundSource:

BRAC-Building Demolition/Debris Removal: Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. The demolition and removal of unsafe buildings and structures in accordance with DERP Management Guidance at facilities or sites that are or were owned by, leased to, or otherwise possessed by the United States under the jurisdiction of the Secretary of Defense. Separate entries are required for Legacy BRAC and BRAC 2005.

BRAC-COMPLIANCE: Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. See DoD Instruction 4715.6. Separate entries are required for Legacy BRAC and BRAC 2005

BRAC-IRP: Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Covers the Hazardous and Petroleum Waste project management. Separate entries are required for Legacy BRAC and BRAC 2005

BRAC-Munitions Response: Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Clean up activities (i.e., the identification, investigation, and removal actions, remedial actions, or a combination of removal and remedial actions) to address military munitions (i.e., UXO) or the chemical residues of munitions at BRAC installations. Separate entries are required for Legacy BRAC and BRAC 2005

BRAC-PLANNING: Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. See DoD Instruction 4715.9. Separate entries are required for Legacy BRAC and BRAC 2005

Environmental Restoration-Building Demolition/Debris Removal: Funded by Environmental Restoration appropriations. The demolition and removal of unsafe buildings and structures in accordance with DERP Management Guidance at facilities or sites that are or were owned by, leased to, or otherwise possessed by the United States under the jurisdiction of the Secretary of Defense.

Environmental Restoration-IRP: Funded by Environmental Restoration appropriations. Covers the Hazardous and Petroleum Waste project management.

Environmental Restoration-Munitions Response: Funded by Environmental Restoration appropriations. Clean up activities (i.e., the identification, investigation, and removal actions, remedial actions, or a combination of removal and remedial actions) to address military munitions (i.e., UXO) or the chemical residues of munitions at FUDS properties, or on closed munitions response sites at active installations.

Land Sale Revenue: A one line entry for Legacy BRAC and BRAC 2005 to indicate how much land sale revenue will be applied to Environmental Requirements.

CleanUpAction:

Analysis/Investigation: Analysis used to characterize the nature, extent, and risk of releases of hazardous substances into the environment and to develop and select a cleanup remedy.

Assessments: A limited scope investigation designed to distinguish sites that pose little or no threat to human health and the environment from sites that require further investigation. The assessment typically is based on installation records searches, visual site inspections, and interviews with personnel.

Interim Actions: An interim measure that can be implemented at any time in the restoration process and that is designed to abate contamination until the final remedial action can be implemented.

Land Sale Revenue: Term used to identify funds recovered from the sale of real property used to offset restoration funding requirements.

Long Term Management: Term used for environmental monitoring, review of site conditions, and/or maintenance of a remedial action to ensure continued protection as designed once a site achieves response complete.

N/A: Not applicable; leave blank.

No Further Action: No further action planned or funded.

Potentially Responsible Party: (PRP)-As defined in the Comprehensive Environmental Response Compensation and Liability Act(CERCLA) Recovery-Pursuant to 10USC Section 2703(d)(1) and (2) Components are authorized to credit their environmental restoration account with amounts recovered pursuant to CERCLA for response costs at DERP sites.

Recovery: Pursuant to 10USC Section 2703(d)(1) and (2) Components are authorized to credit their environmental restoration account with amounts recovered pursuant to CERCLA for response costs at DERP sites.

Remedial Action Construction: The restoration phases during which the final remedy is being put in place. The end date signifies that the construction is complete, all testing has been accomplished, and that the remedy will function properly.

Remedial Action Operations: Remedial Action Operations (RAO) - The period when a remedy is being operated but cleanup objectives have not yet been achieved.

Remedial Designs: Restoration phases during which construction parameters and equipment specifications for a selected cleanup technology are defined.

RiskMSRPPLevel: Risk Level as defined to the DoD Relative Risk Site Evaluation Primer or Munitions Response Site Prioritization Protocol (MRSPP) priority level.

High Relative Risk: As defined in the DoD Relative Risk Site Evaluation Primer.

Low Relative Risk: As defined in the DoD Relative Risk Site Evaluation Primer.

Medium Relative Risk: As defined in the DoD Relative Risk Site Evaluation Primer.

MRSPP 1: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP 2: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP 3: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP 4: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP 5: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP 6: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP 7: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP 8: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP Evaluation Pending: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP No Known or Suspected Hazard: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP No Longer Required: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

N/A: N/A

N/A: Not applicable; leave blank.

Not Evaluated Relative Risk: As defined in the DoD Relative Risk Site Evaluation Primer.

RiskMSRPPType:

N/A: Not applicable; leave blank.

With Agreements:

With Reuse: Action is necessary to support a future land use identified in an approved Reuse Plan.

Without Agreements:

Without Reuse: Future land reuse either has not been identified or the action is not necessary to support a future land use identified in an approved Reuse Plan.

SiteFundingRequirements:

Analysis: $TOA (and includes PA/SI and RI/FS activities)

Clean-up: $TOA (includes IRA, RD, and RA-C activities)

Sites: # of sites (projects for FUDS) at the beginning of the FY.

BalanceToComplete: Balance to Complete: Total Funding beyond required to complete the projected.

Business Rules- 2005 COMMISSION

Data Matrix: FundSource, CleanUpAction, RiskMSRPPLevel, RiskMSRPPType Relationship

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
Environmental Restoration-IRP	Analysis/Investigation	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Assessments	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Interim Actions	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		N/A	N/A
			With Agreements
			Without Agreements
	Land Sale Revenue		N/A
			With Agreements
			Without Agreements
	Long Term Management		N/A
			With Agreements
			Without Agreements
	Potentially Responsible Party	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Recovery	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Remedial Action Construction	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Remedial Action Operations		N/A
			With Agreements
			Without Agreements
	Remedial Designs	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
Environmental Restoration-Munitions Response	Analysis/Investigation	MRSPP 1	N/A
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Assessments	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Interim Actions	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Long Term Management	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	No Further Action	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
	Potentially Responsible Party	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Recovery	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Remedial Action Construction	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Remedial Action Operations	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Remedial Designs	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
Environmental Restoration-Building Demolition/Debris Removal	N/A	N/A	
Legacy BRAC-IRP	Analysis/Investigation	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Assessments	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Interim Actions	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Long Term Management	N/A	
	Potentially Responsible Party	High Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Recovery	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Construction	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Operations	N/A	
	Remedial Designs	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		Not Evaluated Relative Risk	
Legacy BRAC-Building Demolition/Debris Removal	N/A	N/A	N/A
Legacy BRAC-PLANNING			
Legacy BRAC-COMPLIANCE			
Legacy BRAC Land Sale revenue			
BRAC 2005-IRP	Analysis/Investigation	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Assessments	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Interim Actions	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
	Long Term Management	N/A	
	Potentially Responsible Party	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Recovery	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Construction	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Operations	N/A	
	Remedial Designs	High Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
BRAC 2005-Building Demolition/Debris Removal	N/A	N/A	N/A
BRAC 2005-PLANNING			
BRAC 2005-COMPLIANCE			
Land Sale Revenue			

***Subject Matter Experts*:** Questions regarding this data requirement should be directed to Shah Choudhury 703-571-9067 and Bob Furlong 703-571-9073.

***Technical Issues*:** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: https://snap.pae.osd.mil or call (703) 601-4860 ext #107

VOLUME 2B, CHAPTER 8 "FACILITIES SUSTAINMENT AND RESTORATION/MODERNIZATION"

SUMMARY OF MAJOR CHANGES

All changes are denoted by blue font.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by *bold, italic, blue, and underlined font*.

The previous version dated December 2010 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
080505	Requires budget execution oversight of the DoD Overseas Military Facility Investment Recovery Account (DOMFIRA).	Update

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CHAPTER 8

FACILITIES SUSTAINMENT AND RESTORATION/MODERNIZATION

0801 GENERAL

080101. Purpose

A. This chapter provides instructions applicable to budget formulation and congressional justification for Facilities Sustainment and Restoration/Modernization (FSRM).

B. The following appropriations and accounts are covered:

Section
0802

- Operation and Maintenance Appropriations
- Research, Development, Test, and Evaluation Appropriations
- Defense Working Capital Funds
- Military Construction
- Other Funds

Section
0804

- Transfer or Disposal of DoD Real Property
- Lease of DoD Real Property

Section
0805

- DoD Overseas Military Facility Investment Recovery Account

080102. Submission Requirements

General guidance with regard to submission requirements is presented in Chapter 1. Chapter 8 covers specific additional back-up material requirements for the above Facilities Sustainment and Restoration/Modernization accounts. In summary, all exhibit displays for Facilities Sustainment and Restoration/ Modernization accounts must be provided to the Military Personnel and Construction Directorate, Room 3C654, Pentagon.

080103. Preparation of Material

General guidance with regard to format and preparation of material is presented in Chapter 1. Chapter 8 provides additional specific guidance with regard to the back-up material required for Facilities Sustainment, Restoration and Modernization.

080104. References

Chapter 3 provides Chapter 5 guidance related to Operation and Maintenance costs and submission organization and provides guidance, submission organization and formats related to Research, Development, Test, and Evaluation appropriations.

080105. Definition of Sustainment and Restoration/Modernization

A. Sustainment means the maintenance and repair activities necessary to keep an inventory of facilities in good working order. It includes regularly scheduled adjustments and inspections, preventive maintenance tasks, and emergency response and service calls for minor repairs. It also includes major repairs or replacement of facility components (usually accomplished by contract) that are expected to occur periodically throughout the life cycle of facilities. This work includes regular roof replacement, refinishing of wall surfaces, repairing and replacement of heating and cooling systems, replacing tile and carpeting, and similar types of work. It does not include environmental compliance costs, facility leases, or other tasks associated with facilities operations (such as custodial services, grounds services, waste disposal, and the provision of central utilities).

The DoD facilities sustainment model (FSM) is used as the standardized model for forecasting facilities sustainment resource requirements. The FSM uses the following formula to develop the sustainment requirement:

1. ***Annual sustainment requirement*** = **facility quantity** x **sustainment unit cost** x **location factor x inflation.**

2. **.Facility quantity** - the facility size expressed in the Facility Analysis Category (FAC) unit of measure (such as square feet).

3. **Sustainment unit cost** – the average annual unit cost (in current year dollars) for sustaining the average size facility in the given FAC.

4. **Location factor** – a location adjustment based upon the local costs for labor, equipment, materials, and currency exchange rates (overseas) compared with an overall base-city average.

5. **Inflation** – factor to adjust current year prices to the target future year.

The Department uses a sustainment metric which is the comparison of sustainment funding to the requirement for a given year, expressed as a rate.

6. ***Sustainment rate (%)*** = sustainment funding/FSM requirement:

B. Restoration means the restoration of real property to such a condition that it may be used for its designated purpose. Restoration includes repair or replacement work to restore facilities damaged by inadequate sustainment, excessive age, natural disaster, fire, accident, or other causes.

C. Modernization means the alteration or replacement of facilities solely to implement new or higher standards, to accommodate new functions, or to replace building components that typically last more than 50 years (such as the framework or foundation)

D. Recapitalization means the major renovation or reconstruction activities (including facility replacements) needed to keep existing facilities modern and relevant in an environment of changing standards and missions. Recapitalization extends the service life of facilities or restores lost service life. It includes restoration and modernization of existing facilities, as well as replacement of existing facilities with new.

Plant replacement value (PRV) is used as a common measure of facility and inventory size, as well as the basis for generating facility condition index (FCI) values and estimating recapitalization requirements. The DoD standardized formula for calculating PRV is:

1. ***Plant Replacement Value*** = **facility quantity** x **replacement unit cost** x **location factor** x **planning & design (P&D) factor** x **historical factor** x **contingency factor** x **SIOH** x **inflation**

2. **Facility quantity** – the facility size expressed in the FAC unit of measure (such as square feet)

3. **Replacement unit cost** – the average annual unit cost (in current year dollars) for constructing the average size facility to current standards in the given FAC

4. **Location factor** – a location adjustment based upon the local costs for labor, equipment, materials, and currency exchange rates (overseas) compared with an overall base-city average

5. **P&D factor** – an adjustment to account for typical project planning and design costs

6. **Historical factor** – an adjustment for historical architecture and materials (when applicable)

7. **Contingency factor** – an adjustment for typical contingency costs during construction

8. **Supervision, Inspection, and Overhead (SIOH)** – an adjustment for supervision, inspection, and overhead costs associated with construction management

9. **Inflation** – factor to adjust current year prices to the target future year

080106. Facilities Data Quality Assurance (FDQA)

A. The Facilities Data Quality Assurance website was implemented to improve the quality of facilities data used by the Department in its PPBE process, and it displays the data sources of record for all facilities data reporting. This application integrates and displays facilities data submitted by the Components to OSD via Program Resources Collection Process (PRCP), the Standard Data Collection System (SDCS), and Select and Native Programming (SNaP) systems. The data within the FDQAW subsequently produce facilities sustainment metric displays which are displayed in the performance criteria of the OP-5, Detail by Subactivity Group.

B. Components must ensure O&M exhibits are consistent with the PRCP and SDCS data submissions. Verification of the accuracy of the data contained within the FDQA application must be completed PRIOR to the final lock of these databases for preparation of President's Budget materials.

C. Standard operating procedures for the FDQA can be found at https://dpd.pae.osd.smil.mil.

080107. Data Displays

Facility Sustainment, Restoration and Modernization exhibits must be consistent. The following list should be used as a reference for validating data:

- OP-5 Detail by Subactivity Group (Facility Sustainment, Restoration and Modernization)
- OP-32 Automated submission
- PBA-7 Facilities Sustainment, Restoration and Modernization, and Demolition Programs
- O-1 O&M funding by Budget Activity/Activity Group/Subactivity Group
- Facilities Data Quality Assurance application

To the extent a Component submits different estimates in any of the preceding displays, the automated OP-32 will serve as the prevailing display for O&M resources. For Defense Agencies, the object sub-class 923 will serve as the prevailing estimate.

0802 PROGRAM AND BUDGET REVIEW SUBMISSION

080201. Purpose

A. This Section prescribes instructions for the preparation and submission of budget estimates for Facilities Sustainment, Restoration and Modernization requirements.

B. Guidance covers all Facilities Sustainment and Restoration/Modernization (FSRM) costs. Facilities Sustainment and Restoration/Modernization include all recurring maintenance and repair projects costs, real property renovation project costs, and planning and design costs associated with projects; providing funding support to maintain, repair, and modernize buildings, structures, roadways, aprons, railway trackage, utility plants, distribution systems, and other real property.

C. Program funding submitted in Component justification materials must correspond to funding levels identified in the Facilities Sustainment and Restoration/Modernization Program Elements.

D. When budgeting for facilities sustainment and recapitalization, Components will consider the anticipated levels of military personnel monies that fund part of the labor for facilities sustainment and recapitalization (the latter performed by restoration and modernization monies). As appropriate, components will adjust the levels of either operations and maintenance or military construction funding for either facilities sustainment or facilities recapitalization to recognize the contribution of military personnel funds that help maintain the Department's facilities. When determining the military personnel contribution Components must use the method documented on page 12 of the Facilities Recapitalization Metric Front-End Assessment Report, dated August 2002. Additionally components must, for considering the affect of military personnel funds on operation and maintenance and military construction accounts, use the same personnel allocation information and cost rates they provide for the FYDP.

E. When budgeting for facilities sustainment, Components will consider the anticipated levels of Host Nation Support monies and Non-Federal Domestic Facilities Contributions that will be available to reduce the need for appropriated facilities sustainment funding. Components must identify in the FYDP the anticipated levels of both Host Nation Support monies and Non-Federal Domestic Facilities Contributions that are expected to fund facilities sustainment. Specifically, these funds must be booked in the appropriate FYDP facilities sustainment program elements using Resource Identification Code 0800.

F. When budgeting for facilities sustainment and recapitalization, Components will consider the anticipated levels of Defense Working Capital Fund (DWCF) monies that fund facilities sustainment and recapitalization (the latter preformed by restoration and modernization monies). Components must identify DWCF facilities sustainment and facilities restoration and modernization funds in the appropriate FYDP facilities sustainment and

facilities restoration and modernization program elements. Additionally, as appropriate, Components will adjust the levels of appropriated funding for either facilities sustainment or facilities recapitalization to recognize the contributions of DWCF monies that help maintain the Department's facilities.

G. When budgeting for facilities sustainment and recapitalization Components will consider the anticipated levels of RDT&E monies that fund facilities sustainment and recapitalization (the latter preformed by restoration and modernization monies). Components must identify RDT&E facilities sustainment and facilities restoration and modernization funds in the appropriate FYDP facilities sustainment and facilities restoration and modernization program elements. Additionally, as appropriate, components will adjust the levels of either operations and maintenance or military construction funding for either facilities sustainment or facilities recapitalization to recognize the contribution of RDT&E funds that help maintain the Department's facilities.

080202. Submission Requirements

A. General Guidance: All Components (i.e., active forces, defense agencies, National Guard and reserve forces) shall submit justification data and exhibits to support budget estimates for Facilities Sustainment, Restoration and Modernization, in a separate bound attachment (see Chapter 3, Section 030201). Two copies of this attachment will be delivered to: Military Personnel & Construction Directorate, Program/Budget, OUSD(Comptroller) Room 3C654, Pentagon, on the same date as all other submissions required for O&M Appropriations. Exhibits required include:

1. OP-5 Attachment 4: Facilities Sustainment, Restoration and Modernization (FSRM), and Demolition

2. PBA-7 Facilities Sustainment and Restoration/Modernization, and Demolition Programs

Both the OP-5 and PBA-7 must match at the subtotal levels for a) sustainment, b) restoration and modernization, and c) demolition. Component data must correspond to funding levels identified in the Facilities Data Quality Assurance website.

NOTE: As demolition can be identified separately by program element, it should be broken out as such whenever the other two elements are separated, and it should be noted that it's included when it's part of the total.

B. Military and civilian personnel costs reflected on Exhibit PBA-7 will include only those personnel assigned in support of FSRM accounts. It will include those personnel performing planning and design functions for both projects and installation FSRM surveys and FSRM master planning, but will exclude those involved in other base operating services or support services.

C. Formats for the OP-5 and PBA-7 exhibits are in Volume 2A, Chapter 3, section 0304 of this regulation.

080203. Preparation of Material

All material will be provided on 8-1/2 inch by 11 inch size paper, and bound on the long side. All narrative data will be typed across the short dimension of the paper, while exhibits will be typed across the long dimension.

0803 CONGRESSIONAL JUSTIFICATION/PRESENTATION

080301. General

Components are required to conform to the PBD approved funding levels when submitting final budget exhibits to Congress.

080302. Organization of Justification Books

See chapters covering specific appropriation (Operation and Maintenance - Chapter 3, RDT&E Chapter 5).

0804 REVENUE FROM TRANSFER OR DISPOSAL OF DoD REAL PROPERTY AND REVENUE FROM LEASING OUT OF DOD ASSETS

080401. General

Section 572 of 40 U.S.C. and Section 2667 of 10 U.S.C. provide for the receipt of proceeds from the disposal or lease of DoD real property and prescribe the use of these funds.

080402. Revenue From Transfer or Disposal of DoD Real Property (40 U.S.C. 572)

When revenue from the transfer or disposal of DoD Real property is received, there is a statutory requirement to identify each transfer and disposal made during the fiscal year, including a detailed explanation of each such transfer and disposal and of the use of the proceeds received. An estimate for the current and budget year transfers or disposals should also be included.

080403. Revenue From Leasing Out of DoD Assets (10 U.S.C. 2667)

The identification of each lease entered into during the fiscal year, including a detailed explanation of each lease and amendments, and of the use of the lease proceeds that were expended is no longer required by 10 U.S.C. 2667. However, the Military Departments will still provide the total actual receipts for the prior year, and an estimate of total receipts for the current year and budget year.

080404. Deposit and Accounting Procedures

Cash receipts obtained from the transfer or disposal of real property will be deposited into the Disposal of DoD Real Property Account, 97X5188. Cash receipts obtained from leasing out of DoD assets will be deposited into the Lease of DoD Real Property, 97X5189. Accounting instructions are included in Volume 12, Chapter 14.

080405. Funds Release Procedures

Funds deposited into the Disposal of DoD Real Property Account, 97X5188, are available only for purposes of maintenance and repair and environmental restoration at U.S. facilities as specified in 40 U.S.C. 572. Funds deposited into the Lease of DoD Real Property Account, 97X5189, are available for: A) maintenance, protection, alteration, repair, improvement or restoration (including environmental restoration) of facilities; B) construction or acquisition of new facilities; C) lease of facilities; and/or D) facilities operation Support. The Components may request release of funding, based on verifiable deposits, by memorandum to the USD Comptroller, Director for Military Personnel & Construction.

080406. Budget Exhibits for Congressional Submission

The Military Departments will be complete a PB-34A Exhibit (Revenue from Leasing of DoD Real Property) and a PB-34B Exhibit (Proceeds from Disposal of DoD Real Property). Both the PB-34A and PB-34B will be included in the O&M Justification Book (Volume II) as described in Chapter 3 of Volume 2A of this regulation.

0805 DOD OVERSEAS MILITARY FACILITY INVESTMENT RECOVERY ACCOUNT

080501. General

Section 2921 of P.L. 101-510, FY 1991 National Defense Authorizations Act, established the Department of Defense Overseas Military Facilities Investment Recovery account. The purpose of the account is to collect payments from host nations for the value of new construction and improvements made by the United States at overseas military installations being returned.

080502. Deposit and Accounting Procedures

Cash receipts obtained from return of overseas real property and improvements to host nations will be deposited into the DoD Overseas Military Facility Investment Recovery Account, 97X5193. For accounting instructions see Volume 12, Chapter 13.

080503. Funds Release Procedures

Funds deposited into the DoD Overseas Military Facility Investment Recovery Account are available only for purposes of maintenance and repair and environmental restoration at U.S. facilities and maintenance and repair and environmental compliance at military facilities outside the U.S. that are anticipated to be occupied by U.S. Forces for an extended period of time. The

Components may request release of funding, based on verifiable deposits, by memorandum to the USD (Comptroller), Director for Military Personnel & Construction.

080504. Budget Estimate Submission Exhibit

Components returning overseas military facilities to host nations that have resulted in collections to this account must complete an OP-29 exhibit. This exhibit provides information on the cost and improvements, depreciation, residual value, and amount collected from the host nation that is necessary in accomplishing an annual report to the Congress. It also documents proposed sustainment, restoration and modernization or environmental restoration/compliance projects at military installations to be financed from the proceeds deposited into this account.

*080505. Budget Execution Oversight

In accordance with paragraph 080401 of Volume 3, Chapter 8, the Military Departments and designated fund holders are required to periodically review DoD Overseas Military Facility Investment Recovery Account (DOMFIRA) commitments and obligations, whether current or dormant. Appropriate action should be taken to resolve any DOMFIRA unliquidated commitments and obligations, and minimize DOMFIRA unobligated balances resulting from prior year carryover funds.

0806 FACILITIES SUSTAINMENT and RESTORATION/MODERNIZATION FORMATS

080601. Purpose

The special formats provided on the following pages reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, these formats should be adhered to.

080602. Exhibits in Support of Section 0802 - Program and Budget Review Submission

Formats for the FSRM OP-5 and FSRM PBA-7 exhibits are in Volume 2A, Chapter *3*, Section 0304.

080603. Exhibit in Support of Section 0804 - Revenue From Transfer or Disposal of DoD Real Property and Revenue from Leasing out DoD Assets: Congressional Justification/Presentation

PB-34A Revenue from Leasing Out of Department of Defense Assets
PB-34B Proceeds from Disposal of Department of Defense Real Property

080604. Exhibit in Support of Section 0805 - DoD Overseas Military Facility Investment Recovery Account: Program and Budget Review Submission

OP-29 Overseas Military Facility Investment Recovery Account

DEPARTMENT OF _____
Exhibit PB-34A: REVENUE FROM LEASING OUT OF DEPARTMENT OF DEFENSE REAL PROPERTY
FY XXXX PRESIDENT'S BUDGET

	($ in Thousands)		
	FY PY \1	**FY CY \2**	**FY BY \2**
Total Revenue from Lease of DoD Real Property	$XX,XXX	$XX,XXX	$XX,XXX

\1 Actual revenue received under 10 USC 2667, Leases: non-excess property
\2 Estimated revenue under 10 USC 2667, Leases: non-excess property.

Exhibit PB-34A Revenue from Leasing Out of Department of Defense Assets
(Page 1 of 1)

DEPARTMENT OF _____
Exhibit PB-34B: PROCEEDS FROM DISPOSAL OF DEPARTMENT OF DEFENSE REAL PROPERTY
FY XXXX PRESIDENT'S BUDGET

	(Proceeds in $ Thousands)		
	FY PY \1	**FY CY \2**	**FY BY \2**
1. Disposal Action	$XX,XXX	XX,XXX	$XX,XXX
(a) Explanation of Disposal Action			
(b) Actual or Planned Use of Proceeds Generated from Disposal			
2. Disposal Action	$XX,XXX	XX,XXX	$XX,XXX
(a) Explanation of Disposal Action			
(b) Actual or Planned Use of Proceeds Generated from Disposal			
Total Department of_____	$XX,XXX	$XX,XXX	$XX,XXX

Instructions: Each disposal action should be listed above with the actual or estimated proceeds in each fiscal year in thousands of dollars. For **Explanation of Disposal Action**, include the name of the location, state, and a brief description/purpose of the disposal. For **Actual or Planned Use of Proceeds Generated from Disposal**, a description of anticipated uses of proceeds as authorized in 40 USC Sec. 485 is required.

\1 Actual proceeds received under 40 USC Sec. 572
\2 Estimated proceeds under 40 USC Sec. 572.

Exhibit PB-34B Proceeds from Disposal of Department of Defense Real Property
(Page 1 of 1)

DEPARTMENT OF _____
Exhibit OP-29: OVERSEAS MILITARY FACILITY INVESTMENT RECOVERY ACCOUNT

(Dollars in Thousands)

PART A: REAL PROPERTY ASSETS DISPOSED	**FY PY-1**	**FY PY**
Host nation providing consideration/payment		
1. Description of facility, location, and amount received:	$XX,XXX	
(a) Total amount of the investment (cost plus improvements) in the facility:	$XX,XXX	
(b) Depreciated value of facility (facility cost (a) adjusted for inflation and depreciation):	$XX,XXX	
(c) Explanation of any difference between amount received from host nation and the depreciated value:		
Total payments by host nation:	$XX,XXX	$XX,XXX
Total payments by all host nations:	$XX,XXX	$XX,XXX

PART B: PROPOSED FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM) OR ENVIRONMENTAL RESTORATION/COMPLIANCE PROJECTS AT MILITARY INSTALLATIONS PROPOSED TO BE FUNDED FROM PROCEEDS:

			Cost (Dollars in Thousands)	
State	Installation	Project Title	FY CY	FY BY
			$XX,XXX	$XX,XXX
		(Description/Justification)		

Exhibit OP-29 Overseas Military Facility Investment Recovery Account
(Page 1 of 1)

VOLUME 2B, CHAPTER 9: "DEFENSE WORKING CAPITAL FUND BUDGET JUSTIFICATION ANALYSIS"

SUMMARY OF MAJOR CHANGES

All changes are denoted by blue font.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by ***bold, italic, blue, and underlined font*.**

The previous version dated June 2010 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Complete review and revision of previous updates.	Update
0901	Section breaks added for each specific topic.	Update
090101	Identified other applicable Revolving Funds.	Update
090102	Clarified terminology and phrasing. Updated for technical correctness.	Update
090103	Section renamed and updates incorporated from the DWCF cash study.	Update
090104	Section renamed and updates incorporated for the DWCF Capital Investment Program (CIP). New restriction on Minor Construction (P.L. 112-81) and revised threshold to $250K.	Update
090105	Section renamed and clarification.	Update
090107	Section renamed, clarifications and formatting.	Update
090108	Section renamed, Standardized Rate redefined, clarifications.	Update
090109	Section inserted.	Update
090110	Section inserted.	Update
090111	Section inserted.	Update
090112	Section inserted.	Update
0902	Section combined with 0903 and 0904 is eliminated.	Revision
090201	Inserted "budget justification material".	Revision
090202	Section 090205 combined with 090202 and eliminated.	Revision
090203	Supply definitions revised, expanded and examples provided.	Revision
090204	Non-supply definitions expanded and revised. Some definitions moved to more applicable sections.	Revision
0903	Exhibit updates and revisions.	Revision

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
090301	Modifications allowed to exhibit formats for clarification.	Update
090302	Major revisions to exhibits: SM-3a, SM-5a, SM-5b, SM-16, Fund-6, Fund-9a, and Fund-9c. Format revisions to exhibits: Fund-3, Fund-7, Fund-28 and Fund-13. Updates for exhibits: SM-1, Fund-1a and Fund-30. Added the Fund-11b to replace the Fund-7a.	Revision

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CHAPTER 9

DEFENSE WORKING CAPITAL FUND BUDGET JUSTIFICATION ANALYSIS

*0901 GENERAL

090101. Purpose

This chapter highlights the policies and justification procedures underlying budget formulation for Defense Working Capital Funds (DWCF), including the Defense Commissary Agency Working Capital Fund and Building Maintenance Fund. In addition, this chapter provides guidance for the National Defense Stockpile Fund and Pentagon Renovation Maintenance Revolving Fund, where applicable. The DWCF is also referred to as the "Fund" in this chapter.

090102. Background

A. The DWCF was established to satisfy recurring Department of Defense (DoD) requirements using a buyer-and-seller approach. The customers of the DWCF are the generators of requirements and justify the need for appropriated funds to the Congress. These organizations in many instances are not the entity that executes the requirement. In some instances, the "customers" or "buyers" contract with DoD "provider" or "seller" organizations that have expertise in the service or product required, and operate under business management principles. Unlike profit-oriented commercial businesses, the DWCF goal is to break even over the long term. The DWCF establishes selling prices in the budget that are normally stabilized or fixed during execution to mitigate the impact of unforeseen fluctuations that would impact on customers' ability to execute the programs approved by the Congress. Exceptions to stabilized prices are listed in section 090107 of this document.

B. The basic principle of the DWCF structure is to create a customer-provider relationship between military operating units and support organizations. This relationship is designed to make managers of support organizations funded through DWCF and decision-makers at all levels more cost conscious. Requiring the operating forces to pay for support they receive provides increased assurance that services supplied and paid for are actually needed.

C. Prior to the establishment of an activity under DWCF, the Secretary or Assistant Secretary of the Military Department or the Director for a Defense Agency, as applicable, shall prepare, sign, and submit a charter that sets forth the scope of the activity to the Under Secretary of Defense (Comptroller) for approval. Four criteria are used in evaluating potential activities for inclusion into the Fund. The four criteria are: 1) identification of outputs that relate to products or services provided by the business to customers; 2) establishment of a cost accounting system to collect costs of producing outputs; 3) identification of customers so that resources can be aligned with the requirements; and 4) evaluation of buyer-seller advantages and disadvantages to include assessment of the customers' ability to influence cost by changing demand.

D. The National Security Act of 1947, as amended (Title 10 United States Code (U.S.C.), Section 2208) and other provisions of chapter 131 of Title 10, U.S.C. provide the Department's revolving fund authority (***http://www.gpo.gov/fdsys/granule/USCODE-2010-title10/USCODE-2010-title10-subtitleA-partIV-chap131-sec2208/content-detail.html***).

E. The DWCF evolved from two distinct types of activities. The first type, the Stock Funds that procured material from commercial sources and held an inventory, are now known as Supply activities. These activities sell the material to authorized customers who need the material to achieve weapon systems readiness or provide required personnel support items. The second type, known then and now as Industrial Funds, provide industrial and commercial goods and services such as depot maintenance, transportation, and research and development. Although both types of revolving funds are financed primarily by reimbursements from customers' appropriated accounts, Supply activities use Contract Authority (CA) and Industrial Funds use Reimbursable Authority.

F. The Department of Defense expanded the use of business-like financial management practices through the establishment of the Defense Business Operations Fund (DBOF) on October 1, 1991. Building on Stock and Industrial Fund principles, cost and performance are linked and the Fund's managers are expected to operate within cost goals established in operating and capital budgets.

G. The DBOF combined existing operations that were previously managed as individual funds into a single Treasury account. On December 11, 1996, the Under Secretary of Defense (Comptroller) reorganized the DBOF, retaining the numerous benefits and improvements resulting from the implementation of DBOF while clearly establishing each DoD Component's responsibility for managing the functional and financial aspects of their respective DWCF activities, by creating four DoD Component Working Capital Funds: Army, Navy, Air Force, and Defense-Wide. On December 16, 1997, a separate DoD Component Working Capital Fund was established to consolidate the separate Military Departments' commissaries into the Defense Commissary Agency effective in FY 1999.

H. Prior to FY 1992, industrially-funded activities did not receive Annual Operating Budget (AOB) funding documents. All funding authority was provided through customer orders. With the implementation of the DBOF, the Office of the Under Secretary of Defense (Comptroller) began to issue AOBs that provide official and administrative management cost goals and Contract Authority for the Capital Investment Program (CIP) for each DWCF Activity within a DoD Component. The Department has retained this process for the DWCFs.

090103. Cash Management Policy

These policy statements are for preparing the program and budget review submission.

A. Cash Management

1. In peacetime, DoD's policy is that the Components will maintain the minimum cash balance necessary to meet both operational requirements and disbursement

requirements in support of the capital program. Cash generated from operations is the primary means of maintaining adequate cash levels. The ability to generate cash is dependent on setting rates to recover full operating costs to include prior year losses; projecting workload accurately; and meeting established operational goals.

2. Cash management is an integral part of operational and cost management. Managers at each DoD Component Working Capital Fund are responsible for cash management. The Department strongly encourages the Component Working Capital Funds' management to require each subordinate activity to maintain a cash balance sufficient for its requirements as part of the managers' responsibility for control of and accountability for their operations.

3. Any transfers of cash between DWCF activities, whether directed internally by the Components or as the result of audit, Departmental guidance, or congressional direction, will be included in all the affected DWCF Activities' budgets (Fund-13, "Cash Management Plan"). Transfers between DoD Component Working Capital Funds (e.g., Army to Air Force) or between the DWCF and appropriation-funded activities are 1) subject to transfer notice requirements in the annual DoD Appropriations Act general provisions and section 2208(r) of Title 10, and 2) require congressional approval by the Defense oversight committees.

4. The major points included in the policy are:

a. Effective cash management is directly dependent on the availability of accurate and timely data on cash levels and operational results.

b. Activities should budget to achieve an operating cash level sufficient to maintain a positive cash balance throughout the budget year. Each DoD Component shall establish an operating cash target measured in days of operating cash. Calculate days of available cash as follows: Divide the total operating budget disbursements for 2 fiscal years (current year plus 1) by available workdays in those fiscal years as documented in OMB Circular A-11. Multiply the result by the number of days of cash desired. Add the projected disbursements for 6 months of Capital Investment Program Outlays, calculated by dividing the total projected capital disbursements for the fiscal year in half. The Services/Agencies may add the following adjustments to the cash level calculated above if approved by the Director, Revolving Funds.

(1) Accumulated Operating Results (AOR) Retention – The AOR Retention represents the amount planned for return to customer accounts via downward rate adjustments. The AOR line of the Exhibit Fund-14, "Revenue and Costs," in the approved budget submission constitutes the basis for the adjustment. Services/Agencies can plan for the return of AOR in a single year or over 2 years. Single year AOR return will add the full amount of the return to ensure availability of cash; 2-year AOR returns will add one-half of the AOR amount shown on the Fund-14 exhibit.

(2) Unliquidated Direct Appropriation (UDA) – The UDA represents funds appropriated directly to a Service/Agency Working Capital Fund that are

obligated in the year received but may not fully liquidate until future years. The UDA adjustment will reflect the amount of direct appropriations that remains unliquidated. Components will phase the expected disbursements of the UDA in accordance with the approved Department of Defense Outlay Rates (as a percent of budget authority) as displayed in the prior year's Financial Summary Tables of the Department of Defense Budget submission. Components will use the Other Procurement outlay rate applicable to their organization. The UDA phase plans will accompany the submission of a Component's Exhibit Fund-13, "Cash Management Plan."

(3) Commodity/Market Adjustment (CMA) – The CMA is the marginal cash that will be required to re-purchase goods or services from the commodity/business market at a higher price than was budgeted in the current year's President's Budget. The CMA will reflect the cash impact of the specified market fluctuation.

(4) Other Adjustments – Other adjustments to the budgeted operating cash level may be submitted in the Budget Estimate Submission, subject to approval on a case-by-case basis in the decision document process.

c. Components will develop cash plans, incorporating collections, disbursements, direct appropriations, and other cash transactions based on Component estimates, to facilitate the cash management process. This annual plan will be initially developed during the budget process and will be an integral part of the budget document (Exhibit Fund-13, "Cash Management Plan").

d. In addition, Components will monitor execution using a monthly phasing analysis of collections and disbursements. This monthly execution review will lead to increased management attention in reducing costs, emphasizing timely billing, collecting revenue, and disbursing cash.

e. Components must be able to reconcile and explain variances between cash balances and AOR. In addition to explaining variances based on operations, Components must also explain non-operational events (e.g., transfers or Capital outlays in excess of depreciation expense) that affect cash and reflect them in the Revenue and Cost Statement (Exhibit Fund-14, "Revenue and Costs").

5. Managers will use Advance Billing of Customers only to avoid Anti-Deficiency Act Violations. Prior to issuing an advance billing, Components must obtain approval from the Under Secretary of Defense (Comptroller) and comply with section 2208 of Title 10 U.S.C., which, in paragraph (l), stipulates that advance billings for the Defense Working Capital Funds may not exceed $1.0 billion in any year and requires that the Secretary of the Military Department notify Congress within 30 days after issuing an advance billing. Components must provide a copy of the congressional notification letter to the Director, Revolving Funds.

6. Cash management is an integral part of DWCF activity management. The DoD Components maintain operational control of actions taken by each

DWCF activity that result in cash disbursements and collections. Decentralizing cash management to the respective activities will provide the DoD Components additional control of and responsibility for their operations and require each management level to participate in the execution of the policy to improve the management of DWCF cash.

B. Operating Budget. The operating budget contains the annual operating costs of an activity or Component, including depreciation and amortization expenses. To minimize costs within DWCF activities, all goods and services should be purchased from the source that provides them at the least cost unless there are other considerations such as mobilization or readiness. Direct, indirect production, and overhead costs are to be included in the evaluation when comparing costs of organic or commercial sources.

090104. Capital Investment Program (CIP) Policy

These policy statements address preparation of the program and budget review submission.

A. The Capital Investment Program (CIP) justifies the purchase of assets that equal or exceed capitalization thresholds and have a useful life of 2 or more years. Section 1403 of the National Defense Authorization Act for FY 2011 (Public Law 111-383) amended section 2208(k) of Title 10 U.S.C., increasing the capital asset threshold to amounts equal to or greater than $250,000 for: 1) an unspecified minor military construction project (under Title 10 U.S.C., section 2805(c)); 2) automatic data processing equipment or software; 3) any other equipment; and 4) any other capital improvement.

B. With the exception of major construction and items listed in paragraphs 090104.E and 090104.H below, acquisition of all capital assets for use by activities within the Fund will be financed through the Fund using Contract Authority (Title 10 U.S.C., section 2208, paragraphs (k)-(1) and (2)). Components shall not use the CIP to establish a new or expand an existing organic capability except as specifically justified in the President's Budget Request (Exhibit Fund-9b, "Capital Investment Justification").

C. The legal requirements for the DWCF Capital Budget are found in Title 10 U.S.C., section 2208, paragraphs (k)-(1) and (2), (m), and (o)-(1) (b). Specific direction on minor construction limitations is found in Title 10 U.S.C., section 2805.

D. The CIP consists of the following four major categories of assets: 1) Automated Data Processing Equipment (ADPE); 2) Non-ADPE Equipment; 3) Software Development, whether internally or externally developed; and 4) Minor Construction.

E. The DWCF Capital Budget specifically excludes the following items, which must be financed by appropriated funds:

1. Major Range and Test Facility Base (MRTFB) Activities Items (equipment and minor construction) that meet the DoD Investment capitalization criteria for use by MRTFB operating within the DWCF

2. Military and tenant support functions

3. Major weapons systems (such as aircraft, ships, tanks, barges, etc.), and general-purpose passenger type vehicles

4. Equipment and minor construction projects for mobilization requirements, but not used during peacetime operations

5. Equipment initially procured and usually furnished as part of a weapons system and/or support system including modifications (includes initial common support equipment for depot maintenance support of new weapons systems)

6. Materiel normally funded by appropriated funds and provided to contractors as Government-Furnished Materiel (GFM). The GFM is incorporated into, used in conjunction with, or consumed in the production of an end product. The customer shall use appropriated funds to purchase the GFM and provide it at no cost to the DWCF

7. Minor construction projects for non-DWCF activity or military support functions

8. Construction and facility investment projects that exceed the amount specified in Title 10 U.S.C., section 2805 for funding under Operation and Maintenance appropriations

9. Environmental projects financed or submitted for funding by the applicable Environmental Restoration Transfer appropriation

10. Capital Investments for morale, welfare, and recreation activities

11. Such other exclusions as may be approved by the USD(C).

F. The approved CIP budget permits a DWCF activity to use Contract Authority to purchase capital assets prior to recognizing budget authority based on funded customer orders and/or the accumulating cash balances. However, collections from customer orders are used to liquidate obligated Contract Authority (SF-133 line 1826). This amount is not to exceed the budgeted depreciation plus capital surcharge, if any, incorporated into the rates (not the actual depreciation expense recorded in the year of execution).

G. As an administrative control of resources subject to the rules of Title 10 U.S.C., section 1517, the Anti-Deficiency Act, the DWCF AOBs provide a specific amount of CIP contract authority. Therefore, obligations may not exceed the amount provided.

H. The DWCF customers may procure capital assets through direct appropriations for use by a DWCF activity. However, these assets remain the property of the customer and will not be recorded as Property, Plant and Equipment assets on revolving fund financial statements unless the asset is transferred to DWCF ownership.

1. At the time of transfer, the DWCF activity will record the asset at its net book value and depreciate it over the remaining useful life for accounting purposes. Depreciation does not have to be incorporated into the DWCF rate structure if the DWCF will not be expected to replace the asset at the end of its useful life and acquisition of the asset requires neither Contract Authority nor an unreimbursed cash outlay.

2. The appropriate procurement account will continue to fund the purchase and installation costs for the initial procurement of depot maintenance capital equipment unique to newly introduced platforms or weapon systems (this includes modifications). The capital equipment becomes the property of the depot when it is transferred to or otherwise capitalized by the depot. The depot will treat the equipment as a capital asset and depreciate it for accounting purposes. Funding of subsequent replacement and maintenance of the equipment in the DWCF should be included in the DWCF capital and operating budgets.

I. The DWCF activities shall derive resources needed to finance DWCF capital assets primarily from budgeted depreciation of existing Fund assets by including the estimated depreciation in stabilized rates and prices billed to Fund customers. Volume 4 Accounting Policies, Chapter 6 Plant, Property, and Equipment, of the Department of Defense Financial Management Regulation (DoD FMR) contains guidance on accounting for capital assets that are depreciated for accounting purposes according to depreciation schedules found in subparagraph 060205J, Table 6-7.

J. Budgeted depreciation is the amount factored into the standardized rate to recoup cash outlays associated with the CIP.

1. Activities will calculate and accumulate budgeted depreciation using the straight-line method, which is calculated by dividing the amount to be recouped by the useful life of the asset based on established depreciation schedules. The amount to be depreciated will not be decreased by its residual value. Depreciation will be applied equally among accounting periods during the asset's useful life.

2. For items in the 5-year category, a recovery period of less than 5 years is permitted if the acquiring DoD Component is certain that the useful life of the asset is at least 2 but less than 5 years.

3. Software may be depreciated over a period of 5 or 10 years depending on its nature. The Component may also request a waiver and propose an alternative depreciation period exceeding 10 years. The determining factor should be the actual estimated useful life of the software consistent with that used for planning the software's acquisition.

4. In addition to budgeted depreciation, a capital surcharge may be used to collect cash for the capital outlay if minimum balances are not sufficient to provide adequate budgetary resources to offset budgetary claims (See Volume 3 Budget Execution – Availability and Use of Budgetary Resources, Chapter 19 Working Capital Funds of the DoD FMR).

K. The following budget exhibits are required to document an activity's capital budget request.

1. Exhibit Fund-9a, "Capital Investment Summary," represents the summary data of the four asset categories (ADPE, Non-ADPE, Software, and Minor Construction) at the approved DoD Component project level. The exhibit displays data on annual capital cash outlays and budgeted depreciation. The prior-year column on the Exhibit Fund-9a will show all amounts approved in the most recent President's Budget, adjusted for actual execution year obligations and reprogramming (as depicted on the Exhibit Fund-9c, "Capital Budget Execution").

2. Exhibit Fund-9b, "Capital Investment Justification," provides detailed cost data and narrative justification for each approved DoD Component project level. Components will provide a corresponding Exhibit Fund-9b for each project line item on the Fund-9a exhibit. The exhibit displays the Benefit to Investment Ratio, Savings to Investment Ratio and/or the Payback period. Exhibits Fund-9a and Fund-9b data should agree with, and also should be used for cross-referencing, Exhibit 53 of the Information Technology budget.

3. Exhibit Fund-9c, "Capital Budget Execution" compares and explains the differences between the most recent President's Budget and the current submission by the DWCF Activity for the four asset categories (ADPE, Non-ADPE, Software, and Minor Construction).

L. Each proposed CIP project shall be reviewed to ensure that it satisfies the following criteria for justification and backup:

1. The acquisition of a capital asset meets the Department's long-range planning and programming objectives and satisfies a documented need for capability to perform valid operations, functions, or services that cannot be performed as effectively or economically by the use of existing equipment and facilities or by contract.

2. The acquisition of a capital asset complies with policies and regulations governing the acquisition and management of facilities, special tooling, and special test equipment as established by DoD Directive 4275.5, "Acquisition and Management of Industrial Resources," as well as other applicable policies and regulations governing the lease and acquisition of equipment and facilities.

3. The workload projections used to justify capital purchases take into account the results of inter-service decisions, workload posture planning decisions, readily available commercial alternatives, and other reasonable options available for accomplishing applicable work load.

4. The acquisition of a capital asset efficiently and effectively accomplishes the objective for which it is justified. The criteria are: improved efficiency (savings) or effectiveness of operations; replacement of unsafe (locally determined *by an*

authorized safety representative), beyond economical repair, or inoperative and unusable assets; and environmental, hazardous waste reduction, or regulatory agency (state, local, or Federal) mandated requirements.

M. A formal pre-investment analysis or a cost comparison is required to justify investment projects for Capital Budget submissions in the four Capital budget investment categories (ADPE, Non-ADPE, Software, and Minor Construction).

1. Either an economic analysis or cost comparison shall be used to support a project substitution or accomplish a reprogramming request. An economic analysis shall be used for all projects with a cost of $1,000,000 or more. A cost analysis will be used for projects under $1,000,000.

2. Activities must complete this pre-investment analysis prior to including the capital asset in the capital budget submission, a reprogramming action, or a project substitution. The originating office of the DoD Component shall maintain these analyses as project documentation support for the capital budget submission and program execution.

3. A cost comparison for investment projects under $1,000,000 initially shall be prepared in constant base year dollars and shall present a differential cost display by year for up to a 6-year evaluation period, beginning with the budget year for which investment funds are requested.

a. Documentation for a cost comparison shall describe the functional process performed; define the need/requirement/objective; identify workload projections; address feasible alternatives; present total costs attributed to each alternative and the differential costs/monetary benefits expected in constant and current dollars over the 6-year evaluation period; and provide significant assumptions, constraints, estimating methods, rationale, data sources.

b. The payback period shall be the primary economic indicator used for cost comparisons to rank order within the investment categories of each activity.

4. A pre-investment economic analysis shall be prepared to justify capital investment projects of $1,000,000 or more. The economic analysis shall be prepared on a net present value (NPV) basis and shall comply with applicable DoD or Component guidance and functional program guidance. The economic analysis initially shall be prepared in constant base year dollars and shall present a differential cost display by year over the project's expected economic life, beginning with the budget year of the investment fund request.

a. Documentation shall describe the functional process performed; define the need/requirement/objective; present and explain workload projections; identify feasible alternatives; present total costs and the differential costs/monetary benefits in constant, discounted, and current dollars over the expected economic life of the project; present estimating methods/relationships, and data sources; identify significant constraints, assumptions,

and variables; treat sensitivity and uncertainty of key parameters; and address all other quantifiable benefits as well as any intangible benefits influencing the recommended course of action.

b. Quantifiable benefits are all outputs/results achieved in return for investment dollars associated with an alternative.

c. Benefit-to-Investment Ratio (BIR) shall be the primary indicator used to rank order projects of $1,000,000 or more within the investment categories of each activity. Also consider the payback period in the ranking process.

d. Automated economic analysis programs and reports may be used if the programs provide comparable information to that of standard economic analysis reports.

5. Compute the payback period to compare the period of time, in years, necessary for an alternative to repay its investment cost based on the monetary benefits expected. Present this metric in tenths of years (for example, 7.2 years.)

6. Use the BIR to compare project alternatives in terms of all expected monetary benefits, inclusive of whole and partial manpower productivity savings resulting from increased efficiency and other cost avoidance achieved over the total project life under evaluation. Calculate the BIR using discounted constant dollars, as an index value and rounded to two decimal places. A BIR of greater than one indicates the project is cost-beneficial; the larger the ratio, the greater the advantage of the project.

7. Calculate the Savings-to-Investment Ratio (SIR) between actual savings in terms of funds no longer required and the investment cost for Automated Information Systems, using discounted dollars.

8. Exemptions to the pre-investment analysis include environmental, hazardous waste reduction, or regulatory agency (state, local, or Federal) mandated requirements. This includes action directed by a higher DoD or Component authority that precludes a choice among alternatives, and DoD instruction or other directive that waives the requirement (e.g., equipment age or condition replacement criteria).

N. The term "Software" includes both operating software and application software. As defined in OMB Circular A-11, software includes systems programs, application programs, commercial-off-the-shelf (COTS) software, independent subroutines, databases, and software documentation.

1. Software that is integrated into hardware and is necessary to operate the hardware, rather than to perform an application, should be budgeted with and capitalized as part of the hardware. Systems application software, however, should be budgeted separately as either an expense or a capital investment, depending on whether it meets the criteria for a capital asset. Systems application software may be acquired through the purchase of a Commercial-Off-the-Shelf system; the development of new applications through either internal

development or contractual effort; or the modernization of existing software that significantly expands and/or enhances its existing capabilities.

2. Budget for software development and modernization by project. The full scope of a software development project may consist of costs incurred in: 1) Preliminary Design, 2) Software Development, and 3) Post Implementation. While all of these costs are part of the project, only the software development phase is capitalized.

a. The preliminary design phase consists of conceptual formulation of alternatives, evaluation and testing of alternatives, determining the existence of needed technology, and final selection of an alternative. This phase consists of all functional actions, including source selection for COTS and all actions prior to Systems Requirements Specification for internally developed software. Expense these costs as part of the DWCF operating budget and identify them on the Exhibit Fund-1a, "Details of Price and Program Changes - Costs."

b. The software development phase consists of design of a chosen alternative including software configuration and interfaces, coding, installation of software and related hardware, and testing, which may include parallel processing development of user manuals and training.

c. Expense the post implementation/operational phase costs of data conversion and application maintenance, including functional training and documentation, operational testing, and evaluations conducted after technical acceptance of the software.

d. These rules are in effect for any system or severable module of a system budgeted for FY 2003 and beyond. These rules are consistent with Federal Accounting Standards Advisory Board Statement of Federal Financial Accounting Standards Number 10 issued October 9, 1998.

3. Exclude from the capital budget all costs incurred prior to Milestone 0, Concept Exploration and Definition. Expense costs such as basic research, study, exploratory development establishing feasibility and practicality of proposed solutions, rough order of magnitude estimates, etc. Also expense costs for technical software support and maintenance software support occurring after system installation.

4. Include those software development or acquisition efforts for the benefit of the activity in the DWCF capital budget submissions. Software developed or acquired for a specific customer order should be charged to and reimbursed by the requesting customer. Types of cost to be included in a software development project include total labor and non-labor costs such as: 1) all direct costs for civilian and military personnel; 2) contractor labor; 3) supplies; 4) travel; 5) processing support for testing; 6) indirect production costs; and 7) general and administrative costs (e.g., base operations support, higher headquarters, and depreciation for central design activity-owned assets).

5. Software projects may be accomplished in modules. A module is an application that may be operated or used independent of other modules within a system. Where an entire system consists of more than one severable module, request funding for each severable module in the year that the module is started. Funding requests shall be sufficient to complete the module. If several modules make up a complete ADP system, show the cost of all modules related to the system.

6. Separately identify ADP equipment and ADP software in the capital budget.

7. Software development and modernization costs incurred by DWCF activities for projects installed and operational after October 1 of a specific fiscal year will be depreciated beginning in the month the project is installed and operational (even though it may not be used in operations that month). Depreciate incremental deliveries of these projects if the cost of the delivery is equal to or exceeds $250,000.

8. In accordance with section 2222(c) of Title 10, U.S.C. and Department of Defense policy, modernization and enhancement to a business system that costs more than $1 million over the Future Years Defense Program (FYDP) must be approved by the Investment Review Board and the Defense Business Systems Management Committee prior to obligating funds.

O. Minor construction projects costing more than $750,000 shall be funded within the DoD Component's Military Construction appropriation. Exceptions to this limitation are noted below in 090104.O.1.

1. Authority provided by section 2805(c) by Title 10, U.S.C. to use funds available for operation and maintenance for unspecified minor construction projects costing not more than $750,000 is available for DWCF-funded unspecified minor construction. However, projects that have an estimated cost that is greater than or equal to $250,000 that have not been documented in a corresponding budget exhibit (Exhibit Fund-9b, "Activity Capital Investment Summary") must be approved in writing by the Director, Revolving Funds, and separately identified in the Component's Annual Operating Budget and displayed as an adjustment on the Exhibit Fund-9c, "Capital Budget Execution."

2. In Title 10 U.S.C., section 2805(d), Congress authorized a DoD Laboratory Revitalization Program that increases to $4,000,000 the upper ceiling for certain minor construction projects at DoD laboratories. The authority is not permanent, but is subject to periodic congressional extension. Laboratory Revitalization Program projects must be for the revitalization and recapitalization of Defense laboratories owned by the United States and under the jurisdiction of the Secretary of Defense or a Military Department. Fund activities designated to participate in the DoD Laboratory Revitalization Program must obtain prior OUSD (Comptroller) approval for all projects estimated to cost over $250,000 so that those projects can be specifically identified in the capital program within the AOB prior to project execution.

3. Capital investment costs financed in the minor construction portion of the capital budget include project planning and design costs associated with minor construction projects. Planning and design costs are not included as part of the statutory threshold for minor construction projects and must be identified separately from individual projects in the Program/Budget Submission (Exhibit Fund-9c, "Capital Budget Execution").

P. DoD Components may reprogram capital funds between DWCF activities, or categories or projects within a DWCF activity. There is no minimum or maximum limit on this type of reprogramming. Except as noted below, capital reprogramming requires the written approval of the Director, Revolving Funds, in the form of a signed AOB. The following approval levels and dollar threshold apply to changes to projects approved in the capital budget including reprogramming, substitutions, cancellations, and additions:

1. All current year adjustments for business systems for which the total projected costs exceed $999,999 over the FYDP must be endorsed by the Defense Business Systems Management Committee (DBSMC) and approved by the Director, Revolving Funds, in the form of a signed AOB. Obtain certification from the approval authority as directed in the guidance and instructions displayed in the "system compliance" section of the DBSMC website (***http://www.dtic.mil/whs/directives/corres/pdf/500002_interim.pdf***) before submitting changes or adjustments for these projects to the Director, Revolving Funds. All other transfers between information technology capital projects (ADP Equipment and Software) that are greater than $999,999 must be approved by the Director, Revolving Funds, in the form of a signed AOB.

2. Fund managers may approve transfers between the Non-ADP Equipment and Minor Construction categories or among their individual projects if the change is less than $3,000,000. Components are required to notify the Director, Revolving Funds, promptly so that these changes may be documented in the activity's AOB. All CIP transfers between DWCF activities within a DoD Component (e.g., supply to non-supply) must be approved by the Director, Revolving Funds, in the form of a signed AOB, before the transfer is executed.

3. Components must charge capital obligation adjustments to the program year cited in the President's Budget for the original project. The prior year capital investment program limitation is equal to actual obligations on September 30 of that fiscal year plus adjustments approved by the Director, Revolving Funds, to the prior year program. Fund managers may request approval to carry over authority for any unobligated capital projects before the end of the fiscal year.

4. Capital obligation authority may be adjusted for prior year within-scope increases provided that there is Contract Authority available to finance the increase. Before making such increases, the Component must propose equal offsetting reductions (deobligations) or current year capital authority to finance the prior year increase and obtain approval from the Director, Revolving Funds in the form of a signed AOB.

090105. Mobilization/Surge Costs and War Reserve Material

A. Mobilization capability costs include the costs to maintain a surge capacity; procure and maintain approved war reserve material levels; and/or maintain other assets, functions, or capabilities required to meet an operational contingency as documented in Defense planning guidance or operational plans.

B. The DWCF activities should identify all costs related to maintaining a capacity to meet mobilization requirements. These costs are not considered normal operating costs and may be reimbursed by direct appropriations so that customer rates are not burdened by contingency requirements.

1. War Reserve Material. Obligations for the procurement of war reserve material will be funded by a direct appropriation to the Fund or after notification to Congress. Such appropriated amounts for secondary items shall be reflected as a separate goal within the applicable Supply Management or Commissary Resale activity AOB. Use the SM-6 "War Reserve Material" exhibit to justify War Reserve Material Requirements.

2. Unutilized and Underutilized Plant Capacity.

a. Unutilized Plant Capacity (UPC) represents costs associated with maintaining facilities to meet surge capacity needed for mobilization or war. The UPC is a mobilization requirement budgeted in and funded by Operation and Maintenance appropriation funds of the DoD Component responsible for the activity's management. Do not include UPC costs in the DWCF rate structure. As a general rule, UPC funding includes the pro-rata facilities support costs for any month in which 1) mobilization facilities are not used or 2) facilities are used 20 percent or less of available work days.

b. Mobilization expenses related to UPC may include both maintenance and labor costs related to mobilization.

c. Each non-supply DWCF activity should prepare a UPC Budget Exhibit (Fund-30). This exhibit documents total capacity, Unutilized Capacity Index, justification, and cost used in developing the request for UPC. All non-supply DWCF activities should complete the three capacity-index metrics found in Part I of the exhibit. Any non-supply activity requesting UPC funding will also complete the funded UPC line in Part I and the UPC justification in Part II of the exhibit.

3. Industrial Mobilization Costs. The Army established a category of costs that includes both UPC and underutilized facilities cost called "Industrial Mobilization Cost." The Army will use the Exhibit Fund-30, "Under Utilized Plant Capacity" to justify their IMC costs.

4. Airlift Readiness Account (ARA). The United States Transportation Command (USTRANSCOM) must maintain sufficient airlift capability to respond to transportation requirements for a wide variety of mobilization conditions. This

requirement exists in both peacetime and contingency environments. To the extent customer revenue is insufficient to support the costs of maintaining this capability; the Air Force shall provide appropriated funds. The USTRANSCOM will record this funding as an order and revenue in its financial reports. The USTRANSCOM must submit the Fund-8, "Air Mobility Command Common User Services" exhibit to justify the ARA requirement.

5. Reserve Industrial Capacity (RIC). The Military Surface Deployment and Distribution Command (SDDC) shall plan for and maintain a Reserve Industrial Capacity (RIC) to transport personnel resources, material, and other elements required to satisfy a mobilization requirement. The SDDC will also plan and program with the Army for 100 percent of the operating cost at the Military Ocean Terminal, Concord (MOTCO). The Military Ocean Terminal, Sunny Point (MOTSU) RIC and the operating costs at MOTCO are a mobilization requirement funded by appropriated funds from the DoD Component having management responsibility for this activity. This requirement may exist in both peacetime and contingency environments. The USTRANSCOM will record the receipt of this funding as an order and revenue in its financial reports. The SDDC will provide a detailed break out of these costs in its budget submission to Office of the Under Secretary of Defense (Comptroller) (OUSD (C)).

090106. Military Personnel

A. Components will use the civilian-equivalent rates provided by the OUSD C to price military labor at DWCF activities. The full cost of military personnel should not be included in the DWCF cost of operations or customer rates because the majority of military personnel at DWCF activities are there for reasons other than DWCF business requirements (e.g., mobilization, rotational training, and command opportunities). The difference between the civilian-equivalent costs, included in the DWCF budget, and the actual military personnel cost will be budgeted directly in the appropriate military personnel appropriation. The number of military included in the budget will be the average strength of military assigned to the DWCF business. The average strength for the budget year(s) will be calculated using the average fill rate for the 3 prior fiscal years. The fill rate is calculated by dividing actual average strength by the authorized strength for each grade. The budget amount will equal the average strength for each grade multiplied by the applicable civilian-equivalency rate. No adjustments will be made to the DWCF cost of operations to reflect the actual cost of military personnel employed by DWCF activities.

B. The amount expensed for military personnel by DWCF activities and the amount reimbursed to the appropriate military personnel appropriation will equal the amount budgeted. No adjustments will be made to the DWCF cost of operations to reflect the actual cost of military personnel employed by DWCF activities. Military Departments having military personnel assigned to other Components will provide to each Component the number of work years that should be included in the DWCF budget submission. The DWCF activities that augment their manpower requirements with National Guard or Reserve personnel, to include those participating in the Personnel Force Innovation (PFI) program, will reimburse the appropriate military personnel appropriation at the DWCF civilian-equivalency rates.

C. The civilian-equivalent costs are provided by the OUSD (Comptroller) and are calculated as follows: First, find the current General Schedule (Rest of U.S.) civilian pay rates, step 5 or Executive Service pay rates of the equivalent grade. Next, multiply the amount in the first step by the average civilian personnel fringe benefits factor applicable to the Military Services and Defense Agencies, excluding the amount for unfunded civilian retirement in the fringe benefits percentage factor. Civilian personnel fringe benefit rates and military composite rates are provided by the OUSD C. Finally, multiply the amount calculated in the previous step by any proposed civilian pay raises effective in future periods to arrive at total civilian costs.

D. See Volume 2A Budget Formulation and Presentation, Chapter 1 General Information, paragraph 010218 of the DoD FMR for active duty military personnel pricing policy.

090107. Full Recovery of Costs and the Setting of Prices

A. Managers of DWCF activities within each Component will set their prices based on full cost recovery, including all general and administrative support provided by others. Prices are established through the budget process and remain fixed during the year of execution (exceptions are listed in the DoD FMR, Volume 11b Reimbursable Operations Policy – Working Capital Funds, Chapter 15 Supply Management Activities, paragraph 150305 Authorized Changes of Standard Prices). This stabilized price policy serves to protect customers from unforeseen inflationary increases and other cost uncertainties and better assures customers that they will not have to reduce programs to pay for potentially higher-than-anticipated prices. In turn, this policy allows activities to execute the budgeted program level and permits a more effective use of DWCF resources.

B. Except in unusual circumstances, prices for the budget year will be set to break even over the long run at the activity level. This means that prices will be set to achieve an AOR of zero in the budget year, provided that cash resources are available to support AOR returns. In budget execution, activities will incur either a positive or negative operating result. Accordingly, activities will increase their budget year prices to make up actual or projected losses of budgetary resources or reduce their budget year prices to return actual excess resources or projected budgetary gains to customers.

C. An activity may request recovery of AOR outside the budget year. This request must be included in the budget submission, and must demonstrate that the alternative recovery period will not adversely affect the cash balance of the activity. A phased recovery schedule must be provided with the budget. The Director, Revolving Funds, will provide final approval for any alternative AOR recovery plans in the form of a signed RMD.

D. Special Circumstances: DWCF rules for pricing and operating loss recovery or gain distribution may be waived if one or more of the following conditions exist.

1. Fund Liquidity: Component managers are encouraged to maintain the lowest positive cash balance sufficient for operational needs and capital investment. However, several factors could cause the activities to operate significantly above the target

requirement. To prevent the buildup of excess cash balances, or ensure fund solvency, the Director, Revolving Funds, or Component managers with the written permission of the Director, Revolving Funds, may direct out-of-cycle rate adjustments at any time during the fiscal year.

2. Depot Maintenance Additional Requirements: Unplanned depot losses recouped in subsequent years may be financed with prior year funds, provided all other criteria associated with prior year upward obligations are met.

3. Contingency or Emergency Operations: Fund managers may waive DWCF pricing and financing requirements to facilitate Department operations during times of war or other national emergencies. The DWCF activity must notify the Director, Revolving Funds, in writing within 30 days of this action.

4. Impact of Foreign Currency Exchange Rates: A DWCF activity operating overseas may experience significant operating losses or gains due to changes in foreign currency exchange rates.

a. While these operating losses and gains are normally recovered or returned through stabilized rate adjustments in budget years, fund managers may propose out-of-cycle rate adjustments to the Director, Revolving Funds, to address such losses and gains in execution. In calculating any gain or loss from foreign currency fluctuations, the DWCF must use the foreign currency exchange rates published as part of the Department's budget justification materials submitted to Congress in support of the President's budget request and follow applicable procedures in the DoD FMR, Volume 6A, Chapter 7.

b. The DWCF activities are not eligible to participate directly in the Foreign Currency Fluctuations, Defense (FCF,D) (97-X-0803) and the Foreign Currency Fluctuations – Construction, Defense (FCF-C,D) (97-X-0801) accounts.

E. In addition to spreading contract costs when developing rates for all customers, the DWCF activities may incur and recover costs for contracts awarded specifically to fill the requirements of one customer by charging that customer an amount equivalent to the DWCF activity's expense in funding, awarding, and administering the contract.

F. Unbillable costs and operational losses that cannot be billed to an identifiable customer or that were generated from unforeseen cost overruns are to be treated as costs in the fiscal year in which the costs were incurred. The resulting operating losses shall be included in calculating net and accumulated operating results.

G. Unless approved in writing by the Director, Revolving Funds, the prices set for all activity products, goods, or services will match the rate changes approved during the budget review and documented in a memorandum signed by the USD (Comptroller), or designated representative.

H. Reimbursement procedures for contingency operations and humanitarian efforts are as follows:

1. Users shall pay for the goods and services provided by all DWCF activities, including deployment or other emergency response for military or humanitarian assistance.

2. Customers of the DWCF shall reimburse DWCF activities in a timely manner (usually within 30 days). Except in contingency operations or national emergencies, DWCF activities should not provide goods or services without a properly executed funding document (see Volume 2B, Chapter 11 Offsetting Receipts of the DoD FMR). The Military Department Headquarters is responsible for determining which level within the Military Department will pay (that is, the unit, major command, or Military Department level). This process also applies when a Unified Combatant Command tasks a Service-funded unit to perform a mission, such as transportation of military personnel or equipment by USTRANSCOM. The Military Department that controls the equipment or personnel is responsible for payment of costs incurred to accomplish the mission.

3. Consistent with this policy, third party collections for transportation provided in response to a Request-for-Assistance (RFA) from another government agency are prohibited. The Military Department that controls the equipment or personnel is responsible for reimbursing USTRANSCOM. It is then the responsibility of the Military Department that accepted the RFA to collect any required reimbursements due that Military Department by the requesting government agency.

4. The sole exception to this policy occurs when the USTRANSCOM receives an order from the Joint Chiefs of Staff requiring transportation of non-U.S. owned equipment and/or non-U.S. personnel such as non-reimbursed efforts in support of the United Nations. In those instances, the Army will pay Surface Deployment and Distribution Command (SDDC) costs, the Navy will pay Military Sealift Command (MSC) costs, and the Air Force will pay Air Mobility Command (AMC) costs. Bills may be centralized for more convenient processing if appropriate; however, billings shall be forwarded to the appropriate Military Department within 30 days from the commencement of service or humanitarian effort. The Military Departments must pay these bills, including transportation bills, in a timely manner.

5. This guidance does not address any contingency operation designated by the Secretary of Defense as a "National Contingency Operation" under the provision of the Title 10 U.S.C., section 127. Special rules apply for such an operation and those rules should be promulgated separately in conjunction with any designation by the Secretary under the provisions of that section.

I. Base Realignment and Closure (BRAC) cost reimbursement policies are as follows:

1. BRAC-Related Costs. Costs incurred in implementing the recommendations of the BRAC Commissions will be funded by the appropriate BRAC account and are not to be included in the rates and costs of businesses within the Fund. The DWCF activities may incur BRAC expenses prior to receiving an allocation of BRAC funding; however, all costs properly charged against the BRAC account must be reimbursed with BRAC funds.

The DWCF activities may not expend funds prior to complying with the notification requirements imposed by law with respect to the obligation of BRAC funds. The BRAC account must reimburse all costs incurred by DWCF activities to carry out BRAC prior to the end of the fiscal year in which costs were incurred. Prior year, current year, or budget year operating losses in DWCF are not to be budgeted in the base closure accounts. Costs attributable to base closure actions at DWCF activities to be budgeted in BRAC may include:

a. BRAC directed reductions-in-force, separation incentives, plant closures, plant layaway or custody costs, or other BRAC-related expenses, such as all costs not associated with a valid work order during the year of closure

b. Environmental restoration and mitigation, to include reducing, removing, and recycling hazardous waste, and removing unsafe building debris

c. Planning, to include conducting such advance planning and design as may be required to transfer from an activity being closed to another military installation

d. Outplacement assistance in relocating, training, or providing other necessary assistance to civilian employees employed by the Department at installations being closed

e. Community programs, to include economic adjustment assistance to a community in which the closed base is located, or community planning assistance to the community to which functions will be transferred as a result of closure of a military installation

2. BRAC and DWCF Rates. Overhead, not specific to BRAC and not in support of producing goods or services for customers, will be financed in the year the costs are incurred with the Components' Operation and Maintenance (O&M) appropriations. The DWCF losses occurring in years prior to closure will be recovered through the rate structure to the extent that there are new customer orders. When there are no new customer orders in the budget year, the Component responsible for the activity incurring the loss will finance, as a pass through from O&M appropriations to the DWCF, all overhead not included in rates supported by ongoing work or prior year losses to be recovered in the budget year. All costs at a closing activity in the year of closure that are not associated with a valid work order or are not valid BRAC costs are O&M costs and must be budgeted in the fiscal year when they will be incurred.

3. BRAC-Related Permanent Change of Station (PCS) Moves for DWCF Activities. Costs incurred to recruit and hire civilian personnel (including associated PCS costs) to fill vacant positions at an activity that is being transferred from a closing or realigning installation to another military installation in accordance with a BRAC recommendation may properly be considered BRAC costs under the Base Closure and Realignment Act of 1990. As a matter of Department policy, however, BRAC funds will not be used for such costs except in the case of DWCF activities, which may temporarily charge such

costs against the DWCF, provided the DWCF is reimbursed with BRAC or O&M funds by the end of the fiscal year in which the costs are incurred.

J. Funding of Civilian Voluntary Separation Incentive Program will be financed and included in stabilized rates for civilian separation incentive requirements of assigned employees unless they must be offered as a result of directed BRAC action, in which case the appropriate BRAC account will fund the civilian separation incentive.

K. Any DWCF activities that use any of the services as listed in Exhibit Fund-22, "Summary of Base Support" must reimburse host activities in accordance with DoDI 4000.19 (Inter-service and Intra-governmental Support) to the extent that the specified support for the DWCF activity increases the host activity's direct costs. Costs for DWCF mission products and services (e.g., depot supply, depot maintenance, facility engineering services, information processing, communications, and software development) shall be based on the approved stabilized rate. Other support incidental to the DWCF activity's primary mission or purpose shall be budgeted based on direct costs measurable and directly attributable to the DWCF activity (e.g., incremental direct cost). Only the incremental direct cost attributable to the DWCF activity shall be chargeable to the DWCF activity. Overhead costs are not to be included as a cost to the DWCF activity. The cost of operations budgeted for these services either as a host or tenant activity should be noted on Exhibit Fund-22, "Summary of Base Support" in the fall budget submission.

L. First line supervision is that level immediately over non-supervisory workers. For all DWCF activities, first line supervisors and above are official supervisory positions and, when acting in a supervisory capacity, their labor costs shall always be budgeted and charged as an indirect production cost of the cost center supervised. Crew chiefs, snappers, team leaders, and other subordinate job leaders are not considered first line supervisors. The DoD FMR, Volume 11B, Chapter 13 Cost Accounting Requirements for Depot Maintenance, paragraph K contains additional information related to charging labor costs.

M. Management Headquarters Costs for DWCF activities may be allocated using the following guidance:

1. A management headquarters is a discrete organization or part of an organization that has authority over the management of the DWCF activity. The OSD and Service Departmental activities normally do not have this direct responsibility. All the major systems/logistics organizations in the Services include headquarters elements directly supporting DWCF activities that should be funded or reimbursed by the DWCF activities.

2. Costs for discrete DWCF management headquarters organizations and parts of organizations that perform direct DWCF management headquarters functions can be financed directly in the DWCF or reimbursed by the DWCF activity (whichever is more practical). Only costs that exceed $1 million or 1 percent of the total activity costs should be reimbursed. In addition, Components may allocate significant costs for common support functions, such as counsel or personnel services, at DWCF management headquarters to other users based on workload percentages in those functions.

N. Dual-Funded Organizations are organizations that are funded (including reimbursable funding) by both the DWCF and other appropriations or accounts.

1. Functions. In those instances where a non-management headquarters function is funded with a combination of DWCF and appropriated funds, the function initially will be funded in its entirety by either the DWCF or appropriated funds, based on the preponderance of definable units of measure for the function (e.g., workload, productive hours, outputs, or ultimate use).

a. The part of the organization (or funding source provided) initially funding the function shall be reimbursed for appropriate amounts by other parts of the organization (or financing sources or customers) involved, based on the unit of measure that was used to determine which organization or funding source would provide initial funding; and the amount of reimbursement shall be based on the relative portion of that unit of measure attributable to each part of the organization or funding source involved. If the part of an organization that is within the DWCF accounts for more than 50 percent (e.g., 60 percent) of the unit of measure for a function shared with the part of the organization funded through appropriated funds, then the DWCF portion of the organization initially would fund all of the costs of performing that function. However, the applicable part of the organization funded through appropriated funds would reimburse the DWCF for, and be allocated, the remainder of the costs (e.g., 40 percent).

b. Notwithstanding this policy, the amount of reimbursement for base support services provided by the DWCF to tenant activities shall be determined in accordance with the policies in paragraph 090103.K and DoDI 4000.19, Interservice and Intragovernmental Support.

2. Capital Investments. When a capital asset purchased by a DWCF activity is also used by the part of the organization financed by appropriated funds, the Fund activity will capitalize the capital asset and bill the appropriated fund customer for the use of the capital asset. Such billings will use a stabilized rate that recoups both depreciation and operating costs. When a capital asset purchased by any part of the organization financed by appropriated funds is also used by the DWCF part of the organization, the appropriated fund side will capitalize the asset and bill the DWCF for operating costs only. Appropriated fund activities do not bill DoD activities for depreciation of capital assets.

O. Revenue Recognition Procedures for DWCF activities.

1. The DWCF activities must recognize revenue and associated costs in the same accounting period. There are two types of customer orders: (1) end-product (end-item) type orders which, at the completion of the customer order, produce a usable end-product (i.e., overhaul, repair, manufacture, construction, modification, supply transactions, etc.); and (2) service type orders that provide a service over a specified period of time. Revenue must be recognized in the same manner (that is, a standard policy for recognizing and reporting revenue must apply) for all activities within a DWCF activity. The policy varies based on the type of customer order, the length of time necessary to complete the order, and the value of the order;

however, non-supply DWCF activities must use the "Percentage of Completion Method" for revenue recognition. The amount of revenue recognized cannot exceed the amount specified in the order.

2. Revenue recognition procedures must include gain and loss recognition in the same period in order for the activity managers to evaluate the performance of an organization. The revenue recognition policy does not encompass or establish policies for billings to customers or payments from customers.

3. The DoD FMR, Volume 11B, Chapter 11 Reimbursements and Revenue Recognition, provides specific revenue recognition guidance by DWCF activity.

P. Customer Workload Changes.

1. When a work order or project is canceled or reduced in scope after a DWCF activity has commenced work or incurred costs, the DWCF activity shall charge the customer for the direct and indirect production costs incurred, plus the applied overhead plus costs associated with the cancellation or reduction.

2. The DoD FMR, Volume 11B, Chapter 11 Reimbursements and Revenue Recognition, paragraph 110102, provides specific guidance for the types of directly associated cancellation or reduction costs that can be charged to customers.

Q. Write-offs of extraordinary losses, that do not involve cash losses or recovery of outlays and chargeable against Accumulated Operating Results in accordance with accounting policies, shall not be recovered through increases in customer rates (e.g., losses resulting from the disposal or divestiture of capital budget items that have not been fully depreciated at the time they are taken out of service due to BRAC action; or losses associated with systematic inventory reductions by disposal of assets associated with force drawdowns). Only extraordinary write-offs that require a cash resource will be separately identified in the Component's budget submission using the Fund-14, "Revenue and Expenses" exhibit. Write offs of this nature are limited to valuation discrepancies based on the accounting value of assets. For example, if a machine breaks in year 3 of a 5-year expected life, the book value may be zero. However, cash recovery is still required for 2 more years and a new cash outlay is required to replace the asset. Components must receive written approval from the Director, Revolving Funds, before requesting the accounting adjustment from DFAS on the Accounting Report (AR) 1307.

R. Activities may use below-the-line adjustments to the Net Operating Result to adjust for cash transfers that are not directly related to operational performance. This adjustment will be used when the cash position does not support returning or collecting AOR. Components must receive written approval from the Director, Revolving Funds, before requesting the accounting adjustment from DFAS for minimum cash requirement-related issues.

S. Funding policies reflecting relationships with, and requirements of, other appropriations are provided in Volume 11B, Chapter 1 Defense Working Capital Funds General

Policies and Procedures, Section 0101 of the DoD FMR. Policies regarding costs billed for legacy system requirements are provided in the DoD FMR, Volume 11B, Chapter 1 Defense Working Capital Funds General Policies and Procedures, section 010403.

090108. Rate Setting for DWCF Activities

A. In accordance with paragraph 090107 of this Volume, stabilized rates reflecting full cost will be set during the budget process for all individual DWCF activities. The DWCF uses three methods for rate setting purposes based on the nature of an activity.

1. Percentage Markup on Cost. A cost recovery percentage is applied to the purchase or repair cost of secondary supply items to recover overhead costs and other pricing adjustments. This method is typically used for supply management DWCF activities.

2. Direct Labor Hour (DLH). A specific dollar value, including all direct costs, overhead, and other pricing adjustments, is charged per DLH associated with the completion of a customer order. This method is typically used for industrial DWCF activities (i.e., depot maintenance, ordnance, and research and development).

3. Specific Unit of Output. The DWCF activities that provide services via numerous outputs that do not have a common measure for calculation will establish separate rates for each output. When multiplied by projected customer workload for each output, the rates will produce revenue that approximates, to the extent possible, recovery of the full cost, including approved adjustments, of providing the specific outputs (e.g., transportation, finance and accounting, information systems, and base support). This includes direct systems reimbursement.

B. Definitions and Procedures

1. Stabilized Price. Under the stabilized price standardized cost recovery method, customers are charged for products and services provided by a DWCF activity. Activities establish stabilized prices for the budget year that are adjusted and approved during the budget review process. The stabilized rate is determined by adjusting anticipated workload and projected overhead costs for the budget year for both inter-Fund transactions (i.e., adjustments to reflect changes in the costs of purchases between activities within the Fund) and the impact of prior year gains or losses as reflected by the AOR. DWCF activities will charge this annual stabilized rate for all new customer orders received and accepted during that specific fiscal year, regardless of when the work is actually executed and billed.

2. Stabilized Price Exceptions. See paragraph 090109 for guidance applicable to the sale of goods and services to public-private partnerships by DoD depot maintenance activities. In the Supply activities, customers are charged the price in effect when the item is dropped from inventory.

3. OP-32 Rate Change. The annually published rate change for DWCF activities, as provided in a memorandum signed by the USD (Comptroller), is the

percentage change of prices between fiscal years. As an example, the budget year rate for depot maintenance is determined by dividing the approved DLH rate proposed for the budget year by the stabilized DLH rate in effect for the current execution year. That value, expressed as a percentage (i.e., plus or minus from a base of 100 percent) is the composite price change rate customers will use in their appropriated funds submissions.

C. Budgeted Rates. The OUSD (Comptroller) will review and approve all final rates and prices developed for the President's budget submission during the Program/Budget Review. The DoD Components will develop the prices charged to customers to recoup all costs associated with the specific DWCF activity operating and capital budgets including all labor and non-labor, direct, indirect production costs and general and administrative overhead costs. Components will add a positive or negative cash factor, if needed, to maintain cash solvency or return cash balances. During budget formulation, Components may propose, on budget exhibits, more detailed rates that break out overall composite rates by activity or product line within a DWCF activity. If approved, the Components will use these rates in final price development and execution. Further, the Components may devise rate allocations for internal use that must reconcile to the approved activity composite rate. Components will make corresponding adjustments in appropriated customer account budget requests to ensure the customer and DWCF budgets are in balance.

D. Alternative Rate Development. Components may propose methods other than the standardized rates for recovering the cost of operations so long as they are mathematically equivalent to the standardized rate. Any alternative pricing methods must be fully documented and justified in the DoD Components' Program/Budget Review. Any method (such as percentage of sales instead of markup on cost) must demonstrate recovery of all operating costs, provide a comparison of the current method to the method proposed, show the impact to customer funding requirements, and provide a timeline for implementation. Any change in the presentation of standardized rates for budget purposes must be approved in advance by the Director, Revolving Funds, and documented in the appropriate decision document.

E. Budget Formulation Rates and Prices. All DWCF activities will establish rates using the following multiple step process:

1. Each DoD Component must carefully review all projected costs for its projected operations for the fiscal year, and propose the most cost-efficient operation possible.

2. Customer requirements must be projected to include all anticipated workload programmed for accomplishment during the budget year based on identified outputs such as direct labor hours by product, tons shipped, line items received, and all other approved output measures for each activity. Prior year execution shall also be factored into the projection of anticipated customer orders and overhead costs and significant deviations from prior year workload must be fully explained in both the activity's and the customer's budget justification materials.

3. Components will include adjustments required to comply with OSD and OMB guidance on the impact of inflation, projected pay changes, and other programmatic and policy changes in developing proposed rates.

4. Components will propose costs, program levels, and rate changes by DWCF activity in their Program/Budget estimate submissions. Components may propose exclusion of customer unique, non-labor direct costs from the stabilized rates, and charge these costs on an actual cost reimbursable basis. Components must show the impact the change in rates structure would have on overall stabilized rates. In other words, all costs must be accounted for and reconciled on the corresponding budget exhibit. Final rate and price adjustments will be documented in a memorandum signed by the USD (Comptroller), or designated representative, at the completion of the budget review.

5. Final approved costs, program levels, and rate changes will be established by decision documents, after adjustments required to balance changes to customer funding with anticipated Fund costs, inter-Fund sales and transactions, and adjustments for NOR to bring the AOR to zero for the budget year for each DWCF activity.

F. Financing of Extraordinary Depreciation. Alternatives exist for financing sunk costs when activities terminate capital investments before a project is completed. These costs may be funded through one-time capital surcharges to operating costs or through the normal budgeted depreciation rates previously established. If charged to operating costs through a capital surcharge and depending on the size of the charge, the loss may be recovered through rates over a 2-year period. If a usable product is produced, even though it is less than the planned product, costs may be reasonably assigned to that product and those costs may be appropriately recovered through depreciation.

090109. Public-Private Partnerships at Depot Maintenance Activities

A. Public-private partnerships are agreements between organic depot maintenance activities and private industry or other entities to perform work and/or to utilize facilities and equipment. Partnerships improve utilization of DoD facilities, equipment, and personnel and enhance support to the warfighter. To advance the goal of increased partnering between DoD and private industry, this section provides guidance for the pricing of DWCF depot maintenance goods and services to private sector entities in partnering arrangements. Conditions for the sale of goods and services to non-DoD entities must be based on specific statutory authority.

B. In accordance with the authority granted to the Secretary of Defense by Title 10 U.S.C., section §2208(h) to prescribe regulations governing the operation of DWCF activities and the use of inventories, this guidance is intended to clarify existing legal authority applicable in certain specific circumstances. The guidance set forth in this section:

1. May not be used to compete for non-defense related work.

2. Does not apply when otherwise precluded by public law.

3. Does not apply to products or services produced under work-share arrangements in which a DoD sponsor assigns work and separately funds the DoD depot maintenance activity and the private sector entity.

4. May be used for sales to private sector entities only when the transaction is part of an arrangement that is officially recognized as a depot maintenance public-private partnership.

C. Sales Prices

1. In order to minimize potential DoD operating losses or gains, sales prices to private sector entities in depot maintenance public-private partnership relationships may be tailored to the most recent actual and projected costs, rather than the approved stabilized billing rates charged to DoD customers (10 U.S.C. § 2474).

2. Tailored rates or prices charged for sales to private sector partners, if used, shall ensure full cost recovery for the work involved in producing the specific products and services. Such tailored rates and prices shall include: (a) all direct costs, (b) production or shop overhead costs that contribute to the final product and (c) a full allocation of General and Administrative (G&A) overhead costs, distributed on the same basis as for DoD customers. (Since G&A overhead costs cannot be attributed to specific products or services, there is no basis to include or exclude specific items of cost from prices charged to customers.)

3. Exceptions to Working Capital Fund pricing policy for sales to private sector parties in depot maintenance partnership arrangements, as addressed in subparagraphs 1 and 2 above, do not change the requirement that sales prices include unfunded costs, as prescribed in Volume 11B, Chapter 1 Defense Working Capital Funds General Policies and Procedures, section 110109, paragraph B of the DoD FMR.

D. Fixed Pricing

1. Sales of DoD goods and services to private sector entities on a fixed price basis are authorized when the work is well defined and there is a reasonable basis upon which to predict costs. This mirrors private sector practice, improves the ability of private sector partners to predict production costs, and serves to constrain unit cost by more fully utilizing the production capacity of DoD maintenance depots. Cost reimbursable pricing is appropriate when future production costs cannot be reasonably predicted.

2. Multiyear fixed price agreements are authorized when future production costs can be reasonably predicted and the potential for future operating losses and gains are minimal. Prices may be fixed at a predetermined level taking into account future year escalation factors like pay rate changes, general inflation, and the number of units produced. Multiyear fixed price agreements may also incorporate other pricing techniques such as establishment of a base price with provisions for economic price adjustments to accommodate inflation.

E. Advance Payment. When appropriate to the scope of, and risks associated with, a prospective contract, the DoD partner may elect to accept incremental advance payments.

090110. Military Clothing Items and Individual Equipment

A. The Defense Logistics Agency (DLA) Supply Management Activity procures military clothing requirements and bills users at standard prices. This includes uniforms, combat equipment, tents, tool sets and kits, hand tools, and cleaning equipment and supplies. The Military Services shall include the costs of new clothing bag items in the Military Personnel appropriation budget request and new organizational items in the Operation and Maintenance appropriation budget request. A replacement item shall be deemed a new item for the purposes of this policy if the cost of a replacement item exceeds the cost of the prior item by more than 10 percent in constant dollars.

B. The Military Personnel appropriation budget and the Operation and Maintenance appropriation budget should be sufficient to fund the quantity of the initial buy of an item of clothing including the establishment of wholesale inventory levels. New clothing items required prior to receipt of appropriated funds shall be funded in these same accounts by reprogramming action.

*0902 BUDGET JUSTIFICATION PRESENTATION

090201. Purpose

This section provides guidance for preparation and submission of budget justification material and execution review estimates for the DWCF activities.

090202. Preparation of Materials

General guidance with regard to format and preparation of material is presented in Volume 2A, Chapter 1 General Information of the DoD FMR. Volume 2B, Chapter 9 Defense Working Capital Fund Budget Justification Analysis of the DoD FMR provides additional specific guidance with regard to the back-up material required for the DWCF and other unit cost budget areas.

090203. References

Volume 2A, Chapter 1 General Information of the DoD FMR provides funding policies to include those that impact other appropriations and accounts. Volume 2A, Chapter 2 Military Personnel Appropriations of the DoD FMR provides guidance related to military personnel costs. Volume 2A, Chapter 3 Operation and Maintenance Appropriations of the DoD FMR provides guidance related to Operation and Maintenance costs, and Volume 2B, Chapter 8 Facilities Sustainment and Restoration/Modernization provides guidance related to Real Property Maintenance and Minor Construction.

090204. General

A. Each DoD Component will submit operating and CIP budget justification material to the OUSD (Comptroller), Revolving Funds Directorate, in preparation for submitting the President's budget request to the Congress following a review and approval by the OUSD (Comptroller) and the Office of Management and Budget. Each Defense Agency will prepare and submit their portion of the Defense-wide volume material to OUSD (Comptroller), Revolving Funds Directorate, for review and approval prior to submission to DLA for incorporation into the Defense-wide justification book. The DLA may require support from the submitting organizations to assemble the final justification book containing the Defense-wide DWCF activities. The DLA will supervise printing and distribution of the Defense-wide justification book for the President's budget.

1. The DWCF Program Budget/Review focuses on an integrated set of budgetary schedules for evaluating progress towards meeting cost and productivity targets. Unit cost goals and customer prices are set for each DWCF Activity for the budget year to ensure resources are available to finance all costs.

2. The Budget Call letter may request updates for selected schedules that have not yet been documented in this regulation.

3. The documentation supporting the President's budget should be consistent with approved costs, work load and productivity assumptions.

4. The DWCF justification books submitted to Congress will be unclassified, in one volume organized into three sections: Component Overview, Operating Budget, and Capital Budget. All congressional budget material will be submitted electronically and posted on the respective Service's unclassified web site.

B. The following table lists all required budget justification exhibits.

1. The "Exhibit Requirements" column lists the universe of budget exhibits for DWCF activities.

2. The "WCF Activity" column identifies, for each exhibit, which activities are required to submit the exhibit. Activities must provide the exhibits as follows: "All" indicates all DWCF activities; "S" indicates Supply activities; "NS" indicates non-Supply activities; "I" indicates industrial activities; and "Depots" indicates depot maintenance activities.

3. The remaining three columns are marked "Y" or "N" to indicate that submission of the exhibit is required ("Y") or not required ("N"), respectively, to support the Program/Budget Review ("Budget Review"), for the Revolving Funds Directorate's internal use (the exhibit will not be published) to support the President's budget ("Backup to PB") request, and for publication as part of the congressional justification materials for the President's budget request ("President's Budget"). The single exception is the Fund-28 Execution Performance Analysis, which must be submitted for budget execution reviews only.

Exhibit Requirements		WCF Activity	Budget Review	Backup to PB	President's Budget
Component Narrative		All	N	N	Y
WCF Activity Narrative		All	Y	N	Y
SM-1	Supply Management Summary by Division	S	Y	N	Y
SM-3a	Requirements to Budget	S	Y	N	N
SM-3b	Weapon System Requirements	S	Y	N	Y
SM-4	Inventory Status	S	Y	N	Y
SM-5a	Markup on Material Cost	S	Y	Y	N
SM-5b	OP-32 Price Change	S	Y	Y	N
SM-6	War Reserve Material	S	Y	N	Y
SM-16	Unit Cost Summary	S	Y	Y	N
Fund-1	Summary of Price, Program and Other Changes	All	Y	Y	N
Fund-1a	Details of Price, Program and Other changes (OP-32)	All	Y	N	N
Fund-2	Changes in Cost of Operations	NS	Y	N	Y
Fund-3	Labor Cost Breakdown	NS	Y	N	N
Fund-5	Total Cost Per Output Summary	NS	Y	Y	N
Fund-6	Depot Maintenance 6% Capital Investment Plan	Depots	Y	N	Y
Fund-7	Customer Rate Computations	I	Y	N	N
Fund-8	Air Mobility Command (USTRANSCOM)		Y	N	N
Fund-9a	Capital Investment Summary	All	Y	N	Y
Fund-9b	Capital Investment Justification	All	Y	N	Y
Fund-9c	Capital Budget Execution	All	Y	N	Y
Fund-11	Source of Revenue	All	Y	N	Y
Fund-11a	Allowable Carryover Summary	I	Y	N	Y
Fund-11b	Carryover Outlay Calculation	I	Y	Y	N
Fund-13	Cash Management Plan[1]	All	Y	Y	N
Fund-14	Revenue and Costs	All	Y	N	Y
Fund-15	Fuel Data[3]	S	Y	N	Y
Fund-16	Material Inventory Data	I	Y	N	Y
Fund-19	Military Personnel by End Strength	All	Y	N	N
Fund-22	Summary of Base Support	All	Y	N	N
Fund-24	Summary of Personnel Data	NS	Y	N	N
Fund-26	Revenue and Expense Phasing Plan[1]	All	Y	Y	N
Fund-28	Execution Performance Analysis[1]	All	Budget Execution Reviews Only		
Fund-30	Unutilized/Underutilized Plant Capacity	I	Y	Y	N
OP-8	Civilian Personnel Costs[3]	All	Y	Y	N
OP-32	Operation & Maintenance[3]	All	Y	Y	N
PB-15	Advisory and Assistance Services[3]	All	Y	Y	N
PB-22	Headquarters Costs[3]	All	Y	Y	N
PB-54	Civilian Personnel Hiring Plan[3]	All	Y	Y	N

[1] OUSD(C) RF electronic format required
[2] USTRANSCOM must submit separate Fund-15 exhibits for its Commercial and Military airlift augmentation efforts
[3] Formats and Instructions are in Volume 2A Chapter 3 for the OP-8 exhibits and Volume 2B Chapter 19 for the PB-15, PB-22 and PB-54 exhibits. To be included with the DoD Component's appropriated budget justification materials.

C. Component Narrative. A component narrative is required for the President's budget submission to the Congress. Each DoD Component will provide a Summary by Component in table form consisting of cash and net outlays; revenue, expenses, and operating results; civilian full-time equivalents and military end strength; unit costs, rates, and other key indicators. In addition, each Component will provide a summary table for each of its DWCF activities. Discuss any planned changes in DWCF Activity make up, location, or product lines. Provide short explanatory bullets where significant changes occur.

D. WCF Activity Narrative. For each DWCF Activity, the DoD Component will submit a narrative analysis that, as a minimum, addresses the following areas:

1. A general description of the DWCF activity to include names and locations of subordinate commands, its outputs and customers, and performance and quality metrics. Discuss any planned changes in the DWCF activity make up, location, or product lines. Display cash and net outlays, revenue and expenses, operating results, civilian full-time equivalents and military end strength, unit costs and rates and other key indicators in tabular form. Provide short explanatory bullets where significant changes occur.

2. The analysis should focus on the changes from year to year and how these changes are related to work load and productivity trends; an analysis of any special business-type schedules requested in the Budget Call letter; and a discussion of work load and manpower trends, productivity initiatives/cost reductions, unit costs, and customer prices incorporated in the DWCF Activity budget.

E. Copies. Numbers of copies of the required materials to be submitted with the annual budget estimates are identified in Volume 2A, Chapter 1 Budget Formulation and Presentation of the DoD FMR. In addition, for the Budget Review, an electronic copy of the justification material for each DWCF Activity will be provided to the respective Revolving Fund analyst and an electronic copy will be made available to the OUSD (C) Program and Financial Control Directorate on the SIPRNET. The OUSD (C) will notify Fund Managers if additional copies are required. The Budget Call Letter will provide any additional submission instructions, such as posting of the electronic copy to the internet.

F. Classification. The DWCF justification books prepared by the Components are to be unclassified. Submit any classified exhibits under separate cover.

G. Formats. Paper copies of justification material will be submitted on 8-1/2 x 11-inch paper. Variations in format to facilitate printing are permissible. Additionally, modifications may be made to exhibit formats with the approval of the respective Revolving Fund analyst to eliminate redundant information or provide further clarification.

H. Database Requirements. Consistent with the guidance contained in Volume 2A, Chapter 1 General Information paragraph 010506 of the DoD FMR, the DWCF budget estimates for financing and civilians will be entered into the Comptroller Information System (CIS). The CIS is typically loaded in August before the review of the justification material. The CIS entries are in obligations, as opposed to expenses.

1. The DWCF Operating Budgets will be entered into the CIS as new obligations. However, certain budget exhibits may reflect expense rates where applicable.

2. The DWCF Capital Budgets will be entered into the CIS as the amount of contract authority requested in that fiscal year. This amount should be equal to the program totals displayed on the Fund-9c "Capital Budget Execution" exhibit. The CIP prior year carryover request amounts are not entered into CIS for the current year (CY).

3. Enter estimates of civilian full-time equivalents (FTEs) for civilian personnel data and military end strength for military personnel data.

4. Changes to CIS data submitted by the DoD Components will be recorded in a decision document or technical adjustment. Technical adjustments may be used when a DoD Component requests minor changes due to new information or correction of errors during the Program/Budget review. The changes to the Program/Budget reflected in the final decision document will be expressed as obligations, FTEs for civilian personnel, and end strength for military personnel, and adjusting entries will be generated. Final rate and price adjustments will be documented in a memorandum signed by the Under Secretary of Defense (Comptroller), or designated representative, at the completion of the Program/Budget review.

I. Special Schedules - For the Supply Management activities, the narrative must include a section on workload and economic assumptions. These assumptions must include the following data for the prior, current, and budget fiscal years: items managed (#), requisitions received (#), receipts (#), issues (#), contracts executed (#), and supply material availability (%).

090205. DWCF Application of Commonly Used Financial Management Terms

A. Commitment. A firm administrative reservation of funds, based on firm procurement directives, orders, requisitions, authorizations to issue travel orders, or requests which authorize the recipient to create obligations without further recourse to the official responsible for certifying the availability of funds. The recording of a commitment reserves funds for future obligations. The DWCF activities are not limited to the amount of commitments that can be incurred in the course of operations (unlike other DoD appropriations). Annual Operating Budgets (AOBs) provide legal and administrative restrictions only on the amount of contract authority that may be obligated in a given fiscal year.

B. Direct Appropriations. Amounts appropriated by the Congress to the DWCF for war reserve material, Defense Commissary Agency, or other purposes.

C. End of Period (EOP). The last day of a specified fiscal year, normally September 30, used to determine the closing status of resources.

D. Outlays. Disbursements issued from the U.S. Treasury for goods and services received. Gross outlays are equal to the cumulative amount of disbursements made for the fiscal period to date. Net outlays are equal to gross outlays less the cumulative amount of collections received for the fiscal period to date.

090206. Supply Management DWCF Activity Definitions

A. This section provides standard definitions to Supply Management terminology associated with the development of budget justification material.

B. Definition of Terms Used in Supply Management DWCF Activities

1. Acquisition Leadtime. The interval in months between the initiation of procurement action and the receipt into the supply system of the production model (excludes prototypes) purchased as the result of such actions. Acquisition Leadtime is composed of two elements, production leadtime and administrative leadtime.

2. Administrative Leadtime. That portion of the Acquisition Leadtime that begins with the identification of the need to buy and the contract award. The time between the initiation of paperwork to a signed contract.

3. Allocation. Under the appropriations act, direct funds may be appropriated to the DWCF; therefore, obligations may be made against DWCF to procure war reserve material inventory and should be reported separately.

4. Beginning of Period (BOP, BP). The start of a specified fiscal year normally on October 1 used to determine the opening "snapshot" status of resources. Typically, the EOP from the previous fiscal year becomes the BOP of the current FY adjusted for price changes.

5. Capitalized Inventory. On-hand and on-order inventories of supplies funded by other appropriations and funds are considered as contributed capital as of the date when management responsibility for the items is undertaken (see Provisioning).

6. Capitalization. The process whereby the Fund assumes management responsibility and ownership of inventories without reimbursing other DoD appropriations or funds.

7. Contingency Retention Stock. That portion of the quantity of an item excess to the Approved Acquisition Objective and for which there is no predictable demand or quantifiable requirement and which normally would be allocated as potential reutilization stock, except for a determination that the quantity will be retained for possible contingencies. This is a budget stratification category and is not the same as "War Reserve Materiel," which is held for immediate use of military deployments.

8. Cost of Goods (Materiel) Sold (COGS). The COGS is the expensed value of the items sold at the standard or exchange price, respectively. The COGS cannot be recorded until a sale occurs even though the purchase and cash outlay occurred in a previous fiscal year. The COGS is a method of inventory valuation that may not be directly related to actual cash required to purchase inventory for the continuity of operations. A Materiel Cost Adjustment (MCA) is allowed as a cost recovery element (which may or may not be related

to normal inflation) to ensure that budgetary resources are available to cover the difference in historic costs (COGS) and current costs.

9. Cost Recovery Elements/Surcharges. Factors added to the acquisition cost or repair cost price of an item to arrive at the customer's standard or exchange price. Cost Recovery Elements/Surcharges include: (1) transportation deliveries from production site to points of use or storage (Second Destination Transportation (SDT)); (2) inventory obsolescence and loss, for the costs of pilferage, damage, deterioration, physical inventory shortages and excess; (3) inventory maintenance; (4) supply operations support costs; (5) inventory augmentation; (6) depreciation; (7) cash factor; and (8) Depot Level Reparable (DLR) carcass attrition costs, if applicable.

10. Decapitalization. The transfer of DWCF inventories to other appropriations or funds without reimbursement. Transfers of inventory between DWCF DoD Components are not considered de-capitalizations. Gains and losses of cash, relative to continuing operations at the DWCF activity level, should be taken into consideration to establish an acceptable reimbursement process based on validated undelivered orders (dues in).

11. Demand (Customer Order). Demand is an indication of a requirement (i.e., requisition, request, issue, reparable generation, etc.) for issue of serviceable material. Demands are categorized as either recurring or nonrecurring and are also referred to as orders. Demands for reparable items should indicate whether or not a carcass will be returned.

12. Economic Retention Stock. That portion of the quantity of an item greater than the Approved Acquisition Objective determined to be more economical to retain for future peacetime issue than to dispose and satisfy projected future requirements through procurement or repair. To warrant economic retention, items must have a reasonably predictable demand rate. The replenishment and growth of economic retention stock may not be financially sound (even though a lower cost may be achieved) when the additional resources could be used to reduce potential inventory shortages in other commodities that have higher reoccurring demands.

13. Exchange Price (EP). In a system that supports exchange pricing, this is the price charged to customers exchanging a Depot Level Reparable part that needs repair for a serviceable one (new or repaired). Equates to the latest repair price plus wash out costs (condemnations) per item plus pricing elements necessary to recover other operating costs. (Note: If no carcass is returned, the customer is charged the full standard price.)

14. Expendable Supplies and Material. Supplies, sometimes referred to as consumable supplies and material, that are consumed (e.g., paint, fuel, cleaning, preserving materials, surgical dressings, drugs, and medicines) or lose their identity in use.

15. Initial Spare and Repair Parts. Those spares and repair parts introduced through the provisioning process to establish inventory levels prior to reoccurring demands for that item. These inventory levels are typically funded by other DoD appropriations.

In some cases, as approved by the Director, Revolving Funds, a cost recovery element may be added to the pricing structure to cover these requirements.

16. Insurance Item. A non-demand-based stocked essential item for which no failure is predicted through normal usage. However, if a failure were to be experienced or a loss occur through accident, abnormal equipment or system failure, or other unexpected occurrence, lack of replacement would seriously hamper the operational capability of a weapon system.

17. Inventory (Supply). An aggregation of materiel (supplies, equipment or end items) that are maintained for the primary purpose of issue to replace a failed, lost, or consumed item, or to provide initial stockage or stock replenishment, to supported or supporting units or activities.

a. Consumer Level of Inventory: An inventory, usually of limited range and depth, held only by the final element in an established supply distribution system for the sole purpose of internal consumption. Inventory at the consumer level is normally no longer considered Fund inventory.

b. Intermediate Level of Inventory (Local): An inventory between the wholesale and consumer levels, regardless of funding source.

c. Wholesale Level of Inventory (National): Inventory, regardless of funding sources, over which the inventory manager at the inventory control point level has asset knowledge and exercises unrestricted asset control to meet worldwide inventory management responsibilities.

d. Inventory Augmentation. A growth in inventory beyond initial stockage levels that is not demand based. Costs may be recouped through a cost recovery element or by direct appropriations.

e. Retail Inventory. Supplies/material held at a second point of sale below the wholesale level (e.g., management of DLA inventory purchases within a specific Military Department).

18. Inventory Cost Categories

a. Operating Costs. All costs not associated with the purchase or repair of materiel that must be incurred in order for the DoD Components to manage a supply DWCF Activity. All materiel-related costs should be the basis for cost of goods sold.

b. War Reserves. Direct appropriation funding is required to procure items for war reserve stocks. These materials are required to support approved force mobilization objectives. The approved force mobilization objective is the quantity required, in addition to peacetime assets normally available on any given date, to equip and support the approved force structure in accordance with current Defense Guidance.

c. Historic Cost. The price paid for an item at the time it was purchased from a supplier.

d. Moving Average Cost: A historical cost method of valuing inventory. Each time a new quantity is purchased, the average value of all items on hand is recalculated. This value is the basis for accounting purposes and the COGS value on the Fund-14 "Revenue and Costs." For budget purposes, inflation and a Materiel Cost Adjustment (MCA) may have to be applied as a cost recovery element to ensure receipt of sufficient budgetary resources to support the cash outlays required for inventory purchases.

e. Replenishment Cost. The current price of an item from a vendor that will result in a cash outlay resulting from an obligation in the current fiscal year.

f. Numeric Stockage Objective (NSO) Item. A non-demand-based, stocked, essential item for which, although failure may be predicted, the probability of demand is so low that it does not meet the stockage criteria at a given activity and, as a demand-based item, would not be stocked. Since the lack of a replacement item would seriously hamper the operational capability of a weapon or weapon systems, the item is therefore stocked; using direct appropriations, as non-demand-based. Also included in this category are:

(1) Items needed to support particular programs of a nonrecurring or sporadic nature (e.g., set assembly, non-repetitive overhaul programs) where re-procurement is not required once the particular program has been completed.

(2) Items that are procured on a life-of-type basis or which are "bought out" at the termination of a production program.

(3) Items that are not fully consumed during a one-time or non-repetitive program but which should be retained for possible future need on a similar program.

19. Inventory on Order. The quantities of material required to sustain operations in the interval between requisitions and the arrival of successive shipments; the amount of inventory required to satisfy current demands when leadtimes are taken into account. These quantities should be based on the established replenishment period (i.e., monthly, quarterly, etc.). This is also referred to as the "Pipeline," "Undelivered Orders," or "Due ins from Procurement and Repair."

20. Other War Reserve Material Requirements. The total war reserve material requirement less the sum of the pre-positioned war reserve requirements. These are also known as non-prepositioned requirements.

21. Pre-positioned War Reserve Material Requirement (PWRMR). That portion of the war reserve stocks required to be on hand on M-Day which approved Defense Guidance dictates be reserved and/or positioned at or near the point of planned use or issued to

the user prior to hostilities, to reduce reaction time and to assure timely support of a specific force/project until replenishment can be effected.

22. Price Stabilization. The policy through which the standard price of each cataloged supply item shall remain constant throughout each fiscal year except for correction of errors.

23. Materiel Cost Adjustment (MCA). The amount of price growth realized from suppliers above the moving average cost (MAC), used on the SM-5b "OP-32 Price Change." MAC + Inflation + MCA = Replenishment Costs, This amount is typically above the standard rate of inflation. Standard inflation should be accounted for in the "Materiel Inflation Adjustment" recovery element and not double counted in the MCA. In some cases, normal inflation may be the only recovery element required. For example, if a new part has been upgraded by the manufacturer, the price may increase by 10 percent. In this case, 2 percent may be "normal inflation" and 8 percent can be attributable to the MCA.

24. Production Lead Time. The time interval between the letting of a contract or the placing of an order and the first significant receipt into the supply system of material purchased as a result of such action.

25. Provisioning Item. Spares and repair parts required as both demand and non-demand-based levels in the supply system to support new fielding of end items. Typically, these are new inventory requirements that require other DoD appropriations to establish the supply chain. In some cases, upon approval by the Director, Revolving Funds, customers may be charged for the establishment of new inventory as a recovery element.

26. Provisioning Item (Outfitting). That portion of Provisioning consisting of items for which a sale is anticipated to an appropriated outfitting (buy-out) account. Direct appropriations are required to establish inventory levels for these items until requirements can be forecast based on actual demands for their replenishment using obligation authority.

27. Reclassification. The logistics term referring to the transfer of assets between inventory strata (e.g., from Economic Retention to Contingency), used on the SM-4 "Inventory Status."

28. Repair Cycle Level. The quantity of reparable items required to sustain operations during the repair cycle that commences when a maintenance replacement takes place and ends when the unserviceable asset is returned to stock in a serviceable condition. This includes such stages as removed, awaiting shipment, in transit, in pre-repair screening, in process of repair, and being returned to serviceable stock. Any extraordinary awaiting-parts delays and any intentional extended-transit, storage, or repair-process delays should be excluded from the repair cycle.

29. Reparable Item. An item of supply subject to economical repair and for which the repair (at either depot or field level) is considered in satisfying computed requirements at any inventory level.

30. Replenishment Spare and Repair Parts. Demand-based spare and repair parts required for re-supplying current inventory levels. Inventory levels may increase above initial stockage when there is a concurrent increase in demands (ramp-up). Fewer inventories will be required when there is a decrease in demand levels (ramp-down). These include both reparable and consumable parts in support of fielded items.

31. Requisitioning Objective (also known as the "Authorized Acquisition Objective"). The maximum quantities of material to be maintained on hand and on order to sustain current operations and core war reserve. It will consist of the sum of stocks represented by the operating level, safety level, and the order and shipping time or procurement time, as appropriate.

32. Safety Level of Supply. The quantity of material required to be on hand to permit continuous operations in the event of minor interruption of normal replenishment or unpredictable fluctuations in demand.

33. Standard Price. The price that customers are charged for DoD Inventory Control Point (ICP)-managed items (excluding subsistence). The standard price remains constant (stabilized price) throughout a fiscal year except for the correction of significant errors. The standard price is computed based on various factors, including the replenishment cost of the item plus surcharges to recover costs for transportation; inventory loss, obsolescence and maintenance; depreciation; and supply operations. (Note: See Exchange Price for prices of Depot Level Reparables in systems that support exchange prices.)

34. Stockage Objective. The maximum authorized quantity of material on hand to sustain current operations. It consists of the sum of stock represented by the operating level, the safety level, the repair cycle level, and authorized additive levels.

35. Stratification Process. A uniform portrayal of requirements and asset application that is a computer-generated simulation of actions causing changes in the supply position, e.g., procurement, repair, receipt, issue, terminations, and disposal of material.

36. Unfunded Requirement for Spares. The difference between the spare and/or repair parts requirement computed in accordance with DoD Policy (e.g., DoDI 4140.01 DoD Supply Chain Materiel Management Policy) and the amount of that requirement that is funded.

37. Unobligated Commitments. Amount of commitments incurred this fiscal year to date that have not resulted in obligation at the end of the report period. Unobligated commitments do not reduce Obligation Authority issued on AOBs.

42. Variability Target. The projected amount of additional cost authority reflected on the SM-1 "Supply Management Summary" exhibit to allow supply activities to respond to variances in costs and/or changes in customer demands during the execution year.

43. War Reserves. Stocks of material amassed in peacetime to meet the increase in military requirements forecasts contingent on an outbreak of war. War reserves are intended to provide the interim support essential to sustain operations until re-supply can be effected.

090207. Non-Supply Definitions

A. Definitions Used in Non-Supply Activities

1. Maintenance Depot. Industrial DWCF facilities whose primary missions are to overhaul, manufacture, and re-manufacture weapon systems, ordnance, or other forms of equipment. These activities include Army and Marine Corps Maintenance Depots, Ordnance Depots, Arsenals, Navy Fleet Readiness Centers, and Air Force Aviation Depots.

2. Direct Labor Hour Rate. The stabilized rate method that assigns revenue per direct labor hour. The direct labor hour rate is computed by dividing the sum of all direct and indirect production labor, non-labor, and material, and general and administrative expenses, adjusted for direct reimbursements, NOR, and Capital Investment Program (CIP) or Cash surcharges, by the total number of direct labor hours (or other outputs) anticipated to be accomplished during the fiscal year.

3. Direct Labor Hour (DLH). The DLHs, sometimes referred to as Direct Product Standard Hours, are the hours required to perform the direct work on a product, or to perform a billable service for customers. The DLHs generally include the hands-on maintenance, repair, overhaul, test, and related direct production effort that follows the established sequence and content of work necessary to accomplish the billable job. The DLHs do not include the support work or man-hours identified as either indirect production (such as supervisory) or general and administrative in nature. The DLHs are estimated for budget purposes by product or service, based on industrial or management engineering standards developed using time, method, and motion studies, historical usage averages, or professional estimating and evaluation (E&E) techniques.

4. Fixed Price Catalogs. Depot Maintenance activities may maintain a catalog of products and services (major end items, componentry, depot level reparable, modification kits, etc.) with their associated rework, repair, overhaul, installation, etc., based on the Standard Depot Level Maintenance (SDLM) or Planned Depot Maintenance (PDM) work package DLHs. The DLHs associated with the product or service multiplied by the stabilized composite rate for a fiscal year constitutes the firm fixed price for the catalog item. Catalogs may be maintained in hard copy or in electronic databases accessible to customers.

5. Total Cost of Goods Sold. The total expenses incurred in the operating budget of the activity associated with the revenue planned to be recognized for the budgeted fiscal year.

6. Carryover. The dollar value of work that has been ordered and funded (obligated) by customers, typically using other DoD appropriations, but not yet completed by DWCF activities (i.e., Depot Maintenance, Industrial Operations, and Research &

Development activities) at the end of the fiscal year. Carryover consists of the unfinished portion of work accepted but not yet completed.

B. Clarification of Rate Estimation. During the budget review process, each non-supply DWCF activity will use proposed new customer orders for each budget year to establish rates that will remain stabilized through the execution year. Accurate customer order projections are essential in determining the annual increase or decrease in rates.

1. Industrial activities will identify total DLHs required to accomplish the budget year's work program. The work program is the total number of DLHs planned to be executed in support of known and projected customer requirements during execution of the budget. All DLHs should be identified in the budget, even though some workload may be direct reimbursable rather than rate based.

2. Total costs estimated to be incurred in execution of this workload will be projected. This process should include application of general inflation, pay raise, and other inflation or OUSD (Comptroller)-directed price adjustments, as specified in the OUSD (Comptroller) budget formulation Budget Call. The sum of all these costs (including supplies, materials, pay, depreciation, and other charges, etc.) is the estimate of the total cost of goods sold.

3. Customer requirements must be projected and separately identified to include: current (on hand) unfilled customers orders expected to be executed during the budget year (carry-in or backlog), and work in process that will be completed; new orders anticipated to be accepted and executed during the budget year; and orders anticipated to be accepted but not executed during the year (anticipated carry-over).

4. Workload mix (outputs), availabilities, and production schedules must be assessed, along with any other factors that may impact program outputs such as policy changes, productivity initiatives, planned workload competitions, plant capacity, and other factors. Based on these factors, the work counts associated with each major workload category (output or product) will be identified and reported.

5. Total costs required to execute the planned program to produce the outputs in the approved execution program will be identified and reported in budget exhibits, with significant changes from the prior year highlighted in the Exhibit Fund-2, "Changes in the Costs of Operations."

*0903 DWCF ACTIVITY EXHIBIT FORMATS

090301. Purpose

The formats provided on the following pages reflect guidance presented in previous sections of this chapter. Adhere to these formats unless they are modified in a submission budget call. Modifications may be made to exhibit formats with the approval of the respective Revolving Fund analyst to eliminate redundant information or provide further clarification.

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*Formats and Instructions for these exhibits are in the DoD FMR, Volume 2A Chapter 3 for the OP-8 exhibits and Volume 2B Chapter 19 for the PB-15, PB-22 and PB-54 exhibits. These exhibits should be included as part of the DoD Component's Appropriated Budget Justification.

Exhibit SM-1 Supply Management Summary

FY BUDGET
_____ SUPPLY MANAGEMENT BY ACTIVITY DIVISION
(DoD Component)
(Dollars in Millions)

			Obligation Targets						
Business Division	**Net Customer Orders**	**Net Sales**	**Operating**	**Mobilization**	**Direct Appn**	**Total Operating Obligations**	**Total Capital Obligations**	**Variability Target**	**Target Total**

Exhibit SM-1 Supply Management Summary

INSTRUCTIONS FOR PREPARATION OF
SUPPLY MANAGEMENT SUMMARY (EXHIBIT SM-1)

The purpose of the SM-1, Supply Management Summary by Activity Division exhibit, is to provide summary obligation justification for the DoD Component DWCF activity. Instructions for preparation of SM-1 exhibit follow:

1. Prepare the SM-1 exhibit for each year being reviewed (i.e., prior year, current year, and budget year).

2. Present dollars in millions to the third decimal place.

3. The current year request should represent current identified requirements and may not be equal to previous amounts approved in prior year budget submissions. The minimum information required for each activity division is as follows:

- Net Customer Orders
- Net Sales
- Operating Obligations
- Mobilization Obligations
- Direct Appropriations
- Total Operating Obligations- This amount is entered into the program line in the Comptroller Information System (CIS).
- Total Capital Obligations- This amount is entered into the capital line in CIS.
- Variability Target- This amount is not entered into CIS but is documented on the budget exhibit for inclusion in the apportionment from OMB.
- Target Total

Exhibit SM-1 Supply Management Summary (Continued)

Exhibit SM-3a Requirements to Budget

FY ____ (DoD Component) BUDGET SUPPLY MANAGEMENT Requirements to Budget	DIVISION		DATE
	(Dollars in Millions)		
	PY____	CY	BY____
A. CUSTOMER DEMANDS			
1. Total New Demands (Sales/Exchanges in FY)			
2. Stock Due Out (Backorders) (BOP)			
3. New Items (excluding provisioning)			
4. Provision (SM-5a element)			
5. Other Demands (Specify) (Non-reoccurring)			
Total Customer Demands			
B. ASSETS AVAILABLE TO SATISFY CUSTOMER DEMANDS			
1. Serviceable On Hand (BOP)			
2. Projected Deliveries			
3. Projected Funded Repairs			
4. Other Serviceable Asset Deliveries			
Total Serviceable Assets Available			
C. FUNDING REQUIREMENT			
1. Unfunded Demands (A-B)			
2. Transportation (FDT)			
3. Repair Costs			
4. Other Costs (Specify) (Reconcile to SM-1)			
Total Funding Requirement			
Deferred Funding Adjustments			
1. Requirement deferred/eliminated (-)			
2. Deferred requirement added (+)			
Funding Requirement with Adjustments			
D. Non-WCF Initial Spares from other DoD Appropriations (memo entry)			

INSTRUCTIONS FOR PREPARATION OF
REQUIREMENTS TO BUDGET (EXHIBIT SM-3a)

The purpose of the SM-3a Requirements to Budget exhibit provides backup information to support obligations based on inventory requirements determined by customer demand. That is, the SM-3a Requirements to Budget exhibit identifies resources required to replenish sales of inventory for each fiscal year (i.e., prior year, current year, budget year).

1. Prepare an SM-3a exhibit for each DWCF Supply activity (not each division). Non-inventory costs, as reflected on the Fund-1/1a Summary/Details of Price, Program and Other Changes exhibits, are considered "Overhead and Other Management Costs". Total obligations reported on this exhibit represent obligations for inventory procurement/repair. Obligations on this exhibit, when added to the Fund-1 Summary of Price, Program and Other Changes must reconcile with the Total Operating Obligations column on the SM-1 Supply Management Summary by Division exhibit. Present dollars in millions to the third decimal place.

2. Use the latest inventory cycle available since the exhibit is due in September. Instead of using the standard price, it is recommended that the moving average cost (MAC) value be used and the Materiel Cost Adjustment (MCA) applied as a growth factor to the MAC for each fiscal year. This will represent the projected price change over time. If a standard price is used, the overhead costs (surcharge) must be removed as part of this exhibit to get to a more representative cost of inventory and the MCA will not be added.

3. The exhibit will no longer reconcile to the total inventory; rather, it will focus on the time-phased customer demands (sales or exchanges) including any backorders. Inventory available (i.e., on hand and projected serviceable deliveries from buy or repair), that will satisfy those demands will be applied against the customer requirements. Finally, the portion of the customer demands that will not be satisfied with the current projected funded deliveries will be calculated so they can be satisfied through funding for new purchases or repairs. Documented unfunded requirements will also include the other projected funding needs (e.g., first destination transportation and projected repair cost increases). This exhibit will only reflect mobilization requirements to reconcile to the SM-1 exhibit; it will not include unfunded WRM demands.

4. The exhibit will include new requirements (e.g., initial provision and establishing a new stock number to replace an existing one) paid through the DWCF. It will also require all DoD Components to show (as a memo entry) other requirements (sponsor-owned stock, BP 28, etc.) not in the DWCF. Note: the memo entry on this exhibit provides reconciliation for other inventory purchased outside of the DWCF that may later migrate into DWCF.

5. Section A of the exhibit will reflect the Customer Demands (historical & projected for the first fiscal year and projected for the following 2 fiscal years). Section B of the exhibit will reflect the inventory (serviceable on hand and projected deliveries from buy or repair) for each of the 3 fiscal years. Section C of the exhibit will reflect the funding requirements (part of the

Exhibit SM-3a Requirements to Budget (Continued)

budget) and any other unfunded (deferred) requirements. Section D of the exhibit will reflect the initial provision (memo entry) that is not funded through the DWCF. It is the total initial provisioning dollar value not under DWCF that is on hand or projected to be delivered by the beginning of the period (BOP).

Exhibit SM-3a Requirements to Budget (Continued)

Exhibit SM-3b By Weapon System Requirements

FY___ (DoD Component) BUDGET SUPPLY MANAGEMENT By Weapon System			WEAPON SYSTEM REQUIREMENTS/CATEGORY FY_____ (Dollars in Millions)			
Weapon System	**Special Purchases**	**Basic Purchases**	**Basic Rework/ Repair**	**Initial Spares**	**Total Program**	**Non-MCRS Percent**

INSTRUCTIONS FOR PREPARATION OF
WEAPON SYSTEM REQUIREMENTS (EXHIBIT SM-3B)

The SM-3B Weapon System Requirements exhibit provides a breakout of the operating obligation request by type of supply system action (procurement versus repair) and by weapon system or category.

1. For the OSD/OMB budget review, prepare the SM-3B for each DWCF Supply activity (wholesale division) that provides military spare parts (excludes fuel, medical/dental, subsistence, etc.). For each division, prepare one Exhibit SM-3B for each fiscal year (CY, BY).

2. Definitions.

a. Special Purchases column includes outfitting, special programs and any initial spares financed through a cost recovery element on the SM-5a Markup on Material Cost exhibit.

b. Basic Purchases column consists of replacement spares *based on demand*s.

c. Basic Rework column is repair obligations for sales replacement.

d. Initial Spares column includes any new inventory levels financed through other DoD appropriations in this column. In theory, this column should reconcile with the P-18 exhibits provided with the Initial Spares Budget Activity of the DoD Component's procurement appropriations.

e. Total Program column shows the total operating obligation request for each weapon system.

f. Non-MCRS Percent (Non-Mission Capable Rate Supply) column shows the percentage, by weapon system, that is not mission capable due to the lack of spare parts. Report this rate target for each budgeted fiscal year.

3. Present dollars in millions to the third decimal place. Weapon systems, as defined by the applicable Service, may be aggregated into categories when individual systems are less than $25 million. The Director, Revolving Funds will approve appropriate levels of aggregation. Common parts may be grouped by category such as radios or may be allocated to specific systems such as F-16 aircraft. Obligation authority requests for non-weapon system-related requirements, such as reverse engineering and forging & casting, must be separately identified.

4. Estimated data may be used and noted as such until accurate systems can be developed to provide accurate data.

5. This form will be prepared at replenishment cost or repair cost as appropriate.

Exhibit SM-3b Weapon System Requirements (Continued)

Exhibit SM-4 Inventory Status

FY_____ BUDGET	DIVISION			DATE
_____ SUPPLY MANAGEMENT	(Dollars in Millions)			
(DoD Component) INVENTORY STATUS	TOTAL	DEMAND BASED	MOBILIZATION	NON-DEMAND BASED
1. Inventory BOP				
2. BOP Inventory Adjustments				
A. Reclassification Change (Memo)				
B. Price Change Amount (Memo)				
C. Inventory Reclassified and Repriced				
3. Purchases				
4. Gross Sales at MAC Value				
5. Inventory Adjustments				
A. Capitalizations (Net) + or (-)				
B. Returns From Customers For Credit +				
C. Returns From Customers Without Credit				
D. Returns To Suppliers (-)				
E. Transfers To Property Disposal (-)				
F. Issues/Receipts Without Reimbursement + or (-)				
G. Other (List/Explain)				
H. Total Adjustments				
6. Inventory EOP				
7. Inventory EOP, Revalued (MAC, Discounted)				
A. Economic Retention (Memo)				
B. Contingency Retention (Memo)				
C. Potential DoD Reutilization (Memo)				
8. Inventory On Order EOP (Memo)				
9. NARRATIVE (Explanation of unusual changes)				

INVENTORY STATUS (EXHIBIT SM-4)

The SM-4 Inventory Status exhibit shows estimated inventory levels that will result from the proposed budgets and operating levels. Prepare the SM-4 at the moving average cost (MAC) value for the prior fiscal year, current year, and budget year for each supply management DWCF activity for each Program/Budget and President's Budget submission. A consolidated summary for the total Supply activity will be prepared for the OSD/OMB Review. The TOTAL column in the prior fiscal year exhibit shall reflect the amount from supply management general ledgers used in preparation of fiscal and accounting reports. Amounts in the DEMAND BASED, MOBILIZATION, and NON-DEMAND BASED columns may be statistically derived from related inventory reports. Instructions for preparation of SM-4 Inventory Status are as follows:

1. Inventory, BOP. (Beginning of Period) Amounts of inventory on hand and in transit reported must equal amounts reported as of the end of the prior year. If not, explain any difference in a footnote. The DoD Component must have title to all inventory listed here.

2. BOP Inventory Adjustments. Enter any adjustments required to the beginning position.

3. Purchases. Add the amount of inventory value on which title has passed or will pass to the reporting supply management division during the period of the report.

4. Gross Sales at MAC value. Material sold to customer during the period of the report. Should match the Cost of Goods Sold base value.

5. Inventory Adjustments.

a. Capitalizations (Net). Report the inventory value of material capitalized or de-capitalized during the period of the report. Show a net de-capitalization with (-) preceding value.

b. Returns from Customers for Credit. Show the cumulative amount of material returned from customers on which title has passed to the reporting supply management division during the period of the report for which credit has been given. *For fuel returns, show the cumulative amount of fuel returned based on market price valuation of current inventory.*

c. Returns from Customers without Credit. Show the cumulative amount of material returned from customers on which title has passed to the reporting supply management division during the period of the report for which credit was not given.

d. Returns to Suppliers. Show as a negative number the cumulative amount of material returned to supplier during the period of the report.

e. Transfers to Property Disposal. Show the net amount of material transferred to/from the DLA Disposition Service on which title has been passed to DLA.

Exhibit SM-4 Inventory Status (Continued)

f. Issues/Receipts without Reimbursement. Show the net cumulative amount of material issued or received without reimbursement during the period of the report. This item could include transfers from other divisions or material categories, etc., as required. Show net issued with (-) preceding value.

g. Other. Identify and report the amounts of other adjustments to inventory. Include all other adjustments to inventory such as adjustments for physical inventory count and extraordinary losses (fire, weather). Explain with footnotes if necessary. Show (+) or (-) as appropriate.

h. Total Adjustments. Add 5a through 5g.

6. Inventory EOP. (End of Period) Report the amount of inventory available at the end of the reporting period, including all on hand, in transit, work-in-process, and other stocks to which the reporting stock fund division holds title.

7. Inventory EOP, Revalued (MAC, Discounted). Enter any adjustments required to the ending position.

8. Inventory on Order, EOP (memo). Report the amount of demand based and mobilization undelivered orders (excluding in transit) for material outstanding at the end of the period.

9. Narrative. Provide additional information and description as needed.

Exhibit SM-4 Inventory Status (Continued)

Exhibit SM-5a Markup on Materiel Cost

Supply Management Activities – Standardized Rate
Markup on Materiel Cost (Wholesale) Cost Recovery Calculation

	($M) CY Approved	($M) CY Requested	($M) BY
Cost Category			
Materiel Costs Section			
a. Materiel Costs without Inflation (MAC)			
b. Materiel Inflation (normal inflation)			
c. Materiel Cost Adjustment (includes obsolescence, losses and washouts)			
1. Total Materiel Costs			
Overhead Costs (Fund-1/1a) Section			
a. Personnel Costs (Military and Civilian)			
b. Operating Equipment and Supplies (Lines 400 & 500)			
c. Transportation (Lines 300 & 700)			
d. Other Purchased Services (Line 900)			
e. DLA Distribution			
f. DLA Disposition (DRMS)			
g. DLA Other			
h. DFAS			
i. DISA (All)			
j. Other DWCF Purchases (Remainder of Line 600)			
2. Total Overhead Costs			
Price Adjustments Section			
a. Depreciation			
b. Capital Outlay Recovery (Surcharge)			
c. AOR Recovery			
d. Cash Adjustment			
3. Total Pricing Adjustments			
Markup on Materiel Cost Section			
a. Line 2 + Line 3 (Overhead Costs + Pricing Adjustments)			
b. Line 1 (Total Materiel Costs)			
c. Total Wholesale Revenue (a + b)			
4. Total Markup on Materiel Cost (Standardized Rate) (a / b)			

INSTRUCTIONS FOR PREPARATION OF EXHIBIT SM-5a
MARKUP ON MATERIEL COST

The SM-5a Markup on Materiel Cost exhibit shows how to calculate the Standardized Rate for Supply DWCF Activities. Each Service/Agency will provide a consolidated exhibit for the sum of all wholesale divisions managed by that Service/Agency. The current year (CY) requested on this exhibit will match all CY data represented on all other reconciling budget exhibits (Fund-14, Fund-1). The CY approved represents what was submitted in previous budgets; in theory, all adjustments from previous budgets will be reflected in the AOR adjustment line of the budget year (BY).

Materiel Costs Section. There are three factors that make up materiel costs. Total Materiel Costs is the denominator in the Markup on Materiel Cost calculation.

a. Materiel Costs without Inflation (MAC). This is a representation of the historic value of inventory (and repair costs). The official valuation methodology for the DWCF is Moving Average Cost (MAC), based on proprietary accounting. However, valuing inventory solely at the MAC value for budget purposes will not generate sufficient resources for cash outlays to maintain current inventory levels.

b. Materiel Inflation (normal inflation). This line represents the amount of "normal inflation" as approved by OMB and OUSD(C) in published memoranda. The line may be used by the DoD Component to break out this type of inflation separately from any other materiel cost growth for reconciliation purposes; it is not a mandatory line and these costs may be included in line C as part of the "Materiel Cost Adjustment". Do not double count "normal inflation" on both lines.

c. Materiel Cost Adjustments (includes obsolescence, losses and washouts). All other adjustments involving the actual purchase or repair of inventory above that of the previous year. This line should include normal inflation if line b is not used (it should not include normal inflation if line b is used). Materiel costs associated with losses, obsolescence and wash out (condemnation) of reparables are also included in this line.

Overhead Costs (Fund-1/1a) Section. Total overhead costs should reconcile to the Fund-1 Summary of Price, Program and Other Changes exhibit less the amount displayed (if any) on the Fund-14 Revenue and Costs exhibit for direct reimbursable revenue. In theory, direct reimbursable revenue should not include a cost recovery rate and should cover all costs involved for the work performed. Depreciation is shown as a price adjustment instead of an overhead cost because it is a cash recovery element for capital obligations. Overhead categories directly relate to the corresponding line on the Fund-1/1a Summary/Detail of Price, Program and Other Changes exhibit.

Pricing Adjustments Section. Pricing adjustments increase or decrease budgetary resources but are not related to Materiel or Overhead costs. There are four types of price adjustments.

Exhibit SM-5a Markup on Materiel Cost (Continued)

a. Depreciation. Represents the yearly cash recovery of CIP obligations and outlays based on the useful life of the asset purchased. This is a mandatory line.

b. Capital Outlay Recovery (Surcharge). An adjustment to the depreciation amount either to accelerate cash recovery if outlays are significantly exceeding depreciation or to reduce the amount of depreciation to the amount of obligations for the CIP when cash resources are sufficient. This is not a mandatory line.

c. AOR Recovery. This amount should be equal to the NOR for the respective year on the Fund-14. This is a mandatory line.

d. Cash Adjustment. May be used to adjust the cash resources available to that specific DWCF Activity (not as an adjustment to the cash available at the DoD Component level). All cash adjustments at the DWCF Activity level should reconcile to the Fund-13, Cash Management Plan (e.g. a DWCF Activity should not show a cash increase on the Fund-13 with a negative cash adjustment on the SM-5). This is not a mandatory line.

Markup on Materiel Cost Section. Line 4. Total Markup on Materiel Cost (Standardized Rate (a/b) equals (Line 2. Total Overhead Costs + Line 3. Total Pricing Adjustments) divided by Line 1. Total Materiel Costs, displayed as a percentage. Adding Materiel Costs, Total Overhead Costs, and Total Pricing Adjustment equals total wholesale revenue as displayed on the SM-16 Unit Cost Summary exhibit. Total wholesale revenue, retail revenue and direct reimbursables equals total Gross Sales as displayed on the Fund-14 Revenue and Costs and SM-16 Unit Cost Summary exhibits.

Exhibit SM-5a Markup on Materiel Cost (Continued)

Exhibit SM-5b OP-32 Price Change to Customers

OP-32 Price Change to Customers	CY (Approved)	BY
A. Total Materiel Costs without Inflation (Line 1a)		
Price Growth for OP-32		
Materiel Inflation (if used) plus Materiel Cost Adjustment (Line 1b + Line 1c)		
Total Overhead Costs plus Total Pricing Adjustments (Line 2 + Line 3)		
B. Total Additional Price to Customer		
C. Additional Price Percentage (B/A)		
OP-32 Price Change (Percent Change in Additional Price Percentage from CY (Approved) to BY)		

INSTRUCTIONS FOR PREPARATION OF EXHIBIT SM-5b
OP-32 PRICE CHANGE TO CUSTOMERS

The OP-32 Price Change to Customers exhibit may be presented on the same page as the SM-5a Markup on Material Cost exhibit. For the President's Budget Justification Book, the published OP-32 Price Change to Customers exhibit for the PY, CY, and BY will be presented in the narrative section with a brief explanation of the change from the previous year. The SM-5b OP-32 Price Change to Customers exhibit will be required as a backup exhibit to the President's Budget. All figures for the OP-32 Price Change are depicted in the SM-5a Markup on Material Cost exhibit.

A. Total Materiel Costs without Inflation (Line 1a). These are the amounts displayed on the SM-5a Markup on Material Cost exhibit that represent changes in purchases without inflation or pricing factors.

B. Total Additional Price to Customer.

Materiel Inflation plus Materiel Cost Adjustment. The amount of "normal inflation" (SM-5a Line 1b) plus other Materiel Costs not accounted for by "normal inflation" (SM-5a Line 1c).

Overhead Costs plus Pricing Adjustments. This should be equal to the SM-5a Markup on Material Cost exhibit Line 4a.

OP-32 Price Change. The formula for the percentage change to customers is:

((1+BY Line C) divided by (1+ CY (Approved) Line C)) minus 1.

This change represents the change in price at the item level that were affected by both price and program changes in the customer budget.

Exhibit SM-6 War Reserve Material

WAR RESERVE MATERIAL (WRM)
STOCKPILE ($ in Millions)

STOCKPILE STATUS FOR FY_____			
	Total	WRM Protected	WRM Other
1. Inventory BOP			
2. Price Change			
3. Reclassification			
Inventory Changes			
a. Receipts			
(1). Purchases			
(2). Returns from customers			
Issues			
(1). Sales			
(2). Returns to suppliers			
(3). Disposals			
c. Adjustments			
(1). Capitalizations			
(2). Gains and losses			
(3). Other			
Inventory EOP			
STOCKPILE COSTS			
1. Storage			
2. Management			
3. Maintenance/Other			
Total Cost			
WRM BUDGET REQUEST			
1. Obligations @ cost			
a. Additional WRM Investment			
b. Replenishment/Repair WRM – Reinvestment			
c. Stock Rotation/Obsolescence			
d. Assemble/Disassemble			
e. Other			
Total Request			

Exhibit SM-6 War Reserve Material (Continued)

WAR RESERVE MATERIAL (WRM)
EXHIBIT SM-6

The purpose of the WRM exhibit is to notify Congress of the Department's intentions regarding the management of secondary item war reserves. Stockpile status and costs sections show the current and budgeted amounts for the inventory and the costs associated with maintaining these levels. The budget request section notifies Congress of the amounts of obligations to be used to acquire or maintain war reserve items and quantities. "Protected status" applies to items that may not be sold. "Other" applies to WRM that must be sold and replenished due to stock rotation or shelf-life issues. Exhibit instructions are as follows:

1. Stockpile Status (Same instructions as the SM-4 Inventory Status exhibit). Components should use the "reclassification" line to transfer inventory into the "protected" WRM category from "WRM Other," if desired.

2. Stockpile Costs. The WRM stockpile costs are those incurred in the working capital fund (WCF) to store WRM material, to manage WRM stocks to include a portion of total Inventory Control Point costs (normally based on surcharges for purchased/repaired items funded with the obligations identified below), and any other DWCF costs to maintain the WRM inventory.

3. WRM Budget Request. This area addresses the amounts of obligation authority to be used specifically for WRM items or WRM quantities, whether from an appropriation, from cash balances, or from future sales.

a. Additional WRM Investment. (Normally reimbursed or funded by an appropriation.) The amount of obligations to purchase or repair new or additional items that will increase the value of the total WRM inventory.

b. Replenishment/Repair WRM Reinvestment. The amount of obligation authority to be used to replenish or repair WRM inventory that is sold, and the amount to be used to reinvest in new inventory with the funds from the sale of old inventory. Should normally be a one for one or dollar for dollar (excluding surcharges) replacement.

c. Stock Rotation/Obsolescence. (Separate from the stock replenishment from sales above). This is to replace stocks that are not sold but must be rotated or replaced periodically because of shelf life or obsolescence (can be related to an appropriation, if required, but normally maintains, and not increases, the value of the WRM inventory).

d. Assemble/Disassemble. The amount of obligations to be used to change the configuration of WRM inventory items.

e. Other. As appropriate.

Exhibit SM-6 War Reserve Material (Continued)

Exhibit SM-16 Total Cost Per Unit Summary

Supply Management
Total Cost per Output Summary

Category	Unit Cost	($M)	Obligations
Wholesale Sales@Cost			
Retail Sales@Cost			
Wholesale Overhead			
Other Reimbursable Overhead (Direct Reimbursables)			
Direct Appropriation			
Less Credit			
Less Depreciation			
PY Total Operating Obligation Authority (SM-1)			
Wholesale Sales@Cost			
Retail Sales@Cost			
Wholesale Overhead			
Other Reimbursable Overhead (Direct Reimbursables)			
Direct Appropriation			
Less Credit			
Less Depreciation			
CY Total Operating Obligation Authority (SM-1)			
Wholesale Sales@Cost			
Retail Sales@Cost			
Wholesale Overhead			
Other Reimbursable Overhead (Direct Reimbursables)			
Direct Appropriation			
Less Credit			
Less Depreciation			
BY Total Operating Obligation Authority (SM-1)			

Instructions: This exhibit is a backup that reconciles the Budget Authority request to the SM-1 Supply Management Summary by fiscal year. Unit cost is calculated by dividing total obligations by sales associated with the obligations incurred. All amounts displayed must correspond to the applicable budget exhibit for reconciliation purposes.

Exhibit Fund-1 Summary of Price and Program Changes – Costs

Summary of Price, Program, and other Changes (Operating Budget) - Costs
Component:
Activity:
Date:
($ in Millions)

	Cost of Ops FY PY	Cost of Ops FY CY	Price Growth	Program & Other Changes	Cost of Ops FY BY
Military Personnel Compensation (Fund-1a lines 010-050)					
Civilian Personnel Compensation and Benefits (including FNIH personnel) (Fund- 1a lines 101-121)					
Travel and Transportation of Personnel (Fund-1a lines 301-307)					
Material & Supplies (For Internal Operations) (Fund-1a lines 401-422)					
Equipment (Fund-1a lines 502-550)					
Other Purchases from Revolving Funds (Fund-1a lines 601-699, except 633, 634, and 671)					
Transportation of Things (Fund-1a lines 701-761)					
Depreciation (Fund-1a lines 802-805)					
Printing and Reproduction (Fund-1a lines 633 and 921)					
Advisory and Assistance Services (Fund-1a line 931)					
Rent, Communications, Utilities, and Miscellaneous Charges (Fund-1a lines 634, 671, 912, 913, 914, and 915)					
Other Purchased Services (All other Fund-1a lines)					
Total Operating Budget (includes Direct Reimbursables; this total less Direct Reimbursables equals overhead costs on the SM-5)					
Less Depreciation (Non-supply Only)					
CIS Obligation Amount (Non-supply Only)					
Inventory Procurement Expenses (Supply Management Only; COGS on the Fund-14)					
Total Costs (Supply Management Only; reconciles to Total Costs on the Fund-14)					

Exhibit Fund-1 Summary of Price and Program Changes – Costs

Instructions for Preparation of Exhibit Fund-1
Summary of Price, Program, and Other Changes

This exhibit reflects the total operating costs (including direct reimbursements from non-rate based work) to accomplish the DWCF activity mission. The Fund-1 is the Summary Exhibit that consolidates the information from the Fund-1A Details of Price, Program and Other Changes exhibit. The Components are required to address changes in cost between fiscal years as either price or program. Price changes are restricted by the inflation index published in OUSD(C) guidance with the exception of price increase resulting from another DWCF activity's rate changes. In addition, Components must reflect the depreciation expense for all capital benefiting the activity (reconciles to the Fund-14 Revenue and Costs, Fund-9a Capital Investment Summary, SM-5a Markup on Material Cost, SM-16 Unit Cost Summary exhibits). Both the Summary Exhibit (Fund-1) and the Detail Exhibit (Fund-1a), which reflects the costs incurred to support sales activity, are required for all DWCF activities.

Exhibit Fund 1 Summary of Price and Program Changes – Costs (Continued)

Exhibit Fund-1a Details of Price and Program Changes – Costs

Details of Price, Program, and Other Changes (Operating Budget) - Costs
($ in Millions)

		Cost of Operations FY --	Annualization of Pay Raises	Price Growth Percent	Price Growth Amount	Program & Other Changes	Cost of Operations FY --
	MILITARY PERSONNEL COMPENSATION						
010	Officer Composite – Civilian Equivalent Rates						
050	Enlisted Composite – Civilian Equivalent Rates						
	Total Military Personnel Compensation						
	CIVILIAN PERSONNEL COMPENSATION						
101	Executive, General, and Special Schedule						
103	Wage Board						
104	Foreign National Direct Hire (FNDH)						
105	Separation Liability (FNDH)						
106	Benefits to Former Employees						
107	Voluntary Separation Incentive Program						
110	Unemployment Compensation						
111	Disability Compensation						
112	Retirement Fund Offset (**15**% of Employee's final basic pay)						
121	Permanent Change of Station (PCS)						
	Total Civilian Personnel Compensation						
200	Cost of Inventory Sold		Note: This category applies to Supply Management DWCF Activities and represents Inventory Procurement/Repair Expenses and not obligations to acquire inventory.				
	TRAVEL						
308	Travel of Persons						

Exhibit Fund-1a Details of Price and Program Changes - Costs (Continued)

Exhibit Fund-1a Details of Price and Program Changes - Costs (Continued)

Details of Price, Program, and Other Changes (Operating Budget) - Cost
($ in Millions)

	Cost of Operations FY --	Annualization of Pay Raises	Price Growth Percent	Price Growth Amount	Program & Other Changes	Cost of Operations FY --
MATERIAL & SUPPLIES (FOR INTERNAL OPERATIONS)						
401 DLA Energy Fuel Products (DESC)						
402 Service Fuel (Other than DLA Energy)						
411 Army Managed Supplies and Materials						
412 Navy Managed Supplies and Materials						
413 Marine Corps Supply						
414 Air Force Consolidated Sustainment (Supply)						
416 GSA Managed Supplies and Materials						
MATERIAL & SUPPLIES (FOR INTERNAL OPERATIONS) continued						
417 Locally Purchased Supplies & Materials (Other than from Supply Management)						
418 Air Force Retail Supply (General Support Division)						
419 Air Force Retail Supply (Medical-Dental Division)						
420 Air Force Retail Supply (AF Academy Division)						
421 DLA Materiel Supply Chain (Clothing and Textiles)						
422 DLA Materiel Supply Chain (Medical)						
423 DLA Materiel Supply Chain (Subsistence)						
424 DLA Materiel Supply Chain (Weapon Systems)						
Total Material, Equipment & Supplies						

Exhibit Fund-1a Details of Price and Program Changes - Costs (Continued)

Details of Price, Program, and Other Changes (Operating Budget) - Cost
($ in Millions)

	Cost of Operations FY --	Annualization of Pay Raises	Price Growth Percent	Price Growth Amount	Program & Other Changes	Cost of Operations FY --
EQUIPMENT PURCHASES (Non-CIP)						
502 Army (Fund) Equipment						
503 Navy (Fund) Equipment						
505 Air Force (Fund) Equipment						
506 DLA Materiel Supply Chain (Fund) Equipment						
507 GSA Managed Equipment						
Total Equipment Purchased from the Fund						
OTHER REVOLVING FUND PURCHASES						
601-699 (As follows:)						
601 Army Industrial Operations						
603 DLA Distribution Depot (Army Specific Services)						
610 Naval Air Warfare Center						
611 Naval Surface Warfare Center						
612 Naval Undersea Warfare Center						
613 Naval Fleet Readiness Centers (Aviation Depots)						
614 Space and Naval Warfare Center						
Transportation:						
620 Navy Transportation (Combat Logistics Force)						
621 Navy Transportation (Afloat Prepositioning Force, Navy)						

Exhibit Fund-1a Details of Price and Program Changes - Costs (Continued)

Details of Price, Program, and Other Changes (Operating Budget) - Cost
($ in Millions)

	Cost of Operations FY --	Annualization of Pay Raises	Price Growth Percent	Price Growth Amount	Program & Other Changes	Cost of Operations FY --
623 Navy Transportation (Special Mission Ships)						
624 Navy Transportation (Joint High Speed Vessels)						
625 Navy Transportation (Service Support)						
653 Transportation (Airlift Services (Training))						
630 Naval Research Laboratory						
Navy Base Support Services:						
631 Navy Base Support (NFESC)						
634 Navy Base Support (NAVFEC: Utilities & Sanitation)						
635 Navy Base Support (NAVFEC: Other Support Services)						
639 Facility Engineering (Composite Rate)						
640 Marine Corps Depot Maintenance						
661 Air Force Consolidated Sustainment (Maintenance)						
DLA						
633 DLA Document Services (DAPS)						
670 DLA Transaction Services (DAAS)						
674 DLA Distribution Depots						
675 DLA Disposition Services (DRMS)						

Exhibit Fund-1a Details of Price and Program Changes - Costs (Continued)

Details of Price, Program, and Other Changes (Operating Budget) - Cost
($ in Millions)

	Cost of Operations FY --	Annualization of Pay Raises	Price Growth Percent	Price Growth Amount	Program & Other Changes	Cost of Operations FY --
DISA						
647 DISA Computing Services						
671 DISA DISN Subscription Services (DSS)						
677 DISA Telecomm Services – Other						
678 DISA IT Contracting Services						
672 Purchases From Pentagon Reservation Maintenance Revolving Fund (PRMRF)						
679 Cost Reimbursable Purchases						
OTHER						
680 Purchases from the Buildings Maintenance Fund						
682 Industrial Mobilization Capacity						
DFAS						
673 DFAS Financial and Accounting Service						
691 DFAS Financial Operations – Army						
692 DFAS Financial Operations – Navy						
693 DFAS Financial Operations – Air Force						
694 DFAS Financial Operations – Marine Corps						
695 DFAS Financial Operations – DLA						
696 DFAS Financial Operations – Other Defense Agencies						
Total Other Fund Purchases						

Exhibit Fund-1a Details of Price and Program Changes - Costs (Continued)

Details of Price, Program, and Other Changes (Operating Budget) - Cost
($ in Millions)

	Cost of Operations FY --	Annualization of Pay Raises	Price Growth Percent	Price Growth Amount	Program & Other Changes	Cost of Operations FY --
TRANSPORTATION						
701 AMC Cargo						
702 AMC SAAM						
703 AMC JCS Exercises						
704 Defense Courier Service						
705 AMC Channel Cargo						
706 AMC Channel Passenger						
707 AMC Training						
708 MSC Chartered Cargo						
709 MSC Surge Sealift (Reduced Operation Status)						
710 MSC Surge Sealift (Full Operating Status)						
714 MSC POL Tanker ships						
716 MSC Surge Sealift						
717 SDDC Global POV						
718 SDDC Liner Ocean Transportation						
719 SDDC Cargo Operations (Port Handling)						
720 DCS Pounds Delivered						
722 MSC Afloat Prepositioning (Army)						
723 MSC Afloat Prepositioning (Air Force)						
724 MSC Afloat Prepositioning (DLA)						
727 SDDC Other						
771 Commercial Transportation						
Total Transportation						
OCONUS Transportation-Supply Mgt only (Memo)						

Exhibit Fund-1a Details of Price and Program Changes - Costs (Continued)

Details of Price, Program, and Other Changes (Operating Budget) - Cost
($ in Millions)

	Cost of Operations FY --	Annualization of Pay Raises	Price Growth Percent	Price Growth Amount	Program & Other Changes	Cost of Operations FY --
CIP DEPRECIATION						
802 Equipment, except ADPE and Telecommunications Equipment (depreciation)						
803 ADPE and Telecom Resources (depreciation)						
804 Software Development (depreciation)						
805 Minor Construction (depreciation)						
Total CIP Depreciation						
OTHER PURCHASED SERVICES						
901 Foreign National Indirect Hire (FNIH)						
902 Separation Liability (FNIH)						
912 Rental Payments to GSA (SLUC)						
913 Purchased Utilities (non-Fund)						
914 Purchased Communications (non-Fund)						
915 Rents & Leases (non-GSA)						
917 Postal Services (U.S.P.S.)						
920 Supply & Materials (non-Fund)						
921 Printing & Reproduction						
922 Equipment Maintenance by Contract						
923 Facility Sustainment, Restoration, and Modernization by Contract						
925 Equipment Purchases (Non-Fund)						
927 Air Defense Contracts and Space Support (AF)						
928 Ship Maintenance by Contract						
929 Aircraft Rework by Contract						

Exhibit Fund-1a Details of Price and Program Changes - Costs (Continued)

Details of Price, Program, and Other Changes (Operating Budget) - Cost
($ in Millions)

	Cost of Operations FY --	Annualization of Pay Raises	Price Growth Percent	Price Growth Amount	Program & Other Changes	Cost of Operations FY --
930 Other Depot Maintenance (non-Fund)						
932 Management and Professional Support Services						
933 Studies, Analysis, and Evaluation						
934 Engineering and Technical Services						
941 Technical Drawings (Supply Operations only)						
942 Forgings & Castings (Supply Operations only)						
969 Other Engineering Services & Support						
984 Equipment Contracts						
985 R&D Contracts						
989 Other Contracted Services						
998 SOCOM USE ONLY						
Total Other Purchases						
TOTAL COST OF OPERATIONS (Includes Direct Reimbursements)						

Definitions of Fund-1a Categories - Cost
Details of Price, Program, and Other Changes (Operating Budget)

General. The Fund-1a exhibit reflects the total costs of supporting the applicable activity for each fiscal year PY, CY, and BY. Components must address changes in cost between years as price- or program-driven for each line item. All DWCF activities will report the budgeted depreciation of the activity for CIP purchases that will result in a DWCF outlay. All entries are obligations except for depreciation and the Inventory Procurement Expense (Supply Management DWCF Activities). Round data to at least the nearest tenth of a million (e.g., show $10.4 million, not $10 million).

Military Personnel Compensation - Chapter 26 of the DoD Accounting Manual depicts cost elements for Military Personnel.

Civilian Personnel Compensation - The cost elements include VERA and RIF as well as the costs to offset the short-term costs of buyouts. Line 112 Retirement Fund Offset (15 percent of Employee's final basic pay) applies to employees who take a buyout and voluntary early retirement under the Civil Service Retirement System (CSRS).

Line 200 Cost of Inventory Sold applies to Supply Management activities only and represents the cost of Inventory Procurement/Repair Expenses (not obligations).

Material & Supplies - These elements support internal material, equipment, and supply costs associated with operations. Distinguish between costs associated with material purchased from Fund businesses and that purchased from non-Fund businesses.

Use Lines 601-696 Other Revolving Fund Purchases for purchases from other DWCF activities (to include the Pentagon Reservation Maintenance Revolving Fund and the Building Maintenance Fund) to support the internal operations of the activity. Include purchases by supply activities from depot maintenance activities in the respective 600 Other Revolving Fund Purchases category. Report purchases from the DWCF supply activities to support internal General and Administrative operations (not consumed as part of direct or indirect business operations) in category 400. Lines 601-675 should include purchases made at stabilized rates.

Other Purchases

Line 941 Technical Drawings (Supply Operations only) - The amount entered for Technical Drawings will agree with the amount for this element in supporting budget justification materials.

Line 942 Forgings & Castings (Supply Operations only)- The amount entered for Forgings and Castings will agree with the amount for this element in supporting budget justification materials.

Purchases of engineering services, other than those shown on lines 932-934, should be included on line 969, Other Engineering Services and Support.

Delete lines for which there are no costs from the submitted exhibit (rather than including them with an amount of zero).

Exhibit Fund-1a Details of Price and Program Changes - Costs (Continued)

Exhibit Fund-2 Changes in Costs of Operations

Changes in the Costs of Operation

Component/Activity:
Date:
(Dollars in Millions)

	Costs
FY PY Estimated Actual	
FY CY Estimate in President's Budget:	
Estimated Impact in FY CY of Actual	
FY PY Experience:	
List	
Pricing Adjustments:	
Civilian Personnel	
Fuel Price	
Program Changes:	
List	
FY CY Current Estimate:	
Pricing Adjustments:	
Annualization of Prior Year Pay Raises	
FY BY Pay Raise	
Civilian Personnel	
Military Personnel	
Fund Price Changes	
General Purchase Inflation	
Other Price Changes (list)	
Productivity Initiatives and Other Efficiencies:	
Productivity Initiative 1	
Fund Productivity	
Etc.	
Program Changes:	
Change 1	
Etc.	
Other Changes:	
Depreciation	
Other (list)	
FY BY Estimate:	

Exhibit Fund-2 Changes in Costs of Operations (Continued)

Instruction for the Preparation of the Fund-2 Exhibit
Changes in the Cost of Operations

The Fund-2 exhibit will explain the changes in the operating budget (costs) from one fiscal year to the next (i.e., FY to CY to BY) at a meaningful level of detail, relating program changes to changes in the level of work load (Unit Cost outputs) to the maximum extent possible. A Fund-2 exhibit for each non-supply DWCF activity is required. Strategies and plans to improve activity productivity and quality are of particular interest. Accordingly, the cost impacts of productivity initiatives should be separately identified on this schedule. Each DWCF activity should include a paragraph outlining major productivity improvement plans and associated resources including but not limited to capital investment, education and training initiatives, process improvements, consolidation and streamlining, work force motivations, and incentives.

Provide a narrative explanation for changes. Round data to at least the nearest tenth of a million (e.g., show $ 10.4 million, not $ 10 million).

For changes in cost due to productivity initiatives, list the detailed initiatives and amounts for each. Distinguish the cost reductions associated by individual productivity initiatives.

Exhibit Fund-3 Labor and Manpower Breakdown

Labor and Manpower Breakdown
Component: _____
Activity: _____
Date: _____

	($ in Millions)		
	PY	**CY**	**BY**
Direct Labor			
Direct Non-Labor			
Direct Materials			
Direct Contracts			
Direct Depreciation			
Direct Other			
Total Direct			
Indirect Labor			
Indirect Non-Labor			
Indirect Materials			
Indirect Contracts			
Indirect Depreciation			
Indirect Other			
Total Indirect			
G&A Labor			
G&A Non-Labor			
G&A Materials			
G&A Contracts			
G&A Depreciation			
G&A Other (Installation Management Costs)			
Total G&A			
Total Cost of Operations (reconciles to Fund-1/1a)			
Manpower			
Direct Civilian FTEs			
Indirect Civilian FTEs			
G&A Civilian FTEs			
Total Civilian FTEs			
Direct Military E/S			
Indirect Military E/S			
G&A Military E/S			
Total Military E/S			

Exhibit Fund-3 Labor and Manpower Breakdown (Continued)

Instruction for the Preparation of Exhibit Fund-3
Labor and Manpower Breakout

The Fund-3 exhibit stratifies, by fiscal year (i.e., PY, CY, BY), the total DWCF activity costs in the operating budget by Direct, Indirect Production, and General and Administrative (G&A) categories. For the G&A category, only the military and civilian personnel carried in and paid for by the DWCF activity should be reflected in the personnel FTE and end strength numbers. This includes personnel paid from the activity payroll such as assigned security guards and personnel working in the office of the DWCF activity director. However, this does not include the personnel assigned to a general & administrative activity that provides base operations support to the activity unless they are carried in the end strength of the DWCF activity.

For installations owned and operated by a DWCF activity whose primary mission is other than installation management, costs associated specifically with installation management should be identified as G&A Other. These costs will be considered separate and distinct from mission G&A costs.

Compute FTEs by dividing the applicable total number of hours by the number of hours in a work year (e.g., 2080; see OMB Circular A-11 for the correct hours for each year).

Exhibit Fund-5 Total Cost Per Output Summary

Total Cost Per Output Summary
Component: _____
Activity: _____
Date: _____
($ Millions)

	Workload PY CY BY	Unit Cost PY CY BY	Total Cost PY CY BY
Output Operating Budget			
List each output whether measured or not.	Estimated workload for measured outputs.	Estimated unit cost for measured outputs.	Estimated total cost for measured and unmeasured outputs. O&M functions must include reimbursable outputs.
Total Operating Budget	No Data Entry	No Data Entry	Sum the total estimated cost for all outputs. O&M-funded activities must include reimbursable outputs.
Capital Budget	No Data Entry	No Data Entry	List the estimated total capital budget.

Exhibit Fund-5 Total Cost Per Output Summary

Instruction for the Preparation of Exhibit Fund-5
Total Cost Per Output Summary

The Fund-5 is required for all activities except supply activities. Only a single line is required for industrial activities summarizing the cost rate (not the standardized rate for revenue collection) per direct labor hour (DLH) for the PY, CY and BY. Activities that have multiple outputs and use a standardized rate based on a revenue per specific unit of output (Transportation, Base Support, DFAS, DISA) should report the cost per specific unit of output (not revenue rate) as depicted on the DWCF activity's respective annual operating budget (AOB).

Exhibit Fund-5 Total Cost Per Output Summary

Exhibit Fund-6: Depot Maintenance-6 Percent Capital Investment Plan

COMPONENT:_____

DEPOT MAINTENANCE 6 PERCENT CAPITAL INVESTMENT PLAN

(Dollars in Millions)

	REVENUE (Maintenance, Repair, Overhaul) 3 year average			BUDGETED CAPITAL (Modernization, Efficiency)		
	Prior Year	Current Year	Budget Year	Prior Year	Current Year	Budget Year
	PY(-1)	CY(-1)	BY(-1)			
	PY(-2)	CY(-2)	BY(-2)			
	PY(-3)	CY(-3)	BY(-3)			
Revenue (Avg)	*	*	*			
Working Capital Fund	*	*	*			
Appropriations (if applicable)	*	*	*			
WCF Depot Maintenance Capital Investment				*	*	*
Facilities/ Work Environment				*	*	*
Equipment				*	*	*
Processes				*	*	*
Appropriated Funding - List by Appropriation				*	*	*
MILCON						
Procurement						
Operation & Maintenance						
Component Total				*	*	*
Minimum 6% Investment				*	*	*
Investment Over/Under Requirement				*	*	*

Narrative:

Exhibit Fund-6: Depot Maintenance-6 Percent Capital Investment Plan (Continued)

Instructions for the Preparation of Exhibit Fund-6,
Depot Maintenance –6 Percent Capital Investment Plan

The National Defense Authorization Act (NDAA) for FY 2012 (P.L. 112-81) significantly modified the requirements for identifying the amount of funding allocated for capital investments at depots. Specifically, note that sustainment costs included in the operations portion of the budget do not count towards the 6 percent minimum capital investment requirement.

SEC. 325. MODIFICATION OF REQUIREMENTS RELATING TO MINIMUM CAPITAL INVESTMENT FOR CERTAIN DEPOTS.

Section 2476 of title 10, United States Code, is amended—
(1) in subsection (a), by inserting **''maintenance, repair, and overhaul''** after ''combined'';

(2) in subsection (b)—(A) by striking ''includes investment funds spent on depot infrastructure, equipment, and process improvement in direct support'' and inserting ''includes **investment funds spent to modernize or improve the efficiency of depot facilities, equipment, work environment, or processes** in direct support''; and (B) by inserting before the period at the end the following: '', but **does not include funds spent for sustainment of existing facilities, infrastructure, or equipment''**.

(3) in subsection (d), by adding at the end the following new subparagraph: ''(E) **A table showing the funded workload performed by each covered depot for the preceding 3 fiscal years and actual investment funds allocated to each depot for the period covered by the report.''**; and (4) in subsection (e)(1), by adding at the end the following new subparagraph: ''(I) Tooele Army Depot, Utah.''

These changes have been incorporated into the Fund-6 template. In addition to the requirement of a summary exhibit, a separate Fund-6 must now be included for each depot specified in Section 2476 of title 10, United States Code to comply with amendment (3) as stated above.

Instructions for preparation of Exhibit Fund-6 are as follows:

1. Prepare a Summary Exhibit Fund-6 that provides the total for the activity and a separate Fund-6 for each maintenance depot to include Army Depots, Navy Aviation Depots, Navy Shipyards, Marine Corps Depots, and Air Force Depots.

Exhibit Fund-6 Depot Maintenance-Six Percent Capital Investment Plan

2. Dollars in millions and tenths of a million.

3. The following will be defined:

a. Revenue (Avg): Only revenue for Maintenance, Repair and Overall will be included in accordance with amendment (1).

b. Revenue (3 Year Average): The preceding 3 years of actual or estimated revenue divided by three for Prior Year, Current Year, and Budget Year columns.

c. Categories of applicable capital investment:

1. Modernization. Typically refers to upgrades associated with the available current technology.

2. Efficiency. Typically refers to efforts to improve workflow and increase throughput while maintaining or reducing current costs. Also may refer to improved quality of work performed.

3. If a modernization leads to an efficiency, then the investment is still considered a modernization. An efficiency not dependent on a modernization is classified an efficiency. If an investment has elements of both, the DoD Component should record the best representation that can be determined.

4. A narrative should be included with the Exhibit Fund-6 to address the following:

a. A specification of any statutory, regulatory, or operational impediments to achieving the minimum percentage requirement.

b. A description of the benchmarks for capital investment established for each covered depot and military department and the relationship of the benchmarks to applicable performance measurement methods used in the private sector.

c. If the minimum percentage requirement is not met for a military department for the fiscal year covered by the report, a statement of the reasons why the requirement was not met and a plan of actions for meeting the requirement for the fiscal year beginning in the year in which the report is submitted.

5. The legislation provides waiver authority for the Secretary of Defense if the Secretary determines that the waiver is necessary for reasons of national security and notifies congressional defense committees.

Exhibit Fund-6 Depot Maintenance-Six Percent Capital Investment Plan

Exhibit Fund-7 Customer Rate Computations

CUSTOMER RATE COMPUTATIONS
Department of (Component Name)
Activity: _____

Part I: Stabilized Revenue Rate:	**CY Stabilized Rate**	**DLHs**	**($)**	
Revenue (Fund-14)		XXX	XXX	
Less Direct Reimbursables (Non-Rate Based)		XXX	XXX	
Revenue from Rates		**XXX**	**XXX**	
Revenue from CY Orders	XXX	XXX	XXX	
Revenue from BY Orders		**XXX**	**XXX**	
BY Stabilized Revenue Rate			**XXX**	
Part II: Stabilized Cost Rate:				
Revenue from Rate Based Orders			XXX	
Less NOR Adjustment			XXX	
Other Adjustments (List and Explain)			XXX	
Total Rate Based Costs		**XXX**	**XXX**	
BY Cost Rate (Fund-5)			**XXX**	
Part III: Fund-1 Reconciliation				
Total Rate Based Costs		XXX	XXX	
Direct Reimbursables			XXX	
Total Fund-1 Summary of Price, Program, and Other Changes			**XXX**	
Percentage rate Change from CY (BY Stabilized Revenue Rate / PY Stabilized Revenue Rate) -1				**XXX**

Exhibit Fund-7 Customer Rate Computations

Instructions for the Preparation of Exhibit Fund-7,
Customer Rate Computations

The purpose of this exhibit is to establish a standardized rate to customers that reconciles Revenue, Total Costs, and Net Operating Results for industrial DWCF activities using Direct Labor Hours (DLHs).

For industrial activities, program financing (revenue) is a function of the estimated of the total cost of goods sold (total expenses) adjusted for NOR, Capital Requirements and other surcharges, divided by the programmed output (total Direct Labor Hours), to identify an initial revenue rate per direct labor hour.

The number of military and civilian DLHs associated with carry-in workload (unfilled customer orders on hand at the start of the current year) times the prior year stabilized rate (rate in effect when the carry-in orders were accepted) will be identified as revenue earned in the current fiscal year. The DLHs and associated dollars will be subtracted from the BY total DLHs and revenue as identified above.

Part I: All revenue associated with direct reimbursable costs (non-rate based workload) and orders received in the current year must be removed with the associated DLHs in order to forecast a BY Revenue Rate for new orders. Total revenue must cover all projected costs and NOR adjustments as depicted on the Fund-14. The BY revenue rate is the revenue expected from new orders divided by the DLHs associated with that workload.

Part II: The NOR adjustment must be subtracted from the total rate based revenue (not just the new order revenue) because total expenses in the BY will be a combination of CY and BY workload. Subtracting a negative NOR will add to the costs reflecting costs greater than revenue as depicted on the Fund-14. The BY cost rate is total rate based costs divided by total rate based DLHs (not just new order revenue DLHs). The BY cost rate, total rate based costs, and total rate based DLHs should reconcile to the Fund-5.

Part III: Total Fund-1 Summary of Price, Program, and Other Changes costs should reconcile with total rate based costs and direct reimbursables.

Exhibit Fund-7 Customer Rate Computations (Continued)

Exhibit Fund-8 Air Mobility Command Common User Services

COMMON USER TRANSPORTATION SERVICES TRANSPORTATION WORKING CAPITAL FUND ($ in Millions)			
	FY PY	FY CY	FY BY
1. Beginning Accumulated Operating Results			
2. Cost of Operations			
a. Channel Passenger			
b. Channel Cargo			
c. Joint Chiefs/Special Airlift			
d. Training			
Total Costs			
3. A. Rate and Reimbursable Revenue			
a. Channel Passenger			
b. Channel Cargo			
c. Joint Chiefs/Special Airlift			
d. Training			
3A. Total Rate and Reimbursable Revenue			
B. Airlift Readiness Revenue			
a. Channel Passenger			
b. Channel Cargo			
c. Joint Chiefs/Special Airlift			
d. Training			
3B. Total Airlift Readiness Revenue			
Total Revenue			
4. Net Operating Results			
5. Ending Accumulated Operating Results			

Exhibit Fund-8 Air Mobility Command Common User Services

Instruction for the Preparation of Exhibit Fund-8
Common User Transportation Services

This exhibit displays the costs, revenues, NOR, and AOR of USTRANSCOM's operations, with emphasis on the explanation of item 3B, Total Airlift Readiness Revenue. The USTRANSCOM must include a narrative outlining reasons for variances greater than 20 percent for each line of Airlift Readiness Revenue from one year to the next.

For changes in Airlift Readiness Revenue, distinguish the factor(s) that cause the change (e.g., utilization factors, airlift rates set to compete with private sector rates, commercial transportation prices, aircraft maintenance prices).

Round data to the nearest tenth of a million.

Exhibit Fund-8 Air Mobility Command Common User Services (Continued)

Exhibit Fund-9a, Activity Capital Investment Summary

Line Number	Item Description	PY		CY		BY	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
	Non-ADPE Equipment - Vehicles - Materiel Handling - Installation Security - Quality Control/Testing - Medical Equipment - Machinery						
	ADPE & Telecom Equip Computer Hardware (Production) Computer Hardware (Network) Computer Software (Operating System) Telecomunications Other Support Equipment						
	Software Development List Separately Internally Developed Externally Developed						
	Minor Construction Capabilities - Replacement - New Construction - Environmental						
	TOTAL OBLIGATIONS*						
	Total Capital Outlays Total Depreciation Expense						

**Fund 9a Summary exhibit must reconcile to the Fund 9b project justification.*

Exhibit Fund 9a Activity Capital Investment Summary

Instructions for the Fund-9a Exhibit
Capital Investment Summary

General - The project/line items listed for each major category are the minimum submission requirements. Projects may be added or modified to meet the specific requirements of the DWCF Activity as long as there is a corresponding Fund-9b that describes what is being purchased and the reason for the requirement. The summary item description and the project amounts on the Fund-9a must correspond to the individual Fund-9b. All Prior Year projects will be shown by line item detail cross-referenced to the corresponding Fund-9b. In addition, the ADPE and Telecommunications equipment and software development Fund-9b Exhibit line number assigned should also be used for cross-referencing within the Information Technology Exhibits as outlined in Chapter 18 of this regulation. Use the approved DWCF activity name. The four major categories for Capital Investment Programs are as follows:

(1) Non-ADPE & Telecommunication Equipment > $250K: Equipment, other than ADPE and Telecommunications Resources. A separate Fund-9b will be provided for each project. Each project will include cost estimates for at least the subcategories shown above (unless no equipment of that kind is purchased). Other project categories may be added.

(2) ADPE & Telecommunications > $250K: ADPE and Telecommunications Equipment Component will provide a Fund-9b for each of the projects listed above (unless no equipment of that kind is being purchased). Other project categories may be added. One Fund-9b narrative may address all projects under $1,000,000 by category (e.g. "Other ADPE Support Equipment under $1,000,000"). Items that exceed $1,000,000 will be addressed separately in the narrative.

(3) Software Development > $250K

a. Software Development shall be shown on a separate Fund-9b by item detail for projects equal to or greater than $1 million. All software projections must comply with DoD CIO requirements/approvals.

b. One Fund-9b may be submitted for software development under $1 million that does not need DoD CIO approval. This Fund-9b may be submitted with a general statement of the enhancements that will be provided. In addition, the Fund-9bs must include a system delivery date/s. If it is a spiral development, all delivery dates and amounts to be capitalized will be included in the Fund-9bs.

(4) Minor Construction > 250K and equal to or less than $750K

a. Minor Construction may be combined into one Fund-9b as long as each project listed is below the $750,000 threshold. The Fund-9b must contain a statement that no Minor Construction project exceeds the current MILCON threshold.

Exhibit Fund 9a Activity Capital Investment Summary (Continued)

b. All special categories of minor construction will be listed and justified separately (such as Navy R&D). The NDAA for FY 2012 (P.L. 112-81) rescinded the provision that minor construction may be increased to $1,500,000 to correct a deficiency that is life-threatening, health threatening, or safety threatening.

1. Section 090103, Policy, provides specific guidelines for inclusion or exclusion of an item in the capital budget, and the necessary pre- and post-investment analysis required to substantiate a capital budget request.

2. Definitions for these capital budget categories are provided below:

A. Equipment, other than ADPE and Telecommunications Resources, costing $250,000 or more will be capitalized and depreciated. Equipment should be aggregated into projects by like-types. There is no limit on the number of projects that may be used.

B. ADPE and Telecommunications Equipment having a system unit or life cycle cost of $250,000 or more will be capitalized and depreciated.

(1) ADPE and telecommunications resources consist of computer hardware, operating system software (including utility and communications software) and telecommunications equipment as defined in OMB Circular A-11.

(2) ADPE costs will be displayed in five parts: (1) Computer Hardware (Production), (2) Computer Hardware (Network) (3) Computer Software (Operating System), (4) Telecommunications, and (4) Other Support Equipment. The last category includes investments such as uninterrupted power sources and air conditioning that must be purchased to support computer and telecommunications resources.

C. Software Development/Modernization with a system unit or lifecycle cost of $250,000 or more will be capitalized and depreciated. Internally developed software and externally developed Software will be listed separately.

(1) Software development includes the actual development and acquisition of the information system as defined in OMB circular A-11. This category does not include software developed for a customer for use in a weapon system.

(2) Software development/modernization will be budgeted by project. A project is defined as any change, modernization, or improvement to a system, subsystem or severable module of a system that by itself will provide an economic benefit or improvement in a business process. This must include all changes or improvements needed to interface or integrate with other ancillary systems. A project has a start and stop date, a specific amount of funds, and results in a usable end product.

Exhibit Fund 9a Activity Capital Investment Summary (Continued)

(3) Software development/modernization projects will exclude CIP ADPE investments. These will be identified separately in the ADPE and telecommunications section of the Fund-9a and Fund-9b.

D. Minor Construction projects financed by the activity and costing from $250,000 up to (but not including) $750,000 ($2,000,000 for approved DoD Laboratory Revitalization Program projects) will be capitalized and depreciated.

E. Column Entries

(1) Item Description. Enter the projects/item descriptive title of Software projects to be procured.

(2) Quantity. As applicable, enter the quantity of items procured/estimated to be procured during, as FY PY, FY CY, and FY BY.

(3) Amount should reflect all costs associated with program changes through the date of preparation of the exhibit regardless of whether such changes have been previously reported. Costs will be expressed in millions of dollars to at least the nearest tenth (i.e., $2.6 million).

F. Capital Outlays – For each fiscal year, indicate the estimated total cash outlays for all capital budgeted items (above and below threshold) expended in that fiscal year regardless of the year in which the project was originally obligated.

G. Depreciation – For each fiscal year, show the estimated budget depreciation that will be included in customer rates for all capital assets in that year. This amount will agree with the depreciation reported on the Revenue and Expense Statement (Fund-14) and in the Depreciation Section of the Fund-1a.

Exhibit Fund-9b Activity Capital Purchase Justification

* ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)	A. Budget Submission								
B. Component / Business Area / Date	C. Line No. & Item Description					D. Activity Identification			
Element of Cost	FY PY			FY CY			FY BY		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Non-ADPE & Telecom									
ADPE and Telecommunications									
Software Development (line item -- by project)									
Minor Construction									

Narrative Justification:

This exhibit will provide detailed justification by line item in support of summary capital investment purchases shown on the Fund-9a Exhibit.

- Describe the enhancement afforded by the existing equipment/ADPE and telecommunications resources/software development/facility and the shortcomings inherent in the current situation.
  - -- Describe the benefits to be realized from the proposed capital investment.
  - -- Indicate whether an economic analysis or cost analysis has been performed and, if not, why not. Summarize the net present value advantages of the proposed investment over alternatives considered and discarded. Be prepared to provide a copy of supporting economic analysis upon request.
  - -- For MILCON projects, provide a copy of the supporting Form 1391 for new projects not previously submitted or identified.
  - -- Describe the impact of not making the proposed capital investment.
  - -- For computer software, separately identify license fees.

Exhibit Fund-9b Activity Group Capital Purchase Justification

Exhibit Fund-9b Activity Capital Purchase Justification

Instructions for the Preparation of Exhibit Fund-9b
Capital Investment Justification

I. General

A. The purpose of this exhibit is to provide narrative justification in support of each project/line item detailed on the Fund-9a. A separate Fund-9b justification is required for each applicable software investments. For ADPE Telecommunication Equipment items that are equal to or greater than $1,000,000.00, a separate Fund-9b is not required and may be summarized into the categories displayed in the Fund-9a. Software projects over $1,000,000.00 and/or that need DoD CIO approval must be line itemed with individual Fund-9bs. It is important that the Fund-9b be completed and accurate as it is the primary justification for activity's capital purchases.

B. Separate Fund-9b exhibits will be submitted for each project/line item on the Fund-9a where there is an entry in either the current year or budget year(s) columns. Prior year capital investments do not require Fund-9bs for projects with only a PY entry.

II. Headings

A. For the Program/Budget Review, insert "FY XX OSD/OMB submission" (XX is used for illustration purposes only. Insert the applicable fiscal year in lieu of XX).

B. Identify the applicable DoD Component/DWCF activity for the proposed capital investment. Use the approved DWCF activity name. Identify the activity that will benefit from the capital item, if possible.

C. For each project/line item (e.g., forklifts), indicate the item description contained in Exhibit Fund-9a.

D. Project/Item Description. Enter a line item identification number to cross-reference the corresponding entry on the Fund-9a along with a description of the investment.

III. Column Entries

A. Element of Cost. For items purchased under the Project/Line Item, provide applicable subcategories (i.e., vehicles may be broken down into cars, trucks, buses, etc.). For Software provide the item, and if applicable, break into module delivery subcategories.

B. Quantity. Provide the approximate number of items to be purchased under the subcategory or as applicable for software.

C. Per Unit Cost. Enter the actual or estimated unit cost, when appropriate, for each element listed. Express unit costs in thousands of dollars, to the nearest tenth (i.e., $20.1 thousand). Unit costs should be expressed in terms of "the year" costs.

Exhibit Fund-9b Activity Capital Purchase Justification (Continued)

D. Total Costs. Enter the total cost of Element of Cost and where applicable, taking into consideration the quantity to be estimated to be procured and the unit costs.

IV. Narrative Justification

A. Provide complete narrative description for each applicable project/line item. This narrative justification should include sufficient information to serve as the sole justification for funding the project/line item. Include a brief description for special interest items such as ADPE Equipment equal to or great than $1,000,000.00. The narrative description should include, but not be limited to:

1. The nature, purpose, and intended use of the project or item(s).

2. Indicate whether a pre-investment economic analysis was performed (all items within a project require the appropriate pre-investment analysis).

3. Indicate the dollar value of estimated savings/cost avoidance after the equipment is installed or the project is complete and the fiscal year when the savings/cost avoidance should begin. If no savings/cost avoidance should result from the purchase, an explanation must be provided to indicate why.

Exhibit Fund-9b Activity Capital Purchase Justification (Continued)

Exhibit Fund-9c Capital Budget Execution

Department of (Component Name)
Activity: _____
FY 20__
FY 20__ _____ Program/Budget Submission

(Dollars in Millions)

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
Non-ADPE				
ADPE and Telcom				
Software Development				
Minor Construction				
Total FY ___				

Instructions:

Complete for each fiscal year required in the Program/Budget Submission (i.e., PY, CY, and FY preferably all on one page), summarized by major category. The "Current Projected Column" is the program approved in the current President's Budget submission.

Initial Request. For the PY, this will be the CY column of the previous year's President's Budget. For the CY, this will be the BY column of the previous year's President's Budget. For the BY, only the "Initial Request Column" will be filled in (the BY will be displayed for comparison purposes).

Current Projected Costs. For the PY, this is the amount approved at the end of the fiscal year. For the CY, this is the amount in the current President's budget. The delta between the Initial Request and Current Projected Costs will be displayed in the "Approved Change" column. The BY is only used for display purposes.

Explanation. Provide a brief and concise explanation why the changes needed to occur.

Exhibit Fund-11 Source of New Orders & Revenue

ACTIVITY ANALYSIS
COMPONENT/ACTIVITY:
SOURCE OF NEW ORDERS AND REVENUE
(Dollars in Millions)

	FY PY	FY CY	FY BY
1. New Orders			
a. Orders from DoD Components:			
Own Component			
Appn 1			
Continue List by Appropriation			
Other Services (List by Appropriation)			
b. Orders from other Fund Activities (List by Activity)			
c. Total DoD			
d. Other Orders:			
Other Federal Agencies			
Trust Fund			
Non Federal Agencies			
Foreign Military Sales			
Total for New Orders			
2. Carry-In Orders			
3. Total Gross Orders			

Industrial Funds Activities use the following: to complete the Fund – 11

4. Revenue (-)

5. End of Year Work-in-Process (-) (a)

6. Foreign Military Sales, Base Realignment and Closure, Other Federal, and Non-Federal orders (-) (b)

7. Funded Carry-over

(a) The application of the percentage-of-completion method of revenue recognition should result in the elimination of most work-in-process. Please give a detailed explanation why Work In Process would not have been billed by September 30th.

(b) See exhibit 11a for a complete list of orders to be excluded.

Supply Activities use the following: to complete the Fund - 11

4. Carry-Out Orders (-)

5. Gross Sales (-)

6. Credit (-)

7. Net Sales

Instructions for the Preparation of Exhibit Fund-11
Source of Revenue

This Exhibit will identify the customers of each DWCF activity by DoD Component and the appropriation level. Be specific as to the source of funding by listing the appropriation name. Entries such as OSD or Army are not acceptable on this Exhibit. Lack of specificity will indicate that the funding source is unknown and may not be considered as a legitimate source of funding. The identification will be on the basis of funded orders so that DWCF activity may be linked to the appropriations for goods and services.

For line 1.a (Orders from DoD Components), show the amounts by appropriation (i.e., Operation and Maintenance, Army National Guard; RDT&E, Army; etc.) for orders accepted within the submitting Service/Component. For orders accepted from other DoD Components, show the appropriation detail for significant customers.

For line 1.b (Orders from Other Fund Activities), show the orders accepted from other Defense Working Capital Fund Activities. Be specific as to the activity.

The Total for New Orders on Line 1 must match data provided on other reconciling exhibits.

For line 2, Carry-In Orders, display the carry-in orders from prior fiscal years. For the Supply Management Activities, carry-in orders represent back orders. These are called "Unfilled Customer Orders" on the SF-133.

For line 3, Total Gross Orders, add the sum of lines 1, Total for New Orders, and line 2, Carry-In Orders.

Line 4, Revenue, will equal total gross sales shown on the Revenue and Expense Statement.

Line 5, End of Year Work-in-Process, should equal orders from line 3, Total Gross Orders that will not be sold in the current year. For Supply Management Activities, this line should equal backorders.

Components will submit summary Fund-11 exhibits for activities (such as Navy Research and Development) that have subdivisions and will submit a summary Fund 11 at the Component level.

Exhibit Fund-11 Source of New Orders & Revenue

Additional Instructions for Carryover Calculations
for the Preparation of Exhibit Fund-11, Source of Revenue

Carryover calculation. Since the FY 2004 budget submission, the approved amount of workload carrying over to subsequent fiscal years is linked to the outlay rate of the source appropriation as published in the most recent Department of Defense Financial Summary Tables. Carryover metrics exclude non-federal, non-DoD, Foreign Military Sales, and Base Realignment and Closure related work from the carryover calculation. All DoD Components should pay close attention to their carryover amounts as reported on the SF-133 as "unfilled customer orders". Although the carryover ceiling is used as a determination of acceptable workload for budget purposes, the actual total amount of unfinished workload is reported outside the DoD and may be evaluated by other methodologies than the approved carryover ceiling.

New Orders, less excluded workload, is the basis for the carryover ceiling calculation. The appropriate outlay rates for the customer source appropriation are applied to the applicable New Orders (Fund-11a and Fund-11b). Unless approved in writing by the Director, Revolving Funds, the outlay rates used for this calculation must come from the DoD Financial Summary Tables. The weighted outlay rate is then applied to the total new orders received to determine what portion of the workload should have been expensed in that fiscal year. The balance of the New Orders equals the allowable carryover. As an example, if the weighted outlay rate is identified at 59 percent and the total of new orders received is $100 million, then it is reasonable to expect that $59 million should have expensed in the current year and the remaining $41 million, or 41 percent of the total new orders received, would be identified as the maximum allowable carryover.

The methodology applies first year outlay rates to year end levels of applicable New Orders. The metric is tailored to the workload of each business area and provides visibility into the elements of carryover. Additionally, the metric allows for an analytically based approach that holds working capital fund activities to the same standard as general fund execution and allows for more meaningful budget execution analysis.

The only two approved exceptions to the carryover calculation method that do not require a written request for exemption are the following:

1. For Navy R&D activities that host a Major Range & Test Facility Base (MRTFB), those institutional costs associated with the MRTFB support are also excluded from the carryover calculation.

2. For Army Ordnance activities, in addition to a.1 above, the carryover calculation also includes the use of the 2nd year procurement outlay rate applicable to the source of funding. The addition of the applicable 2nd year procurement outlay rate now aligns production completion rates with the source appropriation as published in the Department of Defense Financial Summary Tables. This recognizes that multi-year appropriations often fund manufacturing or recapitalization of equipment requiring longer lead times and higher standards of repair. For the applicable 2nd year procurement outlay rate, a weighted outlay rate, which includes the sum of the 1st and 2nd year rates, is applied to the new orders from the previous year to determine what portion of the workload should have been expensed in that fiscal year and what percentage is allowable carryover. The example in paragraph b. still applies with the exception that two different weighted outlay rates will now be used to calculate the allowable carryover (one for prior year Ordnance procurement workload and one for all other appropriations).

Requests for exceptions to permit depot maintenance activities to carryover amounts greater than the current methodology must be accompanied by concurrence from the OUSD (AT&L) and submitted to Director, Revolving Funds, separately from the budget documents. The requestor must demonstrate the exceptions can be accomplished without production delays and present the planned monthly execution of the carryover workload. Disapproved carryover requests will be referred to the Operations or Investment Directorates for possible budgetary adjustments.

The reporting of carryover will be accomplished on the Fund 11-a exhibit, Carryover Reconciliation. The Fund-11b exhibit, Carryover Outlay Calculation, displays and reconciles the detail of the Fund-11a exhibit by providing revenue and customer orders by fiscal year, appropriation, outlay rate and the calculation for the weighted average outlay rate for that particular fiscal year. Activities whose actual carryover balance exceeds the computed allowable carryover in any year are required to provide written justification as part of the budget submission.

Exhibit Fund-11 Source of New Orders & Revenue (Continued)

Exhibit Fund-11a Carryover Reconciliation

ACTIVITY ANALYSIS
COMPONENT/ACTIVITY:
CARRYOVER RECONCILIATION
(Dollars in Millions)

	FY PY	FY CY	FY BY
Part I.			
1. Net Carry-In			
2. Revenue			
3. New Orders			
4. Exclusions:			
FMS			
BRAC			
Other Federal Departments & Agencies			
Non-Federal and Others			
Institutional MRTFB (Navy R&D only)			
Other Specifically Approved Exclusions			
5. Orders for Carryover Calculation			
6. Weighted Average Outlay Rate *			
7. Carryover Rate			
8. Allowable Carryover			
Part II.			
9. Balance of Customer Orders at Yearend			
10. Work-in-Progress (provide justification)			
11. Exclusions:			
FMS			
BRAC			
Other Federal Departments & Agencies			
Non-Federal and Others			
Institutional MRTFB (Navy R&D only)			
Other Specifically Approved Exclusions			
12. Calculated Actual Carryover			

Instructions for the Preparation of Exhibit Fund-11a
Carryover Reconciliation

This exhibit compares the funded carryover reported for each activity to allowable carryover levels as determined by applying customer appropriation outlay rates to carryover workload. Detailed explanations for excess carryover must be attached to this exhibit.

Line 1 (Net Carry-In) displays carry-in orders from prior years. (Carry-in orders must agree with Year End Financial statements)

Line 2 (Revenue) must match data provided in the Fund 14, Revenue and Costs.

Line 3 (New Orders) must match data in the Fund 11, Source of Revenue, and OP-32, Operation & Maintenance, exhibits (net of reductions or cancellations made during the FY).

Line 4 (Exclusions) displays carry-in and new orders associated with the excluded appropriations (Foreign Military Sales (FMS); Base Realignment and Closure (BRAC); Other Federal Departments & Agencies; Non-Federal and Others; and Institutional Major Range & Test Facilities Base (MRTFB)). This also includes any and all exemptions approved in writing by the Director, Revolving Funds.

Line 5 (Orders for Carryover Calculation) equals line 3 less line 4. Supporting schedules for this calculation must also be provided in your Budget submission.

Line 6 (Weighted Average Outlay Rate) is calculated by applying appropriation unique outlay rates to identified carryover workload. Supporting documentation is provided on the Fund-11b.

Line 7 (Carryover Rate) as stated on the Fund-11b, Carryover Outlay Calculation.

Line 8 (Allowable Carryover) equals line 5 (Orders for Carryover Calculation) multiplied by line 7 (Carryover Rate). This is the maximum allowable carryover for the activity. This number should match the Fund-11b.

Line 9 (Balance of Customer Orders at Yearend) equals the balance of customer orders at year end before exclusions (calculation = line 1 (net carry-in) plus line 3 (new orders) minus line 2 (revenue)).

Line 10 (Work-in-Progress) equals the amount of customer work which has been performed, but not yet billed.

Line 11 (Exclusions) displays carry-in and new orders associated with the excluded appropriations (FMS, BRAC, Other Federal, Non-Federal and Others, and Institutional MRTFB). This also includes any and all exemptions approved in writing by the Director, Revolving Funds.

Line 12 (Calculated Actual Carryover) equals line 9 minus lines 10 and 11. This data becomes the net carry-in value used in the following year calculation and should match the Fund-11b

The exhibit is required at the DWCF activity level (Navy Research and Development activities submit an aggregate for the President's Budget). The Navy R&D submission is required at the field activity level. The Army must report its Industrial Operations Activity by Depot and Ordnance components.

Exhibit Fund 11a Carryover Reconciliation (Continued)

Exhibit Fund-11b Carryover Ceiling Calculation

FOR DEPOT MAINTENANCE BUSINESS AREAS ONLY
Activity: _____

FY __ (Provide for CY and BY)

	Carry-in Orders ($ M)	Proposed New Orders ($M)	Gross Orders Accepted ($M)	Revenue ($ M)	Proposed Carry-out ($ M)	Approved Outlay Rate	Carryover Ceiling	Difference
Funding Source								
Military Service	(List customers by appropriation, fund, or other sources.)							
Other DoD Services	(List by Service. Show by appropriations, fund, or other source.)							
Other DoD Agencies	(List by agency.)							
Other DoD Funds	(List by Fund, i.e., Navy Supply Management, Air Force Depot Maintenance, etc.)							
Non DoD Agencies, Individuals & Others								
Total								
Carryover Ceiling Percentage								
Weighted Average Outlay Rate								

Exhibit Fund-11b Carryover Ceiling Calculation

Instructions for Completing the Fund-11b, Carryover Ceiling Calculation

This exhibit provides backup for the Fund-11a, Allowable Carryover Calculation, published in the President's Budget. Separate fiscal year exhibits are required for the current year and budget year.

A breakdown is provided by DoD Component and appropriation of the Fund-11, Source of Revenue, and line items for Carry-in orders, New Orders, Gross Orders, Revenue and Carry-out orders and should reconcile to the corresponding totals on the Fund-11 and Fund-11a exhibits. Orders exempt from the weighted average outlay method for Carryout are not displayed on this exhibit since they are provided on the Fund-11a. This includes any and all exemptions approved in writing by the Director, Revolving Funds.

The approved appropriation outlay rates can be found in the Department of Defense Financial Summary Tables.

Army Ordnance activities are allowed a second year outyear rate for determining the carryover ceiling. This calculation should be displayed on a separate line attributable only to Carry-in orders.

Carryover Ceiling. (1-Outlay Rate) x New Orders.

Difference. Carryover Ceiling – Proposed Carryout.

Carryover Ceiling Percentage. Total Carryover Ceiling divided by New Orders.

Weighted Average Outlay Rate. 1 – Carryover Ceiling Rate.

Exhibit Fund-11b Carryover Ceiling Calculation

Exhibit Fund-13 Cash Management Plan

CASH MANAGEMENT PLAN
Component:
Activity:
(Dollars in Millions)

Incremental	Fiscal Year: _____							
Cumulative	Operations			Financing			Total Net	
	Disbursements	Collections	Net Outlays	Transfers Out	Transfers In	Appropriation	Outlays	Cash Balance
Balances:								
October								
November								
December								
January								
February								
March								
April								
May								
June								
July								
August								
September								

Provide a monthly and cumulative phasing of disbursements, collections, transfers in or out, appropriations, net outlays, beginning and ending cash balances for the prior, current, and budget year(s). Put each year on a separate page.

Cash balance at the Beginning of the FY (+/-) Total Net Outlays = Cash Balance End of the FY.

Submit Excel workbook (by activity including total fund roll up) to the OUSD(C) Revolving Fund Directorate's Cash Manager.

Exhibit Fund-13 Cash Management Plan

Exhibit Fund-14 Revenue and Expenses

DEFENSE WORKING CAPITAL FUND
COMPONENT/ACTIVITY
REVENUE AND COSTS

	(Dollars in Millions)			*Do not print this column*
	FY PY	FY CY	FY BY	*Note*
Revenue				
Gross Sales	125.0			A
Operations	110.0			
Capital Surcharge	5.0			B
Depreciation	10.0			
Other Income	6.0			C
Refunds/Discounts (-)	-25.0			
Total Income	**106.0**			
Costs				
Cost of Material Sold from Inventory	65.0			D
Salaries & Wages	10.0			
Military Personnel Compensation & Benefits	2.0			
Civilian Personnel Compensation & Benefits	8.0			
Travel & Transportation of Personnel	5.0			
Materials & Supplies for internal operations	1.0			
Equipment	2.0			
Other Purchases from Revolving Funds	1.0			
Transportation of Things	5.0			
Depreciation - Capital	10.0			E
Printing & Reproduction	0.5			
Advisory & Assistance Services	0.5			
Rent, Communication, Utilities & Misc Charges	2.0			
Other Purchased Services	1.0			
Total Expenses	**103.0**			
Operating Result	**3.0**			F
Adjustments affecting NOR (specify)	-5.0			G
Capital Surcharge	-5.0			
Net Operating Result	**-2.0**			H
PY AOR	2.0			
Total AOR	**0.0**			
Non-Recoverable Adjustments impacting AOR	-1.0			
AOR for budget purposes	-1.0			

Exhibit Fund-14 Revenue and Expenses

Instructions for Statement of Revenue and Costs
Keyed to Statement Footnotes

Note: Information on this exhibit should reconcile to other exhibits that display Revenue and Costs (Fund-7, Customer Rate Computations; SM-5a, OP-32 Price Change; Fund-11, Source of Revenue; Fund-1/1a, Summary/Details of Price, Program, and Other Changes).

A. For supply management activities, the line should reflect **Gross** sales. Credit returns should be displayed in the Refunds/Discounts line.

B. Capital Surcharge represents the increase in prices (and projected revenue) due to surcharging the capital budget requirement to provide sufficient cash to support the capital budget. This line is blank if a capital surcharge is not included in price (also see note F).

C. Other income is to include pass-through revenue such as direct reimbursables.

D. Cost of material sold from inventory includes the moving average cost value of material sold from inventory and the cost of repair. Both wholesale and retail costs should be included.

E. Depreciation reflects the estimated depreciation of all assets defined by the capital program in terms of recoupment of outlays.

F. This represents the "gross" result from operations, prior to adjustments.

G. Includes all "Other Adjustments" to NOR; multiple lines may be used. For example, Capital Surcharge reservation here should offset capital surcharge in revenue. Include any appropriations realized to offset current period costs (e.g., pass-through appropriations to cover underutilized plant capacity). Appropriations for war reserve material do not offset current period expenses, do not affect NOR, and should be subtracted if reported as part of revenue or be reported as an adjustment below NOR. This includes:

(1) Transfers to correct for prior period over- or under-pricing;
(2) Other approved transfers for collections from customers for which an expense has not been recorded;
(3) Other collections (that are not transferred out, but placed in some sort of reserve) from customers for which an expense has not been recorded; or,
(4) Unfunded expenses resulting from a policy change, which must be deleted prior to determining NOR.
(5) Changes in Work-in-Process or Inventory for Activity Retention.

Exhibit Fund-14 Revenue and Expenses (Continued)

H. The Net Operating Result (NOR) is the fiscal year gain or loss from operations. The NOR will be carried into Accumulated Operating Results (inception to date) in the equity portion of the balance sheet. NOR and AOR are key performance indicators.

The Cost of Goods Sold for Supply Activities and Depreciation for all DWCF activities do not represent required budgetary resources for inventory and the CIP. At the discretion of the Supply Activity, the COGS on the Fund-14 may represent Total Materiel Costs on the SM-5a, Mark-up on Material Cost, or Materiel Costs without inflation. Materiel Inflation and the Materiel Cost Adjustment may be shown as an operating adjustment (if preferred) labeled Inventory Retention. In either case, the final NOR should be the same.

Exhibit Fund-14 Revenue and Expenses (Continued)

Exhibit Fund-15 Fuel Data

FY ___ BUDGET FUEL DATA	PROCURED FROM DLA ENERGY			PROCURED BY SERVICE			DATE
PRODUCT	BARRELS (millions)	COST PER BARREL ($)	EXTENDED PRICE ($M)	BARRELS (millions)	COST PER BARREL ($)	EXTENDED PRICE ($M)	STABILIZED PRICE
TOTAL							

Exhibit Fund-15 Fuel Data

Instructions for the Preparation of Exhibit Fund-15 Fuel Data

The purpose of Fund-15, Fuel Data, exhibit is to provide reconciliation between the supply management, the Defense Logistics Agency, and the customer budgets. Prepare the Fund-15 exhibit for the prior year actual, current year, and budget year(s). The Defense Logistics Agency will prepare the exhibits for both petroleum and aerospace fuel products. Prepare the exhibit for each division that procures petroleum fuel products and a consolidated exhibit. Instructions for preparation of Fund-15, Fuel Data:

1. Barrels. Use 42 gallons per barrel. Show barrels in nearest tenth of million barrels.

2. Cost per Barrel. Use cost in dollars and cents per barrel.

3. Extended Price. Multiply number of barrels by cost per barrel. Use dollars in millions and display results in tenths of a million.

4. Product. List by product.

5. Stabilized Price. Show current approved stabilized price.

The USTRANSCOM must submit separate Fund 15 exhibits for its Organic, Commercial and Military airlift missions.

Exhibit Fund-15 Fuel Data

Exhibit Fund-16 Material Inventory Data

DEFENSE WORKING CAPITAL FUND
COMPONENT/DWCF ACTIVITY:

MATERIAL INVENTORY DATA
(Dollars in Millions)
FISCAL YEAR

			------- Peacetime ------	
	Total	**Mobilization**	**Operating**	**Other**
Material Inventory Beginning of Period				
Purchases				
A. Purchases to Support Customer Orders (+)				
B. Purchase of long lead items in advance of customer orders (+)				
C. Other Purchases (list) (+)				
D. Total Purchases				
Material Inventory Adjustments				
A. Material Used in Maintenance (and billed/charged to customer orders) (-)				
B. Disposals, theft, losses due to damages (-) *				
C. Other reductions (list) (-)				
D. Total inventory adjustments				
Material Inventory End of Period				

Material inventory for the purposes of this exhibit is inventory that will be consumed in production to complete a finished product (i.e., bolts, screws, clamps, metal plates, etc.). It does not include operating materials such as pens, pencils, paper, staples and toner cartridges.

Complete one exhibit for each fiscal year (i.e., PY, CY, and BY) for the non-supply activities (i.e., depot maintenance, etc.). Inventory pricing will be based on current policy on inventory valuation.

*This would also include reductions due to obsolescence. All other reasons for inventory reductions would be listed in item C.

Exhibit Fund-19 Military Personnel Strength

Military Personnel
By Average Strength

Service or Agency: _____

Activity: _____

Personnel Summary:

	FY PY	FY CY	FY BY	Change CY/BY
Active Military Average Strength				
Army				
Officer				
Enlisted				
Navy				
Officer				
Enlisted				
Marine Corps				
Officer				
Enlisted				
Air Force				
Officer				
Enlisted				
Total Active Military Average Strength				

Instructions: For each fiscal year, show the average strength of active military personnel, including those participating in the Personnel Force Innovation program, performing work for the Working Capital Fund. Display the increase or decrease in average strength from the current year to the budget year in the "Change CY/BY" column.

Exhibit Fund-22 Summary of Base Support

DEPARTMENT OF (COMPONENT NAME)
Activity: _____

Summary of Base Support
($ in Millions)

	FY PY	FY CY	FY BY
Chapel & Chaplain Services			
Command Element			
Common Use Facility Operations, Maintenance, Repair, & Construction			
Disaster Preparedness			
Environmental Compliance			
Fire Protection			
Libraries			
Morale & Fitness Support	Provide narrative explanations of changes in levels of support that, as a tenant, is a reimbursable cost of operation paid to a host activity or, as the host activity, is financed as a direct cost of operation.		
Police Services			
Safety			
Shuttle Services			
Admin Services			
Audio/Visual Services			
ADP/Automation Services			
Civilian Personnel Services			
Clubs			
Communication Services			
Community Support Services			
Confinement & Detention Centers			
Custodial Services			
Education Services			
Engineering Support			
Equipment, Operation, Maintenance, & Repair			
Explosive Ordnance			
Facilities & Real Property Support			
Facility Maintenance & Repair			
Finance & Accounting			
Food Services			
Health Services			
Housing & Lodging Services			
Information Services			
Installation Retail Supply & Storage Operation			
Laundry & Dry Cleaning			
Legal Services			
Military Personnel Support			
Mobilization Support			
Mortuary Services			
Printing & Reproduction			
Purchasing & Contracting Services			
Refuse Collection & Disposal			
Resource Management			
Training Services			
Transportation Services			
Utilities			
Weather Services			
Other Support			
TOTAL			

Exhibit Fund-22 Summary of Base Support

Exhibit Fund-24 Summary of Personnel Data

DEPARTMENT OF (COMPONENT NAME)
ACTIVITY: _____

Summary of Civilian Personnel Data - Part I

	FY PY	FY CY	FY BY
Direct Labor:			
Regular Hours			
Paid Leave Hours			
Overtime Hours			
Total Hours			
FTEs			
Indirect Production:			
Regular Hours			
Paid Leave Hours			
Overtime Hours			
Total Hours			
FTEs			
General & Administrative (G&A):			
Regular Hours			
Paid Leave Hours			
Overtime Hours			
Total Hours			
Full-time Equivalencies (FTEs)			
Total:			
Regular Hours			
Paid Leave Hours			
Overtime Hours			
Total Hours			
Total FTEs:			
Percent Direct Labor			
Percent Production Overhead			
Percent G&A Labor			
Percent Production Overhead and General and Administrative			
Hours per FTE			

Show civilian personnel data in hours,
Compute FTEs by dividing the applicable total number of hours by the number of hours in a work year.

Show the percent of total FTEs which are direct labor, production overhead, general & administrative, and the sum of production overhead plus general and administrative FTEs.

Show the number of hours per FTE used to convert hours to FTEs for each fiscal year.

Exhibit Fund-26 Revenue and Expense Phasing Plan

Revenue and Expense Phasing Plan
Component: _____
Activity: _____

FY ____
(Dollars in Millions)

Monthly Plan

	Revenue	Expenses	Adjustments to NOR (1)	NOR	Adjustments to AOR (1)	AOR
October						
November						
December						
January						
February						
March						
April						
May						
June						
July						
August						
September						

Instructions: Provide a monthly and cumulative phasing of revenue, costs, and operating results (NOR and AOR) for all years. The September NOR and AOR must reconcile to the Fund-14, Revenue and Cost exhibit.

Cumulative Plan by Month

	Revenue	Expenses	Adjustments to NOR (1)	NOR	Adjustments to AOR (1)	AOR
October						
November						
December						
January						
February						
March						
April						
May						
June						
July						
August						
September						

Submit Excel workbook (by activity including total fund roll up) to OUSD (C) Revolving Fund Directorate. Provide Specify type and amount of each proposed adjustment.

Exhibit Fund-26 Revenue and Expense Phasing Plan

Exhibit Fund-28 Execution Performance Analysis

EXECUTION PERFORMANCE ANALYSIS

Quarter:_____

(Component and Activity Name) **Page X of Y**

PERFORMANCE MEASURES	First Quarter Actual	Annual Plan	Projected End of Year	Projected Variance

UNIT COST ($)

TOTAL NEW ORDERS RECEIVED: **Actual through quarter and end-of-fiscal year projection only.**

ACCUMULATED OPERATING RESULTS: Actual through quarter and end-of-year projection. For all activities, including Supply, provide the reconciliation between December's AOR reported on the 1307 report and the amount you use for budget purposes.

NOR ($M)

Revenue ($M)
Costs ($M)

OUTLAYS

Collections
Disbursements

CASH BALANCE WITH TREASURY: **Actual through quarter and estimated end-of-year projection.**

Accounts Receivable
Total Unliquidated Advance Billings
(Liability)

ANALYSIS and RECOMMENDED ACTIONS
YEAREND PROJECTIONS AND ASSUMPTIONS

Exhibit Fund-28 Execution Performance Analysis

Exhibit Fund-28 Execution Performance Analysis (Continued)

EXECUTION PERFORMANCE ANALYSIS

Quarter:_____
Page X of Y

(Component and Activity Name)

MILITARY AND CIVILIAN PERSONNEL DATA	**END STRENGTH**		**WORK YEARS (FTE's)**	
	PLAN	**ACTUAL**	**PLAN**	**ACTUAL**
As of 9/30/PY				
As of 12/31/CY				
Projected 9/30/CY				
RIF's (E/S and date) (Cost $ in millions)				
VSIP/VERA (E/S and date) (Cost $M)				
ATTRITION RATE (Plan vs. Actual)				

Total Direct Labor Hours Worked: Not required for Supply, DeCA, DISA, or USTRANSCOM Business Areas.

Regular Direct Labor Hours
Overtime Direct Labor Hours

CAPITAL INVESTMENT PROGRAM OBLIGATIONS and OUTLAYS: **FY to date and end-of-year projection only.**
ANALYSIS and RECOMMENDED CORRECTIVE ACTIONS:

Instructions for the Preparation of Exhibit Fund-28
Execution Performance Analysis

The OUSD(C) P/B Revolving Fund Directorate conducts first, second, and third quarter Budget Execution Reviews (BERs) each fiscal year for the Defense Working Capital Funds (DWCF) and the Pentagon Reservation Maintenance Revolving Fund/Buildings Maintenance Fund (PRMRF/BMF). Each Component is required to complete the Fund-28, Execution Performance Analysis, for each of their business areas and is expected to be prepared to discuss, by separate business areas, the BER Discussion Topics. An official BER announcement memorandum is sent out each of the three quarters with instructions, suspense dates, and any changes to the list.

Each business area within the Component will report on its implementation of financial, contractor and manpower targets as directed by the Secretary, to include execution to the report date and yearend projections. Components should also identify areas of concern and newly identified opportunities to reduce costs and or enhance operations without increasing costs.

BER DISCUSSION TOPICS

1. The FY CY phasing plans for cash and net operating results found in the FY BY President's Budget.
2. Impact of the Overseas Contingency Operations on current workload, cash, carryover, and operating results.
3. Variances to Revenues, Expenses, Collections, and Disbursements, if the actual amount reported for December/March/June FY CY is outside the applicable range: (20 to 30 percent for first quarter; 45 to 55 percent for second quarter; 70 to 80 percent for third quarter) of the annual total.
4. In addition to the AR 1307 information, include a status of obligations incurred against accepted customer orders in accordance with the SF-133 for each activity.
5. Prior Year Adjustments and/or current year Deferred Operating Results of $1 million or more reported on the AR 1307 Report as of the applicable date: December 31for first quarter; March 31 for second quarter; June 30 for third quarter.
6. Plans to control cash outlays for FY CY.
7. Actions taken to date to obtain Investment Review Board approval for financial and mixed financial systems requested in FY PY and FY CY along with current obligations. Discuss the status of certifications for IT systems.
8. Impact of the FY 2005 BRAC decisions on operations.
9. Material changes in personnel levels and salary estimates.
10. An update on progress of the FY BY+1 budget build, workload, rates, and verification of customer workload with customers.
11. The respective Revolving Funds analyst will provide additional topics, if any.

For Supply Business Areas, provide the following additional information:

12. First/second/third quarter actual and end of year estimates for material obligated, outlays for material purchases, material repair costs, material returns for credit and non-credit, and material sent to disposal.

Exhibit Fund-28 Execution Performance Analysis

13. Anticipated changes to backorders by yearend.
14. Updated plan for converting inventory values to moving average cost.
15. Updated Readiness Indicators (MC rate, TNMCS, Quality Deficiencies, etc.).
16. Reconciliation of the differences between NOR and AOR reported on the quarterly AR-1307 report and internal budget execution reports.
17. Projected inventory levels and plans to hold inventory growth.

For Depot Maintenance and Ordnance Activities, provide the following additional information:

18. For each major product line (Aircraft, Engines, Tanks, Humvees, etc.), provide the number of units in-process on October 1, FY CY, the number of units inducted, the number of units completed, and the number of units scrapped for the period from the beginning of the fiscal year to the end of the reporting quarter.
19. For comparison purposes, provide the total number of units completed for all of FY PY.
20. For the units completed first/second/third quarter, provide the total cost incurred to complete the units. This will include prior year costs in many cases.
21. Of the units completed, identify how many were done on a fixed price and how many on a cost reimbursable basis.
22. Estimate of whether the units were completed at a profit or a loss. Provide an estimated total profit or loss for all units completed.
23. Provide the amount of carryover attributable to parts shortages and what actions are being taken to reduce this carryover.

Exhibit Fund-28 Execution Performance Analysis (Continued)

Exhibit Fund 30 – Underutilized Plant Capacity

Unutilized and Underutilized Plant Capacity (UPC)
Industrial Mobilization Capacity (IMC)
Component: _____
ACTIVITY:_____ DATE:_____

	($ in Millions)		
	FY PY	FY CY	FY BY
1 Ammunition Storage			
A. Required Maximum Containers			
B. Number of Funded Containers			
C. Non-Utilization Rate (1-B/A)			
D. Applicable Overhead			
E. Funding Requirement (C*D)			
F. Funded			
2 Ammunition Production			
A. Total Number of Production Lines			
B. Total Square Footage of all Production Lines			
C. Unutilized Production Lines (20% or less)			
D. Total Square Footage of Unutilized Production Lines			
E. Percent of Unutilized Square Footage (D/B)			
F. Applicable Overhead Costs			
G. Allowable Overhead Costs (E*F)			
H. Percent of Unutilized Production Lines (C/A)			
I. Funding Requirement (G*H)			
J. Funded			
3 Maintenance Facilities			
A. Total Number of Work Stations			
B. Unutilized Work Stations (20% or less)			
C. Non-Utilization Rate (B/A)			
D. Applicable Overhead			
E. Funding Requirement (C*D)			
F. Funded			
4 Manufacturing Facilities			
A. Total Number of Work Stations			
B. Unutilized Work Stations (20% or less)			
C. Non-Utilization Rate (B/A)			
D. Applicable Overhead			
E. Funding Requirement (C*D)			
F. Funded			
5 Real Property Maintenance			
6 Equipment Maintenance			
7 Utilities			
8 Other (specify)			
TOTAL			

Exhibit Fund 30 – Underutilized Plant Capacity

Instructions for the Preparation of Exhibit Fund-30
Unutilized and Underutilized Plant Capacity (UPC)

PART I.

The purpose of this exhibit is to determine capacity indices and mobilization funding requirements for DWCF industrial activities. Unutilized (Reserve), Underutilized Plant Capacity and Industrial Mobilization Capacity costs should be excluded from the DWCF rate structure. Overburdening the customer for costs associated with idle expansion capability is not a fair reflection of operating costs associated with workload. In many cases, these costs must be incurred by a federal facility where the private sector can choose to downsize its operations.

Appropriated funding supports equipment that is utilized 20 percent or less of capacity (hereafter referred to as "unutilized") and has a requirement to support surge and/or replenishment. It is not excess capacity; it is necessary to support core industrial maintenance requirements.

This exhibit may apply to all industrial activities (mostly Depots and Ordnance activities) whether or not the respective Service is identifying UPC funding as part of the topline submission in the Operation and Maintenance (O&M) budget submission. Thus, at a minimum, the capacity-related indices for items numbered one through three should be completed for each industrial activity.

There are four types of facilities that may qualify:

1. Ammunition Storage
2. Ammunition Production
3. Maintenance
4. Manufacturing

Each qualifying facility must be identified and listed separately.

PART II.

For each activity with an amount in the Funded UPC (i.e., 1.F., 2.J., 3.F., 4.F.) category identified in the exhibit Fund 30 format, the following is required:

A. Narrative describing the nature of these UPC costs being incurred at the activity. Provide justification as to what is being accomplished with these funds.

B. Breakdown of costs by element.

Exhibit Fund 30 – Underutilized Plant Capacity (Continued)

VOLUME 2B, CHAPTER 10: "PUBLIC ENTERPRISE, MANAGEMENT, AND TRUST FUNDS"

SUMMARY OF MAJOR CHANGES

All changes are denoted by blue font.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by *bold, italic, blue and underlined font*.

The previous version dated June 2010 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
100101 100103 100301	Removed reference to the closed Conventional Ammunition Working Capital Fund.	Deletion
100102	Replaced reference to tenants with customers.	Revision
100104 100105 100106	Updated references.	Update
100202 100301	Updated list of budget exhibits required for the Pentagon Reservation Maintenance Fund and the Buildings Maintenance Fund.	Update
100402	Replaced the word Costs with Expenses on the PR-2 exhibit to clarify the requirement. Revised the SP-1 exhibit to include prior year figures and update the format.	Revision

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CHAPTER 10

PUBLIC ENTERPRISE, MANAGEMENT, AND TRUST FUNDS

1001 GENERAL

100101. Purpose

A. This chapter highlights the policies and justification procedures underlying budget formulation and congressional justification. The provisions of Volume 11B "Reimbursable Operations, Policy and Procedures – Working Capital Funds (WCF),", and of Volume 2B, Chapter 9, apply to the Pentagon Reservation Maintenance Revolving Fund and Buildings Maintenance Fund.

B. The following accounts are covered:

Public Enterprise Funds
National Defense Stockpile Transaction Fund
Pentagon Reservation Maintenance Revolving Fund
National Defense Sealift Fund
Buildings Maintenance Fund

Management Funds
None

Trust Funds
National Security Education Trust Fund
Surcharge Collections, Sales of Commissary Stores, Defense
(see Section ***010603*** for listing of all current trust fund accounts)

100102. Background

A. Public Enterprise Funds are expenditure accounts authorized by Congress to be credited with collections, primarily from the public, that are generated by, and earmarked to finance, a continuing cycle of business-type operations.

B. The Pentagon Reservation Maintenance Revolving Fund and Buildings Maintenance Funds are Enterprise Funds that operate in accordance with the provisions of Volume 11B of the DoD FMR "Reimbursable Operations Policy – Working Capital Funds (WCF)" and of Volume 2B, Chapter 9, "Defense Working Capital Funds Activity Group Analysis". These Funds satisfy recurring Department of Defense requirements by using a businesslike buyer-and-seller approach. Unlike profit-oriented commercial businesses, these activities budget to break even over the long term. Selling prices established in the budget are stabilized or fixed during execution to protect customers from unforeseen rate and price fluctuations that would impact customer ability to execute the programs approved by the Congress.

C. A basic principle of the enterprise fund structure is to create a customer-provider relationship designed to make activity managers and decision-makers at all levels more concerned with the costs of goods and services. Requiring customers to pay for support they receive provides increased assurance that services supplied and paid for are actually needed.

D. Trust Funds. The following definitions apply to trust fund accounts.

1. Trust fund receipt account. Trust fund receipt accounts are credited with receipts generated by the terms of a trust agreement or statute. At the point of collection, these receipts are available for transfer to a trust fund expenditure account or are not available for transfer depending upon the terms of the trust agreement or statutory authority.

2. Trust fund expenditure account. Trust fund expenditure accounts are established to record amounts appropriated or otherwise made available by transfer from a trust fund receipt account to be obligated and expended in carrying out the specific purposes or programs in accordance with the terms of the trust agreement or statute. Funds transferred or appropriated to a trust fund expenditure account are normally available for obligation and expenditure within the limits imposed by the trust agreement or authorizing statute.

3. Trust revolving fund account. A trust revolving fund is a single account that is authorized to be credited with receipts and incur obligations and expenditures in support of a continuing cycle of business-type operations in accordance with the provisions of the trust agreement or statute. Trust revolving fund receipts are available for obligation and expenditure without further action by Congress.

4. Unavailable collections are either (1) unappropriated receipts or receipts that are precluded from obligation because of a provision of law, such as a benefit formula or limitation on obligations in PY, CY, or BY, or (2) collections unavailable for obligation because of limitations on obligations in PY, CY, or BY. Section 36.6 of ***OMB Circular A-11*** provides instructions on MAX Schedule N on unavailable collections for trust funds and O&M special funds which Federal agencies must include in their annual budget submission to OMB.

100103. General

A. In general, DoD trust funds authorized to incur obligations and expend receipts have been exempted from apportionment by OMB. However, the Surcharge Collections, Sales of Commissary Stores, Defense trust revolving fund, and the National Security Education Trust Fund are subject to apportionment by OMB. Each trust fund must be viewed as a unique fund in light of any special provisions in the trust agreement or the enabling legislation.

B. Trust funds have been assigned account symbols between 8000 and 8999. Within this range trust revolving funds have been assigned symbols between 8400 and 8499. Some trust funds used by DoD are:

Surcharge Collections, Sales of Commissary Stores, Defense
National Security Education Trust Fund

100104. Submission Requirements

General guidance with regard to submission requirements is presented in the DoD Financial Management Regulation (DOD 7000.14-R), Volume 2A, Chapter 1. Volume 2B, Chapters 9 and 19 cover specific back-up material requirements for the above areas.

100105. Preparation of Material

General guidance with regard to format and preparation of material is presented in the DoD Financial Management Regulation (DOD 7000.14-R), Volume 2A, Chapter 1. Volume 2B, Chapters 9 and 19 provide additional specific guidance with regard to the back-up material required for Public Enterprise, Management Fund and Trust Fund accounts.

100106. References

The DoD Financial Management Regulation (DOD 7000.14-R), Volume 2A, Chapter 1 provides funding policies, including those that impact other appropriations/accounts. Volume 2B, Chapter 9 provides guidance related to Defense Working Capital Fund accounts. Certain exhibits required by this chapter are found in Volume 2B, Chapters 9 and 19.

1002 PROGRAM AND BUDGET REVIEW SUBMISSION

100201. Purpose

This section highlights the policies and justification procedures underlying budget formulation for Public Enterprise, Management Fund, and Trust Fund accounts.

100202. Submission Requirements

A. Public Enterprise Funds

1. The Defense Working Capital Fund schedules referenced here are in the DoD Financial Management Regulation (DOD 7000.14-R), Volume 2B, Chapter 9. The O&M type exhibits (PB, OP) are found in Volume 2A, Chapter 3 and Volume 2B, Chapter 19. Budget exhibits noted below should be submitted for the OSD/OMB budget review.

National Defense Stockpile Transaction Fund
Exhibits Fund-1, 1a, 2, 4, 11, 14, 17, 21, & 23.

Pentagon Reservation Maintenance Revolving Fund
Exhibits Fund-1, 1a, 2, 3, 9a, 9b, 9c, 11, 13, 13b, 13c, 14, and 26.
OP-8 and PB-22.

Building Maintenance Fund
Exhibits Fund-1, 1a, 2, 3, 9a, 9b, 9c, 11, 13, 13b, 13c, 14, and 26.
OP-8 and PB-22.

National Defense Sealift Fund (NDSF)
Exhibits Fund-1a, 2, 11, & 12.

2. The instructions and formats for the preparation of the NDSF required procurement and RDT&E exhibits are included in the DoD Financial Management Regulation (DoD 7000.14-R), Chapters 4 and 5, respectively.

Procurement/Ship Acquisition:

Budget Item Justification Sheet (P-40)
Weapon System Cost Analysis (P-5)
Analysis of Ship Cost Estimates (P-8a/8b)
Advance Procurement Analysis (P-10/10a)
Ship Production Schedule (P-27)
Ship Outfitting Costs (P-29)
Ship Post Delivery Estimates (P-30)

National Defense Features (NDF):

Budget Item Justification Sheet (P-40)

RDT&E:

Budget Item Justification Sheet (R-2)
Program Element/Project Cost Breakdown (R-3)
Program Schedule Profile (R-4)
Program Schedule Detail (R-4a)

3. Additional data required by OMB Circular ***A-11*** will be submitted in accordance with annual USD (Comptroller) budget guidance.

B. Management and Trust Funds - For Trust Funds, Trust Revolving Funds and other Management Funds, program and financing, and object classification schedules will be submitted for each account. The budget authority for each trust fund account must agree with the amounts reported against the applicable receipt accounts as required by DoD accounting guidance related to offsetting receipts. The receipt accounts are published in Treasury's Federal Account Symbols and Titles. For the Defense Commissary Agency, a footnote to the program and financing schedule will show the value of the obligations for renovation/construction of commissaries included in total obligations of the trust revolving fund.

C. Special Budget Exhibits - Unique data pertaining to a particular fund are required as follows:

National Defense Stockpile

Stockpile Financial Status Report (SP-1)

Pentagon Reservation Maintenance Revolving Fund

Cost of Services (PR-1)
Summary Statement (PR-2)

Buildings Maintenance Fund

Cost of Services (PR-1)
Summary Statement (PR-2)

Surcharge Collections, Sales of Commissary Stores, Defense

Summary (CT-1)
Facility Programs Justification (CT-2)

National Defense Sealift Fund (NDSF)

Ready Reserve Force (RRF):
Budget Item Justification Sheet (RRF-1)
Ship Composition Funding Requirements (RRF-2)
Ship Readiness Operational Status (ROS) Composition (RRF-3)

D. Budget exhibits will be submitted in accordance with the schedule published annually in DoD Comptroller budget guidance. Formats and instructions for preparation of the Special Exhibits are provided Section 1004.

E. All NDSF related budget justification materials should be submitted directly to the Director for Investment, room 3C749. In addition to the DWCF schedules, procurement, and RDT&E exhibits referenced in paragraph 100202 above, the special exhibits identified above must be included in the NDSF justification budget backup book for both the OSD and Congressional submissions. The backup book should include a table of contents, a computer generated FYDP funding report identifying each business area, and each business area/section should be tabbed.

1003 CONGRESSIONAL JUSTIFICATION/PRESENTATION

100301. Purpose

This chapter provides the policies and procedures to guide the development of budget justification and supporting narrative to be submitted by Components to the OUSD (Comptroller) in development of congressional justification material.

100302. Submission Requirements

A. Guidance is applicable to the following DoD Public Enterprise, Management Funds, and Trust Funds:

Public Enterprise Funds

(1) National Defense Stockpile Transaction Fund
(2) Buildings Maintenance Fund
(3) Pentagon Reservation Maintenance Revolving Fund
(4) National Defense Sealift Fund

Management Funds

Trust Funds

(5) National Security Education Trust Fund
(6) Surcharge Collections, Sales of Commissary Stores, Defense

B. The following table presents the exhibit requirements to be submitted as part of the President's budget for the funds identified in paragraph A, above. Additional budget justification material to accompany the President's budget may be prescribed by separate USD (Comptroller) budget guidance.

EXHIBIT/SCHEDULE REQUIREMENTS

Fund	Prog & Financ.	Rev & Exp.	Finan. Cond.	Obj Class	Pers Summary
(1)	X	X	X	X	
(2)	X	X	X	X	X
Fund-2, Fund-9a/9b/9c, Fund-11, Fund-13/13b/13c, PR-1, PR-2					
(3)	X	X	X	X	X
Fund-2, Fund-9a/9b/9c, Fund-11, Fund-13/13b/13c, PR-1, PR-2					
(4)	X			X	
P-5, P-8a/8b, P-10/10a, P-27, P-29, P-30, P-40, R-2, R-3, R-4, R-4a, RRF-1, RRF-2, RRF-3					
(5)	X			X	
(6)	X			X	

1004 PUBLIC ENTERPRISE, MANAGEMENT AND TRUST FUND FORMATS

100401. Purpose

The special formats provided on the following pages reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, these formats should be adhered to.

100402. Exhibits in Support of Section 1002 – Program and Budget Review Submission

CT-1 Surcharge Collections, Sales of Commissary Stores Summary 10
CT-2 Facility Programs Justification 11
PR-1 Pentagon Reservation Maintenance Revolving Fund Cost of Services.....12
PR-2 Pentagon Reservation Maintenance Revolving Fund Summary Statement 13
SP-1 Stockpile Financial Status Report 14
RRF-1 Budget Item Justification.....15
RRF-2 Ship Composition Funding Requirements 16
RRF-3 Ship Readiness Operational Status (ROS) Composition.....17

Exhibit CT-1 Surcharge Collections, Sales of Commissary Stores Summary

Surcharge Collections, Sales of Commissary Stores, Defense

Summary

($ in Millions)

	FY PY col. of CY PB	FY PY	FY CY col. of CY PB	FY CY	FY BY
OBLIGATIONS					
Operating Expenses	Provide operations, equipment, and construction obligations for the PY column of the CY President's budget, the PY, the CY column of the CY President's budget, the CY, and the BY.				
Equipment					
Construction					
Total Obligations (a)					
DISBURSEMENTS					
Disbursement of Prior Year Obligations	Provide disbursements of prior year obligations and current year disbursements for the PY column of the CY President's budget, the PY, the CY column of the CY President's budget, the CY, and the BY.				
Current Year Disbursements					
Total Disbursements (*b*)					
COLLECTIONS					
Revenue (*c*)	Provide revenue for the five years above.				
NET OUTLAYS (*d*) (*b-c=d*)					
CASH: Begin Year (*e*)					
Net Outlays (*f*)	Provide cash estimates for the five years above.				
End Year (*g*) (*e-f*=g)					
Unliquidated Obligations	Provide year-end unliquidated obligations for the five years above.				
Unobligated Balance Beginning of Year (h*)*	Provide unfunded contract authority for the five years above.				
Unobligated Balance End of Year (i)					
Unfunded Contract Authority Requested (j) (a-c-h+I=j)					

Exhibit CT-1 Surcharge Collections, Sales of Commissary Stores Summary
(Page 1 of 1)

Exhibit CT-2 Facility Programs Justification

Surcharge Collections, Sales of Commissary Stores, Defense

Facility Programs Justification

($ in Millions)

LOCATION	DESCRIPTION	TOTAL COST	REMARKS

Provide a DD Form 1391 for each FY BY proposed project.

List the location of each proposed construction project for FY CY and FY BY.

Description should include whether each project is a new store, add/alter, minor construction, energy conservation, etc.

Total cost is self-explanatory.

Remarks should provide narrative justification for and a description of each project.

Exhibit CT-2 Facility Programs Justification
(Page 1 of 1)

Exhibit PR-1 Pentagon Reservation Maintenance Revolving Fund Cost of Services

Pentagon Reservation Maintenance Revolving Fund
Cost of *Basic* Services
($ in Millions)

	FY PY	FY CY	FY BY
1. Operated Space (Average Square Feet) *			
2. Unit Cost of Operations ($) **			
Cleaning			
Maintenance			
Utilities & Fuel			
Protection			
Other Building Services			
Administration			
Total Unit Cost for Basic Services			
(Multiply by) Billable Space (Sq. Ft.)			
(Equals) Total Cost of Basic Services			

* Excludes reimbursable "above standard" services.

** Cleaning, maintenance, utilities and fuel, protection, other building services, and administration estimates should equal the cost of each function divided by the billable space square feet for the relevant fiscal year.

Exhibit PR-1 Cost of Services
(Page 1 of 1)

Exhibit PR-2 Pentagon Reservation Maintenance Revolving Fund Summary Statement

Pentagon Reservation Maintenance Revolving Fund
Summary Statement
($ in Millions)

								(Disbursements by Fiscal Year)				
	Obs.	**Orders**	**Rev.**	**Exp.**	**FYPY**	**FYCY**	**FYBY**	**FYBY+1**	**FYBY+2**	**FYBY+3**	**FYBY+4**	**FYBY+5**
Pentagon Renovation												
FY PY												
FY CY												
FY BY												
Other Capital Purchases (specify each)												
FY PY												
FY CY												
FY BY												
Operating Budget												
FY PY												
FY CY												
FY BY												

Obligations, new customer orders, revenue, and expenses for the Pentagon Renovation, Other Capital Purchases, and Operating Budget (reimbursable services and basic services noted in Exhibit PR-1) should be provided.

Total

Beginning of year (BOY) cash, collections, disbursements, and end of year (EOY) cash should also be provided.

FY PY
FY CY
FY BY

Cash	**BOY**	**Collections**	**Disbursements**	**EOY**
FY PY				
FY CY				
FY BY				

Exhibit PR-2 Summary Statement
(Page 1 of 1)

Exhibit SP-1 Stockpile Financial Status Report

NATIONAL DEFENSE STOCKPILE TRANSACTION FUND
Stockpile Financial Status Report
YEAR (CY, BY)
(Dollars in Millions)

	PY	CY	BY
Treasury Cash Balance, Beginning of Year			
Plus Collections			
Minus Disbursements			
Labor			
Non-labor			
Other Program Costs			
Plus/Minus:			
Transfer 1 (label)			
Transfer 2 (label)			
.			
.			
Sub-Total Transfers			
Equals: Cash Balance, End of Year			
Selected Liabilities			
Accounts Payable			
Undelivered Orders			
-			
-			
Estimated Available Cash Balance			

1. Purpose. The purpose of this report is to provide information on the financial status of the National Defense Stockpile.

2. Submission. This exhibit will reflect information starting from the Prior Year (PY), the Current Year (CY), and the budget year (BY) in support of the OSD/OMB and President's budget submissions. End of year should be the actual amount reflected on approved accounting reports.

Exhibit SP-1 Stockpile Financial Status Report
(Page 1 of 1)

Exhibit RRF-1 Budget Item Justification

FY BY Submission
Month/Year
Exhibit RRF-1

Ready Reserve Force (RRF)
Budget Item Justification

RRF	FY PY-1	FY PY	FY CY	FY BY	FY BY+1	FY BY+2	FY BY+3	FY BY+4	FY BY+5
O&M									
Acquisition		Provide annual funding requirements for the RRF.							
Other (specify)									
Total RRF									

Purpose: Justification for the FYs BY-BY+5 budget request: Provide a narrative justification and sufficient justification for the funding requested

Exhibit RRF-1 Budget Item Justification
(Page 1 of 1)

Exhibit RRF-2 Ship Composition Funding Requirements

FY BY Submission
Month/Year
Exhibit RRF-2

Ready Reserve Force (RRF)
Ship Composition Funding Requirements

RRF	FY PY-1	FY PY	FY CY	FY BY	FY BY+1	FY BY+2	FY BY+3	FY BY+4	FY BY+5
O&M									
Ship Types									
Breakbulk									
ROS-4									
ROS-5									
etc.									
	Provide annual funding requirements for each ship type by ROS category.								
	Specify funding by O&M, acquisition and other (specify Other categories consistent with the RRF-1 exhibit).								
Ro/Ros									
ROS-4									
ROS-5									
etc.									
Total O&M									
Acquisition									
Ship Types									
Total Acquisition									
Other									
Ship Types									
Total Other									
Total RRF									

Exhibit RRF-2 Ship Composition Funding Requirements
(Page 1 of 1)

Exhibit RRF-3 Ship Readiness Operational Status (ROS) Composition

FY BY Submission
Month/Year
Exhibit RRF-3

Ready Reserve Force (RRF)
Ship Readiness Operational Status (ROS) Composition

RRF Ship Types	**FY PY-1**	**FY PY**	**FY CY**	**FY BY**	**FY BY+1**	**FY BY+2**	**FY BY+3**	**FY BY+4**	**FY BY+5**
Ro/Ros									
(ROS Status ROS-4)									
(ROS Status ROS-5)									
(ROS Status etc.)									
Total Ro/Ros									
Breakbulk									
(ROS Status ROS-4)									
(ROS Status ROS-5)									
(ROS Status etc.)									
Total Breakbulk									
etc.									
Totals									
(ROS Status ROS-4)									
(ROS Status ROS-5)									
(ROS Status etc.)									
Total RRF Fleet									
New Acquisitions									
Retirements									

Provide the composition of the RRF by FY for each ship type, i.e.; Breakbulk, Ro/Ros Tankers etc.
Specify ships consistent with the RRF-2 exhibit.

Exhibit RRF-3 Ship Readiness Operational Status (ROS) Composition
(Page 1 of 1)

VOLUME 2B, CHAPTER 11: "OFFSETTING RECEIPTS"

SUMMARY OF MAJOR CHANGES

All changes are denoted by blue font.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by *bold, italic, blue and underlined font*.

The previous version dated June 2010 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Deemed to be current.	Update

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1102 PROGRAM AND BUDGET REVIEW SUBMISSION 3

110201. General Instructions 3

CHAPTER 11

OFFSETTING RECEIPTS

1101 GENERAL

110101. Purpose

This chapter prescribes budget justification requirements for offsetting receipts consistent with the provisions of the Office of Management and Budget ***(OMB) Circular No. A-11***.

1102 PROGRAM AND BUDGET REVIEW SUBMISSION

110201. General Instructions

A. Each Military Department will include offsetting receipts in their annual program and budget submission. See Volume 2A, Chapter 1, for general guidance on submission requirements. Receipt accounts are listed in Volume 2A, Chapter 1, Section 0106 Uniform Budget and Fiscal Accounting Classifications. Department of Defense (DoD) receipt account structures are reported in the Budget Structure Listing of the Comptroller Information System which is available on the Secret Internet Protocol Router Network (SIPRNET) home page of the Office of the Under Secretary of Defense (Comptroller) (OUSD (C)).

B. Each Military Department will also submit estimated receipts in thousands of dollars for the current year, budget year, and the outyears. These estimates will include the impact of all proposed legislation. Upon OUSD(C)'s completion of the prior year update within the Comptroller Information System (CIS), each Military Department will update their CIS current year, budget year and outyear Budget Authority (BA) and outlay estimates for receipt and any receipt-related (special and trust fund) expenditure accounts. The Military Departments will upload the required transactions in CIS. The due date will be established by OUSD(C) based on certification to the Treasury of actual execution data for the prior fiscal year.

C. Amounts reported should include all collections credited to the component's receipt accounts, including "F" (clearing) accounts if applicable. Prior year clearing ("F") accounts except the undistributed intragovernmental payment account (3885) will be merged with the Military Department's General Fund Proprietary Receipts (3210). Exclude collections credited to receipt accounts of other DoD components. Receipts will be reported on the basis of collections credited to receipt accounts during the year, plus or minus any adjustments during the year. Amounts for the prior year will agree with receipts reported to Treasury on the Treasury Combined Statement. Only zero (0) estimates are permitted in the current year, budget year, and the outyears for "F" accounts. For indefinite appropriations of receipts (Wildlife Conservation, Military Reservations; special fund accounts; and trust fund accounts), the amount of estimated collections will be equal to the related estimates of appropriations BA.

D. Receipts data are required for DoD-Military as well as DoD-Civil accounts.

NOTE: Components should refer to the Treasury Federal Accounts Symbols and Titles ***(FAST)*** book for any changes to the account listing.

VOLUME 2B, CHAPTER 12: "DEFENSE HEALTH PROGRAM"

SUMMARY OF MAJOR CHANGES

All changes are denoted by blue font.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by *bold, italic, blue and underlined font*.

The previous version dated June 2007 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Various	Changed TRICARE Management Activity to Defense Health Agency	Update
Various	Updated program elements	Update
120402	Updated unique information management system reporting summary	Update

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CHAPTER 12

DEFENSE HEALTH PROGRAM

1201 GENERAL

120101. Purpose

A. This chapter provides instructions applicable to budget formulation and congressional justification for the Defense Health Program (DHP).

B. The following appropriations are covered as subsections of the DHP appropriation:

1. Operation and Maintenance (O&M)

2. Procurement

3. Research, Development, Test and Evaluation (RDT&E)

120102. Submission Requirements

General guidance with regard to submission requirements is presented in Volume 2A, Chapter 1. This chapter covers specific backup material requirements for the above accounts. The Assistant Secretary of Defense (Health Affairs) (ASD(HA)) should also consult all of the other chapters of this Regulation for exhibit requirements that are not specifically addressed in this chapter including Volume 2B, Chapter 19 – Other Special Analyses. The ASD(HA) is also responsible for providing data to update the Comptroller Information System (CIS) and the Future Years Defense Program (FYDP) automated systems for the DHP appropriation. The Military Components must reconcile all DHP personnel data with, and submit all proposed military and civilian medical personnel changes to the CIS and FYDP through the Defense Health Agency Program Budget and Execution Directorate before these changes are accepted in these automated systems. (See Volume 2A, Chapter 1 and Volume 2B, Chapter 19, of this Regulation.)

120103. Preparation of Material

General guidance with regard to format and preparation of material is presented in Volume 2A, Chapter 1. Volume 2B, Chapter 12 provides additional specific guidance with regard to the back-up material required for the DHP. (See Volume 2A, Chapter 1, of this Regulation.)

120104. References

Volume 2A, Chapter 3 provides guidance related to O&M costs, Volume 2B, Chapter 4 provides guidance and formats related to Procurement appropriations, and Volume 2B, Chapter 5 provides guidance and formats related to RDT&E appropriations. (See Volume 2A, Chapter 3

and Volume 2B, Chapter 4, of this Regulation.)

1202 PROGRAM AND BUDGET REVIEW SUBMISSION

120201. Purpose

This Section provides guidance for preparation and submission of budget estimates for the DHP. The budget estimates consist of all O&M, procurement, and RDT&E resources that support the medical activities that were consolidated into the DHP.

120202. Submission Requirements

A. The ASD (HA) is responsible for submitting all exhibits required for the O&M, procurement, and RDT&E appropriations as specified in Volume 2A, Chapter 3, Volume 2B, Chapters 4, and 5 respectively. The ASD (HA) is also responsible for submitting exhibit requirements specified in the other chapters of this Regulation including Volume 2B, Chapter 19 – Other Special Analyses. (See Volume 2A, Chapter 3 and Volume 2B, Chapter 4, 5, and 19, of this Regulation).

B. In addition, the Cost of Medical Activities Exhibit (PB-11, PB-11A, PB-11B) will be prepared and submitted to the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) concurrent with the program and budget review submission. Formats for these exhibits are provided at the end of this chapter. Two printed copies and one electronic copy of each exhibit should be provided to the OUSD(C) Program/Budget (P/B) Military Personnel & Construction Directorate, Room 3C654, Washington, DC 20301-1100.

C. For all updates of the OUSD(C) automated budget system databases, DoD Components must reconcile all DHP personnel data with, and submit all proposed military and civilian medical personnel changes through the Defense Health Agency Program Budget and Execution Directorate.

1203 CONGRESSIONAL JUSTIFICATION/PRESENTATION

120301. Purpose.

This section presents the exhibit requirements for submission to Congress. Examples of budget exhibits can be found in Section 1204.

120302. Submission Requirements

A. The ASD (HA) is responsible for submitting all exhibits required for the O&M, procurement, and RDT&E appropriation as specified in Volume 2A, Chapter 3, Volume 2B, Chapters 4, and 5 respectively. The ASD (HA) is also responsible for submitting exhibit requirements specified in the other chapters of this regulation including Volume 2B, Chapter 19 – Other Special Analyses. (See Volume 2A, Chapter 3 and Volume 2B, Chapter 4, 5, and 19)

B. In addition, the cost of Medical Activities Exhibit (PB-11, PB-11A, PB-11B) will be prepared and submitted to the OUSD (C) for the DHP. Formats for these exhibits are provided at the end of this chapter. Two printed copies and one electronic copy of each exhibit should be provided to the OUSD (C), P/B, Military Personnel Construction Directorate, Room 3C654, the Pentagon.

C. Two printed copies and one electronic copy of the PBA-9 (Medical Programs Exhibit for the O&M Overview) will be due to the OUSD(C), P/B, Military Personnel & Construction Directorate, Room 3C654, the Pentagon at the time that the President's budget exhibits are due. The required format for the PBA-9 is provided at Volume 2A, Chapter 3, Section 0304 (See Volume 2A, Chapter 3, section 0304 of this Regulation).

D. The OP-5 exhibit and other supporting exhibits will be prepared for each of the following activities. Meaningful performance criteria should be displayed for each activity.

- In-House Care
- Private Sector Care
- Consolidated Health Support
- Information Management
- Management Activities
- Education and Training
- Base Operations/Communications

E. The ASD(HA) will prepare the DHP Volume 1 (Justification of Estimates), Volume 2 (Data Book), and Volume 3 (Additional Accompanying Exhibits). **Forty** printed copies and **five** electronic storage media copies of Volumes 1 and 2 and ten printed copies and three electronic storage medical copies of all three volumes and other required exhibits should be provided to the OUSD (C), P/B, Military Personnel & Construction Directorate, Room 3C654, the Pentagon.

1204 DEFENSE HEALTH PROGRAM SUBMISSION FORMATS

120401. Purpose

The formats provided on the following pages reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, the formats should be followed.

120402. Unique Exhibits in Support of the Defense Health Program

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DEPARTMENT OF DEFENSE
COST OF MEDICAL ACTIVITIES
DEFENSE HEALTH PROGRAM

Defense Health Program Funding by Subactivity Group
(Dollars in Thousands)

	FY PY Actual	FY CY Estimate	FY BY Estimate	PY-CY Change $	PY-CY Change (%)	CY-BY Change $	CY-BY Change (%)
IN-HOUSE CARE							
0807700HP Defense Medical Centers, Hospitals & Medical Clinics – CONUS							
0807900HP Defense Medical Centers, Hospitals & Medical Clinics – OCONUS							
0807701HP Pharmaceuticals, CONUS							
0807901HP Pharmaceuticals, OCONUS							
0807715HP Dental Care Activities – CONUS							
0807915HP Dental Care Activities – OCONUS							
Subtotal In-House Care							
PRIVATE SECTOR CARE							
0807702HP Pharmaceuticals – Purchased Health Care							
0807703HP Pharmaceuticals – National Retail Rx							
0807723HP TRICARE Managed Care Support (MCS) Contracts							
0807738HP MTF Enrollees – Purchased Care							
0807741HP Dental – Purchased Care							
0807742HP Uniformed Services Family Health Program (USFHP)							
0807743 HP Supplemental Care – Health Care							
0807745HP Supplemental Care – Dental							
0807747HP Continuing Health Education/ Capitalization of Asset Program (CHE/CAP)							
0807749HP Overseas Purchased Health Care							
0807751HP Miscellaneous Purchased Health Care							
0807752HP Miscellaneous Support Activities							
Subtotal Private Sector Care							

Exhibit PB-11 Defense Health Program Funding Summary (Continued)

DEPARTMENT OF DEFENSE
COST OF MEDICAL ACTIVITIES
DEFENSE HEALTH PROGRAM

Defense Health Program Funding by Subactivity Group

(Dollars in Thousands)

	FY PY Actual	FY CY Estimate	FY BY Estimate	PY-CY Change $	PY-CY Change (%)	CY-BY Change $	CY-BY Change (%)
CONSOLIDATED HEALTH SUPPORT							
0801720HP Examining Activities							
0807714HP Other Health Activities							
0807705HP Military Public/Occupational Health							
0807760HP Veterinary Services							
0807724HP Military Unique Requirements – Other Medical Activities							
0807725HP Aeromedical Evacuation System							
0807730HP Service Support to Other Health Activities – TRANSCOM							
0807786HP Joint Pathology Center							
0903300HP Support to FACA Advisory Board Activities							
Subtotal Consolidated Health Support							
INFORMATION MANAGEMENT							
0807781HP DHP Service Medical Information Management/Information Technology							
0807783DHP Information Management/ Information Technology Support Programs							
0807784HP Integrated Electronic Health Record (iEHR)							
0807787HP DoD Healthcare Management System Modernization (DHMSM)							
0807793HP MHS Tri-Service Information Management/Information Technology							
Subtotal Information Management							
MANAGEMENT ACTIVITIES							
0807798HP Management Headquarters							
0807704HP Defense Health Agency							

Exhibit PB-11 Defense Health Program Funding Summary (Continued)

DEPARTMENT OF DEFENSE
COST OF MEDICAL ACTIVITIES
DEFENSE HEALTH PROGRAM

Defense Health Program Funding by Subactivity Group

(Dollars in Thousands)

	FY PY Actual	FY CY Estimate	FY BY Estimate	PY-CY Change $	PY-CY Change (%)	CY-BY Change $	CY-BY Change (%)
0807709HP TRICARE Management Activity (through FY 2013)							
0901200HP BMMP Domain Management & System Integration							
Subtotal Management Activities							
EDUCATION AND TRAINING							
0806722HP Armed Forces Health Professions Scholarship Program							
0806721HP Uniformed Services University of the Health Sciences							
0806761HP Other Education and Training							
Subtotal Education and Training							
BASE OPERATIONS/COMMUNICATIONS							
0806276HP Facilities Restoration and Modernization – CONUS							
0886376HP Facilities Restoration and Modernization – OCONUS							
0806278HP Facilities Sustainment – CONUS							
0806378HP Facilities Sustainment – OCONUS							
0807779HP Facilities Operations – Health Care – CONUS							
0807979HP Facilities Operations – Health Care – OCONUS							
0807795HP Base Communications – CONUS							
0807995HP Base Communications – OCONUS							
0807796HP Base Operations – CONUS							
0807996HP Base Operations – OCONUS							
0807753HP Environnemental Conservation							
0807754HP Pollution Prevention							

Exhibit PB-11 Defense Health Program Funding Summary (Continued)

DEPARTMENT OF DEFENSE
COST OF MEDICAL ACTIVITIES
DEFENSE HEALTH PROGRAM

Defense Health Program Funding by Subactivity Group

(Dollars in Thousands)

	FY PY Actual	FY CY Estimate	FY BY Estimate	PY-CY Change $	PY-CY Change (%)	CY-BY Change $	CY-BY Change (%)
0807756HP Environmental Compliance							
0807790HP Visual Information Systems							
0808093HP Demolition/Disposal of Excess Facilities							
Subtotal Base Ops/Comm							
Subtotal DHP Operation and Maintenance							

Exhibit PB-11 Defense Health Program Funding Summary
(Page 4 of 6)

Exhibit PB-11 Defense Health Program Funding Summary (Continued)

DEPARTMENT OF DEFENSE
COST OF MEDICAL ACTIVITIES
DEFENSE HEALTH PROGRAM

Defense Health Program Funding by Subactivity Group
(Dollars in Thousands)

	FY PY Actual	FY CY Estimate	FY BY Estimate	PY-CY Change $	PY-CY Change (%)	CY-BY Change $	CY-BY Change (%)
Procurement							
(PE 0807720HP and PE 0807721HP)							
Dental Equipment							
Food Service, Preventive Medicine, Pharmacy Equipment							
Medical Information System Equipment							
Medical Patient Care Administrative Equip							
Medical/Surgical Equipment							
Other Equipment							
Pathology/Lab Equipment							
Radiographic Equipment							
0807744HP Theater Medical Information Program – Joint (TMIP-J)							
0807784HP Integrated Electronic Health Record (iEHR)							
Subtotal Procurement							
Research, Development, Test and Evaluation							
0601101HP In-House Laboratory Independent Research (ILIR)							
0601117HP Basic Operational Medical Research Sciences							
0602115HP Applied Biomedical Technology							
0602787HP Medical Technology (AFRRI)							
0603002HP Medical Advanced Technology (AFRRI)							
0603115HP Medical Technology Development							
0604110HP Medical Products Support and Advanced Concept Development							
0605013HP Information Technology Development							
0605023HP Integrated Electronic Health Record (iEHR)							
0605025HP Theater Medical Information Program – Joint (TMIP-J)							
0605026HP DoD Healthcare Management System Modernization (DHMSM)							
0605145HP Medical Products and Support Systems Development							
0605502HP Small Business Innovative Research (SBIR) Program							
0606105HP Medical Program-Wide Activities							
0607100HP Medical Products and Capabilities Enhancement Activities							

Exhibit PB-11 Defense Health Program Funding Summary
(Page 5 of 6)

Exhibit PB-11 Defense Health Program Funding Summary (Continued)

Subtotal RDT&E

Total Defense Health Program

Submitting Components should refer to the FYDP Structure Management (FSM) System as described in section 010702 of Chapter 1 of this volume to ensure that the Defense Health Program FYDP program elements shown on this format are current.

DEPARTMENT OF DEFENSE
COST OF MEDICAL ACTIVITIES
DEFENSE HEALTH PROGRAM

Defense Health Program Funding by Subactivity Group

(Dollars in Thousands)

	FY PY Actual	FY CY Estimate	FY BY Estimate	PY-CY Change $	PY-CY Change (%)	CY-BY Change $	CY-BY Change (%)
SPECIAL INTEREST ITEMS							
Medicare Eligible Accrual Fund							
Total Medicare Eligible Accrual Fund							
Direct Care							
Private Sector Care							
Military Personnel Accounts							
RDT&E							
Information Technology (IT) Development							
Core Legacy Systems (Central IT)							
iEHR/DoD Medical Information Exchange (DMIX)							
DHMSM							
Services (Non-Central IT)							
All Other RDT&E Programs							
Congressionally Directed Programs							
Baseline Programs							

Exhibit PB-11 Defense Health Program Funding Summary
(Page 6 of 6)

DEPARTMENT OF DEFENSE
DEFENSE HEALTH PROGRAM
Personnel Summary

	FY PY Actual		FY CY Estimate		FY-BY Estimate		CY-BY Change	
	End Strength	Avg Strength	End Strength	Avg Strength	End Strength	Avg Strength	End Strength	Avg Strength
Active Military – Assigned to DHP								
Army Total								
Officers								
Enlisted								
Navy Total								
Officers								
Enlisted								
Air Force Total								
Officers								
Enlisted								
Total Active Duty								
Officers								
Enlisted								
Active Military - Non DHP Medical								
Army Total								
Officers								
Enlisted								
Navy Total								
Officers								
Enlisted								
Air Force Total								
Officers								
Enlisted								
Total Active Duty								
Officers								
Enlisted								

Exhibit PB-11A Defense Health Program Personnel Summary (Continued)

DEPARTMENT OF DEFENSE
DEFENSE HEALTH PROGRAM

Personnel Summary

	FY PY Actual		FY CY Estimate		FY- BY Estimate		CY-BY Change	
	End Strength	FTEs	End Strength	FTEs	End Strength	FTEs	End Strength	FTEs
I. Civilian Personnel - US Direct Hire								
Army								
Navy								
Air Force								
Defense Health Agency								
Total								
II. Civilian Personnel - Foreign National Direct Hire								
Army								
Navy								
Air Force								
Defense Health Agency								
Total								
III. Civilian Personnel - Foreign National Indirect Hire								
Army								
Navy								
Air Force								
Defense Health Agency								
Total								
IV. Total Civilian Personnel								
Army								
Navy								
Air Force								
Defense Health Agency								
Total 1/								
V. Summary Civilian Personnel								
U.S. Direct Hire								
Foreign National Direct Hire								
Foreign National Indirect Hire								
Total, Civilians 1/								

1/ Includes reimbursable civilians - memo

Exhibit PB-11A Defense Health Program Personnel Summary
(Page 2 of 3)

Exhibit PB-11A Defense Health Program Personnel Summary (Continued)

DEPARTMENT OF DEFENSE
DEFENSE HEALTH PROGRAM

Personnel Summary

	FY PY Actual		FY CY Estimate		FY- BY Estimate		CY-BY Change	
	End Strength	FTEs	End Strength	FTEs	End Strength	FTEs	End Strength	FTEs
SPECIAL INTEREST MANPOWER (End Strength)								
TRICARE Regional Offices (TRO):								
Military FTE's								
Civilian FTE's								
Defense Health Agency (PE 0807704)								
Military FTE's								
Civilian FTE's								
Army Management Headquarters (PE 0807798)								
Military FTE's								
Civilian FTE's								
Navy Management Headquarters (PE 0807798)								
Military FTE's								
Civilian FTE's								
Air Force Management Headquarters (PE 0807798)								
Military FTE's								
Civilian FTE's								

Exhibit PB-11A Defense Health Program Personnel Summary
(Page 3 of 3)

Exhibit PB-11B Medical Workload and Productivity Data

DEFENSE HEALTH PROGRAM
Medical Workload and Productivity Data

	FY PY Actual	FY CY Estimate	FY BY Estimate	CY-BY Change
Population - Average Eligible Beneficiaries CONUS				
Active Duty				
Active Duty Dependents				
CHAMPUS Eligible Retirees				
CHAMPUS Eligible Dependents of Retirees				
Subtotal CHAMPUS Eligibles				
Medicare Eligible Beneficiaries				
Total Average Eligible Beneficiaries				
Population - Average Eligible Beneficiaries OCONUS				
Active Duty				
Active Duty Dependents				
CHAMPUS Eligible Retirees				
CHAMPUS Eligible Dependents of Retirees				
Subtotal CHAMPUS Eligibles				
Medicare Eligible Beneficiaries				
Total Average Eligible Beneficiaries				
Population - Average Eligible Beneficiaries Worldwide				
Active Duty				
Active Duty Dependents				
CHAMPUS Eligible Retirees				
CHAMPUS Eligible Dependents of Retirees				
Subtotal CHAMPUS Eligibles				
Medicare Eligible Beneficiaries				
Active Duty Family Members				
Guard/Reserve Family Members				
Retirees				
Family Members of Retirees				
Survivor				
Other				
Total Medicare Eligibles				
Total Average Eligible Beneficiaries				

Exhibit PB-11B Medical Workload and Productivity Data
(Page 1 of 5)

DEFENSE HEALTH PROGRAM
Medical Workload and Productivity Data

	FY PY Actual	FY CY Estimate	FY BY Estimate	CY-BY Change
Enrollees - Direct Care				
TRICARE Region – North				
TRICARE Region – South				
TRICARE Region – West				
TRICARE Region – Europe				
TRICARE Region – Pacific				
Alaska				
Sub-Total CONUS Regions				
Sub-Total OCONUS Regions				
Total Direct Care Enrollees				
Enrollees (Managed Care Support Contract)				
TRICARE Region – North				
TRICARE Region –South				
TRICARE Region – West[1]				
Total MCS Contracts				
Infrastructure				
Operating Beds				
Inpatient Facilities				
Medical Clinics				
Dental Clinics				
Veterinary Clinics				

[1] *Alaska in the West Contract is non-underwritten therefore not included in the total.*

Exhibit PB-11B Medical Workload and Productivity Data (Continued)

DEFENSE HEALTH PROGRAM
Medical Workload and Productivity Data

	FY PY Actual	FY CY Estimate	FY BY Estimate	CY-BY Change
Direct Care System Workload (from MEPRS)				
Inpatient Admissions				
Occupied Bed Days				
Inpatient Relative Weighted Product (RWPs)				
Average Length of Stays (Bed Days/Disposition)				
Total Ambulatory Visits				
Outpatient Relative Value Units (RVUs)				
Pharmacy – Military Treatment Facilities Worldwide				
Number of Scripts				
Number of Users				
Dental Workload (Dental Weighted Values (DWVs))				
CONUS				
OCONUS				
Total DWVs				
CONUS				
Active Duty				
Non-Active Duty				
Total CONUS				
OCONUS				
Active Duty				
Non-Active Duty				
Total OCONUS				

Exhibit PB-11B Medical Workload and Productivity Data
(Page 3 of 5)

DEFENSE HEALTH PROGRAM
Medical Workload and Productivity Data

	FY PY Actual	FY CY Estimate	FY BY Estimate	CY-BY Change
Private Sector Workload				
Managed Care Support Contracts (TRICARE Prime)				
Inpatient Admissions				
Inpatient Relative Weighted Product (RWPs)				
Outpatient Visits				
Outpatient Relative Value Units (RVUs)				
TRICARE Extra/Standard				
Inpatient Admissions				
Inpatient Relative Weighted Product (RWPs)				
Outpatient Visits				
Outpatient Relative Value Units (RVUs)				
Overseas CHAMPUS				
Inpatient Admissions				
Inpatient Relative Weighted Product (RWPs)				
Outpatient Visits				
Outpatient Relative Value Units (RVUs)				
Pharmacy – **Purchased Care**				
Retail:				
Number of Scripts				
Number of Users				
Mail Order:				
Number of Scripts				
Number of Users				

DEFENSE HEALTH PROGRAM
Medical Workload and Productivity Data

	FY PY Actual	FY CY Estimate	FY BY Estimate	CY-BY Change
TRICARE Dental Program				
Enrollment - Single Plan				
Enrollement – Family Plan				
Enrollment - Survivor Single Plan				
Enrollment - Survivor Family Plan				

NOTE: TRICARE Dental Program reporting methodology changed for FY 2010 and is not comparable to previous submissions

Uniformed Services Family Health Plan				
Enrollees (Non-Medicare eligible DoD only)				
Enrollees (Medicare eligible DoD Only)				

VOLUME 2B, CHAPTER 13: "DEFENSE ENVIRONMENTAL RESTORATION"

SUMMARY OF MAJOR CHANGES

All changes are denoted by blue font.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by *bold, italic, blue and underlined font*.

The previous version dated June 2007 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Overall	Formatting and room location changes.	Refresh
13-11	ENV 30 Part 2 added Land Sale Revenue	Addition
13-20	ENV 30 Part 2 added Land Sale Revenue	Addition

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CHAPTER 13

DEFENSE ENVIRONMENTAL RESTORATION

1301 GENERAL

130101. Purpose

A. This chapter provides instructions applicable to programming and budget formulation for the Department's combined Program and Budget Review and congressional justification for the Defense Environmental Restoration Program appropriations (including munitions related responses at Formerly Used Defense Sites and closed sites at active installations). Volume 2B, Chapter 7, cleanup activities funded by Base Realignment and Closing (BRAC) appropriations. The Departments Environmental Restoration programs must comply with all the requirements levied by the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Superfund Amendments and Reauthorization Act (SARA), and the Resource Conservation and Recovery Act (RCRA) legislation. This chapter provides the programming, budgeting, and performance data necessary to respond to congressional concerns and OMB guidance to link the Department's budget for the Environmental Restoration accounts to the Department's cleanup performance goals as follows:

1. Reduce relative risk at 100% of high relative risk sites by end of FY 2007 for active installations and Formerly Used Defense Sites (FUDS).

2. Reduce relative risk at 100% of medium relative risk sites by end of FY 2011 for active installations and FUDS.

3. Reduce relative risk at 100% of low relative risk sites by end of FY 2014 for active installations (FY 2020 for FUDS).

4. Complete preliminary assessments or equivalent for 100% of all munitions response sites by end of 2007.

5. Complete site inspections or equivalent for 100% of all munitions response sites by the end of 2010.

B. The appropriations that finance the Defense Environmental Restoration Program include the following subsections:

Operation and Maintenance
Procurement
Military Construction

130102. Submission Requirements

General guidance with regard to submission requirements is presented in Chapter 1. Chapter 13 covers specific backup material requirements for the Defense

Environmental Restoration Program. The Deputy Under Secretary of Defense, Installations and Environment (DUSD(I&E)) of the USD (AT&L) is responsible for all submission requirements for this program (See Volume 2A, Chapter 1 of this regulation).

130103. Preparation of Material

General guidance with regard to format and preparation of material is presented in Chapter 1. Chapter 13 provides additional specific guidance with regard to the back-up material required for the Defense Environmental Restoration Program (See Volume 2A, Chapter 1 of this regulation).

130104. References

Chapter 1 provides general funding policies, Chapter 3 provides specific policies related to Operation and Maintenance costs, Chapter 4 provides specific policies related to Procurement appropriations, Chapter 5 provides specific policies related to RDT&E funding, and Chapter 6 provides specific policies related to Military Construction appropriations (See Volume 2A, Chapters 1,3 and Volume 2B, Chapters 4–6).

130105. Definitions

A. Program Management and Support. This sub-element identifies administrative and overhead expenses associated with the Defense Environmental Restoration Program, including civilian salaries.

B. Installation Restoration Program (IRP). This sub-element is a comprehensive program to identify, investigate, and cleanup contamination from hazardous substances and wastes resulting from past DoD activities on active installations and formerly-used DoD lands. This includes requirements incident to remedial action, both on-installation and off-installation (e.g., provision of permanent alternate potable water supplies to communities affected by groundwater contamination that resulted from DoD activity). Actions under this element may include:

1. Investigations to identify, confirm and quantify contamination; feasibility studies; remedial action plans and designs; and remedial or removal actions.

2. Research, development and technology demonstrations necessary to conduct cleanups.

3. Expenses associated with cooperative multi-party cleanup plans and activities.

4. Remedial actions to protect or restore natural resources damaged by contamination from past hazardous waste disposal activities.

5. Cleanup of low-level radioactive waste sites which meet the criteria of the CERCLA, as amended.

6. Remedial action construction costs.

7. Remedial action operations costs.

8. Costs of long-term management.

9. Immediate actions necessary to address health and safety concerns such as providing alternate water supplies or treatment of contaminated drinking water, when the hazard results from a release from DoD property.

10. CERCLA assessments necessary prior to accessing real property assets.

11. Proportion of RCRA permit preparation associated with solid waste management units which would meet the definition of a past disposal site under CERCLA, as amended.

C. Building Demolition and Debris Removal Program (BD/DR). This sub-element applies to both active installations and formerly-used DoD lands. The purpose of this sub-element is to plan and execute a comprehensive program to demolish and remove unsafe buildings and structures. Expenses incident to complete restoration, such as restoration of natural resources are included if such expenses are clearly and directly related to the demolition and debris removal. Demolition that is required as part of a new construction project is excluded. Actions under this element may include:

1. The demolition of buildings or the removal of debris that constitute a safety hazard on active installations.

2. The demolition of buildings or the removal of debris which constitute a safety hazard on lands formerly-used by the Department of Defense, provided such lands were transferred to state or local governments or native corporations.

D. Munitions Response: This sub-element captures DoD clearance and cleanup requirements to investigate and address the explosives safety, human health, or environmental risks presented by munitions and munitions constituents at formerly used defense sites and closed sites at active installations as well as BRAC installations. All DoD Components participating in the Environmental Restoration Program, including FUDS, shall program and budget for munitions response requirements. This sub-element does not include cleanup of active and inactive ranges at active installations. Munitions response at BRAC installations are in the BRAC account and funding will transfer to the appropriate Environmental Restoration account upon expiration of the BRAC account.

1302 PROGRAM AND BUDGET REVIEW SUBMISSION

130201. Purpose

This Section provides guidance for preparation and submission of program and budget estimates for the Defense Environmental Restoration Program. The budget estimate component consists of all operation and maintenance, procurement, and Military Construction resources that support the Defense Environmental Restoration Program. The Components should consult all of the other chapters for exhibit requirements that are not specifically addressed in this chapter including Chapter 19, Other Special Analyses.

130202. Submission Requirements

A. The Department will collect both POM and budget data through the Select & Native Programming Data Input System (SNaP) process. For Environmental Restoration appropriations, the PDR (Programming Data Requirements) will be collected in PDR exhibits ENV 30 Parts 1-3. In addition, the Military Departments and applicable Defense Agencies shall develop and submit to the Comptroller separate narrative justification material (including any program increases and decreases) for their respective programs as part of their Program and Budget Review Submission. The DUSD(I&E) is responsible for review, approval, and consolidation of the narrative justification material and ENV 30 Parts 1-3 for the Defense Agency submissions and the Army's submission (as the DoD Executive Agent) for the Formerly-Used Defense Sites. The diskette of installation level detail required by the DUSD(I&E) should be forwarded together with the Components' justification material to the OUSD (Comptroller) P/B Operations and Personnel Directorate, Room 3C710, Pentagon.

B. Two weeks prior to the above submissions, the Components must provide appropriate updates to the DUSD (I&E) data required by DoD Instruction 4715.7 for each site regarding status, schedule, and cost to complete. Data is required for incorporation into the DUSD(I&E) Project Management database.

C. The Components and DUSD(I&E) are also responsible for providing data to update the Comptroller Information System (CIS)) and the Future Year Defense Plan (FYDP) automated systems for the various Environmental Restoration appropriations as identified in Chapter 1 and for updating the OP-32 exhibit (Summary of Price and Program Change) identified in Chapter 3 (See Volume 2A, Chapters 1 and 3 of this regulation).

D. In addition to submitting the above items, the DUSD(I&E) is responsible for establishing policy for the Defense Environmental Restoration Program.

E. Examples of data collection exhibits, ENV 30 Parts 1-3, can be found in Section 1304 (See section 1304, below).

1303 CONGRESSIONAL JUSTIFICATION/PRESENTATION

130301. Purpose

This section presents the exhibit requirement for submission to the Congress.

130302. Submission Requirements

A. The Military Departments and applicable Defense Agencies will update the SNaP immediately upon completion of the Program Budget Decisions and budget lock by the Department. In addition, the Military Departments and applicable Defense Agencies shall provide the USD(Comptroller) with a revised narrative justification for their respective programs reflecting any changes from the program and budget review. The SNaP system will reformat the data into congressional justification exhibits, which can be printed out by the respective Components and included in their justification materials. The DUSD (I&E) is responsible for review, final approval, and consolidation of the congressional justification material and ENV 30 Budget Exhibits for the Defense Agencies submission and the Army's submission (as the DoD Executive Agent) for FUDS.

B. The Components must provide updates reflecting any changes from the program/budget review to the Deputy Under Secretary of Defense (I&E) data required by ***DoD Instruction 4715.7*** for each site regarding status, schedule, and cost to complete. Data is required for incorporation into the DUSD(I&E) Project Management database.

C. The diskette of installation level detail required by the DUSD(I&E) should be forwarded together with the Components' justification material to the OUSD (Comptroller) P/B Operations and Personnel Directorate, Room 3C710, Pentagon. Copy requirements are identified in Chapter 1 (See Volume 2A, Chapter 1 of this regulation).

D. The Components and DUSD(I&E) are also responsible for providing data to update the Future Year Defense Plan (FYDP) automated systems for the various Environmental Restoration appropriations as identified in Chapter 1 and for updating the OP-32 exhibit (Summary of Price and Program Change) identified in Chapter 3 (See Volume 2A, Chapters 1 and 3 of this regulation).

E. Examples of SNaP date entry sheets and all ENV 30 program and budget exhibits produced by SNaP are displayed below in paragraph 130402, Exhibits in Support of Defense Environmental Restoration.

1304 DEFENSE ENVIRONMENTAL RESTORATION PROGRAM SUBMISSION AND JUSTIFICATION FORMATS

130401. Purpose

The data entry sheets required for the SNaP system for all Environmental Restoration appropriations are included on the following pages. Additionally, examples of the ENV 30 exhibits produced by SNaP for congressional justification are provided.

130402. Data Entry Sheets and Exhibits in Support of Defense Environmental Restoration

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Env 30 Part 2 DERA and BRAC Funds Budgeted for Environmental Clean-Up Project Management 12

Env 30 Part 3 Performance Metrics 26

Env 30 Part 1 DERA and BRAC Funds Budgeted for Environmental Clean-Up Program Management and Support

Class	Component	FUDS	FundSource	ProgramManagementActivity	PY	CY	BY1	BY2	BY2+1	BY2+2	BY2+3

BY2+4	BalanceToComplete

Instructions

1) The new ENV 30 replaces the former ENV 30 DERA and ENV 1A/1B BRAC exhibits. Part 1 captures Program Management and Support activity funding.
2) For all Fund Source Programs provide baseline Total Obligated Authority (TOA) for all years identified and Balance to Complete by Program Management Activity.
3) Report baseline TOA in $Thousands by year for all funding lines.
4) Legacy BRAC includes rounds I through IV BRAC.
5) BRAC 2005 includes and separately identifies Environmental Costs associated with BRAC 2005.
6) Components shall program adequate resources in each year of the FYDP to achieve the program goals for all restoration activities.
7) Components shall provide to the DUSD (I&E) (no later than two weeks before their POM and budget submissions) the updated relative risk site evaluations.
8) The Military Departments must ensure their POM and budget submission contains sufficient funding to update the annual Range Inventory requirements established in Section 311 2710(a) of the FY 2002 National Defense Authorization Act and as specified in the DUSD(I&E) DERP Management Guidance issued in September of 2001.
9) If needed, be prepared to provide a narrative in a Word document that describes for the ATSDR funding the number of health assessments and health studies planned each year; and for the DSMOA funding the number of installations and total DERA or BRAC dollars by state planned for each year.
10) Fund SourcePrograms of BRAC-IRP and BRAC-Munitions Response apply to all listed Program Management activities.
11) Fund SourcePrograms of Environmental Restoration-IRP and Environmental Restoration-Munitions Response apply to all listed Program Management activities except EPA.
12) The reporting entities (Services/Agencies) directed to submit this data requirement. Refers to Military Departments, DLA and DTRA .11) See Appendix A for reporting requirements for your organization.

Definitions

Class: System Field: Classification

C: CONFIDENTIAL
C/NF: CONFIDENTIAL//NOFORN
F: FOR OFFICIAL USE ONLY
S: SECRET
S/NF: SECRET//NOFORN
U: UNCLASSIFIED

(Page 1 of 2)

Component: For the Military Departments report by Active, Guard and Reserve. Defense Agencies choose Defense Agency.

Active:

DADW: Defense Area Defense Wide. Used by non-service defense agencies.

Guard:

Reserve:

FUDS: Army will use this field to identify the Formerly Used Defense Sites (FUDS) data by selecting a 'Yes' or 'No' value. All other Services/Agencies will enter 'No' as the FUDS data value.

No:

Yes:

FundSource:

BRAC-IRP: Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Covers the Hazardous and Petroleum Waste project management. Separate entries are required for Legacy BRAC and BRAC 2005.

BRAC-Munitions Response: Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Clean up activities (i.e., the identification, investigation, and removal actions, remedial actions, or a combination of removal and remedial actions) to address military munitions (i.e., UXO) or the chemical residues of munitions at BRAC installations. Separate entries are required for Legacy BRAC and BRAC 2005.

Environmental Restoration-IRP: Funded by Environmental Restoration appropriations. Covers the Hazardous and Petroleum Waste project management.

Environmental Restoration-Munitions Response: Funded by Environmental Restoration appropriations. Clean up activities (i.e., the identification, investigation, and removal actions, remedial actions, or a combination of removal and remedial actions) to address military munitions (i.e., UXO) or the chemical residues of munitions at FUDS properties, or on closed munitions response sites at active installations.

ProgramManagementActivity:

ATSDR: $TOA captures funding requirements for the Agency for Toxic Substance and Disease Registry

DSMOA: $TOA captures funding requirements for Defense and State Memorandum of Agreement

EPA Funding: $TOA captures BRAC requirements for payments to the Environmental Protection Agency (EPA) for support per memorandum of understanding with EPA..

Fines: $TOA captures known or planned fines through the budget year. Components must fully fund programs to ensure no fines are routinely planned in the outyears

Management: $TOA overhead expenses (except workyears) associated with Program Management and Support as identified in the DUSD(I&E) DERP Management Guidance issued in September of 2001.

Work Years: $TOA government salaries/benefits associated with Program Management and Support in accordance with the President's Fast Track Initiative.

BalanceToComplete: Total Funding beyond the FYDP required to complete the activity.

Business Rules

1) Provide data entry rules in accordance with relationship matrices.

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Data Matrix: Fund Source, Program Management Activity Relationship

Fund Source	Program Management Activity
Environmental Restoration-IRP	Management
	Work Years
	ATSDR
	DSMOA
	Fines
Environmental Restoration-Munitions Response	Management
	Work Years
	ATSDR
	DSMOA
	Fines
Legacy BRAC-IRP	EPA Funding
	Management
	Work Years
	ATSDR
	DSMOA
	Fines
Legacy BRAC-Munitions Response	EPA Funding
	Management
	Work Years
	ATSDR
	DSMOA
	Fines
BRAC 2005-IRP	Management
	Work Years
	ATSDR
	DSMOA
	Fines
BRAC 2005-Munitions Response	Management
	Work Years
	ATSDR
	DSMOA
	Fines

***Subject Matter Experts*:** Questions regarding this data requirement should be directed to Shah Choudhury 703-571-9067 and Bob Furlong 703-571-9073.

***Technical Issues*:** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: https://snap.pae.osd.mil or call (703) 601-4860 ext #107 or #108.

Data Matrix: Fund Source, Program Management Activity Relationship
(Page 1 of 1)

Env 30 Part 2 DERA and BRAC Funds Budgeted for Environmental Clean-Up Project Management

Class	Component	FUDS	FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType	SiteFundingRequirements	PY	CY

BY1	BY2	BY2+1	BY2+2	BY2+3	BY2+4	BalanceToComplete

Instructions

1) The new ENV 30 replaces the former ENV 30 DERA and ENV 1A/1B BRAC exhibits. Part 2 captures Project Management activity breakouts for IRP, Munitions Response, BD/DR, BRAC Compliance, and BRAC Planning. Legacy BRAC includes BRAC rounds I-IV, and there is a separate format required for BRAC 2005.
2) For all Fund Sources, all Clean-Up Programs provide number of sites and funding by Clean-Up and Analysis in all years identified and Balance to Complete. See Relationship Matrix below. For BRAC Planning and BRAC Compliance, provide number of facilities in lieu of sites.
3) Only the Army reports FUDS.
4) For Clean-up Action—for Assessments, Analysis/Investigation, Interim Actions, Remedial Designs, and Remedial Action Construction provide the funding detail by Relative-Risk or MRSPP Level and Type.
5) If there is no analysis associated with an action, report funding only.
6) Components shall program adequate resources in each year of the FYDP to achieve the programs goals for all restoration activities.
7) Military Departments and applicable Defense Agencies shall develop and submit to the Comptroller separate narrative justification material (including any program increases and decreases) for their respective programs as part of their Program and Budget Review submission.
8) Components shall provide to the DUSD (I&E) no later than two weeks before their POM and budget submissions are due to OSD, the updated relative risk site evaluations, site status updates and cost to complete estimates for every site as required by DoD Instruction 4715.7.
9) The reporting entities directed to submit this data requirement refers to Military Departments (Active, Guard, Reserve)/Defense Agencies.

Definitions

Class: System Field: Classification

C: CONFIDENTIAL
C/NF: CONFIDENTIAL//NOFORN
F: FOR OFFICIAL USE ONLY
S: SECRET
S/NF: SECRET//NOFORN
U: UNCLASSIFIED

Component: For the Military Departments report by Active, Guard and Reserve. Defense Agencies choose Defense Agency. Army also reports for FUDS.

Active:
DADW: Defense Area Defense Wide. Used by non-service defense agencies.
Guard:
Reserve:

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FUDS: Army will use this field to identify the Formerly Used Defense Sites (FUDS) data by selecting a "Yes" or "No" value. All other Services/Agencies will enter "No" as the FUDS data value

No:

Yes:

FundSource:

BRAC-Building Demolition/Debris Removal: Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. The demolition and removal of unsafe buildings and structures in accordance with DERP Management Guidance at facilities or sites that are or were owned by, leased to, or otherwise possessed by the United States under the jurisdiction of the Secretary of Defense. Separate entries are required for Legacy BRAC and BRAC 2005.

BRAC-COMPLIANCE: Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. See DoD Instruction 4715.6. Separate entries are required for Legacy BRAC and BRAC 2005

BRAC-IRP: Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Covers the Hazardous and Petroleum Waste project management. Separate entries are required for Legacy BRAC and BRAC 2005

BRAC-Munitions Response: Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Clean up activities (i.e., the identification, investigation, and removal actions, remedial actions, or a combination of removal and remedial actions) to address military munitions (i.e., UXO) or the chemical residues of munitions at BRAC installations. Separate entries are required for Legacy BRAC and BRAC 2005

BRAC-PLANNING: Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. See DoD Instruction 4715.9. Separate entries are required for Legacy BRAC and BRAC 2005

Environmental Restoration-Building Demolition/Debris Removal: Funded by Environmental Restoration appropriations. The demolition and removal of unsafe buildings and structures in accordance with DERP Management Guidance at facilities or sites that are or were owned by, leased to, or otherwise possessed by the United States under the jurisdiction of the Secretary of Defense.

Environmental Restoration-IRP: Funded by Environmental Restoration appropriations. Covers the Hazardous and Petroleum Waste project management.

Environmental Restoration-Munitions Response: Funded by Environmental Restoration appropriations. Clean up activities (i.e., the identification, investigation, and removal actions, remedial actions, or a combination of removal and remedial actions) to address military munitions (i.e., UXO) or the chemical residues of munitions at FUDS properties, or on closed munitions response sites at active installations.

Land Sale Revenue: A one line entry for Legacy BRAC and BRAC 2005 to indicate how much land sale revenue will be applied to Environmental Requirements.

CleanUpAction:

Analysis/Investigation: Analysis used to characterize the nature, extent, and risk of releases of hazardous substances into the environment and to develop and select a cleanup remedy.

Assessments: A limited scope investigation designed to distinguish sites that pose little or no threat to human health and the environment from sites that require further investigation. The assessment typically is based on installation records searches, visual site inspections, and interviews with personnel.

Interim Actions: An interim measure that can be implemented at any time in the restoration process and that is designed to abate contamination until the final remedial action can be implemented.

Land Sale Revenue: Term used to identify funds recovered from the sale of real property used to offset restoration funding requirements.

Long Term Management: Term used for environmental monitoring, review of site conditions, and/or maintenance of a remedial action to ensure continued protection as designed once a site achieves response complete.

N/A: Not applicable; leave blank.

No Further Action: No further action planned or funded.

Potentially Responsible Party: (PRP)-As defined in the Comprehensive Environmental Response Compensation and Liability Act(CERCLA) Recovery-Pursuant to 10USC Section 2703(d)(1) and (2) Components are authorized to credit their environmental restoration account with amounts recovered pursuant to CERCLA for response costs at DERP sites.

Recovery: Pursuant to 10USC Section 2703(d)(1) and (2) Components are authorized to credit their environmental restoration account with amounts recovered pursuant to CERCLA for response costs at DERP sites.

Remedial Action Construction: The restoration phases during which the final remedy is being put in place. The end date signifies that the construction is complete, all testing has been accomplished, and that the remedy will function properly.

Remedial Action Operations: Remedial Action Operations (RAO) - The period when a remedy is being operated but cleanup objectives have not yet been achieved.

Remedial Designs: Restoration phases during which construction parameters and equipment specifications for a selected cleanup technology are defined.

RiskMSRPPLevel: Risk Level as defined to the DoD Relative Risk Site Evaluation Primer or Munitions Response Site Prioritization Protocol (MRSPP) priority level.

High Relative Risk: As defined in the DoD Relative Risk Site Evaluation Primer.

Low Relative Risk: As defined in the DoD Relative Risk Site Evaluation Primer.

Medium Relative Risk: As defined in the DoD Relative Risk Site Evaluation Primer.

MRSPP 1: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP 2: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP 3: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

MRSPP 4: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192
MRSPP 5: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192
MRSPP 6: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192
MRSPP 7: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192
MRSPP 8: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192
MRSPP Evaluation Pending: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192
MRSPP No Known or Suspected Hazard: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192
MRSPP No Longer Required: As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192
N/A: N/A
N/A: Not applicable; leave blank.
Not Evaluated Relative Risk: As defined in the DoD Relative Risk Site Evaluation Primer.

RiskMSRPPType:
N/A: Not applicable; leave blank.
With Agreements:
With Reuse: Action is necessary to support a future land use identified in an approved Reuse Plan.
Without Agreements:
Without Reuse: Future land reuse either has not been identified or the action is not necessary to support a future land use identified in an approved Reuse Plan.

SiteFundingRequirements:
Analysis: $TOA (and includes PA/SI and RI/FS activities)
Clean-up: $TOA (includes IRA, RD, and RA-C activities)
Sites: # of sites (projects for FUDS) at the beginning of the FY.

BalanceToComplete: Balance to Complete: Total Funding beyond required to complete the projected.

Business Rules

Data Matrix: FundSource, CleanUpAction, RiskMSRPPLevel, RiskMSRPPType Relationship

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
Environmental Restoration-IRP	Analysis/Investigation	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Assessments	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Interim Actions	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
			With Agreements
			Without Agreements
	Land Sale Revenue		N/A
			With Agreements
			Without Agreements
	Long Term Management		N/A
			With Agreements
			Without Agreements
	Potentially Responsible Party	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Recovery	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Remedial Action Construction	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Remedial Action Operations		N/A
			With Agreements
			Without Agreements
	Remedial Designs	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
Environmental Restoration-Munitions Response	Analysis/Investigation	MRSPP 1	N/A
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Assessments	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Interim Actions	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Long Term Management	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	No Further Action		
		MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
	Potentially Responsible Party	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Recovery	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Remedial Action Construction	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Remedial Action Operations	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Remedial Designs	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		MRSPP No Longer Required	
		MRSPP 5	
Environmental Restoration-Building Demolition/Debris Removal	N/A	N/A	
Legacy BRAC-IRP	Analysis/Investigation	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Assessments	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Interim Actions	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Long Term Management	N/A	
	Potentially Responsible Party	High Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Recovery	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Construction	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Operations	N/A	
	Remedial Designs	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		Not Evaluated Relative Risk	
Legacy BRAC-Building Demolition/Debris Removal	N/A	N/A	N/A
Legacy BRAC-PLANNING			
Legacy BRAC-COMPLIANCE			
Legacy BRAC Land Sale Revenue			
BRAC 2005-IRP	Analysis/Investigation	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Assessments	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Interim Actions	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
	Long Term Management	N/A	
	Potentially Responsible Party	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Recovery	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Construction	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Operations	N/A	
	Remedial Designs	High Relative Risk	
		Medium Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		Low Relative Risk	
		Not Evaluated Relative Risk	
BRAC 2005-Building Demolition/Debris Removal	N/A	N/A	N/A
BRAC 2005-PLANNING			
BRAC 2005-COMPLIANCE			

***Subject Matter Experts*:** Questions regarding this data requirement should be directed to Shah Choudhury 703-571-9067 and Bob Furlong 703-571-9073.

***Technical Issues*:** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: https://snap.pae.osd.mil or call (703) 601-4860 ext #107 or #108.

Env 30 Part 3 Performance Metrics

Class	Component	FUDS	FundSource	SitesInstallations	RelativeRiskLevelIRPPhaseMR	SitesPriorTo2005SitesPriorTo2006	PY	CY	BY1	BY2

BY2+1	BY2 +2	BY2 +3	BY2 +4

Instructions

1) Provide total number of Legacy BRAC, BRAC 2005, and DERA IRP sites and the number of sites that will be cleaned up.
2) Provide the total number of Legacy BRAC installations and total number of Legacy BRAC installations that will be cleaned up. Separately entries are required for Legacy BRAC and BRAC 2005.
3) Provide the total number of BRAC V installations and total number of BRAC V installations that will be cleaned up.
4) Report DERA IRP sites by relative risk level--high, medium and low.
5) Provide narrative in a word document in SNaP explaining why the percent of sites cleaned up reported above misses established goal.
6) Provide the total number of DERA munitions response (MR) sites completing a preliminary assessment.
7) Provide the total number of DERA MR sites completing a site inspection.
8) Provide the total number of DERA MR sites.
9) Provide the total number of DERA MR sites cleaned up.
10) Provide the total number of Legacy BRAC MR sites cleaned up.
11) Provide the total number of Legacy BRAC MR sites.
12) Provide the total number of BRAC 2005 MR sites cleaned up.
13) Provide the total number of BRAC 2005 MR sites.
14) DERA IRP Goal: 50% of High Sites by the end of FY 2002; 100% of High Sites by the end of FY 2007; 100% of Medium Sites by the end of FY 2011; 100% of Low Sites by the end of FY 2014.
15) Legacy BRAC IRP Goal: 100% Sites RIP/RC by end of FY2015.
16) BRAC 2005 IRP Goal: 100% Sites RIP/RC by end of FY2010.
17) DERA MMRP Goal: 100% Sites completed PA or equivalent by end of FY 2007; 100% Sites completed SI or equivalent by end of FY 20010; 100% Sites at RIP/RC by end of FY TBD.

18) Legacy BRAC MMRP Goal: 100% Sites RIP/RC by end of FY 2009.
19) BRAC 2005 MMRP Goal: 100% Sites RIP/RC by end of FY2010.
20) The reporting entities directed to submit this data requirement. Refers to Military Departments (Active, Guard, Reserve)/Defense Agencies

Definitions

Class: System Field: Classification
- ***C***: CONFIDENTIAL
- ***C/NF***: CONFIDENTIAL//NOFORN
- ***F***: FOR OFFICIAL USE ONLY
- ***S***: SECRET
- ***S/NF***: SECRET//NOFORN
- ***U***: UNCLASSIFIED

Component: Identifies the duty status for military service units and defense agencies.
- ***Active***:
- ***DADW***: Defense Area Defense Wide. Used by non-service defense agencies.
- ***Guard***:
- ***Reserve***:

FUDS: Army will use the this field to identify the Formerly Used Defense Sites (FUDS) data by selecting a 'Yes' or 'No' value. All other Services/Agencies will enter 'No' as the FUDS data value.
- ***No***:
- ***Yes***:

FundSource:
- ***Legacy BRAC***: Funded by Base Realignment and Closure environmental sub-accounts I-IV within the MILCON appropriation.
- ***BRAC 2005*** : Funded by Base Realignment and Closure environmental sub-accounts for BRAC 2005 within the MILCON appropriation
- ***DERA***: Funded by Environmental Restoration appropriations.

SitesInstallations:

Number of DERA IRP Sites Cleaned Up: Provide the number of sites by risk level planned to be cleaned up in year specified.
Number of DERA MR Sites with Phase Completion: Provide the number of sites having their associated phase completed in year specified.
Total Number of Legacy BRAC Installations: Provide the total number of Legacy BRAC installations in the year specified.
Total Number of BRAC 2005 Installations: Provide the total number of BRAC 2005 installations in the year specified.
Total Number of BRAC Installations Cleaned Up: Provide the total number of Legacy BRAC installations in the year specified.
Total Number of BRAC Installations Cleaned Up: Provide the total number of BRAC 2005 installations in the year specified.
Total Number of Legacy BRAC IRP Sites: Provide the total number of Legacy BRAC IRP sites in the year specified.
Total Number of BRAC 2005 IRP Sites: Provide the total number of BRAC 2005 IRP sites in the year specified.
Total Number of Legacy BRAC IRP Sites Cleaned Up: Provide the number of Legacy BRAC IRP sites planned to be cleaned up in year specified
Total Number of BRAC 2005 IRP Sites Cleaned Up: Provide the number of BRAC 2005 IRP sites planned to be cleaned up in year specified
Total Number of Legacy BRAC MR Sites: Provide the total number of Legacy BRAC sites in the year specified.
Total Number of BRAC 2005 MR Sites: Provide the total number of BRAC 2005 sites in the year specified.
Total Number of Legacy BRAC MR Sites Cleaned Up: Provide the number of Legacy BRAC MR sites to be cleaned up in year specified.
Total Number of BRAC 2005 MR Sites Cleaned Up: Provide the number of BRAC 2005 MR sites to be cleaned up in year specified.
Total Number of DERA IRP Sites: Provide the total number of sites by risk level in year specified.
Total Number of DERA MR Sites: Provide the total number of sites in the year specified.
Total Number of DERA MR Sites Cleaned Up: Provide the number of DERA MR sites to be cleaned up in the year specified.

RelativeRiskLevelIRPPhaseMR: Identify relative risk associated with IRP sites/installations and identify phase completions for MR sites completing a CERCLA preliminary assessment (PA) or equivalent and/or phase completions for MR sites completing a CERCLA site inspection (SI) or equivalent.

High Relative Risk: As defined in the DoD Relative Risk Site Evaluation Primer.
Low Relative Risk: As defined in the DoD Relative Risk Site Evaluation Primer.

Medium Relative Risk: As defined in the DoD Relative Risk Site Evaluation Primer.
N/A: Not applicable; leave blank.
Preliminary Assessment: A review of existing information to determine if a release may require additional investigation or action.
Site Inspection: An on-site investigation to determine whether there is a release or potential release.

SitesPriorTo2006: Provide the cumulative total of all sites prior to 2006 by appropriate metric category (e.g., relative-risk lever, phase completion, sites cleaned up).

Business Rules

1) *All input values will have a default value of 0.*
2) *Total Number of IRP Sites, Total Number of DERA MR Sites, Total Number of BRAC IRP Sites, and Total Number of BRAC IRP Installations will only allow input value of 0 in all years past the Current Year to denote that the Installation and Site inventory growth are not projected in SNaP*

Data Matrix: Fund Source, Sites Installations, Relative Risk Level IRP Phase MR Relationship

Fund Source	Sites Installations	Relative Risk Level IRP Phase MR
DERA	Number of DERA IRP Sites Cleaned Up	High Relative Risk
		Medium Relative Risk
		Low Relative Risk
	Total Number of DERA IRP Sites	High Relative Risk
		Medium Relative Risk
		Low Relative Risk
	Number of DERA MR Sites with Phase Completion	Preliminary Assessment
		Site Inspection
	Total Number of DERA MR Sites	N/A
	Total Number of DERA MR Sites Cleaned Up	
Legacy BRAC	Total Number of BRAC IRP Sites Cleaned Up	
	Total Number of BRAC IRP Sites	
	Total Number of BRAC Installations Cleaned Up	
	Total Number of BRAC MR Sites Cleaned Up	
	Total Number of BRAC MR Sites	
	Total Number of BRAC Installations	
BRAC 2005	Total Number of BRAC IRP Sites Cleaned Up	
	Total Number of BRAC IRP Sites	
	Total Number of BRAC Installations Cleaned Up	
	Total Number of BRAC MR Sites Cleaned Up	
	Total Number of BRAC MR Sites	
	Total Number of BRAC Installations	

***Subject Matter Experts*:** Questions regarding this data requirement should be directed to Shah Choudhury 703-571-9067 and Bob Furlong 703-571-9073.

***Technical Issues*:** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: https://snap.pae.osd.mil or call (703) 601-4860 ext #107 or #108.

VOLUME 2B, CHAPTER 14: "DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES"

SUMMARY OF MAJOR CHANGES

All changes are denoted by blue font.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by *bold, italic, blue and underlined font*.

The previous version dated June 2007 is archived.

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
Overall	Date refresh, room number change, and deletion of biennial budget requirements (BY1/BY2).	Refresh

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CHAPTER 14

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES

1401 GENERAL

140101. Purpose

A. This chapter provides instructions applicable to budget formulation and congressional justification for Drug Interdiction and Counter-drug Activities.

B. The following accounts are covered as subsections of the Drug Interdiction and Counter-drug Activities, Defense appropriation:

Military Personnel

Operation and Maintenance

Procurement

Research, Development, Test, and Evaluation (RDT&E)

140102. Submission Requirements.

General guidance with regard to submission requirements is presented in Chapter 1 (See Volume 2A, Chapter 1). Chapter 14 covers specific backup material requirements for the Drug Interdiction and Counter-drug Activities program. The Office of the Deputy Assistant Secretary of Defense (Counternarcotics, Counterproliferation, and Global Threats) (ODASD(CN,CP&GT)) is responsible for all submission requirements for this program. The Components are responsible for providing all needed input to ODASD(CN,CP&GT) consistent with the submission requirements and due dates established by ODASD(CN,CP&GT).

140103. Preparation of Material.

General guidance with regard to format and preparation of material is presented in Chapter 1 (See Volume 2A, Chapter 1). Chapter 14 provides additional specific guidance with regard to the back-up materials required for the Drug Interdiction and Counter-drug Activities program.

140104. References.

Chapter 1 provides general funding policies. Chapter 2 provides specific policies and formats for the Military Personnel appropriations. Chapter 3 provides specific policies and formats related to Operation and Maintenance costs. Chapter 4 provides specific policies and formats related to Procurement appropriations. Chapter 5 provides specific policies and formats related to RDT&E funding. Chapter 16 provides specific instructions applicable to budget

formulation, implementation, and congressional justification for intelligence program aggregations, and is applicable to the Defense Intelligence Counternarcotics Program (DICP) of the Military Intelligence Program (MIP) aggregation. (See Volume 2A, Chapters 1-3 and Volume 2B Chapters 4-6 and 16).

1402 PROGRAM AND BUDGET REVIEW SUBMISSION

140201. Purpose

This section provides guidance for preparation and submission of program and budget estimates for the Drug Interdiction and Counter-drug Activities program. The program and budget review submission consists of all Reserve/National Guard military personnel, operation and maintenance, procurement, and RDT&E resources that support the Drug Interdiction and Counter-drug Activities Program.

140202. Submission Requirements

A. The Office of the Deputy Assistant Secretary of Defense (Counternarcotics, Counterproliferation, and Global Threats) (ODASD(CN,CP&GT)) is responsible for submitting all exhibits required to support military personnel, operation and maintenance, procurement, and RDT&E requirements as specified in this Chapter to the OUSD (Comptroller) Operations Directorate, Room 3C749 for the OSD program and budget review submission. This includes the various exhibits for the Drug Interdiction and Counter-drug Activities program found below in Section 1404 of this chapter, as well as other exhibits identified below but contained in Chapters 2 through 6 and the Program and Financing (P&F) Schedule requirements identified in Chapter 1. The ODASD(CN,CP&GT) is also responsible for providing data to update the Comptroller Information System (CIS) and the Future Years Defense Plan (FYDP) automated systems for the Drug Interdiction and Counter-drug Activities appropriation, as identified in Chapter 1. The ODASD(CN,CP&GT) should check all of the chapters of this regulation for exhibit requirements, especially ***Chapter 19*** – Special Analyses. (See Volume 2A for Chapters 1-3 and Volume 2B for Chapters 4-6 and 19).

B. The DoD counternarcotics program will be financed in a central transfer account (CTA). However, the OSD program and budget review submission will reflect the actual or planned distribution of counternarcotics funds by appropriation. The following exhibits are required for the OSD program and budget review submission.

Drug Interdiction and Counter-drug Activities Unique Exhibits

PB-57 Summary of Drug Interdiction and Counter-drug Activities (Chapter 14)
PB-44 Drug Interdiction and Counter-drug Appropriation Summary (Chapter 14)
PB-45 Drug Interdiction and Counter-drug Summary by Project Listing by Fiscal Year (Chapter 14)
PB-47 Drug Interdiction and Counter-drug Detailed Project Description (Chapter 14)

Operation and Maintenance Exhibits

OP-8 Civilian Personnel Costs (Chapter 3) (automated submission also required)
OP-32 Summary of Price and Program Changes (Chapter 3) (automated submission also required)
PB-15 Advisory and Assistance Services (Chapter 19)

Procurement Exhibits

P-1 Procurement Programs (Chapter 4)

Research, Development, Test & Evaluation Exhibits

R-1 RDT&E Programs (Chapter 5)

1403 CONGRESSIONAL JUSTIFICATION/PRESENTATION

140301. Purpose.

This section presents the exhibit requirements for submission to Congress.

140302. Submission Requirements

The Office of the Deputy Assistant Secretary of Defense (Counternarcotics, Counterproliferation, and Global Threats) is required to include the following exhibits in the justification book(s) to Congress. Copy requirements are identified in Chapter 1 (See Volume 2A, Chapter 1). Examples of budget exhibits can be found in Section 1404 or as identified below:

PB-57 Summary of Drug Interdiction and Counter-drug Activities (Chapter 14)

PB-44 Drug Interdiction and Counter-drug Appropriation Summary (Chapter 14)

PB-45 Drug Interdiction and Counter-drug Summary by Project Listing by Fiscal Year (Chapter 14)

PB-47 Drug Interdiction and Counter-drug Detailed Project Description (Chapter 14)

OP-8 Civilian Personnel Costs (Chapter 3) (automated submission also required)

OP-32 Summary of Price and Program Changes (Chapter 3) (automated submission also required)

PB-15 Advisory and Assistance Services (Chapter 19)

P-1 Procurement Programs (Chapter 4)

R-1 RDT&E Programs (Chapter 5)

1404 DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES SUBMISSION FORMATS

140401. Purpose.

The formats provided on the following pages reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, adhere to these formats.

140402. Unique Exhibits in Support of Drug Interdiction and Counter-Drug Activities

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CLASSIFICATION
FY (BY) Program and Budget Review Submission/President's Budget
DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

I. Appropriation Act Language

II. Narrative Description (Statement of Requirements and Mission):

III. Description of Operations Financed/Rationale for the Budget Request:

IV. Financial Summary ($ in Thousands):

A. ONDCP Drug Control Function	**FY PY**	**FY CY**	**FY BY**
B. DoD Counternarcotics Mission Area	**FY PY**	**FY CY**	**FY BY**

.

PB-57 Summary by Function
(Page 1 of 1)

CLASSIFICATION
FY (BY) Program and Budget Review Submission/President's Budget
DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

I. Description of Operations Financed:

Instructions: Provide a summary of total counternarcotics activities and a paragraph for each DoD Counternarcotics Mission area. Mission areas may be changed if necessary to meet the requirements set forth by the Office of National Drug Control Policy (ONDCP). No change should be made, however, without prior approval of the Office of the USD(Comptroller).

II. Performance Criteria and Evaluation:

Instructions: Performance criteria should be established, and approval obtained from OUSD (Comptroller) prior to the program and budget review submission. If possible, performance criteria should relate measures of effectiveness established for the counter drug program.

III. Financial Summary ($ in Thousands):

A. Subactivity	FY PY	FY CY Estimate	FY BY Estimate	FY CY/ FY BY Change
Total				

Instructions: Display funding in total. For FY PY, show the amounts actually obligated and/or the amounts still available for obligation.

B. Reconciliation of Increases and Decreases:

Instructions. Prepare this section in accordance with the instructions for OP-5 Attachment 1 (See Volume 2A, Chapter 3 of the Financial Management Regulation). Provide a narrative description of the increases and decreases to justify the program fully.

PB-44 Appropriation Summary (Continued)

CLASSIFICATION
FY (BY) Program and Budget Review Submission/President's Budget
DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

IV. Personnel Summary:

	FY PY	FY CY Estimate	FY BY Estimate	FY CY/ FY BY Change
Civilian FTE				

V. Summary of Funding By Appropriation:	FY PY	FY CY	FY BY	FY BY+1	FY BY+2	FY BY+3	FY BY+4
Appropriation							
O&M							
Procurement							
RDT&E							
MILPERS							
Total							

PB 44 Appropriation Summary
(Page 2 of 2)

CLASSIFICATION
FY (BY) Program and Budget Review Submission/President's Budget
DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

Fiscal Year XXXX

($ in Thousands)

Project Number	MIP	Service/Agency	Project Title	MILPERS	O&M	PROCUREMENT	RDT&E	TOTAL
Project XXXX								
Total								

Instructions: Complete exhibit for each fiscal year (Prior Year, Current Year, and Budget Year). Separately list all counterdrug projects.

PB-45 Project Listing by Fiscal Year
(Page 1 of 1)

PB-47 Detailed Project Description

CLASSIFICATION
FY (BY) Program and Budget Review Submission/President's Budget
DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

PROJECT CODE: (Central Transfer Account code number) **MIP:** (Yes/No)

PROJECT TITLE:

FUNCTION: (ONDCP Function Category/number & title)

COMPONENT/AGENCY:

A. (U) REQUIREMENT.

B. (U) PROGRAM DESCRIPTION.

C. (U) MANAGEMENT.

D. (U) MILESTONES.

E. (U) PRIOR ACCOMPLISHMENTS.

F. (U) PLANNED ACTIVITIES.

G. (U) RESOURCE SUMMARY. ($ in Thousands)

Appropriation	FY PY	FY CY Estimate	FY BY Estimate

(List each appropriation separately and provide a total for all appropriations.)

PB-47 Detailed Project Description
(Page 1 of 1)

VOLUME 2B, CHAPTER 15: "OVERSEAS COST REPORT"

SUMMARY OF MAJOR CHANGES

All changes are denoted by blue font.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by *bold, italic, blue and underlined font*.

The previous version dated June 2007 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Overall	Formatting, deleted biennial budget requirements, and room location changes	Update
150302D	Added submission footnote requirement for "Other" category in OP-53, Overseas Cost Report	Addition
*150402	Added Overseas Funding Country and Appropriation Summary	Addition

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CHAPTER 15

OVERSEAS COST REPORT

1501 GENERAL

150101. Purpose

A. This chapter provides instructions applicable to congressional justification material for the Overseas Cost Report which consists of the OP-53 Exhibit (Overseas Funding).

B. The following appropriations and accounts are covered in the scope of the subsections of the Overseas Cost Report:

1. Military Personnel appropriations (including Reserves and National Guard)

2. Operation and Maintenance appropriations

3. Family Housing Construction and Family Housing Operations appropriations

4. Military Construction appropriations

150102. Submission Requirements

Chapter 1 provides the general guidance about submission requirements for justification material. Chapter 15 covers specific material requirements for the Overseas Cost Report (See Volume 2A, Chapter 1 of this regulation).

150103. Preparation of Material

Chapter 1 stipulates the general guidance concerning format and preparation of material. Chapter 15 provides additional specific guidance with regard to the material required for the Overseas Cost Report (See Volume 2A, Chapter 1 of this regulation).

150104. References

Chapter 1 provides general funding policies, Chapter 2 provides specific policies related to Military Personnel appropriations, Chapter 3 provides specific policies related to Operation and Maintenance costs, and Chapter 6 provides specific policies and formats related to Military Construction and Family Housing appropriations. (See Volume 2A, Chapter 1 – 3 and Volume 2B, Chapter 6)

1502 PROGRAM AND BUDGET REVIEW SUBMISSION

150201. General

General guidance with regard to submission requirements is presented in Chapter 1. Service components and Defense Agencies will submit the OP-53, Overseas Cost Report for the OSD Program/Budget Estimates Submission.

1503 CONGRESSIONAL JUSTIFICATION/PRESENTATION

150301. Purpose

This Section presents the exhibit requirement for submission to Congress and formats for the Overseas Cost report. Section 8125 of the FY 1989 DoD Appropriations Act (P.L. 100-463) as codified in Title 10 United States Code (U.S.C.), section 113, requires that the Department of Defense separately identify the amounts necessary for payment of all personnel, operations, maintenance, facilities, and support costs for all DoD overseas military units and the costs of supporting all dependents who accompany DoD personnel outside the United States.

150302. Submission Requirements

A. The Overseas Cost Report consists of the OP-53 exhibit (Overseas Funding). Chapter 1 contains general guidance on congressional justification material.

B. The OP-53 addresses all funding and personnel resources related to overseas activities as defined below.

C. Provide these exhibits to OUSD (Comptroller) P/B, Operations Directorate, Room 3C749, the Pentagon.

* D. The Military Departments will report all military personnel permanently assigned overseas and associated costs to include those assigned to Defense Agencies. Therefore, the Defense Agencies should not report data citing military personnel appropriations or line items. Input must be identified to countries that have a total cost in excess of $5.0 million per year; all other countries will be grouped in "Other". Identify countries included in the "Other" category in a footnote to the OP-53.

150303. Definitions

The following definitions pertain to the costs to be included in Military Department and Defense Agency input:

A. Overseas costs will include amounts only from the following appropriations: military personnel; operation and maintenance; family housing operation and maintenance; family housing construction; and military construction.

B. Overseas amounts include the appropriated support of all DoD activities located outside the United States that are being performed on a permanent basis at U.S. military bases and other locations (U.S. Embassy, U.S. Consulates, U.S. Mission, etc).

C. Overseas amounts also include the cost of transporting personnel, material, and equipment to and from permanent overseas locations. The overseas amounts do not include incremental costs associated with contingency operations.

D. The United States includes all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States (e.g., Guam, U.S. Virgin Islands, Puerto Rico, and Northern Mariana Islands).

E. Military and civilian personnel amounts will be based on the number of personnel assigned to permanent duty ashore outside the United States. Accordingly, personnel on temporary duty outside the United States are not included in the overseas amounts. Because personnel assigned to the deployed fleet are excluded from overseas troop strengths, amounts for deployed steaming days are not included.

F. Generally, funding for DoD activities in the United States in support of overseas activities is excluded. For example, overseas amounts exclude the funding of depot maintenance performed in the United States on components/aircraft used by an overseas unit. Similarly, flight/specialized training that is conducted in the United States would be excluded.

1504 OVERSEAS COST REPORT SUBMISSION FORMATS

150401. Purpose

The formats provided on the following pages reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, these formats should be adhered to.

*150402. Exhibits in Support of Overseas Cost Report

OP-53 Overseas Funding

Exhibit OP-53 Overseas Funding

Department of the _____

Overseas Funding

Summary

($ in Millions) 1/ 2/

Appropriation:	**FY PY**	**FY CY**	**FY BY**
Military Personnel (By Appn)	xxx.x	xxx.x	xxx.x
Operation & Maintenance (By Appn)	xxx.x	xxx.x	xxx.x
Family Housing, Operations	xxx.x	xxx.x	xxx.x
Family Housing, Construction	xxx.x	xxx.x	xxx.x
Military Construction	xxx.x	xxx.x	xxx.x
Total	xxx.x	xxx.x	xxx.x

Description of Operations Financed: For each appropriation, provide an explanation of the operations/activities financed with the funding identified and include an identification of major organizations and installations.

Narrative Explanation of Changes: For each appropriation_identify significant changes in programs to include functional transfers and force level changes between the current year estimate(CY) and the budget year (BY).

Summarize Requirements For Each Country and in Total:
(List countries with costs in excess of $5.0 million in any FY. Summarize countries with total costs less than $5.0 million in "Other".)

xxxxx				
xxxxx				
Other	____	____	____	____
Total	xxx.x	xxx.x	xxx.x	xxx.x

Exhibit OP-53 Overseas Funding
(Page 1 of 10)

Exhibit OP-53 Overseas Funding (Continued)

Department of the _____

Overseas Funding

Summary (Cont'd)

	FY PY	FY CY	FY BY
END STRENGTH SUMMARY:			
Military			
Officer			
Enlisted	____	____	____
Total			
Civilian			
USDH			
FNDH			
FNIH	____	____	____
Total			

1/ Funding data must be rounded to nearest tenth of a million. Because data from the "by country section" of this exhibit is consolidated, the totals included on the summary exhibit must equal the total of individual country exhibits when added together in tenth of millions.

2/ All OP-53 appropriation exhibits should be grouped together in the submission.

Exhibit OP-53 Overseas Funding Military Personnel Overseas Funding

Department of the _____

Overseas Funding - Country by Category (Continued)

Military Personnel Overseas Funding

Appropriation:_____

($ in Millions) 1/

Country: _____ 2/	**FY PY**	**FY CY**	**FY BY**
Funding Category:			
Pay and Allowances, Officers			
Pay and Allowances, Enlisted			
Permanent Change of Station			
Total			
End Strength:			
Officer			
Enlisted			
Total			

Description of Operations Financed: For each appropriation, provide an explanation of the operations/activities financed with the funding identified. The description should include an identification of major organizations and installations.

Narrative Explanation of Changes: For each appropriation, identify significant changes in programs to include functional transfers and force level changes between the CY and the BY.

1/ For funding data, round data to nearest tenth of a million; rounded data must add to the rounded total.

2/ Provide funding and strength data by country by categories shown. For the Active components, funding categories equate to budget activities. For the Guard and Reserve Components, the above funding break should also be used to categorize military personnel costs. List countries with costs in excess of $5.0 million in any FY. Summarize countries with total costs less than $5.0 million in "Other". Excludes funding and end strength for personnel in country in a temporary duty or field duty status.

Exhibit OP-53 Overseas Funding Country and Appropriation Summary

Department of the _____

Overseas Funding (Continued)
Country and Appropriation Summary

FY XXXX ($ in Millions)

	Military Personnel	Operation & Maintenance	Family Housing, Operations	Family Housing, Construction	Military Construction	Country Total
Country:						
A	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x
B	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x
C	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x
Appropriation Total	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x

Prepare a Country and Appropriation Summary for each fiscal year (prior, current, and budget).

For funding data, round data to nearest tenth of a million; rounded data must add to the rounded total.

Exhibit OP-53 Overseas Funding
(Page 4 of 10)

Exhibit OP-53 Overseas Funding Operation and Maintenance Overseas

Department of the _____

Overseas Funding - Country by Category (Continued)

Operation and Maintenance Overseas Funding

Appropriation:_____

	($ in Millions) 1/		
Country: _____ 2/	**PFY**	**CFY**	**BFY**
Funding Category:			
U.S. Military Installation			
U.S. Embassy / U.S. Consulate / U.S. Mission			
Total			
Civilian Full-Time Equivalents:			
USDH			
FNDH			
FNIH			
Total			

Description of Operations Financed: For each appropriation, provide an explanation of the operations/activities financed with the funding identified. The description should include an identification of major organizations and installations.

Narrative Explanation of Changes: For each appropriation, identify significant changes in programs to include functional transfers and force level changes between the CY and the BY.

1/ For funding data, round data to nearest tenth of a million; rounded data must add to the rounded total.

2/ Provide funding and strength data by country by categories shown above. Funding categories equate to stationing location. List countries with costs in excess of $5.0 million in any FY. Summarize countries with total costs less than $5.0 million in "Other".

Exhibit OP-53 Overseas Funding
(Page 5 of 10)

Exhibit OP-53 Overseas Funding Civilian and Military Personnel Overseas Staffing and Costs at U.S. Embassy/ U.S. Consulates / U.S. Missions (only)

Department of the _____

Overseas Funding - Country by Category (Continued)

Civilian and Military Personnel Overseas Staffing and Costs at U.S. Embassy/ U.S. Consulates / U.S. Missions (only)

Appropriation:_____

Country: _____ [2/]	($ in Millions) [1/] **FY PY**	**FY CY**	**FY BY**
Direct Personnel Costs (DPC) [3/]			
1. American Salaries	-	-	-
2. Benefits	-	-	-
3. Overtime/Availability Pay	-	-	-
4. Danger Pay	-	-	-
5. Language Incentive Pay	-	-	-
6. Post (Cost of Living) Allowance	-	-	-
7. Difficult to Staff Incentive Differential	-	-	-
8. Post (Hardship) Differential	-	-	-
9. Separate Maintenance Allowance (SMA)	-	-	-
10. Special Differential	-	-	-
Military Personnel Costs			
11. Pay and Allowance	-	-	-
Other Personnel Costs			
12. Housing	-	-	-
13. Residential Furnishings/Equipment (DPC only)	-	-	-
14. Education Allowance (DPC only)	-	-	-
15. Educational Travel (DPC only)	-	-	-
16. Post Assignment Travel (PCS costs)	-	-	-
17. Rest and Recuperation (R&R Travel)	-	-	-
18. Home Leave Travel	-	-	-
Subtotal, Other Personnel Costs	-	-	-
Support Costs			
19. Office Furnishings/Equipment (including classified networks)	-	-	-
20. Office Leases	-	-	-
21. Misc. Office Expenses (utilities, maintenance)	-	-	-
22. ICASS Charges	-	-	-
23. Field Travel	-	-	-
24. Representation	-	-	-
25. Security (e.g. local guards, alarms, etc.)	-	-	-
26. Other (list what is included)	-	-	-
Subtotal, Support Costs	-	-	-
TOTAL, Overseas US Personnel Costs	-	-	-

Exhibit OP-53 Overseas Funding
(Page 6 of 10)

Exhibit OP-53 Overseas Funding Civilian and Military Personnel Overseas Staffing and Costs at U.S. Embassy/ U.S. Consulates / U.S. Missions (only) (Continured)

Department of the _____

Overseas Funding - Country by Category (Continued)

Civilian and Military Personnel Overseas Staffing and Costs at U.S. Embassy/ U.S. Consulates / U.S. Missions (only)

Appropriation:_____

	($ in Millions)		
Country: _____	**FY PY**	**FY CY**	**FY BY**
U.S. Hires (Staffing #'s)			
Full-time Permanent U.S. Direct Hire Civilians	-	-	-
U.S. Contracted Personal Services Contractors (PSCs)	-	-	-
Locally Engaged Staff (Staffing #'s)			
Foreign Service National (FSN)	-	-	-
Local PSCs or Personal Service Agreements (PSAs)	-	-	-
Third Country Nationals (TCNs)	-	-	-
Locally Hired Americans, including eligible family members	-	-	-
TDY – long-term / rolling TDY employees	-	-	-
TOTAL Staffing Overseas	-	-	-

1/ For funding data, round data to nearest tenth of a million; rounded data must add to the rounded total.

2/ Provide funding and strength data for all countries by categories shown above.

3/ See "**Definitions: Overseas Personnel and Related Costs Categories"** at end of chapter.

Exhibit OP-53 Overseas Funding Family Housing, Operation and Maintenance

Department of the _____

Overseas Funding - Country by Category (Continued)

Family Housing, Operation and Maintenance

Appropriation: _____

	($ in Millions) 1/		
	FY PY	**FY CY**	**FY BY**
Funding Category:			
Summarize Requirements For Each Country: 2/			
xxxxx			
xxxxx			
Other	____	____	____
Total	xxx.x	xxx.x	xxx.x

Civilian Full-Time Equivalents:

USDH

FNDH

FNIH

Total

Narrative Explanation of Changes: For each appropriation, identify significant changes in programs to include functional transfers and force level changes between the CY and the BY.

1/ For funding data, round data to nearest tenth of a million; rounded data must add to the rounded total.

2/ Provide funding and strength data as shown above. The Navy and Marine Corps resources for Family Housing operations should be treated as one appropriation. List countries with costs in excess of $5.0 million in any FY. Summarize countries with total costs less than $5.0 million in "Other").

Exhibit OP-53 Overseas Funding
(Page 8 of 10)

Exhibit OP-53 Overseas Funding Family Housing, Family Housing, Construction

Department of the _____

Overseas Funding - Country by Category (Continued)

Family Housing, Construction

Appropriation: _____

	($ in Millions) 1/		
	FY PY	**FY CY**	**FY BY**
Funding Category: 2/			
Summarize Requirements For Each Country:			
xxxxx			
xxxxx			
Other	____	____	____
Total	xxx.x	xxx.x	xxx.x
Civilian Full-Time Equivalents:			
USDH			
FNDH			
FNIH			
Total			

Narrative Explanation of Changes: For each appropriation, identify significant changes in programs to include functional transfers and force level changes between the CY and the BY.

1/ For funding data, round data to nearest tenth of a million; rounded data must add to the rounded total.

2/ Provide funding and strength data as shown above. The Navy and Marine Corps resources for Family Housing operations should be treated as one appropriation. List countries with costs in excess of $5.0 million in any FY. Summarize countries with total costs less than $5.0 million in "Other". **Data on this exhibit must match the Family Housing, Construction data on the Military Construction budget exhibit (C-1) submitted in support of the President's budget**.

Exhibit OP-53 Overseas Funding
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Exhibit OP-53 Overseas Funding Military Construction

Department of the _____

Overseas Funding - Country by Category (Continued)

Military Construction

Appropriation:_____

	($ in Millions) 1/		
	FY PY	**FY CY**	**FY BY**
Funding Category: 2/			
Summarize Requirements For Each Country:			
xxxxx			
xxxxx			
Other	____	____	____
Total	xxx.x	xxx.x	xxx.x

Civilian Full-Time Equivalents:

USDH

FNDH

FNIH

Total

Narrative Explanation of Changes: For each appropriation, identify significant changes in programs to include functional transfers and force level changes between the CY and the BY.

1/ For funding data, round data to nearest tenth of a million; rounded data must add to the rounded total.

2/ Provide funding and strength data by country by categories shown above. List countries with costs in excess of $5.0 million in any FY. Summarize countries with total costs less than $5.0 million in "Other". **Data on this exhibit must match the Family Housing, Construction data on the Military Construction budget exhibit (C-1) submitted in support of the President's budget**.

Exhibit OP-53 Overseas Funding
(Page 10 of 10)

Definitions: Overseas Personnel and Related Costs Categories

U.S. Personnel

Categories	Description
1. American Salaries:	Includes salary costs for full-time U.S. direct hires overseas.
2. Benefits:	Includes standard benefits costs for full-time U.S. direct hires overseas, such as retirement contributions, health insurance, life insurance, and FICA payments.
3. Overtime/Availability Pay:	Includes costs for overtime pay and Law Enforcement availability pay for U.S. direct hires overseas.
4. Danger Pay:	Includes costs for Danger Pay Allowance, calculated as a percentage of basic compensation (15, 20 or 25%) paid for imminently dangerous conditions when the official U.S. community is the target of political violence.
5. Language Incentive Pay:	Includes costs of language incentive pay to U.S. direct hires overseas.
6. Post (Cost of Living) Allowance:	Includes costs for Cost of Living Adjustments (COLA) for U.S. direct hires overseas.
7. Difficult to Staff Incentive Differential (DTSID):	Includes costs for the DTSID allowance, which is calculated as a percentage of basic compensation (15%) for serving at a determined difficult to staff post which has a 15%, 20% or 25% Post ("Hardship") Differential.
8. Post ("Hardship") Differential:	Includes costs for post differential allowance, which is calculated as a percentage of basic compensation (5, 10, 15, 20 and 25%) for environmental conditions significantly worse than the U.S. In addition to being paid to permanently assigned personnel.
9. Separate Maintenance Allowance (SMA):	Includes cost for involuntary and voluntary SMA, which is paid when family members are prohibited from residing at a foreign post or when family members may go to a foreign post but opt not to for personal reasons.
10. Special Differential:	Special differentials are available to Foreign Service officers who are required because of the nature of their assignments to perform additional work on a regular basis in substantial excess of normal requirements (22 USC Sec.3972).
11. Pay and Allowance:	Includes MILPERS costs for military personnel assigned overseas at a U.S. Embassy, U.S. Consulate or U.S. Mission.
12. Housing:	Includes costs for overseas housing for U.S. direct hires, including rents, leases, housing pool costs, and/or allowances provided for private leased quarters in lieu of Government provided housing.
13. Residential furnishings/Equipment (DPC only):	Includes costs of residential furnishings, equipment, and appliances.
14. Education Allowance (DPC only):	Includes costs for the education expenses for U.S. direct hire dependents (K-12) overseas.
15. Educational Travel (DPC only):	Includes costs for one round trip annually between school attended in the U.S. and the foreign post of assignment.
16. PCS Travel (employee & family moving expenses):	Includes costs associated with permanent change of station travel of employees and eligible family members, shipment of household effects and privately-owned vehicles, and placement of household effects into storage.
17. Rest and Recuperation (R&R) Travel:	Includes the costs of R&R travel provided for U.S. direct hires overseas.
18. Home Leave Travel:	Includes costs of travel for U.S. Direct Hires overseas to provide overseas employees the opportunity to spend significant periods of time in the United States while pursuing careers overseas.
19. Office Furnishings/Equipment/Information Management:	Includes agency costs for the purchase and maintenance of office furnishings and equipment, such as computers, phones, computer networks, copiers, and communications equipment, including classified networks.
20. Office Leases:	Includes the costs of all leased office space (off embassy/consulate compound) overseas.
21. Miscellaneous Office Expenses:	Includes non-programmatic miscellaneous office expenses, such as utilities and supplies.
22. ICASS Charges:	Includes costs of participation in International Cooperative Administrative Support Services (ICASS).

(Page 1 of 2)

Definitions: Overseas Personnel and Related Costs Categories (Continued)

23. Field Travel: Includes costs of all field travel conducted by U.S. direct hires overseas.
24. Representation: Includes costs for representation overseas in furthering the interests of the United States.
25. Security: Includes the costs of guards, alarms, cameras, etc. NOT covered under ICASS.
26. Other: Includes costs not captured above, such as language and other training, vehicles, agency specific benefits or allowances not included above, medical costs (physicals), etc. Please identify the items calculated as part of this category.

Staffing — Description

- Full-time Permanent U.S. Direct Hires: Full-time, permanent U.S. direct hire personnel
- US Military Personnel: U.S. military personnel (services members)
- US-contracted PSCs: Personal services contractors (PSCs) hired from the United States and stationed overseas, eligible for similar support benefits (i.e., travel, housing, etc.) as U.S. direct hires.
- Foreign Service National (FSN): An FSN employee is a non-U.S. citizen directly hired by a U.S. mission
- Local Personal Services Contractors (PSCs) or Personal Services Agreement (PSAs): Individuals contracted locally to perform an identifiable task under the supervision and control usual to government employees rather than to furnish an end item of supply (U.S. citizen hired locally as a PSC should be accounted for under category no. 31).
- Third Country Nationals (TCNs): Individuals who are neither citizens of the United States nor of the country in which employed, who are employed on a limited appointment or personal services contact, and who are eligible for return travel at U.S. Government expenses to their home country or country from which recruited.
- Locally Hired Americans, including Eligible Family Members: U.S. citizens (AMCITs) hired locally as temporary employees or PSC personnel.
- Long-term / rolling TDY positions: (A TDY position is defined as any position requiring workspace (desk or non-desk) for more than six months in a year or positions routinely filled by TDY personnel on a rotating basis, even though no individual ever stays for more than six months).

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VOLUME 2B, CHAPTER 16: "INTELLIGENCE PROGRAMS/ACTIVITIES"

SUMMARY OF MAJOR CHANGES

All changes are denoted by blue font.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by ***bold, italic, blue, and underlined font*.**

The previous version dated July 2010 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	This chapter is certified as current.	Current

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CHAPTER 16

INTELLIGENCE PROGRAMS/ACTIVITIES

1601 GENERAL

160101. Purpose

A. This chapter provides instructions applicable to budget formulation, implementation, and congressional justification for Intelligence Program Aggregation.

B. The following Program Aggregations are covered in this chapter:

1. - National Intelligence Program (NIP) – Defense elements

2. - Military Intelligence Program (MIP)

160102. Definitions and Classification

General guidance with regard to classification of budget material is presented in Volume 2A, Chapter 1. Volume 2B, Chapter 16 provides additional specific guidance with regard to the material required for the Intelligence Program Aggregation.

A. National Intelligence Program (NIP)

The NIP provides integrated intelligence that covers broad aspects of national policy and national security. The portion of the NIP contained in the Department of Defense (DoD) Budget contributes substantially to meeting Defense intelligence requirements, but also contains programs/activities in support of elements of the United State Government outside the DoD.

B. NIP Classification

1. Classification of US Intelligence budget information is determined by the Director of National Intelligence (DNI) pursuant to Executive Order 12958, Section 1.5(c), Executive Order 12333, Section 1.5(g), and the DNI's authorities under the National Security Act of 1947.

2. NIP Budget Resource Information in all DoD databases shall be classified as shown below unless other specific NIP program guidance in effect requires higher classification.

a. Information which, standing alone or in aggregate, reveals any Program Element total of the funding or manpower requirements of any program in the NIP will be classified SECRET.

b. Information that permits the disclosure of any Program Element total or the funding or manpower requirements of any program in the NIP, for example, through a subtractive process, will be classified SECRET.

c. Information which, standing alone or in aggregate, reveals overall DoD Component funding or manpower levels of the NIP or its programs will be classified SECRET.

d. However, as an exception to this guidance, NIP budget information for military construction and family housing for defense agencies shall be maintained and presented as unclassified.

e. Whenever NIP funding and manpower resource detail is combined with other unclassified programs in such a way as to effectively mask the NIP resource Program Element total, such combined resource Program Element total may be treated as unclassified.

f. Requests for clarification of the foregoing classification guidance should be forwarded to OUSD (I). Questions of application will be coordinated with the Office of the Director of National Intelligence and responses will be disseminated to all interested DoD components.

C. Military Intelligence Program (MIP)

The term "Military Intelligence Program" refers to programs, projects, or activities that support the Secretary of Defense's intelligence and counterintelligence, and related responsibilities as outlined in DoD Directive 5205.12. The term excludes capabilities, programs, projects, and activities in the NIP.

D. MIP Classification

1. Military Intelligence Program Information

a. Total DoD funding for MIP is SECRET.

b. Individual Program Elements and line items may be classified or unclassified according to content, unless disclosure of such a total would allow derivation of classified totals.

c. Although many MIP projects are unclassified, totals for DoD MIP are classified SECRET. Since intelligence project resource data will be sorted and used in a number of different ways, it is essential that OUSD (I) has current and specific security classification guidance in order to avoid inadvertent, unauthorized disclosure of classified information. Services and Agencies reporting MIP resource data are directed to provide the security classification guidance for each project along with a citation of the source of classification. In addition, include any other security classification guidance unique to the

organization that may be pertinent. Some examples might include the classification of information revealing the name of the organization with the resource, or classification of the information revealing the location with the name of the organization, etc. Normally, the project or program security classification guidance is included in a formal security classification guide approved by an original classification authority in accordance with DoD Regulation 5200.1, Information Security Program. (If you are uncertain about where to obtain the security classification guidance for your project, see your servicing security office for assistance).

1602 SUBMISSION

160201. NIP Submission Requirements

A. NIP (Special Program Codes (SPC) 329, 330, 331, 333, 334, 335, and 336) Congressional Budget Justification Books (CBJB) justification books will be prepared and provided in accordance with separate guidance provided by the Office of the Director of National Intelligence (ODNI). Any Decision Documents affecting elements of the NIP must be coordinated with the ODNI, OUSD(C) and OUSD (I). The OUSD (C)'s Investment Directorate will ensure that the DNI Chief Financial Officer has an opportunity to review and provide comments on such documents.

B. The Components will follow the National Intelligence (NIP) Military Personnel Resources Programming and Budgeting Policies and Procedures when developing NIP military personnel cost estimates for the budget submission.

C. One hardcopy and CD disk of NIP program and budget materials prescribed by the DNI will be delivered by the ODNI to Under Secretary of Defense (Comptroller) (Program/Budget), Investment Directorate, Room 3C749, Pentagon, at the same time they are delivered to the Office of Management and Budget (OMB).

160202. MIP Submission Requirements

A. In accordance with DoD FMR Vol 2A and 2B, Chapters 3, 4 and 5 each Military Department and Defense Agency with MIP (SPC 365) resources will prepare all DoD justification materials (i.e., R-2, P-40, O-5, etc.) for each appropriation, to include DIA, NGA, and NSA. OSD classified exhibits (SECRET) will be combined as a classified Defense-wide volume. Classified justification materials (R-2, P-40, O-5, etc.) materials will contain sufficient detail needed to fully justify the classified portion of the request, without the use of supplemental justification materials. All other Army, Navy, Marine Corps, Air Force, National Reconnisance Office (NRO), and Defense-Wide classified exhibits will be reviewed by OUSD (C) prior to releasing to OMB.

B. Submit three hardcopies of your classified R-2 or P-40 directly to OUSD(C), Investment Directorate, Pentagon, Room 3C749, at the same time as the unclassified details.

C. Complementary MIP Congressional Justification Books (CJB) guidance will be provided by the Office of the Under Secretary of Defense (Intelligence) (OUSD (I)). The CJB is a functional aggregation of the MIP portion of the DoD request, containing program justification and resource highlights that must be consistent with and directly auditable to all DoD justification materials (i.e., R-2, P-40, O-5, etc.) and any other DoD justification books that address the same resources.

D. OUSD(I) will deliver three final MIP copies of all volumes and one compact disk (CD) directly to OUSD (C), Investment Directorate, Pentagon, Room 3C749.

160203. Crosswalk Requirements

The MIP and NIP justification books will continue to incorporate an IC project to program element (Research, Development, Test, and Evaulation (RDT&E)), line item (Procurement (PROC)), or Subactivity Group (SAG) (Operation and Maintenance (O&M)) crosswalk exhibit at the R-1, P-1, and O-1 respectively. This is necessary to help satisfy continuous congressional budget reconciliation and visibility requirements.

1603 BUDGET RECONCILIATION DATA

Congressional Oversight Committees have requested the Under Secretary of Defense (Comptroller) and Director, Cost Assessment and Program Evaluation Office (CAPE), in consultation with the Under Secretary of Defense for Intelligence, to create and maintain whole, distinct program elements [RDT&E PEs, PROC line items, O&M SAGs] within each component of the Intelligence Community (IC) to address IC resources and manpower. Services and Agencies must continue to show steady, measureable progress toward achieving these fully-captured MIP data elements for all appropriations.

160301. NIP

The NIP lines will maintain whole [pure] NIP budget line resources identified by SPCs 329, 330, 331, 333, 334, 335, and 336.

160302. MIP

The MIP lines will maintain whole [pure] MIP budget line resources identified by SPC 365.

1604 APPEAL PROCESS ON CONGRESSIONAL ACTIONS

160401. Purpose

This Section provides specific guidance for preparation of classified appeals to congressional committees on intelligence programs.

160402. Classified Appeals.

A. Oversight. The House Permanent Select Committee on Intelligence (HPSCI), the Senate Select Committee on Intelligence (SSCI), the House Appropriations Committee (HAC), and the Senate Appropriations Committee (SAC) have oversight jurisdiction over the NIP. The NIP appeals will be delivered to the HPSCI, SSCI, HAC, and the SAC. Appeals affecting the MIP will be delivered to the House Armed Services Committee (HASC), Senate Armed Services Committee (SASC), HAC, and SAC.

B. Classified appeals may supplement actions included in the overall Defense Appeal where security considerations have dictated a less than complete justification. Classified appeals will be prepared at the appropriate level of classification necessary to fully explain and justify the action.

1. The DNI will prepare and submit, in consultation with the OUSD(C) and OUSD(I), separate classified appeals for the NIP to the congressional committees with intelligence oversight. The appeals format and content will be determined by the DNI.

2. The OUSD(I), in consultation with the OUSD(C) and the DNI/Chief Financial Officer, will prepare classified appeals for the MIP to the congressional committees with intelligence oversight. Unclassified MIP appeals will follow normal procedures per additional guidance.

C. Classified Appeals will be completely consistent with the Secretary of Defense's policy direction as articulated by the USD(Comptroller) and, in the case of appeals to legislative provisions, also as articulated by the Office or the General Counsel and the Deputy Secretary of Defense. All such appeals will be coordinated with the Comptroller and OMB prior to release.

VOLUME 2B, CHAPTER 17: "CONTINGENCY OPERATIONS"

SUMMARY OF MAJOR CHANGES TO

All changes are denoted by blue font.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by *bold, italic, blue, and underlined font*.

The previous version dated June 2007 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Overall	Formatting	Refresh
170101.C 170202.A	Update room location changes	Update

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CHAPTER 17

CONTINGENCY OPERATIONS

1701 GENERAL

170101. Purpose

This chapter provides instructions applicable to budget formulation and congressional justification for contingency operations. The information provided for contingency operations, as reflected in this chapter, meets the requirements of section 8110 of Public Law 106-79, the Department of Defense (DoD) Appropriations Act, 2000. It requires the Department to include the same type of budget justification material for contingency operations as is provided for other DoD activities.

170102. Submission Requirements

A. This chapter addresses the requirement to budget for new and ongoing contingency operations costs. This information will be used to justify resource requirements for directed contingency operations – specifically the justification of the incremental costs for supporting a designated operation. These incremental costs will become the basis for any funding requests forwarded to the Congress through the normal appropriations process or through emergency supplemental appropriation requests during the year of execution, if warranted. A more detailed discussion of Contingency Operations, as well as the methodology to be used to determine related "incremental costs," is provided in Chapter 23, "Contingency Operations," (See Volume 12, Chapter 2***3***).

B. In order to ensure that the funding being requested is defensible and realistic and that the submitted data and justification material complies with congressional requirements, each Component is required to submit the contingency operations budget exhibits using the formats included in section 1703 of this chapter. These exhibits provide detailed cost estimates and must be completed for <u>each</u> contingency operation. In addition, using the same formats, each Component must submit a Summary Exhibit for <u>each</u> region (e.g., Bosnia, Kosovo,) and a Total Summary Exhibit that consolidates all of the Component's incremental requirements for contingency operations. Each Component will include in its submission the incremental costs for contingency operations for all Military Intelligence Program (MIP) <u>except</u> for the incremental costs for National Foreign Intelligence Programs (NFIP). The Community Management Staff (CMS) will be responsible for preparing and submitting the required exhibits to report the incremental costs for contingency operations for <u>all NFIP-related</u> activities. (See section 1703, below)

* C. The required exhibits are to be provided in both hard copy and electronic copy via diskette or e-mail (using Microsoft word for the OP-5 exhibits and Excel spreadsheets for the CONOPS-1 exhibits) to the Operations and Personnel Directorate, Pentagon, Room 3C710. Specific e-mail addresses can be obtained by calling (703) 697-2609 or 697-2598.

D. General guidance with regard to submission requirements is presented in Volume 2A, Chapter 1. Volume 2B, Chapter 17 covers specific backup material required for the overseas contingency operations. The Components should also consult all of the other chapters for exhibit requirements that are not specifically addressed in this chapter, including Volume 2B, Chapter 19, "Other Special Analyses." (See Volume 2A and Volume 2B).

170103. Preparation of Material

General guidance with regard to format and preparation of material is presented in Volume 2A, Chapter 1. Section 1703 below provides the justification material formats.

170104. References

Volume 12, Chapter 23, "Contingency Operations," of the DoD Financial Management Regulation (DoD 7000.14-R).

1702 PROGRAM AND BUDGET REVIEW SUBMISSION & CONGRESSIONAL JUSTIFICATION/ PRESENTATION

170201. Purpose

This Section provides guidance for preparation and submission of budget estimates for Contingency Operations. The budget estimates will separately identify the incremental costs for operation and maintenance, military personnel, and other applicable (e. g., procurement) resources required to support specified contingency operations. For the President's Budget request submitted to the Congress, all approved contingency operations incremental cost requirements will be reflected in the Overseas Contingency Operations Transfer Fund (OCOTF), and the level of detail provided must address the congressional concerns for adequate visibility and justification of requirements.

170202. Submission Requirements

* A. Each applicable Component is responsible for submitting the Contingency Operations exhibits covering the operation and maintenance, military personnel, and other applicable (e. g., procurement) incremental costs for each specified contingency operation, a "Summary" exhibit for each region (e.g., Bosnia, Kosovo) and a "Total Summary" exhibit that consolidates all the Component's incremental requirements for contingency operations. The formats for these exhibits are provided below at section 170302. Hard copy and electronic versions of each exhibit must be provided to Office of the Under Secretary of Defense (Comptroller) OUSD(C) Program/Budget (P/B) Operations and Personnel Directorate, Room 3C710 in the Pentagon. Electronic formats will be provided in Microsoft Word for the OP-5 exhibit and in Microsoft Excel for the Contingency Operations -1 (CONOPS-1) exhibit.

B. These exhibits will be prepared and submitted to OUSD(C) in accordance with the schedule defined in the annual budget guidance memorandum published by the OUSD(C) for the fall program and budget estimate submission (BES) and for the President's Budget submission. Each exhibit will be prepared separately for the BES and the congressional justification/presentation process.

1703. CONTINGENCY OPERATIONS SUBMISSION FORMATS

170301. Purpose

The formats provided on the following pages reflect the guidance presented in sections 1701 and 1702 of this chapter. Unless modified by the OUSD (C) in a budget guidance memorandum, the formats must be followed. (See sections 1701 and 1702, above)

170302. Unique Exhibit in Support of Contingency Operations

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CONOPS -1 15

Exhibit OP-5 Overseas Contingency Operations

COMPONENT NAME
OVERSEAS CONTINGENCY OPERATIONS
FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)
Name of Contingency Operation:
DoD Component:

General Guidance: A separate exhibit should be prepared for (1) each contingency operation, (2) a summary exhibit for each region, and (3) a total exhibit for each Component. Each Component will include in its submission the incremental costs for contingency operations for all intelligence-related activities (i.e., TIARA, JMIP, etc.) except for the incremental costs for National Foreign Intelligence Programs (NFIP). The Community Management Staff will be responsible for preparing and submitting the required exhibits to report the incremental costs for contingency operations for all NFIP-related activities.

I. Description of Operations Financed: Provide a narrative explanation characterizing the mission of this particular contingency operation and address the major cost drivers such as the number of base camps, the number of troop rotations, and the related troop strength supporting the contingency.

II. Force Structure Summary: Identify in tabular form by operation, the average monthly troop strength for active duty, Guard and Reserve Components deployed for this contingency operation for prior year (PY), current year (CY), and budget year(s) (BY).

III. Financial Summary ($ in Thousands): Report incremental costs only. **Note:** Include only non-NFIP intelligence costs. The CMS is responsible for reporting incremental NFIP costs.

A. Contingency Operation Total

			Fiscal Year(FY) CY Program			
Cost Category	FY PY Actuals [1/]	Budget Request	Program Changes	Current Estimate [2/]	FY BY1 Estimate	FY BY2 Estimate
1. Personnel						
a. Military						
b. Civilians						
2. Personnel Support						
3. Operating Support						
4. Transportation						
Total						
Military Personnel						
Operation and Maintenance						
Other – Specify by appropriation (i.e., Procurement, RDT&E, etc.)						

This exhibit must be submitted in both hard copy and electronic copy (i.e., Microsoft

Exhibit OP-5 Overseas Contingency Operation (Continued)

COMPONENT NAME
OVERSEAS CONTINGENCY OPERATIONS
FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)
Name of Contingency Operation:
DoD Component:

[1/] Should be consistent with amounts reported in the cost report. (For BES, include amounts expected to be reported for the yearend report.)
[2/] Include all costs, regardless of appropriation. For example, if military personnel costs are appropriated directly to the military personnel accounts rather than to the OCOTF include the amount expected to be required for contingency operations.

B. PY Reconciliation Summary: **FY PY to FY PY Changes**

	Military Personnel	Operation & Maintenance	Other (Specify as Appropriate)
1. Direct Appropriation to Component			
2. Amount Transferred from OCOTF			
3. Change			
4. Actual Cost			

Note: Actual cost data should reflect contingency operations data as reported to the Defense Finance and Accounting Service - Denver.

Exhibit OP-5 Overseas Contingency Operation (Continued)

COMPONENT NAME
OVERSEAS CONTINGENCY OPERATIONS
FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)
Name of Contingency Operation:
DoD Component:

C. Reconciliation of Increases and Decreases: ($ in Thousands)

1. FY CY President's Budget		**X,XXX**
2. Program Increases in FY CY		+x,xxx
a) Describe each increase	+xxx	
b) Describe each increase	+xxx	
(List and narrate each change by relating changes in troop strength, Active/Reserve Component (AC/RC) mix, density of weapon systems, operating tempo, use of contractor support, number of base camps, etc.)		
3. Program Decreases in FY CY		-x,xxx
a) Describe each decrease	-xxx	
b) Describe each decrease	-xxx	
(List and narrate each change by relating changes in troop strength, AC/RC mix, density of weapon systems, operating tempo, use of contractor support, number of base camps, etc.)		
4. Revised FY CY Estimate of Requirements		**X,XXX**
5. Price Growth (Use factors included in the budget guidance unless deviation is warranted.)		+x,xxx

Exhibit OP-5 Overseas Contingency Operations
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Exhibit OP-5 Overseas Contingency Operation (Continued)

COMPONENT NAME
OVERSEAS CONTINGENCY OPERATIONS
FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)
Name of Contingency Operation:
DoD Component:

6. Program Increases		+x,xxx
a) Describe each increase	+xxx	
b) Describe each increase	+xxx	
(List and narrate each change by relating changes in troop strength, AC/RC mix, density of weapon systems, operating tempo, use of contractor support, number of base camps, etc.)		
7. Program Decreases		-x,xxx
a) Describe each decrease	-xxx	
b) Describe each decrease	-xxx	
(List and narrate each change by relating changes in troop strength, AC/RC mix, density of weapon systems, operating tempo, use of contractor support, number of base camps, etc.)		
8. FY BY1 Budget Request		**X,XXX**
9. Price Growth		+x,xxx

Exhibit OP-5 Overseas Contingency Operations
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Exhibit OP-5 Overseas Contingency Operation (Continued)

COMPONENT NAME
OVERSEAS CONTINGENCY OPERATIONS
FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)
Name of Contingency Operation:
DoD Component:

C. Reconciliation of Increases and Decreases (Continued): ($ in Thousands)

10. Program Increases		+x,xxx
a) Describe each increase	+xxx	
b) Describe each increase	+xxx	
(List and narrate each change by relating changes in troop strength, AC/RC mix, density of weapon systems, operating tempo, use of contractor support, number of base camps, etc.)		
11. Program Decreases		-x,xxx
a) Describe each decrease	-xxx	
b) Describe each decrease	-xxx	
(List and narrate each change by relating changes in troop strength, AC/RC mix, density of weapon systems, operating tempo, use of contractor support, number of base camps, etc.)		
12. FY BY2 Budget Request		**X,XXX**

Exhibit OP-5 Overseas Contingency Operations
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Exhibit OP-5 Overseas Contingency Operation (Continued)

COMPONENT NAME
OVERSEAS CONTINGENCY OPERATIONS
FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)
Name of Contingency Operation:
DoD Component:

IV. Performance Criteria and Evaluation Summary:

	Average Troop Strength			
Troop Strength	**Total**	**Active Duty**	**National Guard**	**Reserve**
Planned FY PY				
Change Plan vs. Actual for FY PY				
Actual FY PY				
Planned FY CY				
Change Plan vs. Revised Estimate for FY CY				
Revised FY CY Estimate				
Change Revised FY CY Estimate to FY BY1				
FY BY1 Budget Request				
Change FY BY1 to FY BY2				
FY BY2 Budget Request				

Exhibit OP-5 Overseas Contingency Operations
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Exhibit OP-5 Overseas Contingency Operation (Continued)

COMPONENT NAME
OVERSEAS CONTINGENCY OPERATIONS
FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)
Name of Contingency Operation: DoD Component:

	Number Constructed	Number Maintained	Average Population	Other Data (Include other pertinent information)
Base Camps:				
Planned FY PY				
Actual FY PY				
Planned FY CY				
Planned FY BY1				
Planned FY BY2				

MAJOR WEAPONS SYSTEMS DEPLOYED		Average Number Deployed/Month	Total Days in Theater	Operational Usage *
Tracked Vehicles:(list by type/model)				(Track Miles)
M1	Planned FY PY			
	Actual FY PY			
	Planned FY CY			
	Planned FY BY1			
M2	Planned FY PY			
	Actual FY PY			
	Planned FY CY			
	Planned FY BY1			
M113	Planned FY PY			
	Actual FY PY			
	Planned FY CY			
	Planned FY BY1			
Helicopters: (list by type/model)				(Flying Hours))
OH-58D	Planned FY PY			
	Actual FY PY			
	Planned FY CY			
	Planned FY BY1			
AH-64	Planned FY PY			
	Actual FY PY			
	Planned FY CY			
	Planned FY BY1			

Exhibit OP-5 Overseas Contingency Operations
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Exhibit OP-5 Overseas Contingency Operation (Continued)

COMPONENT NAME
OVERSEAS CONTINGENCY OPERATIONS
FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)
Name of Contingency Operation: DoD Component:

MAJOR WEAPONS SYSTEMS DEPLOYED		Average Number Deployed/Month	Total Days in Theater	Operational Usage *
Aircraft: (list by type/model)				(Flying Hours)
F-117	Planned FY PY			
	Actual FY PY			
	Planned FY CY			
	Planned FY BY1			
	Planned FY BY2			
KC-135	Planned FY PY			
	Actual FY PY			
	Planned FY CY			
	Planned FY BY1			
	Planned FY BY2			
EA-6B	Planned FY PY			
	Actual FY PY			
	Planned FY CY			
	Planned FY BY1			
	Planned FY BY2			
				(Steaming Hours)
Naval Vessels:				
Combatants	Planned FY PY			
	Actual FY PY			
	Planned FY CY			
	Planned FY BY1			
	Planned FY CY2			
Auxiliaries/Support Ships	Planned FY PY			
	Actual FY PY			
	Planned FY CY			
	Planned FY BY1			
	Planned FY CY2			
Other: (Specify by System)	Planned FY PY			
	Actual FY PY			
	Planned FY CY			
	Planned FY BY1			
	Planned FY CY2			

* Select appropriate operational metrics currently in use. These are representative examples only.

Exhibit OP-5 Overseas Contingency Operations
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Exhibit OP-5 Overseas Contingency Operation (Continued)

OVERSEAS CONTINGENCY OPERATIONS
FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)
Name of Contingency Operation:
DoD Component:

V. OP 32 Line Items as Applicable (Dollars in Thousands):

	Change from FY PY to FY CY					Change from FY CY to FY BY1					Change from FY BY1 to FY BY2			
FY PY Actuals	Foreign Currency Rate Diff	Price Growth (%)	Price Growth ($)	Program Growth	FY CY Estimate	Foreign Currency Rate Diff	Price Growth (%)	Price Growth ($)	Program Growth	FY BY1 Estimate	Foreign Currency Rate Diff	Price Growth (%)	Price Growth ($)	Program Growth	FY BY2 Estimate

1. List each applicable OP-32 line item number and title. **To be submitted for both the OSD and President's budget submissions.**
2. Include the percentage of price growth.

Exhibit OP-5 Overseas Contingency Operations
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Exhibit CONOPS-1

OVERSEAS CONTINGENCY OPERATIONS

FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)
Name of Contingency Operation:
DoD Component:

(Dollars in Thousands)

COST CATEGORIES	FY PY Actual	Change	FY CY Estimate	Change	FY BY1 Estimate	Change	FY BY2 Estimate
PERSONNEL							
Military Personnel Pay & Allowances							
Reserve Components Called to Active Duty							
Imminent Danger or Hostile Fire Pay							
Family Separation Allowance							
Hardship Duty Pay - Location							
Subsistence							
Reserve Components Predeployment Training							
Other Military Personnel							
Active Component Over-Strength							
Subtotal							
Civilian Pay and Allowances							
Civilian Premium Pay							
Civilian Temporary Hires							
Other Civilian Personnel							
Other Personnel Support							
Subtotal							

The CONOPS-1 exhibit is to be submitted in both hard copy and electronic copy. Electronic formats will be provided in Microsoft Excel.

Do not include NFIP program requirements. The Community Management Staff is responsible for submitting the required exhibits for all NFIP activities.

Exhibit CONOPS-1
(Page 1 of 3)

Exhibit CONOPS-1(Continued)

OVERSEAS CONTINGENCY OPERATIONS
FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)
Name of Contingency Operation:
DoD Component:

(Dollars in Thousands)

COST CATEGORIES	FY PY Actual	Change	FY CY Estimate	Change	FY BY1 Estimate	Change	FY BY2 Estimate
PERSONNEL SUPPORT (Continued)							
Temporary Duty/Temporary Additional Duty							
Clothing & Other Personnel Equip & Supplies							
Medical Support/Health Services							
Reserve Component Activation/Deactivation							
Other Personnel Support							
Subtotal							
OPERATING SUPPORT							
Training							
Operations OPTEMPO (Fuel, Other POL, Parts)							
Other Supplies & Equipment							

Exhibit CONOPS-1
(Page 2 of 3)

Exhibit CONOPS-1(Continued)

OVERSEAS CONTINGENCY OPERATIONS

FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)
Name of Contingency Operation:
DoD Component:

(Dollars in Thousands)

COST CATEGORIES	FY PY Actual	Change	FY CY Estimate	Change	FY BY1 Estimate	Change	FY BY2 Estimate
OPERATING SUPPORT (Continued)							
Facilities/Base Support							
Reconstitution							
C4I							
Other Services/Miscellaneous Contracts							
Subtotal							
TRANSPORTATION							
Airlift							
Ready Reserve Force/Fast Sealift Ship							
Port Handling/Inland Transportation							
Other Transportation							
Subtotal							
GRAND TOTAL							
Military Personnel							
Operation and Maintenance							
Other (specify by appropriation type (i.e., Procurement, RDT&E, etc.)							

NOTE: This information must be provided for each operation, each region, and in total.

Exhibit CONOPS-1
(Page 3 of 3)

VOLUME 2B, CHAPTER 18: "INFORMATION TECHNOLOGY (INCLUDING CYBERSPACE OPERATIONS)"

SUMMARY OF MAJOR CHANGES TO

All changes are denoted by blue font.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by *bold, italic, blue and underlined font*.

The previous version dated November 2012 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
180102.A	Moved text	Readability
180102.B	Moved/ added text	Readability
180102.C	Added narrative	New information
180102.F	Moved/added text	Readability
180102.G	Changed due date and moved text/reformatted into numbered lists	New Information
180102.H	Added text	Clarification
180102.I	Added text	Readability
180102.K	Moved text/ changed wording/ reformatted into numbered list	Readability
180102.L	Edited words	Grammar/ Readability
180102.L.2	Replaced Exhibit 300 and 53 references; corrected "Logistics"	Readability
180102.M	Replaced Exhibit 300 and 53 references	Readability
180102.N	Added paragraph	Fact of Life
180102.O	Added paragraph	Fact of Life
180103.A	Replaced Exhibit 300 and 53 references	Readability
180103.C	Moved words & added DITIP references	Readability
180103.D	Replaced Exhibit 300 and 53 references	Readability
180103.E	Added "DITIP"	Fact of Life
180103.F	Replaced "bin" for "UII"	Fact of Life
180103.H.1	Added text	Clarification

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
180103.H.2	Edited words to delete SNAP-DIAP references	SNAP-DIAP eliminated for use
180103.H.3	Added DoD Cyber Team members for CJB publication	Fact of Life
180103.H.4	Added CMF paragraph	Added Program
180103.I	Edited word	Readability
180103.L	Added ICS/PIT/SCADA paragraph	Added program
180104.A	Added table	Readability
180104.I	Added date to JP 3-12	Readability
180104.K	Added NIS TSP 800-82 reference	Fact of Life
180105.V	Added text for Cyberspace Operations definition	Clarity
180105.W	Added CMF definition	Fact of Life
180105.Y	Added Data Center Budget definition	Fact of Life
180105.AC	Added DoDIN definition	Fact of Life
180105.AD	Added DITIP definition	Fact of Life
180105.AE	Updated Development/Modernization	Fact of Life
180105.AX	Added IT Investment	Fact of Life
180105.AY	Added IT Investment	Fact of Life
180105.AZ	Added Information Technology Resources	Fact of Life
180105.BE	Added JIE definition	Fact of Life
180105.BJ	Added NLCC definition	Fact of Life
180105.BY	Added UII definition	Fact of Life
180105.CA	Added WCF definition	Fact of Life
180105.Y-CA	Renumbered paragraphs	Readability
180202.A	Changed “WILL” to “shall”	Readability
180304.A	Edited text	Readability
Various	Changed references to Exhibit 300/300A/300B to updated titles	Clarity
Various	Changed references to Exhibit 53 to updated titles	Clarity
Table of Contents	Updated for edited document	Clarity

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CHAPTER 18

INFORMATION TECHNOLOGY (Including Cyberspace Operations)

1801 GENERAL

180101. Purpose

A. This chapter provides instructions applicable to supporting budgetary material and congressional justification for Information Technology (IT) and Cyberspace Operations investments, as well as discussing requirements for contributions to approved Electronic Government (E-Gov) investments. The Deputy Chief Information Officer for Resources and Analysis (DCIO (R&A)) will issue annual supplemental guidance to these instructions that address detailed and amplifying submission requirements, adjustments since publication of these instructions, and submission due dates.

B. These instructions apply to the Office of the Secretary of Defense (OSD), the Military Departments (including their National Guard and Reserve Components), the Joint Staff, Unified Commands, the Inspector General DoD, the Defense Agencies, the DoD Field Activities, the Joint Service Schools, the Defense Health Program, and the Court of Military Appeals, hereafter referred to as the DoD Components.

C. When contextually appropriate, the terms 'investment' and 'initiative' are interchangeable within this chapter.

180102. Submission Requirements

A. General guidance for submission requirements is presented in Volume 2A, Chapter 1 of the DoD Financial Management Regulation (FMR) and in the OSD Program/Budget guidance memos. This chapter covers specific submission and distribution instructions for the IT Budget and Cyberspace Operations Budget submission. All applicable automated database updates/formats will be submitted for both the OSD Program/Budget Estimates Submission and the Congressional Justification submission referred to in the DOD as the President's Budget (PB) request. The office of the DoD Chief Information Officer (DoD CIO) will distribute information, as appropriate, to Congressional committees, Government Accountability Office (GAO) and Inspector General activities in accordance with Office of Management and Budget (OMB) Circular A-11, section 22 only after the OMB database is updated and OMB has approved the information for release.

B. All DoD Components that program, budget, or execute (obligate) resources to/which support IT and Cyberspace Operations in any fiscal year of the Future Years Defense Program (FYDP) will report IT and Cyberspace Operations data in preparation for the DoD Component's inputs to the OMB Circular A-11 (Section 25.5 and Section 51.18), E-Government reviews, governance documents as required by the OMB Circular A-130, "Management of Federal Information Resources," budget analyses, special data calls, and Congressional displays. The term "Exhibit 300" is also known as the "Capital Investment Report" (CIR) or "IT Business Case" and the terms are used interchangeably throughout this

document. However, the product previously called the "Exhibit 300A" is now called the "Major IT Business Case" and the "Exhibit 300B" is now called the "Major IT Business Case Detail". All DOD appropriation accounts and funds including Defense Working Capital Fund (DWCF), Other Funding, and IT & Cyberspace Operations portions of the Military Intelligence Program (MIP) are encompassed unless outlined in paragraph D below. All MIP IT resource submissions shall be coordinated with the OUSD(I)/DUSD(PP&R)/MIP Office.

C. This chapter covers IT and Cyber Operations submissions, including Defense Business Systems (DBS), National Security Systems (NSS), Command & Control (C2), Communications and related programs, Combat Identification, Joint Information Environment (JIE), National Leadership Command Capabilities, Cyberspace Operations, Information Assurance (including Information Systems Security), Cyber Mission Forces, Offensive Cyber Operations, Defensive Cyber Operations, Cyber Intelligence Surveillance and Reconnaissance, Operational Preparation of the Cyberspace Environment, Cyber Threat Detection and Analysis (including Insider Threat), meteorological and navigation systems/programs as well as budgeting for contributions to intergovernmental E-Gov investments.

D. The following resources are exempted from IT reporting:

1. U.S. Army Corps of Engineers Civil Works appropriations.

2. IT acquired by a Federal Contractor incidental to performance of a Federal Contract.

3. Programs, projects, and activities embedded in non-C2/Communications programs or weapon systems or embedded in Service force structure and, therefore, not readily identifiable in the budget. DoD CIO will have final determination on what systems, programs, projects, and activities will be reported.

4. Highly sensitive and special access programs whose resources are specifically exempted from budget reporting by the DoD CIO and other OSD authorities. In general, these resources are reviewed through separate budget processes.

5. National Intelligence Program (NIP) resources. The Office of the Director of National Intelligence staff submits NIP via separate mechanisms.

E. All DoD Components and Enterprise Portfolio Mission Areas must prepare separate executive overviews for the President's Budget and the Congressional Justification Submission. DoD CIO will provide guidance with specific areas of interest that must be addressed within the executive overview.

F. DoD CIO will designate investments required to submit a Major IT Business Case (formerly known as the "Exhibit 300A" (aka EX300A)) and a Major IT Business Case Detail (formerly known as the "Exhibit 300B" (aka EX300B)) to meet OMB Circular A-11, Sections 25.5 and 51.18 requirements. The Capital Asset Plan, Business Case, and the congressional Selected Capital Investment Report (SCIR) are not limited to acquisition or

development and modernization programs. A-11, Section 51.18 will direct specific discussions on the broad requirements for reporting Electronic Government, Financial, legacy and sustainment investments.

G. Statement of Compliance Requirement: The IT and Cyber Operations submissions are transmitted electronically, however, both the Component CIO and Comptroller/Chief Financial Officer (CFO) must sign a joint or coordinated transmittal memo, on component letterhead, that states their submissions are

1. Complete;

2. Accurately aligned with their primary budget, the DoD Information Technology Portfolio Registry (DITPR), program and/or acquisition materials; and

3. Consistent with:

a. Subtitle III, title 40 (formerly called the Clinger-Cohen Act), as amended, 10 U.S.C. §2222 (Defense business systems only);

b. OMB Circular A-11 and documented exceptions to the Circular;

c. 10 U.S.C. §11319(b)(1)(B)(ii) provides that the CIO of each covered agency certifies that information technology investments are adequately implementing incremental development, as defined in capital planning guidance issued by OMB;

d. DoD CIO budget guidance memoranda;

e. The Paperwork Reduction Act;

f. Paragraph 180102.D of this chapter;

g. Section 508 of the Rehabilitation Act of 1973, Pub. Law 93-112, as amended (29 U.S.C. § 794d; and

h. Other applicable Acts and requirements.

The statement may be based on the Program Manager's statement of compliance. The statement should also include explanations for investments that do not conform to DoD CIO budget guidance memorandum. DoD Components for which all Information Technology resources are exempt from reporting based on Section ***180102.D*** above must submit a Statement of Compliance addressing the specific reasons for their exemption. This memorandum must be submitted annually to the DoD CIO, Deputy Chief Information Officer (DCIO) (Resources and Analysis) on the Submit/Certify date for the President's Budget request as identified on the Information Technology Budget Schedule.

H. If OMB requires additional governance information to accompany the IT Budget and Cyberspace Operations Budget, DoD CIO will determine how these requirements will be met, and provide direction to the Components. DoD CIO will also provide the Components documented guidance as well as training on any applicable changes to the Department of Defense Information Technology Information Portal (DITIP) and/or Select and Native Programming – Information Technology (SNaP-IT) systems which will be used to gather information requested by OMB.

I. Appointment of qualified project managers for investments listed in the IT Budget and Cyberspace Operations Budget is a matter of high-level interest to the OMB. Components are charged to provide complete Program Manager identification and qualification documentation to comply with Project Manager reporting requirements for Major IT Business Case/Major IT Business Case Detail only.

J. 10 U.S.C §2222 (h) requires that the materials submitted by the Secretary of Defense to the Congress in support of the President's budget include information for each business system program for which funding is requested in the budget. For each defense business system program for which funding is requested in the budget, section 2222(h) states that this information is to:

1. Identify the program;

2. Identify all funds proposed for the program, by appropriation, including funds for current services to operate and maintain the program and funds for business systems modernization, identified by specific appropriation;

3. Identify the pre-certification authority and the senior official designated under the provisions of subsection (f) of section 2222 for the program; and,

4. Describe the approval made by the Defense Business Systems Management Committee under the provisions of 10 U.S.C. § 186 for the program.

K. Information Technology investments, reporting for the first time, with funding greater than or equal to $1M (all appropriations) within the DoD FYDP are required to submit a memorandum from the component CIO (with component DCMO for DBS), on Component letterhead, to the DoD CIO, DCIO (Resources and Analysis). This memorandum must minimally indicate:

1. The investment's Unique Investment Identifier (UII)

2. Title,

3. Acronym,

4. Description,

5. If the investment is a DBS,

6. BY justification or funding approach,

7. Current acquisition milestones,

8. Dates for planned entry to future milestones,

9. Current Life Cycle Cost Estimate (LCCE) or FYDP estimate if a LCCE is not yet available,

10. Listing of other DoD participating Components,

11. All associated DITPR Identification (ID) numbers,

12. Responsible Mission Area or equivalent portfolio manager,

13. DoD Segment, and

14. Whether the investment is a financial management or financial feeder system.

New investments will be addressed in a CIR or SCIR, as applicable. "New" investments are "new starts" for purposes of this regulation. "New" investments do not arise from the breaking up of a larger investment into separately managed investments, nor is an investment "new" because of discovery that it had not been reported previously. If a component projects that a new information technology investment will exceed a Major Automated Information System (MAIS) statutory threshold (per 10 U.S.C. Chapter 144A), the component will ensure that the initiative is budgeted in a unique Program Element and not shared by other activities.

L. 10 U.S.C §2445b requires that the Secretary of Defense submit, to the Congress, annual reports on all MAIS acquisition programs, and any major information technology investment products or services that are expected to exceed a MAIS threshold but are not considered to be a MAIS program because a formal acquisition decision has not yet been made with respect to such investment (a.k.a Unbaselined MAIS) or designated a pre-MAIS. This annual report, known as the MAIS Annual Report (MAR), is also a budget exhibit. MARs are to be consistent with the latest President's Budget Submission.

1. All MAIS, Unbaselined MAIS, MDAP IT Programs, and Pre-MDAP IT Programs will be reported in SNaP-IT as single investments aligned to the Official MAIS and MDAP Lists maintained in the Defense Acquisition Management Information Retrieval (DAMIR) Portal.

2. Components shall ensure that the MAR information is consistent with the most recently submitted President's Budget. Components must use the same program description in the MAR, IT-1, and Major IT Business Case and Major IT Business Case Detail.

The program description should be precisely worded to consider the Congressional staff audience. In addition, Components shall notify the Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD(AT&L)) as soon as the Component anticipates that the program is within 10 percent of an ACAT I or IA program dollar threshold, as required by DoDI 5000.02.

M. Components with investments deemed "Major" (***180105.BH***) are required to provide updates to the Major IT Business Case Detail, via SNaP-IT, that will be made available to the Federal Information Technology Dashboard (ITDB). Updates include changes to Major IT Business Case Detail baselines, planned start/end dates, actual start/end dates, and planned/actual costs. Additional guidance for this process is promulgated in the DoD CIO's annual guidance (see ***180103.A***).

N. Components MUST provide Data Center Budget information for all Data Centers reported in the DoD Federal Data Center Consolidation Initiative (FDCCI) inventory currently maintained in the Data Center Inventory Management (DCIM) (which replaced the Characterization and Dependency Analysis Tool (CADAT)). Data Center budgets will be provided by Development, Modernization, and Enhancement (DME) and Operation and Maintenance (O&M) costs and are maintained in the DITIP Data Center Budget model under "Data Center".

O. Components must identify which investments are resourced through a DWCF's capital program, as well as whether such investment either is an IT product or IT service (vice an investment in a non-IT product or service). The SNaP-IT DWCF IT budget module for IT Working Capital Fund requirements located on the Nonsecure Internet Protocol (IP) Router Network (NIPRNet or "NIPR") will forecast all planned revenue for the Investment to include any classified investment amounts residing in the Secret Internet Protocol Router Network (SIPRNet or "SIPR"). With regard to Working Capital Fund, the data entry requirements and responsibilities are dependent on the role of the organization entering the data. The two roles are "owner" (WCF Owner) or "resource user" (WCF Participant). Refer to OSD guidance for greater details.

180103. Preparation of Material

A. This section covers material reporting requirements for IT resources submitted to the DoD CIO. The DoD CIO will provide an augmenting guidance letter annually by early August of the reporting year. The guidance will include changes in submission requirements to meet A-11 (Section 25.5 and 51.18), E-Government, and Congressional requirements (SCIRs), FY2003 DoD Authorization Act Section 351 requirements, Component Overviews, and Section 332 reporting; special areas of emphasis; and a listing of the investments that require a Major IT Business Case/Major IT Business Case Detail.

B. All IT resources must be managed in accordance with appropriation guidance and applicable expense and investment criteria.

C. All IT resources will be reported within investments. With the exception of Defense business systems (see ***180103.G.2***), MAIS (see ***180102.L.1***), Approved Shared

Services (see ***180103.I***), and programs, projects, and activities exempted by section ***180102.D.4***, investments can be systems, programs, projects, organizations, activities or grouping of systems with related functionality. All references to "Approved Shared Services" should now state "Approved Defense Enterprise IT Services (DEITS). Each Component will manage its classified and unclassified investments through the respective DITIP. Investments are registered with key categories of data required to meet internal and external reporting requirements. To register a new investment or amend/update existing investment data, DoD Components access DITIP's on-line investment registration capability. A Unique Investment Identifier (UII) is associated with each investment. The current and archived lists of investments are maintained on the DITIP web site. Additional guidance for the registration process, is promulgated in the DoD CIO's annual guidance (see ***180103.A***).

The Department of Defense Information Technology Investment Portal (DITIP) provides a centralized location for IT investment portfolio data, is the authoritative data source for DoD IT Header information, and aligns IT systems information in the Defense IT Portfolio Registry (DITPR) with budget information in the SNaP-IT. DITIP provides for the entry and maintenance of common DITPR and SNaP-IT data elements, provides a mechanism to identify Data Center budget resource estimates and supports the DCMO defense business system (DBS) certification. DITIP is the system of record for the four National Defense Authorization Act (NDAA) Defense Business System data elements (i.e., Business Enterprise Architecture (BEA) Code, BEA Version, Business Process Re-engineering (BPR) Code and Category Critical Capability (CATBC Code).

Components are responsible for verifying investment data entered in DITIP is consistent with that data entered into DITPR. At a minimum each DITPR line item must be aligned against an active SNaP-IT UII.

D. All investments requiring a Major IT Business Case/Major IT Business Case Detail will be identified within the annual IT Budget and Cyberspace Operations Budget guidance (see ***180103.A***). Regardless of actual investment amount, all funding for MAIS and pre-MAIS programs as defined in 10 U.S.C §2245a will be reported in the IT exhibit as major (exceptions to this rule will be annotated in the IT Budget and Cyberspace Operations Budget Guidance). Components that serve as the executive or principal funding agent (aka "Owner") for investments must report all sections of the Major IT Business Case and Major IT Business Case Detail.

E. Investments with multiple participating DoD Components are joint investments. All information submitted for a joint investment is the responsibility of the investment owner registered in DITIP/SNaP-IT. The owner shall coordinate investment data with each participating DOD Component of that joint investment.

F. Group of Systems. With the exception of Defense business systems (see ***180103.G***), MAIS (see ***180102.L.1***), and DEITS (see ***180103.I***), investments can be groupings of systems with related functionality if all the systems are within the same Mission Area, segment, managed under the same construct, and financed under the same resource construct (program/project/organization). All systems grouped into an IT Budget Investment must report that investment's UII in the appropriate DITPR system record.

G. Defense Business Systems (DBS)

1. In order to satisfy requirements of 10 U.S.C. §2222, for certification and approval of investments involving "defense business systems" as "covered defense business system programs," as well as for budget information in the materials that the Secretary of Defense submits to the Congress under 10 U.S.C. §2222(h), investments in defense business systems must be reported individually within the Information Technology (IT) Budget.

2. All defense business systems must be included within the IT Budget at the system level, not as system of systems, group of systems, or bundle of systems (i.e., Defense Business System = Investment).

3. The definition of a DBS is provided in section ***180105.Z***. All systems reported in the DITPR as a DBS, or with the primary mission areas designation of "Business", MUST be maintained as their own SNaP-IT Investment.

H. Cyberspace Operations

1. DOD categorizes Cyberspace Operations as a major reportable category of the DoD Information Network (DoDIN) (formerly known as the Global Information Grid (GIG) IT/ Defense Information Infrastructure (DII)). Strictly for OMB taxonomy and SNaP-IT purposes, there are three components to Cyberspace Operations: Cybersecurity (also known as Information Assurance), Cyberspace Operations, and Research and Development. Cybersecurity is more defensive in nature, whereas Cyberspace Operations is more offensive. Definitions are provided in Joint Publication 3-12. Research and Development efforts that support DoD Cyberspace Operations focuses on the incorporation and fusion of advanced technology with capabilities for defensive and offensive tactics, techniques, practices, and procedures in the cyberspace domain.

2. Components with Cyberspace Operations investments will report its resources through the SNaP-IT System. All Cyberspace Operations resources will be reported within cyberspace operations investments as prescribed by DoD CIO. Justification narratives to support the preparation of the DoD Cyberspace Operations Congressional Justification Book (CJB) will be input directly into SNaP-IT.

3. DoD CIO DCIO Resources & Analysis (DCIO R&A), in coordination with DCIO Cybersecurity and the offices of CAPE, USD(C), USD(I) and USD(AT&L) and components as identified in 180102.(B) will prepare a single DoD Cyberspace Operations CJB containing materials supporting DoD's overall Cyberspace Operations efforts. This information is collected simultaneously with the IT Budget utilizing SNaP-IT. Components must complete the SNaP-IT submission for all investments identified either in the "GIG Group" as Information Assurance Activities (IAA) or in the Segment using "610-000".

4. The Cyber Mission Forces were established in March 2013 and activated in January 2014. The Cyber Mission Forces have three main aspects: 1) Cyber National Mission Teams to help defend the nation against a strategic cyber attack on US interests

including our critical infrastructure and key resources (CIKR); 2) Cyber Combat Mission Teams aligned with regional and functional Combatant Commanders to support their objectives; and 3) Cyber Protection Teams to help defend DoD information environment and the military cyber terrain. These cyber mission teams are the U.S. military's first joint tactical command dedicated to cyberspace operations. They primarily support the Combatant Commands. In order to efficiently account for planned, programmed, and budgeted financial requirements, organizations are required to use the unique taxonomies and Program Elements that SNaP-IT established for the Cyber National Mission Forces. OSD classified guidance and training will provide further details on managing UIIs with appropriate Program Elements and the OMB taxonomies.

I. Defense Enterprise IT Services (DEITS) (Formerly known as Approved Shared Services)

The DoD CIO Executive Board may occasionally authorize a DoD Approved Shared Service. In those cases, an Authorized Shared Service must be reported in a single SNaP-IT investment. The DCIO (Resources and Analysis) will maintain a listing of Authorized Shared Service and provide that listing within the DoD CIO's annual IT Budget and Cyberspace Operations Budget guidance (see ***180103.A***).

J. Industrial Control Systems (ICS)/ Platform Information Technology (PIT)/ Supervisory Control and Data Acquisition (SCADA)

As stated in NIST Special Publication 800-82, "ICS are typically used in industries such as electric, water and wastewater, oil and natural gas, transportation, chemical, pharmaceutical, pulp and paper, food and beverage, and discrete manufacturing (e.g., automotive, aerospace, and durable goods.) SCADA systems are generally used to control dispersed assets using centralized data acquisition and supervisory control….These control systems are vital to the operation of the U.S. critical infrastructures that are often highly interconnected and mutually dependent systems." These systems, while not generally considered a typical Information System, are just as vulnerable to interception, modification, interruption and fabrication that threaten typical Information Technology Systems. Likewise, the defensive measures taken to protect ICS/PIT/SCADA systems are similar to the cybersecurity measures currently taken to protect IT systems: Firewalls, Intrusion Detection Systems, strong passwords, and encryption to name a few. Therefore, the documented planning, programming and budgeting of the costs of researching, procuring, operating and maintaining these defensive mechanisms used to protect ICS/PIT/SCADA from these vulnerability exploitations should begin in the FY17 President's Budget using SNaP-IT. PIT CS purchased as part of a weapons systems or some other turn-key non-IT solution (i.e., as part of an HVAC system) would not be reported in the IT/Cyber Budget. In summary, if the turn-key solution is IT then the ICS/PIT/SCADA systems would be reported within the turn-key investments IT/Cyber budget. If the PIT CS is being purchased on its own or upgraded to address cyber security shortfalls, it would be reported in the IT/cyber budget. Lastly there is no need register PIT CS as a separate IT investment -- it can be a part of a larger investment.

180104. References

A. DoD FMR, Volume 2A, Chapter 1 provides general funding and appropriation policies, including expense and investment criteria (Section 010201) and Budgeting for Information Technology and Automated Information Systems guidance (Section 010212), as well as general preparation instructions and distribution requirements. The table below highlights FMR references to the applicable appropriation.

Reference	Appropriation
Volume 2A, Chapter 3	Operation and Maintenance
Volume 2B, Chapter 4	Procurement
Volume 2B, Chapter 5	RDT&E
Volume 2B Chapter 6	Military Construction
Volume 2B Chapter 9	Defense Working Capital Fund (DWCF)

Volume 2B, Chapter 16 discusses requirements for NIP and MIP justification materials. Additional Cyberspace Operations justification guidance is provided above in (***180103.H***) and via an annual guidance letter.

B. DoD Directive 5000.01, "Defense Acquisition," DoD Instruction 5000.02, "Operation of the Defense Acquisition System," and the Defense Acquisition Guidebook discuss acquisition and program management requirements for preparation of acquisition program Capital Asset Plan and Business Cases. DTM 11-003 – Reliability Analysis, Planning, Tracking, and Reporting and DTM 09-027 – Implementation of the Weapon Systems Acquisition Reform Act of 2009 provide further clarification to DoDD 5000.01.

C. Office of Management and Budget (OMB) Circular No. A-11, "Preparation and Submission of Budget Estimates," Section 51.18, "Budgeting for the acquisition of capital assets," and Section 25.5, "What do I include in the budget request?" provide the general Federal reporting requirements for IT resources.

D. The Paperwork Reduction Act of 1995 and the Public Law 104-106 (Clinger-Cohen Act of 1996) contain supporting definitions regarding IT.

E. OMB Circular A-130, "Management of Federal Information Resources" provides guidance on governance requirements including the Documented Capital Planning and Investment Control (CPIC) process, Agency Enterprise Architecture and the Information Resource Management (IRM) Plan.

F. DoD Directive 8115.01, "Information Technology Portfolio Management" and DoD Instruction 8115.02, "Information Technology Portfolio Management Implementation," provides guidance and define responsibilities for DoD Mission Areas.

G. DoD Directive 7045.20, "Capability Portfolio Management," establishes policy and assigns responsibilities for the use of capability portfolio management.

H. DoD Directive 5205.12, "Military Intelligence Program (MIP)," Establishes policy and assigns responsibilities for the MIP in accordance with the authority in DoD Directive (DoDD) 5143.01 (Reference (a)) to provide visibility into Defense Intelligence resource data and capabilities and to create a means for effectively assessing Defense Intelligence capabilities.

I. Joint Publication 3-13, Information Operations, dated November 27, 2012.

J. Joint Publications 3-12, Cyberspace Operations, dated February 5, 2013.

K. National Institute of Standards and Technology Special Publication 800-82, June 2011.

L. DoD Directive 8000.01, Management of the Department of Defense Information Enterprise, dated February 10, 2009.

M. DoD Instruction 8500.01, Cybersecurity, dated March 14, 2014.

180105. Definitions

A. Acquisition Management Segment (510-000). IT supporting the activities necessary to provide (non-commodity) goods/services for DoD operations.

B. Battlespace Awareness-Environment Segment (710-000). IT supporting the ability to collect, analyze, predict and exploit meteorological, oceanographic and space environmental data.

C. Battlespace Awareness-ISR Segment (700-000). IT supporting the ability to conduct activities to meet the intelligence needs of national and military decision-makers.

D. Battlespace Networks Segment (720-000). IT that extends DoD's "commercial like" IT Infrastructure to meet the unique connectivity and interoperability needs of deployed and mobile warfighting capabilities. Focuses on information transport, computing, enterprise services capabilities that supports the Combined Joint Task Force. NOTE: All investments included in the Battlespace Networks segment should be identified as NSS. If it is not an NSS system then it probably should be aligned with the Information Technology Infrastructure (ITI) segment.

E. Budget Identification Number (BIN). See Unique Investment Identifier.

F. Building Partnerships Segment (790-000). This segment covers the IT supporting the capability for setting conditions for interaction with partner, competitor or adversary leaders, military forces, or relevant populations by developing and presenting information and conducting activities to affect their perceptions, will, behavior, and capabilities.

G. Business Mission Area (BMA). The BMA ensures that the right capabilities, resources, and materiel are reliably delivered to our warfighters: what they need,

where they need it, when they need it, anywhere in the world. In order to cost-effectively meet these requirements, the DoD current business and financial management infrastructure - processes, systems, and data standards - are being transformed to ensure better support to the warfighter and improve accountability to the taxpayer. Integration of business transformation for the DoD business enterprise is led by the Deputy Secretary of Defense in his role as the Chief Management Officer (CMO) of the Department, and supported by the Deputy Chief Management Officer (DCMO).

H. Business Services Segment–TBD (599-000). This is a placeholder for those "few" business service related IT investments that do not currently fit into the existing business segments.

I. Business Services Segment Group. This segment includes investments for foundational mechanisms and back-office services used to support the mission of the agency. Segments included in this group are: Financial Management, Acquisition, Human Resources Management, Logistics/Supply Chain Management, and Installation Support.

J. Communications and Computing Infrastructure (C&CI). The C&CI reporting category includes the information processing (computing), transport (communications) and infrastructure management services used in DoD such as voice, data transfer (including electronic commerce and business interfaces), video teleconferencing, and messaging. The C&CI category is subdivided into operational areas and special interest programs.

K. Communications. Communications elements include fixed plant, sustaining base infrastructure in the US and selected overseas locations; long haul transmissions via Defense-owned or leased terrestrial facilities; transmissions via satellite or other radio systems; and mobile, tactical transmission systems.

L. Command and Control (C2). Includes the facilities, systems, and manpower essential to a commander for planning, directing, coordinating and controlling operations of assigned forces. C2 capabilities cover the joint/tactical operations echelon and down to front line tactical elements.

M. Command and Control Segment (730-000). This segment provides the IT that facilitates the exercise of authority and direction over DoD-mission related activities supporting the joint warfighter.

N. Computing Infrastructure. Automated information processing operations reported in the C&CI section generally perform one or more of the following functions: processing associated with agency-approved automated information systems; timesharing services; centralized office automation; records management services; or network management support. Staff associated with these operations includes computer operators, computer system programmers, telecommunications specialists, helpdesk personnel and administrative support personnel.

O. Core Financial System. Is an information system, or system of system, that may perform all financial functions including general ledger management, funds management, payment management, receivable management, and cost management. The core financial system is the system of record that maintains all transactions resulting from financial events (see definition below). It may be integrated through a common database or interfaced electronically to meet defined data and processing requirements. The core financial system is specifically used for collecting, processing, maintaining, transmitting, and reporting data regarding financial events. Other uses include supporting financial planning, budgeting activities, and preparing financial statements. Any data transfers to the core financial system must be: traceable to the transaction source; posted to the core financial system in accordance with applicable guidance from the Federal Accounting Standards Advisory Board (FASAB); and in the data format of the core financial system.

P. Core Mission Services Segment (799-000). Placeholder for those “few” core mission service related IT investments that do not currently fit into the existing core service segments.

Q. Core Mission Services Segment Group. This segment group contains investments that directly support the Department’s core missions. Segments included in this group are; Battlespace Awareness – Environment, Battlespace Awareness – Intelligence, Surveillance, and Reconnaissance (ISR), Battlespace Networks, Command and Control, Force Application, Protection, Building Partnerships, Force Management, Force Training, and Health.

R. Cost. A monetary measure of the amount of resources applied to a cost objective. Within the DoD, "costs" are identified following the GAO accounting principles and standards as implemented in this Regulation. The fact that collections for some cost elements are deposited into Miscellaneous Receipts of the Treasury does not make those costs "extraneous." It simply means the Congress has not authorized such amounts to be retained by appropriation accounts. After costs have been identified, following the Comptroller General cost accounting rules, a DoD Component may proceed to eliminate cost elements, or process waivers, in accordance with legal authorities.

S. Current Services (CS). At the Federal level, this is referred to as Steady State (SS) and is synonymous with operations and maintenance. Current Services represents the cost of operations at the current capability and performance level of the application, infrastructure program and/or investment when the budget is submitted. That is, the cost with no changes to the baseline other than fact-of-life reductions, termination or replacement. Current Services include: (1) personnel whose duties relate to the general management and operations of information technology, including certain overhead costs associated with Program Management (PM) offices; (2) maintenance of an existing application, infrastructure program or investment; (3) corrective software maintenance, including all efforts to diagnose and correct actual errors (e.g., processing or performance errors) in a system; (4) maintenance of existing voice and data communications capabilities; (5) replacement of broken IT equipment needed to continue operations at the current service level; (6) Technical Refresh; and (7) all other related costs not identified as Development/Modernization.

T. Cybersecurity. As referenced in DoDI 8500.01 "Prevention of damage to, protection of, and restoration of computers, electronic communications systems, electronic communications services, wire communication, and electronic communication, including information contained therein, to ensure its availability, integrity, authentication, confidentiality, and nonrepudiation."

U. Cyberspace**.** A global domain consisting of the interdependent network of information technology infrastructures, including the Internet, telecommunications networks, computer systems, and embedded processors and controllers.

V**.** Cyberspace Operations**.** Employment of cyberspace capabilities for the primary purpose of achieving objectives in or through cyberspace. For the purposes of budget reporting within the OMB taxonomy and SNaP-IT, there are three major components of Cyberspace Operations: Cybersecurity (also known as Information Assurance), Cyberspace Operations, and Research & Development. Refer to paragraphs T and AU for more information. The DoD DCIO (R&A) office will provide further guidance on Cyberspace Operations via classified channels.

W. Cyber Mission Forces. The U.S. military's first joint tactical command with a dedicated mission focused on cyberspace operations and primarily support the Combatant Commands and USCYBERCOM.

X. Data Administration. Program Area of Related Technical Activities. Activities reported in this area include: Data sharing and data standardization. Component data administration programs are defined in the Data Administration Strategic Plans.

Y. Data Center Budget. All Data Centers reported in the DoD FDCCI inventory currently maintained in the DCIM (which replaced the CADAT) must maintain an appropriate budget estimate in DITIP at all times. Each Data Center budget line will include the following information:

1. Resourcing Component,

2. DCIM Unique ID,

3. SNaP-IT Investment UII,

4. Resource Type (DM/CS)

   a. DME - Development, Modernization, and Enhancement, or

   b. CS - Operations and Maintenance (Steady State)

5. Prior Year (PY) through Budget Year plus 4 (BY+4) Resources

Z. Defense Business System (DBS). The term "defense business system" as defined at 10 U.S.C §2222(j)(1) means an information system, other than a national security system, operated by, for, or on behalf of the Department of Defense, including financial systems, mixed systems, financial data feeder systems, and information technology and information assurance infrastructure, used to support business activities, such as acquisition, financial management, logistics, strategic planning and budgeting, installations and environment, and human resource management. The term "covered defense business system" as defined at 10 USC §2222(j)(2) means any defense business system program that is expected to have a total cost in excess of $1,000,000 over the current future-years defense program submitted to the Congress under 10 U.S.C §221.

AA. Defensive Cyberspace Operations (DCO). Passive and active operations to preserve the ability to utilize friendly cyberspace capabilities and protect the DoD networks and net-centric capabilities,

AB. Defensive Cybersecurity. The protection of information against unauthorized disclosure, transfer, modification, or destruction, whether accidental or intentional.

AC. Department of Defense Information Network. The DoD Information Network (DoDIN) (formerly called the Global Information Grid (GIG), as defined in DoD Directive 8000.01 as well as JP 3-13), is the globally interconnected, end-to-end set of information capabilities for collecting, processing, storing, disseminating, and managing information on demand to warfighters, policy makers, and support personnel. The DODIN includes owned and leased communications and computing systems and services, software (including applications), data, security services, other associated services, and National Security Systems. The DODIN consists of information capabilities that enable the access to, exchange, and use of information and services throughout the Department and with non-DoD mission partners. The principal function of the DODIN is to support and enable DoD missions, functions, and operations. The overarching objective of the DODIN vision is to provide the National Command Authority (NCA), warfighters, DoD personnel, Intelligence Community, business, policy-makers, and non-DoD users with information superiority, decision superiority, and full-spectrum dominance.

AD. Department of Defense Information Technology Investment Portal (DITIP). DITIP provides a centralized location for IT investment portfolio data and aligns IT systems information in the Defense IT Portfolio Registry (DITPR) with budget information in the Select and Native Programming Data Input System for IT (SNaP-IT). DITIP provides for the entry and maintenance of common DITPR and SNaP-IT data elements and supports the DCMO defense business system (DBS) certification.

AE. Development/Modernization (Dev/Mod). Also referred to as development/modernization/enhancement. Development, Modernization and Enhancement refers to projects and activities leading to new IT assets/systems, as well as projects and activities that change or modify existing IT assets to substantively improve capability or performance, implement legislative or regulatory requirements, or meet an agency leadership request. DME activity may occur at any time during a program's life cycle. As part of DME, capital costs can

include hardware, software development and acquisition costs, commercial off-the-shelf acquisition costs, government labor costs, and contracted labor costs for planning, development, acquisition, system integration, and direct project management and overhead support. Technical Refresh is NOT included in Dev/Mod, but rather in Current Service as discussed previously.

AF. DoD portion of Intelligence Mission Area (DIMA). The DIMA includes IT investments within the Military Intelligence Program and DoD component programs of the National Intelligence Program. The USD(I) has delegated responsibility for managing the DIMA portfolio to the Director, Defense Intelligence Agency, but USD(I) retains final signature authority. The DIMA management will require coordination of issues among portfolios that extend beyond the Department of Defense to the overall Intelligence Community.

AG. Enterprise Information Environment Mission Area (EIEMA). The EIEMA represents the common, integrated information computing and communications environment of the GIG. The Enterprise Information Environment (EIE) is composed of GIG assets that operate as, provide transport for, and/or assure local area networks, campus area networks, tactical operational and strategic networks, metropolitan area networks, and wide area networks. The EIE includes computing infrastructure for the automatic acquisition, storage, manipulation, management, control, and display of data or information, with a primary emphasis on the DoD enterprise hardware, software operating systems, and hardware/software support that enable the GIG enterprise. The EIE also includes a common set of enterprise services, called Core Enterprise Services, which provide awareness of, access to, and delivery of information on the GIG.

AH. Enterprise Services Segment –TBD (699-000). This is a placeholder for those “few” enterprise service related IT investments that do not currently fit into the existing IT Infrastructure; Identity and Information Assurance; or IT Management segments.

AI. Enterprise Services Segment Group. This segment group includes investments for IT services and infrastructure that support core mission and business services. Segments included in this group are; Identity and Information Assurance (IIA), IT Infrastructure, and IT Management.

AJ. Financial Event. Is any activity having financial consequences to the Federal government related to the receipt of appropriations or other financial resources; acquisition of goods or services; payments or collections; recognition of guarantees, benefits to be provided, or other potential liabilities; distribution of grants; or other reportable financial activities.

AK. Financial Management Segment (500-000). The IT supporting the facilitation and implementation of financial management solutions providing timely and accurate decision support data, stronger internal controls, establishing standards for acquiring and implementing FM systems through shared business processes, IT services, and data elements.

AL. Financial Management Systems. Financial Management systems perform the functions necessary to process or support financial management activities. These systems

collect, process, maintain, transmit, and/or report data about financial events or supporting financial planning or budgeting activities. These systems may also accumulate or report cost information, support preparation of financial transactions or financial statements or track financial events and provide information significant to the DoD Components financial management.

AM. Force Application Segment (740-000). IT supporting the capability to integrate the use of maneuver and engagement in all environments, to creating the necessary effects for achieving DoD mission objectives.

AN. Force Management Segment (770-000). IT supporting the ability to integrate new and existing human and technical assets from across the Joint Force and its mission partners to make the right capabilities available at the right time/place to support National Security.

AO. Force Training Segment (780-000). IT supporting the ability to enhance the capacity to perform specific functions and tasks in order to improve the individual or collective performance of personnel, units, forces, and staffs.

AP. Global/Functional Area Applications (G/FAA). Also referred to as Global Applications, Global, or Functional Area Applications are associated with all DoD mission areas—C2, Intelligence and combat support, combat service support areas, and the DoD business areas. Selected investments will be categorized as NSS. Global applications rely upon the network, computing and communication management services including information processing, common services, and transport capabilities of the Communications and Computing Infrastructure. Related technical activities provide the architectures, standards, interoperability, and information assurance that these applications require to operate effectively as part of the Defense Information Infrastructure. Although an application/system may serve more than one function, it is generally classified according to the predominate function across the department. Each Functional Application category is subdivided into Functional Areas that equate to principal staff functions and activities.

AQ. Global Information Grid (GIG). This term is now referred to as the DoD Information Network (DODIN) which is described in paragraph ***AB*** above. Until the term "GIG" is removed, replaced or updated in all applicable documentation, this definition will remain in this document for reference purposes. The GIG supports all DoD missions with information technology for National Security Systems, joint operations, Joint Task Forces, Combined Task Force commands, and DoD business operations that offer the most effective and efficient information handling capabilities available, consistent with National Military Strategy, operational requirements and best value enterprise level business practices. The GIG is based on a common, or enterprise level, communications and computing architecture to provide a full range of information services at all major security classifications.

AR. Health (760-000). The Health segment facilitates the implementation of IT systems and services that enable the Department's capabilities to maintain the health of

military personnel, which includes the delivery of healthcare required during wartime.

AS. Human Resource Management Segment (520-000). IT supporting DoD human resource management, personnel and readiness ensuring human resources are recruited, trained, capable, motivated, and ready to support the Department.

AT. Identification Number (IN). Investment numbers are more commonly referred to as the Budget Identification Numbers (BIN). A four or five digit identification number that is assigned to each investment, program and system reported in the IT budget and Cyberspace Operations Budget.

AU. Identity and Information Assurance (IIA) Segment (610-000). IT supporting the DoD's ability to maintain an appropriate level of confidentiality, integrity, authentication, non-repudiation and availability of data and information at rest and in transit. IIA's purpose is to maintain the information and information assets; document threats and vulnerabilities; ensure the trustworthiness of users and interconnecting systems; determine the impact of impairment or destruction to the DoD information system(s) and cyberspace; and manage cost effectiveness.

AV. Information Assurance (IA). With regard to OMB taxonomy and SNaP-IT purposes, when referencing Paragraph ***T***, DOD considers "Information Assurance" synonymously with "Cybersecurity", which is one of three components of Cyberspace Operations, and is a major reportable category of the DoDIN/IT/JIE. The term "Information Assurance" and "Cybersecurity" are used interchangeably throughout this chapter. However, DoDI 8500.01 primarily uses "Cybersecurity" as the most current terminology concerning Information Assurance and as such, future publications will remove "Information Assurance" references. For a historical perspective, IA included all efforts that protect and defend information and information systems by ensuring their availability, integrity, authentication, confidentiality, and non-repudiation. Also included were all provisions for restoration of information systems by incorporating protection, detection, and reaction capabilities. As such, IA was broader in scope than information systems security and reflected the realities of assuring timely availability of accurate information and reliable operation of DoD information systems in increasingly inter-networked information environments.

AW. Information System (IS). (Reference section 3502 of title 44 U.S.C.) An information system is a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information. This includes automated information systems (AIS), enclaves, outsourced IT-based processes and platform IT interconnections. To operate information systems, Components must support related software applications, supporting communications and computing infrastructure and necessary architectures and information security activities.

AX. Information Technology (IT). (Reference section 11101 of title 40 U.S.C. and PL 113-291, Subtitle D –Federal Information Technology Acquisition Reform Act) The term "information technology" is defined as:

1. Services or equipment, or interconnected system(s) or subsystem(s) of equipment, that are used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the agency; and

2. Services or equipment that are used by an agency if used by the agency directly or if used by a contractor under a contract with the agency that requires either use of the services or equipment or requires use of the services or equipment to a significant extent in the performance of a service or the furnishing of a product.

3. The term "information technology" includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including provisioned services such as cloud computing and support services that support any point of the lifecycle of the equipment or service), and related resources.

4. The term "information technology" does not include any equipment that is acquired by a contractor incidental to a contract that does not require use of the equipment.

AY. Information Technology (IT) Investment. This term refers to the expenditure of IT resources to address mission delivery and management support. An IT investment may include a project or projects for the development, modernization, enhancement, or maintenance of a single IT asset or group of IT assets with related functionality, and the subsequent operation of those assets in a production environment. All IT investments should have a defined life cycle with start and end dates, with the end date representing the end of the currently estimated useful life of the investment, consistent with the investment's most current alternatives analysis if applicable. When the asset(s) is essentially replaced by a new system or technology, the replacement should be reported as a new, distinct investment, with its own defined life cycle information.

AZ. Information Technology Resources. The term "information technology resources" is defined as:

1. Agency budgetary resources, personnel, equipment, facilities, or services that are primarily used in the management, operation, acquisition, disposition, and transformation, or other activity related to the lifecycle of information technology;

2. Acquisitions or interagency agreements that include information technology and the services or equipment provided by such acquisitions or interagency agreements; but

3. Does not include grants to third parties which establish or support information technology not operated directly by the Federal Government

BA. Information Technology (IT) Portfolio. The DoD IT portfolio consists of investments representing a common collection of capabilities and services. The portfolios are an integral part of the Department's decision making process and are managed with the goal of ensuring efficient and effective delivery of capabilities while maximizing the return on Enterprise investments.

BB. Installation Support Segment (540-000). IT supporting the ability to provide installation assets and services necessary to support the US military forces.

BC. IT Infrastructure Segment (600-000). Commercial-like, common user, information transport, computing and (infrastructure) enterprise services supporting DoD's fixed base users in accomplishing their missions.

BD. IT Management Segment (800-000). Facilitates planning, selection, implementation and assessment of IT investments and programs supporting the broader enterprise. This includes: IT strategic planning, promulgation of policy and direction governing the provisioning of services; establishing and maintaining enterprise architectures and transition strategies; cost analysis, performance measurement and assessment in order to best mitigate risks.

BE. Joint Information Environment. The Joint Information Environment (JIE) is a fundamental shift in the way the Department of Defense (DoD) will consolidate and manage Information Technology (IT) infrastructure, services, and assets in order to realign, restructure, and modernize how the Department's IT networks and systems are constructed, operated, and defended. JIE will consolidate and standardize the design and architecture of the Department's networks. The JIE represents the DoD migration from military service-centric IT infrastructures and capabilities, with their mixture of disparate networks and applications, to enterprise capabilities based on common infrastructure and shared services to support Joint needs. These needs include networks, security services, cyber defenses, data centers, and operation management centers. Consolidation and standardization will result in a single, reliable, resilient, and agile information enterprise for use by the joint forces and mission partners. The vision of JIE is to ensure that DoD military commanders, civilian leadership, warfighters, coalition partners, and other non-DoD mission partners have access to information and data provided in a secure, reliable, and agile DoD-wide information environment. The ultimate beneficiary of JIE is the commander in the field, allowing for innovative integration of information technologies, operations, and cybersecurity at a tempo more appropriate to today's fast-paced operational conditions. The objective is for authorized users to access required information and resources from anywhere, at any time, using any approved device across the JIE, enabling warfighter information sharing and mission operations. Since JIE is not a Program of Record, it should be noted that the Department will utilize existing DoD Component programs, initiatives, technical refresh plans, acquisition processes, and funding to deploy and migrate the existing infrastructure to the JIE standards. OSD guidance and training will provide more details concerning the alignment of UIIs to achieving JIE goals and standards.

BF. Life-Cycle Cost (LCC). LCC represents the total cost to the Government for an IS, weapon system, program and/or investment over its full life. It includes all

developmental costs, procurement costs, MILCON costs, operations and support costs, and disposal costs. LCC encompasses direct and indirect initial costs plus any periodic or continuing sustainment costs, and all contract and in-house costs, in all cost categories and all related appropriations/funds. LCC may be broken down to describe the cost of delivering a certain capability or useful segment of an IT investment. LCC normally includes 10 years of sustainment funding following Full Operational Capability (FOC) or Full Deployment for Automated Information Systems. For investments with no known end date and that are beyond FOC, LCC estimate should include 10 years of sustainment.

BG. Logistics/Supply Chain Management Segment (530-000). IT supporting the ability to project and sustain a logistically ready joint force to meet mission objectives.

BH. Major. A system or investment requiring special management attention because of its importance to an agency mission; its high development, operating, or maintenance costs; or its significant role in the administration of agency programs, finances, property or other resources. Systems or investments that have been categorized as "Major" can include resources that are associated with the planning, acquisition and /or sustainment life cycle phases. Large infrastructure investments (e.g. major purchases of personal computers or local area network improvements) should be considered major investments. Includes programs identified as MAIS (also called ACAT IA) in DoD 5000 series documents.

BI. Military Intelligence Program (MIP). The MIP consists of programs, projects, or activities that support the Secretary of Defense's intelligence, counterintelligence, and related intelligence responsibilities. This includes those intelligence and counterintelligence programs, projects, or activities that provide capabilities to meet warfighters' operational and tactical requirements more effectively. The term excludes capabilities associated with a weapons system whose primary mission is not intelligence.

BJ. National Leadership Command Capabilities (NLCC). A capability encompassing the entirety of the DoD command, control, communications, computer, intelligence, surveillance, and reconnaissance systems and services that provides national leadership, regardless of location and environment, with diverse and assured access to integrated, accurate, and timely data, information, intelligence, communications, services, situational awareness, and warnings and indications from which planning and decision-making activities can be initiated, executed, and monitored. OSD guidance and training will provide more details concerning the alignment of UIIs to the NLCC.

BK. National Security Systems (NSS). (Reference section 3542 of title 44 U.S.C.) NSS includes any telecommunications or information system operated by the United States Government, the function, operation, or use of which involves intelligence activities, cryptologic activities related to national security, or command and control of military forces. NSS also includes equipment that is an integral part of a weapon or weapons system, or is critical to the direct fulfillment of military or intelligence missions. NSS DOES NOT include a system that is to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications).

BL. Obligation. The amount representing orders placed, contracts awarded, services received, and similar transactions during an accounting period that will require payment during the same, or a future, period. Obligations include payments for which obligations previously have not been recorded and adjustments for differences between obligations previously recorded and actual payments to liquidate those obligations. The amount of obligations incurred is segregated into undelivered orders and accrued expenditures - paid or unpaid. For purposes of matching a disbursement to its proper obligation, the term obligation refers to each separate obligation amount identified by a separate line of accounting.

BM. Offensive Cyberspace Operations. JP 3-12 defines Offensive Cyberspace Operations as "Cyberspace operations intended to project power by the application of force in or through cyberspace. However, for SNaP-IT and OMB taxonomy purpose, Offensive Cyberspace Operations are activities that actively gather information, manipulate, disrupt, deny, degrade, or destroy adversary computer information systems, information, or networks through cyberspace.

BN. Office Automation (also referred to as "Desktop Processing"). Facilities that support file servers or desktop computers used for administrative processing (e.g. word processing, spreadsheets, etc.) rather than application processing, should be reported as Office Automation (listed as a separate function).

BO. Operational Preparation of the Environment. Non-intelligence enabling activities conducted to plan and prepare for potential follow-on military operations. OPE in cyberspace includes identifying data, software, systems, networks, and facilities to determine vulnerabilities and activities to assure future access or control during anticipated hostilities.

BP. "Other" Category (also referred to as "All Other"). For those "Development/Modernization" and/or "Current Services" costs/obligations as well as investments not designated in the major categories. "Other" category investments are aligned with the applicable GIG/IT/DII Reporting Structure functional/mission area (see Section 180106).

BQ. Program Cost (also referred to as investment cost and total acquisition cost). The total of all expenditures, in all appropriations and funds, directly related to the IS, program, or investment's definition, design, development, and deployment; incurred from the beginning of the "Concept Exploration" phase through deployment at each separate site. For incremental and evolutionary program strategies, program cost includes all funded increments. Program cost is further discussed in DoD 5000 series documents.

BR. Protection Segment (750-000). IT supporting the capability to prevent and/or mitigate adverse effects of attacks on personnel (combatant or non-combatant) and physical assets of the United States, its allies and friends.

BS. Related Technical Activities (RTAs). RTAs service global/functional applications, C&CI and IA. While RTAs do not provide directly functional applications, data processing, or connectivity, they are required to ensure that the infrastructure functions as an integrated whole and meets DoD mission requirements. RTAs include such things as spectrum

management, development of architectures, facilitation of interoperability, and technical integration activities. RTAs are considered necessary "overhead" for the DODIN. See Section 180106 for the DODIN Structure Table. The RTA category is subdivided into limited Program Areas.

BT. Segments. A portfolio management concept required by OMB Circular A-11. Segments serve as the basis for organizing IT investments for both budget management and performance management purposes. Three groups of segments have emerged to characterize the way in which their segments enable functional capabilities of the enterprise – and to differentiate the way in which investments are governed; Business Services Segment Group, Core Mission Services Segment Group, and Enterprise Services Segment Group.

BU. Select & Native Programming-Information Technology (SNaP-IT). The electronic system used by the DoD CIO to collect IT Budget and Cyberspace Operations Budget data and generates reports mandated by the OMB and the Congress. SNaP-IT is a database application used to plan, coordinate, edit, publish, and disseminate Information Technology (IT) budget justification books required by the Congress. SNaP-IT generates all forms, summaries, and pages used to complete the publishing of the IT Congressional Justification materials (the IT-1, overviews, Selected Capital Investment Reports required by Section 351) and the OMB submissions, such as the IT Investment Portfolio Summary, the IT Business Case, and monthly updates to the OMB Information Technology Dashboard. SNaP-IT provides users the ability to gain access to critical information needed to monitor and analyze the IT Budget and Cyberspace Operations Budget submitted by the DoD Components.

BV. Special Interest Communications Programs. Special interest communications programs are reported under IT/DII C&CI division. Electronic Commerce/Electronic Data Interchange and Distance Learning Systems are special interest programs that should be reported in this area. The resource category "Other" may not be used with Special Interest Communications.

BW. Steady State (SS). See definition for Current Services.

BX. Technical Activities. This refers to activities that deal with testing, engineering, architectures and inter-operability.

BY. Threat Detection and Analysis. This refers to activities that identify, characterize, examine, and track previously undefined types and sources of cyber threats against data, system, or network vulnerabilities to determine the risks to particular data, systems, networks, or operations.

BZ. Unique Investment Identifier. Previously called a "BIN", the UII is a database index field automatically generated with the DITPR/SNaP-IT interface when registering or creating a new investment.

CA. Warfighting Mission Area (WMA). The WMA provides life cycle oversight to applicable DoD Component and Combatant Commander IT investments (programs,

systems, and investments). WMA IT investments support and enhance the Chairman of the Joint Chiefs of Staff's joint warfighting priorities while supporting actions to create a net-centric distributed force, capable of full spectrum dominance through decision and information superiority. WMA IT investments ensure Combatant Commands can meet the Chairman of the Joint Chiefs of Staff's strategic challenges to win the war on terrorism, accelerate transformation, and strengthen joint warfighting through organizational agility, action and decision speed, collaboration, outreach, and professional development.

CB. Working Capital Fund Investment. The DWCF authority at 10 U.S.C. § 2208 allows the DoD to finance inventories of supplies and provide working capital for industrial and commercial-type activities. DWCF activities are dependent on revenue, as are commercial businesses. DWCFs provide a mechanism for the DoD Components to finance those supply and commercial and industrial activities that have been chartered under Volume 11B, Chapter 2, or this Regulation. It enables such DoD Components to absorb risk in planning investment programs for maintenance and supply. The intent was to allow chartered commercial, industrial and supply management activities to make capital investments when needed and recoup the costs through future year pricing structure.

180106. Reporting Structure

IT investments shall be managed by enterprise portfolios divided into Mission Area portfolios which are defined as Warfighting, Business, DoD portion of Intelligence, and Enterprise Information Environment. In addition, all information technology resources will be associated with a single DoD Segment (see section 180105 for definitions), the Federal Enterprise Architecture (FEA) Business Reference Model (BRM), and the OMB approved Segment. Investments are also reported by appropriation details (Appropriation, Budget Activity (BA), Program Element (PE), Budget Line Item (BLI), Investment Stage and Source (Base/Overseas Contingency Operations (OCO)) and by "major" and "other" categories. SNaP-IT records these business rules. Investments that cross more than one functional area, such as C&CI, RTA, or IAA (Cyberspace Operations), may need to be broken down by area and registered in the Master BIN List maintained in SNaP-IT by the DoD CIO. The reporting area will normally be based upon the preponderance of the mission/capability concept.

Segment Architecture and Information Technology/Defense Information Infrastructure (DODIN) Reporting Structure

Segment Category	Segment Code *-000	Segment Title	Sub-segment Title	GIG Group	Mission Area
BS	500	Financial Management		FAA	BMA
BS	510	Acquisition		FAA	BMA
BS	520	Human Resource Management		FAA	BMA
BS	530	Logistics/Supply Chain Management		FAA	BMA
BS	540	Installation Support		FAA	BMA
BS	599	Business Services TBD		FAA	BMA
ES	600	DoD IT Infrastructure	Core Network Infrastructure	CCI	EIEMA
ES	600	DoD IT Infrastructure	DoD Enterprise Services	CCI	EIEMA
ES	600	DoD IT Infrastructure	DoD IT Infrastructure	CCI	EIEMA
ES	600	DoD IT Infrastructure	Non-Core Network Infrastructure	CCI	EIEMA
ES	610	Cyber Information & Identity Assurance (Cyberspace Operations)	Assured Information Sharing (AIS)	IAA	EIEMA
ES	610	Cyber Information & Identity Assurance (Cyberspace Operations)	Computer Network Defense	IAA	EIEMA
ES	610	Cyber Information & Identity Assurance (Cyberspace Operations)	Cryptographic Key Production and Management	IAA	EIEMA
ES	610	Cyber Information & Identity Assurance (Cyberspace Operations)	Cryptographic Systems	IAA	EIEMA
ES	610	Cyber Information & Identity Assurance (Cyberspace Operations)	Cyber Identify /Access Management	IAA	EIEMA
ES	610	Cyber Information & Identity Assurance (Cyberspace Operations)	Defense Industrial Base (DIB) CyberSecurity/ Information Assurance	IAA	EIEMA
ES	610	Cyber Information & Identity Assurance (Cyberspace Operations)	Engineering & Deployment	IAA	EIEMA
ES	610	Cyber Information & Identity Assurance (Cyberspace Operations)	Information Assurance Operational Resiliency	IAA	EIEMA
ES	610	Cyber Information & Identity Assurance (Cyberspace Operations)	Offensive Cyberspace Operations	IAA	EIEMA
ES	610	Cyber Information & Identity Assurance (Cyberspace Operations)	Workforce Development	IAA	EIEMA
ES	699	Enterprise Services TBD		CCI	EIEMA
CMAS	700	Battlespace Awareness-ISR		FAA	DIMA

Segment Category	Segment Code *-000	Segment Title	Sub-segment Title	GIG Group	Mission Area
CMAS	710	Battlespace Awareness-Environment		FAA	WMA
CMAS	720	Battlespace Networks		CCI	EIEMA
CMAS	730	Command & Control		FAA	WMA
CMAS	740	Force Application		FAA	WMA
CMAS	750	Protection		FAA	WMA
CMAS	760	Health		FAA	BMA
CMAS	770	Force Management		FAA	BMA
CMAS	780	Force Training		FAA	WMA
CMAS	790	Building Partnerships		FAA	WMA
CMAS	799	Core Mission TBD		RTA	EIEMA
ES	800	IT Management		RTA	BMA

BS = Business Systems
ES = Enterprise Services
CMAS = Core Mission Area Services

1802 PROGRAM AND BUDGET ESTIMATES SUBMISSION

180201. Purpose

This section provides guidance for preparation and submission of the Information Technology Budget Estimate Submission (BES) to the DoD CIO, and for preliminary updates to OMB resource exhibits in September in preparation for the OMB "draft guidance" and IT Budget and Cyberspace Operations Budget hearings. Resources reported in the IT submission must be consistent with other primary appropriation justification and FYDP submissions**.** DOD CIO (R&A) will annually issue supplemental guidance for other data requirements directed by the DoD CIO, Congress or OMB. Timelines for updates will be provided as information becomes available and will be designated in the program and budget call memorandum. Technical requirements and templates are provided in SNaP-IT.

180202. Submission Requirements

A. The following information is required. Unless modified in a subsequent budget call, Components shall use the formats in DITIP and on the SNaP-IT Web page (***https://snap.pae.osd.mil/snapit/Home.aspx*** or ***https://snap.cape.osd.smil.mil/snapit/***) and provide an automated submission.

1**.** Investment Registration. Add, update, delete, and modify investment data to accurately represent the current environment for the IT investment and the Component using the DITIP/SNaP-IT investment registration. This includes Titles, Descriptions, Type of IT, IT/NSS Classification, DoD Segment and FEA information, and DoD Component participation requirements.

2. IT Investment Resources. Collection of resources by Component; Security Classification; Appropriation/Fund (Treasury Code); Investment Stage; BA/Line Item; OSD PE Code; Funding Source (Base/OCO); PY, CY, BY, BY+1, +2, +3, and +4 for submitting the IT Investment Portfolio Summary (Exhibit 53) as required by the OMB A-11, Section 51.18 and 25.5.

3. IT Business Case (formerly known as the Exhibit 300). Capital Asset Plan and Business Case (IT) for major investments. The IT Business Case (or CIR), is discussed in the OMB's A-11 Section 51.18 and 25.5. DoD Components are required to complete an IT Business Case for those investments identified by the DoD CIO. In addition to the IT investment resources information reported in the IT Investment Portfolio Summary (Section 180202.A.2), IT Business Case programs will report associated Full Time Equivalent (FTE) personnel and the complete Life Cycle Cost (LCC) of the investment.

B. Distribution of the OSD budget estimates material will be available electronically through the SNaP-IT site.

C. Additional reporting requirements will be identified in the call memorandum, as necessary. Additional management and supporting data may be designated by

the DoD CIO to support detailed justification requirements. All supporting program documentation not submitted with the budget submission must be made available to the DoD CIO within two business days of its request.

180203. Arrangement of Backup Exhibits

The SNaP-IT will provide an option to assemble information in the sequence shown in Section 180202, as applicable. Components will be able to generate IT Investment Portfolio Summary (Exhibit 53) level data outputs for internal review only.

1803 CONGRESSIONAL JUSTIFICATION/PRESENTATION

180301. Purpose

This section provides guidance on organizing the IT resource justification materials submitted in support of the President's Budget. The Department will submit draft and final consolidated outputs to the OMB in the January timeframe and for the Congress by the date set by the Comptroller, usually in the first week of March.

180302. Justification Book Preparation

Justification information will be taken from the SNaP-IT system, reflecting the OMB requirements for IT Investment Portfolio Summary (Exhibit 53) and IT Business Case (known previously as the Exhibit 300). Special outputs will be designed for select investments and summaries based on Congressional requirements. DoD Component requirements and review of these outputs will be discussed in the final budget call memorandum. Congressional justification materials will be extracted or derived from materials developed for the OMB updates.

180303. Submission Requirements

Submission requirements are as specified in Section ***180202***, except as noted below:

A. IT Overview. Information Technology Investment Portfolio Assessment Overview is an Executive summary of a DoD Component's and the Enterprise Portfolio Mission Area's IT Investments providing high-level justification of the portfolio selections and priorities. Information provided must be consistent with the Component's overall budget justification materials. A Cyberspace Operations section is required and must be consistent with information reported in cyberspace operations justification materials and financial reporting. Format will be provided via the SNaP-IT web page or the DoD CIO budget guidance.

B. SCIR. Add/Update/Modify SCIR data within SNaP-IT for all investments designated by the DoD CIO as major and therefore submitting an IT Business Case.

180304. Input for Summary Information Technology Justification Books

A. General. All exhibit data shall be submitted in automated form and be consolidated in SNaP-IT (https://snap.pae.osd.mil/snapit/Home.aspx or https://snap.pae.osd.smil.mil/snapit). The DoD CIO is responsible for providing the DoD Information Technology summary tables per Congressional direction. SNaP-IT will generate the OMB and Congressional President's Budget reporting packages after the DoD Component IT Overview and IT Business Case documents have been submitted to the DoD CIO, DCIO (Resources & Analysis) and/or posted to the SNaP-IT web page. SNaP-IT will generate correct identification information, a cover page, a table of contents, an overview and appendices; the IT Index, report, annex and appendix and the IT Business Case or Congressional extract reports. These will generate a single, integrated submission in Adobe Acrobat Portable Document Format (pdf) that can be used for internal coordination. To accomplish this requirement, the DoD Components will populate the SNaP-IT to generate their submission. The DoD CIO will maintain (and make available to the DoD Components and OSD staff) the digital IT Budget and Cyberspace Operations Budget database. Other specific guidance for IT Budget and Cyberspace Operations budget materials will be provided as required.

B. Distribution of the final appropriately released justification material will be made electronically and by Compact Disk Read-Only Memory (CD ROM) to the Congress and the OMB. Releasable information will be available through public web site(s). CD ROMs will be provided to the Government Accounting Office (GAO) and the DoD Inspector General.

1. The DoD CIO will provide data to OMB for review.

2. The DoD Components will send their draft submissions through final Security Review in accordance with Comptroller instructions and provide copies of the appropriate release form to the DoD CIO, DCIO (Resources & Analysis), Office of Information Technology Investment, and as an attachment to the President's Budget Request transmittal form, due within 5 working days of final submission.

3. The DoD CIO will consolidate electronic submissions from the DoD Components and the Enterprise Portfolio Mission Areas and prepare integrated and individual portfolio overviews, summary information and graphics. The justification books will be forwarded to the OMB for review and release approval.

4. Once security and the OMB have released the justification books, summary and detail data will be transmitted to the Congress (House Defense Appropriations Subcommittee, Senate Defense Appropriations Subcommittee, House Armed Services Committee, and Senate Armed Services Committee). Any data made available to the Congress will be available on the public web page(s) and via CD ROM distribution made in accordance with the format, table and media guidance (Justification Material Supporting the President's Budget Request) in ***Volume 2A, Chapter 1***.

1804 INFORMATION TECHNOLOGY PROGRAM SUBMISSION FORMATS

180401. Format Location

The required input formats are located on the *SNaP-IT* Web page *https://snap.pae.osd.mil/snapit/Home.aspx* or *https://snap.cape.osd.smil.mil/snapit/*

VOLUME 2B, CHAPTER 19: "OTHER SPECIAL ANALYSES"

SUMMARY OF MAJOR CHANGES

All changes are denoted by blue font.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by ***bold, italic, blue, and underlined font*.**

The previous version dated July 2007 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Overall	Formatting and room location changes.	Refresh
19-76	Removed Troop Strength column from PB-18.	Update
19-90/91	Update PB-28 Exhibit to included manpower, education and training.	Update
19-92/93	Update PB-28 Exhibit to include Environmental Management Systems.	Update

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CHAPTER 19

OTHER SPECIAL ANALYSES

1901 GENERAL

190101. Purpose

A. This chapter provides instructions applicable to budget formulation and congressional back-up justification for various special interest areas not covered in preceding chapters.

B. The exhibit requirements cover resources crossing DoD appropriations and are generally functional in nature.

C. Areas covered in this chapter are as follows:

Section

1902 Combating Terrorism
1903 Major Range and Test Facility Base
1904 Test and Evaluation Funding
1905 Financial Management Activities
1906 Government Performance and Results Act (GPRA)
1908 Federal Credit Programs
1909 Other Special Analyses
1910 Classifications and Definitions Special Programs Major Force Program 3

190102. Submission Requirements

Unless indicated in individual sections of this chapter and submission distribution in Chapter 1, exhibits are required for both the program and Budget Review Submission and for the Congressional Justification/Presentation submission. General guidance with regard to submission requirements is presented in Chapter 1.

190103. Preparation of Material

General guidance with regard to format and preparation of material is presented in Chapter 1. Chapter 19 provides additional specific guidance with regard to the material required for these special exhibits.

190104. References

Chapter 1 provides general funding policies, Chapter 3 provides specific policies related to Operation and Maintenance costs, Chapter 4 provides specific policies related to Procurement appropriations, Chapter 5 provides specific policies related to RDT&E, Chapter 6 provides specific

policies related to Military Construction appropriations, and Chapter 9 provides specific policies related to the Defense Working Capital Funds. Certain requirements are also addressed in OMB Circular No. A-11.

1902 COMBATING TERRORISM

190201. Purpose

A. This chapter provides instructions applicable to budget formulation for the DoD Combating Terrorism (CbT) funding requirements included in the DoD Components' budget requests. These instructions apply to all Components and all DoD appropriations and revolving funds.

B. The data collected through this reporting process will be used to comply with congressional and OMB reporting requirements. Data will also be used by the Department to evaluate Components' combating terrorism efforts during program and execution reviews.

190202. Submission Requirements

A. Submission of exhibits is required for the Program and Budget Review Submission and an update (using an abbreviated exhibit format) is required for the President's budget submission. Each Component will complete the CbT-1 Exhibit, Combating Terrorism Detail, and the CbT-2 Exhibit, Combating Terrorism Narrative, for the Program and Budget Review Submission and for the President's budget submission. The CbT-3 Exhibit, Vulnerability Assessments, will be completed only during the Program and Budget Review Submission and is NOT required for the President's budget submission. The President's budget submission exhibits will be presented in a consolidated congressional justification book which will be prepared by OASD(SO/LIC). Specific instructions for completing these exhibits are included in Section 191202.

B. The USD(I) Security Directorate will validate tactical counterintelligence resources identified by the Components and advise the OUSD (Comptroller) P/B Operations Directorate that reported resources are accurate.

C. Copy requirements are identified in Chapter 1. Components shall submit their exhibits through the Select and Native Programming (SNaP) Data Input System located on the NIPRNet at https://snap.pae.osd.mil. The most current version of this exhibit will be found at this site.

190203. Special Instructions

A. The OASD (SO/LIC) will actively participate in the review of all budget submissions for combating terrorism activities and will offer recommendations to ensure approved CbT policies are reflected in the budget. The OASD(SO/LIC) will consolidate and provide to the Congress a single budget justification book detailing the Department's CbT efforts and associated funding requests.

B. The OASD (SO/LIC), Joint Staff Deputy Directorate for Antiterrorism/Homeland Defense, (J-34), Antiterrorism/Force Protection Division, and USD(I) will participate with representatives of the OUSD (Comptroller), OSD PA&E, and OMB in the review of all budget submissions for combating terrorism to ensure that DoD combating terrorism activities are funded adequately.

C. The CbT-1 and CbT-2 exhibits in Section 191202 are used to identify the Department's combating terrorism resources, dollars and personnel. They consist of tabular and narrative data as outlined below. These exhibits will report only those resources (including civilian and military pay) associated with DoD's Combating Terrorism Program. Combating terrorism within DoD includes 1) antiterrorism (defensive measures taken to reduce vulnerability to terrorist acts), 2) counterterrorism (offensive measures taken to prevent, deter, and respond to terrorism), 3) terrorism consequence management (preparation for and response to the consequences of a terrorist incident/event), and 4) intelligence related support (collection and dissemination of terrorism-related information) taken to oppose terrorism throughout the entire threat spectrum, to include terrorist use of WMD and/or high explosives. The four functional categories are described below:

1. Antiterrorism

a. Physical Security Equipment - Any item, device, or system that is used primarily for the protection of assets, personnel, information, or facilities to include alarms, sensors, protective lighting and their control systems, military working dogs, and the assessment of the reliability, accuracy, timeliness and effectiveness of those systems, such as (but not limited to): exterior surveillance and/or intrusion detection systems; lighting systems; access controls and alarms systems; residential security equipment; improvised explosive device defeat systems; commercially procured armored vehicles (both heavy and light); equipment for executive protection, to include added doors, increased ballistic protection at offices/residences, personal body armor, individual protective equipment, and armored vehicles; and detection devices.

b. Physical Security Site Improvements - Any facility improvements (using O&M or MILCON funding) or new construction whose purpose is to protect DoD assets, personnel, or information to include walls, fencing, perimeter/area lighting, doors, windows, ceilings, barricades, or other fabricated or natural impediments to restrict, limit, delay or deny entry into a Defense installation or facility, such as (but not limited to): acquisition of land for stand-off distance, installation perimeter barriers, vehicle barriers, mylar/fragment retention film, and interior barriers; safe havens; evacuation facilities; and surveillance platforms.

c. Physical Security Management and Planning - Personnel who manage physical security programs, resources, and assets such as, but not limited to, headquarters staff.

d. Security Forces/Technicians - All personnel and operating costs associated with protective forces whose primary or supporting mission is to safeguard assets, personnel or information. Included , but not limited to, are costs for: salaries, overtime, benefits, materials, supplies, travel, support equipment, facilities, vehicles, training, communications equipment, and management, for the personnel engaged in the following activities such as (but not

limited to): dedicated response forces and security forces; locksmiths; perimeter, installation or facility access control; inspection and maintenance of barriers and security system components; antiterrorism training for security forces; and antiterrorism awareness programs and training.

e. Law Enforcement - All personnel and operating costs associated with law enforcement to include, but are not limited to, salaries, overtime, benefits, material and supplies, equipment and facilities, vehicles, helicopters, training, communications equipment, and management, such as (but not limited to): protective service details, including advance work; response forces; and military police.

f. Security and Investigative Matters Category - Includes Defense criminal investigative resources, conduct of vulnerability assessments (periodic high level reviews and physical security assessments), security and intelligence activities, and any cross-discipline security functions which do not easily fit into other security categories such as (but not limited to): terrorism investigations; executive antiterrorism training; surveillance and countersurveillance teams; protective service details including advance work; route surveys; and antiterrorism awareness programs and training.

g. RDT&E - Includes any RDT&E resources expended in the area of antiterrorism. Activities include (but are not limited to) are Defense Threat Reduction Agency, Counterterrorism Technical Support Program (CTTS), the Physical Security Equipment Action Group (PSEAG), the Technical Support Working Group (TSWG), Defense Advanced Research Projects Agency (DARPA) and Chemical Biological Defense Program (CBDP).

2. Counterterrorism

Offensive measures taken to prevent, deter, and respond to terrorism. The sensitive and compartmental programs of counterterrorism (CT) will be reported separately in the appropriate classified program submissions.

a. Special Operations Command Activities

b. Research Development Test and Evaluation (example, CTTS or TSWG)

c. DoD Rewards Program

3. Terrorism Consequence Management

DoD defines Consequence Management (CM) as those measures taken to protect public health and safety, restore essential government services, and provide emergency relief to governments, businesses, and individuals affected by the consequences of a chemical, biological, radiological, nuclear, and/or high-yield explosive (CBRNE) situation. The Department has a wide variety of unique warfighting support capabilities, both technical and operational, which could be used to provide assistance to state and local authorities in the event of a terrorist attack. The Department's role is to provide assistance emphasizing the unique resources and capabilities that are not found in other federal agencies, such as the ability to mass mobilize and to provide extensive

logistical support. The Department supports the lead federal agency within existing required resources while not adversely affecting overall military preparedness. This also includes the activities of installation first responders. For clarity, descriptions of subcategories are as follows:

a. Consequence Management Response – Includes war fighting units and installation first responders within the Department that possess specialized equipment, knowledge, skills, and training that could be brought to bear after a WMD incident. Units would include, but are not limited to, the Defense Nuclear Advisory Team, 52nd Ordnance Group, Edgewood Chemical and Biological Forensic Analytical Center Modular On-site Laboratory, Medical Chemical Biological Advisory Team, US Army Medical Research Institute of Infectious Diseases, Radiological Control Teams, Radiological Advisory Medical Team, Response Task Force, 20th Support Command – Chemical Biological Radiological Nuclear and High Yield Explosives (CBRNE), and Chemical/Biological Incident Response Force. Also includes funding for Installation Emergency Responders such as fire departments, security forces, law enforcement, medical responders, civil engineers, medical surveillance, and explosive ordinance deposal. Funding includes training, exercises, and evaluation for base and headquarters personnel, support for formal and supplemental training courses, developing and evaluating response plans, and other associated activities. Funding in this category also includes procurement efforts for the Chemical Biological Installation Protection program and operations and maintenance for the Chemical, Biological, Radiological, and Nuclear Defense program. Funding also includes a pilot program to expand emergency responder capabilities to handle CBRNE emergencies through the procurement of specialized equipment, additional training, and exercises.

b. Weapons of Mass Destruction Civil Support Teams - Include the Joint Task Force Civil Support and the 55 congressionally mandated WMD Civil Support Teams (CSTs). Joint Task Force Civil Support is responsible for the planning and execution of military assistance to civil authorities for consequence management of WMD incidents within the United States, its territories and possessions. CST funds are used for unique individual and collective unit training. Funds also support operational deployments, equipment upgrades, and communications links.

c. Research Development Test and Evaluation - RDT&E support to the terrorism consequence management efforts. Includes, but is not limited to, the activities of OSD, and the portion of DARPA's Biological Warfare Defense Program that is dedicated to domestic terrorism consequence management.

4. Intelligence Related Support to Combating Terrorism- Collection, analysis, and dissemination of all-source intelligence on terrorist groups and activities intended to protect, deter, preempt, or counter the terrorist threat to US personnel, forces, critical infrastructures, and interests. THIS PORTION OF THE SNAP SUBMISSION IS NOT INCLUDED IN THE COMBATING TERRORISM JUSTIFICATION BOOK AND WILL ONLY BE COLLECTED DURING THE PROGRAM AND BUDGET REVIEW DATA COLLECTION CYCLE – IT WILL NOT BE COLLECTED DURING THE PRESIDENT'S BUDGET DATA COLLECTION CYCLE.

a. Counterintelligence (CI) - Includes personnel and funding associated with Military Intelligence Program (MIP). These activities include terrorism

investigations, surveillance and counter surveillance teams, terrorism analysis and production, force protection source operations, threat assessments, terrorism collection, route surveys, and intelligence staff support to deployed forces. Only those counterintelligence resources directly supporting force protection/combating terrorism activities are to be reported in this resource summary. Army and Marine Corps tactical CI resources and Army Security and Intelligence Activities CI resources will be reported by the Army and Marine Corps. The Counterintelligence Field Activity (CIFA) will report CIFA resources that directly support force protection/combating terrorism activities.

b. Research Development Test and Evaluation - For example, Counter Terrorism Technical Support Program.

D. Entries for CbT-1 Exhibit

1. General: DoD Components should prepare a separate summary for each applicable appropriation and revolving fund. Each summary will report resources (funding and personnel) by the combating terrorism functional categories described above.

2. Appropriation Summary: For each appropriation (O&M, Military Personnel and Military Construction) report budget authority by appropriation, budget activity, and applicable subactivity group level/program line item/project. Procurement, and RDT&E appropriations, report the total combating terrorism budget authority funds by budget activity and by program element. For Revolving Funds, report obligation authority at the Working Capital Fund business area.

3. Financial Summary Section:

a. Military Personnel. Report resources by CbT functional category and CbT activity group at the appropriation budget activity level.

b. Operation and Maintenance. Report resources by CbT functional category, CbT activity group, budget activity, and subactivity group level (O-1 line).

c. Procurement. Report resources by CbT functional category, CbT activity group, and Program Element (PE) (P1 line item).

d. RDT&E. Report resources by CbT functional category and CbT activity group, and PE (PE/R-1 line item).

e. Military Construction. Report resources by CbT functional category and CbT activity group, State/Country, and project title.

f. Revolving Funds. Report resources by CbT category and activity group by business area level.

4. Personnel Summary Section:

a. For each applicable appropriation, report civilian and contractor personnel full-time equivalents (FTEs) and military (active and reserve component) end strength by CbT functional category and CbT activity group.

b. The following generic Military Occupational Series (MOS) and civilian job series should be reported as full-time Combating Terrorism assets -- even if these persons spend only a portion of their time on combating terrorism activities. Additionally, personnel not in these MOS's and/or job series who are assigned permanently or detailed to force protection offices and who spend at least 51% of their time directly supporting combating terrorism activities should be reported on this exhibit:

(1) Military Career Fields/Occupational Series: Military Police, Law Enforcement Specialist and Security, Master at Arms, Security Forces, Criminal Investigator, Interrogator, Interpreter/Translator, Counterintelligence Officer, and Office of Special Investigations. Appropriate subspecialities/subfunctions/skills are to be captured in these career fields/occupational series, in support of combating terrorism, with the exception of military working dogs in counterdrug missions.

(2) The following civilian Job Series are to be reported if responsibilities relate to CbT efforts: Physical Security Manager (GS-0080), Civilian Police (GS-0083), Security Guard (GS-0085), and those personnel in the Security Clerical and Assistance (GS-0086) series, and all associated wage grade positions that are in direct support of the previously aforementioned series.

(3) Personnel data associated with classified combating terrorism programs will be reported as follows: Army and Marine Corps tactical counterintelligence resources and all Army security and intelligence activities and CIFA's counterintelligence resources will be reported in the CbT exhibits by the applicable components.

1903 MAJOR RANGE AND TEST FACILITY BASE

190301. Purpose

A. This Chapter provides instructions applicable to budget formulation for the DoD Major Range and Test Facility Base (MRTFB) funding requirements included in the DoD Components' budget requests. The exhibit formats submitted in support of the Program and Budget Review Submission (August timeframe) will be the same as those submitted to the Director, DoD Test Resource Management Center (TRMC) in support of the President's Budget (March timeframe) except that the President's Budget submission will not include updates to any of the Direct (User) funding or MILCON information on any Exhibit to include Exhibit 2D, Source of Direct Funds, in whole.

B. These instructions apply to the activities included in the MRTFB as defined in DoDD 3200.11 and listed below.

Army:
Aberdeen Test Center (ATC), Aberdeen Proving Ground, MD
Dugway Proving Ground, (DPG), Dugway Proving Grounds, UT
Electronic Proving Ground (EPG), Ft. Huachuca, AZ
High Energy Laser Systems Test Facility (HELSTF), White Sands Missile Range, NM
Ronald Reagan BMD Test Site (RTS), Kwajalein Atoll, Marshall Islands
White Sands Missile Range (WSMR), White Sands Missile Range, NM
Yuma Proving Ground (YPG), Yuma Proving Ground, AZ

Navy:
Atlantic Undersea T&E Center (AUTEC), Andros Island, Bahamas
Naval Air Warfare Center-Aircraft Division (NAWCAD), Patuxent River, MD
Naval Air Warfare Center-Weapons Division (NAWCWD), China Lake and Point Mugu, CA
Pacific Northwest Range Complex, (Nanoose and Dabob Ranges), Keyport, WA
Pacific Missile Range Facility (PMRF), Barking Sands, Kauai, HI

Air Force:
30th Space Wing (30SW), Vandenberg AFB, CA
45th Space Wing (45SW), Patrick AFB, FL
Arnold Engineering Development Center (AEDC), Arnold AFB, TN
Air Armament Center (AAC), 46 Test Wing (46TW), Eglin AFB, FL and 46th Test Group, (46TG), Holloman AFB, NM
Air Force Flight Test Center (AFFTC), Edwards AFB, CA
Nevada Test and Training Range (NTTR), Nellis AFB, NV
Utah Test and Training Range (UTTR), Hill AFB, UT

Defense Information System Agency:
Joint Interoperability Test Command (JTIC), Ft. Huachuca, AZ, Slidell, LA, and Arlington, VA

C. The TRMC is charged with administering OSD responsibilities for the MRTFB in accordance with DoDD 3200.11. Modifications to these instructions, requests for deviations from their provisions, or requirements for their clarification or applicability should be directed to and coordinated with the TRMC and OUSD (Comptroller) Program/Budget.

D. Budget estimates will be developed in accordance with guidance contained in Chapter 1 and the various chapters for appropriations and accounts.

190302. Submission Requirements

Copies of the following exhibits will be submitted twice annually in support of the President's Budget (March timeframe) and the Program and Budget Review (August timeframe) for each major range and test facility. The same format and guidance are used for both submissions.

However, the Program and Budget Review submission shall include all the full budget exhibits, addressing both institutional and direct funding, whereas the President's Budget submission shall be an abbreviated version that needs only address updates to the institutional funding elements on each exhibit. Copy requirements are identified in Chapter 1. Exhibit formats are provided in Section 1912.

A. MRTFB-1 Exhibit, (Activity Title) Financial Summary.

B. MRTFB-2 Exhibit Set, (Activity Title) Financial Details.

C. MRTFB-3 Exhibit Set, (Activity Title) Improvement and Modernization Analysis.

190303. Preparation of Material

Budget estimate data submitted by each DoD Component for the MRTFB will be assembled separately and identified by a cover sheet specifically entitled "Major Range and Test Facility Base (Army/Navy/Air Force/DISA) Program Budget Estimate."

190304. Special Instructions

Representatives of the OUSD (Comptroller), DOT&E, TRMC and OMB will participate in the review of all budget submissions for the major ranges and test facilities to ensure that:

A. Funding is adequate to maintain and sustain the DoD MRTFB test capability.

B. Excess capability is not being unnecessarily maintained in the MRTFB.

C. Unnecessary duplication does not exist within the MRTFB activities.

D. Test facility capability needed in the future is being planned and supported.

E. All new major test facilities are thoroughly coordinated prior to their approval to reflect the needs of all elements of DoD.

1904 TEST AND EVALUATION FUNDING

190401. Purpose

A. This Chapter provides instructions applicable to budget formulation for the Test and Evaluation Exhibit (T&E-1) needed for review and analysis of Test and Evaluation (T&E) funding requirements included in the DoD Components' requests. The instructions specify the requirements for the program and budget submission.

B. The Director, Operational Test and Evaluation (DOT&E), is charged with oversight of the DoD T&E resources and funding of T&E by each major DoD program. Modifications to these instructions, requests for deviations from their provisions, or requests for their

clarification or applicability should be directed to and coordinated with DOT&E and OUSD (Comptroller) Program/Budget.

190402. Submission Requirements

Each DoD Component will, for the Program and Budget Review only, complete an Exhibit T&E-1, Test and Evaluation for each of the Major Defense Acquisition Programs (MDAP) as listed on the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) website at: http://friends.acq.osd.mil/ara/dab_oipt/schedule/mdaplist.html. This process is accomplished on-line using the Select & Native Programming Data Input System (SNaP) located at: http://snap.pae.osd.smil.mil. Note: The SNaP system operating instructions specified in the Programming and Budgeting Data Requirements on the SNaP system will supersede the instructions identified in this document if the instructions are different.

190403. Special Instructions

The DOT&E will participate with representatives of OUSD (Comptroller), USD(AT&L), and OMB in the review of all budget submissions for T&E funding to ensure that:

A. Resources required for the test and evaluation of the MDAP and Special Interest Programs, as identified in the Test and Evaluation Master Plan (TEMP), are adequately funded.

B. Unwarranted test capability is not being maintained at private industry facilities.

C. Unwarranted duplication does not exist among DoD Component assets and private industry.

D. Test facilities and capabilities required are adequately funded and supported.

E. All new major test facilities are approved by the Defense Test and Evaluation Steering Group to ensure they are warranted and meet the needs of all DoD components.

1905 FINANCIAL MANAGEMENT ACTIVITIES

190501. Financial Management Activities

A. This Section provides guidance for presenting budget estimates related to Financial Management Activities. It is designed to fulfill the requirements of Section 52, Information on Financial Management, of OMB Circular A-11.

B. Information on funding levels for financial management activities is required for oversight and review of component resources devoted to these activities and to ensure that their use is in accordance with the government-wide 5-year financial management plan prepared by OMB as required by the Chief Financial Officers Act of 1990.

C. Submission of Exhibit 52—Information on Financial Management, as shown in OMB Circular A-11, is required for the Program and Budget Review and an update is required for the President's budget submission (Congressional Justification/Presentation). The exhibit should meet the definitions/descriptions contained in Section 52. Guidance for the automation of the data submission will be provided as part of the budget call for the Program and Budget Review.

D. Copies are to be provided directly to the OUSD (Comptroller), at the following address: Director, Accounting and Finance Policy and Analysis Directorate, Room 3E987, 1100 Defense Pentagon, Washington DC, 20301 (Commercial (703) 697-8283; DSN 277-8283).

190502. Financial Improvement Initiative (formerly Financial Improvement Initiative, FII 52

A. This section provides guidance for presenting program and budget estimates related to the Financial Improvement Initiative (FII). It supplements the information provided on the Exhibit 52 in the preceding section and also, supplements the PB-15, "Advisory and Assistance Services" exhibit.

B. Information on funding levels including budget and program years is required for oversight and review of component resources devoted to financial improvement and to respond to congressional questions about the amounts budgeted and programmed for financial improvement. The funding levels related to financial improvement include the amounts for the Financial Improvement and Audit Readiness report submitted to Congress and the amounts to achieve all of the milestones in the Financial Improvement Plan.

C. A ***Schedule 52***, will be submitted for the Program and Budget Review and the update for the President's Budget submission. The schedule shows the resources that are programmed and budgeted for the Department to produce reliable, accurate, and timely information and to finance the costs of annual financial statements audits. (Click on the link for the format and guidance for ***Schedule 52***.)

D. Copies are to be provided directly to the OUSD (Comptroller), Financial Improvement and Audit Readiness Directorate, 1550 Crystal Drive, Suite 212, Arlington, VA 22202, (703-607-0300), extension 138; DSN 327-0300, extension 122*).*

190503. Preparation and Audit of Financial Statements

A. Sections 1008 (b) and (d) of the Fiscal Year 2002 Authorization Act, require the Under Secretary of Defense(Comptroller) to submit, with the annual budget justification, the following information:

1. An estimate of the resources that the Department of Defense is saving, or expects to save, as a result of actions taken or to be taken, with respect to the preparation and audit of financial statements (FS), and

2. A discussion of how resources saved in (1) above have been redirected or are redirected to improvement of systems, financial policies, procedures, and internal controls underlying financial management within the department. The Components should submit these costs for the preceding fiscal year, the current year, and the following fiscal year. Click on the link for the format and guidance for the Section 1008 report.

B. Copies are to be provided directly to the OUSD (Comptroller), Financial Improvement and Audit Readiness Directorate, 1550 Crystal Drive, Suite 212, Arlington, VA 22202 (703-607-0300), extension 138; DSN 327-0300, extension 122).

1906 GOVERNMENT PERFORMANCE AND RESULTS ACT (GPRA)

190601. Purpose

The purpose of this section is to establish basic guidance for aligning GPRA reporting requirements with the Department's budget development process and OMB Circular A-11's requirement to submit an annual performance budget.

190602. Submission Requirements

A. The 1993 Government Performance and Results Act (GPRA) require the Department of Defense to submit a strategic plan (updated at least once every 4 years), an annual performance plan, and an annual performance report.

B. The Quadrennial Defense Review, issued every four years, serves as the Department's strategic plan; the QDR establishes strategic outcome goals for the Department.

C. The Secretary's Annual Defense Report (ADR) to the President and the Congress, in combination with the statutory reports of the Military Departments and budget justification materials serve as the Department's performance plan. The Military Departments' statutory reports describe how service-level strategies and associated performance goals support the Department's overall performance framework. The congressional budget justification materials, which list program-level goals and performance measures that support both Component-level and Departmental performance goals, serve as a performance budget. OMB Circular A-11, Section 220, provides additional details.

D. The Performance and Accountability Report (PAR), Section II, documents actual results against the Defense-wide performance goals established in the ADR, and thus serve as the Department's performance report.

E. The QDR, ADR, performance budget, and PAR satisfy the standards set forth by the 1993 Government Performance and Results Act. Together they serve as the Secretary's primary public record of how well the Department is managing to results.

1907 INFORMATION ON OVERSEAS STAFFING (POSITIONS FILLED)

190701. Purpose

The purpose of this section is to establish basic guidance for the annual reporting of the number of overseas employees assigned to the Chief of Mission staff as required by OMB Circular A-11 and the Department of State, Capital Security Cost Sharing (CSC) Program.

*190702. Submission Requirements

A. OMB Circular A-11, Section 25 requires the Department of Defense to submit an exhibit on Information on Staffing Overseas on an annual basis. Submission is required on overseas staffing if your agency assigns employees to overseas positions under a Chief of Mission, as defined below.

B. This information is required to analyze the number of overseas employees assigned to a Chief of Mission staff and the cost of new positions being assigned. Overseas employee means an American citizen employed outside the United States and its territories. Chief of Mission means the ranking officer in an embassy, permanent mission, legation, consulate general or consulate.

C. Information reported will be compared for accuracy against the Department of State reports. Discrepancies will be validated by the Component or Defense Agency.

D. The following types of positions are to be reported:

1. U.S. Hires
2. Full-time permanent (FTP) U.S. direct-hire positions (USDH)
3. U.S. – Contracted Personnel Services Contractors (PSC)
4. U.S. military positions
5. Locally Engaged Staff
6. .Foreign Service National (FSN)
7. PSCs or Personnel Services Agreements (PSA)
8. Third Country Nationals (TCNs)
9. Locally Hired Americans, including eligible family members
10. TDY – long term/rolling TDY employees

E. Additional information and guidance can be found in OMB Circular A-11, Section 25 and the Department of State, Capital Cost Sharing Program (http:www.state.gov/obo/c11275.htm). The PB-59, DoD Overseas Staffing exhibit must be submitted in an EXCEL spreadsheet to OUSD (Comptroller) P/B, Operations Directorate, Room 3C710, the Pentagon.

1908 FEDERAL CREDIT PROGRAMS

190801. Purpose

This Section provides guidance for presentation of annual budget estimates for Federal credit programs. Credit programs in the Department of Defense consist of direct loans and guaranteed loans.

190802. Submission Requirements

A. Military Departments and Defense Agencies, as appropriate, will submit to OSD in support of Federal credit programs all materials required by, and in the format specified in, OMB Circular No. A-11, Section 85. Copies of appropriate exhibits will be submitted in support of the Program and Budget Review Submission only.

B. Definitions: The following definitions apply to the credit account structure. Agencies should refer to OMB Circular A-34 and A-11 for a more detailed explanation of terminology and budget instructions.

1. A direct loan is a disbursement of funds by the Government to a non-Federal borrower under a contract that requires repayment of such funds with or without interest. The term includes the purchase of, or participation in, a loan made by a non-Federal lender. It also includes the sale of a Government asset on credit terms of more than 90 days duration.

2. A direct loan obligation is a legal or binding agreement by a Federal agency to make a direct loan when specified conditions are fulfilled by the borrower.

3. A loan guarantee is any guarantee, insurance, or other pledge with respect to the payment of all or part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender, but does not include the insurance of deposits, shares, or other withdrawal accounts in financial institutions.

4. A loan guarantee commitment is a legally binding agreement by a Federal agency to make a loan guarantee when specified conditions are fulfilled by the borrower, the lender, or any other party to the guarantee agreement.

5. Financing Account is the non-budget account or accounts associated with each credit program account for post-1991 direct loans or loan guarantees. It holds balances, receives the subsidy cost payment from the credit program account, and includes all other cash flows to and from the Government. Separate financing accounts are required for direct loans and loan guarantees.

6. Modifications are any Government action that alters the estimated subsidy cost, compared to the estimate contained in the most recent budget submitted to Congress, of an outstanding direct loan (or direct loan obligation) or an outstanding loan guarantee (or loan guarantee commitment). Actions permitted within the terms of an existing contract are the only

exception. Modifications to pre-1992 direct loans and loan guarantees are included in this definition, as well as modifications to post-1991 direct loans and loan guarantees. For pre-1992 direct loans and loan guarantees, the loan asset or guarantee liability will be transferred from the liquidating account to the appropriate financing account. A one-time adjusting payment will be made between the liquidating and financing accounts. The subsequent cash flows will be recorded in the financing account.

7. Program Account is the budget account into which an appropriation to cover the subsidy cost of a direct loan or loan guarantee program is made and from which such cost is disbursed to the financing account. Usually, a separate amount for administrative expenses is also appropriated to the program account. Each program account is associated with one or two financing accounts, depending on whether the program account makes both direct loans and loan guarantees. The program account pays subsidies to the financing account for post-1991 direct loans and loan guarantees, for modifications, and for re-estimates. These subsidy payments are counted in calculating budget outlays and the deficit.

8. Subsidy is the estimated long-term cost to the Government of a direct loan or loan guarantee, calculated on a net present value basis, excluding administrative costs. In net present value terms, it is the portion of the direct loan disbursement that the Government does not expect to recover, or the portion of expected payments for loan guarantees that will not be offset by collections. The subsidy may be for post-1991 direct loan obligations or loan guarantee commitments, for re-estimates of post-1991 loans or guarantees, or for modifications of any direct loans or loan guarantees.

9. Re-estimates are the recalculation of the subsidy cost of each risk category within the cohort of direct loans or guaranteed loans. Re-estimates must be made at the beginning of each fiscal year following the year in which the initial disbursement was made and as long as the loans are outstanding, unless a different plan is approved by OMB.

10. Cohort - Direct loans obligated or loan guarantees committed by a program in the same year, even if disbursements occur in subsequent years or the loans are modified. Modified pre-1992 direct loans will constitute a single cohort; modified pre-1992 loan guarantees will constitute a single cohort. For loans subsidized by no-year or multi-year appropriations, the cohort may be defined by the year of appropriation or the year of obligation. The Program and Financial Control Directorate of OUSD (Comptroller) P/B will contact OMB for proper determination.

C. Materials required by this Section will be provided for credit programs for the DoD Family Housing Improvement program, the Army ARMS Initiative Program, the Defense Export Loan Guarantee Program, and for any additional programs involved in direct loans or guaranteed loans.

D. Copies of these materials are required as part of the program and budget review submission in the quantities identified in Chapter 1.

1909 OTHER SPECIAL INTEREST AREAS

190901. Purpose

This Chapter prescribes instructions for the preparation and submission of budget justification backup data for special areas in which the Congress or OMB has expressed interest. Most of these requirements affect more than a single appropriation.

190902. Submission Requirements

A. Data in the exhibit formats provided in Section 1912 are required for the following program areas:

PB-14 Functional Transfers 66
PB-15 Advisory and Assistance Services 67
PB-16 Legislative Proposals 71
PB-18 Foreign Currency Exchange Data 72
PB-22 Major Department of Defense Headquarters Activities 73
PB-23 Acquisition and Technology Workforce Transformation Program 75
PB-24 Professional Military Eduction 77
PB-25 Host Nation Support 80
PB 28 Funds Budgeted for Environmental Quality (Non-ER, Army, Navy, AF or Defense wide)……. 95
PB 28A Funds Budgeted for Environmental Security Technology 98
PB 28B - Operational Range Sustainment and Environmental Management 99
PB-41, ADMINISTRATIVE MOTOR VEHICLE OPERATIONS 100
PB-42 Competitive Sourcing and Alternatives 101
FY BY1/BY2 OSD Submit/President's Budget .....
PB-50 Child Development, School-Age Care, (SAC) Family Centers, and Family Advocacy Programs 105
PB-52A DoD Aeronautics Budget 110
PB-52B DoD Space Budget 112
PB-53 Budgeted Military and Civilian Pay Raise Amounts 113
PB-54, Civilian Personnel Hiring Plan 114
PB-55 International Military Headquarters 115
PB-58 Combatant Command Direct Funding ..... Removed
PB-59, DoD Overseas Staffing Report 116
PB-60 Life Cycle Sustainment 117

B. Definitions are to be identical to those most recently used in furnishing data to the Congress.

C. All exhibits are required for the Program and Budget Review Submission and the congressional justification/presentation submission. Copies of exhibits are required with the submissions in the quantities identified in Chapter 1.

1910 CLASSIFICATIONS AND DEFINITIONS – COMMAND, CONTROL, COMMUNICATIONS, AND INTELLIGENCE PROGRAMS

191001. Purpose

The Office of the Director for Program Analysis and Evaluation maintains a listing of program elements (PEs) in the Future Years Defense Program (FYDP) making up these programs. For details, please contact the POC for the FYDP Resource Structure Management (RSM) system. The RSM system and its Web site are described in FMR Volume 2A, Section 010702.

1911 NOT USED

1912 OTHER SPECIAL ANALYSES SUBMISSION FORMATS

191201. Purpose

The formats provided on the following pages reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, these formats should be adhered to.

191202. Exhibits in Support of Section 1902 – Combating Terrorism

HCbT 1 Combating Terrorism Activities Detail - SNaP Format……23
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HCbT 1 Combating Terrorism Activities Detail - SNaP Format

Class	Component	CBTCategory	CBTActivity Group	Program Title	Funding Source	Treasury Code	BACode	Budget Line Item	Resource Type

Occupation Service	Occupation Code	Personnel Assigned To	Program Element	CONUS-OCONUS	CONUS-OCONUS Rationale	Reason Code	Reason For Change	PBD_PDM _Num	PBD_PDM _Date

FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013

Instructions

1) For all fields listed above, please report the funded and levels of Manpower, Total Obligation Authority (TOA), and Quantity Procured for all combating terrorism activities. Reporting is required by Program Title, within CbT Activity Group, CbT Category, Component and Org. Please refer to the attached relationship table to properly identify CbT Categories and their associated CbT Activity Groups.
2) Under the field name ResourceType, select "Funding" to report appropriations not explicitly listed: e.g., MilCon, Procurement, RDT&E, and Revolving Funds.
3) Report $ in Thousands; Civilians and Contractors in FTEs; Military Personnel in Authorized End-Strength; and Quantity Procured in Units.

For Manpower:

1. For each applicable appropriation, report civilian and contractor personnel full-time equivalents (FTEs) and military (active, guard, and reserve component) end strength by CbT Category, CbTActivityGroup, and Program Title.
2. The following generic Military Occupational Series (MOS) and civilian job series should be reported as full-time Combating Terrorism assets -- even if these persons spend only a portion of their time on combating terrorism activities. Additionally, personnel not in these MOSs and/or job series who are assigned permanently or detailed to force protection offices and who spend at least 51% of their time directly supporting combating terrorism activities should be reported on this exhibit:

   A. Military Career Fields/Occupational Series: Military Police, Law Enforcement Specialist, Security, Master at Arms, Security Forces, Criminal Investigator, Interrogator, Interpreter/Translator, Counterintelligence Officer, and Office of Special Investigations. Appropriate subspecialities/subfunctions/skills are to be captured in these career fields/occupational series, in support of combating terrorism, with the exception of military working dogs in counterdrug missions.

   B. The following civilian Job Series are to be reported: Physical Security Manager (GS-0080), Civilian Police (GS-0083), Security Guard (GS-0085), and those personnel in the Security Clerical and Assistance (GS-0086) series, and all associated wage grade positions that are in direct support of the previously aforementioned series.

   C. Personnel data associated with classified combating terrorism programs will be reported as follows: Army and Marine Corps tactical counterintelligence resources and all Army Security and Intelligence Activities counterintelligence resources will be reported in the CbT exhibits by the applicable Components.

D. The services shall report all CbT military manpower ($ and End-strength) and annotate (using the OccupationService field) the Combatant Command, Defense Agency, or Field Activity that any personnel are detailed to.
E. The Combatant Command, Defense Agencies, and Field Activities shall report the military End Strength detailed to their organization and annotate (using the Occupation Service field) the service providing the manpower.

CbT 1 Definitions

Class: System Field: Classification. **All information for this exhibit must be submitted at the unclassified level on the unclassified network.**
U: UNCLASSIFIED

Component: Identifies the duty status for military service units and defense agencies.
Active:
DADW: Defense Area Defense Wide. Used by non-service defense agencies.
Guard:
Reserve:
JIEDDO: Joint IED Defeat Organization

CBTCategory: Antiterrorism (defensive measures), Counterterrorism (offensive measures), Terrorism Consequence Management (preparedness and response for mitigating the consequences of a WMD incident), and Intelligence Related Support.

CBTActivityGroup: A specified grouping of activities and functions that describe the type of CbT effort within a CbT Category. Refer to the CbTCategory & CbTActivityGroup Relationship Matrix.

Program Title: Descriptive name of your program: associated with the PE's and the resources for the CbTActivityGroup. This is a required field and must be entered through the data management segment of SNaP prior to entering Program Details.
Open List. Add entries to pick list.

Funding Source: Annotate if the original source of the funding was the Defense Emergency Response Fund (DERF '03), Supplemental Funding for FY 2007, FY 2008, or N/A for all other funding.
DERF '03:
Supplemental '06
Supplemental '07
Supplemental '08
N/A:

Treasury Code: Identifies resources by type, organization and component. Select from the defined set of four to six-digit codes provided from the Comptroller.

HCbT 1 Combating Terrorism Activities Detail - SNaP Format (Continued)

BACode: The Budget Activity Code as defined by OUSD (Comptroller), in the Financial Management Regulation located in the "Publications" section of Defenselink. www.defenselink.mil/comptroller/fmr/
See Data Matrix

Budget Line Item: (Closed List) Provide the Activity Group (AG) and Sub-Activity Group (SAG) if the appropriation is O&M; the Project Number as used in the R2 report for RDT&E; Line Item if Procurement; Project Number if MilCon; and Activity Group (AG) N/A if Revolving funds. The list of Budget Line Item/Budget Line Item Name values is located on the PDR Info page of the SNaP website (https://SNaP.PAE.OSD.MIL).

Resource Type:

Civilian Pay - Direct Hire Civilian: Civilian Pay part of TOA in the identified PE that provides resources for the Direct Hire Civilians within the CbT Activity Group and Program Title.

Civilian Pay - Foreign Direct Civilian: Civilian Pay part of TOA in the identified PE that provides resources for the Foreign Direct Civilians within the CbT Activity Group and Program Title.

Civilian Pay - Foreign Indirect Civilian: Civilian Pay part of TOA in the identified PE that provides resources for the Foreign Indirect Civilians within the CbT Activity Group and Program Title.

Contractor: Number of Contractors designated as CbT in that CbT Activity Group, Program Title, and Program Element.

Contractor Pay: TOA portion of the identified PE that provides resources for contractor pay with the CbT Activity Group and Program Title.

Direct Hire Civilian: Number of Direct US civilians designated as CbT in that CbT Activity Group, Program Title, and Program Element

Enlisted: Report Enlisted end-strength carrying occupation codes designated as AT, CT, TCM, or INT at the individual occupational specialty code level for each CbT Activity Group, Program Title, and Program Element.

Foreign Direct Civilian: Number of Foreign Direct Civilians designated as CbT in that CbT Activity Group, Program Title, and Program Element

Foreign Indirect Civilian: Number of Foreign Indirect Civilians designated as CbT in that CbT Activity Group, Program Title, and Program Element

Funding: Identify funding for MILCON, Procurement, RDT&E, DWCF, and Revolving Funds

MilPay - Enlisted: Report funding for all Enlisted personnel carrying occupation codes designated as AT, CT, TCM, or INT for each CbT Activity Group, Program Title, and Program Element.

MilPay - Officers: Report funding for all Officers carrying occupation codes designated as AT, CT, TCM, or INT for each CbT Activity Group, Program Title, and Program Element.

Officers: Report Officer end-strength carrying occupation codes designated as AT, CT, TCM, or INT at the individual occupational specialty code level for each CbT Activity Group, Program Title, and Program Element.

Other O&M: Operations and Maintenance TOA portion of the identified PE that provides resources for the described program within the AT/FP activity (excludes Civilian Pay which will be reported separately)

Quantity Procured: Number in units of each piece of physical security equipment or Installation First Responder reported.

Occupation Service: Closed List. For defense agencies and field activities, identify the Service providing the manpower for Officer or Enlisted resource types. For the services, identify the service, defense agency or field activity the manpower is detailed to for Officer and Enlisted resource types. Select Civil Service for Direct Hire Civilian resource type. Select N/A for all other Resource Types.

Air Force:

Army:

Civil Service:

Navy:

Marine Corps:

DHP

HCbT 1 Combating Terrorism Activities Detail - SNaP Format (Continued)

DTRA
NDU
OSD
SOCOM
TRANSCOM
N/A

Occupation Code: Provide the occupational specialty code/civilian job series and title for all manpower (Officer, Enlisted, Direct Hire Civilian, Indirect Hire Civilian, Foreign Indirect Hire Civilian). For example: Civ 4804 Locksmith, Off 31A Military Police, or Enl 5822 Polygraph Examiner.
Occupation Codes are taken from the Defense Manpower Data Center (DMDC) DoD Occupation Database (ODB). The complete list of valid codes is available on the PDR info page of the SNaP website (https://SNaP.PAE.OSD.MIL)

***CONUS_OCONUS*:**
***CONUS*:** Select CONUS for CONUS assets (Equipment, funding, personnel)
***OCONUS*:** Select OCONUS for OCONUS assets.
***CONUS_OCONUS Rationale*:** Explain the methodology used to assign or derive the CONUS/OCONUS breakout.

ReasonCode: Select the reason necessitating the change to the data: PBD, PDM, Congressional Action or Other.
Congressional Action:
Other:
PBD:
PDM:

Reason For Change: If 'Other' was selected under ReasonCode, provide text explaining the reason for the change.

PBD_PDM_Num: Enter the PBD or PDM number that necessitated the change if applicable, else select N/A.

PBD_PDM_Date: Enter the date (Month and Year) of the PBD or PDM that necessitated the change if applicable, else select N/A.

CbT 2 Combating Terrorism Narrative – SNaP Format (PB Only)

Class	Organization	CbTActivityRollupName

Planned Activities	Reconciliation of Activities' Increases and Decreases (explanation for resource level changes)

Instructions
Provide the name, division of organization, phone number, and email address of the individual responsible for the information contained in the planned activities and reconciliation for each CbTActivityRollupName.

CbT 2 Definitions
Class: System Field: Classification. **All information for this exhibit must be submitted at the unclassified level on the unclassified network**.
U: UNCLASSIFIED

Organization: The POM reporting entities directed to submit this data requirement. For a complete list of organizations see by data requirement see Appendix A of the PDR.

CbTActivityRollupName: The name that all data will be aggregated to for the President's Budget Justification Book. Rollup supporting CbTActivityGroups to the CbTActivityRollupName as outlined in the Data Matrix below.

Planned Activities: Describe all activities planned for the budget year at the CbTActivityRollupName level of detail.

Reconciliation of Activities' Increases and Decreases: Explain any fiscal year to fiscal year changes in total program funding at the CbTActivityRollupName and appropriation level of detail.

CbT 2 Combating Terrorism Narrative – SNaP Format (Program/Budget Review Only)

Class	Component	CbTActivityGroup	ProgramTitle	Description

POCFirstName	POCLastName	POCDivision	POCPhone

Instructions

1) Provide the Name, Division of Organization, Phone Number and email address of the Individual responsible for the information contained in the Program Title and Description. For each CbTActivityGroup and Program Title combination, provide a description of your program.

✯CbT 2 (Program Budget) Definitions

Class: System Field: Classification. **All information for this exhibit must be submitted at the unclassified level on the unclassified network**.

U: UNCLASSIFIED

Component: Identifies the duty status for military service units and defense agencies.

Active:

DADW: Defense Area Defense Wide. Used by non-service defense agencies.

Guard:

Reserve:

CbTActivityGroup:

A specified grouping of activities and functions that describe the type of CbT effort within a CbT Category. Refer to the CbTCategory, CbTActivityRollupName, & CbTActivityGroup Relationship Matrix below.

ProgramTitle: Descriptive name of your program: associated with the PE's and the resources for the CbTActivityGroup.

Description: Description of the Program described by the PE's and the resources for the CbTActivityGroup.

POCFirstName: First Name of Program POC.

POCLastName: Last Name of Program POC.

POCDivision: Division within the Organization responsible for the Program.

POCPhone: Phone Number for Program POC

POCEmail: Email address for Program POC

CbT 2 Combating Terrorism Narrative – SNaP Format (PB Only)
(Page 2 of 2)

CbT 1&2: Data Matrix: CbTCategory, CbTActivityRollupName, CbBTActivityGroup Relationship

CBTCategory	CbTActivityRollupName	CBTActivityGroup
Antiterrorism	Physical Security Equipment	Physical Security Equipment (PSE) Blast Mitigation
		(PSE) Communication
		(PSE) Explosive Detection
		(PSE) Barriers
		(PSE) Intrusion Detection
		(PSE) Personal Protection
		(PSE) Patrol Boats
		(PSE) Up-Armored HMMV
		(PSE) Commercial Heavy Armored Vehicles
		(PSE) Commercial Light Armored Vehicles
		(PSE) Improvised Explosive Device (IED) Defeat
		(PSE) Other Special Equipment
	Physical Security Site Improvements	Physical Security, Site Improvements
	Physical Security Management and Planning	Physical Security, Management and Planning
	Security Forces and Technicians	Physical Security, Security Forces and Technicians
	Law Enforcement	Physical Security, Law Enforcement
	Security and Investigative Matters	Security and Investigative Matters
	AT Research, Development, Test, and Evaluation	Antiterrorism (AT) R&D, Technical Support R&D
		AT R&D, Physical Security and Other R&D
		AT R&D, COTS Product/Technology Integration
Counterterrorism	Individual Counterterrorism (CT) Programs	Individual Counterterrorism (CT) Programs
	CT Research, Development, Test, and Evaluation	Counterterrorism (CT) R&D, Technical Support R&D
		CT R&D, COTS Product/Technology Integration
		CT R&D, Other CT R&D
Terrorism Consequence Management	Assistance to State and Local Authorities	Assistance to State and Local Authorities Medical Elements
		Assistance to State and Local Decontamination Elements
		Assistance to State and Local Reconnaissance Elements

CBTCategory	CbTActivityRollupName	CBTActivityGroup
	Weapons of Mass Destruction Civil Support Teams	Assistance to State and Local Weapons of Mass Destruction Civil Support Teams
	Consequence Management Response	Chemical and Biological Installation Protection (CBIP)
		Chemical, Biological, Radiological, Nuclear (CBRN) Defense
		Installation First Response Preparedness
		Installation First Response Preparedness - Detectors
		Installation First Response Preparedness - Firetrucks
		Installation First Response Preparedness - Haz Mat Suits
		Installation First Response Preparedness - Personal Protective Equipment for First Responders
		Installation First Response Preparedness - Sensors
		Installation First Response Preparedness - Thermal Imagers
		Special Response Units (SRU) US Army
		SRU Special Medical Augmentation Response Team (SMART)
		SRU US Marine Corps Chem/Bio Incident Response Force (CBIRF)
	TCM Research, Development, Test, and Evaluation	DARPA Biological Warfare Defense Program
		CM R&D, COTS Product/Technology Integration
		CM R&D, Other R&D
		Consequence Management (CM) R&D, Technical Support R&D
Intelligence Related Support	Counterintelligence	Counter-Intelligence
	IR Research, Development, Test, and Evaluation	Intelligence Related (IR) R&D, Technical Support R&D
		IR R&D, COTS Product/Technology Integration
		IR R&D, Other R&D

Combating Terrorism Supporting Detail Definitions

1) Antiterrorism: those defensive measures taken to reduce vulnerability to terrorist attacks.

Physical Security

Physical Security Equipment (PSE): Any item, device, or system that is used primarily for the protection of assets, personnel, information for facilities, to include alarms, sensors, protective lighting and their control systems and the assessment of the reliability, accuracy, timeliness and effectiveness of those systems, such as (but not limited to): Exterior surveillance and/or intrusion detection systems; lighting systems; access controls and alarms systems; residential security equipment; equipment for executive protection, to include added doors, increased ballistic protection at offices and residences, personal body armor, armored vehicles, and detection devices.

Blast Mitigation Consists of (but not limited to):

1) Fragmentation reduction film, blast walls, etc
2) Explosive containers

Communication Consists of (but not limited to):

1) Personnel Alerting Systems
2) Pagers & Radios
3) Databases and assessment tools

Explosive Detection Consists of (but not limited to):

1) Portable & non portable detectors
2) Under Vehicle Surveillance Systems
3) Canine systems

Barriers Consists of (but not limited to):

1) Passive (cable reinforced fences, planters, jersey barriers, shrubs, trees, berms ditches, and inflatable booms)
2) Active (bollards, drums & sliding gate, cable beam)

Intrusion Detection Consists of (but not limited to):

1) Wide Area Security and Surveillance Systems
2) Detection devices (thermal, spectral, mechanical, etc)
3) Special lighting
4) Biometrics
5) Sensors

Personal Protection Consists of (but not limited to):

1) Body Armor
2) Personnel protective equipment
3) Unarmored Vehicles/Sedans

Patrol Boats

Up-Armored HMMWV

Commercial Heavy Armored Vehicles

Commercial Light Armored Vehicles

Improvised Explosive Device (IED) Defeat

Other Special Equipment: Specify Equipment Type. This is a required field and must be entered through the data management segment of SNaP prior to entering program details. Add equipment types to the CBTActivityGroup pick list. With format of (PSE) Other Special Equipment: <Equipment Type>.

Physical Security Site Improvements: Any facility improvements (or increment of improvements) (using O&M or MILCON funding) or new construction (or increment of new construction) that is for the purpose of the physical protection of assets, personnel or information. These include walls, fences, barricades or other fabricated or natural impediments to restrict, limit, delay or deny entry into a Defense installation or facility, such as (but not limited to):

1) Primary facility modification/features such as special structural improvements to walls, doors, windows, ceilings, etc; interior barriers; or include any land acquisition for standoff distances)
2) Supporting facility modification features such as site improvements in fencing, perimeter/area lighting, blast mitigation barriers, vehicle barriers, special landscaping)
3) Safe havens
4) Evacuation facilities
5) Surveillance platforms

Physical Security Management and Planning: Personnel who manage physical security programs, resources, and assets such as but not limited to headquarters staff. CINC headquarters staff elements performing such functions should also be reported here.

Security Forces and Technicians: All personnel and operating costs associated with protective forces used to safeguard assets, personnel or information, to include (but not limited to) salaries overtime, benefits, materials and supplies, equipment and facilities, vehicles, helicopters, training, communications equipment, and management, such as (but not limited to):

1) Dedicated response forces and security forces
2) Locksmiths
3) Perimeter, installation or facility access control
4) Inspection and maintenance of barriers and security system components
5) Antiterrorism training for security forces
6) Antiterrorism awareness programs and training

Law Enforcement: All personnel and operating costs associated with law enforcement, to include but not limited to salaries, overtime, benefits, material and supplies, equipment and facilities, vehicles, helicopters, training, communications equipment, and management, such as (but not limited to):

1) Response forces
2) Military police
3) Protective service details, including advance work

Security and Investigative Matters: Includes Defense criminal investigative resources, security and intelligence activities, and any cross-discipline security functions which do not easily fit into other security categories, such as (but not limited to):

1) Terrorism Investigations
2) Executive antiterrorism training
3) Surveillance and counter-surveillance teams
4) Protective service details, including advance work

5) Route surveys
6) Antiterrorism awareness programs and training

Antiterrorism R&D: Includes any RDT&E resources expended in the area of antiterrorism, showing the program and purpose

Antiterrorism (AT) Technical Support R&D
Physical Security and Other R&D
AT COTS Product/Technology Integration

2) Counterterrorism: Offensive measures taken to prevent, deter and respond to terrorism

Individual CT programs

Counterterrorism R&D- Includes any RDT&E resources expended in the area of counterterrorism showing the program and purpose.

Counterterrorism (CT) Technical Support R&D
CT COTS Product/Technology Integration
Other CT R&D

3) Terrorism Consequence Management: Preparation for and response to the consequences of a terrorist incident/event

Chemical and Biological Installation Protection (CBIP): Include all costs and personnel ($ and End Strength/FTE's) associated with these activities including procurement of equipment.

CBRN Defense: Include all costs and personnel ($ and End Strength/FTEs) associated with these activities. Also include the quantity of equipment procured of all CBRN assets.

Assistance to State and Local Authorities: The employment of DoD assets and expertise to assess suspected nuclear, biological, chemical, or radiological event in support at the local or state authority. DoD assets to be reported include:

Weapons of Mass Destruction Civil Support Teams
Decontamination Elements
Reconnaissance Elements
Medical Elements

Special Response Units US Army

US Marine Corps Chem/Bio Incident Response Force (CBIRF)
Special Medical Augmentation Response Team (SMART)

Installation First Response Preparedness: As a new initiative for FY 2001, the Services were directed to develop requirements, train personnel, and procure equipment for first response preparedness at DoD installations and facilities. These initiatives will be reported here, above the baseline. Include and itemize all equipment procurement for: fire trucks, thermal imagers, sensors, detectors, and haz mat suits. Also include ALL personnel ($ and end strength/FTE's) associated with these activities.

Consequence Management R&D: Includes any RDT&E resources expended in the area of CbT Terrorism Consequence Management showing the program and purpose.

Consequence Management (CM) Technical Support R&D
CM COTS Product/Technology Integration

Other CM R&D

DARPA Biological Warfare Defense Program: That portion dedicated to domestic terrorism consequence management. Applied research program to develop and demonstrate technologies to thwart the use of biological warfare agents (including bacterial, viral, and bioengineered organisms and toxins) by both military and terrorist opponents (against US assets at home and abroad). That portion dedicated to domestic terrorism consequence management is reported here. DARPA's primary strategy for accomplishing this goal is to create technologies applicable to broad classes of pathogens and toxins. Projects include:

1) real-time environmental sensing
2) external protection (including novel methods of protection, air and water purification, and decontamination)
3) consequence management tools
4) advanced medical diagnostics for the most virulent pathogens and their molecular mechanisms
5) pre- and post-exposure medical countermeasures
6) pathogen genome sequencing

4) Intelligence Related Support: Collection and dissemination of terrorism-related information taken to oppose terrorism throughout the entire threat spectrum to include terrorist use of WMD and/or high explosives. This category will only be reported in the combating terrorism formats during the Program/Budget Review data collection cycle – not during the President's Budget data collection.

Counter-Intelligence: All Army and Marine Corps tactical counterintelligence resources and all Army Security and Intelligence Activities CI resources will be reported in this tab. The Counterintelligence Field Activity will report CIFA resources that directly support force protection/combating terrorism activities. Counterintelligence is considered to include (but is not limited to) activities such as:

1) Terrorism Investigations
2) Surveillance and counter-surveillance teams
3) CI Terrorism analysis and production
4) Force protection source operations
5) Threat assessments
6) CI Terrorism collection
7) Route surveys
8) Intelligence staff support to deployed task forces

Intelligence Related R&D: Includes any DoD MIP RDT&E resources expended in the area of CbT Intelligence Related Support (counter-intelligence), showing the program and purpose.

Intelligence Related (IR) Technical Support R&D/IR COTS Product/Technology Integration
Intelligence Related (IR) Technical Support R&D/Other IR R&D

CATEGORIES NOT TO BE REPORTED IN COMBATING TERRORISM DETAIL:

Intelligence - Not reported in this TAB: NIP or MIP funding and personnel, such as (but not limited to):

- Terrorism collection (generally HUMINT, possibly SIGINT)
- Terrorism analysis and production (excluding CI)
- Terrorism watch centers

- Terrorism indications and warning
- Intelligence staff support to deployed task forces

The Director, National Intelligence will report related intelligence support in accordance with the PPI, Section one, Part V, "Data Formatting and Economic Instructions," "Intelligence Programs" as part of the NIP instructions.

Information Assurance - Not reported in this Section: Includes assuring readiness, reliability, and continuity of information assets, systems, networks, and their functions, protecting information systems against penetration/exploitation, providing the means to re-establish vital information system capabilities effectively and efficiently. Examples include Computer Emergency Response Teams (CERTs), and computer network security "fire walls."

Counterproliferation - Not reported in this format: Chem/Bio Defense Program and WMD.

Combating Terrorism Supporting Detail Definitions
(Page 5 of 5)

HCbT 3 Vulnerability Assessments (Program/Budget Review Only)

Class	CountryCode	State	Component	AssessmentDetail

FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013

(4) Instructions

1) Report only those assessments addressing DoD standard 26, E3.1.1.26.4-.7 higher headquarters vulnerability assessments. Note that the standard requires an assessment of all installations at least once every three-(3) years.
2) Provide by country code and component the total number of installations.
3) DoDEA will report this information for all schools located off post.
4) Provide by country code and component the number of installations that contain family housing, VIP Housing, and or DoDES facilities. These will not add up to total installations.
5) Provide by country code and component the cost and number of assessments planned for future years and conducted in the prior and current years.
6) Provide total military, civilian and contractor manpower required to conduct assessments.
7) TOA is entered in dollars thousands ($000).
8) Military personnel are entered as End strength and Civilians and Contractors as FTEs.
9) See Appendix A for reporting requirements for your organization.

CbT 3 Definitions

Class: System Field: Classification. **All information for this exhibit must be submitted at the unclassified level on the unclassified network**.

U: UNCLASSIFIED

CountryCode: (Closed List)

AF	Afghanistan
AL	Albania
AG	Algeria
AN	Andorra
AO	Angola
AC	Antigua and Barbuda
AR	Argentina
AM	Armenia
AS	Australia
AU	Austria
AJ	Azerbaijan

BF	Bahamas, The
BA	Bahrain
BG	Bangladesh
BB	Barbados
BO	Belarus
BE	Belgium
BH	Belize
BN	Benin
BT	Bhutan
BL	Bolivia
BK	Bosnia and Herzegovina
BC	Botswana
BR	Brazil
BX	Brunei
BU	Bulgaria
UV	Burkina Faso
BM	Burma
BY	Burundi
CB	Cambodia
CM	Cameroon
CA	Canada
CV	Cape Verde
CT	Central African Republic
CD	Chad
CI	Chile
CH	China
CO	Colombia
CN	Comoros
CF	Congo (Brazzaville)
CG	Congo (Kinshasa)
CS	Costa Rica
IV	Côte d'Ivoire
HR	Croatia
CU	Cuba
CY	Cyprus
EZ	Czech Republic

HCbT 3 Vulnerability Assessments (Program/Budget Review Only) (Continued)
(Page 2 of 8)

DA	Denmark
DJ	Djibouti
DO	Dominica
DR	Dominican Republic
TT	East Timor
EC	Ecuador
EG	Egypt
ES	El Salvador
EK	Equatorial Guinea
ER	Eritrea
EN	Estonia
ET	Ethiopia
FJ	Fiji
FI	Finland
FR	France
GB	Gabon
GA	Gambia, The
GG	Georgia
GM	Germany
GH	Ghana
GR	Greece
GJ	Grenada
GT	Guatemala
GV	Guinea
PU	Guinea-Bissau
GY	Guyana
HA	Haiti
VT	Holy See
HO	Honduras
HU	Hungary
IC	Iceland
IN	India
ID	Indonesia
IR	Iran
IZ	Iraq
EI	Ireland

IS	Israel
IT	Italy
JM	Jamaica
JA	Japan
JO	Jordan
KZ	Kazakhstan
KE	Kenya
KR	Kiribati
KN	Korea, North
KS	Korea, South
KU	Kuwait
KG	Kyrgyzstan
LA	Laos
LG	Latvia
LE	Lebanon
LT	Lesotho
LI	Liberia
LY	Libya
LS	Liechtenstein
LH	Lithuania
LU	Luxembourg
MK	Macedonia
MA	Madagascar
MI	Malawi
MY	Malaysia
MV	Maldives
ML	Mali
MT	Malta
RM	Marshall Islands
MR	Mauritania
MP	Mauritius
MX	Mexico
FM	Micronesia, Federated States of
MD	Moldova
MN	Monaco
MG	Mongolia

MO	Morocco
MZ	Mozambique
WA	Namibia
NR	Nauru
NP	Nepal
NL	Netherlands
NZ	New Zealand
NU	Nicaragua
NG	Niger
NI	Nigeria
NO	Norway
MU	Oman
PK	Pakistan
PS	Palau
PM	Panama
PP	Papua New Guinea
PA	Paraguay
PE	Peru
RP	Philippines
PL	Poland
PO	Portugal
QA	Qatar
RO	Romania
RS	Russia
RW	Rwanda
SC	Saint Kitts and Nevis
ST	Saint Lucia
VC	Saint Vincent and the Grenadines
WS	Samoa
SM	San Marino
TP	Sao Tome and Principe
SA	Saudi Arabia
SG	Senegal
YI	Serbia and Montenegro
SE	Seychelles
SL	Sierra Leone

SN	Singapore
LO	Slovakia
SI	Slovenia
BP	Solomon Islands
SO	Somalia
SF	South Africa
SP	Spain
CE	Sri Lanka
SU	Sudan
NS	Suriname
WZ	Swaziland
SW	Sweden
SZ	Switzerland
SY	Syria
TI	Tajikistan
TZ	Tanzania
TH	Thailand
TO	Togo
TN	Tonga
TD	Trinidad and Tobago
TS	Tunisia
TU	Turkey
TX	Turkmenistan
TV	Tuvalu
UG	Uganda
UP	Ukraine
AE	United Arab Emirates
UK	United Kingdom
US	United States
UY	Uruguay
UZ	Uzbekistan
NH	Vanuatu
VE	Venezuela
VM	Vietnam
YM	Yemen
ZA	Zambia

ZI Zimbabwe

State: (Closed List)

AK: ALASKA
AL: ALABAMA
AR: ARKANSAS
AZ: ARIZONA
CA: CALIFORNIA
CO: COLORADO
CT: CONNECTICUT
DC: DISTRICT OF COLUMBIA
DE: DELAWARE
FL: FLORIDA
GA: GEORGIA
HI: HAWAII
IA: IOWA
ID: IDAHO
IL: ILLINOIS
IN: INDIANA
KS: KANSAS
KY: KENTUCKY
LA: LOUISIANA
MA: MASSACHUSETTS
MD: MARYLAND
ME: MAINE
MI: MICHIGAN
MN: MINNESOTA
MO: MISSOURI
MS: MISSISSIPPI
MT: MONTANA
NA: Not Applicable
NC: NORTH CAROLINA
ND: NORTH DAKOTA
NE: NEBRASKA
NH: NEW HAMPSHIRE
NJ: NEW JERSEY
NM: NEW MEXICO
NV: NEVADA
NY: NEW YORK
OH: OHIO

OK: OKLAHOMA
OR: OREGON
PA: PENNSYLVANIA
RI: RHODE ISLAND
SC: SOUTH CAROLINA
SD: SOUTH DAKOTA
TN: TENNESSEE
TX: TEXAS
UT: UTAH
VA: VIRGINIA
VT: VERMONT
WA: WASHINGTON
WI: WISCONSIN
WV: WEST VIRGINIA
WY: WYOMING

Component: Identifies the duty status for military service units and defense agencies.

Active:
DADW: Defense Area Defense Wide. Used by non-service defense agencies.
Guard:
Reserve:

AssessmentDetail: (Closed List)

Assessment Capability: Number of Installations that can be assessed with the current teams.
Assessments Conducted: Number of assessments conducted by country for 200–5-2006.
Assessments Planned: Number of assessments planned by country for 2007-2013.
Civilian FTEs: Number of civilian personnel conducting assessments.
Contractor FTEs: Number of contractor personnel conducting assessments.
Installations with DoDES Facilities:
Installations with Family Housing:
Installations with VIP Housing:
Military End-Strength: Number of military personnel conducting assessments.
TOA: Total funding programmed to conduct vulnerability assessments by country code.
Total Installations: Total number of installations by component by country should be obtainable from the Installation Summary.

MRTFB 1 Installation Financial Summary

DoD Component
(MRTFB Activity Title) Financial Summary

($ Thousands)

Funding Source	**FY PY-1**	**FY PY**	**FY CY**	**FY BY**	**FY BY+1**
Total Institutional Funding: *(Header Only)*					
Institutional Funding PE (_____) Total					
In-House Effort					
Contractor Effort					
Military Personnel (Institutional and Direct)					
Total Institutional and Military Personnel Funding					
Direct (User Funding) *(Header Only)*					
Parent Service					
Other DoD					
Other U.S. Government					
FMS					
Foreign Government					
Commercial					
Total Customer Direct Funding					
Support to Training (Non-Add)					
Other Non T&E MRTFB Customer (Specify) (Non-add)					
Total Non-T&E Customer Direct (Non-add)					
Total Institutional and MilPers, and Direct					
Other Funds - T&E Mission *(Header Only)*					
T&E BOS					
T&E Mission SRM (Sustainment)					
T&E Mission SRM (Restoration & Modernization)					
Military Construction (MILCON)					
Minor Construction					
BRAC					
Improvement & Modernization (Total from Exhibit 3)					
Other Funds applicable to the Test Mission (Specify PE)					
(Add lines as required to identify additional PE's)					

(MRTFB Activity Title) Financial Summary
(Page 1 of 2)

MRTFB 1 Installation Financial Summary (Continued)

Sub-Total Other T&E Mission

Other Funds - Non-T&E Mission ***(Header Only)***
(Add lines as required to identify additional PE's)

Sub-Total Other Non-T&E Mission

Total MRTFB Activity

MRTFB 2a Institutional Funding Element of Expense Listing

DOD Component

(MRTFB Activity Title) Institutional Funding Element of Expense Listing

($ Thousands)

DODEE	Description	FY PY-1	FY PY	FY CY	FY BY	FY BY+1
	Military Personnel					
01	Civilian Pay					
02	Travel of Persons					
03	Transportation of Things					
04/05	Utilities/Rental/Leases					
06	Communications					
07	Printing/Reproduction					
09	Purchased Equipment Maintenance					
10	Periodic Depot Level Maintenance (PDM)					
13	Other Purchased Services					
13a	Facility Projects (non add)					
13b	Critical Space Operations (non-add)					
14	Aircraft POL (flying)					
16	Other Supplies					
16a	Fuels (other than flying) (non-add)					
16b	Depot Level Reparable (DLR) (non-add)					
17	Purchased Equipment					
18	Other					
	Total Institutional Funding					

MRTFB 2a Direct Funding Element of Expense Listing (Continued)

DOD Component
(MRTFB Activity Title) Direct Funding Element of Expense Listing

($ Thousands)

DODEE	Description	FY PY-1	FY PY	FY CY	FY BY	FY BY+1
	Military Personnel					
01	Civilian Pay					
02	Travel of Persons					
03	Transportation of Things					
04/05	Utilities/Rental/Leases					
06	Communications					
07	Printing/Reproduction					
09	Purchased Equipment Maintenance					
10	Periodic Depot Level Maintenance (PDM)					
13	Other Purchased Services					
13a	Facility Projects (non add)					
13b	Critical Space Operations (non-add)					
14	Aircraft POL (flying)					
16	Other Supplies					
16a	Fuels (other than flying) (non-add)					
16b	Depot Level Reparable (DLR) (non-add)					
17	Purchased Equipment					
18	Other					
	Total Direct Funding					

Exhibit 2a-Element of Expense

MRTFB 2b Schedule of Increases and Decreases

DOD Component

(MRTFB Activity Title) Schedule of Increases and Decreases
($ Thousands)

		FY PY-1	FY PY	FY CY	FY BY	FY BY+1
1. FY PY-1 to FY PY						
a.	(Description/justification of increase and decrease)					
b.						
c.						
etc.						
2. FY PY to FY CY						
a.	(Description/justification of increase and decrease)					
b.						
c.						
etc.						
3. FY CY to FY BY						
a.	Inflation					
b.	Civilian pay raise					
c.	(Description/justification of increase and decrease)					
etc.						
4. FY BY to FY BY+1						
a.	Inflation					
b.	Civilian pay raise					
c.	(Description/justification of increase and decrease)					
etc.						

Exhibit 2b-Schedule of Increases and Decreases

MRTFB 2c Workyears

DOD Component

(MRTFB Activity Title) Workyears

	FY PY-1				FY PY				FY CY				FY BY				FY BY+1			
CATEGORY	**INST**	**DIR**	**OTH**	**TOT**	**INST**	**DIR**	**OTH**	**TOT**	**INST**	**DIR**	**OTH**	**TOT**	**INST**	**DIR**	**OTH**	**TOT**	**INST**	**DIR**	**OTH**	**TOT**
Military																				
Officer																				
Enlisted																				
Civilian																				
Contractor																				
Total																				

Narrative Section:

Exhibit 2c-Workyears

DOD Component

(MRTFB Activity Title) Source of Direct Funds
($ Thousands)

	FY PY-1	FY PY	FY CY	FY BY	FY BY+1
A. DIRECT FUNDING - CUSTOMER					
1. PARENT SERVICE					
Appn BAC PE Title					
RDT&E					
(List customers)					
BAC Total					
RDT&E Total					
Operation & Maintenance					
(List customers)					
BAC Total					
Operation & Maintenance Total					
Procurement Appropriations					
(List customers with subtotal by appropriation)					
Procurement Appropriation Total					
Other Appropriations					
(List customers with subtotal by appropriation)					
Other Appropriation Total					
TOTAL PARENT SERVICE					

(MRTFB Activity Title) Source of Direct Funds (Continued)
(Page 1 of 3)

2. OTHER DOD (Identify Service or OSD)

Service	Appropriation	
	(List customers)	
	Appropriation Total	
	Service Total	
	TOTAL OTHER DOD	

3. OTHER U.S. GOVERNMENT

(List Agencies)

TOTAL OTHER U.S. GOVERNMENT

4. FOREIGN MILITARY SALES

(List country or program)

TOTAL FOREIGN MILITARY SALES

5. FOREIGN GOVERNMENT

(List country or program)

TOTAL FOREIGN GOVERNMENT

(MRTFB Activity Title) Source of Direct Funds (Continued)
(Page 2 of 3)

6. COMMERCIAL

(List company or program) _____

TOTAL COMMERCIAL _____

TOTAL CUSTOMER DIRECT FUNDING _____

B. DIRECT FUNDING - NON-CUSTOMER

(List types)

TOTAL NON-CUSTOMER DIRECT FUNDING _____

(MRTFB Activity Title) Source of Direct Funds (Continued)
(Page 3 of 3)

MRTFB Improvement and Modernization (I&M) Projects Summary

DOD Component

(MRTFB Activity Title) I&M Summary

Improvement and Modernization Projects
($Thousands)

Appn	PE	Project Title	Total Est. Cost	Prior Years	FY PY-1	FY PY	FY CY	FY BY	FY BY+1	Cost To Complete
		(List Projects)								
		SUBTOTAL								
		TOTAL I&M								

* Asterisk indicates the project meets threshold required for submission of a Quad chart

Exhibit 3a-I&M Summary

MRTFB Improvement and Modernization (I&M) Listings Military Construction and BRAC

DOD Component

(MRTFB Activity Title) I&M Listings

Military Construction and Base Realignment and Closure Projects
($ Thousands)

MILCON PROJECTS

Appn	PE	Title	Programmed FY	Est Cost at Complete	Programmed Funds
Funded Projects:					
		(List projects)			
		Total Funded MILCON Projects			
Planned Projects:					
		(List projects)			
		Total Panned MILCON Projects			

Exhibit 3a-I&M Listing
(Page 1 of 2)

MRTFB Activity Title Improvement and Modernization (I&M) Listings Military Construction and BRAC (Continured)

BRAC PROJECTS

Appn	PE	Title	Programmed FY	Est Cost at Complete	Programmed Funds
Funded Projects:					
		(List projects)			
		Total Funded BRAC Projects			

Exhibit 3b-MILCON & BRAC

INSTRUCTIONS FOR MAJOR RANGE AND TEST FACILITY BASE (MRTFB) BUDGET EXHIBITS

MRTFB-1 FINANCIAL SUMMARY

The MRTFB-1 is the basic, central exhibit for the Major Range Test Facility Base program and budget review submission. All other exhibits are related to this exhibit. The MRTFB-1 reflects total funds from all sources to be expended at each MRTFB activity. The instructions for preparation and definitions are in the following paragraphs. For each line entry, a fully comparable figure will be entered in each of the five columns.

The amounts reflected in the institutional entries are to be directly related to those amounts included in the appropriation submission of budget estimates to OSD/OMB.

Definitions and Instructions:

Total Institutional Funding - This line is for header purposes only and denotes the section dealing with the institutional funds that support the MRTFB activity's mission.

Institutional (P.E.) - Denotes the funding which each Component provides directly to the activity for ongoing effort which cannot be ascribed to users of the activity. The financing program element number is to be entered in the parenthesis.

In-House Effort - The amount of the activity's T&E Institutional funding which is devoted to supporting efforts conducted by government personnel at the activity.

Contractor Effort - The amount of Institutional funding expended by any contractor in support of the activity's mission, either on-site or elsewhere.

Military personnel – Denotes the cost of the Military Personnel who are primarily assigned to the MRTFB activity for institutional and direct user support activities. This line does not include costs for Military Personnel assigned to non-T&E mission work.

Total Institutional and Military Personnel Funding – This line is the total of institutional funding, both-in-house and contractor, plus the cost of the Military Personnel which are assigned to the MRTFB activity for institutional and direct user support activities.

Direct (User Funding) - This line is for header purposes only, to denote the section dealing with funds received from customers for MRTFB activity mission efforts.

Parent Service - Funds that come to the activity from users who are from within the same service but distinguished from the institutional funds.

Other DoD - Funds from customers within DoD but not from the same service as the activity.

Other U.S. Government - Funds from other U.S. Government customers outside the DoD

Foreign Military Sales (FMS) - Funds received from FMS cases.

Foreign Government - Funds from foreign governments for other than FMS cases.

Commercial - Funds received from commercial customers, including DoD contractors that do not have a DoD program sponsor.

Support to Training (Non-add) – Customer funds from any source received by the activity to support any DoD training mission. These funds are reflected in the Total Customer Direct Funding line and are reflected here separately as a non-add line item only.

Other Non-T&E Support (Non-add) – Any other customer funds besides support to training that do not result in T&E work. The specific category of support should be reported if the funding level exceeds $1 million dollars in any given fiscal year. These funds are reflected in the Total Customer Direct Funding line and are reflected here separately as a non-add line item only.

Total Institutional, Military Personnel and Direct - The sum of the amounts in the Total Institutional, Military Personnel and Total Direct lines.

Other Funds-T&E Mission – This line is for header purposes only and denotes the section dealing with funding that directly supports the T&E mission but which is not included in the institutional, direct and military personnel items elsewhere on the exhibit. Additional lines may be added as required to identify all funds that directly support the T&E mission. The intent is to accurately reflect funds received from all sources to support the MRTFB's overall T&E mission and to facilitate comparability across the Services. If additional categories are required to reflect the total "institutional" funding that is required for the activity, such as Environmental Compliance, additional lines should be added.

T&E Base Operating Support (BOS) – Funds for T&E base operating support costs. Do not include costs already identified in the MRTFB institutional funding line above. Provide the program element number for each entry.

T&E Mission SRM (Sustainment) – Funds for T&E sustainment costs. Do not include costs already identified in the MRTFB institutional funding line above. Provide the program element number for each entry.

T&E Mission SRM (Restoration and Modernization) – Funds for T&E restoration and modernization costs. Do not include costs already identified in the MRTFB institutional funding line above. Provide the program element number for each entry. Do not include restoration and modernization costs paid from the Improvement and Modernization funding lines.

Military Construction (MILCON) –Total of MRTFB MILCON projects from Exhibit 3-b.

Minor Construction – Total of minor construction projects. Minor construction is defined as projects totaling $750K or less.

Base Re-alignment and Closure (BRAC) – Total of MRTFB BRAC projects from Exhibit 3-b.

Improvement and Modernization (I&M) – Total funding provided to the MRTFB activity for improvement and modernization efforts. Do not include costs already identified in the MRTFB institutional funding line above.

Other Funds Applicable to the T&E Mission – Any other funding received by the MRTFB for costs associated with the MRTFB T&E mission.

Other Funds – Non-T&E Mission – This line is for header purposes only and denotes the section dealing with any other funding received by the MRTFB for efforts not identified in previous categories. Report individual activities by PE, purpose, and amount.

Total MRTFB Activity – The sum of the amounts in the Total Institutional, Military Personnel and Direct line, Other Funds – T&E Mission line, and Other Funds – Non-T&E Mission line.

MRTFB-2a, ELEMENT OF EXPENSE LISTING

For the Total Institutional and Direct funds entered on MRTFB-1 Exhibit, Financial Summary, provide a breakout by element of expense. The cost of Military Personnel should reflect the Full Time Equivalent (FTE's) military personnel cost associated with the T&E mission. The sum of the institutional and direct military personnel costs should equal the total on the MRTFB-1, Military Personnel line.

MRTFB-2b, SCHEDULE OF INCREASES AND DECREASES

Provide a several sentence description/justification of each increase and/or decrease, covering year-to-year changes in the total institutional funding entry on the MRTFB-1 Exhibit. Changes should address any financial increase or decrease that exceeds $500 thousand. There may be more than one increase or decrease to any or all entries on the MRTFB-1. Separately identify inflation and civilian pay increases. Identify any changes in T&E capability regardless of the amount of funding, to include elimination of any facilities, moth balling, etc.

MRTFB-2c, WORKYEARS

Submit a numerical summary of military, civilian, and contractor Full Time Equivalent (FTE) workyears. Civilian and contractor workyears should be divided into those that are institutionally funded and those that are reimbursed by direct user funding. Military workyears should also be reported in the category of work that is supported whether the workyears are reimbursed or not from direct users, i.e. military workyears used to perform T&E customer work should be shown as direct workyears.

The workyears reported in the Institutional category should reflect only those workyears funded from the institutional program element of the MRTFB. Workyears funded by “Other Funds – T&E Mission”, such as BOS and SRM, should be reported as “Other” workyears. Workyears funded by sources identified on the MRTFB-1 as "Non-T&E Support Direct" should not be reported in this exhibit.

Changes in workyears between fiscal years that exceed 10 percent in any category should be addressed in the narrative section of this exhibit.

MRTFB-2d, SOURCE OF DIRECT FUNDS

Identify by major program, the source of the Direct Funds contained in MRTFB-1, Direct User Funding.

For Direct Funding – Customer, provide the following breakout: For the parent service RDT&E and O&M funds, the Program Element, title, Budget Activity Code (BAC), and appropriation descriptors must be provided. For Parent Service procurement appropriations, provide a list of customers greater than $1M for any FY and group smaller customers at the appropriation level. For Other DoD, provide a list of customers by appropriation and Service. For Other U.S. Government, provide a list of customers by Agency. For FMS and Foreign Government, provide a list of customers by country/program and for Commercial, provide a list of customers by company or program. This section should reflect both test and non-test customer funds.

For Direct Funding – Non-Customer, provide a one-line summary by type of funding. Include Direct funding that is not customer related such as inter-organizational miscellaneous reimbursements as well as pass-through and transfers sent off the MRTFB. This section is not reflected on MRTFB-1.

For unidentified workload, enter estimates of Unidentified Workload in the appropriation (for RDT&E include data by budget activity) that best reflect historical workload. It is acceptable to group small efforts into one multiple line item, but groupings funded by Parent Service appropriations should not exceed ten percent of any category

MRTFB-3a, IMPROVEMENT & MODERNIZATION SUMMARY

Provide a project level listing covering fiscal years from PY-1 through the BY+1. For projects that extend beyond the BY+1, include the cost to complete. Ensure that the exhibit includes all improvement and modernization (I&M) anticipated for the activity, whether the funding source is institutional, the parent Service T&E program element(s), customer funding or CTEIP funding.

Report all I&M projects, regardless of funding source, which exceed $200 thousand in any single fiscal year or $1 million cumulatively. List each project by appropriation and program element.

For any project exceeding $1 million in any year or cumulative funding of $5 million, including the projects not funded, provide summary data that includes potential benefits, cost savings and capability improvements in the form of a quad chart. Use an asterisk to indicate the projects meeting this threshold on the total project-level listing. Quad charts should include the following detail:

Project Title:

(1) Description - Concise description of what is to be acquired, where it will be located, its relationship to other upgrades at this facility or other DoD facilities. Identify whether the effort is required to provide an enhanced capability or whether it modernizes an existing capability.

(2) Requirements/Payoffs - Specify the operational requirement being addressed by the project. If it is required to provide an enhanced capability, list the programs that will benefit and provide the required operating date. If required as an improvement to an existing capability, provide a payback date and the schedule for retirement of existing equipment that will become obsolete as a result of the upgrade. Discuss what other alternatives and what cross-service opportunities were considered in the review of this requirement.

(3) Tests to be Supported - List the programs and tests to be supported by the I&M project. Indicate the acquisition category for each program that will be using the upgraded equipment or facility.

(4) Schedule - Provide the critical milestones for the project. Include the approval date of the operational requirements document, the date of TERIB and TRMC review, the contract award dates, IOC and FOC.

(4) Funding Profile - Provide total funding plan, including all funding sources, for development through FOC and the follow-on sustainment costs. Funding should be consistent with that identified in the MRTFB-3a, Summary of I&M Projects, and with that included in the other R&D program and budget review submission exhibits.

Quad charts prepared for TRMC reviews can be used for the program and budget review submission as long as all of the requested information is included. Indicate the projects not funded in the Requirements section along with a statement indicating why it was not funded.

MRTFB-3b, MILITARY CONSTRUCTION AND BASE REALIGNMENT AND CLOSURE PROJECTS

Provide summary data for all Military Construction (MILCON) and Base Realignment and Closure (BRAC) projects that are programmed to support the MRTFB mission at the activity and are funded in either PY-1, PY, CY, BY and BY+1 of the Program Budget Submission.

For funded MILCON and BRAC projects, identify by fiscal year the individual funded projects with the same title as the approved DD Form 1391.

For Planned MILCON projects, identify by fiscal year the projects that are planned for the MRTFB through the FYDP period.

The total funded projects listed on this exhibit should match the MRTFB Exhibit-1 Military Construction and BRAC funding line.

Test and Evaluation Funding

Exhibit T&E 1

PNO Title	T&E Type	TreasuryCode	BA Code	Budget LineItem	Program Element	Funding Source	Funding Type	PY-1	PY	CY	BY 1	BY 2	BY2+1	BY2+2	BY2+3	BY2+4
Select from pick list	DT&E	Treasury Code list provided	Select from pick list	Select from pick list	Select from pick list	Government	# of Articles	#	#	#	#	#	#	#	#	#
	OT&E					Contractor	Articles Funding	$	$	$	$	$	$	$	$	$
	LFT&E					Articles	Facilities	$	$	$	$	$	$	$	$	$
							Instrumentation	$	$	$	$	$	$	$	$	$
							Targets/ Threat Simulators	$	$	$	$	$	$	$	$	$
							Other T&E Funding	$	$	$	$	$	$	$	$	$

Exhibit T&E-1, Test and Evaluation
(Page 1 of 1)

Instructions for
Exhibit T&E-1, Test and Evaluation

1. Purpose.

A. The Exhibit T&E-1 is the Test and Evaluation (T&E) funding exhibit for the Program and Budget review. It consists of tabular and narrative data describing the funding for T&E of the Major Defense Acquisition Programs (MDAP) as specified in DoD 5000.1 and Special Interest Programs identified in the Program Objective Memorandum (POM) Instructions, Table C-1. This reporting process is accomplished on-line using the Select & Native Programming Data Input System (SNaP) located at: http://snap.pae.osd.smil.mil. **Note:** The SNaP system operating instructions as specified in the Programming and Budgeting Data Requirements on the SNaP system will supersede the instructions identified in this document if they are different.

B. This exhibit reflects total funds included in the above-specified systems/programs for T&E regardless of what organization performs the T&E. It does not include funds in T&E programs, such as Major Range and Test Facilities Base (MRTFB) direct funding, used to provide services on a nonreimbursable basis to weapon systems.

2. Entries.

A. Instructions for Completing the Test & Evaluation Database

(1) Provide Test and Evaluation Detail by Funding Type for Major Defense Acquisition Programs by Treasury Code, Budget Activity, Budget Line Item (BLI) and Program Element (PE), and Facility Type.

(2) Provide narrative for all detail provided in a Word Document organized by the following:

(a) Program Description: For each Program Element/Project provide a brief description of the major program and major changes from the most recent President's budget request and the reason for the changes.

(b) T&E Program/Project Description: For each major T&E Program/Project, exceeding $1 million in a single year or $5 million over the life of the program describe the program/project, provide major changes from the most recent budget baseline and the reasons for the changes. Divide the discussions into Development Test and Evaluation (DT&E), Operational Test and Evaluation (OT&E), and Live Fire Test and Evaluation (LFT&E). Within each T&E type, distinguish between contractor and government activities and include data on articles funding and the number of articles. For facilities provide a narrative to justify as required in the T&E Facilities entries in the Tabular Data Worksheet (above).

(c) T&E Milestones/Schedules: Identify by date, the major milestones and scheduled T&E events (PT 3A, OT2, etc.) for each T&E program, noting deviations and reasons from what is stated in the approved Test and Evaluation Master Plan (TEMP).

(d) Approved TEMP Funding: Provide the difference (delta) in funding from the funding included in the most recently approved TEMP and provide a brief discussion of the reason for the difference.

(e) Funding: Briefly describe the use of the funds.

(f) Facilities Justification: Describe the reason for use of government or contractor facility. If capability is duplicated provide reasoning.

B. Definitions

(1) Organization: The POM reporting entities are directed to submit this data requirement. For a complete list of organizations required to submit a T&E-1 Exhibit, see Appendix A of the Programming and Budgeting Data Requirements (PBDR).

(2) Program Control Numbers (PNO) Code: Three-digit numeric code that identifies MDAP programs. If program is not an MDAP program leave blank. PNO codes are listed on the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) website at: http://friends.acq.osd.mil/ara/dab_oipt/schedule/mdaplist.html.

(3) T&E Type:

(a) *DT&E:* Developmental Test and Evaluation (DT&E) is any engineering-type test used to verify status of technical progress, verify that design risks are minimized, substantiate achievement of contract technical performance, and certify readiness for initial operational testing. Development tests generally require instrumentation and measurements and are accomplished by engineers, technicians, or soldier operator-maintainer test personnel in a controlled environment to facilitate failure analysis.

(b) *OT&E:* Operational Test and Evaluation is the field test, under realistic combat conditions, of any item of (or key component of) weapons, equipment, or munitions for the purpose of determining the effectiveness and suitability of the weapons, equipment, or munitions for use in combat by typical military users.

(c) *LFT&E:* Live Fire Test and Evaluation is full-up, system-level survivability or lethality testing of a covered system, major munitions program, missile program, or product improvement to a covered system, major munitions program, or missile program before it can proceed beyond low-rate initial production.

(4) Treasury Code: The Treasury Code is a defined set of four-digit numeric codes provided by the Comptroller that identifies resource types.

(5) BA Code: The Budget Activity Code as defined by OUSD (Comptroller), in the Financial Management Regulation

(6) Budget Line Item Number: Provide the Activity Group and Sub-Activity Group (SAG) if the appropriation is O&M; the Project Number as used in the R2 report for RDT&E; Line Item if Procurement; Project Number if MilCon; and Activity Group and Customer if Revolving funds.

(7) Program Element (PE): The PE applies to RDT&E, Procurement and O&M appropriations. The PE is up to ten-digits in length, a seven-digit numeric identifier followed by up to three-digits alphanumeric code for Future Years Defense Program (FYDP) organization.

(8) Funding Source:

(a) *Government:* Resources, facilities, and capabilities that are owned by the U.S. Government.

(b) *Contractor:* Resources, facilities, and capabilities that are owned by a private company or firm.

(c) *Article:* An individual system or subsystem to be subjected to the test process

(9) Funding Type:

(a) *Facilities:* Includes all funding for provision of T&E capability through investment in plant and equipment (non-instrumentation) at facilities by funding source. For Government facilities these costs include all funding included as reimbursable orders (customer funding) to the Major Range and Test Facility Base and other installations.

(b) *Instrumentation:* Includes all funding for provision of T&E instrumentation (non-portable) by funding source.

(c) *Targets and Threat Simulators:* Includes all funding identified for targets and threat simulators by funding source.

(d) *Other Costs:* Include any additional funding not captured in the other Funding Types for performing T&E at facilities by funding source

(e) *Articles Funding:* Includes the funding for test articles to support the T&E planned for the system

(f) *# Articles:* Provide the number of test articles to support the T&E planned for the system by year of delivery of the article.

C. Business Rules

Instructions for Exhibit T&E-1, Test and Evaluation (Continued)

(1) Project or Line Item Number and Title relationship—A project or line item number can only have one title. When users add new numbers they will be prompted to add the corresponding title. The new title will only be valid with the new number.

(2) O&M --Requires funding entries for fiscal years only.

(3) Funding Source = Article, report a Funding Type = Articles funding and # of Articles.

Funding Source and Funding Type Relationship Matrix	
Funding Source	**Funding Type**
Government	Facilities Instrumentation Targets/Threat Simulators Other T&E Funding
Contractor	Facilities Instrumentation Targets/Threat Simulators Other T&E Funding
Articles	# of Articles Articles Funding

Exhibit PB-14 FUNCTIONAL TRANSFERS

FUNCTIONAL TRANSFERS
Component: _____

FY BY1	FY BY2	FY BY2+1	FY BY2+2	FY BY2+3	FY BY2+4

PART I

Adjustment as result of Functional Transfers:

(Show the total adjustment to Component topline as a result of inter-Component functional transfers included in the program and budget submission but not included in the Program Review. In addition, show the adjustment to each appropriation separately.)

PART II

(Show the following adjustments for each inter-Component functional transfer impacting all accounts included in Part I.)

Functional Transfer Title
Description: Provide succinct narrative explanation for each functional transfer.
Gaining Appropriation(s)/Budget Activity(s)/Subactivity Group(s)/line item/program
Civilian Full-Time Equivalent (FTE)
Military End Strength
Funding ($ 000)

Losing Appropriation (s)/Budget Activity(s)/Subactivity Group(s)/line item/program
Civilian Full-Time Equivalent (FTE)
Military End Strength
Funding ($ 000)

Exhibit PB-14 Functional Transfers

ADVISORY AND ASSISTANCE SERVICES

DEPARTMENT/AGENCY

	(Dollars in Thousands)			
Appropriation/Fund	FY PY Actuals	FY CY Estimate	FY BY1 Estimate	FY BY2 Estimate
1. Management & Professional Support Services				
FFRDC Work*				
Non-FFRDC Work*				
Subtotal				
2. Studies, Analysis & Evaluations				
FFRDC Work*				
Non-FFRDC Work*				
Subtotal				
3. Engineering & Technical Services				
FFRDC Work*				
Non-FFRDC Work*				
Subtotal				
TOTAL				
FFRDC Work*				
Non-FFRDC Work*				
Reimbursable				

Explanation of Funding Changes

* Provide a narrative explanation (in program terms) for any increase/decrease that is in excess of the estimated rate of inflation. This explanation of increase/decrease is required for changes between the PY and the CY, between the CY and the BY1, and between the BY1 and the BY2.

Notes:

1. All totals displayed must equal amounts reported in object class 25.1.
2. FFRDC - Federally Funded Research & Development Centers.
3. A separate PB-15 must be prepared for each appropriation/fund.
4. A summary PB-15 must be prepared when consulting services are funded from more than one appropriation/fund.

Exhibit PB-15 Advisory and Assistance Services
(Page 1 of 1)

ADVISORY AND ASSISTANCE SERVICES
Instructions for Exhibit PB-15

BACKGROUND: The purpose of the exhibit is to provide Congress with actual estimates on the amount spent by DoD on advisory and assistance services which are utilized to enhance, assist, or improve the ability of government employees to make decisions on governmental processes, program, and systems. Congressional concern stems from both the cost and nature of advisory and assistance services. When contractors provide advice or assistance that may affect decision-making, influence policy development, or provide support to project or program management, it is essential to ensure that the contractor's performance is free of potential conflicts of interest and does not impinge upon the performance of inherently governmental functions by government employees. As such, advisory and assistance services require an appropriate degree of enhanced management and oversight. When using contractor provided products, final decisions, or actions must reflect the independent conclusions of DoD officials. Advisory and Assistance Services (object class 25.1) include services acquired by contract from non-governmental sources that provide management and professional support services; studies, analyses, and evaluations; and engineering and technical services, as defined below.

The definitions indicated below have been substantially revised to incorporate the changes indicated in section 911 of the National Defense Authorization Act for FY 1999 (codified in section 2212(b) of title 10 U.S.C.).

ADVISORY AND ASSISTANCE SERVICES DEFINITION (Object Class 25.1): Obligations for advisory and assistance services acquired by contract from non-governmental sources (including Federally Funded Research and Development Centers (FFRDCs) and non-FFRDCs) to support or improve organization policy development, decision making, management, and administration; support program and/or project management and administration; provide management and support services for Research and Development (R&D) activities; provide engineering and technical support services; or improve the effectiveness of management processes or procedures. The products of advisory and assistance services may take the form of information, advice, opinions, alternatives, analyses, evaluations, recommendations, training, and technical support. Object class 25.1 consists of the following three categories:

Management and Professional Support Service: This category includes funding for contractual services that provide engineering or technical support, assistance, advice, or training for the efficient and effective management and operation of organizations, activities (including management and support services for R&D activities), or systems. These efforts are closely related to the basic responsibilities and mission of the using organization and contribute to improved organization of program management, logistics management, project monitoring and reporting, data collection, budgeting, accounting, performance auditing, and administrative/technical support for conferences and training programs.

Studies, Analyses, and Evaluations: This category includes funding for contractual services to provide organized, analytic assessments to understand or evaluate complex issues to improve policy development, decision making, management, or administration and that result in documents containing data or leading to conclusions or recommendations. Those services may include databases, models, methodologies, and related software created in support of a study, analysis, or evaluation.

Engineering and Technical Services: This category includes funding for contractual services that take the form of advice, assistance, training, or hands-on training necessary to maintain and operate fielded weapon systems, equipment, and components (including software when applicable) at design or required levels of effectiveness.

ADDITIONAL GUIDANCE: Section 911 of Public Law 105-261, “the FY 1999 National Defense Authorization Act” reinstated the exemptions allowed under DoD 4205.2, “DoD Directives Acquiring and Managing Contracted Advisory and Assistance Services (CAAS),” dated February 10, 1992. Therefore, the number of currently authorized exemptions exceeds the number of exemptions as stipulated in the latest OMB Circular A-11

Instructions for Exhibit PB-15 Advisory and Assistance Services (Continued)

(June 1999). The following exemptions from DoD 4205.2 describe various contracted services that are not advisory and assistance services. Revisions to DoD 4205.2 may change these exemptions. Any such changes will be highlighted in supplemental guidance prior to the program and budget review submission.

- Activities that are reviewed and/or acquired in accordance with the OMB Circular A-76 program.

Architectural and engineering services for construction and construction management services procured in accordance with the Federal Acquisition Regulation (FAR), Part 36. Work not related to construction as defined by Part 36, and that meets the A&AS definition under existing architectural and engineering contracts, shall come under the purview of this Guidance.

Day-to-day operation of facilities (for example, the Arnold Engineering Development Center and related facilities) and housekeeping services and functions (for example, building and grounds maintenance, and physical security).

Routine maintenance of systems, equipment, and software; routine administrative services; printing services; and direct advertising (media) services.

Initial training services acquired as an integral part of the procurement of weapon systems, automated data processing systems, equipment or components, and training obtained for individual professional development.

Basic operation and management contracts for Government-owned, contractor-operated facilities (GOCOs); for example, the Holston Army Ammunition Plant in Kingsport, TN. Any contract action meeting the A&AS definition and procured under the GOCO basic contract shall come under the purview of this Guidance.

Clinical and medical services for direct healthcare.

The ADP and/or telecommunication functions and related services controlled in accordance with Title 41, Federal Information Resources Management Regulation (FIRMR), Code of Federal Regulations, Part 201.

The ADP and/or telecommunications functions and related services exempted from FIRMR control pursuant to Title 10, United States Code (U.S.C.), section 2315 and reported in Budget Exhibit 43a, "Report on Information Technology Systems," of DoD 7110.1-M.

Services supporting the policy development, management, and administration of the Foreign Military Sales Program that are not paid for with funds appropriated by the U.S. Congress. (Includes A&AS funded with appropriated funds and reimbursed by the foreign customer).

Services (for example, systems engineering and technical services) acquired by or for a program office to increase the design performance capabilities of existing or new systems or where they are integral to the logistics support and maintenance of a system or major component and/or end item of equipment essential to the operation of the system before final Government acceptance of a complete hardware system. Care must be exercised to avoid exempting services acquired to advise and assist the program office and/or manager for program and/or contractor oversight and administration processes, resource management, planning and programming, milestone and schedule tracking, or other professional or administrative services necessary in performing its mission.

Research on theoretical mathematics and basic medical, biological, physical, social, psychological, or other phenomena.

Auctioneers, realty-brokers, appraisers, and surveyors.

Services procured with funds from the Defense Environmental Restoration Account.

Instructions for Exhibit PB-15 Advisory and Assistance Services (Continued)

COVERAGE: This reporting requirement covers all DoD appropriations and funds. Consulting services acquired from contracts managed by other Government Agencies and paid for with DoD appropriations **must** be reported.

PREPARATION REQUIREMENTS FOR EXHIBIT PB-15: Each DoD Component must submit the PB-15 exhibit even if they are not procuring advisory and assistance services; negative replies are required. A separate exhibit is required for each appropriation and fund. For annual and multiyear appropriations, planned obligations should be shown in the year of the appropriation rather than the year the obligation is planned. Prior year columns should reflect actual obligations incurred plus additional obligations planned over the remaining life of that fiscal year appropriations. Current and budget year columns should reflect all obligations planned over the life of those appropriations. The Defense Working Capital Fund (DWCF) business areas should identify budgeted obligations in the year those obligations are planned for contracts in support of DWCF activity functions but not those in support of customer workload. The identification of advisory and assistance services in support of appropriations managed by one Component but executed by another Component, fund (e.g., DWCF),or through federally funded research and development centers is the responsibility of the appropriation fund manager. In determining whether a contract is for advisory and assistance services, the contracting or executing organization is not relevant. For example, advisory and assistance services in support of one of the Environmental Restoration transfer appropriations but executed by the Military Departments must be identified in appropriation exhibits submitted for that Environmental appropriation. Each Component will provide overall summary displays for their Component appropriations/funds totals.

SUBMISSION REQUIREMENTS: For the OSD/OMB program and budget review submission, the PB-15 exhibit will be submitted as a separate exhibit. For the President's budget submission to the Congress, the PB 15 exhibit will be included as an exhibit in Volume II - Data Book. Each Military Department and Defense Agency will provide an exhibit for each appropriation/fund. In addition, each Military Department and Defense Agency will provide a consolidated exhibit for all appropriations/funds under their control.

** The PB-15 exhibit should reflect the same resource amounts as identified in Object Class 25.1. Any discrepancies between the PB-15 and Object Class 25.1 must be fully explained. Each PB-15 exhibit is required to contain each appropriation manager's name and telephone number.**

Exhibit PB-15 Advisory and Assistance Services
(Page 3 of 3)

Exhibit PB-16 Legislative Proposals LEGISLATIVE PROPOSALS

LEGISLATIVE PROPOSALS
(Dollars in Thousands)

Proposal Number	Proposal Title	APPN(s)	BY1	BY2	BY2+1	BY2+2	BY2+3	BY2+4

- Proposal number should reflect the number assigned via the Office of Legislative Council (OLC) and Unified Legislation and Budgeting (ULB) processes (e.g., MPP-01-B41A, OLC-100).
- Amounts should reflect cost or savings (-) included in the budget submission for proposals to be approved by the Congress.
- Provide a total for each proposal, a total for each appropriation/fund, and a grand total.
- The Component's Budget Review Submission should include all approved proposals submitted through the ULB process.
- The Component's Congressional Justification/Presentation submission should include all proposed legislation submitted through the OLC process, which have not been disapproved.
- The proposals must be fully funded for the budget year(s) and throughout FYDP.
- If the proposal impacts manpower, provide the end strength and workyear adjustments (average strength for military and FTE for civilians) by type of employment status.

Exhibit PB-16 Legislative Proposals

Exhibit PB-18 Foreign Currency Exchange Data

Component:
Date: _____

FOREIGN CURRENCY EXCHANGE DATA
FY BY1/FY BY2 Budget Submit/President's Budget
Identify Appropriation
($ in Thousands)

	FY PY		FY CY		FY BY1		FY BY2	
Country	U.S. $ Requiring Conversion	Budgeted Execution Rates	U.S. $ Requiring Conversion	Budgeted Execution Rates	U.S. $ Requiring Conversion	Budgeted Execution Rates	U.S. $ Requiring Conversion	Budgeted Execution Rates
Denmark	1/2/	3/	1/2/	3/	1/2/	3/	1/2/	3/
Euro								
Japan								
Norway								
Singapore								
South Korea								
Turkey								
United Kingdom								
TOTAL								

1/ U.S. dollar value of program purchased with foreign currency at prescribed exchange rate. For the FY PY actual numbers, the value of the overseas program will agree with the obligations incurred at the budget rate reflected on the DD-Comp(M) 1506 report, and the Foreign Currency Fluctuations, Defense Report (MilPers) as of 30 September (See DoDFMR Volume 6A, Chapter 7).

2/ The amounts requiring conversion for military personnel Cost of Living Allowance (COLA) will be the Component's (by country at prescribed rates) amount of COLA payments. Prepare separate exhibits for O&M, COLA and Basic Allowance for Housing (BAH) Overseas estimates. Also include a summary exhibit for the COLA and BAH appropriations.

3/ As prescribed in OSD guidance issued by OUSD (Comptroller) P/B. Express the foreign currency exchange rates in terms of units of foreign currency that can be purchased with one (1) U.S. dollar (e.g., 125.4900 Japanese yen per one U.S. dollar).

Exhibit PB-18 Foreign Currency Exchange Data
(Page 1 of 1)

MAJOR DEPARTMENT OF DEFENSE HEADQUARTERS ACTIVITIES

FY PY Actual				FY CY Estimate				FY BY1 Estimate				FY BY2 Estimate			
Military Avg. Strength	Civ FTEs	Total Mpwr	Total Obligation ($ 000)	Military Avg. Strength	Civ FTEs	Total Mpwr	Total Obligation ($ 000)	Military Avg. Strength	Civ FTEs	Total Mpwr	Total Obligation ($ 000)	Military Avg. Strength	Civ FTEs	Total Mpwr	Total Obligation ($ 000)

INSTRUCTIONS

Category/Organization/Appropriation/Fund: This exhibit provides manpower, payroll, and non-labor cost data directly related to the Major Headquarters mission. Data will be displayed by appropriation/fund (including Military Personnel) for all organizations listed in the DoD 5100.73, "DoD Directives Major Department of Defense Headquarters Activities." Deviations from the DoDD 5100.73 must be approved by OSD. Additionally, this exhibit will separately identify the manpower and cost data by Combatant and Non-Combatant Headquarters Activities. The Secretaries of the Military Departments shall provide personnel strength and operating costs in Major DoD Headquarters Activities under their management control. In addition, they shall provide strength and operating costs of Service-provided personnel and funding in the U.S. Combatant Command Headquarters Activities in accordance with Commander-in-Chief programmed and Joint Staff approved levels. Service personnel and funding for the U.S. Special Operations Command shall be coordinated with the Commander-in-Chief, Special Operations Command (CINCSOC). Resources for International Military Headquarters are **not** to be reported in this exhibit; these costs are to be reported on the PB-55, International Military Headquarters below. A narrative explanation is required for all increases and decreases. Non-labor costs that are not directly related to the Major Headquarters mission such as Pentagon Renovation should not be reported in this exhibit. Components should footnote the items that are excluded. Organizations will be displayed according to the following categorization of Major Headquarters Activities. Manpower and TOA will be identified by appropriation or fund for each major headquarters category.

I. Combatant Major Headquarters Activities
   1. Combatant Commands*
   2. Service Combatant Commands*

II. Non-Combatant Major Headquarters Activities
   Defense-Wide Activities
      a. Departmental Activities
      b. Departmental Support Activities
      c. Functional Activities (Defense Agencies, Other)
   Military Department Activities*
      a. Departmental Activities
      b. Departmental Support Activities
      Functional Activities

Total Summary by Category (i.e., Combatant/non-Combatant Commands) and by appropriation.

IV. Reconciliation of Increases and Decreases

* To include direct reporting units, as appropriate.

Under "Total Obligations" TOA should be limited to costs directly in support of major headquarters and should not include operational elements of expense for programs centrally funded or managed at the headquarters but executed elsewhere in the Department. Classified data will be reported.

Under each appropriation/fund, manpower strengths and funds will be identified as direct or reimbursable.

Totals will be provided by categories listed above, e.g., Combatant Commands, Service Combatant Commands, etc.

Revolving funds that support headquarters activities will be reflected in the same fashion as appropriated funds.

A total summary by appropriation/fund and category (Combatant/Non-Combatant) must be provided.

National Guard and Reserve officers serving on active duty and performing duties described in 10 U.S.C. 10211 will be excluded from this exhibit.

Numbers reported in this exhibit must be consistent with the numbers reported in the Components' budgets and accompanying the FYDP, as identified by program elements designated as major headquarters activities.

THIS EXHIBIT IS REQUIRED WITH THE PROGRAM AND BUDGET REVIEW SUBMISSION AND WITH THE PRESIDENT'S BUDGET SUBMISSIONS. HOWEVER, FOR THE PRESIDENT'S BUDGET SUBMISSION, THIS EXHIBIT MUST BE PROVIDED TO THE OPERATIONS DIRECTORATE NO LATER THAN JANUARY 22 IN ORDER TO BE INCLUDED IN THE "OPERATION AND MAINTENANCE OVERVIEW" JUSTIFICATION BOOK.

POC: Phone No.

Exhibit PB-23 Acquisition, Technology and Logistics Workforce Transformation Program

Component
Acquisition and Technology Work Force Manpower
(Active-duty Military End Strength and Civilian Full-Time Equivalents (FTEs))

	PY-1		PY		CY		BY1		BY2		BY2+1		BY2+2		BY2+3		BY2+4	
Category	**Mil**	**Civ**	**Mil**	**Civ**	**Mil**	**Civ**	**Mil**	**Civ**	**Mil**	**Civ**	**Mil**	**Civ**	**Mil**	**Civ**	**Mil**	**Civ**	**Mil**	**Civ**
Program Management																		
Contracting																		
Industrial and Contract Property Management																		
Purchasing																		
Acquisition Logistics																		
Business, Cost Estimating, Financial Management																		
Auditing																		
Information Technology																		
Manufacturing, Production and Quality Assurance																		
Test and Evaluation																		
Systems Planning, Research, Development and Engineering																		
Facilities Engineering																		
Other																		
TOTAL																		

Acquisition, Technology and Logistics Workforce Transformation Program (Continued)
(TOA, Dollars in Thousands)

Military Personnel and Civilian Pay (TOA, Dollars in Thousands):

Military Personnel

Civilian Personnel

TOTAL

Targeted Workforce Improvement Initiatives (TOA, Dollars in Thousands)

1. Recruiting
2. Hiring
3. Career Development
4. Workforce Information
5. Retention

TOTAL

Explanation of Changes Between Fiscal Years: (Provide an explanation of increases and decreases between fiscal years.)

Exhibit PB-23 Acquisition, Technology and Logistics Workforce Transformation Program
(Page 1 of 2)

Acquisition, Technology and Logistics Workforce Transformation Program Exhibit Instructions

Background: Section 912(b) of the National Defense Authorization Act for FY 1998 required the DoD to adopt and implement a new definition of the Defense acquisition workforce. This new definition is based on specified organizational and occupational criteria that are described in the Jefferson Solutions technical report "Identification of the DoD Key Acquisition and Technology Workforce, DASW01-98-C-0010, May 1999." This report is available from the DoD Acquisition Education, Training, and Career Development office at (703) 681-3464.

The final report of the Defense Acquisition 2005 Task Force, entitled "Shaping the Civilian Acquisition Workforce of the Future," set forth many recommendations aimed at improving the workforce. The report included 31 initiatives, the first of which was to develop and implement human capital strategic plans. The Components have begun to develop strategic plans. Other important initiatives related to recruiting, hiring, career development, workforce information, and retention. In March 2002, the Department reported to the Congress on the status of these recommendations, and indicated that many are now being implemented.

Display: In order to provide the required congressional reports, the acquisition, technology and logistics workforce must be identified. Therefore, each Component is required to submit the exhibit PB-23. This exhibit must be submitted for both the Program and Budget Review Submission and the President's Budget. This exhibit displays manpower categories (active-duty military end-strength (E/S) and civilian full-time equivalents (FTEs)) by career field for each fiscal year. In addition to meeting congressional reporting requirements, this information will provide insights about how the Components plan to transform their workforces consistent with the Department's overall transformation program. The exhibit also displays funding for a selected group of the Task Force's initiatives currently in implementation. This exhibit is submitted on-line using the Select & Native Programming Data Input System (SNaP) located at: http://snap.pae.osd.smil.mil. **Note:** The SNaP system operating instructions as specified in the Programming and Budgeting Data Requirements on the SNaP system will supersede the instructions identified in this document if they are different.

Each Component must provide manpower for the designated career fields for each fiscal year, along with the TOA associated with the workforce. In addition, the Components are encouraged, but not required, to provide funding information for the specified initiatives. However, a total funding level for the entire package of specified initiatives is required. Recruiting initiatives focus on marketing and the Student Educational Employment Program, along with administrative requirements to support the program. Hiring initiatives will address bonus programs, payments for permanent change of station, student loan repayment, and supporting administrative costs. Career development includes training, continuous learning, assignment and rotation programs, industry exchanges and related administrative costs. Workforce information initiatives relate to tracking and reporting systems and programs to promote workforce communications. Retention initiatives include bonuses, annual awards, telecommuting programs, programs to fund licenses, and supporting administrative programs.

Negative replies are required.

Exhibit PB-24 Professional Military Education Schools

PROFESSIONAL MILITARY EDUCATION SCHOOLS
SERVICE_____
SCHOOL_____

(Provide a separate exhibit for each school)

I. Narrative Description (Statement of Requirements and Mission):

II. Description of Operations Financed: Provide a description of what is funded below. Include the course length and frequency. Indicate whether or not short courses, correspondence courses, and non-resident courses are included. Indicate other activities funded by the school such as wargaming facilities and other support activities.

III. Financial Summary ($ Thousands):

		FY CY						
	FY PY	Budget Request	Appn	Current Estimate	FY BY1 Estimate	FY BY2 Estimate	FY CY/FY BY1 Change	FY CY/FY BY2 Change
Mission (O&M)								
Base Operations								
Military Personnel								
O&M								
Military Personnel [1/]								
School Personnel								
Total Direct Program								
Total Reimbursable Program [2/]								
Total Direct and Reimbursable								

[1/] Use standard rates (i.e. average cost per officer and average cost per enlisted) to calculate military personnel assigned.

[2/] As a minimum, include costs of courses that are being reimbursed from acquisition training funds and reimbursement from Foreign Military Sales (FMS). Identify reimbursements from acquisition training separately.

Provide a description of changes between the current year (CY) appropriation and current estimate as well as between the current year (CY) and the budget year 1 (BY1) and between the BY1 and budget year 2(BY2).

Exhibit PB-24 Professional Military Education Schools
(Page 1 of 3)

PROFESSIONAL MILITARY EDUCATION SCHOOLS (Continued)
SERVICE_____
SCHOOL_____

IV. Performance Criteria and Evaluation:

	FY PY	FY CY Estimate	FY BY1 Estimate	FY BY2 Estimate	FY CY/FY BY1 Change	FY CY/FY BY2 Change
Direct Funded:						
Student Input						
Student Load						
Graduates						
Reimbursable Funded:						
Student Input						
Student Load						
Graduates						

Average Cost per Student Load (Total Direct and Reimbursable from Part III divided by the total direct and reimbursable student load.)

Include student input, load, and graduates for resident course only.

III. Personnel Summary: (Exclude students)

		FY CY					
FY PY	Budget Request	Appn	Current Estimate	FY BY1 Estimate	FY BY2 Estimate	FY CY/FY BY1 Change	FY CY/FY BY2 Change
Military End Strength (Total)							
Officers							
Enlisted							
Military Average Strength (Total)							
Officers							
Enlisted							
Civilian End Strength (Total)							
USDH							
Civilian FTEs (Total)							
USDH							

Exhibit PB-24 Professional Military Education Schools (Page 2 of 3)

Instructions for Professional Military Education (PB-24) (Continued)

A Separate Exhibit is to be submitted for each of the following schools:

Industrial College of the Armed Forces
National War College
Army Sergeants Major Academy
Army Command and General Staff College
Army War College
Army Management Staff College
College of Naval Command and Staff
College of Naval Warfare
Naval Postgraduate School
Navy Senior Enlisted Academy
Marine Corps Staff NCO Academy
Marine Corps Command and Staff College
Air Force Senior NCO Academy
Air Command and Staff College
Air War College
Air Force Institute of Technology

In addition, the Army will provide a consolidated exhibit for the National Defense University.

This exhibit is required for the Program and Budget Review Submission and the President's budget submission.

Exhibit PB-25 Host Nation Support

HOST NATION SUPPORT (HNS) COST EXHIBIT 1/
FY BY1/FY BY2 PRESIDENT'S BIENNIAL BUDGET

COUNTRY (And SUMMARY) _____ DOD COMPONENT _____

($ in Millions)

	FY PY	FY CY	FY BY1	FY BY2
I. GENERAL INFORMATION				
A. Exchange Rate Used				
B. Inflation Rates Used				
1. Labor				
2. Non-Labor				
II. DIRECT SUPPORT				
A. Rent				
B. Labor				
1. Foreign National Labor Cost Sharing				
2. Percent of Labor Covered				
3. Katusa Labor (Korea Only)				
C. Utilities				
1. Dollar Value of Hns				
2. Percent of Utilities Covered				
D. Facilities				
1. Sustainment, Restoration and Modernization (SRM)				
2. Facilities Improvement Program				
3. Relocation Construction				
4. Other (List)				
E. Miscellaneous (List)				
Total				
Memo - Identify Amount Of Cash Contribution Included Above.				

Exhibit PB-25 Host Nation Support
(Page 1 of 5)

HOST NATION SUPPORT (HNS) COST EXHIBIT 1/
FY BY1/FY BY2 PRESIDENT'S BIENNIAL BUDGET

COUNTRY (And SUMMARY) _____ DOD COMPONENT _____

	FY PY	FY CY	FY BY1	FY BY2
III. END STRENGTH (E/S)				
A. Foreign National Direct Hires				
1. E/S Funded Solely By U.S. 2/				
2. E/S Funded By Host Nation Cash Payments To U.S.				
3. E/S Funded By Host Nation Assistance-In-Kind				
B. Foreign National Indirect Hires				
1. E/S Funded Solely By U.S. 2/				
2. E/S Funded By Host Nation Cash Payments To U.S.				
3. E/S Funded By Host Nation Assistance-In-Kind				
C. U.S. Direct Hires				
1. E/S Funded Solely By U.S. 2/				
2. E/S Funded By Host Nation Cash Payments To U.S.				
3. E/S Funded By Host Nation Assistance-In-Kind				
D. Total Hires				
1. E/S Funded Solely By U.S. 2/				
2. E/S Funded By Host Nation Cash Payments To U.S.				
3. E/S Funded By Host Nation Assistance-In-Kind				

Exhibit PB-25 Host Nation Support (Page 2 of 5)

HOST NATION SUPPORT (HNS) COST EXHIBIT 1/
FY BY1/FY BY2 PRESIDENT'S BIENNIAL BUDGET

COUNTRY (And SUMMARY) _____ DOD COMPONENT _____

	FY PY	FY CY	FY BY1	FY BY2
IV. FULL-TIME EQUIVALENTS (FTEs)				
A. Foreign National Direct Hires				
1. FTEs Funded Solely By U.S. 2/				
2. FTEs Funded By Host Nation Cash Payments To U.S.				
3. FTEs Funded By Host Nation Assistance-In-Kind				
B. Foreign National Indirect Hires				
1. FTEs Funded Solely By U.S. 2/				
2. FTEs Funded By Host Nation Cash Payments To U.S.				
3. FTEs Funded By Host Nation Assistance-In-Kind				
C. U.S. Direct Hires				
1. FTEs Funded Solely By U.S. 2/				
2. FTEs Funded By Host Nation Cash Payments To U.S.				
3. FTEs Funded By Host Nation Assistance-In-Kind				
D. Total Hires				
1. FTEs Funded Solely By U.S. 2/				
2. FTEs Funded By Host Nation Cash Payments To U.S.				
3. FTEs Funded By Host Nation Assistance-In-Kind				

Exhibit PB-25 Host Nation Support (Page 3 of 5)

HOST NATION SUPPORT (HNS) COST EXHIBIT 1/
FY BY1/FY BY2 PRESIDENT'S BIENNIAL BUDGET

COUNTRY (And SUMMARY) _____ DOD COMPONENT _____

($ in Millions)

	FY PY	FY CY	FY BY1	FY BY2
V. TOTAL COMPENSATION 3/				
A. Foreign National Direct Hires				
1. FTEs funded solely by U.S. 2/				
2. FTEs funded by host nation cash payments to U.S.				
3. FTEs funded by host nation assistance-in-kind				
B. Foreign National Indirect Hires				
1. FTEs funded solely by U.S. 2/				
2. FTEs funded by host nation cash payments to U.S.				
3. FTEs funded by host nation assistance-in-kind				
C. U.S. Direct Hires				
1. FTEs funded solely by U.S. 2/				
2. FTEs funded by host nation cash payments to U.S.				
3. FTEs funded by host nation assistance-in-kind				
D. Total Hires				
1. FTEs funded solely by U.S. 2/				
2. FTEs funded by host nation cash payments to U.S.				
3. FTEs funded by host nation assistance-in-kind				

1/ The HNS is defined as those amounts paid in cash to the U.S. or provided as assistance-in-kind by a Host Nation to defray the costs of U.S. forces permanently assigned in that country during peacetime. Assistance-in-kind (AIK) includes any support provided without charge by the Host Nation (i.e., Japanese local national labor cost sharing). This exhibit is to be completed by country. Part II of the Exhibit is to be completed by country by appropriation. Additionally, complete the exhibit summarizing data for all countries. Similarly, provide a summary of Part II by appropriation. Cost and civilian end strength estimates are to reflect host nation support contributions only for activities supported by appropriated funds.

2/ Excludes non-appropriated funded activities.

3/ Personnel costs are to be consistent with OP-8 budget exhibits.

Exhibit PB-25 Host Nation Support (Page 4 of 5)

DEFINITIONS

Exchange Rate Used – Rates should be based on approved budgeted rates.

Inflation Rates Used - Indicate the inflation factor used in all calculations provided in the HNS exhibit. If there is a different rate used within non-labor categories, list the items separately. Be sure all amounts shown are adjusted for inflation.

DIRECT SUPPORT
Rents - The amount of lease/rental payments by the Host Nation Government for the use of private property by U.S. forces.

Labor - The amount of payments by the Host Nation for U.S. Direct Hires, Foreign National Direct Hires, and Foreign National Indirect Hires.

Percent of Labor Covered Under Agreement - Indicate the percentage of U.S. forces labor costs paid by HNS.

KATUSA Labor - This category is for Korea only and is the amount of payments made by Korea for Korean Augmentees to the U.S. Army.

Utilities - The amount of payments by the Host Nation for U.S. forces use of on-base and off-base electricity, heating fuels, water, and sewer. Indicate the percentage of U.S. forces utility costs paid by HNS.

Facilities - The amount of Host Nation payments for the planning, design, construction (PDC) and sustainment and repair of facilities used by U.S. forces. Host nation payment for residual value of property turned over to host nations due to base closures is not to be included as HNS.

Maintenance and Repair - The amount of Host Nation payments for the maintenance and repair of U.S. forces' facilities.

Facilities Improvement Program - The amount of Host Nation payments for facilities for the PDC of projects such as family and bachelor housing, community support and recreation facilities, and utilities upgrade. It also includes operational support facilities such as hangars and hardened aircraft shelters.

Relocation Construction - The amount of payments by the Host Nation for facilities for the PDC of projects associated with the relocation of U.S. forces primarily for the convenience of the Host Nation.

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Exhibit PB-25 Host Nation Support (Page 5 of 5)

Instructions for completing the PB 28 Exhibits

1. Purpose.

The Department will collect both program and budget data through the SNaP (Select & Native Programming Data Input System) process. The Military Departments and applicable Defense Agencies will update the SNaP immediately upon completion of the program/budget decisions and budget lock by the Department. The SNaP system will reformat the data into congressional justification exhibits, which can be printed out by the respective Components and included in their justification materials. For Environmental Quality, Environmental Technology and Operational Range Sustainment and Environmental Management the Programming and Budgeting Data Requirements (PBDR) will be collected in PBDR exhibits PB 28, PB 28A and PB 28B. Components shall submit their exhibits through the Select and Native Data (SNaP) Input System located on the NIPRNet at https://snap.pae.osd.mil and on the SIPRNet at https://snap.pae.osd.smil.mil. The most current version of this exhibit will be found at these sites.

2. Coverage.

For the PB 28, each Component will be asked to enter data for each appropriation/fund inside the United States and territories as well as for each appropriation/fund for foreign (i.e. outside the United States and Territories) for cleanup activities overseas. (That is, those activities that would be funded in the Environmental Restoration Accounts if they occurred inside the United States).

3. Submission Requirements.

The PBDR data is to be submitted for the joint program/budget review and the President's Budget Submission. The DoD Components shall prepare and submit separate narrative justification material for their respective programs. The narrative material shall describe significant and unique items contained in the material including at a minimum the following:

- justification supporting changes between fiscal years.
- amount of funds allocated for compliance actions related to operational, test and training ranges (e.g. Clean Water Act funds allocated to respond to compliance action at a training range)

For Environmental Technology funding, the SNaP system will obtain funding information from the FYDP database by program element and project number.

The data entry sheets required for the SNaP system for Environmental Quality are included on the following pages. Following the SNaP data entry sheets are examples of the PB-28, PB 28A and PB 28B exhibits produced by SNaP for congressional justification.

PB-28 Funds Budgeted for Environmental Quality

Class	Component	Location	EnvironmentalActivityCostType	EnvironmentalCosts	ProgramElement TreasuryCode	TreasuryCode ProgramElement	FY2006	FY2007

FY2008	FY2009	FY2010	FY2011	FY2012	FY2013

Instructions

1) Provide domestic and foreign environmental quality costs for compliance, pollution prevention, and conservation by program element and resource type by Environmental Cost and Program categories described below.
2) Provide narrative in word document explaining program changes between fiscal years by compliance, pollution prevention, and conservation.
3) See Appendix A for reporting requirements for your organization

Definitions

Class: System Field: Classification

C: CONFIDENTIAL
C/NF: CONFIDENTIAL//NOFORN
F: FOR OFFICIAL USE ONLY
S: SECRET
S/NF: SECRET//NOFORN
U: UNCLASSIFIED

Component: Identifies the duty status for military service units and defense agencies.

Active:
DADW: Defense Area Defense Wide. Used by non-service defense agencies.
Guard:
Reserve:

Location:

Domestic: Inside the United States, District Of Columbia and U.S. Territories.
Foreign: All areas outside Domestic

EnvironmentalActivityCostType:

Compliance Non-Recurring: Compliance is as defined in DODI 4715.6, of April 24, 1996 Environmental Compliance. Include one-time costs associated with meeting federal, state, or locally directed requirements.
Compliance Recurring: Compliance is as defined in DODI 4715.6, of April 24, 1996 Environmental Compliance. Includes ongoing costs for items such as manpower; education and training; permits and fees; sampling analysis and monitoring; supplies; data management, and recurring reporting, etc.
Conservation Non-Recurring: Conservation is as defined in DODI 4715.3, of May 3, 1996 Environmental Conservation Program. Include one-time costs associated with meeting federal, state, or locally directed requirements.
Conservation Recurring: Conservation is as defined in DODI 4715.3, of May 3, 1996 Environmental Conservation Program. Include ongoing costs for manpower, education and training; permits and fees, supplies, travel, data management, recurring reporting, and recurring updates for plans.
Pollution Prevention Non-Recurring: Pollution Prevention is as defined in DODI 4715.4, of June 18, 1996 Pollution Prevention. Include one-time costs associated with meeting federal, state, or locally directed requirements.

Pollution Prevention Recurring: Pollution Prevention is as defined in DODI 4715.4, of June 18, 1996 Pollution Prevention. Include ongoing costs for manpower; education and training; supplies, travel, data management, recurring reporting, recurring updates for plans, and operating recycling facilities, etc.

EnvironmentalCosts:

Clean Air Act: Costs associated with this title are to be captured in Non-Recurring Compliance or Non-Recurring Pollution Prevention, as appropriate.

Clean Water Act: Costs associated with this title are to be captured in Non-Recurring Compliance or Non-Recurring Pollution Prevention, as appropriate.

Conservation Recurring: Include ongoing costs for manpower education and training at the aggregate level and at the program area. Include ongoing costs for permits and fees, supplies, travel, data management, and recurring reporting.

Education & Training: Costs associated with education and training of personnel in environmental programs (including compliance, pollution prevention and conservation).

Environmental Management Systems (EMS): Costs required to implement and maintain an EMS in accordance with DoD requirements. Includes cost for EMS audits, conformance declaration, and registration if applicable.

Hazardous Material Reduction: Efforts to reduce the use of pollutant-producing products and hazardous materials.

Historical & Cultural Resources: Baseline inventories of historic buildings, structures, and historical and archeological sites/environmental analyses to assess and mitigate potential cultural resource adverse actions. Mitigation to meet existing permit conditions or written agreements. Initial archeological materials curation. Development of integrated Cultural Resources Management Plans; and consultations with Native American Groups.

Manpower: All recurring government (civilian and Military manpower costs) and contractor costs applicable to management of the environmental quality program (including Compliance, Pollution Prevention, and Conservation).

Other Compliance Non-Recurring: Costs for Radon/Asbestos investigations and mitigation including facility demolition (if greater than 50% of the cost is required to meet Environmental Compliance standards). Also include Spill Response Plans, (other than Cleanup requirements, e.g. initial preparation of spill response plans); action to prevent pollution from ships; Toxic Substance Control Act compliance; and Federal Insecticide, Fungicide, Rodenticide Act Compliance (upgrade of pesticide storage facilities to meet regulator standards).

Other Compliance Recurring: Those costs for supplies (Spill team equipment, labels, drums, updating recurring plans such as Spill Response Plans, manifests, etc.). It also includes travel, National Pollution Discharge Elimination System permit records/reporting; biannual Hazardous Waste reporting (Resource Conservation Recovery Act Subtitle C); Clean Air Act inventories (routine/recurring reporting); Federal Insecticide, Fungicide, Rodenticide Act reporting; and Environmental Self-Assessments, etc

Other Natural Resources Non-Recurring: Management plans; develop other biological resource management plans; biodiversity conservation requirements; ecosystem management requirements; habitat restoration; public awareness/outreach related to specific legal requirements.

Other Pollution Prevention Non-Recurring: This includes efforts to prepare and implement an acquisition strategy for Alternative Fueled Vehicles, (excludes AFV purchases or lease); conversion of regular vehicles to alternative fuels; source protection plans for safe drinking water; and other P2 efforts that do not fit in other categories.

Other Pollution Prevention Non-Recurring: This includes efforts to prepare and implement an acquisition strategy for Alternative Fueled Vehicles, (excludes AFV purchases or lease); conversion of regular vehicles to alternative fuels; emerging contaminants initiatives; and other P2 efforts that do not fit in other categories

Overseas Clean-Up: One-time costs associated with meeting clean-up requirements directed in the Overseas Environmental Baseline Guidance Document and/or Final Governing Standards. (These costs would be paid for with Environmental Restoration Account funds if inside the United States. Additionally, they are a non-add memo entry only and are a subset of the foreign costs reported in the Non-Recurring Compliance headings.)

Permits & Fees: Costs of environmental permits, licenses and fees to operate the Environmental Compliance program.

Planning: Nonrecurring costs to meet federally directed requirements in the National Environmental Policy Act.

Pollution Prevention Recurring: Ongoing costs for supplies, travel, data management, and recurring reporting

RCRA C-Hazardous Waste: Costs associated with this title are to be captured in Non-Recurring Compliance or Non-recurring Pollution Prevention, as appropriate.

RCRA D-Solid Waste: Costs associated with this title are to be captured in Non-Recurring Compliance or Non-recurring Pollution Prevention, as appropriate.

RCRA I-Underground Storage Tanks: Costs associated with this title are to be captured in Non-Recurring Compliance or Non-recurring Pollution Prevention, as appropriate.

Safe Drinking Water Act: Costs associated with this title are to be captured in Non-Recurring Compliance or Non-recurring Pollution Prevention, as appropriate. Compliance may be upgrading drinking water systems to meet environmental standards, e.g., backflow preventers. Pollution Prevention efforts may be well head protection efforts to prevent pollution of drinking water sources.

Sampling, Analysis & Monitoring: The recurring cost that satisfy such requirements in environmental permits.

Threatened & Endangered Species: Threatened and Endangered Species and habitat inventories; biological assessments, surveys, or habitat protection for a specific listed species; mitigation to meet existing biological opinions/written agreements, including INRMPs; developing Endangered Species Management Plans.

Waste Disposal: The disposal of Federal and State regulated hazardous waste and disposal of excess depleting substances in the DLA stockpile. Include only those costs associated with packaging for transportation, treatment/disposal of hazardous waste and other special services that are paid for through a Hazardous Waste Disposal Vehicle (either through a Defense Reutilization and Marketing Service or directly). Do not include in-house costs such as manpower, supplies, or equipment purchase/maintenance

Wetlands: Inventory and delineation of wetlands; wetlands mitigation to meet permit conditions/written agreements; as well as enhancements to meet Executive Order 11990 provision for "no net loss".

TreasuryCode: Treasury Code is a defined set of four-to-six digit numeric codes from the Comptroller that identifies resource types. The list of Treasury Code values is located on the PDR Info page of the SNaP website (https://SNaP.PAE.OSD.MIL).

ProgramElement: The Program Element is a primary data element in the Future Years Defense Program (FYDP) and generally represents aggregations of organizational entities and related resources. The PE is up to ten-digits in length, a sever-digit numeric identifier followed by up to three-digits alphanumeric code for FYDP organizations.

Business Rules

Data Matrix: EnvironmentalActivityCostType, EnvironmentalCosts Relationship

EnvironmentalActivityCostType	**EnvironmentalCosts**
Compliance Recurring	Manpower
	Education & Training
	Environmental Management Systems
	Permits & Fees
	Sampling, Analysis & Monitoring
	Waste Disposal
	Other Compliance Recurring
Compliance Non-Recurring	RCRA C-Hazardous Waste
	RCRA D-Solid Waste
	RCRA I-Underground Storage Tanks
	Clean Air Act
	Clean Water Act

EnvironmentalActivityCostType	EnvironmentalCosts
	Environmental Management Systems
	Planning
	Safe Drinking Water Act
	Other Compliance Non-Recurring
	Overseas Clean-Up
Pollution Prevention Recurring	Pollution Prevention Recurring
	Environmental Management Systems
	Manpower
	Education & Training
Pollution Prevention Non-Recurring	RCRA C-Hazardous Waste
	RCRA D-Solid Waste
	Clean Air Act
	Clean Water Act
	Environmental Management Systems
	Hazardous Material Reduction
	Safe Drinking Water Act
	Other Pollution Prevention Non-Recurring
Conservation Recurring	Conservation Recurring
	Manpower
	Education and Training
Conservation Non-Recurring	Threatened & Endangered Species
	Wetlands
	Other Natural Resources Non-Recurring
	Historical & Cultural Resources

***Subject Matter Experts*:** Questions regarding this data requirement should be directed to **Trish Huheey 703-604-1846** and **Mr. Shah Choudhury, 703-571-9067**.
***Technical Issues*:** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: https://snap.pae.osd.mil or call (703) 601-4860 EXT #107 OR #108.

PB28 A Environmental Technology

Class	TreasuryCode	BACode	EnvironmentalProgram	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013

Instructions

1) Provide total costs by appropriation and Environmental Program (i.e., Cleanup, Pollution Prevention, Compliance, Conservation, and Unexploded Ordnance) associated with the Environmental Technology Program.
2) Separately identify appropriation amounts by the budget activity code (BA1, BA2, etc) for each Environmental Program.
3) Provide explanatory narrative in word document explaining program changes between fiscal years by environmental program.
4) OSD will separately identify SERDP and ESTCP amounts and the Military Departments are not to include these amounts in their program.
5) See Appendix A for reporting requirements for your organization.

Definitions

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C: CONFIDENTIAL
C/NF: CONFIDENTIAL//NOFORN
F: FOR OFFICIAL USE ONLY
S: SECRET
S/NF: SECRET//NOFORN
U: UNCLASSIFIED

TreasuryCode: Treasury Code is a defined set of four-to-six digit numeric codes from the Comptroller that identifies resource types. The list of Treasury Code values can be found on the SNaP web site website by clicking the "Instructions" tab, then selecting the "Documents". (https://SNaP.PAE.OSD.MIL).

3400:
1319:
3020:
3010:
0400:
2040:
3600:

BACode: Budget Activity is a two-digit identifier for the categories within each appropriation and fund account to identify the purposes, projects, or types of activities financed by the appropriation fund. The list of BA Code values can be found on the SNaP web site website by clicking the "Instructions" tab, then selecting the "Documents" item. (https://SNaP.PAE.OSD.MIL).

05:
04:
03:
02:
20:
01:
07:
06:

EnvironmentalProgram: Environmental Technology Programs

Cleanup: Cleanup is as defined in DODI 4715.7 of April 22, 1996. Include funding for innovative environmental technologies that improve the restoration process.

Compliance: Compliance is as defined in DODI 4715.6, of April 24, 1996, Environmental Compliance. Include funding for innovative environmental technologies that improve Compliance.

Conservation: Conservation is as defined in DODI 4715.4, of May 3, 1996, Environmental Conservation Program. Include funding for innovative environmental technologies that enhance the protection of natural and cultural resources, thereby sustaining mission readiness.

Pollution Prevention: Pollution Prevention is as defined in DODI 4715.4, of June 18, 1996, Pollution Prevention. Include funding for innovative environmental technologies that reduce or eliminate pollution.

Unexploded Ordnance: Unexploded ordnance (UXO) is as defined in 10U.S.C. 101(e)(5). Include funding for innovative environmental technologies that improve the UXO screening, detection, discrimination and recovery process.

Business Rules

***Subject Matter Experts*:** Questions regarding this data requirement should be directed to **Ms. Trish Huheey, 703-604-1846** and **Mr. Shah Choudhury, 703-571-9067**.

***Technical Issues*:** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: https://snap.pae.osd.mil or call (703) 601-4860 ext #107 or #108.

PB 28B Munitions Response at Operational Ranges

Class	Component	RangeLocation	RangePrograms	RangeManagementActivities	RangeResourceDetail	FY2006	FY2007	FY2008	FY2009	FY2010

FY2011	FY2012	FY2013

Instructions

1) Report Range and Resource Detail for all operational test and training ranges to include active and inactive ranges as defined in Title 10USC, Section 101(e) (as revised by FY04 NDAA, Sec 1042).
2) For the Range Program -- Range inventory, report the following range detail—Number (#) of Ranges, Number (#) of Acres (Land Ranges), Number (#) of Square Miles (Water Ranges). Number (#) of Ranges with Environmental Range Assessments and Number (#) of Acres with Environmental Range Assessments (Land ranges), and Number (#) of Square Miles with Environmental Range Assessments (Water ranges).
3) The total number of Ranges Assessed cannot exceed the total number of Ranges. The total number of Acres Assessed cannot exceed the total number of Acres.
4) Enter the cumulative number of Ranges and Acres that either have been assessed or will be assessed by the end of each fiscal year shown.
5) Military Departments by Component and appropriate Defense Agencies report ranges in Acres and funds in $Thousands
6) Provide narrative in a Microsoft Word document that describes program changes and unfunded requirements.
7) This document is non-additive to the amounts displayed in Exhibit PB-28 Funds Budgeted for Environmental Quality. It displays the environmental funds dedicated to sustaining ranges, but does not remove them from reporting under PB28.
8) The intent of this exhibit is to capture and display the identifiable environmental investments in Operational ranges, as part of the Training Range Sustainment Plan called for in Section 366 of the FY 2003 National Defense **Authorization Act. 7)**

Definitions

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C/NF: CONFIDENTIAL//NOFORN
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S: SECRET
S/NF: SECRET//NOFORN
U: UNCLASSIFIED

Component: Military Departments report by Active, Guard and Reserve. Defense Agencies choose Defense Agency.

Active:
DADW: Defense Area Defense Wide. Used by non-service defense agencies.
Guard:
Reserve:

RangeLocation:

Domestic: United States, District of Columbia, and U.S. Territories.
Foreign: All areas outside Domestic.

RangePrograms:

Range Assessments: Any assessment to determine the extent of environmental effects due to operational range activities.
Range Inventory: Number and size of ranges total and those surveyed.

Range Response Actions: Actions to remediate munitions constituents or other contaminants that will have a deleterious effects on human health or the environment.

Range Sustainment Actions: Environmental Sustainment actions taken to preserve ranges over their perpetual life.

RangeManagementActivities:

All Environmental Range Response Actions: Any and all one-time actions to address the removal of munitions constituents or other environmental contamination on ranges, or to prevent release off of an operational range, including the design and implementation of response action. (Do not include cleanup actions covered under the Environmental Restoration Accounts – report these on Exhibit ENV 30).

Environmental Range Assessments: Any environmental assessment to determine the extent of environmental effects due to training and testing range activities, including any sampling, monitoring or analysis involved in the effort.

Integrated Natural Resource Management Plans: (including Sikes Act requirements) Identify any natural resource planning costs (including Integrated Natural Resource Management Plan (INRMP) costs) required to address Sustainment of operational ranges, including projects called for in signed INRMPs.

Land Ranges:

Other Range Assessment Costs: Any other assessment costs necessary to determine and document the extent of environmental effects of operational range activities

Other Sustainment Actions: Any other assessment costs necessary to determine and document the extent of environmental effects of operational range activities.

Water Ranges:

RangeResourceDetail:

 # Acres with Environmental Range Assessments: The total number of acres on ranges where environmental range assessments have occurred or will occur in the future by fiscal year.

# of Acres: The total number of acres on the operational ranges, as defined in 10USC, Section 101(e).

# of Ranges: The total number of operational ranges under the jurisdiction, custody or control of the Component. Includes all designated land and water areas set aside, managed and used for range activities.

# of Square Miles:

 # Ranges with Environmental Range Assessments: The total number of operational ranges where Environmental Range Assessments have or will occur, by fiscal year.

DWCF:

MilCon:

MilPers:

O&M:

Proc:

RDT&E:

Business Rules

1) *MilCon is not an accepted resource type for the Range Program--Range Management.*
2) *Number of Ranges and Acres are reported with an Activity of Physical Detail and Range Program of Range Inventory only.*

Data Matrix: RANGE PROGRAMS, RANGE MANAGEMENT ACTIVITIES, RANGE RESOURCE DETAIL Relationship

RANGE PROGRAMS	RANGE MANAGEMENT ACTIVITIES	RANGE RESOURCE DETAIL
Range Inventory	Land Ranges	# of Ranges
		# of Acres
		# Ranges with Environmental Range Assessments
		# Acres with Environmental Range Assessments
	Water Ranges	# of Ranges
		# of Square Miles
Range Assessments	Environmental Range Assessments	O&M
		RDT&E
		Proc
		DWCF
		MilPers
	Other Range Assessment Costs	O&M
		RDT&E
		Proc
		DWCF
		MilPers
Range Response Actions	All Environmental Range Response Actions	O&M
		MilCon
		DWCF
		RDT&E
		Proc
		MilPers
Range Sustainment Actions	Integrated Natural Resource Management Plans	O&M
		MilCon
		RDT&E
		Proc
		DWCF
		MilPers
	Other Sustainment Actions	O&M
		RDT&E
		Proc
		DWCF
		MilPers
		MilCon

***Subject Matter Experts*:** Questions regarding this data requirement should be directed to **Ms. Trish Huheey, 703-604-1846** and **Mr. Shah Choudhury**.

***Technical Issues*:** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: https://snap.pae.osd.mil or call (703) 601-4860 ext #107 or #108.

Exhibit PB-28 Funds Budgeted for Environmental Quality

PB 28 Exhibit Display
DEPARTMENT OF _____
SUMMARY OF FUNDS BUDGETED FOR ENVIRONMENTAL PROJECTS
FY ____ BUDGET ESTIMATE
($ in Thousands)

Environmental Quality	PY Actual	CY Estimate	BY1 Estimate	BY2 Estimate	Change CY/BY1	Change BY1/BY2
Appropriation: _____						
Inside the United States and Territories _____ or Outside the U.S. and Territories _____						
1. Environmental Compliance - Recurring Costs (Class 0) (Enter Total of a + b + c + d + e + f)						
a. Manpower						
b. Education & Training						
c. Permits & Fees						
d. Sampling, Analysis, Monitoring						
e. Waste Disposal						
f. Other Recurring Compliance Costs						
3. Environmental Pollution Prevention - Recurring Costs (Class 0) (Enter Total of a + b + c)						
a. Manpower						
b. Education & Training						
c. Other Recurring Pollution Prevention Costs						
4. Environmental Conservation - Recurring Costs (Class 0) (Enter Total of a + b + c)						
a. Manpower						
b. Education & Training						
c. Other Recurring Conservation Costs						
Total Recurring Costs (Enter Total of 1+2+3+4)						
5. Environmental Compliance - Nonrecurring (Class I/II)						
a. RCRA Subtitle C - Hazardous Waste						
b. RCRA Subtitle D - Solid Waste						
c. RCRA Subtitle I - Underground Storage Tanks						
d. Clean Air Act						

Exhibit PB-28 Funds Budgeted for Environmental Quality (Continued)

DEPARTMENT OF _____
SUMMARY OF FUNDS BUDGETED FOR ENVIRONMENTAL PROJECTS
FY ____ BUDGET ESTIMATE
($ in Thousands)

	PY Actual	CY Estimate	BY1 Estimate	BY2 Estimate	Change CY/BY1	Change BY1/BY2
e. Clean Water Act						
f. Safe Drinking Water Act						
g. Planning						
h. Other						
Total Nonrecurring (Class I/II)						
6. Pollution Prevention - Nonrecurring (Class I/II)						
a. RCRA Subtitle C - Hazardous Waste						
b. RCRA Subtitle D - Solid Waste						
c. Clean Air Act						
d. Clean Water Act						
e. Hazardous Material Reduction						
f. Other						
Total Nonrecurring (Class I/II)						
7. Environmental Conservation - Nonrecurring Costs - (Class I/II)						
a. T&E Species						
b. Wetlands						
c. Other Natural Resources						
d. Historical & Cultural Resources						
Total Nonrecurring (Class I/II)						
GRAND TOTAL ENVIRONMENTAL QUALITY						

Environmental Cleanup Program Outside the United States

(Memo entry for overseas cleanup amounts included above) (The amounts entered in this item shall not include any of the 50 states, District of Columbia, Guam, Puerto Rico, or other territories and possessions of the U. S.)

All Funds Budgeted for Environmental Security Technology are to be reported on PB 28A.

Exhibit PB 28A - Display SUMMARY OF FUNDS BUDGETED FOR ENVIRONMENTAL PROJECTS

Exhibit PB 28A - Display

DEPARTMENT OF _____
SUMMARY OF FUNDS BUDGETED FOR ENVIRONMENTAL PROJECTS
FY ____ BUDGET ESTIMATE

			($ in Thousands)			
Environmental Security Technology By Appropriation	**PY Actual**	**CY Estimate**	**BY1 Estimate**	**BY2 Estimate**	**Change CY/BY1**	**Change BY1/BY2**
1. Cleanup						
2. Compliance						
3. Pollution Prevention						
4. Conservation						
TOTAL						

1. Provide a summary sheet of all appropriations/funds.
2. Provide narrative justification for changes from year to year
3. For each appropriation, include applicable breakout categories. For example, for activities funded by RDT&E appropriations, separately identify the amounts for each budget activity (BA):
   BA1 - Basic Research, BA2 – Advanced Research, BA3 - Advanced Technology Development, BA4 - Demonstration/Validation, BA5 – Engineering and Manufacturing Development, BA6 - RDT&E Management Support, and BA7 - Operational Systems Development.

Exhibit PB-28A Funds Budgeted for Environmental Security Technology
(Page 1 of 1)

Exhibit PB 28B - Operational Range Sustainment and Environmental Management

Display Example:

DEPARTMENT OF _____
SUMMARY OF FUNDS BUDGETED FOR ENVIRONMENTAL PROJECTS
FY ____ BUDGET ESTIMATE

- Operational Range Sustainment and Environmental Management	PY Actual	CY Estimate	BY1 Estimate	BY2 Estimate	Change CY/BY1	Change BY1/BY2
	($ in Thousands)					
Range Inventory						
Land Ranges						
Number of Ranges	#	#	#	#	#	#
Number of Acres	#	#	#	#	#	#
Number of Ranges with Environmental Range Assessments	#	#	#	#	#	#
Number of Acres with Environmental Range Assessments	#	#	#	#	#	#
Water Ranges						
Number of Ranges	#	#	#	#	#	#
Number of Square Miles	#	#	#	#	#	#
Range Assessments						
Environmental Range Assessments	$	$	$	$	$	$
Other Range Assessment Costs	$	$	$	$	$	$
Total Range Assessments	$	$	$	$	$	$
Range Response Actions						
All Environmental Range Response Actions	$	$	$	$	$	$
Total Range Response Actions	$	$	$	$	$	$
Range Sustainment Actions						
Integrated Natural Resource Management Plans	$	$	$	$	$	$
Other Sustainment Actions	$	$	$	$	$	$
Total Range Sustainment	$	$	$	$	$	$
Grand TOTAL	$	$	$	$	$	$

Operational Range Sustainment and Environmental Management (Page 1 of 1)

Exhibit PB-41 Administrative Motor Vehicle Operations

ADMINISTRATIVE MOTOR VEHICLE OPERATIONS (PB-41)
(Name of Component)

(Dollar in Thousands)

Cost Category	FY PY	FY CY	FY BY1	FY BY2	CY-BY1 Change	BY1-BY2 Change
1. Operating Costs for Non-Tactical Fleets						
2. Accident Damage (Net loss to Government)						
3. Vehicle Procurement Costs						
4. Commercial Leases						
5. Interagency Fleet Management System (IFMS) Leases						
6. Disposal Costs						
7. Capital Expenditures for Facilities and Equipment						
8. Privately Operated Vehicles (used for official business)						
Total						

Distribution by Appropriation/Fund

(Identify the amounts included above by appropriation and fund.)

Total

BACKGROUND: Public Law 99-272, "Consolidated Omnibus Budget Reconciliation Act" of 1985, Subtitle C - Federal Motor Vehicle Expenditure Control of requires that each Federal Agency establish and operate a central monitoring system for motor vehicle costs and establish a data collection system and to report such data in support of the President's budget. Guidance as to the definition and coverage of this requirement is provided by the General Services Administration in Federal Property Regulations. The vehicles used for military training, combat or tactical purposes are specifically excluded.

PREPARATION REQUIREMENTS: Every Component of the Department is required to complete a PB-41 Motor Vehicle Operations Exhibit. Negative replies are required. These will be used by the Office of the Under Secretary of Defense (Comptroller), Operations Directorate, 3C710 Pentagon, to prepare a consolidated exhibit, which will be provided to the Office of Management and Budget as required by OMB Circular A-11 (Section 100 – Additional Information Required After Passback). In order to meet the OMB schedule and include this information in the printed President's budget request, the PB-41 exhibit for the Congressional Justification/Presentation must be submitted by **January 5th**. Include in the lower right hand corner, the date of preparation, and the name and telephone number of an individual responsible for answering questions concerning the submission.

Exhibit PB-42 Competitive Sourcing and Alternatives

DoD Component
FY BY1/BY2 OSD Submit/President's Budget
Competitive Sourcing and Alternatives

Instructions: *Each Service and Defense Agency/Activity is to submit this exhibit in Select & Native Programming Data Input System (SNaP) located at https://snap.pae.osd.mil. The most current version of this exhibit will be available at this site. Once loaded the data will be available in the Operations & Support Data Center. Program/Budget data displays will be produced through the Data Center. Questions about the SNaP interface should be referred to the Office of the Director (Program Analysis & Evaluation) Programming and Fiscal Economics Division (703) 697-0223.*

The exhibit is composed of three parts. Part I displays costs and savings associated with A-76 studies. Part II displays the same information for Approved Alternatives. Part III summarizes Parts I and II, presenting the total Competitive Sourcing and Alternatives savings generated by both A-76 and non A-76 initiatives. Part III will be calculated automatically from SNaP, so there is no need to enter summary data. Dollars and manpower are presented by appropriation throughout. Dollars are reported in thousands with all numbers as positive numbers (costs and savings). Manpower savings are reported as end strength (ES) for military and reserve personnel and Full Time Equivalents (FTEs) for civilian personnel.

PART I
STUDIES: *Report baseline manpower and dollars for all studies started (in the one PY reflected on the budget exhibit) and scheduled (CY, BY1, etc.) for competitive sourcing. Each activity should be reported in the year that the study is scheduled to be initiated. The annual cost of positions studied (total estimated compensation) should be reported even if you plan to outsource during the fiscal year. Report positions studied and cost by appropriation (e.g., O&M, Revolving Funds).*

COST TO CONDUCT STUDIES*: The cost to conduct studies is the cost associated with conducting the competitive sourcing study. The costs should reflect actual costs in the PY and the amounts budgeted in the other years to conduct the studies. In the narrative description section, discuss the methodology used to develop study costs and provide justification for significant deviations from the nominal average of $5,000 per FTE. Costs should be reported by appropriation.*

TRANSITION COSTS: *Report costs of transition to Most Efficient Organization (MEO) or contract. Such costs include severance pay, Voluntary Separation Incentive Pay (VSIP), etc. In the narrative section, discuss the assumptions used to determine transition costs including the categories of cost included.*

MANPOWER SAVINGS: *For military and civilian manpower reflect net savings for that year (not cumulative).*

GROSS DOLLAR SAVINGS*: Gross dollar savings should reflect total compensation associated with billets saved in that fiscal year (not cumulative). Gross savings should not be offset by the cost of studies or transition costs. In the narrative description, include a discussion of the methodology used to develop both manpower and dollar savings.*

***NET DOLLAR SAVINGS**: Net savings are equal to gross savings, offset by the Cost to Conduct Studies and Transition Costs. [Note: Net Dollar Savings will be calculated automatically by SNaP, so there is no need to enter data for this section.]*

PART II
Same as above for all categories except Studies should reflect the information by Alternative. Each Alternative must be approved by OSD(AT&L) Housing and Competitive Sourcing.
PART III
Summarizes all categories.[Note: The summary will be calculated automatically by SNaP, so there is no need to enter data for this section.]

Exhibit PB-42 Competitive Sourcing and Alternatives
(Page 1 of 3)

Exhibit PB-42 Competitive Sourcing and Alternatives (Continued)

Part __ of III
(Part I – A-76 Studies, Part II – Non A-76 Studies, Part III – Total)
(Direct Dollars in Thousands, Military End Strength, Civilian Full-Time Equivalents)

	FY PY	FY CY	FY BY1	FY BY2	FY BY2+1	FY BY2+2	FY BY2+3	FY BY2+4	TOTAL
PART I									
A-76 STUDIES									
Total Positions Studied/To Be Studied									
Military									
Appropriation 1									
Appropriation 2, etc.									
Subtotal Military									
Civilian									
Appropriation 3									
Appropriation 4, etc.									
Subtotal Civilians									
Total Civilians and Military									
Cost of Positions studied									
Appropriation 1									
Appropriation 2, etc.									
Total Cost									
COST TO CONDUCT STUDIES									
Appropriation 1									
Appropriation 2, etc.									
Total Study Costs									
TRANSITION COSTS									
Appropriation 1									
Appropriation 2, etc.									
Total Transition Costs									
MANPOWER Savings									
Military End Strength									
Appropriation 1									
Appropriation 2, etc.									
Subtotal Military									
Civilian Full-Time Equivalents									
Appropriation 1									
Appropriation 2, etc.									
Subtotal Civilians									

Exhibit PB-42 Competitive Sourcing and Alternatives
(Page 2 of 3)

FY BY1/BY2 OSD Submit/President's Budget (Continued)

Part __ of III
(Part I – A-76 Studies, Part II – Non A-76 Studies, Part III – Total Studies)
(Direct Dollars in Thousands, Military End Strength, Civilian Full-Time Equivalents)

GROSS DOLLAR SAVINGS
Appropriation 1
Appropriation 2, etc.
Total Gross Dollar Savings

NET DOLLAR SAVINGS
Appropriation 1
Appropriation 2, etc.
Total Net Dollar Savings

NARRATIVE:

Exhibit PB-42 Competitive Sourcing and Alternatives
(Page 3 of 3)

DATE: _____

CHILD DEVELOPMENT, SCHOOL-AGE CARE, (SAC) FAMILY CENTERS, AND FAMILY ADVOCACY PROGRAMS

Identify Component

(TOA, $ in Millions)

	FY PY	FY CY	FY BY1	FY BY2
I. CHILD CARE PROGRAMS				
(Child Development Program (CDP) & School Aged Care (SAC) Programs for children 0-12)				
A. CHILD DEVELOPMENT CENTERS				
Appropriation (Identify costs by appropriation (i.e., O&M, Mil Con, etc.) and total)				
Total Direct Costs [1/]				
Total Indirect Costs [2/]				
Total (should include the expense elements in DoDI 7000.12)				
Child Care Parent Fee Revenue				
Non-Appropriated Fund Subsidy				
Workload				
No. of Child Care Spaces (operational capacity)				
Personnel				
Civilian FTEs (Appropriated Fund Employees)				
Nonappropriated Fund (NAF) FTEs funded thru uniform resources programs with Appropriated Funds (APF)				
Total				
B. FAMILY CHILD CARE				
Appropriation (Identify costs by appropriation and total)				
Personnel				
Civilian FTEs (Appropriated Fund Employees Only)				
Nonappropriated Fund (NAF) FTEs funded thru uniform resources programs with Appropriated Funds (APF)				
Total				
Workload				
No. of Child Care Spaces (operational capacity)				
C. SUPPLEMENTAL PROGRAM SERVICES/RESOURCE & REFERRAL/OTHER				
Appropriation (Identify costs by appropriation and total)				
Personnel				
Civilian FTEs (Appropriated Fund Employees Only)				
Nonappropriated Fund (NAF) FTEs funded thru uniform resources programs with Appropriated Funds (APF)				
Total				
Workload				
No. of Child Care Spaces (operational capacity)				

CHILD DEVELOPMENT, SCHOOL-AGE CARE, (SAC) FAMILY CENTERS, AND FAMILY ADVOCACY PROGRAMS

Identify Component

	(TOA, $ in Millions)			
	FY PY	FY CY	FY BY1	FY BY2
SCHOOL-AGE CARE (SAC)				
Appropriation (Identify costs by appropriation (i.e., O&M, Mil Con, etc.) and total)				
Total Direct Costs [1/]				
Total Indirect Costs [2/]				
Total (should include the expense elements in DoDI 7000.12				
SAC Parent Fee Revenue				
Non-Appropriated Fund Subsidy				
Personnel				
Civilian FTEs (Appropriated Fund Employees)				
Nonappropriated Fund (NAF) FTEs reimbursed with Appropriated Funds (APF)				
Total				
Workload				
No. of SAC Spaces (operational capacity)				
No. of SAC Care Spaces Required (100%)				
% of Spaces to Required Spaces				
TOTAL CHILD CARE PROGRAM				
Appropriation				
Total Direct Costs [1/]				
Total Indirect Costs [2/]				
Total (should include the expense elements in DoDI 7000.12)				
Total Parent Fee Revenue				
NAF Subsidy				
Personnel				
Civilian FTEs (Appropriated Fund Employees Only)				
Workload				
No. of Child Care Spaces (operational capacity)				
No. of Child Care Spaces Required (100%)				
% of actual Spaces to Required Spaces				

Explanation of Changes: For each category, provide an explanation of the changes between current year (CY) and biennial budget year 1 (BY1) and between BY1 and biennial budget year 2 (BY2); identify price & program growth between each year.

[1/] Direct costs include those costs that can be directly attributed to the activity and include civilian pay and benefits, travel, training, supplies and equipment, contracts, FCC subsidy, etc.

[2/] Indirect cost includes costs that are attributed to more than one activity and include rents, utilities, communications, minor construction, repair and maintenance, contracts, and engineering support.

CHILD DEVELOPMENT, SCHOOL-AGE CARE, (SAC) FAMILY CENTERS, AND FAMILY ADVOCACY PROGRAMS
Identify Component

	(TOA, $ in Millions)			
	FY PY	FY CY	FY BY1	FY BY2

II. YOUTH PROGRAMS

Appropriation (Identify costs by appropriation (i.e. O&M, Mil Con, etc.) and total)
Total Direct Costs [1/]
Total Indirect Costs [2/]
Total (should include the expense elements in DoDI 7000.12)

Estimated Youth Fee Revenue

Non-Appropriated Fund Subsidy

Personnel
Civilian FTEs (Appropriated Fund Employees)
Nonappropriated Fund (NAF) FTEs reimbursed with Appropriated Funds (APF)
Total

Narrative: Explain changes between the CY and BY1 and between BY1 and BY 2. Identify price and program growth between each year.

III. FAMILY CENTERS

Appropriation (Identify costs by appropriation and total)

Personnel
Military (E/S)
Civilian FTEs

Workload (Excludes workload supported by OSD funds (i.e. Relocation, Transition, Family Advocacy). These are documented separately.
A. The number of single transactions which take approximately 10-15 minutes or less.
B. Cases (assessment/case management/counseling) which take longer than 10-15 minutes (each session is counted as one).
C. Number of people involved in command consultation (briefings, meetings, unit visits).
D1. Number of classes
D2. Number of participants in classes.

Narrative: Explain changes between the CY and BY1 and between BY1 and BY 2. Identify price and program growth between each year.

IV. FAMILY ADVOCACY PROGRAM (To be completed by the DoD Dependent Schools) (Services should not fill in unless they have funds separate from DoD Dependent Schools funding.)

CORE FAMILY ADVOCACY PROGRAM (Prevention, Direct Services, Training, Evaluation and Administration)

CHILD DEVELOPMENT, SCHOOL-AGE CARE, (SAC) FAMILY CENTERS, AND FAMILY ADVOCACY PROGRAMS

Identify Component

	(TOA, $ in Millions)			
	FY PY	FY CY	FY BY1	FY BY2
A.1. Prevention Services				
Appropriation (Identify costs by appropriation and total)				
Personnel				
Military (E/S)				
Civilian FTEs				
Contract Employees FTEs				
Workload				
Number Served (Actual population contacts)				
Workload per Prevention Services Provider (Number Served divided by the Number (FTE) of Prevention Services Providers)				
A.2 Direct Services				
Appropriation (Identify costs by appropriation and total)				
Personnel				
Military (E/S)				
Civilian FTEs				
Contract Employees FTEs				
Workload				
Number Served (Actual population contacts)				
Workload per Direct Services Staff				
A.3. Training, Evaluation, and Administration				
Appropriation (Identify costs by appropriation and total)				
Personnel				
Military (E/S)				
Civilian FTEs				
Contract Employees FTEs				
B. NEW PARENT SUPPORT				
Appropriation (Identify costs by appropriation and total)				
Personnel				
Military E/S				
Civilian FTEs				
Contract Employees FTEs				
Workload				
Number Served				

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs
(Page 4 of 5)

CHILD DEVELOPMENT, SCHOOL-AGE CARE, (SAC) FAMILY CENTERS, AND FAMILY ADVOCACY PROGRAMS
Identify Component

	(TOA, $ in Millions)			
	FY PY	FY CY	FY BY1	FY BY2
C. YOUTH AT RISK				
Appropriation (Identify costs by appropriation and total)				
Personnel				
Military E/S				
Civilian FTEs				
Contract Employees FTEs				
Workload				
Youth Served				
TOTAL FAMILY ADVOCACY PROGRAM				
Appropriation (by appropriation and total)				
Personnel				
Military E/S				
Civilian FTEs				
Contract Employees FTEs				

Narrative: Explain changes between the CY and BY1 and between BY1 and BY2 at the total program level. Identify price and program growth between each year.

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs
(Page 5 of 5)

Exhibit PB-52A DoD Aeronautics Budget

DoD Aeronautics Budget
(Name of DoD Component)
($ Millions)

Appropriation Summary:	**FY 20PY-2 Actual**	**FY 20PY-1 Actual**	**FY 20PY Actual**	**FY 20CY Estimate**	**FY 20BY1 Estimate**	**FY 20BY2 Estimate**
Research, Development, Test, & Evaluation						

Program Data

Program: Title	**Program Element**	**FY 20PY-2 Actual**	**FY 20PY-1 Actual**	**FY 20PY Actual**	**FY 20CY Estimate**	**FY 20BY1 Estimate**	**FY 20BY2 Estimate**

Exhibit PB-52A DoD Aeronautics Budget
(Page 1 of 2)

Instructions
Exhibit PB-52A DoD Aeronautics Budget

1. Purpose. This exhibit identifies research and development funding for Aeronautics programs. The data are used to prepare the overall DoD input into the annual President's Aeronautics and Space Report which is prepared by the Office of Management and Budget (OMB). A copy of the final report is available for information in the OUSD (Comptroller) Investment Directorate.

2. Submission.

a. Exhibit PB-52A should separately identify all RDT&E program elements providing funds in support of the development of systems, subsystems and components used in rotary and fixed wing aircraft.

b. Data are to be provided in millions of dollars, using 3 decimal points.

c. Submission of the required exhibit will be made in hard paper copy and in a DOS/Excel format.

d. The submission of the completed exhibits to the OUSD (Comptroller) is due no later than 15 working days after transmission of the President's budget to the Congress.

3. Entries.

Exhibit PB-52A (Aeronautics Programs)

a. Program Title. Insert the official program title as reflected in the R-1 budget exhibit.

b. Program Element Number. Insert the official 7-digit plus organization program element designator as reflected in the R-1 budget exhibit.

c. Budget Estimate. The completed exhibits are to reflect the estimated cost, as funded in the Future Years Defense Program (FYDP), by fiscal year for the period FY 20PY-2 through FY 20BY2 (the three prior years, the current year and the budget years). All amounts should be in then years (TY)

Exhibit PB-52B DoD Space Budget

DoD Space Budget
(Name of DoD Component)

Purpose. This exhibit identifies all funding for Space programs. The data from the DoD exhibit is used to support a myriad of Space Budget Justification requirements including Congressional Space Budget Justification and the DoD input into the President's Aeronautics and Space Report which is prepared by the Office of Management and Budget (OMB). The data are also used to support congressional hearings on space programs and to fulfill other various information requests regarding space-related funding.

The PB-52B Space Budget will be compiled by the OUSD (Comptroller), Investment Directorate using Service/Agency input into the OD, PA&E-maintained FYDP database.

Exhibit PB-52B DoD Space Budget
(Page 1 of 1)

DEPARTMENT OF _____
FY 20BY1/FY 20BY2 PRESIDENT'S BUDGET
BUDGETED MILITARY AND CIVILIAN PAY RAISE AMOUNTS ($ IN THOUSANDS)

		FY 20CY	FY 20BY1	FY 20BY2
MILITARY PERSONNEL				
Military Personnel, Army, Navy, MC, Air Force				
CY	(Specify date and percentage of pay raise)			
BY1	(Specify date and percentage of pay raise)			
BY2	(Specify date and percentage of pay raise)			
Total				
Reserve Personnel, Army, Navy, MC, Air Force				
CY	(Specify date and percentage of pay raise)			
BY1	(Specify date and percentage of pay raise)			
BY2	(Specify date and percentage of pay raise)			
Total				
National Guard Personnel, Army, Air Force				
CY	(Specify date and percentage of pay raise)			
BY1	(Specify date and percentage of pay raise)			
BY2	(Specify date and percentage of pay raise)			
Total				
TOTAL MILITARY PERSONNEL				
CIVILIAN PERSONNEL				
Operations and Maintenance, Army, Navy, MC, Air Force, Defense Agencies				
Classified				
CY	(Specify date and percentage of pay raise)			
BY1	(Specify date and percentage of pay raise)			
BY2	(Specify date and percentage of pay raise)			
Total				
Wage Board				
CY	(Specify date and percentage of pay raise)			
BY1	(Specify date and percentage of pay raise)			
BY2	(Specify date and percentage of pay raise)			
Total				
Foreign National				
CY				
BY1				
BY2				
Total				
Total Operation and Maintenance				
Research, Development, Test, and Evaluation (RDT&E), Defense Working Capital Fund, Family Housing, etc.				
TOTAL CIVILIAN PERSONNEL				

Exhibit PB-54 Civilian Personnel Hiring Plan

CIVILIAN PERSONNEL HIRING PLAN
COMPONENT _____
FY _____

APPROPRIATION: _____

Month	E/S Beginning	Gains	Separations				Net Change	E/S Revised	FTE
			Attrition	Retire	RIF	Total			
a	b	c	d	e	f	g	h	i	j
Oct									
Nov									
Dec									
Jan									
Feb									
Mar									
Apr									
May									
Jun									
Jul									
Aug									
Sep									
Total									

Definitions

Column	Title	Definition
a	Month	Month of the fiscal year
b	E/S Beginning	Civilian end strength at the beginning of the month
c	Gains	Civilian end strength hires during the month
	Separations	Column d-f; civilian personnel losses during the month
d	Attrition	Civilian end strength monthly losses not covered in columns e and f
e	Retire	Number of civilian employees who retired during the month
f	RIF	Number of civilian employees who separated due to reductions in force during the month.
g	Total	Sum of columns d-e; total number of civilian separations during month
h	Net Change	Net change of gains and separations (column c less column g)
i	E/S Revised	End Strength at the end of the month (column b plus column h)
j	FTE	Full time equivalents. Enter full time equivalent for month.

The October, E/S Beginning (column b) is the same as the September E/S Revised (column i) of the previous fiscal year.
The September E/S Revised (column i) must match the end strength reported on other budget exhibits (OP-5, OP-8).
The Total annual FTE (total of column j) must match FTE reported on other budget exhibits (OP-5, OP-8).

This exhibit must be provided for the current year (FY CY) and the budget years (FY BY1 and FY BY2) for both the OSD/OMB Program and Budget Review Submission and for the President's budget submission.

Exhibit PB-55 INTERNATIONAL MILITARY HEADQUARTERS

INTERNATIONAL MILITARY HEADQUARTERS

FY PY Actual				FY CY Estimate				FY BY1 Estimate				FY BY2 Estimate			
Military Avg Strength	Civ FTEs	Total Mpwr	Total Obligation ($ 000)	Military Avg Strength	Civ FTEs	Total Mpwr	Total Obligation ($ 000)	Military Avg Strength	Civ FTEs	Total Mpwr	Total Obligation ($ 000)	Military Avg Strength	Civ FTEs	Total Mpwr	Total Obligation ($ 000)

INSTRUCTIONS

Category/Organization/Appropriation: This exhibit will provide manpower, payroll, and non-labor cost data directly related to DoD personnel serving in the International Military Headquarters mission. Data will be displayed by appropriation/fund (including Military Personnel). A narrative explanation is required for all increases and decreases.

Manpower and TOA will be identified by appropriation or fund as displayed in the following example:

	FY BY1 Estimate			
	Military A/S	Civilian FTEs	Total Mpwr	Total Obl. ($000)
International Military Headquarters	1,225	256	1,481	89,517
MPMC	255		255	15,600
MPN	970		970	59,031
OMN		256	256	14,886
(DIR)		(250)	(250)	(14,461)
(REIMB)		(6)	(6)	(425)

- Under "Total Obligations" TOA should be limited to costs directly in support of International Military headquarters and should not include operational elements of expense for programs centrally funded or managed at the headquarters but executed elsewhere in the Department.
- Under appropriation, manpower strengths and funds will be identified as direct or reimbursable.
- Revolving funds that support headquarters activities will be reflected in the same fashion as appropriated funds.
- A total summary by appropriation, as well as a grand total, will be provided.
- Classified data will be reported.
- National Guard and Reserve officers serving on active duty and performing duties described in 10 U.S.C. 10211 will be excluded from this exhibit.
- Attached an addendum to provide a listing of organizational acronyms and their meanings used in this exhibit.

POC:_____ Phone No. _____

Exhibit PB-55 International Military Headquarters
(Page 1 of 1)

EXHIBIT PB-59 DoD Overseas Staffing Report

DoD Overseas Staffing Report
(Name of DoD Component, COCOM or Defense Agency)

Country: _____ Post: [1/] _____

Category:	**FY PY**	**FY CY**	**FY BY1**	**FY BY2**	**FY BY3**	**FY BY4**	**FY BY5**
Controlled Access Area (CAA) [2/]							
U.S. Direct Hire							
U.S. Military Position							
Locally Engaged Staff							
Non-Controlled Access Area (Non-CAA) [3/]							
U.S. Direct Hire							
U.S. Military Position							
Locally Engaged Staff							
Non-Office [4/]							
U.S. Direct Hire							
U.S. Military Position							
Locally Engaged Staff							
Never Colocate [5/]							
U.S. Direct Hire							
U.S. Military Position							
Locally Engaged Staff							
Total							

1/ Identify Post (U.S. Embassy, U.S. Consulate or U.S. Mission)
2/ Controlled Access Area: Authorized office positions to work within an area authorized to handle classified information
3/ Non-Controlled Access Area: Authorized office positions that work outside the CAA area
4/ Non-Office: Authorized positions not assigned a desk, office or workstation (includes custodians, laborers, warehouse staff, drivers, etc.)
5/ Never-Collocate: Authorized positions that work in non-USG owned or leased facility or other non-mission facilities

Instructions for Completing:
1. Report personnel assigned overseas under the Chief of Mission as of January 1st for the year reporting.
2. All COCOMs, Components and Defense Agencies that have personnel assigned overseas under the Chief of Mission must complete this exhibit
3. Defense Agencies will report military personnel assigned to their agency
4. Components (Army, Navy, Marine Corps and Air Force) will consolidate input reported by field units.
5. Marine Corps must identify Guard and Non-Guard totals

DATE PREPARED:
POC:
TELEPHONE:

EXHIBIT PB-59 DoD
Overseas Staffing Report

INSTRUCTIONS FOR PREPARATION OF PB-60

1. Services are required to submit this exhibit at the end item level for the selected pilot programs.

2. The PB-60 provides essential materiel readiness and sustainability information for justification of the OSD and President's budget estimates. The PB-60 metrics will incorporate all appropriations (i.e. Research and Development, Procurement, Operations and Maintenance) related to the specified end item.

3. "Materiel Availability" (MA) is a measure of the percentage of the total inventory of a system operationally capable of performing an assigned mission at a given time based on materiel condition. This can be expressed mathematically as the number of operational end items divided by the total population. Determining the optimum value for Materiel Availability requires a comprehensive analysis of the system and its planned use, including the planned operating environment, operating tempo, reliability alternatives, maintenance approaches, and supply chain solutions. Materiel Availability is primarily determined by system downtime, both planned and unplanned, requiring the early examination and determination of critical factors such as the total number of end items to be fielded and the major categories and drivers of system downtime. The Materiel Availability KPP (Key Performance Parameter) must include the total population of usable end items we have that is either functional or can be brought to functionality through maintenance/repair. The total life cycle timeframe, from placement into operational service through the planned end of service life, must be included. The service will express Materiel Availability on the exhibit as a number between 0 and 100. This metric should represent the average for the year that the entire population of systems is materially capable for operational use during the specified period (current year, budget year, budget year +1).

$$\text{Materiel Availability} = \frac{\text{Number of End Items Operational}}{\text{Total Population of End Items}}$$

4. "Materiel Reliability" is a measure of the probability that the system will perform without failure over a specific interval. Reliability must be sufficient to support the warfighting capability needed. Materiel Reliability is generally expressed in terms of a mean time between failure(s) (MTBF), and once operational, can be measured by dividing actual operating hours by the number of failures experienced during a specific interval. Reliability may initially be expressed as a desired failure-free interval that can be converted to MTBF for use as a KSA (Key System Attribute) (e.g. 95% probability of completing a 12 hour mission, free from mission-degrading failure; 90% probability of completing 5 sorties without failure, etc.). NOTE: Operating hours is operational hours and failure is not ready for issue. Single-shot systems and systems for which other units of measure are appropriate must provide supporting analysis and rationale. MTBF will be expressed on the exhibit as a numeric value representing time (hours) between failure during the specified period (current year, budget year, budget year +1, etc).

$$\text{Materiel Reliability} = \text{Mean Time Between Failure} = \frac{\text{Total Operating Hours}}{\text{Total Number of Failures}}$$

5. "Ownership Cost" provides balance to the sustainment solution by ensuring that the Operations and Support (O&S) costs associated with materiel readiness are considered in making decisions. Use of the Cost Analysis Improvement Group's O&S Cost Estimating Structure will ensure consistency and proper capitalization of existing efforts in support of this KSA. Only the following cost elements are required for this assessment:

EXHIBIT PB-60 Life Cycle Sustainment
(Page1 of 3)

INSTRUCTIONS FOR PREPARATION OF PB-60 (Continued)

2.0 Unit Operations (2.1.1 (only) Energy (fuel, petroleum, oil, lubricants, electricity)); 3.0 Maintenance (All); 4.0 Sustaining Support (All except 4.1, System Specific Training); and 5.0 Continuing System Improvements (All). Base fuel cost on the full burdened cost of fuel. Costs are to be included regardless of funding source. The KSA value should cover the planned lifecycle timeframe, consistent with the timeframe used in the Materiel Availability KPP. Sources of reference data, cost models, parametric cost estimating relationships and other estimating techniques or tools must be identified in supporting analysis. Programs must plan for maintaining the traceability of costs incurred to estimates. The planned approach to monitoring, collecting, and validating operating and support cost data to supporting the KSA must be provided. For the purpose of this exhibit, Ownership Cost needs to be divided into annual ownership cost (dollars) for the specified period (current year, budget year, budget year +1).

Ownership Cost = O&S costs*

* Using the CAIG O&S Cost Estimating Structure Selected cost elements:
2.0 Unit Operations (2.1.1 (only) Energy (Fuel. POL, Electricity))
3.0 Maintenance (All)
4.0 Sustaining Support (All except 4.1, System Specific Training)
5.0 Continuing System Improvements (All)

6. "Mean Downtime" (MDT) is the average Total Downtime required to restore an asset to its full operational capabilities. MDT includes the time from reporting an asset down to the asset being available to unit to operate. MDT includes administrative time of reporting, logistics and materials procurement, and lock-out/tag-out of equipment for repair or preventative maintenance events. Criteria for failure must be consistent with criteria used for Materiel Reliability. MDT will be expressed on the exhibit as a numeric value representing the average number of hours between failures during the specified period (current year, budget year, budget year +1).

$$\text{Mean Down Time (MDT)} = \frac{\text{Total Down Time for All Failures}}{\text{Total Number of Failures}}$$

7. The metric sections of the exhibit must be populated with the sustainment goal for the associated metric in each fiscal year represented, the actual/projected metric based on the current budget submission in each fiscal year represented, and the associated data from which the metric is derived for each fiscal year represented (BSO must maintain traceability data for the Ownership Costs). The "Explanation" sections will provide, as necessary, what issues preclude reaching the sustainment goal including funding shortfalls by required year(s), appropriation, and line item/PE/SAG. The "Explanation" section should also be used to explain changes to metrics between submissions caused by external events, such as increased OPTEMPO, unplanned environment, etc.

EXHIBIT PB-60 Life Cycle Sustainment (Page 2 of 3)

INSTRUCTIONS FOR PREPARATION OF PB-60 (Continued)

CLASSIFICATION:

PB-60, Life Cycle Sustainment Exhibit		DATE:
APPROPRIATION/BUDGET ACTIVITY	P-1/R-1 Line Item/PE	Weapon System Name

Materiel Availability (MA)	**Prior FY**	**Current FY**	**Budget Year**	**Budget Year +1**
Number of End Items Operational				
Total Population of End Items				
Sustainment Goal				
*Actual/Projected				

Explanation (required if metric is less than goal): What precludes reaching the goal? (i.e. contractor availability, out of production parts, funding, etc) If funding is the issue, provide the amount required, by years(s)/appropriation/line item?

Materiel Reliability	**Prior FY**	**Current FY**	**Budget Year**	**Budget Year +1**
Total Operating Hours				
Total Number of Failures				
Sustainment Goal				
*Actual/Projected				

Explanation (required if metric is less than goal): What precludes reaching the goal? (i.e. contractor availability, out of production parts, funding, etc) If funding is the issue, provide the amount required, by years(s)/appropriation/line item?

Ownership Cost	**Prior FY**	**Current FY**	**Budget Year**	**Budget Year +1**
Sustainment Goal				
*Actual/Projected				

Explanation (required if metric is less than goal): What precludes reaching the goal? (i.e. contractor availability, out of production parts, funding, etc) If funding is the issue, provide the amount required, by years(s)/appropriation/line item?

Mean Down Time (MDT)	**Prior FY**	**Current FY**	**Budget Year**	**Budget Year +1**
Total Down Time for All Failures				
Total Number of Failures				
Sustainment Goal				
*Actual/Projected				

Explanation (required if metric is less than goal): What precludes reaching the goal? (i.e. contractor availability, out of production parts, funding, etc) If funding is the issue, provide the amount required, by years(s)/appropriation/line item?

* Based on current budget submission.

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