

U. S. COURT OF APPEALS FOR THE ARMED FORCES
United States Court of Appeals for the Armed Forces, Defense
FY 2000/2001 Biennial Budget Estimates

I. Narrative Description:

The United States Court of Appeals for the Armed Forces is an Article I Court established by the Uniform Code of Military Justice (10 USC 941). The Court of last resort for the vast majority of criminal appeals in the military justice system of the United States and is subject only to certiorari review by the Supreme Court of the United States in a limited number of cases. The Court's jurisdiction extends to the review of questions of law that have been approved by reviewing authorities and affirmed or set aside by a Court of Criminal Appeals. The Court also exercises its extraordinary relief authority pursuant to the All Writs Act.

This appropriation provides for the salaries of five civilian judges and a staff of 54 other civilian positions. All customary expenses required to operate a government activity are financed, such as salaries, benefits, travel costs, rent, communications services, supplies and materials, purchase of equipment, maintenance, contractual services, and the expense of printing opinions and decisions of the Court.

II. Financial Summary (O&M: \$ in Thousands):

A. Activity Group:	FY 1998 <u>Actual</u>	FY 1999			FY 2000 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriated</u>	<u>Current Estimate</u>	
U. S. Court of Appeals for the Armed Forces	6,952	7,324	7,324	7,324	7,621

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II. Financial Summary (O&M: \$ in Thousands)(Con't):

B. Reconciliation Summary:

	Change <u>FY 1999/ FY 1999</u>	Change <u>FY 1999/FY 2000</u>
Baseline Funding	7,324	7,324
Congressional Adjustments	0	0
Price Change	9	271
Functional Transfer	0	0
Program Changes	-9	26
Current Estimate	7,324	7,621

C. Reconciliation of Increases & Decreases:

1.	FY 1999 President's Budget		7,324
2.	Congressional Adjustments		0
3.	FY 1999 Appropriated Amount		7,324
4.	Price Change		
	a. Compensation & Benefits	16	
	b. Non-pay	-7	
	Total Price Change		9
5.	Program Decreases		
	a. Realignment to offset price change		
	Compensation and Benefits	-9	
	Total Program Decrease		-9
6.	Revised FY 1999 Current Estimate		7,324

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II. Financial Summary (O&M: \$ in Thousands)(Con't):

7.	Price Growth:		271
8.	Program Increases:		
	a. Program Growth:		
	(1) Supplies & Materials to support continued modernization effort and scheduled life-cycle replacements.	7	
	(2) Equipment Maintenance to support computer LAN system purchased in FY 1998, at end of the warranty period.	2	
	(3) Equipment Purchases to maintain the modernization effort.	4	
	(4) Support Services is increased for additional requirements associated with the scheduled retirement/appointment of the Chief Judge position in 1999.	13	
	Total Program Increases		26
9.	Program Decreases:		0
10.	FY 2000 Budget Request		7,621

III. Performance Criteria and Evaluation Summary:

The Court reviews cases from all of the Armed Forces which, for the most part, are derived from various courts of Criminal Appeals. These cases involve the most serious court-martial felony convictions and sentences that present legal issues of serious constitutional magnitude. The Court reviews death penalty cases; search and seizure issues; and the

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III. Performance Criteria and Evaluation Summary (continued):

interpretation of international treaty and status of forces agreements. More recently the Court cases involve the sensitive issues of law relating to the prosecution of individuals for drug abuse on the basis of urinalysis test results, and the prosecution of child sex abuse cases. Since 1984, the cases reviewed by the Court on good cause shown by the accused have been subject to direct appellate review by the Supreme Court of the United States. Because of the complexity of the average case, it is difficult to make significant comparisons as to the Court's cost effectiveness. However, according to the caseload per judge statistics available from the National Center for State Courts the Court's effectiveness continues to compare quite favorably with other courts of last resort such as State Supreme Courts or State Courts of Appeals across the country. The amount of work involved in the average case has been constantly escalating due to the serious constitutional issues that have been encountered by the Court in its most recent cases. It is anticipated that the complexity of the average case will continue to increase, thereby adding additional workload to the Court during FY 1999 and FY 2000.

There were a total of 1,192 cases filed with the Court in FY 1998, and, while case complexity has increased workloads, it is unlikely that there will be substantial variances in the near future. Actual estimates are not projected, however, as this is totally subject to the military services judicial process.

IV. Personnel Summary:

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change</u> <u>FY 1999/FY2000</u>
<u>Civilian End Strength (Total)</u>				
U. S. Direct Hire	57	61	61	0
<u>Civilian FTEs (Total)</u>				
U. S. Direct Hire	55	59	59	0

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V. OP 32 Line Items As Applicable (Dollars in Thousands):

		<u>Change from</u> <u>FY 1998/FY 1999</u>			<u>Change from</u> <u>FY 1999/FY 2000</u>		
	<u>FY 1998</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Estimate</u>
Exec, General & Special Schedules	4,790	162	309	5,261	243	0	5,504
Disability Compensation	0	0	96	96	0	0	96
Travel of Persons	113	1	-25	89	1	0	90
Rent GSA (SLUC)	676	7	0	683	10	0	693
Purchased Utilities	38	0	5	43	1	0	44
Purchased Communications	52	1	9	62	1	0	63
Postal Services (USPO)	1	0	0	1	0	0	1
Supplies & Materials (Non-DBOF)	435	4	-25	414	6	7	427
Printing & Reproduction	22	0	-2	20	0	0	20
Equipment Maintenance by contract	10	0	4	14	0	2	16
Equipment Purchases (Non-DBOF)	6	0	0	6	0	4	10
Mgmnt & Professional Support Service	287	3	7	297	4	0	301
Other Contracts	10	0	0	10	0	0	10
Other Costs	<u>512</u>	<u>5</u>	<u>-189</u>	<u>328</u>	<u>5</u>	<u>13</u>	<u>346</u>
 TOTAL	 6,952	 185	 187	 7,324	 271	 26	 7,621

**Defense Health Program
FY 2000/2001 Biennial Budget Estimate
Operations and Maintenance**

I. Description of Operations Financed: The Department of Defense (DoD) has two integrated medical missions: (a) to provide, and be ready to provide medical services and support to the armed forces during military operations, and (b) to provide medical services and support to members of the armed forces, their family members, and other beneficiaries entitled to DoD health care. The Defense Health Program (DHP) appropriation funds worldwide medical and dental services to the active forces and other eligible beneficiaries, veterinary services, medical command headquarters, specialized services for the training of medical personnel, and occupational and industrial health care. Included are the costs associated with the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) and the TRICARE Managed Care Support regional contracts which provide for the health care of eligible active duty family members, retired members and their families and eligible surviving family members of deceased active duty and retired members. The DHP provides funding for acquisition of capital expense equipment in support of military medical treatment facilities, training facilities and programs.

All of these activities are under the policy guidance of the Assistant Secretary of Defense (Health Affairs) (ASD(HA)) and control of the Executive Director of the TRICARE Management Activity (TMA). The ASD(HA) and Executive Director, TMA are the DoD officers responsible for the effective execution of the Department's mission through the secretaries of the military departments to accomplish the Department's medical mission. These responsibilities include developing a unified medical program/budget and policies that will allow DoD to perform its medical mission effectively.

II. Force Structure Summary: The Department of Defense accomplishes its worldwide mission by using the DHP appropriation to support the eligible beneficiary population (8.1 million) through a system of 98 hospitals and 489 clinics (FY 2000), and includes a workforce of 93,292 military and 39,032 civilian personnel (FY 2000). The number of hospitals decrease from 108 in FY 1998 to 98 in FY 2000. There is a 8.9% reduction of active duty military DHP personnel from FY 1998 to FY 2000. In addition, this budget reduces civilian personnel from FY 1998 to FY 2000 by the DHP 8.2%.

III. Financial Summary (\$ in Thousands):

This submission includes Operation and Maintenance (O&M) funds. The requirements supported by this budget are the product of the continued refinement and application of the DHP's capitation-based methodology developed in cooperation with the Office of the Under Secretary of Defense, Comptroller and the Program Analysis and Evaluation (OSD/PA&E) Directorate. Capitation is one of the major components of the Department's managed care strategy. One of the unique aspects of the DHP's capitation model is that it considers all resources (i.e., both Operation and Maintenance funds and Military Personnel funds) used to produce the Department's health care services for eligible beneficiaries. Population estimates are taken from the Resource Analysis Planning System (RAPS) version 11.0.

The provision of health care in the DHP depends upon both O&M funds and military labor. A decline in either resource component (i.e., O&M or MILPERS), if not offset by an increase in the other component, reduces the DHP's ability to provide a consistent level of health care services to eligible DOD beneficiaries.

The financial requirements set forth in this budget consider the effects of force structure downsizing, Base Realignment and Closure (BRAC) plans, and the Quadrennial Defense Review. Other than major mission changes, there are three main factors that influence DHP funding requirements: (1) general inflation, (2) health services prices, or medical specific inflation, and (3) changes in the number and composition of the beneficiary population.

**Defense Health Program
FY 2000/2001 Biennial Budget Estimate
Operations and Maintenance**

A. Defense Health Program

	<u>FY 1999</u>					<u>FY 2000</u> <u>Estimate</u>
	<u>FY 1998</u>	<u>Budget</u>		<u>Current</u>		
	<u>Actual</u>	<u>Request</u>	<u>Appropriation</u>	<u>Estimate</u>		
In-House Care	3,351,071	2,961,844	3,152,240	3,611,994	3,637,677	
Private Sector Care	3,970,618	4,070,395	4,070,395	3,914,114	4,191,122	
Consolidated Health Support	904,615	867,244	884,594	858,332	877,524	
Information Management	225,068	274,371	297,871	256,568	299,138	
Management Activities	179,453	165,012	165,012	178,079	194,768	
Education and Training	332,944	298,280	307,080	306,707	312,816	
Base Operations	<u>967,043</u>	<u>1,016,289</u>	<u>1,020,409</u>	<u>872,268</u>	<u>964,642</u>	
Offset				-104,561		
Total	9,930,812	9,653,435	9,897,601	9,893,501	10,477,687	

B. Reconciliation Summary:

	Change <u>FY 1999/1999</u>	Change <u>FY 1999/2000</u>
Baseline Funding	9,653,435	9,998,062
Congressional Adjustments	40,046	-
Supplemental Request	204,120	-
Price Change	-453	353,855
Reprogramming	104,561	
Functional Transfer	-4,100	-300
Program Changes	<u>453</u>	<u>126,070</u>
Current Estimate	9,998,062	10,477,687

C. OP-32 Line Item: Not provided at the appropriation level because the DHP appropriation includes Procurement funds in addition to O&M funds. See Exhibit OP-32.

D. Reconciliation Increases and Decreases: See Exhibit OP-5, Part 2.

IV. Performance Criteria and Evaluation: Not provided at the appropriation level. See Exhibit OP-5, Part 2.

**Defense Health Program
FY 2000/2001 Biennial Budget Estimate
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V. Personnel Summary 1/:

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 1999/2000</u>
<u>Active Military End Strength</u>				
Officer	34,980	34,665	33,025	-1,640
Enlisted	67,326	64,803	60,267	-4,536
Total Military	102,306	99,468	93,292	-6,176
 <u>Civilian End Strength</u>				
US Direct Hire	39,498	37,452	36,737	-715
Foreign National Direct Hire	<u>655</u>	<u>527</u>	<u>524</u>	-3
Total Direct Hire	40,153	37,979	37,261	-718
Foreign National Indirect Hire	<u>1,579</u>	<u>1,786</u>	<u>1,771</u>	-15
Total Civilians	41,732	39,765	39,032	-733
 (Reimbursable Included Above - Memo)	 390	 390	 387	 -3
 <u>Active Military Work Years</u>				
Officer	35,247	34,823	33,845	-978
Enlisted	<u>66,286</u>	<u>66,065</u>	<u>62,535</u>	-3,529
Total Military	101,532	100,887	96,380	-4,507
 <u>Civilian Work Years</u>				
US Direct Hire	39,810	37,284	36,356	-928
Foreign National Direct Hire	<u>623</u>	<u>527</u>	<u>524</u>	-3
Total Direct Hire	40,433	37,811	36,880	-931
Foreign National Indirect Hire	<u>1,597</u>	<u>1,748</u>	<u>1,735</u>	-13
Total Civilians	42,030	39,559	38,615	-944
 (Reimbursable Included Above - Memo)	 404	 430	 426	 -4

1/ Included to show a unified medical program. Military and civilian end strength included in DoD Components, not the Defense Health Program.

Defense Health Program
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 Operations and Maintenance

VI. Reconciliation of Increases and Decreases

(Dollars in Thousands)

1.	FY 1999 President's Budget Request		9,653,435
2.	Congressional Adjustments		40,046
	a. Ovarian Cancer Research	10,000	
	b. PACMEDNET	10,000	
	c. Military Health Services Information Management System	8,500	
	d. Cancer Control Program	5,600	
	e. Disaster Mgmt Training	5,000	
	f. Personal Identification Card (PIC)	5,000	
	g. Military Nursing Program	5,000	
	h. Pacific Island Health Care Program	5,000	
	i. Nervous System Studies	4,000	
	j. Proton Beam Scanning Tech	4,000	
	k. Molecular Genetics Research	3,000	
	l. Graduate School of Nursing	2,300	
	m. Alaska Federal Healthcare Partnership	1,900	
	n. Brain Injury Treatment	1,500	
	o. Post-Polio Syndrome Research	1,000	
	p. Epidermolysis Bullosa	1,000	
	q. Brown Tree Snakes	1,000	
	r. Prisoner of War Studies	750	
	s. O&M economic adjustment	-34,504	
3.	Proposed Supplementals		204,120
	a. Pay Supplemental	0	
	b. Program Supplemental	204,120	
4.	FY 1999 Appropriation Enacted		9,897,601
5.	Transfers In		326,826
	a. Anticipated reprogramming from the Department of Air Force to DHP	104,561	
	b. Funds transferred from Private Sector Care to Direct Patient Care for MTF Prime Enrollees in Regions 1 and 2/5	158,900	

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5. Transfers In (Continued)

c. Realignment of resources from Consolidated Health Support to TRICARE Management Activity to conform with revised budget format structure.	52,968
d. Realigns funding for two information systems migrating from Management Activities to Information Management sub-activity	8,697
e. Real Property Services Transfer from Army to DHP	1,500
f. Transfer of one civilian end strength to the Center for Health Promotion and Preventive Medicine, DHP from O&M, Army	200

6. Transfers Out

-226,365

a. Funds transferred from Private Sector Care to Direct Patient Care for MTF Prime Enrollees in Regions 1 and 2/5	-158,900
b. Realignment of resources from Consolidated Health Support to TRICARE Management Activity to conform with revised budget format structure.	-52,968
c. Realigns funding for two information systems migrating from Management Activities to Information Management sub-activity	-8,697
d. Real Property Services Transfer from DHP to Army	-3,500
e. Realignment of Navy Oversight Inspection Unit (NOIU) resources from DHP to O&M, Navy	-2,300

7. Price Growth

-453

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8. Program Increases

a.	Annualization of New FY 1999 Program	0
b.	One-Time FY 1999 Costs	0
c.	Program Growth in FY 1999	342,600
1.	Internal realignment of resources within the Defense Health Program to fund patient care as agreed upon by the Department	152,906
2.	Offset for National Mail Order Pharmacy impact on Direct Patient Care sub-activity	59,000
3.	Revised Purchased Care requirements	129,569
4.	Increase to support Y2K compliance costs for medical information systems	1,125

9. Total Increases

342,600

10. Program Decreases

a.	Annualization of New FY 1999 Program	0
b.	One-Time FY 1999 Costs	-50,000
	Internal realignment of resources from DHP Information Management sub-activity to fund patient care as agreed upon by the Department	-50,000
c.	Program Decrease in FY 1999	-292,147
1.	National Mail Order Pharmacy revised requirements based on program execution	-59,000
2.	Bid Price Adjustments for MCS Contracts	-25,000

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10. Program Decreases (Continued)

3. Initiatives to streamline the MCS Contracts	-35,000
4. Internal Realignment of resources from Management Activities sub-activity to fund patient care as agreed upon by the Department	-29,000
5. Reflects reduced equipment purchases required by Components in Headquarters activities	-1,612
6. Internal realignment of resources from Base Operations sub-activity to fund patient care as agreed upon by the Department	-142,535

12. Total Decreases **-342,147**

13. Revised FY 1999 Estimate **9,998,062**

14. Price Growth **353,855**

15. Transfers In **0**

16. Transfers Out **-300**

DHP funds transferred to O&M, Navy for Fisher Houses/Suites -300

17. Program Increases

a. Annualization of New FY 1999 Program	0
b. One-Time FY 2000 Costs	13,000
Direction by Department to purchase Commercial Off-The-Shelf (COTS) Pharmacy system	13,000
c. Program Growth in FY 2000	439,912
1. Internal realignment of resources within the Defense Health Program to fund patient care as agreed upon by the Department	99,352

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17. Program Increases (Continued)

2. Implementation of congressionally directed health care demonstrations (e.g. FEHBP Demonstration for the over-65 eligible population)	79,304
3. Advances in Medical Practice	61,800
4. Extension of MCS contracts and Regions 2/5 Recompete	42,300
5. Force Health Protection and Immunization Tracking system and other information management systems	31,205
6. Restoral of funds to Management Activities which migrated to direct patient care in FY 1999	14,000
7. Initial Outfitting for CONUS/OCONUS MTFs	12,774
8. Global Emerging Infections Surveillance requirements	7,000
9. Force Health Surveillance initiative to implement a medical tracking system overseas	5,042
10. Medical Readiness Training for Air Force and Navy personnel on deployable medical systems (DEPMEDS)	3,885
11. Revised Supplemental Care Requirements	81,250
12. Purchase license for Adenovirus 4 and 7 vaccine	2,000

18. Total Increases

452,912

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19. Program Decreases

a.	Annualization of FY 1999 Program Decreases		0
b.	One-Time FY 1999 Costs		-80,783
1.	Reversal of FY 1999 one-time congressional increases	-76,576	
a.	Ovarian Cancer Research	-10,370	
b.	PACMEDNET	-10,150	
c.	Military Health Services Information Management System	-8,628	
d.	Cancer Control Program	-5,756	
e.	Disaster Mgmt Training	-5,139	
f.	Personal Identification Card (PIC)	-5,075	
g.	Military Nursing Program	-5,153	
h.	Pacific Island Health Care Program	-5,139	
i.	Nervous System Studies	-4,148	
j.	Proton Beam Scanning Tech	-4,148	
k.	Molecular Genetics Research	-3,111	
l.	Graduate School of Nursing	-2,371	
m.	Alaska Federal Healthcare Partnership	-1,970	
n.	Brain Injury Treatment	-1,546	
o.	Post-Polio Syndrome Research	-1,037	
p.	Epidermolysis Bullosa	-1,037	
q.	Brown Tree Snakes	-1,027	
r.	Prisoner of War Studies	-771	
2.	Reversal of supplemental	-4,207	
c.	Program Decreases in FY 2000		-246,059
1.	Planned management efficiencies within In-house Care and Consolidated Health Support sub-activities	-163,124	
2.	Phase-out of legacy information systems as part of the Y2K strategy	-2,631	

**Defense Health Program
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c. Program Decreases in FY 2000 (Continued)

3. TRICARE Regional Lead Agent reduction from eleven to seven offices	-1,000
4. Reduction in Management Headquarters civilian end strength based on Quadrennial Defense Review.	-867
5. Revised Purchased Care Requirements	-78,437

20. Total Decreases **-326,842**

21. FY 2000 Budget Request **10,477,687**

**Defense Health Program
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Detail By Sub-Activity Group: In-House Care

I. Description of Operations Financed: This Sub-Activity Group provides for the delivery of patient care in the Continental United States (CONUS) and Outside the Continental United States (OCONUS). This includes two broad functional areas: (1) Care in Defense Medical Centers, Station Hospitals and Medical Clinics, and (2) Dental Care Activities.

II. Force Structure Summary: Defense Medical Centers/Hospitals/Clinics represent the costs of providing medical care in DoD-owned and operated medical centers, station hospitals, medical clinics, and subordinate aid stations which are staffed and equipped to provide the full range of inpatient and ambulatory health care services. It includes medical center laboratories, alcohol treatment, clinical investigation activities and on-the-job training/education programs conducted at these facilities and federal sharing agreements. Excludes operation of management headquarters for TRICARE Lead Agents, dental activities, deployable medical units and other health care resources devoted exclusively to teaching. Dental Care activities represent the costs of providing dental services through operation of hospital departments of dentistry, installation dental clinics, and regional dental activities (laboratories). Excludes provision of dental services by units organic to operating forces units and deployable dental units operating in an active combat zone.

III. Financial Summary (O&M \$ in thousands):

A. Sub-Activity Group

	FY 1998 <u>Actual</u>	FY 1999			FY 2000 <u>Estimate</u>
		Budget <u>Request</u>	<u>Appropriation</u>	Current <u>Estimate</u>	
MEDCENS, Hospitals & Clinics (CONUS)	2,856,720	2,475,717	2,666,113	3,140,421	3,149,875
MEDCENS, Hospitals & Clinics (OCONUS)	279,070	289,293	289,293	282,464	289,484
Dental Care Activities - (CONUS)	174,511	155,704	155,704	150,428	155,546
Dental Care Activities - (OCONUS)	40,770	41,130	41,130	38,681	42,772
Total	3,351,071	2,961,844	3,152,240	3,611,994	3,637,677

**Defense Health Program
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B. Reconciliation Summary:

	Change <u>FY 1999/1999</u>	Change <u>FY 1999/2000</u>
Baseline Funding	2,961,844	3,611,994
Congressional Adjustments	(9,604)	-
Supplemental Request	200,000	-
Price Change	14,143	139,054
Functional Transfer	-	-
Program Changes	<u>445,611</u>	<u>(113,371)</u>
Current Estimate	3,611,994	3,637,677

C. Reconciliation of Increases and Decreases

1. FY 1999 President's Budget Request	2,961,844
2. Congressional Adjustments	-9,604
a. Nervous System Studies	4,000
b. Ovarian Cancer Research	10,000
c. Post-Polio Syndrome Research	1,000
d. Proton Beam Scanning Tech	4,000
e. Molecular Genetics Research	3,000
f. Epidermolysis Bullosa	1,000
g. Alaska Federal Healthcare Partnership	1,900
h. O&M economic adjustment	-34,504
3. Supplemental	200,000
4. FY 1999 Appropriation Enacted	3,152,240
5. Proposed Supplemental	0

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6.	Transfers In		263,461
	a.	This program transfer represents an anticipated transfer from the Department of the Air Force to the Defense Health Program to patient care as agreed upon by the Under Secretary of Defense (Personnel and Readiness), the Under Secretary of Defense (Comptroller), the three military departments, the three Surgeons General, the Assistant Secretary of Defense (Health Affairs), and the Executive Director, TRICARE Management Activity.	104,561
	b.	Military Treatment Facility (MTF) Prime Enrollees Funding for the MTF Prime Enrollees in Regions 1 and 2/5 transferred from the Private Sector Care Budget Activity Group to the Direct Patient Care Budget Activity Group. These resources will be executed in the MTFs and not in the Managed Care Support Contracts (MCSCs).	158,900
7.	Transfers Out		0
8.	Price Growth		14,143
9.	Program Increases		
	a.	Annualization of New FY 1999 Program	0
	b.	One-Time FY 1999 Costs	0

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c. Program Growth in FY 1999

(1) This program change reflects an internal realignment of resources within the Defense Health Program appropriation to fund patient care as agreed upon by the Under Secretary of Defense (Personnel and Readiness), the Under Secretary of Defense (Comptroller), the three military departments, the three Surgeons General, the Assistant Secretary of Defense (Health Affairs), and the Executive Director, TRICARE Management Activity. 123,150

(2) National Mail Order Pharmacy
 This program increase represents an offset that was not realized for anticipated reductions in pharmaceuticals at CONUS Medical Centers, Hospitals and Clinics as a result of the introduction of the National Mail Order Pharmacy. There is an offsetting program decrease in the Private Sector Care Budget Activity Group. 59,000

10. Total Increases		182,150
11. Program Decreases		
a. Annualization of New FY 1999 Program	0	
b. One-Time FY 1999 Costs	0	
c. Program Growth in FY 1999		
12. Total Decreases		0
13. Revised FY 1999 Estimate		3,611,994
14. Price Growth		139,054
15. Transfers In		0

**Defense Health Program
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16. Transfers Out		0
17. Program Increases		
a. Annualization of New FY 1999 Program		0
b. One-Time FY 2000 Costs		0
c. Program Growth in FY 2000		
(1) Advances in Medical Practice		
This program increase represents an increase for	61,800	
Advances in Medical Practice (AMP) in the Military		
Health System (MHS). AMP results from program		
growth associated with changing medical technology		
or increased intensity associated with medical technology		
that is in excess of approved price growth. Examples of		
AMP include:		
(A) Pharmaceutical Modalities, (e.g. new		
agents for Otitis Media, anti-osteoporosis,		
anti-migraine and non-steroidal anti-		
inflammatory agents).		
(B) Diagnostic Modalities, (e.g. Ultrafast		
(EBCT/SPECT) computed tomography).		
(C) Treatment Modalities, (e.g. Lung Volume		
Reduction Surgery).		
(2) Initial Outfitting		
This program increase represents an increase	12,774	
in initial outfitting for CONUS and OCONUS		
medical treatment facilities in the MHS.		
18. Total Increases		74,574

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19. Program Decreases		
a. One-Time FY 1999 Costs		0
(1) Reverse FY 1999 one-time Congressional increases		
Nervous System Studies	-4,148	
Ovarian Cancer Research	-10,370	
Post-Polio Syndrome Research	-1,037	
Proton Beam Scanning Tech	-4,148	
Molecular Genetics Research	-3,111	
Epidermolysis Bullosa	-1,037	
Alaska Federal Healthcare Partnership	-1,970	
b. Annualization of FY 1999 Program Decreases		0
c. Program Decreases in FY 2000		
(1) Management Efficiencies		
This program reduction reflects planned	-162,124	
management efficiencies within in-house		
care. These management efficiencies		
control the use of health care		
services while maintaining access		
to appropriate high-quality health care provided		
by the MHS.		
20. Total Decreases		-187,945
21. FY 2000 Budget Request		3,637,677

**Defense Health Program
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IV. Performance Criteria and Evaluation Summary: In-House Care

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 1999/2000</u>
<u>Total US User Population (Avg Manyears)</u>				
Active Duty (1)	1,363,605	1,336,274	1,316,473	(19,801)
Dependents of Active Duty (2)	1,939,118	1,916,217	1,890,352	(25,865)
CHAMPUS Eligible Retirees	686,438	682,304	676,496	(5,808)
CHAMPUS Eligible Dependents of Retirees	1,167,539	1,157,177	1,151,276	(5,901)
Medicare Eligible Beneficiaries	<u>324,888</u>	<u>337,849</u>	<u>350,626</u>	<u>12,777</u>
Total Population	5,481,588	5,429,821	5,385,223	(44,598)
 <u>Total Overseas User Population (Avg Manyears)</u>				
Active Duty (1)	225,534	224,191	222,586	(1,605)
Dependents of Active Duty (2)	180,051	180,293	178,864	(1,429)
CHAMPUS Eligible Retirees	20,005	20,021	19,934	(87)
CHAMPUS Eligible Dependents of Retirees	37,395	36,890	36,897	7
Medicare Eligible Beneficiaries	<u>14,089</u>	<u>14,673</u>	<u>15,362</u>	<u>689</u>
Total Population	477,074	476,068	473,643	(2,425)
 <u>Total World-Wide User Population (Avg Manyears)</u>				
Active Duty (1)	1,589,139	1,560,465	1,539,059	(21,406)
Dependents of Active Duty (2)	2,119,169	2,096,510	2,069,216	(27,294)
CHAMPUS Eligible Retirees	706,443	702,325	696,430	(5,895)
CHAMPUS Eligible Dependents of Retirees	1,204,934	1,194,067	1,188,173	(5,894)
Medicare Eligible Beneficiaries	<u>338,977</u>	<u>352,522</u>	<u>365,988</u>	<u>13,466</u>
Total Population	5,958,662	5,905,889	5,858,866	(47,023)

(1) Includes Active Guard/Reserve entitled to medical benefits.

(2) Includes Dependents of Active Guard/Reserve entitled to medical benefits.

Per Capita rates (Then Year)	2,591	2,658	2,756	98
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V. Personnel Summary

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 1999/2000</u>
<u>Active Military End Strength</u>				
Officer	23,687	23,078	21,658	(1,420)
Enlisted	<u>49,988</u>	<u>48,315</u>	<u>44,957</u>	<u>(3,358)</u>
Total Military	73,675	71,393	66,615	(4,778)
 <u>Civilian End Strength</u>				
US Direct Hire	28,138	26,629	26,236	(393)
Foreign National Direct Hire	<u>490</u>	<u>379</u>	<u>378</u>	<u>(1)</u>
Total Direct Hire	28,628	27,008	26,614	(394)
Foreign National Indirect Hire	<u>1,075</u>	<u>1,252</u>	<u>1,238</u>	<u>(14)</u>
Total Civilians	29,703	28,260	27,852	(408)
 <u>Active Military Average Strength</u>				
Officer	23,739	23,383	22,368	(1,015)
Enlisted	<u>49,550</u>	<u>49,152</u>	<u>46,636</u>	<u>(2,516)</u>
Total Military	73,289	72,534	69,004	(3,530)
 <u>Civilian Work Years</u>				
US Direct Hire	28,539	26,648	25,959	(689)
Foreign National Direct Hire	<u>469</u>	<u>379</u>	<u>378</u>	<u>(1)</u>
Total Direct Hire	29,008	27,027	26,337	(690)
Foreign National Indirect Hire	<u>1,101</u>	<u>1,221</u>	<u>1,206</u>	<u>(15)</u>
Total Civilians	30,109	28,248	27,543	(705)
 (Reimbursable Included Above - memo)	 404	 430	 426	 (4)

**Defense Health Program
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Detail By Sub-Activity Group: **Private Sector Care**

I. Description of Operations Financed: This sub-activity provides for all medical care received by DoD-eligible beneficiaries in the private sector. This includes the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) program, the TRICARE Managed Care Support (MCS) contracts and the designated provider program (formerly known as the Uniformed Services Treatment Facilities). The CHAMPUS program is a world-wide health care cost-sharing program. The TRICARE MCS program, now fully deployed, is a managed care program which integrates a uniform health benefits package with military medical treatment facilities and civilian network providers on a regional basis. With the full deployment of TRICARE, all but a small portion of the standard CHAMPUS benefits have been absorbed into the TRICARE MCS contracts. The purchase of health care through the designated provider program for enrolled eligible beneficiaries is also part of this Sub-activity. Requirements outside the Continental United States are being met through the TRICARE Overseas Program which includes TRICARE Europe, TRICARE Pacific, and TRICARE Latin American regions. Finally, this sub-activity supports all supplemental care received in any CONUS or OCONUS civilian health care facility, either referred or not referred by the military treatment facility. Also included are the emergency medical care and transportation for authorized beneficiaries and medically necessary non-emergency care for active duty personnel when care is not accessible from a military treatment facility.

II. Force Structure Summary: Approximately 5.2 million DoD beneficiaries are eligible to receive care under private sector care programs. There are seven "commercial" or "civilian-operated" designated provider facilities. Seven TRICARE MCS contracts cover twelve Health Service Regions (HSRs) and provide a uniform, triple-option health care plan to eligible beneficiaries, allowing them to enroll in the health maintenance organization (HMO) type plan known as TRICARE Prime, utilize a civilian preferred provider network (TRICARE Extra) or remain with the Standard CHAMPUS benefit plan (TRICARE Standard). The Standard CHAMPUS program includes the TRICARE Active Duty Family Member Dental Program, the Select Reserve Dental Program, fiscal intermediary costs, Continuing Health Education/Capitalization of Assets program, pipeline benefit costs incurred during the transition from Standard CHAMPUS coverage to TRICARE MCS program, Expanded Cancer Demonstration Program, the National Mail Order Pharmacy program and the TRICARE Prime Remote program. Supplemental care includes all active duty health care received in a civilian facility, either referred or not referred by a military treatment facility (worldwide).

III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group

	FY 1998 <u>Actual</u>	FY 1999		Current <u>Estimate</u>	FY 2000 <u>Estimate</u>
		Budget <u>Request</u>	<u>Appropriation</u>		
Managed Care Support Contracts	2,379,869	3,010,200	3,010,200	2,819,800	2,962,708
CHAMPUS	1,106,710	573,700	573,700	593,700	528,760
Care in Non-Defense Facilities	<u>484,039</u>	<u>486,495</u>	<u>486,495</u>	<u>500,614</u>	<u>699,654</u>
Total	3,970,618	4,070,395	4,070,395	3,914,114	4,191,122

**Defense Health Program
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	Change <u>FY 1999/1999</u>	Change <u>FY 1999/2000</u>
Baseline Funding	4,070,395	3,914,114
Congressional Adjustments	-	-
Supplemental Request	-	-
Price Change	(7,950)	152,591
Functional Transfer	-	-
Program Changes	<u>(148,331)</u>	<u>124,417</u>
Current Estimate	3,914,114	4,191,122

C. Reconciliation of Increases and Decreases

1. FY 1999 President's Budget Request	4,070,395
2. Congressional Adjustments	0
3. FY 1999 Appropriation Enacted	4,070,395
4. Proposed Supplemental	0
5. Transfers In	0
6. Transfers Out	-158,900
Military Treatment Facility (MTF) Prime Enrollees Funding for MTF Prime Enrollees in Regions 1 and 2/5 transferred to the In- House Care Budget Activity Group. These dollars will be executed in the Military Treatment Facilities and not in the TRICARE Managed Care Support (MCS) contracts.	-158,900
7. Price Growth	-7,950
8. Program Increases	
a. Annualization of New FY 1999 Program	0
b. One-Time FY 1999 Costs	0
c. Program Growth in FY 1999	
(1) Revised Purchase Care Requirements	129,569
Reflects most current assumptions for purchased care. Included are standard benefits under the CHAMPUS program (including overseas claims), health care costs related to the TRICARE MCS contracts, the Select Reserve Dental Program, extending the Family Member Dental Program overseas, and costs related to various active	

C. Reconciliation of Increases and Decreases (continued)

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duty programs. Examples of the active duty programs include implementation of the TRICARE Prime Remote benefit, increased costs for providing coverage under the CHAMPUS program and compliance to legislation for the same timely access to care as those beneficiaries in TRICARE Prime.

9. Total Increases	129,569
10. Program Decreases	
a. Annualization of New FY 1999 Program	0
b. One-Time FY 1999 Costs	0
c. Program Growth in FY 1999	
(1) National Mail Order Pharmacy (NMOP) Program Actual execution will not meet initial projections.	-59,000
(2) Bid Price Adjustments for the MCS Contracts Current estimates indicate the cost for health care in the regional MCS Contracts will decrease, resulting in payments to the government.	-25,000
(3) Streamlining the MCS Contracts The Surgeons General and the Executive Director, TRICARE Management Activity have agreed upon several initiatives to simplify requirements in the MCS contracts. The result will be less prescriptive requirements, simplification where possible and the utilization of industry standards.	-35,000
11. Total Decreases	-119,000
12. Revised FY 1999 Estimate	3,914,114
13. Price Growth	152,591
14. Transfers In	0
15. Transfers Out	0
16. Program Increases	
a. Annualization of New FY 2000 Program	0
b. One-Time FY 2000 Costs	0

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C. Reconciliation of Increases and Decreases (continued)

c. Program Growth in FY 2000		
(1) Extensions for MCS contracts	42,300	
Reflects anticipated costs associated with extending MCS contracts. Also includes costs related to awarding the recompetes of the MCS contract in Regions 2 and 5 based on GAO upholding the protest of this contract award.		
(2) Requirements for Supplemental Care	81,250	
Revised requirements reflect increased funding to provide the active duty population with a CHAMPUS-like benefit (e.g, compliance to TRICARE access standards) as directed in the FY 1998 Authorization Act and a redefinition of supplemental care.		
(3) Congressionally Directed Programs	79,304	
Includes costs for implementation of the Federal Employee Health Benefits Program (FEHBP) Demonstration for the Over-65, TRICARE Senior Supplemental Costs, and the Over-65 Pharmacy Program. The FEHBP Demonstration will be conducted in the following eight sites: Dover Air Force Base, DE.; Commonwealth of Puerto Rico; Fort Knox, KY.; Greensboro/Winston-Salem/High Point, NC; Dallas, TX; Humboldt County, CA; Naval Hospital, Camp Pendleton, CA; and New Orleans, LA.		
17. Total Increases		202,854
18. Program Decreases		
a. One-Time FY 2000 Costs	0	
b. Annualization of FY 1999 Program Decreases	0	
c. Program Decreases in FY 2000	-78,437	
Reflects most current assumptions and projections associated with care purchased in the private sector. This include actual Bid Price Adjustments and Requests for Equitable Adjustments for TRICARE MCS contracts. These adjusted projections incorporate actual decreases in MTF workload. Also included are revisions for standard benefit costs, the annualization of the Family Member Dental Plan extension to overseas locations and the TRICARE Prime Remote program, and other costs associated with providing health care to the active duty.		
19. Total Decreases		-78,437
20. FY 2000 Budget Request		4,191,122

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IV. Performance Criteria and Evaluation Summary: Private Sector Care

Total US User Population (Average Manyears)

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 1999/2000</u>
USTF Enrollees (DoD Only)	104,309	104,309	104,309	0
Total CHAMPUS Eligibles	5,273,400	5,220,200	5,169,600	-50,600
Total CHAMPUS Users	4,030,500	3,992,900	3,953,800	-39,100

V. Personnel Summary

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 1999/2000</u>
<u>Active Military End Strength</u>				
Officer	0	0	0	0
Enlisted	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Military	0	0	0	0

Civilian End Strength

US Direct Hire	0	0	0	0
Foreign National Direct Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Direct Hire	0	0	0	0
Foreign National Indirect Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Civilians	0	0	0	0

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 1999/2000</u>
<u>Active Military Work Years</u>				
Officer	0	0	0	0
Enlisted	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Military	0	0	0	0

Civilian Work Years

US Direct Hire	0	0	0	0
Foreign National Direct Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Direct Hire	0	0	0	0
Foreign National Indirect Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Civilians	0	0	0	0

(Reimbursable Included Above - memo)	0	0	0	0
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Defense Health Program
FY 2000/2001 Biennial Budget Estimate
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Detail By Sub-Activity Group: **Consolidated Health Support**

I. Description of Operations Financed: This Sub-Activity Group comprises seven functions which support delivery of patient care worldwide: Other Health Activities, Military Public/Occupational Health, Veterinary Services, Examining Activities, Military Unique-Other Medical Activities, Aeromedical Evacuation System and Armed Forces Institute of Pathology (AFIP).

II. Force Structure Summary: **Other Health Activities** includes central medical laboratories, medical service squadrons, Air Medical Department Field Procurement Offices, Health Services Data Systems Agency, Navy Healthcare Support Offices, Lead Agent Offices and public affairs. **Military Public/Occupational Health** includes public health activities such as medical epidemiology and entomology, drinking water safety, monitoring hazardous waste disposal, food/facility sanitation, health promotion, community health nursing, medical intelligence, and occupational health activities such as assessment of workplace health hazards, employee health surveys, tracking exposure to physical, chemical, and biological stresses, development of preventive measures, epidemiological studies of occupational diseases, health hazard assessment of new material/weapons systems, and medical support to nuclear/biological/ chemical surety programs. **Veterinary Services** supports the worldwide DoD veterinary mission and provides support to other specified federal agencies through activities such as care for government owned animals, clinical investigation support, control of zoonotic diseases, and wholesale food inspection. **Examining Activities** provides physical examinations and evaluations of medical suitability for individuals processed for accession to Active and Reserve Components through Military Entrance Processing Stations (MEPS) and DoD Medical Evaluation Review Board (DoDMERB). **Military Unique Requirements - Other Medical** includes a host of activities related to the size of military population, such as physiological training units, Defense Medical Standardization Board, drug abuse detection laboratories, Military Blood Program Agency, optical repair/fabrication laboratories, USAF Armstrong Laboratory, health facilities offices, medical logistics/support offices, Medical Wartime Hospital Integration Office, Army Medical Material Activities, plans/operations/training, Navy Medical Logistics Command, and Joint and Armed Services Medical Regulating Offices. **The Aeromedical Evacuation (AE) System** includes the Aeromedical Evacuation and Tanker Airlift Control Centers, AE squadrons and detachments, and aeromedical staging facilities. **Armed Forces Institute of Pathology (AFIP)** is the chief reviewing authority on diagnosis of pathologic tissue for the Armed Services; conducts experimental, statistical and morphological investigation; operates Armed Forces Medical Examiner System and DoD DNA Registry; and administers DoD drug testing quality control/proficiency testing and Clinical Laboratory Improvement programs.

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III. Financial Summary (\$ in Thousands): Consolidated Health Support

A. Sub-Activity Group

	FY 1998	FY 1999			FY 2000
		Budget	Current		
		<u>Request</u>	<u>Appropriation</u>	<u>Estimate</u>	
Examining Activities	29,463	30,857	30,857	30,813	31,800
Other Health Activities	310,400	372,864	372,864	271,887	283,040
Military Public/Occupational Health	191,822	170,271	170,271	202,027	201,413
Veterinary Services	15,245	13,276	13,276	14,475	15,072
Military Unique - Other Medical Activities	229,694	160,889	178,239	213,773	222,754
Aeromedical Evacuation System	82,232	79,611	79,611	79,758	76,447
AFIP	45,759	39,476	39,476	45,600	46,997
Total	904,615	867,244	884,594	858,333	877,524

B. Reconciliation Summary:

	Change	Change
	<u>FY 1999/1999</u>	<u>FY 1999/2000</u>
Baseline Funding	867,244	858,333
Congressional Adjustments	17,350	-
Supplemental Request	-	-
Price Change	(949)	24,980
Functional Transfer	-	-
Program Changes	(25,312)	(5,789)
Current Estimate	858,333	877,524

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C. Reconciliation of Increases and Decreases: Consolidated Health Support

1. FY 1999 President's Budget Request	867,244
2. Congressional Adjustments	17,350
a. Pacific Island Health Care Program	5,000
b. Brown Tree Snakes	1,000
c. Disaster Mgmt Training	5,000
d. Cancer Control Program	5,600
e. Prisoner of War Studies	750
3. FY 1999 Appropriation Enacted	884,594
4. Proposed Supplement	0
5. Transfers In	200
(1) This program change reflects the transfer of one civilian position to Center for Health Promotion and Preventive Medicine (CHPPM) DHP from Operations and Maintenance, Army	200
6. Transfers Out	(55,268)
(1) This transfer realigns resources to the TRICARE Management Activity sub-activity group from the Other Health Activities sub-activity group. These resources, which represent a share of TMA operations, were displayed in FY 1999 Other Health Activities in the President's Budget in order to conform to a revised budget format.	(52,968)
(2) Realignment of Navy Oversight Inspection Unit (NOIU) to Operation and Maintenance Navy	(2,300)
7. Price Growth	(949)

Defense Health Program
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C. Reconciliation of Increases and Decreases: Consolidated Health Support

8. Program Increases		
a. Annualization of New FY 1999 Program	0	
b. One-Time FY 1999 Cost	0	
c. Program Growth in FY 1999		
(1) This program change reflects an internal realignment of resources within the Defense Health Program appropriation to fund patient care as agreed upon by the Under Secretary of Defense (Personnel and Readiness), the Under Secretary of Defense (Comptroller), the three military departments, the three Surgeons General, the Assistant Secretary of Defense Health Affairs, and the Executive Director TRICARE Management Activity	29,756	
9. Total Increases		29,756
10. Program Decreases		
a. Annualization of New FY 1999 Program	0	
b. One-Time FY 1999 Cost	0	
c. Program Growth in FY 1999		
11. Total Decreases		-
12. Revised FY 1999 Estimate		858,333
13. Price Growth		24,980
14. Transfers In		0
15. Transfers Out		0

Defense Health Program
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C. Reconciliation of Increases and Decreases: Consolidated Health Support

16. Program Increases		
(a) Annualization of New FY 1999 Program		0
(b) One-Time FY 1999 Cost		0
(c) Program Growth in FY 1999		
(1) This program increase represents Force Health Surveillance resources to implement medical tracking system for members deployed overseas consisting of pre-deployment and post-deployment health assessments.		5,043
(2) This program increase represents Global Emerging Infections Surveillance resources for DoD Public Health Laboratory System to conduct analysis for 10 major emerging disease threats and identified major emerging disease threat to the military.		7,000
(3) This program increase represents funding to obtain FDA approval and purchase license for Adenovirus 4 and 7 vaccine. The last producer to make the Adenovirus vaccine ceased production. This funding re-establishes the capability to produce the adenovirus vaccine.		2,000
17. Total Increases		14,043

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C. Reconciliation of Increases and Decreases: Consolidated Health Support

18. Program Decreases

- a. Annualization of New FY 1999 Program
- b. One-Time FY 1999 Cost

(1) Reverse FY 1999 one-time Congressional increases

Pacific Island Health Care Program	(5,139)
Brown Tree Snakes	(1,027)
Disaster Management Training	(5,139)
Cancer Control Program	(5,756)
Prisoner of War Studies	(771)

c. Program Decreases in FY 2000

(1) This program decrease reflects Tricare Regional Lead Agent reductions from 11 to no more than 7, and reduction in the size of intermediate medical headquarters by 30 Sept 2001

(1,000)

(2) This program decrease reflects planned efficiencies resulting from the consolidation of the Military Health System (MHS) information technology execution functions and personnel into a single organization.

(1,000)

19. Total Decreases

(19,832)

20. FY 2000 Budget Request

877,524

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IV. Performance Criteria and Evaluation: Consolidated Health Support

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	Change <u>FY 1999/2000</u>
Active Duty Population	1,589,139	1,560,465	1,539,059	-21,406
Aeromedical Evacuation				
Air Force Flying Hours	19,368	18,136	18,136	0
Army Flying Hours	2,617	3,000	3,000	0

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V. Personnel Summary: Consolidated Health Support

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 1999/2000</u>
<u>Active Military End Strength</u>				
Officer	2,849	2,973	2,780	(193)
Enlisted	<u>7,410</u>	<u>7,596</u>	<u>6,593</u>	<u>(1,003)</u>
Summary	10,259	10,569	9,373	(1,196)
 <u>Civilian End Strength</u>				
US Direct Hire	6,040	5,801	5,658	(143)
Foreign National Direct Hire	<u>98</u>	<u>94</u>	<u>94</u>	<u>-</u>
Total Direct Hire	6,138	5,895	5,752	(143)
Foreign National Indirect Hire	<u>390</u>	<u>412</u>	<u>412</u>	<u>-</u>
Total Civilians	6,528	6,307	6,164	(143)
 <u>Active Military Work Years</u>				
Officer	2,844	2,911	2,877	(35)
Enlisted	<u>7,359</u>	<u>7,503</u>	<u>7,095</u>	<u>(409)</u>
Total Military	10,203	10,414	9,971	(443)
 <u>Civilian Work Years</u>				
US Direct Hire	5,987	5,683	5,614	(69)
Foreign National Direct Hire	97	94	94	-
Total Direct Hire	6,084	5,777	5,708	(69)
Foreign National Indirect Hire	<u>379</u>	<u>410</u>	<u>413</u>	<u>3</u>
Total Civilians	6,463	6,187	6,121	(66)
(Reimbursable Included Above - memo)	0	0	0	-

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Detail By Sub-Activity Group: **Information Management**

I. Description of Operations Financed: The TRICARE Management Activity manages all DoD health programs and provides planning, integration, program oversight, and policy formulation for the Military Health System (MHS). The MHS IM/IT program focuses on the implementation of Defense-wide standards to ensure integration, interoperability, and commonality within DoD. Included in the IM/IT program are six major initiatives: Composite Health Care System II (CHCS II) which supports new functions in the Computer-based Patient Record and integrates pertinent functions that currently exist, are in development or planned for more than 50 DoD and Service-specific legacy and interim migration automated information systems; Corporate Executive Information System (CEIS) designed to meet multi-level healthcare management information needs by providing the opportunity to consolidate and integrate data from the legacy systems; Defense Medical Logistics Standard Support System (DMLSS) will support the MHS in peacetime as well as wartime/contingencies, standardize intra-data and processes, reduce time that direct care providers and other health care personnel spend on logistics activities, and achieve integration and effective communication with other standard DoD systems; Theater Medical Information Program (TMIP) will support all echelons of care through integrating medical capabilities under a joint concept of operation to support seamless delivery of medical care; Health Standard Resources System (HSRS) is the MHS target system that will support all MHS standard resource management applications, functions, and reengineered business practices and will establish and manage a standards-based infrastructure within the MHS; and TRANSCOM Regulating And Command & Control Evacuation System (TRAC2ES) will be the automated decision support system designed to function within a global network to assist in the command and control of joint, combined, and component, inter- and intra-theater patient movement including medical regulating and patient evacuation for the ASD(HA), the Joint Staff, geographic CINCs, and the USTRANSCOM in The goal is to provide a global medical information capability linking information databases that are accessible to the warfighter anywhere. The Tri-Service Infrastructure Management Program Office will establish and manage a standards-based infrastructure within the MHS. The infrastructure program consists of three basic components: (1) a wide area network (WAN), deployed to all TRICARE regions, providing communication support for all medical information systems; (2) a local area network (LAN), which will provide unified backbone networks within medical treatment facilities; and (3) centralized network management, to include capacity planning, configuration management and security integration, which provides standardized support to all MHS facilities.

II. Force Structure Summary: This program funds the costs of the development for Business Area Automated Information Systems, then the deployment and sustainment of these systems at DoD Medical Treatment Facilities in support of military medical readiness and promotes quality health care services to members of the armed forces, their families, and others entitled to DoD healthcare.

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III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group

	FY 1998	FY 1999			FY 2000
		Budget	Current	FY 2000	
	<u>Actual</u>	<u>Request</u>	<u>Appropriation</u>	<u>Estimate</u>	<u>Estimate</u>
Central Information Management	225,068	274,371	297,871	256,568	299,138

B. Reconciliation Summary:

	Change	Change
	<u>FY 1999/1999</u>	<u>FY 1999/2000</u>
Baseline Funding	274,371	256,568
Congressional Adjustments	23,500	-
Supplemental Request	-	-
Price Change	(1,125)	3,849
Functional Transfer	-	-
Program Changes	<u>(40,178)</u>	<u>38,721</u>
Current Estimate	256,568	299,138

C. Reconciliation of Increases and Decreases

1. FY 1999 President's Budget Request	274,371
2. Congressional Adjustments	23,500
a. Military Health Services Information Mgmt System	8,500
b. Pacific Medical Network (PACMEDNET)	10,000
c. Personal Identification Card (PIC)	5,000
3. FY 1999 Appropriation Enacted	297,871
4. Proposed Supplemental	0
5. Transfers In	
Functional Transfer	
(1) Increase supports two interim migration systems, Source Data Collection System and Care Detail Information System, moved from TMA West to the DHP Information Management Program at TMA East.	8,697
6. Transfers Out	0
7. Price Growth	(1,125)

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8. Program Increases		
a. Annualization of New FY 1999 Program		0
b. One-Time FY 1999 Costs		0
c. Program Growth		0
(1) This program change reflects funding to support DHP costs associated with making medical information systems Y2K compliant.	1,125	
9. Total Increases		1,125
10. Program Decreases		
a. Annualization of New FY 1999 Program		0
b. One-Time FY 1999 Costs	(50,000)	
(1) This program change reflects an internal realignment of resources within the Defense Health Program appropriation to fund patient care as agreed upon by the Under Secretary of Defense (Personnel & Readiness), the Undersecretary of Defense (Comptroller), the three military departments, the three Surgeons Generals, the Assistant Secretary of Defense (Health Affairs), and the Executive Director, TRICARE Management Activity.		
c. Program Decreases in FY 2000		
11. Total Decreases		(50,000)
12. Revised FY 1999 Estimate		256,568
13. Price Growth		3,849
14. Transfers In		0
15. Transfers Out		0
16. Program Increases		
a. Annualization of New FY 1999 Program		0
b. One-Time FY 2000 Costs		
(1) Purchase Commercial Off-The-Shelf (COTS) Pharmacy System as directed by Department policy.	13,000	

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16. Program Increases (Continued)		
c. Regular Program Increases		
(1) Increase supports deployment, training and sustainment costs associated with the force health protection and immunization tracking products, a major new functionality of the Clinical Business Area. Also will support the fielding of software projects for the resources business area to support patient level accounting and medical manpower functionality. Lastly, supports additional sustainment funding to maintain legacy systems during their phase-out.	31,205	
(2) Restoral of FY 1999 Deferral This program change reflects an internal realignment of resources within the Defense Health Program appropriation to fund patient care as agreed upon by the Under Secretary of Defense (Personnel & Readiness), the Undersecretary of Defense (Comptroller), the three military departments, the three Surgeon Generals, the Assistant Secretary of Defense (Health Affairs), and the Executive Director, TRICARE Management Activity.	21,000	
17. Total Increases		65,205
18. Program Decreases		
a. One-Time FY 1999 Costs		
(1) Reversal of FY 1999 Congressionals		
a. Military Health Services Information Mgmt System	(8,628)	
b. Pacific Medical Network (PACMEDNET)	(10,150)	
c. Personal Information Card (PIC)	(5,075)	
b. Annualization of FY 1999 Program Decreases		0
c. Program Decreases in FY 2000		
(1) Decrease reflects legacy systems that have been phased out as part of Y2K strategy and better business practices.	(2,631)	
19. Total Decreases		(26,484)
20. FY 2000 Budget Request		299,138

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V. Personnel Summary (continued)

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change</u> <u>FY 1999/2000</u>
Active Military End Strength				
Officer	18	0	0	0
Enlisted	<u>1</u>	<u>0</u>	<u>0</u>	0
Total	0	0	0	0
 Civilian End Strength				
US Direct Hire	0	0	0	0
Foreign National Direct Hire	0	0	0	0
Total Direct Hire	0	0	0	0
Foreign National Indirect Hire	<u>0</u>	<u>0</u>	<u>0</u>	0
Total Civilians	0	0	0	0
 Active Military Work Years				
Officer	22	9	0	-9
Enlisted	<u>1</u>	<u>1</u>	<u>0</u>	<u>-1</u>
Total Military	23	10	0	-10
 <u>Civilian Work Years</u>				
US Direct Hire	0	0	0	0
Foreign National Direct Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Direct Hire	0	0	0	0
Foreign National Indirect Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Civilians	0	0	0	0

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Detail By Sub-Activity Group: **Management Activities**

I. Description of Operations Financed: This Sub-Activity Group comprises functions of the primary organizations which support delivery of patient care worldwide for the Military Health System (MHS): military department medical commands and the TRICARE Management Activity (TMA).

II. Force Structure Summary: Management Headquarters includes costs of operating U.S. Army Medical Command, the Office of the Army Surgeon General (OTSG), Army Medical Materiel Agency, and the Navy Bureau of Medicine and Surgery. The TRICARE Management Activity (TMA) is responsible for all resources associated with the management support of the MHS - the direct care system as well as the TRICARE Managed Care Support (MCS) contracts, CHAMPUS benefit payments, and other CHAMPUS related programs best administered under TMA purview. These programs include: the Active Duty Family Member Dental Program, mail order pharmacy programs, the Continuing Health Education/Capitalization of Assets Program (CHE/CAP), the Expanded Cancer Demonstration program, and management support of the central information management/technology program.

The TMA develops, provides, and maintains guidance for medical facility military construction projects throughout DoD to meet the wartime and peacetime mission of the MHS. The TMA is the operational arm of the Assistant Secretary of Defense (Health Affairs), which sets major policy for the Department. The TMA oversees and maintains the DoD Unified Medical Program resources for all medical activities.

III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group

	FY 1998 Actual	FY 1999			FY 2000 Estimate
		Budget Request	Appropriation	Current Estimate	
Management Headquarters	35,646	36,228	36,228	33,992	35,299
TRICARE Management Activity	143,807	128,784	128,784	144,087	159,469
Total	179,453	165,012	165,012	178,079	194,768

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B. Reconciliation Summary:

	Change <u>FY 1999/1999</u>	Change <u>FY 1999/2000</u>
Baseline Funding	165,012	178,079
Congressional Adjustments	-	-
Supplemental Request	-	-
Price Change	(593)	3,556
Functional Transfer	-	-
Program Changes	<u>13,660</u>	<u>13,133</u>
Current Estimate	178,079	194,768

C. Reconciliation of Increases and Decreases

1. FY 1999 President's Budget Request	165,012
2. Congressional Adjustments	0
3. FY 1999 Appropriation Enacted	0
4. Proposed Supplemental	0
5. Transfers In	

This transfer realigns resources from the Other Health Activities sub-activity group to the TRICARE Management Activity sub-activity group. These resources, which represent a share of TMA operations were displayed in Other Health Activities in the FY 1999 President's Budget in order to conform to a revised budget format.

52,968

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6.	Transfers Out		-8,697
	This program change reflects a shift of two interim migration systems from TRICARE Management Activity (West) to Central IM/IT in the National Capital Area.	-8,697	
7.	Price Growth		-593
8.	Program Increases		
	a. Annualization of New FY 1999 Program	0	
	b. One-Time FY 1999 Costs	0	
	c. Program Growth in FY 1999	0	
9.	Total Increases		0
10.	Program Decreases		
	a. Annualization of New FY 1999 Program	0	
	b. One-Time FY 1999 Costs	0	
	c. Program Growth in FY 1999		
	(1) This program change reflects an internal realignment of resources within the Defense Health Program appropriation to fund patient care as agreed upon by the Under Secretary of Defense (Personnel and Readiness), the Under Secretary of Defense (Comptroller), the three military departments, the three Surgeons General, the Assistant Secretary of Defense, Health Affairs, and the Executive Director, TRICARE Management Activity.	-29,000	
	(2) This program decrease represents lower contract costs and reduced FY 1999 requirements in the components' headquarters for equipment purchases due to lower than anticipated FY 1998 execution.	-1,611	
11.	Total Decreases		-30,611
12.	Revised FY 1999 Estimate		178,079

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13. Price Growth		3,556
14. Transfers In		0
15. Transfers Out		0
16. Program Increases		
a. Annualization of New FY 1999 Program	0	
b. One-Time FY 2000 Costs	0	
c. Program Growth in FY 2000	0	
This program increase partially restores a FY 1999 migration out of the Management Activities budget activity group to fund direct patient care activities in the DHP.	14,000	
17. Total Increases		14,000
18. Program Decreases		
a. One-Time FY 1999 Costs	0	
b. Annualization of FY 1999 Program Decreases	0	
c. Program Decreases in FY 2000		
This program decrease reduces civilian endstrength at management headquarters consistent with Departmental directives to downsize management as addressed in the Quadrenneial Defense Review (QDR).	-867	
19. Total Decreases		-867
20. FY 2000 Budget Request		194,768

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IV. Performance Criteria and Evaluation: Management Activities

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change</u> <u>FY 1999/2000</u>
Total Worldwide User Population				
Active Duty	1,589,139	1,560,465	1,539,059	(21,406)
Dependents of Active Duty	2,119,169	2,096,510	2,069,216	(27,294)
CHAMPUS Eligible Retirees	706,443	702,325	696,430	(5,895)
CHAMPUS Eligible Dependents of Retirees	1,204,934	1,194,067	1,188,173	(5,894)
Medicare Eligible Beneficiaries	<u>338,977</u>	<u>352,522</u>	<u>365,988</u>	<u>13,466</u>
Total Population	5,958,662	5,905,889	5,858,866	(47,023)

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V. Personnel Summary

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 1999/2000</u>
Active Military End Strength				
Officer	299	309	304	(5)
Enlisted	86	81	86	5
Total Military	385	390	390	-
Civilian End Strength				
US Direct Hire	735	732	718	(14)
Foreign National Direct Hire	-	-	-	-
Total Direct Hire	735	732	718	(14)
Foreign National Indirect Hire	-	-	-	-
Total Civilians	735	732	718	(14)
Active Military Work Years				
Officer	284	304	307	3
Enlisted	87	84	84	-
Total Military	371	388	390	3
Civilian Work Years				
US Direct Hire	725	737	718	(19)
Foreign National Direct Hire	-	-	-	-
Total Direct Hire	725	737	718	(19)
Foreign National Indirect Hire	-	-	-	-
Total Civilians	725	737	718	(19)
(Reimbursable Included Above - memo)	0	0	0	-

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Detail By Sub-Activity Group: **Education and Training**

I. Description of Operations Financed: This Sub-activity Group provides support for worldwide medical education and training of active duty personnel, civilian personnel and students. It includes the Armed Forces Health Professions Scholarship Program (AFHPSP), the Financial Assistance Program (FAP) residencies, and other pre-commissioning professional scholarship programs. Manpower authorizations, equipment and associated costs specifically identified and measurable to the conduct of officer acquisition in designated health professions are also included. The Uniformed Services University of the Health Sciences (USUHS) program provides for the education of military physicians and graduate education programs leading to a masters or doctoral degrees in the biological sciences.

Also included are other education and training requirements such as professional development and specialized skills training. Professional development provides career officer and enlisted medical personnel with training and education to prepare them to perform increasingly complex responsibilities as they progress in their military careers. Specialized skills provide officer, enlisted, and civilian medical personnel with the skills and knowledge needed to perform specific jobs.

II. Force Structure Summary: Education and training resources provide tuition and other educational expenses for the AFHPSP and the FAP residencies. The USUHS' costs include students and staff personnel costs as well as all other operation and maintenance type costs associated with the University. The remaining costs are those identified for professional development education and training programs and specialized skills training to match job structure requirements.

III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group

	FY 1999				FY 2000 Estimate
	FY 1998 Actual	Budget Request	Appropriation	Current Estimate	
HPSP	83,327	84,959	84,959	78,854	80,737
USUHS	74,270	55,760	64,560	73,630	65,461
Other Education and Training	<u>175,347</u>	<u>157,561</u>	<u>157,561</u>	<u>154,223</u>	<u>166,618</u>
Total	332,944	298,280	307,080	306,707	312,816

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B. Reconciliation Summary:

	Change	Change
	<u>FY 1999/1999</u>	<u>FY 1999/2000</u>
Baseline Funding	298,280	306,707
Congressional Adjustments	8,800	0
Supplemental Request	0	0
Price Change	-373	11,294
Functional Transfer	0	0
Program Changes	<u>0</u>	<u>-5,185</u>
Current Estimate	306,707	312,816

C. Reconciliation of Increases and Decreases

1. FY 1999 President's Budget Request	298,280
2. Congressional Adjustments	8,800
This program increase reflects congressionally mandated adds to fund the following programs at USUHS:	
a. Graduate School of Nursing	2,300
b. Military Nursing Program	5,000
c. Brain Injury treatment	1,500
3. FY 1999 Appropriation Enacted	307,080
4. Proposed Supplemental	0
5. Transfers In	0
6. Transfers Out	0
7. Price Growth	-373
8. Program Increases	
a. Annualization of New FY 1999 Program	0
b. One-Time FY 1999 Costs	0
c. Program Growth in FY 1999	0
9. Total Increases	0

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10. Program Decreases			
a. Annualization of New FY 1999 Program		0	
b. One-Time FY 1999 Costs		0	
c. Program Growth in FY 1999		0	
11. Total Decreases			0
12. Revised FY 1999 Estimate			306,707
13. Price Growth			11,294
14. Transfers In			0
15. Transfers Out			0
16. Program Increases			
a. Annualization of New FY 1999 Program		0	
b. One-Time FY 2000 Costs		0	
c. Program Growth in FY 2000			
This program increase reflects medical readiness training for initial and sustainment training of Air Force and Navy personnel on deployable medical systems (DEPMEDS).		3,885	
17. Total Increases			3,885
18. Program Decreases			
a. One-Time FY 1999 Costs		0	
This program decrease reverses FY 1999 congressional adds:			-9,070
(1) Graduate School of Nursing		-2,371	
(2) Military Nursing Program		-5,153	
(3) Brain Injury treatment		-1,546	
b. Annualization of FY 1999 Program Decreases		0	
c. Program Decreases in FY 2000		0	
19. Total Decreases			0
20. FY 2000 Budget Request			312,816

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IV. Performance Criteria and Evaluation: Education and Training

Officer Acquisition				Change
Workload Indicator	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 1999/2000</u>
Scholarship Programs	-	-	-	-
Financial Assistance Programs	-	-	-	-
Total	-	-	-	-
 Specialty Summary				
Medical				
HPSP	3,162	2,784	2,669	(115)
FAP	232	286	275	(11)
Dental				
HPSP	701	716	708	(8)
FAP	14	32	29	(3)
Nurse				
HPSP	13	12	12	-
FAP	-	-	-	-
Allied Health				
HPSP	101	96	93	(3)
FAP	-	-	-	-
Total				
HPSP	3,977	3,608	3,482	(126)
FAP	246	318	304	(14)

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IV. Performance Criteria and Evaluation: Education and Training (continued)

Officer Acquisition				Change
Student Load Summary	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 1999/2000</u>
Scholarship Programs				
Entrants	2,117	1,802	1,682	(120)
Graduates	1,945	1,866	1,764	(102)
Loads	3,976	3,838	3,726	(111)
Financial Assistance Programs				
Entrants	174	228	223	(5)
Graduates	177	276	236	(40)
Loads	368	413	351	(62)
Total Programs				
Entrants	2,291	2,030	1,905	(125)
Graduates	2,122	2,142	2,000	(142)
Loads	4,344	4,251	4,077	(174)

Uniformed Services University of the Health Sciences

Workload Indicator				Change
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 1999/2000</u>
USUHS				
Entrants	36	35	35	-
Graduates	90	103	101	(2)
Loads	621	636	636	-

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IV. Performance Criteria and Evaluation: Education and Training (continued)

Professional Development and Specialized Skills

Student Load Summary	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 1999/2000</u>
USUHS				
Entrants	168	165	165	-
Graduates	145	166	163	(3)
Loads	664	663	665	2

Workload Indicator	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 1999/2000</u>
Professional Development				
Enlisted Leadership Training	1,428	1,253	1,645	392
Graduate Education, Funded, Full Time	2,220	2,154	2,189	35
Health Professions Education	<u>5,473</u>	<u>5,026</u>	<u>6,733</u>	<u>1,706</u>
Total	9,121	8,433	10,567	2,134

Specialized Skills Training				
Initial Skills Training (Enlisted)	17,803	17,904	20,842	2,938
Skill Progression Training (Enlisted)	11,108	12,330	13,829	1,499
Initial Skill Training (Officer)	38,035	38,649	45,095	6,446
Skill Progression Training (Officer)	12,692	10,949	16,178	5,229
Functional Trng (Officer & Enlisted)	<u>12,795</u>	<u>11,631</u>	<u>12,368</u>	<u>737</u>
Total	92,434	91,463	108,312	16,849

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IV. Performance Criteria and Evaluation: Education and Training (continued)

Student Load Summary	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 1999/2000</u>
Enlisted Leadership Training				
Entrants	1,428	1,080	1,332	252
Graduates	1,314	994	1,225	231
Loads	75	52	57	5
 Graduate Education, Funded, Full Time				
Entrants	2,826	2,424	2,386	(38)
Graduates	2,486	2,432	2,421	(11)
Loads	4,467	3,676	3,674	(2)
 Health Professions Education				
Entrants	5,778	4,872	6,154	1,282
Graduates	5,676	4,772	6,041	1,269
Loads	426	442	470	29
 Initial Skills Training (Enlisted)				
Entrants	20,642	21,632	25,252	3,619
Graduates	19,414	20,295	21,098	803
Loads	5,788	4,964	5,895	930
 Skill Progression Training (Enlisted)				
Entrants	14,202	17,248	18,947	1,699
Graduates	12,551	15,615	18,318	2,703
Loads	3,947	4,071	3,872	(198)

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IV. Performance Criteria and Evaluation: Education and Training (continued)

Student Load Summary	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change</u> <u>FY 1999/2000</u>
Initial Skill Training (Officer)				
Entrants	6,641	6,450	6,193	(257)
Graduates	6,168	6,264	5,755	(509)
Loads	1,271	981	971	(10)
 Skill Progression Training (Officer)				
Entrants	12,960	11,041	15,441	4,400
Graduates	12,731	10,898	15,286	4,388
Loads	1,082	830	1,160	330
 Functional Trng (Officer & Enlisted)				
Entrants	48,508	54,571	54,675	104
Graduates	45,520	52,682	52,770	88
Loads	1,064	907	904	(3)

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V. Personnel Summary

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change</u> <u>FY 1999/2000</u>
<u>Active Military End Strength</u>				
Officer	7,364	7,532	7,514	(18)
Enlisted	7,578	6,622	6,449	(173)
Total Military	14,942	14,154	13,963	(191)
 <u>Civilian End Strength</u>				
US Direct Hire	1,368	1,273	1,270	(3)
Foreign National Direct Hire	-	-	-	-
Total Direct Hire	1,368	1,273	1,270	(3)
Foreign National Indirect Hire	7	7	7	-
Total Civilians	1,375	1,280	1,277	(3)
 <u>Active Military Work Years</u>				
Officer	7,590	7,448	7,523	75
Enlisted	7,023	7,100	6,536	(565)
Total Military	14,612	14,548	14,059	(490)
 <u>Civilian Work Years</u>				
US Direct Hire	1,343	1,237	1,236	(1)
Foreign National Direct Hire	-	-	-	-
Total Direct Hire	1,343	1,237	1,236	(1)
Foreign National Indirect Hire	6	6	6	-
Total Civilians	1,349	1,243	1,242	(1)
 (Reimbursable Included Above - memo)	 0	 0	 0	 -

**Defense Health Program
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Detail By Sub-Activity Group: **Base Operations/Communications**

I. Descriptions of Operations Financed: Base Operations (BASOPS)/Communications refers to the resources dedicated to the operation and maintenance of Defense Health Program (DHP) facilities. The DHP's BASOPS provides for facilities and services at military medical activities supporting active duty combat forces, reserve and guard components, training, military dependents, eligible retirees, and family members. The program consists of seven components:

Environmental - costs required to comply with environmental laws, regulations, criteria, and standards. This applies to manpower, training, travel, and supplies.

Minor Construction - all construction costs less than the statutory maximum amount for minor military construction projects as established by Section 2805 of Title 10 U.S.C. in support of medical centers and other installations with a primary mission of health care.

Maintenance and Repair - costs required to execute maintenance and repair of utilities, buildings, other facilities, pavements, land and grounds. This includes, but is not limited to, such things as repair of electrical circuitry, heating and air conditioning, water piping, and routine maintenance work (e.g., caulking and painting) in medical centers and other installations with a primary mission of health care.

Visual Information Systems - costs required to provide manpower, travel, contractual service, procurement of supplies and materials, expense equipment, necessary facilities and the associated costs specifically identifiable to visual information productions, services and support.

Base Communications - costs required to provide base communication resources to DHP medical activities. This includes non-tactical, non-DCS base communication facilities and equipment systems that provide local communications worldwide to installations and activities.

Base Operations Support - costs required to provide comptroller services, ADP services, information activities, legal activities, civilian personnel administration, military personnel administration, printing and reproduction, installation safety, management analysis/engineering services, retail supply operations, supply activities, procurement operations, storage activities, transportation activities, physical security and police activities, laundry and dry cleaning, food services and moral, welfare and recreation activities.

Real Property Services - costs include purchase of utilities, air conditioning and refrigeration, utility fuels, fire protection, crash rescue, snow and ice removal, entomological services, elevator maintenance/inspections, custodial services, refuse collection and disposal, sewer and waste systems, rental of real property, facility engineering and public works management, other installation engineering services and other annual service requirements performed in-house or by contract.

**Defense Health Program
FY 2000/2001 Biennial Budget Estimate
Operations and Maintenance**

II. Force Structure Summary:

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Hospitals/Medical Centers	108	102	98
Medical Clinics	480	489	489

III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group

	FY 1998 <u>Actual</u>	FY 1999			FY 2000 <u>Estimate</u>
		Budget <u>Request</u>	<u>Appropriation</u>	Current <u>Estimate</u>	
Minor Construction - CONUS	42,288	33,573	33,573	29,761	27,617
Minor Construction - OCONUS	2,206	8,469	8,469	8,447	1,951
Maintenance and Repair - CONUS	283,005	272,117	272,117	149,743	288,636
Maintenance and Repair - OCONUS	58,071	48,082	50,202	67,737	51,278
Real Property Services - CONUS	203,354	232,773	232,773	217,961	207,457
Real Property Services - OCONUS	20,566	31,304	31,304	23,477	23,861
Base Communications - CONUS	38,822	41,719	41,719	44,223	44,308
Base Communications - OCONUS	4,397	5,018	5,018	4,215	4,296
Base Operations - CONUS	252,443	287,529	289,529	268,854	256,183
Base Operations - OCONUS	28,510	25,407	25,407	26,563	27,384
Environmental Conservation	504	3,124	3,124	3,650	3,257
Pollution Prevention	1,994	417	417	483	457
Environmental Compliance	23,180	18,443	18,443	19,570	20,158
Visual Information Systems	7,703	8,314	8,314	7,584	7,799
Total	967,043	1,016,289	1,020,409	872,268	964,642

**Defense Health Program
FY 2000/2001 Biennial Budget Estimate
Operations and Maintenance**

B. Reconciliation Summary:

	Change <u>FY 1999/1999</u>	Change <u>FY 1999/2000</u>
Baseline Funding	1,016,289	872,268
Congressional Adjustments	-	-
Supplemental Request	4,120	-
Price Change	(3,606)	18,529
Functional Transfer	-	-
Program Changes	<u>(144,535)</u>	<u>73,845</u>
Current Estimate	872,268	964,642

C. Reconciliation of Increases and Decreases

1. FY 1999 President's Budget Request	1,016,289
2. Congressional Adjustments	0
Supplemental - Omnibus Storm Damage, Fisher House	4,120
3. FY 1999 Appropriation Enacted	1,020,409
4. Proposed Supplemental	0
5. Transfers In	0
Real Property Services Transfer from Army	1,500
6. Transfers Out	0
Real Property Services Transfer to Army	(3,500)
7. Price Growth	(3,606)
8. Program Increases	0
9. Program Decreases	
This net program decrease reflects an internal realignment of resources within the Defense Health Program appropriation to fund patient care as agreed upon by the Under Secretary of Defense (Personnel and Readiness), the Under Secretary of Defense (Comptroller), the three military departments, the three Surgeons General, the Assistant Secretary of Defense, Health Affairs and the Executive Director, TRICARE Management Activity.	(142,535)
10. Revised FY 1999 Estimate	872,268

**Defense Health Program
FY 2000/2001 Biennial Budget Estimate
Operations and Maintenance**

C. Reconciliation of Increases and Decreases (continued)

11. Price Growth	18,529
12. Transfers In	0
13. Transfers Out	
DHP to Navy for Fisher House	(300)
14. Program Increases	
This net program increase reflects an internal realignment of resources within the Defense Health Program appropriation to fund patient care as agreed upon by the Under Secretary of Defense (Personnel and Readiness), the Under Secretary of Defense (Comptroller), the three military departments, the three Surgeons General, the Assistant Secretary of Defense, Health Affairs, and the Executive Director, TRICARE Management Activity.	78,352
15. Program Decreases	
Supplemental Reversal	(4,207)
16. FY 2000 Budget Request	964,642

V. Personnel Summary

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 1999/2000</u>
<u>Active Military End Strength</u>				
Officer	760	773	769	(4)
Enlisted	2,263	2,189	2,182	(7)
Total Military	3,023	2,962	2,951	(11)
 <u>Civilian End Strength</u>				
US Direct Hire	3,217	3,017	2,855	(162)
Foreign National Direct Hire	67	54	52	(2)
Total Direct Hire	3,284	3,071	2,907	(164)
Foreign National Indirect Hire	107	115	114	(1)
Total Civilians	3,391	3,186	3,021	(165)

**Defense Health Program
FY 2000/2001 Biennial Budget Estimate
Operations and Maintenance**

V. Personnel Summary (continued)

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 1999/2000</u>
<u>Active Military Work Years</u>				
Officer	766	767	771	4
Enlisted	<u>2,267</u>	<u>2,226</u>	<u>2,186</u>	<u>(40)</u>
Total Military	3,033	2,993	2,957	(36)
 <u>Civilian Work Years</u>				
US Direct Hire	3,216	2,979	2,829	(150)
Foreign National Direct Hire	<u>57</u>	<u>54</u>	<u>52</u>	<u>(2)</u>
Total Direct Hire	3,273	3,033	2,881	(152)
Foreign National Indirect Hire	<u>111</u>	<u>111</u>	<u>110</u>	<u>(1)</u>
Total Civilians	3,384	3,144	2,991	(153)
 (Reimbursable Included Above - memo)	 0	 0	 0	

DEFENSE HEALTH PROGRAM
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 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Summary</u>	<u>FY 1998</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
308	Travel of Persons	167,192	-8		1.10%	1,839	-25,654	143,369
399	Total Travel	167,192	-8			1,839	-25,654	143,369
401	DFSC Fuel	24,987	0		-8.80%	-2,199	-1,052	21,736
402	Service Fund Fuel	114	0		-8.80%	-10	7	111
411	Army Sup & Mat	203,528	0		7.60%	15,468	-38,897	180,099
412	Navy Sup & Mat	11,427	0		-5.80%	-663	379	11,143
414	AF Sup & Mat	434	0		0.40%	2	5	441
415	DLA Sup & Mat	93,385	0		-1.00%	-934	-849	91,602
416	GSA Sup & Mat	20,022	0		1.10%	220	-23	20,219
417	Local Proc Sup & Mat	736,552	-76		3.56%	26,209	-54,479	708,206
499	Total Sup & Mat	1,090,449	-76			38,094	-94,909	1,033,558
502	Army Fund Equipt	3,484	0		7.60%	265	0	3,749
503	Navy Fund Equipt	7,755	0		-5.80%	-450	-43	7,262
505	AF Fund Equipt	44,977	0		0.40%	180	-30,050	15,107
506	DLA Fund Equipt	2,032	0		-1.00%	-20	-4	2,008
507	GSA Fund Equipt	9,247	0		1.10%	102	-295	9,054
599	Total Fund Equipt	67,495	0			76	-30,392	37,179
602	Army Depot Cmd Maint	12	0		12.70%	2	-2	12
611	Naval Surface War Ctr	97	0		1.60%	2	50	149
615	Data Automat Ctr Navy	127	0		-11.40%	-14	26	139
620	Fleet Aux Ships Navy	0	0		0.00%	0	0	0

DEFENSE HEALTH PROGRAM
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OPERATION AND MAINTENANCE
SUMMARY OF PRICE AND PROGRAM CHANGE
(\$ in Thousands)

<u>Line</u>	<u>Summary</u>	Foreign		<u>Price Growth</u>		Program <u>Growth</u>	FY 1999 <u>Program</u>
		FY 1998 <u>Program</u>	Currency <u>Adjust</u>	Percent	Amount		
630	Naval Rsch Lab	8	0	4.90%	0	3	11
631	Naval Civil Engrn Ctr	1,058	0	-0.60%	-6	-824	228
633	Naval Pub & Prnt Svc	2,709	0	5.70%	154	-11	2,852
634	Nav Pub Wrks Ctr: Utilities	32,523	0	-9.30%	-3,025	-26	29,472
635	Nav Pub Wrks Ctr: Pub Wrks	74,495	0	-1.40%	-1,043	-41,221	32,231
637	Naval Shipyards	6	0	-12.10%	-1	0	5
653	Airlift Svcs Trng & Ops	19,200	0	3.70%	710	-378	19,532
671	Communications Svc	6,891	0	-0.60%	-41	84	6,934
673	Def Finance & Acct Svc	73,733	0	3.70%	2,728	-2,925	73,536
679	Cost Reimbursible Svc	411	0	1.10%	5	15	431
699	Total Purchases	211,270	0		-530	-45,209	165,531
701	MAC Cargo	69	0	7.00%	5	-12	62
702	MAC SAAM	0	0	0.00%	0	0	0
711	MSC Cargo	8	0	-19.80%	-2	1	7
721	MTMC Port Handling	0	0	0.00%	0	0	0
725	MTMC Other	210	0	0.00%	0	0	210
771	Commercial Transportation	8,196	1	1.10%	90	-21	8,266
799	Total Transportation	8,483	1		93	-32	8,545
9XX	Civ Pay Reimburs Host	1,707,397	-1,878	3.40%	57,988	-95,118	1,668,389
901	Foreign Nat Ind Hire	40,649	367	3.40%	1,395	2,382	44,793
902	Separation Liability	6,641	0	3.40%	226	-5,952	915
912	Rental Pay to GSA	11,616	0	1.10%	128	1,272	13,016
913	Purchased Utilities	47,025	0	1.10%	517	18,794	66,336

DEFENSE HEALTH PROGRAM
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 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Summary</u>	Foreign				Program <u>Growth</u>	FY 1999 <u>Program</u>
		FY 1998 <u>Program</u>	Currency <u>Adjust</u>	<u>Price Growth</u>			
				<u>Percent</u>	<u>Amount</u>		
914	Purchased Communica	47,495	0	1.10%	522	6,457	54,474
915	Rents non GSA	19,110	-76	1.10%	209	-314	18,929
917	Postal Svcs	1,925	0	0.00%	0	-84	1,841
920	Supplies & Mat	340,048	63	3.08%	10,477	-9,178	341,410
921	Printing & Reproduct	14,888	0	1.10%	164	-257	14,795
922	Equipt Maint Contract	84,141	-5	1.10%	925	-270	84,791
923	Facility Maint Contract	97,502	0	1.10%	1,073	-53,764	44,811
925	Equipt Purchases	152,073	80	3.03%	4,608	-29,447	127,314
926	Overseas Purchases	1,675	0	1.60%	27	-47	1,655
930	Other Depot Maint	31,041	0	1.10%	341	1,919	33,301
931	Contract Consultants	4,546	0	1.10%	50	-4,619	-23
932	Mgmt & Prof Spt Svc	10,135	0	1.10%	111	1,746	11,992
933	Studies Analysis Eval	30,283	0	1.10%	333	11,752	42,368
934	Engineering Tech Svc	982	0	1.10%	11	-52	941
937	Fuel	512	0	1.60%	8	-31	489
988	Grants	14,000	0	1.10%	154	-6,208	7,946
989	Other Contracts	5,674,793	-39	3.52%	199,566	6,656	5,880,975
998	Other Costs	47,446	-1,497	2.00%	921	-3,012	43,858
999	Total Purchases	8,385,923	-2,985		279,754	-157,374	8,505,318
9999	TOTAL	9,930,812	-3,068		319,328	-353,570	9,893,501

DEFENSE HEALTH PROGRAM
 FY 2000/2001 BIENNIAL BUDGET ESTIMATE
 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Summary</u>	<u>FY 1999</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
308	Travel of Persons	143,369	0		1.50%	2,151	-7,183	138,337
399	Total Travel	143,369	0			2,151	-7,183	138,337
401	DFSC Fuel	21,736	0		-25.30%	-5,499	3,065	19,302
402	Service Fund Fuel	111	0		-25.30%	-28	10	93
411	Army Sup & Mat	180,099	0		1.60%	2,882	1,974	184,955
412	Navy Sup & Mat	11,143	0		-4.30%	-479	384	11,048
414	AF Sup & Mat	441	0		4.10%	18	0	459
415	DLA Sup & Mat	91,602	0		4.70%	4,305	1,329	97,236
416	GSA Sup & Mat	20,219	0		1.50%	303	-55	20,468
417	Local Proc Sup & Mat	708,206	2,320		3.77%	26,810	-39,583	697,754
499	Total Sup & Mat	1,033,558	2,320			28,312	-32,876	1,031,314
502	Army Fund Equipt	3,749	0		1.60%	60	0	3,809
503	Navy Fund Equipt	7,262	0		-4.30%	-312	51	7,001
505	AF Fund Equipt	15,107	0		4.10%	619	0	15,726
506	DLA Fund Equipt	2,008	0		4.70%	94	-21	2,081
507	GSA Fund Equipt	9,054	0		1.50%	136	-107	9,083
599	Total Fund Equipt	37,179	0			597	-77	37,700
602	Army Depot Cmd Maint	12	0		5.90%	1	-1	11
611	Naval Surface War Ctr	149	0		3.50%	5	-1	153
615	Data Automat Ctr Navy	139	0		10.20%	14	14	167
620	Fleet Aux Ships Navy	0	0		0.00%	0	0	0

DEFENSE HEALTH PROGRAM
 FY 2000/2001 BIENNIAL BUDGET ESTIMATE
 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Summary</u>	Foreign		<u>Price Growth</u>		<u>Program Growth</u>	<u>FY 2000 Program</u>
		<u>FY 1999 Program</u>	<u>Currency Adjust</u>	<u>Percent</u>	<u>Amount</u>		
630	Naval Rsch Lab	11	0	2.70%	0	-1	11
631	Naval Civil Engrn Ctr	228	0	3.10%	7	5	240
633	Naval Pub & Prnt Svc	2,852	0	-0.60%	-17	-196	2,639
634	Nav Pub Wrks Ctr: Utilities	29,472	0	-0.80%	-236	2,507	31,744
635	Nav Pub Wrks Ctr: Pub Wrks	32,231	0	1.90%	612	27,780	60,623
637	Naval Shipyards	5	0	8.30%	0	0	6
653	Airlift Svcs Trng & Ops	19,532	0	0.00%	0	0	19,532
671	Communications Svc	6,934	0	16.20%	1,123	158	8,215
673	Def Finance & Acct Svc	73,536	0	3.70%	2,721	45	76,302
679	Cost Reimbursible Svc	431	0	1.50%	6	-6	431
699	Total Purchases	165,531	0		4,238	30,304	200,073
701	MAC Cargo	62	0	0.00%	0	-4	58
702	MAC SAAM	0	0	0.00%	0	0	0
711	MSC Cargo	7	0	0.00%	0	1	8
721	MTMC Port Handling	0	0	0.00%	0	0	0
725	MTMC Other	210	0	0.00%	0	0	210
771	Commercial Transportation	8,266	0	1.50%	124	-95	8,295
799	Total Transportation	8,545	0		124	-98	8,571
9XX	Civ Pay Reimburs Host	1,668,389	0	4.20%	70,072	-46,444	1,692,017
901	Foreign Nat Ind Hire	44,793	0	4.20%	1,881	1,189	47,863
902	Separation Liability	915	0	4.20%	38	-189	764
912	Rental Pay to GSA	13,016	0	1.50%	195	-4	13,207
913	Purchased Utilities	66,336	0	1.50%	995	-11,522	55,809

DEFENSE HEALTH PROGRAM
FY 2000/2001 BIENNIAL BUDGET ESTIMATE
OPERATION AND MAINTENANCE
SUMMARY OF PRICE AND PROGRAM CHANGE
(\$ in Thousands)

<u>Line</u>	<u>Summary</u>	Foreign				<u>Program Growth</u>	<u>FY 2000 Program</u>
		<u>FY 1999 Program</u>	<u>Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>		
914	Purchased Communica	54,474	0	1.50%	817	-2,429	52,863
915	Rents non GSA	18,929	0	1.50%	284	-69	19,144
917	Postal Svcs	1,841	0	0.00%	0	-1	1,840
920	Supplies & Mat	341,410	2,180	3.36%	11,555	-4,819	350,327
921	Printing & Reproduct	14,795	0	1.50%	222	-24	14,993
922	Equipt Maint Contract	84,791	0	1.50%	1,272	5,473	91,536
923	Facility Maint Contract	44,811	0	1.50%	672	12,573	58,056
925	Equipt Purchases	127,314	900	3.30%	4,226	-9,686	122,754
926	Overseas Purchases	1,655	0	1.60%	26	-2	1,679
930	Other Depot Maint	33,301	0	1.50%	500	353	34,154
931	Contract Consultants	-23	0	1.50%	0	0	-23
932	Mgmt & Prof Spt Svc	11,992	0	1.50%	180	-238	11,934
933	Studies Analysis Eval	42,368	0	1.50%	636	-264	42,740
934	Engineering Tech Svc	941	0	1.50%	14	-15	940
937	Fuel	489	0	1.60%	8	7	504
988	Grants	7,946	0	1.50%	119	0	8,065
989	Other Contracts	5,880,975	0	3.64%	214,297	296,143	6,391,415
998	Other Costs*	43,858	0	2.15%	943	4,310	49,111
999	Total Purchases	8,505,318	3,080		308,953	244,341	9,061,692
9999	TOTAL	9,893,501	5,400		344,375	234,411	10,477,687

DEFENSE HEALTH PROGRAM
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 SUMMARY OF PRICE AND PROGRAM CHANGE
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<u>Line</u>	<u>In-House Care</u>	<u>FY 1998</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
308	Travel of Persons	54,574	-6		0.011	600	-6,153	49,015
399	Total Travel	54,574	-6			600	-6,153	49,015
401	DFSC Fuel	399	0		-0.088	-35	4	368
402	Service Fund Fuel	20	0		-0.088	-2	0	18
411	Army Sup & Mat	192,974	0		0.076	14,666	-39,395	168,245
412	Navy Sup & Mat	9,043	0		-0.058	-524	339	8,858
414	AF Sup & Mat	116	0		0.004	0	0	116
415	DLA Sup & Mat	77,528	0		-0.010	-775	-837	75,916
416	GSA Sup & Mat	16,631	0		0.011	183	22	16,836
417	Local Proc Sup & Mat	696,541	-71		0.037	25,769	-50,463	671,776
499	Total Sup & Mat	993,252	-71			39,282	-90,330	942,133
502	Army Fund Equipt	1,781	0		0.076	135	0	1,916
503	Navy Fund Equipt	7,488	0		-0.058	-434	11	7,065
505	AF Fund Equipt	39,504	0		0.004	158	-30,050	9,612
506	DLA Fund Equipt	1,156	0		-0.010	-12	1	1,145
507	GSA Fund Equipt	4,734	0		0.011	52	-47	4,739
599	Total Fund Equipt	54,663	0			-100	-30,085	24,478
602	Army Depot Cmd Maint	4	0		0.127	1	-1	4
611	Naval Surface War Ctr	30	0		0.016	0	19	49
615	Data Automat Ctr Navy	34	0		-0.114	-4	4	34
620	Fleet Aux Ships Navy	0	0		-0.208	0	0	0

DEFENSE HEALTH PROGRAM
 FY 2000/2001 BIENNIAL BUDGET ESTIMATE
 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>In-House Care</u>	<u>FY 1998</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
630	Naval Rsch Lab	3	0		0.049	0	0	3
631	Naval Civil Engrn Ctr	0	0		-0.006	0	0	0
633	Naval Pub & Prnt Svc	985	0		0.057	56	-63	978
634	Nav Pub Wrks Ctr: Utilities	0	0		-0.093	0	0	0
635	Nav Pub Wrks Ctr: Pub Wrks	8,369	0		-0.014	-117	472	8,724
637	Naval Shipyards	0	0		-0.121	0	0	0
653	Airlift Svcs Trng & Ops	0	0		0.037	0	0	0
671	Communications Svc	103	0		-0.006	-1	9	111
673	Def Finance & Acct Svc	0	0		0.037	0	0	0
679	Cost Reimbursible Svc	138	0		0.011	2	2	142
699	Total Purchases	9,666	0			-63	442	10,045
701	MAC Cargo	5	0		0.070	0	0	5
702	MAC SAAM	0	0		0.009	0	0	0
711	MSC Cargo	0	0		-0.198	0	0	0
721	MTMC Port Handling	0	0		-0.308	0	0	0
725	MTMC Other	0	0		0.000	0	0	0
771	Commercial Transportation	2,297	-7		0.011	25	-2	2,313
799	Total Transportation	2,302	-7			26	-2	2,319
9XX	Civ Pay Reimburs Host	1,220,610	-1,270		0.034	41,458	-73,154	1,187,643
901	Foreign Nat Ind Hire	27,666	217		0.034	948	2,108	30,940
902	Separation Liability	4,744	0		0.034	161	-4,256	649
912	Rental Pay to GSA	1,353	0		0.011	15	0	1,368
913	Purchased Utilities	186	0		0.011	2	-2	186

DEFENSE HEALTH PROGRAM
 FY 2000/2001 BIENNIAL BUDGET ESTIMATE
 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>In-House Care</u>	Foreign				Program <u>Growth</u>	FY 1999 <u>Program</u>
		FY 1998 <u>Program</u>	Currency <u>Adjust</u>	<u>Price Growth</u>			
				<u>Percent</u>	<u>Amount</u>		
914	Purchased Communica	773	0	0.011	9	16	798
915	Rents non GSA	14,293	0	0.011	157	-91	14,359
917	Postal Svcs	3	0	0.000	0	0	3
920	Supplies & Mat	259,029	57	0.037	9,586	-3,043	265,629
921	Printing & Reproduct	4,605	0	0.011	51	-115	4,541
922	Equipt Maint Contract	57,945	0	0.011	637	-1,881	56,701
923	Facility Maint Contract	255	0	0.011	3	103	361
925	Equipt Purchases	112,764	80	0.037	4,175	-21,958	95,061
926	Overseas Purchases	1,276	0	0.016	20	8	1,304
930	Other Depot Maint	31	0	0.011	0	0	31
931	Contract Consultants	0	0	0.011	0	0	0
932	Mgmt & Prof Spt Svc	263	0	0.011	3	-267	-1
933	Studies Analysis Eval	74	0	0.011	1	11,287	11,362
934	Engineering Tech Svc	8	0	0.011	0	0	8
937	Fuel	98	0	0.016	2	-9	91
988	Grants	0	0	0.011	0	0	0
989	Other Contracts	523,478	-47	0.037	19,367	368,815	911,614
998	Other Costs*	7,159	-1,497	0.037	209	-4,515	1,356
999	Total Purchases	2,236,614	-2,460		76,804	273,046	2,584,004
9999	TOTAL	3,351,071	-2,544		116,549	146,918	3,611,994

DEFENSE HEALTH PROGRAM
 FY 2000/2001 BIENNIAL BUDGET ESTIMATE
 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>In-House Care</u>	<u>FY 1999</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
308	Travel of Persons	49,015	0		0.015	735	-237	49,513
399	Total Travel	49,015	0			735	-237	49,513
401	DFSC Fuel	368	0		-0.253	-93	3	278
402	Service Fund Fuel	18	0		-0.253	-5	2	16
411	Army Sup & Mat	168,245	0		0.016	2,692	1,975	172,912
412	Navy Sup & Mat	8,858	0		-0.043	-381	358	8,835
414	AF Sup & Mat	116	0		0.041	5	0	121
415	DLA Sup & Mat	75,916	0		0.047	3,568	1,305	80,789
416	GSA Sup & Mat	16,836	0		0.015	253	-51	17,037
417	Local Proc Sup & Mat	671,776	1,240		0.039	26,248	-39,579	659,685
499	Total Sup & Mat	942,133	1,240			32,286	-35,987	939,673
502	Army Fund Equipt	1,916	0		0.016	31	0	1,947
503	Navy Fund Equipt	7,065	0		-0.043	-304	-4	6,757
505	AF Fund Equipt	9,612	0		0.041	394	0	10,006
506	DLA Fund Equipt	1,145	0		0.047	54	-21	1,178
507	GSA Fund Equipt	4,739	0		0.015	71	-102	4,708
599	Total Fund Equipt	24,478	0			246	-127	24,596
602	Army Depot Cmd Maint	4	0		0.059	0	0	4
611	Naval Surface War Ctr	49	0		0.035	2	0	51
615	Data Automat Ctr Navy	34	0		0.102	3	4	42
620	Fleet Aux Ships Navy	0	0		0.000	0	0	0

DEFENSE HEALTH PROGRAM
 FY 2000/2001 BIENNIAL BUDGET ESTIMATE
 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>In-House Care</u>	<u>FY 1999</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
630	Naval Rsch Lab	3	0		0.027	0	0	3
631	Naval Civil Engrn Ctr	0	0		0.031	0	0	0
633	Naval Pub & Prnt Svc	978	0		-0.006	-6	-56	916
634	Nav Pub Wrks Ctr: Utilities	0	0		-0.008	0	0	0
635	Nav Pub Wrks Ctr: Pub Wrks	8,724	0		0.019	166	200	9,090
637	Naval Shipyards	0	0		0.083	0	0	0
653	Airlift Svcs Trng & Ops	0	0		0.000	0	0	0
671	Communications Svc	111	0		0.162	18	8	137
673	Def Finance & Acct Svc	0	0		0.015	0	0	0
679	Cost Reimbursible Svc	142	0		0.015	2	-2	142
699	Total Purchases	10,045	0			186	154	10,385
701	MAC Cargo	5	0		0.000	0	0	5
702	MAC SAAM	0	0		0.000	0	0	0
711	MSC Cargo	0	0		0.000	0	0	0
721	MTMC Port Handling	0	0		0.000	0	0	0
725	MTMC Other	0	0		0.000	0	0	0
771	Commercial Transportation	2,313	0		0.015	35	-1	2,347
799	Total Transportation	2,319	0			35	-1	2,352
9XX	Civ Pay Reimburs Host	1,187,643	0		0.042	49,881	-34,272	1,203,252
901	Foreign Nat Ind Hire	30,940	0		0.042	1,299	651	32,890
902	Separation Liability	649	0		0.042	27	-135	541
912	Rental Pay to GSA	1,368	0		0.015	21	0	1,388
913	Purchased Utilities	186	0		0.015	3	1	190

DEFENSE HEALTH PROGRAM
 FY 2000/2001 BIENNIAL BUDGET ESTIMATE
 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>In-House Care</u>	Foreign				Program <u>Growth</u>	FY 2000 <u>Program</u>
		FY 1999 <u>Program</u>	Currency <u>Adjust</u>	<u>Price Growth</u> Percent	<u>Price Growth</u> Amount		
914	Purchased Communica	798	0	0.015	12	-1	808
915	Rents non GSA	14,359	0	0.015	215	-75	14,500
917	Postal Svcs	3	0	0.000	0	0	3
920	Supplies & Mat	265,629	1,100	0.039	10,402	-9,048	268,084
921	Printing & Reproduct	4,541	0	0.015	68	-4	4,605
922	Equipt Maint Contract	56,701	0	0.015	851	-418	57,134
923	Facility Maint Contract	361	0	0.015	5	-2	364
925	Equipt Purchases	95,061	900	0.039	3,742	-12,446	87,258
926	Overseas Purchases	1,304	0	0.016	21	-2	1,323
930	Other Depot Maint	31	0	0.015	0	0	32
931	Contract Consultants	0	0	0.015	0	0	0
932	Mgmt & Prof Spt Svc	-1	0	0.015	0	0	-1
933	Studies Analysis Eval	11,362	0	0.015	170	-533	10,999
934	Engineering Tech Svc	8	0	0.015	0	0	8
937	Fuel	91	0	0.016	1	4	96
988	Grants	0	0	0.015	0	0	0
989	Other Contracts	911,614	0	0.039	35,553	-20,894	926,273
998	Other Costs*	1,356	0	0.039	53	1	1,410
999	Total Purchases	2,584,004	2,000		102,327	-77,173	2,611,158
9999	TOTAL	3,611,994	3,240		135,814	-113,371	3,637,677

DEFENSE HEALTH PROGRAM
 FY 2000/2001 BIENNIAL BUDGET ESTIMATE
 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Private Sector Care</u>	<u>FY 1998</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
308	Travel of Persons	2,878	0		0.011	32	-417	2,493
399	Total Travel	2,878	0			32	-417	2,493
401	DFSC Fuel	0	0		-0.088	0	0	0
402	Service Fund Fuel	0	0		-0.088	0	0	0
411	Army Sup & Mat	0	0		0.076	0	0	0
412	Navy Sup & Mat	0	0		-0.058	0	0	0
414	AF Sup & Mat	0	0		0.004	0	0	0
415	DLA Sup & Mat	0	0		-0.010	0	0	0
416	GSA Sup & Mat	0	0		0.011	0	0	0
417	Local Proc Sup & Mat	0	0		0.011	0	0	0
499	Total Sup & Mat	0	0			0	0	0
502	Army Fund Equipt	0	0		0.076	0	0	0
503	Navy Fund Equipt	0	0		-0.058	0	0	0
505	AF Fund Equipt	0	0		0.004	0	0	0
506	DLA Fund Equipt	0	0		-0.010	0	0	0
507	GSA Fund Equipt	0	0		0.011	0	0	0
599	Total Fund Equipt	0	0			0	0	0
602	Army Depot Cmd Maint	0	0		0.127	0	0	0
611	Naval Surface War Ctr	0	0		0.016	0	0	0
615	Data Automat Ctr Navy	0	0		-0.114	0	0	0
620	Fleet Aux Ships Navy	0	0		-0.208	0	0	0

DEFENSE HEALTH PROGRAM
 FY 2000/2001 BIENNIAL BUDGET ESTIMATE
 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Private Sector Care</u>	<u>FY 1998</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
630	Naval Rsch Lab	0	0	0	0.049	0	0	0
631	Naval Civil Engrn Ctr	0	0	0	-0.006	0	0	0
633	Naval Pub & Prnt Svc	0	0	0	0.057	0	0	0
634	Nav Pub Wrks Ctr: Utilities	0	0	0	-0.093	0	0	0
635	Nav Pub Wrks Ctr: Pub Wrks	0	0	0	-0.014	0	0	0
637	Naval Shipyards	0	0	0	-0.121	0	0	0
653	Airlift Svcs Trng & Ops	0	0	0	0.037	0	0	0
671	Communications Svc	0	0	0	-0.006	0	0	0
673	Def Finance & Acct Svc	0	0	0	0.037	0	0	0
679	Cost Reimbursible Svc	0	0	0	0.011	0	0	0
699	Total Purchases	0	0	0		0	0	0
701	MAC Cargo	0	0	0	0.070	0	0	0
702	MAC SAAM	0	0	0	0.009	0	0	0
711	MSC Cargo	0	0	0	-0.198	0	0	0
721	MTMC Port Handling	0	0	0	-0.308	0	0	0
725	MTMC Other	0	0	0	0.000	0	0	0
771	Commercial Transportation	0	0	0	0.011	0	0	0
799	Total Transportation	0	0	0		0	0	0
9XX	Civ Pay Reimburs Host	0	0	0	0.034	0	0	0
901	Foreign Nat Ind Hire	0	0	0	0.034	0	0	0
902	Separation Liability	0	0	0	0.034	0	0	0
912	Rental Pay to GSA	0	0	0	0.011	0	0	0
913	Purchased Utilities	0	0	0	0.011	0	0	0

DEFENSE HEALTH PROGRAM
 FY 2000/2001 BIENNIAL BUDGET ESTIMATE
 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Private Sector Care</u>	<u>FY 1998</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
914	Purchased Communica	0	0	0	0.011	0	0	0
915	Rents non GSA	0	0	0	0.011	0	0	0
917	Postal Svcs	0	0	0	0.000	0	0	0
920	Supplies & Mat	0	0	0	0.011	0	0	0
921	Printing & Reproduct	0	0	0	0.011	0	0	0
922	Equipt Maint Contract	0	0	0	0.011	0	0	0
923	Facility Maint Contract	0	0	0	0.011	0	0	0
925	Equipt Purchases	0	0	0	0.011	0	0	0
926	Overseas Purchases	0	0	0	0.016	0	0	0
930	Other Depot Maint	0	0	0	0.011	0	0	0
931	Contract Consultants	0	0	0	0.011	0	0	0
932	Mgmt & Prof Spt Svc	0	0	0	0.011	0	0	0
933	Studies Analysis Eval	0	0	0	0.011	0	0	0
934	Engineering Tech Svc	0	0	0	0.011	0	0	0
937	Fuel	0	0	0	0.016	0	0	0
988	Grants	0	0	0	0.011	0	0	0
989	Other Contracts	3,967,740	0	0	0.037	146,806	-202,925	3,911,621
998	Other Costs*	0	0	0	0.037	0	0	0
999	Total Purchases	3,967,740	0	0		146,806	-202,925	3,911,621
9999	TOTAL	3,970,618	0	0		146,838	-203,342	3,914,114

DEFENSE HEALTH PROGRAM
 FY 2000/2001 BIENNIAL BUDGET ESTIMATE
 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Private Sector Care</u>	<u>FY 1999</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
308	Travel of Persons	2,493	0		0.015	37	-84	2,446
399	Total Travel	2,493	0			37	-84	2,446
401	DFSC Fuel	0	0		-0.253	0	0	0
402	Service Fund Fuel	0	0		-0.253	0	0	0
411	Army Sup & Mat	0	0		0.016	0	0	0
412	Navy Sup & Mat	0	0		-0.043	0	0	0
414	AF Sup & Mat	0	0		0.041	0	0	0
415	DLA Sup & Mat	0	0		0.047	0	0	0
416	GSA Sup & Mat	0	0		0.015	0	0	0
417	Local Proc Sup & Mat	0	0		0.015	0	0	0
499	Total Sup & Mat	0	0			0	0	0
502	Army Fund Equipt	0	0		0.016	0	0	0
503	Navy Fund Equipt	0	0		-0.043	0	0	0
505	AF Fund Equipt	0	0		0.041	0	0	0
506	DLA Fund Equipt	0	0		0.047	0	0	0
507	GSA Fund Equipt	0	0		0.015	0	0	0
599	Total Fund Equipt	0	0			0	0	0
602	Army Depot Cmd Maint	0	0		0.059	0	0	0
611	Naval Surface War Ctr	0	0		0.035	0	0	0
615	Data Automat Ctr Navy	0	0		0.102	0	0	0
620	Fleet Aux Ships Navy	0	0		0.000	0	0	0

DEFENSE HEALTH PROGRAM
 FY 2000/2001 BIENNIAL BUDGET ESTIMATE
 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Private Sector Care</u>	<u>FY 1999</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
630	Naval Rsch Lab	0	0		0.027	0	0	0
631	Naval Civil Engnr Ctr	0	0		0.031	0	0	0
633	Naval Pub & Prnt Svc	0	0		-0.006	0	0	0
634	Nav Pub Wrks Ctr: Utilities	0	0		-0.008	0	0	0
635	Nav Pub Wrks Ctr: Pub Wrks	0	0		0.019	0	0	0
637	Naval Shipyards	0	0		0.083	0	0	0
653	Airlift Svcs Trng & Ops	0	0		0.000	0	0	0
671	Communications Svc	0	0		0.162	0	0	0
673	Def Finance & Acct Svc	0	0		0.037	0	0	0
679	Cost Reimbursible Svc	0	0		0.015	0	0	0
699	Total Purchases	0	0			0	0	0
701	MAC Cargo	0	0		0.000	0	0	0
702	MAC SAAM	0	0		0.000	0	0	0
711	MSC Cargo	0	0		0.000	0	0	0
721	MTMC Port Handling	0	0		0.000	0	0	0
725	MTMC Other	0	0		0.000	0	0	0
771	Commercial Transportation	0	0		0.015	0	0	0
799	Total Transportation	0	0			0	0	0
9XX	Civ Pay Reimburs Host	0	0		0.042	0	0	0
901	Foreign Nat Ind Hire	0	0		0.042	0	0	0
902	Separation Liability	0	0		0.042	0	0	0
912	Rental Pay to GSA	0	0		0.015	0	0	0
913	Purchased Utilities	0	0		0.015	0	0	0

DEFENSE HEALTH PROGRAM
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 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Private Sector Care</u>	<u>FY 1999</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
914	Purchased Communica	0	0	0	0.015	0	0	0
915	Rents non GSA	0	0	0	0.015	0	0	0
917	Postal Svcs	0	0	0	0.000	0	0	0
920	Supplies & Mat	0	0	0	0.015	0	0	0
921	Printing & Reproduct	0	0	0	0.015	0	0	0
922	Equipt Maint Contract	0	0	0	0.015	0	0	0
923	Facility Maint Contract	0	0	0	0.015	0	0	0
925	Equipt Purchases	0	0	0	0.015	0	0	0
926	Overseas Purchases	0	0	0	0.016	0	0	0
930	Other Depot Maint	0	0	0	0.015	0	0	0
931	Contract Consultants	0	0	0	0.015	0	0	0
932	Mgmt & Prof Spt Svc	0	0	0	0.015	0	0	0
933	Studies Analysis Eval	0	0	0	0.015	0	0	0
934	Engineering Tech Svc	0	0	0	0.015	0	0	0
937	Fuel	0	0	0	0.016	0	0	0
988	Grants	0	0	0	0.015	0	0	0
989	Other Contracts	3,911,621	0	0	0.039	152,553	124,501	4,188,676
998	Other Costs*	0	0	0	0.039	0	0	0
999	Total Purchases	3,911,621	0	0		152,553	124,501	4,188,676
9999	TOTAL	3,914,114	0	0		152,591	124,417	4,191,122

DEFENSE HEALTH PROGRAM
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 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Consolidated Health Support</u>	<u>FY 1998</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u> <u>Percent</u>	<u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>					
308	Travel of Persons	40,325	-2	0.011	444	-1,323	39,444	
399	Total Travel	40,325	-2		444	-1,323	39,444	
401	DFSC Fuel	19,960	0	-0.088	-1,756	-1,379	16,825	
402	Service Fund Fuel	0	0	-0.088	0	0	0	
411	Army Sup & Mat	9,707	0	0.076	738	500	10,945	
412	Navy Sup & Mat	1,575	0	-0.058	-91	0	1,484	
414	AF Sup & Mat	299	0	0.004	1	0	300	
415	DLA Sup & Mat	14,397	0	-0.010	-144	0	14,253	
416	GSA Sup & Mat	1,291	0	0.011	14	-4	1,301	
417	Local Proc Sup & Mat	31,490	-5	0.011	346	-3,748	28,083	
499	Total Sup & Mat	78,719	-5		-892	-4,631	73,191	
502	Army Fund Equipt	1,703	0	0.076	129	0	1,832	
503	Navy Fund Equipt	10	0	-0.058	-1	-4	5	
505	AF Fund Equipt	2,746	0	0.004	11	0	2,757	
506	DLA Fund Equipt	793	0	-0.010	-8	0	785	
507	GSA Fund Equipt	3,241	0	0.011	36	-1	3,276	
599	Total Fund Equipt	8,493	0		168	-5	8,656	
602	Army Depot Cmd Maint	0	0	0.127	0	0	0	
611	Naval Surface War Ctr	0	0	0.016	0	0	0	
615	Data Automat Ctr Navy	15	0	-0.114	-2	0	13	
620	Fleet Aux Ships Navy	0	0	-0.208	0	0	0	

DEFENSE HEALTH PROGRAM
 FY 2000/2001 BIENNIAL BUDGET ESTIMATE
 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Consolidated Health Support</u>	Foreign		<u>Price Growth</u>		<u>Program Growth</u>	<u>FY 1999 Program</u>
		<u>FY 1998 Program</u>	<u>Currency Adjust</u>	<u>Percent</u>	<u>Amount</u>		
630	Naval Rsch Lab	0	0	0.049	0	0	0
631	Naval Civil Engrn Ctr	0	0	-0.006	0	0	0
633	Naval Pub & Prnt Svc	418	0	0.057	24	-4	438
634	Nav Pub Wrks Ctr: Utilities	0	0	-0.093	0	0	0
635	Nav Pub Wrks Ctr: Pub Wrks	106	0	-0.014	-1	0	105
637	Naval Shipyards	6	0	-0.121	-1	0	5
653	Airlift Svcs Trng & Ops	19,200	0	0.037	710	-378	19,532
671	Communications Svc	416	0	-0.006	-2	0	414
673	Def Finance & Acct Svc	0	0	0.037	0	0	0
679	Cost Reimbursible Svc	10	0	0.011	0	0	10
699	Total Purchases	20,171	0		728	-382	20,517
701	MAC Cargo	0	0	0.070	0	0	0
702	MAC SAAM	0	0	0.009	0	0	0
711	MSC Cargo	0	0	-0.198	0	0	0
721	MTMC Port Handling	0	0	-0.308	0	0	0
725	MTMC Other	0	0	0.000	0	0	0
771	Commercial Transportation	2,285	8	0.011	25	0	2,318
799	Total Transportation	2,285	8		25	0	2,318
9XX	Civ Pay Reimburs Host	259,222	-608	0.034	8,793	-9,871	257,536
901	Foreign Nat Ind Hire	9,920	150	0.034	342	365	10,778
902	Separation Liability	1,019	0	0.034	35	-901	153
912	Rental Pay to GSA	3,047	0	0.011	34	0	3,081
913	Purchased Utilities	12	0	0.011	0	0	12

DEFENSE HEALTH PROGRAM
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 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Consolidated Health Support</u>	Foreign		<u>Price Growth</u>		<u>Program Growth</u>	<u>FY 1999 Program</u>
		<u>FY 1998 Program</u>	<u>Currency Adjust</u>	<u>Percent</u>	<u>Amount</u>		
914	Purchased Communica	240	0	0.011	3	0	243
915	Rents non GSA	1,615	-76	0.011	17	-1	1,555
917	Postal Svcs	1	0	0.000	0	0	1
920	Supplies & Mat	44,926	6	0.011	494	-4,420	41,006
921	Printing & Reproduct	4,783	0	0.011	53	-3	4,833
922	Equipt Maint Contract	7,937	-5	0.011	87	-8	8,011
923	Facility Maint Contract	0	0	0.011	0	0	0
925	Equipt Purchases	21,423	0	0.011	236	-3,514	18,145
926	Overseas Purchases	7	0	0.016	0	0	7
930	Other Depot Maint	30,701	0	0.011	338	2,047	33,086
931	Contract Consultants	0	0	0.011	0	0	0
932	Mgmt & Prof Spt Svc	63	0	0.011	1	170	234
933	Studies Analysis Eval	67	0	0.011	1	207	275
934	Engineering Tech Svc	0	0	0.011	0	0	0
937	Fuel	26	0	0.016	0	-17	9
988	Grants	1,000	0	0.011	11	0	1,011
989	Other Contracts	358,285	8	0.037	13,257	-47,835	323,715
998	Other Costs*	10,328	0	0.037	382	-192	10,518
999	Total Purchases	754,622	-525		24,083	-63,972	714,208
9999	TOTAL	904,615	-524		24,554	-70,313	858,333

DEFENSE HEALTH PROGRAM
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 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Consolidated Health Support</u>	<u>FY 1999</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
308	Travel of Persons	39,444	0		0.015	592	266	40,301
399	Total Travel	39,444	0			592	266	40,301
401	DFSC Fuel	16,825	0		-0.253	-4,257	3,105	15,673
402	Service Fund Fuel	0	0		-0.253	0	0	0
411	Army Sup & Mat	10,945	0		0.016	175	0	11,120
412	Navy Sup & Mat	1,484	0		-0.043	-64	0	1,420
414	AF Sup & Mat	300	0		0.041	12	0	313
415	DLA Sup & Mat	14,253	0		0.047	670	0	14,923
416	GSA Sup & Mat	1,301	0		0.015	20	0	1,321
417	Local Proc Sup & Mat	28,083	1,080		0.015	437	0	29,601
499	Total Sup & Mat	73,191	1,080			-3,006	3,105	74,370
502	Army Fund Equipt	1,832	0		0.016	29	0	1,862
503	Navy Fund Equipt	5	0		-0.043	0	0	5
505	AF Fund Equipt	2,757	0		0.041	113	0	2,870
506	DLA Fund Equipt	785	0		0.047	37	0	822
507	GSA Fund Equipt	3,276	0		0.015	49	0	3,325
599	Total Fund Equipt	8,656	0			228	0	8,884
602	Army Depot Cmd Maint	0	0		0.059	0	0	0
611	Naval Surface War Ctr	0	0		0.035	0	0	0
615	Data Automat Ctr Navy	13	0		0.102	1	0	15
620	Fleet Aux Ships Navy	0	0		0.000	0	0	0

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 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Consolidated Health Support</u>	<u>FY 1999</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u>	<u>FY 2000</u>
			<u>Currency</u>	<u>Adjust</u>	<u>Percent</u>	<u>Amount</u>		
630	Naval Rsch Lab	0	0	0.027	0	0	0	0
631	Naval Civil Engrn Ctr	0	0	0.031	0	0	0	0
633	Naval Pub & Prnt Svc	438	0	-0.006	-3	-1	434	
634	Nav Pub Wrks Ctr: Utilities	0	0	-0.008	0	0	0	0
635	Nav Pub Wrks Ctr: Pub Wrks	105	0	0.019	2	0	107	
637	Naval Shipyards	5	0	0.083	0	0	6	
653	Airlift Svcs Trng & Ops	19,532	0	0.000	0	0	19,532	
671	Communications Svc	414	0	0.162	67	0	480	
673	Def Finance & Acct Svc	0	0	0.037	0	0	0	0
679	Cost Reimbursible Svc	10	0	0.015	0	0	10	
699	Total Purchases	20,517	0		68	-1	20,584	
701	MAC Cargo	0	0	0.000	0	0	0	0
702	MAC SAAM	0	0	0.000	0	0	0	0
711	MSC Cargo	0	0	0.000	0	0	0	0
721	MTMC Port Handling	0	0	0.000	0	0	0	0
725	MTMC Other	0	0	0.000	0	0	0	0
771	Commercial Transportation	2,318	0	0.015	35	0	2,353	
799	Total Transportation	2,318	0		35	0	2,353	
9XX	Civ Pay Reimburs Host	257,536	0	0.042	10,817	-3,734	264,618	
901	Foreign Nat Ind Hire	10,778	0	0.042	453	459	11,690	
902	Separation Liability	153	0	0.042	6	-27	132	
912	Rental Pay to GSA	3,081	0	0.015	46	0	3,127	
913	Purchased Utilities	12	0	0.015	0	0	12	

DEFENSE HEALTH PROGRAM
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 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Consolidated Health Support</u>	<u>FY 1999</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
914	Purchased Communica	243	0		0.015	4	1	247
915	Rents non GSA	1,555	0		0.015	23	1	1,579
917	Postal Svcs	1	0		0.000	0	0	1
920	Supplies & Mat	41,006	0		0.015	615	20	41,641
921	Printing & Reproduct	4,833	0		0.015	72	-1	4,904
922	Equipt Maint Contract	8,011	0		0.015	120	1	8,132
923	Facility Maint Contract	0	0		0.015	0	0	0
925	Equipt Purchases	18,145	0		0.015	272	712	19,129
926	Overseas Purchases	7	0		0.016	0	0	7
930	Other Depot Maint	33,086	0		0.015	496	343	33,925
931	Contract Consultants	0	0		0.015	0	0	0
932	Mgmt & Prof Spt Svc	234	0		0.015	4	-238	-1
933	Studies Analysis Eval	275	0		0.015	4	-279	0
934	Engineering Tech Svc	0	0		0.015	0	0	0
937	Fuel	9	0		0.016	0	14	24
988	Grants	1,011	0		0.015	15	0	1,026
989	Other Contracts	323,715	0		0.039	12,625	-12,027	324,313
998	Other Costs*	10,518	0		0.039	410	5,597	16,525
999	Total Purchases	714,208	0			25,983	-9,158	731,032
9999	TOTAL	858,333	1,080			23,900	-5,788	877,524

DEFENSE HEALTH PROGRAM
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 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Information Management</u>	<u>FY 1998</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
308	Travel of Persons	2,384	0		0.011	26	139	2,549
399	Total Travel	2,384	0			26	139	2,549
401	DFSC Fuel	0	0		-0.088	0	0	0
402	Service Fund Fuel	0	0		-0.088	0	0	0
411	Army Sup & Mat	0	0		0.076	0	0	0
412	Navy Sup & Mat	0	0		-0.058	0	0	0
414	AF Sup & Mat	0	0		0.004	0	0	0
415	DLA Sup & Mat	0	0		-0.010	0	0	0
416	GSA Sup & Mat	0	0		0.011	0	0	0
417	Local Proc Sup & Mat	0	0		0.011	0	0	0
499	Total Sup & Mat	0	0			0	0	0
502	Army Fund Equipt	0	0		0.076	0	0	0
503	Navy Fund Equipt	0	0		-0.058	0	0	0
505	AF Fund Equipt	0	0		0.004	0	0	0
506	DLA Fund Equipt	0	0		-0.010	0	0	0
507	GSA Fund Equipt	0	0		0.011	0	0	0
599	Total Fund Equipt	0	0			0	0	0
602	Army Depot Cmd Maint	0	0		0.127	0	0	0
611	Naval Surface War Ctr	0	0		0.016	0	0	0
615	Data Automat Ctr Navy	0	0		-0.114	0	0	0
620	Fleet Aux Ships Navy	0	0		-0.208	0	0	0

DEFENSE HEALTH PROGRAM
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 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Information Management</u>	Foreign		<u>Price Growth</u>		Program <u>Growth</u>	FY 1999 <u>Program</u>
		FY 1998 <u>Program</u>	Currency <u>Adjust</u>	Percent	Amount		
630	Naval Rsch Lab	0	0	0.049	0	0	0
631	Naval Civil Engrn Ctr	0	0	-0.006	0	0	0
633	Naval Pub & Prnt Svc	0	0	0.057	0	0	0
634	Nav Pub Wrks Ctr: Utilities	0	0	-0.093	0	0	0
635	Nav Pub Wrks Ctr: Pub Wrks	0	0	-0.014	0	0	0
637	Naval Shipyards	0	0	-0.121	0	0	0
653	Airlift Svcs Trng & Ops	0	0	0.037	0	0	0
671	Communications Svc	0	0	-0.006	0	0	0
673	Def Finance & Acct Svc	0	0	0.037	0	0	0
679	Cost Reimbursible Svc	0	0	0.011	0	0	0
699	Total Purchases	0	0		0	0	0
701	MAC Cargo	0	0	0.070	0	0	0
702	MAC SAAM	0	0	0.009	0	0	0
711	MSC Cargo	0	0	-0.198	0	0	0
721	MTMC Port Handling	0	0	-0.308	0	0	0
725	MTMC Other	0	0	0.000	0	0	0
771	Commercial Transportation	0	0	0.011	0	0	0
799	Total Transportation	0	0		0	0	0
9XX	Civ Pay Reimburs Host	0	0	0.034	0	0	0
901	Foreign Nat Ind Hire	0	0	0.034	0	0	0
902	Separation Liability	0	0	0.034	0	0	0
912	Rental Pay to GSA	0	0	0.011	0	0	0
913	Purchased Utilities	0	0	0.011	0	0	0

DEFENSE HEALTH PROGRAM
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 (\$ in Thousands)

<u>Line</u>	<u>Information Management</u>	Foreign		<u>Price Growth</u>		Program <u>Growth</u>	FY 1999 <u>Program</u>
		FY 1998 <u>Program</u>	Currency <u>Adjust</u>	Percent	Amount		
914	Purchased Communica	17,336	0	0.011	191	6,596	24,123
915	Rents non GSA	0	0	0.011	0	0	0
917	Postal Svcs	0	0	0.000	0	0	0
920	Supplies & Mat	1,201	0	0.011	13	-152	1,062
921	Printing & Reproduct	0	0	0.011	0	0	0
922	Equipt Maint Contract	9,165	0	0.011	101	3,063	12,329
923	Facility Maint Contract	0	0	0.011	0	0	0
925	Equipt Purchases	5,265	0	0.011	58	-74	5,249
926	Overseas Purchases	0	0	0.016	0	0	0
930	Other Depot Maint	0	0	0.011	0	0	0
931	Contract Consultants	0	0	0.011	0	0	0
932	Mgmt & Prof Spt Svc	0	0	0.011	0	0	0
933	Studies Analysis Eval	0	0	0.011	0	0	0
934	Engineering Tech Svc	23	0	0.011	0	0	23
937	Fuel	0	0	0.016	0	0	0
988	Grants	0	0	0.011	0	0	0
989	Other Contracts	189,694	0	0.011	2,087	19,452	211,233
998	Other Costs*	0	0	0.011	0	0	0
999	Total Purchases	222,684	0		2,450	28,885	254,019
9999	TOTAL	225,068	0		2,476	29,024	256,568

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 (\$ in Thousands)

<u>Line</u>	<u>Information Management</u>	<u>FY 1999</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
308	Travel of Persons	2,549	0		0.015	38	35	2,622
399	Total Travel	2,549	0			38	35	2,622
401	DFSC Fuel	0	0		-0.253	0	0	0
402	Service Fund Fuel	0	0		-0.253	0	0	0
411	Army Sup & Mat	0	0		0.016	0	0	0
412	Navy Sup & Mat	0	0		-0.043	0	0	0
414	AF Sup & Mat	0	0		0.041	0	0	0
415	DLA Sup & Mat	0	0		0.047	0	0	0
416	GSA Sup & Mat	0	0		0.015	0	0	0
417	Local Proc Sup & Mat	0	0		0.015	0	0	0
499	Total Sup & Mat	0	0			0	0	0
502	Army Fund Equipt	0	0		0.016	0	0	0
503	Navy Fund Equipt	0	0		-0.043	0	0	0
505	AF Fund Equipt	0	0		0.041	0	0	0
506	DLA Fund Equipt	0	0		0.047	0	0	0
507	GSA Fund Equipt	0	0		0.015	0	0	0
599	Total Fund Equipt	0	0			0	0	0
602	Army Depot Cmd Maint	0	0		0.059	0	0	0
611	Naval Surface War Ctr	0	0		0.035	0	0	0
615	Data Automat Ctr Navy	0	0		0.102	0	0	0
620	Fleet Aux Ships Navy	0	0		0.000	0	0	0

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 (\$ in Thousands)

<u>Line</u>	<u>Information Management</u>	<u>FY 1999</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u>	<u>FY 2000</u>
			<u>Program</u>	<u>Currency</u>	<u>Adjust</u>	<u>Percent</u>		
630	Naval Rsch Lab	0	0	0	0.027	0	0	0
631	Naval Civil Engrn Ctr	0	0	0	0.031	0	0	0
633	Naval Pub & Prnt Svc	0	0	0	-0.006	0	0	0
634	Nav Pub Wrks Ctr: Utilities	0	0	0	-0.008	0	0	0
635	Nav Pub Wrks Ctr: Pub Wrks	0	0	0	0.019	0	0	0
637	Naval Shipyards	0	0	0	0.083	0	0	0
653	Airlift Svcs Trng & Ops	0	0	0	0.000	0	0	0
671	Communications Svc	0	0	0	0.162	0	0	0
673	Def Finance & Acct Svc	0	0	0	0.037	0	0	0
679	Cost Reimbursible Svc	0	0	0	0.015	0	0	0
699	Total Purchases	0	0	0		0	0	0
701	MAC Cargo	0	0	0	0.000	0	0	0
702	MAC SAAM	0	0	0	0.000	0	0	0
711	MSC Cargo	0	0	0	0.000	0	0	0
721	MTMC Port Handling	0	0	0	0.000	0	0	0
725	MTMC Other	0	0	0	0.000	0	0	0
771	Commercial Transportation	0	0	0	0.015	0	0	0
799	Total Transportation	0	0	0		0	0	0
9XX	Civ Pay Reimburs Host	0	0	0	0.042	0	0	0
901	Foreign Nat Ind Hire	0	0	0	0.042	0	0	0
902	Separation Liability	0	0	0	0.042	0	0	0
912	Rental Pay to GSA	0	0	0	0.015	0	0	0
913	Purchased Utilities	0	0	0	0.015	0	0	0

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 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Information Management</u>	Foreign		<u>Price Growth</u>		Program <u>Growth</u>	FY 2000 <u>Program</u>
		FY 1999 <u>Program</u>	Currency <u>Adjust</u>	Percent	Amount		
914	Purchased Communica	24,123	0	0.015	362	-2,347	22,138
915	Rents non GSA	0	0	0.015	0	0	0
917	Postal Svcs	0	0	0.000	0	0	0
920	Supplies & Mat	1,062	0	0.015	16	2	1,080
921	Printing & Reproduct	0	0	0.015	0	0	0
922	Equipt Maint Contract	12,329	0	0.015	185	5,920	18,434
923	Facility Maint Contract	0	0	0.015	0	0	0
925	Equipt Purchases	5,249	0	0.015	79	0	5,328
926	Overseas Purchases	0	0	0.016	0	0	0
930	Other Depot Maint	0	0	0.015	0	0	0
931	Contract Consultants	0	0	0.015	0	0	0
932	Mgmt & Prof Spt Svc	0	0	0.015	0	0	0
933	Studies Analysis Eval	0	0	0.015	0	0	0
934	Engineering Tech Svc	23	0	0.015	0	0	24
937	Fuel	0	0	0.016	0	0	0
988	Grants	0	0	0.015	0	0	0
989	Other Contracts	211,233	0	0.015	3,168	35,111	249,513
998	Other Costs*	0	0	0.015	0	0	0
999	Total Purchases	254,019	0		3,810	38,686	296,516
9999	TOTAL	256,568	0		3,849	38,721	299,138

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 (\$ in Thousands)

<u>Line</u>	<u>Education & Training</u>	<u>FY 1998</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u> <u>Percent</u>	<u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>					
308	Travel of Persons	57,370	0		0.011	631	-17,096	40,905
399	Total Travel	57,370	0			631	-17,096	40,905
401	DFSC Fuel	0	0		-0.088	0	0	0
402	Service Fund Fuel	0	0		-0.088	0	0	0
411	Army Sup & Mat	176	0		0.076	13	0	189
412	Navy Sup & Mat	367	0		-0.058	-21	27	373
414	AF Sup & Mat	19	0		0.004	0	5	24
415	DLA Sup & Mat	1,116	0		-0.010	-11	-28	1,077
416	GSA Sup & Mat	840	0		0.011	9	6	855
417	Local Proc Sup & Mat	3,982	0		0.011	44	107	4,133
499	Total Sup & Mat	6,500	0			34	117	6,651
502	Army Fund Equipt	0	0		0.076	0	0	0
503	Navy Fund Equipt	198	0		-0.058	-11	-54	133
505	AF Fund Equipt	2,638	0		0.004	11	0	2,649
506	DLA Fund Equipt	70	0		-0.010	-1	0	69
507	GSA Fund Equipt	597	0		0.011	7	6	610
599	Total Fund Equipt	3,503	0			5	-48	3,460
602	Army Depot Cmd Maint	0	0		0.127	0	0	0
611	Naval Surface War Ctr	0	0		0.016	0	0	0
615	Data Automat Ctr Navy	0	0		-0.114	0	0	0
620	Fleet Aux Ships Navy	0	0		-0.208	0	0	0

DEFENSE HEALTH PROGRAM
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 (\$ in Thousands)

<u>Line</u>	<u>Education & Training</u>	Foreign		<u>Price Growth</u>		<u>Program Growth</u>	<u>FY 1999 Program</u>
		<u>FY 1998 Program</u>	<u>Currency Adjust</u>	<u>Percent</u>	<u>Amount</u>		
630	Naval Rsch Lab	0	0	0.049	0	0	0
631	Naval Civil Engrn Ctr	0	0	-0.006	0	0	0
633	Naval Pub & Prnt Svc	176	0	0.057	10	6	192
634	Nav Pub Wrks Ctr: Utilities	3,769	0	-0.093	-351	0	3,418
635	Nav Pub Wrks Ctr: Pub Wrks	3,377	0	-0.014	-47	-2,815	515
637	Naval Shipyards	0	0	-0.121	0	0	0
653	Airlift Svcs Trng & Ops	0	0	0.037	0	0	0
671	Communications Svc	1,007	0	-0.006	-6	-120	881
673	Def Finance & Acct Svc	733	0	0.037	27	26	786
679	Cost Reimbursible Svc	14	0	0.011	0	0	14
699	Total Purchases	9,076	0		-367	-2,903	5,806
701	MAC Cargo	0	0	0.070	0	0	0
702	MAC SAAM	0	0	0.009	0	0	0
711	MSC Cargo	7	0	-0.198	-1	1	7
721	MTMC Port Handling	0	0	-0.308	0	0	0
725	MTMC Other	0	0	0.000	0	0	0
771	Commercial Transportation	461	0	0.011	5	-119	347
799	Total Transportation	468	0		4	-118	354
9XX	Civ Pay Reimburs Host	57,221	0	0.034	1,946	-4,022	55,145
901	Foreign Nat Ind Hire	157	0	0.034	5	-5	158
902	Separation Liability	219	0	0.034	7	-200	26
912	Rental Pay to GSA	395	0	0.011	4	0	399
913	Purchased Utilities	45	0	0.011	0	-37	8

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 OPERATION AND MAINTENANCE
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

<u>Line</u>	<u>Education & Training</u>	Foreign		<u>Price Growth</u>		<u>Program Growth</u>	<u>FY 1999 Program</u>
		<u>FY 1998 Program</u>	<u>Currency Adjust</u>	<u>Percent</u>	<u>Amount</u>		
914	Purchased Communica	0	0	0.011	0	0	0
915	Rents non GSA	160	0	0.011	2	-19	143
917	Postal Svcs	630	0	0.000	0	-69	561
920	Supplies & Mat	11,255	0	0.011	124	-140	11,239
921	Printing & Reproduct	2,302	0	0.011	25	-33	2,294
922	Equipt Maint Contract	1,040	0	0.011	11	-22	1,029
923	Facility Maint Contract	100	0	0.011	1	-102	-1
925	Equipt Purchases	3,935	0	0.011	43	-2,833	1,145
926	Overseas Purchases	52	0	0.016	1	-1	52
930	Other Depot Maint	0	0	0.011	0	0	0
931	Contract Consultants	411	0	0.011	5	-418	-2
932	Mgmt & Prof Spt Svc	0	0	0.011	0	0	0
933	Studies Analysis Eval	0	0	0.011	0	0	0
934	Engineering Tech Svc	0	0	0.011	0	0	0
937	Fuel	22	0	0.016	0	-22	0
988	Grants	13,000	0	0.011	143	-6,208	6,935
989	Other Contracts	139,966	0	0.090	12,597	-7,845	144,718
998	Other Costs*	25,117	0	0.011	276	288	25,681
999	Total Purchases	256,027	0		15,192	-21,688	249,531
9999	TOTAL	332,944	0		15,499	-41,736	306,707

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 (\$ in Thousands)

<u>Line</u>	<u>Education & Training</u>	<u>FY 1999</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
308	Travel of Persons	40,905	0		0.015	614	-7,150	34,369
399	Total Travel	40,905	0			614	-7,150	34,369
401	DFSC Fuel	0	0		-0.253	0	0	0
402	Service Fund Fuel	0	0		-0.253	0	0	0
411	Army Sup & Mat	189	0		0.016	3	0	192
412	Navy Sup & Mat	373	0		-0.043	-16	0	357
414	AF Sup & Mat	24	0		0.041	1	0	25
415	DLA Sup & Mat	1,077	0		0.047	51	0	1,127
416	GSA Sup & Mat	855	0		0.015	13	1	869
417	Local Proc Sup & Mat	4,133	0		0.015	62	0	4,195
499	Total Sup & Mat	6,651	0			113	1	6,765
502	Army Fund Equipt	0	0		0.016	0	0	0
503	Navy Fund Equipt	133	0		-0.043	-6	54	181
505	AF Fund Equipt	2,649	0		0.041	109	0	2,757
506	DLA Fund Equipt	69	0		0.047	3	0	73
507	GSA Fund Equipt	610	0		0.015	9	0	619
599	Total Fund Equipt	3,460	0			115	54	3,629
602	Army Depot Cmd Maint	0	0		0.059	0	0	0
611	Naval Surface War Ctr	0	0		0.035	0	0	0
615	Data Automat Ctr Navy	0	0		0.102	0	0	0
620	Fleet Aux Ships Navy	0	0		0.000	0	0	0

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 (\$ in Thousands)

<u>Line</u>	<u>Education & Training</u>	<u>FY 1999</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
630	Naval Rsch Lab	0	0	0.027	0	0	0	0
631	Naval Civil Engrn Ctr	0	0	0.031	0	0	0	0
633	Naval Pub & Prnt Svc	192	0	-0.006	-1	0	191	
634	Nav Pub Wrks Ctr: Utilities	3,418	0	-0.008	-27	768	4,159	
635	Nav Pub Wrks Ctr: Pub Wrks	515	0	0.019	10	206	731	
637	Naval Shipyards	0	0	0.083	0	0	0	
653	Airlift Svcs Trng & Ops	0	0	0.000	0	0	0	
671	Communications Svc	881	0	0.162	143	117	1,141	
673	Def Finance & Acct Svc	786	0	0.037	29	0	815	
679	Cost Reimbursible Svc	14	0	0.015	0	0	14	
699	Total Purchases	5,806	0		153	1,091	7,051	
701	MAC Cargo	0	0	0.000	0	0	0	
702	MAC SAAM	0	0	0.000	0	0	0	
711	MSC Cargo	7	0	0.000	0	0	7	
721	MTMC Port Handling	0	0	0.000	0	0	0	
725	MTMC Other	0	0	0.000	0	0	0	
771	Commercial Transportation	347	0	0.015	5	0	352	
799	Total Transportation	354	0		5	0	359	
9XX	Civ Pay Reimburs Host	55,145	0	0.042	2,316	-161	57,300	
901	Foreign Nat Ind Hire	158	0	0.042	7	5	170	
902	Separation Liability	26	0	0.042	1	-6	21	
912	Rental Pay to GSA	399	0	0.015	6	0	405	
913	Purchased Utilities	8	0	0.015	0	0	9	

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 (\$ in Thousands)

<u>Line</u>	<u>Education & Training</u>	Foreign		<u>Price Growth</u>		<u>Program Growth</u>	<u>FY 2000 Program</u>
		<u>FY 1999 Program</u>	<u>Currency Adjust</u>	<u>Percent</u>	<u>Amount</u>		
914	Purchased Communica	0	0	0.015	0	0	0
915	Rents non GSA	143	0	0.015	2	0	145
917	Postal Svcs	561	0	0.000	0	0	561
920	Supplies & Mat	11,239	0	0.015	169	3,857	15,264
921	Printing & Reproduct	2,294	0	0.015	34	1	2,330
922	Equipt Maint Contract	1,029	0	0.015	15	0	1,045
923	Facility Maint Contract	-1	0	0.015	0	0	-1
925	Equipt Purchases	1,145	0	0.015	17	1,957	3,119
926	Overseas Purchases	52	0	0.016	1	0	53
930	Other Depot Maint	0	0	0.015	0	0	0
931	Contract Consultants	-2	0	0.015	0	0	-3
932	Mgmt & Prof Spt Svc	0	0	0.015	0	0	0
933	Studies Analysis Eval	0	0	0.015	0	0	0
934	Engineering Tech Svc	0	0	0.015	0	0	0
937	Fuel	0	0	0.016	0	0	0
988	Grants	6,935	0	0.015	104	0	7,039
989	Other Contracts	144,718	0	0.050	7,236	-3,995	147,959
998	Other Costs*	25,681	0	0.015	385	-840	25,227
999	Total Purchases	249,531	0		10,294	819	260,643
9999	TOTAL	306,707	0		11,294	-5,185	312,816

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 (\$ in Thousands)

<u>Line</u>	<u>Base Operations</u>	<u>FY 1998</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
308	Travel of Persons	5,544	0		0.011	61	-169	5,436
399	Total Travel	5,544	0			61	-169	5,436
401	DFSC Fuel	4,628	0		-0.088	-407	323	4,544
402	Service Fund Fuel	94	0		-0.088	-8	7	93
411	Army Sup & Mat	572	0		0.076	43	-2	613
412	Navy Sup & Mat	436	0		-0.058	-25	13	424
414	AF Sup & Mat	0	0		0.004	0	0	0
415	DLA Sup & Mat	344	0		-0.010	-3	16	357
416	GSA Sup & Mat	1,009	0		0.011	11	-47	973
417	Local Proc Sup & Mat	4,255	0		0.011	47	-86	4,216
499	Total Sup & Mat	11,338	0			-343	224	11,219
502	Army Fund Equipt	0	0		0.076	0	0	0
503	Navy Fund Equipt	59	0		-0.058	-3	4	60
505	AF Fund Equipt	89	0		0.004	0	0	89
506	DLA Fund Equipt	13	0		-0.010	0	-5	8
507	GSA Fund Equipt	675	0		0.011	7	-253	429
599	Total Fund Equipt	836	0			4	-254	586
602	Army Depot Cmd Maint	8	0		0.127	1	-1	8
611	Naval Surface War Ctr	67	0		0.016	1	31	99
615	Data Automat Ctr Navy	78	0		-0.114	-9	22	91
620	Fleet Aux Ships Navy	0	0		-0.208	0	0	0

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 (\$ in Thousands)

<u>Line</u>	<u>Base Operations</u>	Foreign		<u>Price Growth</u>		<u>Program Growth</u>	<u>FY 1999 Program</u>
		<u>FY 1998 Program</u>	<u>Currency Adjust</u>	<u>Percent</u>	<u>Amount</u>		
630	Naval Rsch Lab	5	0	0.049	0	3	8
631	Naval Civil Engnr Ctr	1,058	0	-0.006	-6	-824	228
633	Naval Pub & Prnt Svc	1,130	0	0.057	64	50	1,244
634	Nav Pub Wrks Ctr: Utilities	28,754	0	-0.093	-2,674	-26	26,054
635	Nav Pub Wrks Ctr: Pub Wrks	62,623	0	-0.014	-877	-38,878	22,868
637	Naval Shipyards	0	0	-0.121	0	0	0
653	Airlift Svcs Trng & Ops	0	0	0.037	0	0	0
671	Communications Svc	5,365	0	-0.006	-32	195	5,528
673	Def Finance & Acct Svc	73,000	0	0.037	2,701	-2,951	72,750
679	Cost Reimbursible Svc	249	0	0.011	3	13	265
699	Total Purchases	172,337	0		-828	-42,366	129,143
701	MAC Cargo	64	0	0.070	4	-12	56
702	MAC SAAM	0	0	0.009	0	0	0
711	MSC Cargo	1	0	-0.198	0	0	1
721	MTMC Port Handling	0	0	-0.308	0	0	0
725	MTMC Other	210	0	0.000	0	0	210
771	Commercial Transportation	3,120	0	0.011	34	100	3,254
799	Total Transportation	3,395	0		39	88	3,522
9XX	Civ Pay Reimburs Host	139,453	0	0.034	4,741	-8,985	135,210
901	Foreign Nat Ind Hire	2,905	0	0.034	99	-86	2,918
902	Separation Liability	541	0	0.034	18	-487	72
912	Rental Pay to GSA	4,763	0	0.011	52	161	4,976
913	Purchased Utilities	46,779	0	0.011	515	18,833	66,127

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<u>Line</u>	<u>Base Operations</u>	<u>FY 1998</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>		<u>Percent</u>	<u>Amount</u>		
914	Purchased Communica	28,587	0	0.011	314	-155	28,746	
915	Rents non GSA	2,483	0	0.011	27	-203	2,307	
917	Postal Svcs	1,097	0	0.000	0	-15	1,082	
920	Supplies & Mat	18,951	0	0.011	208	-1,423	17,736	
921	Printing & Reproduct	2,415	0	0.011	27	-106	2,336	
922	Equipt Maint Contract	7,690	0	0.011	85	-1,422	6,353	
923	Facility Maint Contract	97,147	0	0.011	1,069	-53,765	44,451	
925	Equipt Purchases	7,341	0	0.011	81	-1,070	6,352	
926	Overseas Purchases	340	0	0.016	5	-54	291	
930	Other Depot Maint	309	0	0.011	3	-128	184	
931	Contract Consultants	4,135	0	0.011	45	-4,201	-21	
932	Mgmt & Prof Spt Svc	0	0	0.011	0	0	0	
933	Studies Analysis Eval	0	0	0.011	0	0	0	
934	Engineering Tech Svc	951	0	0.011	10	-52	909	
937	Fuel	366	0	0.016	6	17	389	
988	Grants	0	0	0.011	0	0	0	
989	Other Contracts	402,587	0	0.011	4,428	-11,284	395,732	
998	Other Costs*	4,752	0	0.011	52	1,407	6,211	
999	Total Purchases	773,593	0		11,788	-63,019	722,362	
9999	TOTAL	967,043	0		10,721	-105,496	872,268	

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<u>Line</u>	<u>Base Operations</u>	<u>FY 1999</u> <u>Program</u>	<u>Foreign</u>		<u>Price Growth</u> <u>Percent</u>	<u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Program</u>
			<u>Currency</u> <u>Adjust</u>					
308	Travel of Persons	5,436	0	0.015	82	-51	5,467	
399	Total Travel	5,436	0		82	-51	5,467	
401	DFSC Fuel	4,544	0	-0.253	-1,150	-43	3,351	
402	Service Fund Fuel	93	0	-0.253	-23	8	77	
411	Army Sup & Mat	613	0	0.016	10	-1	622	
412	Navy Sup & Mat	424	0	-0.043	-18	26	431	
414	AF Sup & Mat	0	0	0.041	0	0	0	
415	DLA Sup & Mat	357	0	0.047	17	24	397	
416	GSA Sup & Mat	973	0	0.015	15	-5	983	
417	Local Proc Sup & Mat	4,216	0	0.015	63	-4	4,275	
499	Total Sup & Mat	11,219	0		-1,087	5	10,137	
502	Army Fund Equipt	0	0	0.016	0	0	0	
503	Navy Fund Equipt	60	0	-0.043	-3	1	58	
505	AF Fund Equipt	89	0	0.041	4	0	93	
506	DLA Fund Equipt	8	0	0.047	0	0	8	
507	GSA Fund Equipt	429	0	0.015	6	-5	431	
599	Total Fund Equipt	586	0		8	-4	590	
602	Army Depot Cmd Maint	8	0	0.059	0	-1	7	
611	Naval Surface War Ctr	99	0	0.035	3	-1	102	
615	Data Automat Ctr Navy	91	0	0.102	9	10	110	
620	Fleet Aux Ships Navy	0	0	0.000	0	0	0	

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<u>Line</u>	<u>Base Operations</u>	Foreign		<u>Price Growth</u>		<u>Program Growth</u>	<u>FY 2000 Program</u>
		<u>FY 1999 Program</u>	<u>Currency Adjust</u>	<u>Percent</u>	<u>Amount</u>		
630	Naval Rsch Lab	8	0	0.027	0	-1	7
631	Naval Civil Engrn Ctr	228	0	0.031	7	5	240
633	Naval Pub & Prnt Svc	1,244	0	-0.006	-7	-139	1,098
634	Nav Pub Wrks Ctr: Utilities	26,054	0	-0.008	-208	1,739	27,584
635	Nav Pub Wrks Ctr: Pub Wrks	22,868	0	0.019	434	27,374	50,677
637	Naval Shipyards	0	0	0.083	0	0	0
653	Airlift Svcs Trng & Ops	0	0	0.000	0	0	0
671	Communications Svc	5,528	0	0.162	896	33	6,456
673	Def Finance & Acct Svc	72,750	0	0.037	2,692	45	75,487
679	Cost Reimbursible Svc	265	0	0.015	4	-4	265
699	Total Purchases	129,143	0		3,830	29,060	162,034
701	MAC Cargo	56	0	0.000	0	-4	52
702	MAC SAAM	0	0	0.000	0	0	0
711	MSC Cargo	1	0	0.000	0	1	2
721	MTMC Port Handling	0	0	0.000	0	0	0
725	MTMC Other	210	0	0.000	0	0	210
771	Commercial Transportation	3,254	0	0.015	49	-94	3,209
799	Total Transportation	3,522	0		49	-97	3,473
9XX	Civ Pay Reimburs Host	135,210	0	0.042	5,679	-7,328	133,561
901	Foreign Nat Ind Hire	2,918	0	0.042	123	73	3,114
902	Separation Liability	72	0	0.042	3	-17	58
912	Rental Pay to GSA	4,976	0	0.015	75	-4	5,047
913	Purchased Utilities	66,127	0	0.015	992	-11,523	55,595

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<u>Line</u>	<u>Base Operations</u>	Foreign		<u>Price Growth</u>		<u>Program Growth</u>	<u>FY 2000 Program</u>
		<u>FY 1999 Program</u>	<u>Currency Adjust</u>	<u>Percent</u>	<u>Amount</u>		
914	Purchased Communica	28,746	0	0.015	431	-82	29,096
915	Rents non GSA	2,307	0	0.015	35	5	2,347
917	Postal Svcs	1,082	0	0.000	0	-1	1,081
920	Supplies & Mat	17,736	1,080	0.015	282	350	19,449
921	Printing & Reproduct	2,336	0	0.015	35	-20	2,351
922	Equipt Maint Contract	6,353	0	0.015	95	-30	6,418
923	Facility Maint Contract	44,451	0	0.015	667	12,575	57,692
925	Equipt Purchases	6,352	0	0.015	95	-24	6,423
926	Overseas Purchases	291	0	0.016	5	0	296
930	Other Depot Maint	184	0	0.015	3	10	197
931	Contract Consultants	-21	0	0.015	0	0	-21
932	Mgmt & Prof Spt Svc	0	0	0.015	0	0	0
933	Studies Analysis Eval	0	0	0.015	0	0	0
934	Engineering Tech Svc	909	0	0.015	14	-15	908
937	Fuel	389	0	0.016	6	-11	384
988	Grants	0	0	0.015	0	0	0
989	Other Contracts	395,732	0	0.015	5,936	51,421	453,089
998	Other Costs*	6,211	0	0.015	93	-448	5,856
999	Total Purchases	722,362	1,080		14,567	44,932	782,941
9999	TOTAL	872,268	1,080		17,449	73,845	964,642

**Defense Health Program Appropriation
FY 2000/2001 Biennial Budget Estimate
Procurement Program**

The Department, through the DHP, procures a wide variety of medical items ranging from surgical, radiographic, and pathologic apparatus to medical administrative support equipment. The items that will be procured by the resources identified in this schedule are the result of a thorough investment equipment justification process. The identification and justification process begins at the medical treatment facility (MTF) level. From there, the requirements are reviewed by functional specialty advisor groups (Surgeon General level), medical logistics experts (Service component), Health Care Support Offices (geographically oriented), and, ultimately, the Defense Health Council (Tri-Service level). At each level, the requirements are reviewed for necessity, value, and utility of investment.

The needs fulfilled by the DHP's procurement budget are extremely diverse. Investment in equipment is essential in order to support the Department's effort to reduce purchased healthcare costs in the private sector by retaining beneficiaries, to every extent possible, within military MTFs. Funds are used for modernization of current operations and replacement of aging real property support systems in existing facilities. This program also supports hardware requirements essential to the deployment of the Composite Health Care System (CHCS). The CHCS is a comprehensive medical information system designed to provide automated support to MTFs worldwide. The system is composed of integrated modules that, activated either together or independently, support high volume work areas within MTFs and enhance communication between supported areas. The requirements established by Public Law 100-582 (Medical Waste Tracking Act of 1988) have also placed additional demands on the DHP procurement budget.

Development of an effective equipment replacement and modernization program is a complicated process. In comparison to other functional areas, the useful life of medical equipment is relatively short. As the current inventory reaches obsolescence, replacements are normally more sophisticated, more technologically advanced, and more expensive. To ensure that the Department is procuring the appropriate technology for deployment in the most useful locations, we incorporate functional expertise from each echelon of the Department's medical structure into the budget development process. This submission represents a balanced, resource-constrained approach to the DHP's investment equipment requirements.

**Defense Health Program Appropriation
 FY 2000/20001 Biennial Budget Estimate
 Procurement Program**

BUDGET ITEM JUSTIFICATION SHEET							DATE: Feb 1999	
APPROPRIATION / BUDGET ACTIVITY : 97*0130				P-1 ITEM NOMENCLATURE: Replacement/Modernization				
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Quantity								
Cost (in \$000)	363,651	386,545	347,552	347,919	336,926	351,443	299,091	300,143
<p>REMARKS</p> <p>1. The FY 1998-2005 replacement/modernization element of the DHP's procurement budget funds the acquisition of commercially available equipment required to support health care delivery (including dental care), health care training, and other health care activities and programs in 98 military hospitals and 489 military clinics worldwide. It provides the procurement and installation of investment equipment for replacement of worn-out, obsolete, or uneconomically repairable equipment. The most significant investments will be in the radiographic, surgical, and information systems functional areas. The driving factor behind these investments is the need for DoD's health care delivery system to maintain excellent standards of care. A significant portion of the funding allocated to information systems is for the Composite Health Care System (CHCS). Financing an adequate equipment acquisition budget is critical to retaining the Department's medical workload in-house and controlling escalating purchased healthcare O&M costs in the private sector. The items supported by this budget are the result of an extensive investment equipment justification process and are necessary to provide properly trained medical department personnel and high quality, cost effective health care services for the eligible beneficiary population.</p>								

**Defense Health Program Appropriation
 FY 2000/20001 Biennial Budget Estimate
 Procurement Program**

BUDGET ITEM JUSTIFICATION SHEET							DATE: Feb 1999	
APPROPRIATION / BUDGET ACTIVITY : 97*0130				P-1 ITEM NOMENCLATURE: New Facility Outfitting				
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Quantity								
Cost (in \$000)	28,759	14,415	9,418	15,230	12,672	8,834	12,025	10,991
<p>REMARKS</p> <p>1. The FY 1998-2005 new facility outfitting element of the DHP's procurement budget funds the acquisition and installation of commercially available equipment to furnish new and expanded facilities being completed under military construction projects in support of dental services, health care delivery, health care training, and other health care activities. The items range from dental, surgical, radiographic, and pathologic equipment to medical administrative support equipment. The FY 1998-2005 new facility outfitting program provides critical support to the DHP's FY 1998-2005 military medical construction program. The FY 2000 new facility outfitting request provides funding for only the minimum essential equipment necessary to support congressionally reviewed and approved military medical construction projects. The FY 2003-2005 new facility outfitting request has been reduced to reflect lower requirements as a result of the 18 Aug 1998 Program Decision Memorandum (PDM) I, which eliminated four military construction (MILCON) projects in FYs 2000-2004.</p>								

FY 2000/2001 BIENNIAL BUDGET ESTIMATE
EXHIBIT R-1, RDT&E PROGRAMS
DEFENSE HEALTH PROGRAM

Appropriation: RDT&E, Defense Health Program

Date: Feb 99

R-1 Line <u>Item No</u>	Program Element <u>Number</u>	Item	Budget Activity	TOA \$ in Millions		
				Past Year <u>Cost</u>	Current Year <u>Cost</u>	FY 2000 <u>Cost</u>
1	602115	Biomedical Technology	2	0	19.4	0

Defense Health Program
FY 2000/2001 Biennial Budget Estimate
Civilian Personnel Costs
FY 1998
(\$ in Thousands)

Component: Defense Health Program

	<u>Begin</u>	<u>End</u>		<u>Full-Time</u>		<u>Basic</u>	<u>Overtime</u>	<u>Holiday</u>	<u>Other</u>	<u>Total</u>	<u>Total</u>	<u>Compensation</u>	<u>& Benefits</u>	
	<u>Strength</u>	<u>Strength</u>		<u>Equivalent</u>		<u>Compensation</u>	<u>Pay</u>	<u>Pay</u>		<u>Variables</u>	<u>Compensation</u>			<u>Benefits</u>
	a.	<u>Total</u>	<u>FTP</u>	<u>Total</u>	<u>FTP</u>	f.	g.	h.		<u>OC 11</u>	j.			<u>OC 11</u>
1. Direct Hire Civilian:														
a. U.S. Employees:														
(1) Classified and Administrative														
(a) Senior Executive Schedule	10	9	9	7	7	804	0	0	190	190	994	174	1,168	
(b) General Schedules	35,996	35,370	32,885	35,837	33,699	1,184,512	14,707	4,543	31,198	50,448	1,234,960	306,940	1,541,900	
(c) Special Schedules	0	0	0	0	0	0	0	0	0	0	0	0	0	
Subtotal	36,006	35,379	32,894	35,844	33,706	1,185,316	14,707	4,543	31,388	50,638	1,235,954	307,114	1,543,068	
(Rate)						33.069				0.043	34.481	0.259	43.050	
(2) Wage Board	3,724	3,774	3,487	3,770	3,492	108,494	3,339	1,287	2,358	6,984	115,478	26,577	142,055	
(Rate)						28.778				0.064	30.631	0.245	37.680	
(3) Other	195	198	136	196	119	15,756	0	1	129	130	15,886	2,973	18,859	
(Rate)						80.388				0.008	81.051	0.189	96.219	
Subtotal United States	39,925	39,351	36,517	39,810	37,317	1,309,566	18,046	5,831	33,875	57,752	1,367,318	336,664	1,703,982	
(Rate)						32.895				0.044	34.346	0.257	42.803	
b. Direct Hire Foreign Nationals	815	655	187	623	204	11,146	212	54	3,065	3,331	14,477	5,017	19,494	
(Rate)						17.891				0.299	23.238	0.450	31.291	
c. Total Direct Hire	40,740	40,006	36,704	40,433	37,521	1,320,712	18,258	5,885	36,940	61,083	1,381,795	341,681	1,723,476	
(Rate)						32.664				0.046	34.175	0.259	42.625	
2. Indirect Hire Foreign Nationals	1,551	1,579	0	1,597	0	41,274	0	0	0	0	41,274	0	41,274	
(Rate)						25.845				0.000	25.845	0.000	25.845	
3. Foreign National Separation Liability Accrual														
a. Foreign Nationals Direct Hire	0	0	0	0	0	0	0	0	0	0	0	511	511	
b. Foreign Nationals Indirect Hire	0	0	0	0	0	0	0	0	0	0	0	114	114	
4. Benefits for Former Employees (OC-13):														
a. Foreign National Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0	
b. U.S. Direct Hire	0	0	0	0	0	0	0	0	0	0	0	499	499	
c. Vol. Sep. Pay	0	0	0	0	0	0	0	0	0	0	0	1,732	1,732	
d. \$80 Surcharge	0	0	0	0	0	0	0	0	0	0	0	3,160	3,160	
e. Percent Early Retirement	0	0	0	0	0	0	0	0	0	0	0	625	625	
5. TOTAL CIVILIAN PERSONNEL	42,291	41,585	36,704	42,030	37,521	1,361,986	18,258	5,885	36,940	61,083	1,423,069	348,322	1,771,391	
(Rate)						32.405				0.045	33.858	0.256	42.146	
6. Reimbursable Data														
a. U.S. Direct Hires	540	341	330	355	343	12,307	131	40	107	278	12,585	3,280	15,865	
b. Foreign Nationals Direct Hires	12	5	0	5	0	172	0	0	10	10	182	32	214	
c. Total Direct Hires	552	346	330	360	343	12,479	131	40	117	288	12,767	3,312	16,079	
d. Foreign Nationals Indirect Hire	44	44	0	44	0	622	0	0	0	0	622	3	625	
e. TOTAL REIMBURSABLE FUNDING	596	390	330	404	343	13,101	131	40	117	288	13,389	3,315	16,704	
7. DIRECT FUNDED CIVILIAN PERSONNEL	41,695	41,195	36,374	41,626	37,178	1,348,885	18,127	5,845	36,823	60,795	1,409,680	345,007	1,754,687	
(Rate)						32.405				0.045	33.865	0.256	42.154	

Defense Health Program
FY 2000/2001 Biennial Budget Estimate
Civilian Personnel Costs
FY 1999
(\$ in Thousands)

Component: Defense Health Program

	<u>Begin</u> <u>Strength</u>	<u>End</u> <u>Strength</u>	<u>Full-Time</u> <u>Equivalent</u>		<u>Basic</u> <u>Compensation</u>	<u>Overtime</u> <u>Pay</u>	<u>Holiday</u> <u>Pay</u>	<u>Other</u>	<u>Total</u> <u>Variables</u>	<u>Total</u> <u>Compensation</u>	<u>Benefits</u>	<u>Compensation</u> <u>& Benefits</u>	
		<u>Total</u>	<u>FTP</u>	<u>Total</u>	<u>FTP</u>			<u>OC 11</u>		<u>OC 11</u>	<u>OC 12</u>		
	a.	b.	c.	d.	e.	f.	g.	h.	i.	j.	k.	l.	m.
1. Direct Hire Civilian:													
a. U.S. Employees:													
(1) Classified and Administrative													
(a) Senior Executive Schedule	9	13	13	13	13	1,555	0	0	238	238	1,793	332	2,125
(b) General Schedules	35,370	33,688	31,701	33,588	31,694	1,170,818	12,362	4,084	30,127	46,573	1,217,391	298,558	1,515,949
(c) Special Schedules	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	35,379	33,701	31,714	33,601	31,707	1,172,373	12,362	4,084	30,365	46,811	1,219,184	298,890	1,518,074
(Rate)						34.891				0.040	36.284	0.255	45.179
(2) Wage Board	3,774	3,553	3,288	3,490	3,249	103,641	2,676	1,213	2,069	5,958	109,599	25,171	134,770
(Rate)						29.697				0.057	31.404	0.243	38.616
(3) Other	198	198	136	193	118	16,006	1	1	136	138	16,144	3,102	19,246
(Rate)						82.933				0.009	83.648	0.194	99.720
Subtotal United States	39,351	37,452	35,138	37,284	35,074	1,292,020	15,039	5,298	32,570	52,907	1,344,927	327,163	1,672,090
(Rate)						34.653				0.041	36.072	0.253	44.847
b. Direct Hire Foreign Nationals	655	527	110	527	110	8,995	102	18	1,962	2,082	11,077	2,798	13,875
(Rate)						17.068				0.231	21.019	0.311	26.328
c. Total Direct Hire	40,006	37,979	35,248	37,811	35,184	1,301,015	15,141	5,316	34,532	54,989	1,356,004	329,961	1,685,965
(Rate)						34.408				0.042	35.863	0.254	44.589
2. Indirect Hire Foreign Nationals	1,579	1,786	0	1,748	0	45,463	0	0	0	0	45,463	0	45,463
(Rate)						26.009				0.000	26.009	0.000	26.009
3. Foreign National Separation Liability Accrual													
a. Foreign Nationals Direct Hire	0	0	0	0	0	0	0	0	0	0	0	487	487
b. Foreign Nationals Indirect Hire	0	0	0	0	0	0	0	0	0	0	0	138	138
4. Benefits for Former Employees (OC-13):													
a. Foreign National Direct Hire	0	0	0	0	0	0	0	0	0	0	0	22	22
b. U.S. Direct Hire	0	0	0	0	0	0	0	0	0	0	0	268	268
c. Vol. Sep. Pay	0	0	0	0	0	0	0	0	0	0	0	0	0
d. \$80 Surcharge	0	0	0	0	0	0	0	0	0	0	0	0	0
e. Percent Early Retirement	0	0	0	0	0	0	0	0	0	0	0	0	0
5. TOTAL CIVILIAN PERSONNEL	41,585	39,765	35,248	39,559	35,184	1,346,478	15,141	5,316	34,532	54,989	1,401,467	330,876	1,732,343
(Rate)						34.037				0.041	35.427	0.246	43.791
6. Reimbursable Data													
a. U.S. Direct Hires	341	339	330	379	368	13,689	104	13	151	268	13,957	3,358	17,315
b. Foreign Nationals Direct Hires	5	7	0	7	0	206	0	0	14	14	220	41	261
c. Total Direct Hires	346	346	330	386	368	13,895	104	13	165	282	14,177	3,399	17,576
d. Foreign Nationals Indirect Hire	44	44	0	44	0	665	0	0	0	0	665	5	670
e. TOTAL REIMBURSABLE FUNDING	390	390	330	430	368	14,560	104	13	165	282	14,842	3,404	18,246
7. DIRECT FUNDED CIVILIAN PERSONNEL	41,195	39,375	34,918	39,129	34,816	1,331,918	15,037	5,303	34,367	54,707	1,386,625	327,472	1,714,097
(Rate)						34.039				0.041	35.437	0.246	43.806

Defense Health Program
FY 2000/2001 Biennial Budget Estimate
Civilian Personnel Costs
FY 1998
(\$ in Thousands)

Component: Defense Health Program

	<u>Begin</u>	<u>End</u>		<u>Full-Time</u>		<u>Basic</u>	<u>Overtime</u>	<u>Holiday</u>	<u>Other</u>	<u>Total</u>	<u>Total</u>	<u>Compensation</u>	<u>& Benefits</u>	
	<u>Strength</u>	<u>Strength</u>		<u>Equivalent</u>		<u>Compensation</u>	<u>Pay</u>	<u>Pay</u>		<u>Variables</u>	<u>Compensation</u>			<u>Benefits</u>
	a.	<u>Total</u>	<u>FTP</u>	<u>Total</u>	<u>FTP</u>	f.	g.	h.		<u>OC 11</u>	j.			<u>OC 11</u>
1. Direct Hire Civilian:														
a. U.S. Employees:														
(1) Classified and Administrative														
(a) Senior Executive Schedule	10	9	9	7	7	804	0	0	190	190	994	174	1,168	
(b) General Schedules	35,996	35,370	32,885	35,837	33,699	1,184,512	14,707	4,543	31,198	50,448	1,234,960	306,940	1,541,900	
(c) Special Schedules	0	0	0	0	0	0	0	0	0	0	0	0	0	
Subtotal	36,006	35,379	32,894	35,844	33,706	1,185,316	14,707	4,543	31,388	50,638	1,235,954	307,114	1,543,068	
(Rate)						33.069				0.043	34.481	0.259	43.050	
(2) Wage Board	3,724	3,774	3,487	3,770	3,492	108,494	3,339	1,287	2,358	6,984	115,478	26,577	142,055	
(Rate)						28.778				0.064	30.631	0.245	37.680	
(3) Other	195	198	136	196	119	15,756	0	1	129	130	15,886	2,973	18,859	
(Rate)						80.388				0.008	81.051	0.189	96.219	
Subtotal United States	39,925	39,351	36,517	39,810	37,317	1,309,566	18,046	5,831	33,875	57,752	1,367,318	336,664	1,703,982	
(Rate)						32.895				0.044	34.346	0.257	42.803	
b. Direct Hire Foreign Nationals	815	655	187	623	204	11,146	212	54	3,065	3,331	14,477	5,017	19,494	
(Rate)						17.891				0.299	23.238	0.450	31.291	
c. Total Direct Hire	40,740	40,006	36,704	40,433	37,521	1,320,712	18,258	5,885	36,940	61,083	1,381,795	341,681	1,723,476	
(Rate)						32.664				0.046	34.175	0.259	42.625	
2. Indirect Hire Foreign Nationals	1,551	1,579	0	1,597	0	41,274	0	0	0	0	41,274	0	41,274	
(Rate)						25.845				0.000	25.845	0.000	25.845	
3. Foreign National Separation Liability Accrual														
a. Foreign Nationals Direct Hire	0	0	0	0	0	0	0	0	0	0	0	511	511	
b. Foreign Nationals Indirect Hire	0	0	0	0	0	0	0	0	0	0	0	114	114	
4. Benefits for Former Employees (OC-13):														
a. Foreign National Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0	
b. U.S. Direct Hire	0	0	0	0	0	0	0	0	0	0	0	499	499	
c. Vol. Sep. Pay	0	0	0	0	0	0	0	0	0	0	0	1,732	1,732	
d. \$80 Surcharge	0	0	0	0	0	0	0	0	0	0	0	3,160	3,160	
e. Percent Early Retirement	0	0	0	0	0	0	0	0	0	0	0	625	625	
5. TOTAL CIVILIAN PERSONNEL	42,291	41,585	36,704	42,030	37,521	1,361,986	18,258	5,885	36,940	61,083	1,423,069	348,322	1,771,391	
(Rate)						32.405				0.045	33.858	0.256	42.146	
6. Reimbursable Data														
a. U.S. Direct Hires	540	341	330	355	343	12,307	131	40	107	278	12,585	3,280	15,865	
b. Foreign Nationals Direct Hires	12	5	0	5	0	172	0	0	10	10	182	32	214	
c. Total Direct Hires	552	346	330	360	343	12,479	131	40	117	288	12,767	3,312	16,079	
d. Foreign Nationals Indirect Hire	44	44	0	44	0	622	0	0	0	0	622	3	625	
e. TOTAL REIMBURSABLE FUNDING	596	390	330	404	343	13,101	131	40	117	288	13,389	3,315	16,704	
7. DIRECT FUNDED CIVILIAN PERSONNEL	41,695	41,195	36,374	41,626	37,178	1,348,885	18,127	5,845	36,823	60,795	1,409,680	345,007	1,754,687	
(Rate)						32.405				0.045	33.865	0.256	42.154	

DEFENSE THREAT REDUCTION AGENCY
Former Soviet Union Threat Reduction
FY 2000/2001 Biennial Budget Estimates

I. Description of Operations Financed: Weapons of Mass Destruction (WMD) located in Russia, the presence of significant quantities of nuclear warheads and fissile material, and the threat of proliferation of WMD are among the most serious challenges for U.S. national security planning in the post-Cold War period. The 1991 Soviet Nuclear Threat Reduction Act and subsequent congressional legislation established the basis for Department of Defense (DoD) implementation of the Cooperative Threat Reduction (CTR) Program. In his November Defense Reform Initiative (DRI), the Secretary of Defense identified the challenges posed by WMD as the greatest and most complex threats facing the DoD in the future. To address these challenges, the Department has established the Defense Threat Reduction Agency (DTRA) as a key component in the DoD response to these challenges. Establishment of DTRA is an evolving work in progress. The CTR program merges with DTRA, effective with FY 2000. Based on the CTR legislation, U.S. National Security policy, and an assessment of opportunities for cooperative engagement with Russia, Ukraine, Kazakhstan, and Belarus, DoD developed five CTR objectives:

A. Objective One:

Assist Ukraine, Kazakhstan, and Belarus to become non-nuclear weapons states, and eliminate Strategic Arms Reduction Treaty (START)-limited systems and weapons of mass destruction infrastructure.

Ukraine officially became a non-nuclear weapons state in June 1996. However, the dismantlement of the SS-24 Intercontinental Ballistic Missile (ICBM) system is a top U.S. Government priority which addresses a variety of national security, arms control, and nonproliferation objectives. The DoD and State Department consultations with the Ukraine's government asserting U.S. interest in elimination of the remaining 55 SS-24 missiles, 46 silos, 5 launch control centers, and supporting infrastructure led to the Government of Ukraine decision to eliminate the SS-24 weapon system. The DoD assistance supports integrating contractors to manage the elimination effort, construction of temporary missile storage (missiles awaiting elimination), dismantlement of silo launchers in accordance with START I protocols, building and operating a SS-24 solid rocket motor

DEFENSE THREAT REDUCTION AGENCY
Former Soviet Union Threat Reduction
FY 2000/2001 Biennial Budget Estimates

I. Description of Operations Financed (Continued):

propellant extraction facility, and SS-24 missile component elimination. Ukraine has requested assistance, in accordance with the December 1997 SECDEF/MINDEF Brussels Statement of Intent, to eliminate strategic bombers and associated Air-Launched Cruise Missiles (ALCMs). As a result DoD is funding the elimination of approximately 44 bombers and over 1,000 ALCMs. No additional funding for this objective is requested for Kazakhstan or Belarus.

B. Objective Two:

Assist Russia in accelerating strategic arms reductions to START levels. Russia will continue to be a nuclear weapons state possessing the infrastructure, materials, and technology to build and deploy nuclear weapons. START II, as revised by the Protocol to the Treaty in New York, requires mandatory reductions to 3,000-3,500 deployed strategic warheads and elimination of all SS-18 ICBMs by 2007. Presidents Yeltsin and Clinton's Helsinki Summit Joint Statement on Future Reductions in Nuclear Forces calls for lower aggregate levels of warheads to 2,000-2,500 under a START III and for CTR assistance to accomplish early deactivation of missile systems to be eliminated under START II. Recently, the Russian Federation has decoupled future strategic force structure reductions from START II ratification by the Duma. At Russia's request and consistent with SECDEF guidance, the CTR program is assisting the dismantlement of strategic nuclear delivery systems to levels at or below those specified by START protocols. CTR funds continue the destruction and/or dismantlement of: strategic missile systems; ICBM silos, road and rail mobile launchers; Sea Launched Ballistic Missile (SLBM)/ICBM liquid/solid rocket propellant missiles; SLBM launchers and the associated Sub-surface Submarine Ballistic Nuclear (SSBN); and heavy bombers. Major Western contractors are providing training, services, equipment and logistic support.

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I. Description of Operations Financed (Continued):

Where appropriate, direct contracting with Russian dismantlement enterprises, such as shipyards and design institutes, is incorporated to meet this objective.

C. Objective Three:

Enhance safety, security, control, accounting, and centralization of nuclear weapons and fissile material in the former Soviet Union to prevent their proliferation and encourage their reduction.

Pursuant to the Nuclear Weapons Transportation Security Agreement, the CTR Program will assist Russia to safely and securely transport nuclear warheads from deployed ICBMs/SLBMs to secure storage sites and dismantlement facilities. Approximately 4,000 nuclear weapons (two-thirds of the remaining Russian alert inventory) will be deactivated. Plans are to facilitate the deactivation by funding rail shipments to secure storage sites and from secure storage sites to dismantlement facilities. While the number of warheads per shipment and the distance of each shipment will vary, over 120,000 km of shipments are planned each year. Procurement of additional transportation safety equipment providing enhanced communications, diagnostics, access, and cold weather capability will begin in FY 1999 and be completed in FY 2000. Previously provided emergency support equipment will also be maintained.

The CTR Weapons Storage Security funding is enhancing the safety and security of Russian MOD nuclear weapons storage sites. Funding will also be used to procure, deliver, install, and certify the automated inventory control and management system, which contributes to the nonproliferation of weapons of mass destruction. Nuclear weapons storage site enhancements include the development of an integrated physical security and access denial system for 123 storage sites used by the Russian Air Force, Navy, Strategic

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I. Description of Operations Financed (Continued):

Rocket Forces and 12th Main Directorate. A Security Assessment and Training Center (SATC) will be completed in 1999 for use as a training location and test-bed for comparing and integrating candidate security systems to be installed at the nuclear weapons storage sites. Potential enhancements include: physical barrier systems; exterior/interior intrusion detection systems; assessment systems such as closed circuit television; central security control systems; site communication systems; personnel, package, and vehicle access control systems; intra-site data transmission media; and command, control, and display systems. In addition, systems for guard force training will be provided. Also, systems currently being provided for personnel reliability, personal safety, and guard force training will be expanded to support the Air Force, Navy, Strategic Rocket Forces site personnel.

The CTR funds assist Russia in dismantling their nuclear weapons. Funds for inserts needed for loading of the fissile material into the fissile material containers. The CTR plans to fund reshaping of the plutonium and Highly Enriched Uranium (HEU) from nuclear warheads into unclassified shapes, and loading the resulting shapes into 3mm wall thick stainless steel cladding to provide long term stability, and placing the cladded shapes into inserts prior to placement in the Fissile Material Containers (FMCs). The DoD provides equipment, training, and services to design and construct a safe and secure fissile material storage facility (FMSF) at Mayak, Russia. The facility will have a capacity in two wings to store 50,000 containers of weapons grade plutonium and highly enriched uranium from 12,500 weapons. The fissile material storage facility significantly enhances the material control and accounting, transparency, and safeguarding of fissile materials removed from dismantled nuclear weapons of the FSU. The facility construction schedule and funding are linked to accelerated rates of weapons systems dismantlement and Helsinki warhead reduction objectives. Funds for this project address a lack of storage capacity that the Russians have declared as the major bottleneck in the dismantlement process.

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I. Description of Operations Financed (Continued):

The Russian Reactor Core Conversion project, directed by a Gore-Chernomyrdin signed agreement, is a high priority of the Administration. This project will stop Russian production of weapons grade plutonium and improve operational safety by converting the reactor core design configuration of the reactors at Seversk and Zheleznogorsk. Currently, **each of the three** reactors can produce up to a total of 1.5 metric tons of plutonium per year. These reactors also provide critically needed district heat and electricity to Seversk and Zheleznogorsk. Total project costs **including the value of the uranium is** estimated in **October 1998** to be \$310 million. **Due to the financial situation in Russia,** the DoD intends to **request** additional funding for the design of **converting the cores;** improvements in safety systems; and **infrastructure** and materials needed to assure the actual conversion of the reactors; acceptance testing; and, regulatory approval.

D. Objective Four:

Assist the former Soviet Union (FSU) to eliminate and prevent proliferation of **biological and chemical** weapons capabilities. The biological and chemical weapons capabilities remaining in the former Soviet Union pose urgent proliferation and public safety concerns. To meet these concerns DoD is providing assistance in the reduction of these weapons stockpiles and associated production capabilities. **Funds may also be used for dismantlement of biological agent production facilities or equipment.**

The CTR biological weapons (BW) initiative will support collaborative research efforts with Russian scientists through direct lab-to-lab contacts designed to address DoD bio-defense needs in the areas of force protection, medical countermeasures and modeling. The CTR will augment other DoD research capabilities while gaining transparency into Russian biotechnology activities. The BW safeguard/transparency projects will reduce the threat of significant physical security deficiencies at various Russian BW facilities and dismantle former BW production facilities or equipment.

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I. Description of Operations Financed (Continued):

Russia, as a State Party to the Chemical Weapons Convention (CWC), is required to eliminate its stockpile of chemical weapons and demilitarize its former chemical weapons production facilities. Russia has declared a chemical weapons arsenal of 40,000 metric tons located at seven sites, including 32,500 metric tons of nerve agents at five sites. All nerve agents are contained in bombs, spray tanks, missile warheads, artillery projectiles, and rocket warheads. The CTR funding supports: provision of an analytical monitoring capability with mobile labs and the renovation of a fixed laboratory in Moscow; the design, equipment acquisition/installation, construction, systems integration, training, and start-up of a safe and secure pilot chemical weapons destruction facility at the Schuch'ye stockpile site in the Kurgan Oblast in FY 2005; and the demilitarization of former chemical weapons production facilities which may stimulate commercial conversion to non-prohibited chemical production. In addition, security enhancements for the protection of the chemical weapons stockpile at Schuch'ye and Kizner sites will be researched and implemented.

E. Objective Five:

Encourage military reductions and reforms and reduce proliferation threats in the former Soviet Union.

The CTR supports efforts to establish and expand a network of professional exchanges between US and FSU defense and military establishments. Activities include: Bilateral Working Group meetings and Joint Staff Talks between senior defense officials, a wide range of delegation exchanges on defense and military topics, sister base/unit exchanges, and combined exercises. In accordance with Congressional direction provided by the FY 1997 National Defense Authorization Act, Public Law 104-201, DoD is working to expand this program to other countries of the former Soviet Union besides Russia, Ukraine, Kazakhstan, and Belarus (the original recipients of CTR assistance). The DoD has already held events with its counterparts in Moldova, Kyrgyzstan, Uzbekistan, and Georgia.

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II. Force Structure Summary:

Other Assessments/Administrative Support funds the Audits and Examinations provisions included in all CTR Implementing Agreements. This Congressional interest item ensures that DoD provided equipment, services, and training are used for the intended purpose, and are satisfying the Congressionally mandated goals of the CTR Program. Funding supports: CTR delegation and technical team travel expenses, translator/interpreter support, and contracted technical and analytical support.

A. Strategic Offensive Arms Elimination - Russia: Accelerate Russian activities to meet strategic arms reduction goals in accordance with the Helsinki Joint Statement on Future Reductions in Nuclear Forces. The CTR Program is providing equipment and services to dismantle strategic nuclear delivery systems including: ICBM silos, mobile launchers, ICBMs, SLBMs, SLBM launchers and associated SSBN, and heavy bombers. Funding also supports transport, storage, and disposition of liquid/solid rocket propellants and disposition of spent fuel from SSBNs; and emergency support equipment.

B. Strategic Nuclear Arms Elimination - Ukraine: Assist Ukraine in meeting arms reductions under START. The CTR Program provides equipment and services to dismantle Ukrainian SS-24 missiles and launchers, strategic bombers, and air-launched cruise missiles (ALCMs); transport and dispose of propellants; and provide emergency response equipment.

C. Fissile Material Storage Facility - Russia: Rectify Russia's shortage of enhanced secure storage facilities for fissile materials from dismantled weapons. The CTR Program is providing materials, services, and training related to the design, construction, and operation of a safe, secure, and ecologically-sound Fissile Material Storage Facility at Mayak, Russia.

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II. Force Structure Summary (Continued):

D. Fissile Material Storage Containers - Russia: Provides fissile material containers (FMCs) to enhance security, safety, and accounting of fissile materials from dismantled weapons removed from operational strategic nuclear systems and facility upgrades to increases Russian FMC insert production to minimum of 2,000 units per year.

E. Warhead Dismantlement Processing - Russia: Assist Russia in dismantling nuclear weapons by preparing the plutonium and highly enriched uranium (HEU) for long term storage in fissile material containers and in the Fissile Material Storage Facility.

F. Weapons Storage Security - Russia: Assist Russia's non-proliferation efforts. The CTR Program is providing inventory control systems and security enhancements to Russian nuclear weapons storage sites in order to deter the theft, diversion, or sabotage of weapons.

G. Weapons Transportation Security - Russia: Transporting nuclear weapons and maintaining the safety and security enhancements to the Russian transport systems pending dismantlement and to deter proliferation of those nuclear weapons. CTR will fund the transport of warheads from SRF, Air and Navy sites to secure storage and to dismantlement sites.

H. Reactor Core Conversion - Russia: Ceases production of weapons-grade plutonium at the three remaining production reactors. Assist Russia in the design and installation of improved operational safety features, and preparation of the production capacities for manufacturing fuel elements and neutron absorber elements. Provides technical assistance in the review of the reactor design by U.S. experts.

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II. Force Structure Summary (Continued):

I. BW Proliferation Prevention - Russia: Establish a biological weapons threat reduction program with Russian biological weapons laboratories working through the International Science and Technology Center. The program will enhance security of the facilities and the biological agents from insider and outsider threats and redirect the efforts of the scientists through direct contacts with former BW institutes and collaboration with the United States and perhaps selected NATO nation scientists. Funds may also be used for dismantlement of biological agent production facilities or equipment.

J. Chemical Weapons Destruction - Russia: Assist Russia in the safe, secure, and ecologically sound destruction of its CW stockpile and minimize the potential for proliferation. The CTR Program is focused on accelerating nerve agent destruction by designing, constructing and equipping the first Russian CW Destruction Facility (CWDF) at Shchuch'ye. An Amendment to the CW Destruction Agreement expands the assistance provided to include the demilitarization of former CW production facilities.

K. Defense and Military Contacts: Promote democratic reform in the former Soviet Union. Improve cooperation and understanding between the U.S. and FSU military establishments through increased bilateral contacts, such as ship visits and exchanges, and joint training exercises.

L. Other Assessments/Administrative Support: Fund a Congressionally mandated Audits and Examinations (A&E) program and CTR program administrative and support costs. Activities include CTR delegation and technical team travel, translator/interpreter support, project requirements development, and contracted technical and analytical program support.

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III. Financial Summary (FSU: \$ in Thousands):

A. <u>Sub-Activity Group</u>	FY 1998	FY 1999		Current	FY 2000	FY2001
	<u>Actuals</u>	<u>Budget Request</u>	<u>Appropriation</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
1. Strategic Offensive Arms Elimination - Russia	77,900	142,400	142,400	142,400	157,300	157,800
2. Strategic Nuclear Arms Elimination - Ukraine	76,700	47,500	47,500	47,500	33,000	29,100
3. Fissile Material Storage Facility - Russia	57,700	60,900	60,900	60,900	64,500	64,500
4. Fissile Material Storage Containers - Russia	7,000					
5. Warhead Dismantlement Processing - Russia		9,400	9,400	9,400	9,300	9,300
6. Weapons Storage Security - Russia	36,000	41,700	41,700	41,700	40,000	20,000
7. Weapons Transportation Security - Russia		10,300	10,300	10,300	15,200	17,000
8. Reactor Core Conversion - Russia	41,000	29,800	29,800	29,800	20,000	25,000
9. BW Proliferation Prevention - Russia	2,000	2,000	2,000	2,000	2,000	2,000
10. Chemical Weapons Destruction - Russia	53,400	88,400	88,400	88,400	130,400	162,200
11. Defense and Military Contacts	9,337	2,000			2,000	7,800
12. Other Assessments/Administrative Support	20,500	8,000	8,000	8,000	1,800	6,300
Total	381,537	442,400	440,400	440,400	475,500	501,000

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III. Financial Summary (FSU: \$ in Thousands) (Continued):

<u>B. Reconciliation Summary</u>	Change	Change	Change
	<u>FY 1999/FY 1999</u>	<u>FY 1999/FY 2000</u>	<u>FY 2000/FY 2001</u>
Baseline Funding	442,400	440,400	475,500
Congressional Adjustments	-2,000	N/A	N/A
Supplemental Request	0	0	0
Price Change	0	6,606	7,134
Functional Transfer	0	0	0
Program Changes	0	28,494	18,366
Current Estimate	440,400	475,500	501,000
<u>C. Reconciliation of Increases and Decreases:</u>			
1. FY 1999 President's Budget Request			442,400
2. Congressional Adjustments (Distributed)			
a. Defense and Military Contacts		-2,000	
Total Congressional Adjustments (Distributed)			- 2,000
3. FY 1999 Appropriated Amount			440,400
4. Program Increases			0
5. Program Decreases			0
6. Revised FY 1999 Current Estimate			440,400
7. Price Growth			6,606
8. Program Increases			
a. Strategic Offensive Arms Elimination (SOAE)-Russia (FY 1999 Base: \$142,400)		12,764	
Provide additional assistance for increased SLBM dismantlements, and SS-18 weapon system dismantlement.			
b. Fissile Material Storage Facility - Russia (FY 1999 Base: \$60,900)		2,687	
Due to financial crisis in Russia, increases U.S. share to the design, equipment, training, materials, and construction services to construct a 25,000 container fissile material storage facility at Mayak.			

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III. Financial Summary (FSU: \$ in Thousands) (Continued):

C. Reconciliation of Increases and Decreases (Continued):

c. Weapons Transportation Security - Russia (FY 1999 Base: \$10,300)	4,746	
Complete procurements of additional data transfer and communication equipment, survey equipment, weapons diagnostic equipment, heavy access equipment, cold weather equipment, and related training and support required for MOD accident response groups while containing warhead transport at FY99 rates.		
d. Chemical Weapons Destruction - Russia (FY 1999 Base: \$88,400)	40,674	
Construction of supporting infrastructure, procurement of equipment items, Continue site utilities and construction and begin construction of CW destruction facility at Shchuch'ye.		
e. Defense and Military Contacts (FY 1999 Base: \$0)	2,000	
Funds for approximately 40 defense and military exchanges.		
9. Total Program Increases		62,871
10. Program Decreases		
a. Strategic Nuclear Arms Elimination (SNAE)-Ukraine (FY 1999 Base: \$47,500)	-15,213	
Completion of the elimination of the SS-19 weapons system.		
b. Warhead Dismantlement Processing - Russia (FY 1999 Base: \$9,400)	- 271	
Minor adjustment to align funds with total program budget.		
c. Weapons Storage Security - Russia (FY 1999 Base: \$41,700)	-2,326	
Minor adjustment as program completes system design and testing. Begin procurement of selected equipment.		
d. Other Assessments/Administrative Support (FY 1999: Base \$8,000)	-6,320	
Adjustment is based on actual prior year expenses of oversight and technical support requirements of the CTR program and current unobligated prior year funds.		
e. Reactor Core Conversion - Russia (FY 1999 Base: \$29,800)	-10,247	
Reduction is based on Russian scheduled changes for Reactor Core Conversion. Adjustment to align request with required precursors and infrastructure upgrades.		

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III. Financial Summary (FSU: \$ in Thousands) (Continued):

C. Reconciliation of Increases and Decreases (Continued):

11. Total Program Decreases	-34,377
12. FY 2000 Budget Request	475,500
13. Price Growth	7,134
14. Program Increases	
a. Weapons Transportation Security - Russia (FY 2000 Base: \$15,200) Increase funding for Transportation of tactical warheads to enhanced secure dismantlement facilities in addition to continued strategic warhead transportation.	1,572
b. Reactor Core Conversion - Russia (FY 2000 Base: \$20,000) Supports just-in-time funding to complete project in 2004.	4,700
c. Chemical Weapons Destruction - Russia (FY 2000 Base: \$130,400) Supports funding profile required to complete project by 2006.	29,844
d. Defense and Military Contacts (FY 2000 Base: \$2,000) Funds for approximately 110 additional defense and military exchanges.	5,770
e. Other Assessments/Administrative Support (FY 2000 Base: \$1,800) Adjustment is based on revised estimates of oversight requirements.	4,473
15. Total Program Increases	46,359
16. Program Decreases	
a. Strategic Offensive Arms Elimination (SOAE)-Russia (FY 2000 Base: \$157,300) Assistance remains constant except for inflation.	-1,860

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III. Financial Summary (FSU: \$ in Thousands) (Continued):

C. Reconciliation of Increases and Decreases (Continued):

b. Strategic Nuclear Arms Elimination (SNAE)-Ukraine (FY 2000 Base: \$33,000)	-4,395
Budget reduction due to completion of SS-24 silo and bomber elimination.	
c. Fissile Material Storage Facility - Russia (FY 2000 Base: \$64,500)	-968
Construction effort continues at same level except for inflation.	
d. Warhead Dismantlement Processing - Russia (FY 2000 Base: \$9,300)	-170
Construction effort continues at same level except for inflation.	
e. Weapons Storage Security - Russia (FY 2000 Base: \$40,000)	-20,600
Procurements of selected site enhancement to equipment will continue, but at a reduced rate. This will give Russia time to deliver equipment to Russian sites and to prepare its sites for installation and operations.	

17. Total Program Decreases	-27,993
18. FY 2001 Budget Request	501,000

IV. Performance Criteria and Evaluation Summary:

The CTR program is reducing the threat from WMD in the FSU by dismantling strategic delivery systems and their infrastructure, and enhancing the safety and security of nuclear weapons during transport or in storage pending dismantlement. Criteria for success is the numbers of systems dismantled or transport and storage facilities secured.

Assist Russia in accelerating strategic arms reductions to START levels:

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IV. Performance Criteria and Evaluation Summary (Continued):

(\$'s in Thousands)

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
A. <u>Strategic Offensive Arms Elimination (SOAE) - Russia</u>	77,900	142,400	157,300	157,800

FY 1998 funds will:

Provide equipment and services to eliminate 64 SLBM launchers and associated SSBNs;

Transport 110 SLBMs to dismantlement facilities;

Contract for equipment and facility modifications for volume reduction of low level radioactive waste (LLRW) to support dismantlement of Russian SSBNs at two Russian START-designated elimination facilities;

Provide assistance to store or process spent naval fuel from 8 SSBNs;

Provide infrastructure to dispose of ICBM/SLBM liquid propellant missile fuel;

Fund construction and testing of a prototype spent naval fuel storage and transportation container; and,

Provide consolidated logistical support to maintain CTR provided equipment.

FY 1999 funds will enable Russia to:

Eliminate 106 SLBM launchers and associated SSBNs;

Transport an estimated 100 SLBMs to disposition facilities;

Repair/recertify 125 rail cars and 670 intermodal containers for rocket fuel/oxidizer;

Continue volume reduction of 1,500 m3 of liquid and 200 m3 of solid LLRW

Construct mobile plant to eliminate 123,000 MT of liquid ICBM/SLBM oxidizer;

Provide equipment and facility modifications to assist in the elimination of up to 60 SS-17/19 ICBMs per year;

Eliminate 39 SS-17/18/19 ICBMs;

Provide assistance to eliminate 9 SS-N-20 SLBMs;

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IV. Performance Criteria and Evaluation Summary (Continued):

A. Strategic Offensive Arms Elimination (SOAE) - Russia (Continued):

Procure 4 rail cars and 36 containers for transportation of spent naval fuel;
Provide assistance to store or reprocess spent naval fuel from 7 SSBNs; and,
Provide consolidated logistical support to maintain CTR provided equipment.

FY 2000 funds will enable Russia to:

Begin procurement of equipment and services to modify facilities to
disassemble SS-24s ICBMs;
Eliminate 142 SLBM launchers and associated SSBNs;
Transport an estimated 100 SLBMs to disposition facilities;
Complete elimination of 26 SS-18 ICBM silo launcher sites;
Eliminate 68 SS-17/18/19/24/25 ICBMs;
Provide assistance to eliminate 10 SS-N-20 SLBMs;
Procure an additional 48 containers for naval spent fuel;
Provide assistance to store or reprocess spent naval fuel from 8 SSBNs;
Provide equipment and services to eliminate 36 SS-24 and 253 SS-25 mobile ICBM
launchers; and,
Provide consolidated logistical support to maintain CTR provided equipment.

FY 2001 funds will enable Russia to:

Eliminate 108 SLBM launchers and associated SSBNs;
Transport about 100 SLBMs to disposition facilities;
Continue volume reduction of 1,500 m³ of liquid and 200 m³ of solid low level
radioactive waste;
Complete elimination of 26 SS-18 silo launcher sites;
Eliminate 133 SS-17/18/19/24/25 ICBMs;
Provide assistance to eliminate 10 SS-N-20 SLBMs;
Procure an additional 48 containers for naval spent fuel;
Provide assistance to store or reprocess spent naval fuel from 6 SSBNs;

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IV. Performance Criteria and Evaluation Summary (Continued):

A. Strategic Offensive Arms Elimination (SOAE) - Russia (Continued):

Provide assistance to operate and maintain the solid rocket motor disposition facility; and,
Provide consolidated logistical support to maintain CTR provided equipment.

Assist Ukraine, Kazakhstan, and Belarus to become non-nuclear weapons states, and eliminate Strategic Arms Reduction Treaty (START) - limited systems and weapons of mass destruction infrastructure:

	(\$'s in Thousands)			
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
B. <u>Strategic Nuclear Arms Elimination (SNAE) - Ukraine</u>	76,700	47,500	33,000	29,100

FY 1998 funds will:

Continue dismantlement and elimination of the SS-19 weapon system;
Construct 20 SS-24 missile storage bays;
Store 10 SS-24 missiles;
Initiate disassembly of 55 SS-24 missiles;
Initiate repair/maintenance of rail infrastructure supporting missile transport;
Initiate the design and initial construction of a solid propellant disposition facility;
Initiate the elimination of 46 SS-24 launch silos; and 5 launch control centers;
Initiate the destruction of 44 heavy bombers and 1068 cruise missiles; and,
Provide consolidated logistical support to maintain CTR provided equipment.

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IV. Performance Criteria and Evaluation Summary (Continued):

B. Strategic Nuclear Arms Elimination (SNAE) - Ukraine (Continued):

FY 1999 funds will:

Complete **site restoration** for the SS-19 weapon system; and continue the SS-19 3rd stage and dry SS-19 missile elimination;
Fund storage of 36 SS-24 missiles;
Construct storage for **20** disassembled **or full-up** SS-24 missiles;
Continue disassembly of 55 SS-24 missiles;
Continue repair/maintenance of rail infrastructure supporting missile transport;
Continue the elimination of 46 SS-24 launch silos and 5 launch control centers;
Continue the destruction of 44 heavy bombers and 1068 cruise missiles;
Continue the construction of a solid propellant disposition facility; and,
Provide consolidated logistical support to maintain CTR provided equipment.

FY 2000 funds will:

Initiate disposition of 5,000 MT of rocket propellant (heptyl);
Complete the dismantlement and elimination of the SS-19 missile 3rd stage and dry missile;
Continue storage of SS-24 missiles;
Continue disassembly of 55 SS-24 missiles;
Continue the elimination of 46 SS-24 launch silos; and 5 launch control centers;
Continue the destruction of 44 heavy bombers and 1068 cruise missiles;
Continue the construction of a solid propellant disposition facility; and,
Provide consolidated logistical support to maintain CTR provided equipment.

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IV. Performance Criteria and Evaluation Summary (Continued):

B. Strategic Nuclear Arms Elimination (SNAE) - Ukraine (Continued):

FY 2001 funds will:

- Continue storage of SS-24 missiles;
- Continue to dispose of 5,000 MT of rocket propellant;
- Complete the construction of a solid propellant disposition facility;
- Continue disassembly and initiate elimination of 55 SS-24 missiles;
- Continue repair/maintenance of rail infrastructure supporting missile transport;
- Complete the site restoration of 46 SS-24 launch silos and 5 launch control silos;
- Complete the destruction of 1068 cruise missiles; and,
- Provide consolidated logistical support to maintain CTR provided equipment.

Enhance the security, control, accounting, and centralization of nuclear weapons and fissile materials in Russia to prevent their proliferation and encourage their reduction:

	(\$'s in Thousands)			
	FY 1998	FY 1999	FY 2000	FY 2001
C. <u>Fissile Material Storage Facility - Russia</u>	57,700	60,900	64,500	64,500

FY 1998 through FY 2001:

Supports the design, equipment, training, materials and construction services to construct a 25,000 container fissile material storage facility at Mayak.

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IV. Performance Criteria and Evaluation Summary (Continued):

					(\$'s in Thousands)			
					<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
D.	<u>Fissile Material Storage Containers - Russia</u>				7,000			

Funds facility upgrades and increases Russian FMC insert production to a minimum of 2,000 units per year.

					(\$'s in Thousands)			
					<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
E.	<u>Warhead Dismantlement Processing - Russia</u>					9,400	9,300	9,300

FY 1999 funding will purchase 2,000 FMC inserts additions and facility upgrades for material reshaping and packaging.

FY 2000 funding will continue with the purchase of 2,000 additional FMC inserts and begin purchase of 1,000 stainless steel shells for metallic spheres of fissile material.

FY 2001 funding will continue with the production of FMC inserts and of stainless steel shells; begin the reshaping process for the Pu and HEU components; and begin to load the Fissile Material Containers.

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IV. Performance Criteria and Evaluation Summary (Continued):

	(\$'s in Thousands)			
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
F. <u>Weapons Storage Security - Russia</u>	36,000	41,700	40,000	20,000

FY 1998 funds will:

- Provide computers, software and begin hardware/software certification to enhance the accounting and tracking of Nuclear warheads;
- Design a Security Assessment and Training Center (SATC) at Sergiev Posad, Russia;
- Provide support and equipment for developing a Russian Personnel Reliability program (PRP) for weapons handlers;
- Provide "Quick Fix" perimeter security equipment for up to 50 storage sites as the first enhancement increment;
- Provide a computer modeling capability to determine site vulnerabilities;
- Provide 35 dosimetry systems to manage Russian storage site personnel exposure to ionizing radiation; and,
- Provide consolidated logistical support to maintain CTR provided equipment.

FY 1999 funds will:

- Renovate/construct the SATC and begin testing security system enhancements;
- Continue procurement of perimeter security equipment and assist with installation;
- Provide guard force equipment to enhance Russian capability to train nuclear security forces;
- Finalize system architecture, continue hardware/software certification, and prepare sites to accept and certify the automated inventory control and management system; and,
- Provide consolidated logistical support to maintain CTR provided equipment.

DEFENSE THREAT REDUCTION AGENCY
Former Soviet Union Threat Reduction
FY 2000/2001 Biennial Budget Estimates

IV. Performance Criteria and Evaluation Summary (Continued):

F. Weapons Storage Security - Russia (Continued):

FY 2000 funds will:

Determine suites of security enhancements through the SATC process for up to 123 weapons storage sites;
Purchase selected security enhancements and transfer equipment to MOD for installation at 123 storage sites;
Continue to deploy, certify, install, and activate the automated inventory control and management system; and,
Provide consolidated logistical support to maintain CTR provided equipment.

FY 2001 funds will:

Finalize design of security enhancements through the SATC process for up to 123 weapons storage sites;
Purchase selected security enhancements and transfer equipment to MOD for installation at 123 storage sites;
Continue to deploy, certify, install, and activate the automated inventory control and management system; and,
Provide consolidated logistical support to maintain CTR provided equipment.

DEFENSE THREAT REDUCTION AGENCY
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IV. Performance Criteria and Evaluation Summary (Continued):

	(\$'s in Thousands)			
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
G. <u>Weapons Transportation Security - Russia</u>		10,300	15,200	17,000

FY 1999 funds will:

Provide transportation of deactivated warheads from deployed locations to enhanced security storage sites and dismantlement facilities. Warhead train movements are estimated to cover 10,000 KM per month;
Procure initial data transfer and communication equipment, survey equipment, weapons diagnostic equipment, heavy access equipment, cold weather equipment and related training and support; and,
Provide consolidated logistical support to maintain CTR provided equipment.

FY 2000 funds will:

Provide transportation of deactivated warheads from deployed locations to enhanced security storage sites and dismantlement facilities. Warhead train movements are estimated to cover 10,000 KM per month;
Procure additional data transfer and communication equipment, survey equipment, weapons diagnostic equipment, heavy access equipment, cold weather equipment and related training and support; and,
Provide consolidated logistical support to maintain CTR provided equipment.

FY 2001 funds will:

Provide transportation of deactivated strategic and tactical warheads from deployed locations to enhanced security storage sites and dismantlement facilities. Warhead train movements are estimated to cover 15,000 KM per month; and,
Provide consolidated logistical support to maintain CTR provided equipment.

**DEFENSE THREAT REDUCTION AGENCY
Former Soviet Union Threat Reduction
FY 2000/2001 Biennial Budget Estimates**

IV. Performance Criteria and Evaluation Summary (Continued):

	(\$'s in Thousands)			
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
H. <u>Reactor Core Conversion - Russia</u>	41,000	29,800	20,000	25,000

FY 1998 funds will procure long lead items (e.g. ECCS valves and pumps, graphite bushings, fuel channels and control channels) for the first reactor. Assist in procurement of analytical and measuring equipment used for fuel element production.

FY 1999 funds will procure the materials and equipment necessary to install the emergency core cooling system (ECCS), the redesigned control and protection system and the balance of plant modifications for the first reactor; and, procurement of long lead items for the second reactor.

FY 2000 funds will procure the materials and equipment necessary to install and complete acceptance testing for the emergency core cooling system and the balance of the plant modifications for the second reactor; and, procurement of long lead items for the third reactor.

FY 2001 funds will procure materials and equipment necessary to install and complete acceptance testing for the emergency core cooling system (ECCS), the re-designed control and protection system and the balance of plant modifications for the third reactor.

DEFENSE THREAT REDUCTION AGENCY
Former Soviet Union Threat Reduction
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IV. Performance Criteria and Evaluation Summary (Continued):

(\$'s in Thousands)

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
I. <u>BW Proliferation Prevention - Russia</u>	2,000	2,000	2,000	2,000

FY 1998 funds will:

Enhance physical security of Russian biological research facilities;
Initiate collaborative research efforts between U.S. and Russian biological scientists and dismantle former BW production facility; and,
Provide consolidated logistical support to maintain CTR provided equipment.

FY 1999 funds will:

Enhance physical security of Russian biological research facilities;
Fund collaborative research efforts between U.S. and Russian biological scientists; and,
Provide consolidated logistical support to maintain CTR provided equipment.

FY 2000 funds will:

Fund collaborative research efforts between U.S. and Russian biological scientists; and,
Provide consolidated logistical support to maintain CTR provided equipment.

FY 2001 funds will:

Fund collaborative research efforts between U.S. and Russian biological scientists; and,
Provide consolidated logistical support to maintain CTR provided equipment.

DEFENSE THREAT REDUCTION AGENCY
Former Soviet Union Threat Reduction
FY 2000/2001 Biennial Budget Estimates

IV. Performance Criteria and Evaluation Summary (Continued):

	(\$'s in Thousands)			
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY2001</u>
J. <u>Chemical Weapons Destruction - Russia</u>	53,400	88,400	130,400	162,200

FY 1998 funds will:

Continue process systems, facility designs, and equipment development;
Conduct laboratory studies to optimize the two-step chemical agent destruction process and obtain engineering data to support the agent destruction process design effort;
Continue construction of the central analytical laboratories;
Initiate the demilitarization of the former CW production facilities in Volgograd; and,
Provide consolidated logistical support to maintain CTR provided equipment.

FY 1999 funds will:

Conduct laboratory studies to optimize the two-step chemical agent destruction process and obtain engineering data to support the agent destruction process design effort;
Initiate development, fabrication and testing of munitions destruction process line components, and a scaled-up reactor system to obtain engineering data to support the design of the agent destruction process lines;
Continue preliminary design package and begin site preparations for the Shchuch'ye CWDF; and,
Provide consolidated logistical support to maintain CTR provided equipment;
Assess existing site security requirements to protect the chemical weapons stockpile at Shchuch'ye and Kizner.

DEFENSE THREAT REDUCTION AGENCY
Former Soviet Union Threat Reduction
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IV. Performance Criteria and Evaluation Summary (Continued):

J. Chemical Weapons Destruction - Russia (Continued):

FY 2000 funds will:

Complete the optimization of the two-step chemical agent destruction process, testing of the scaled-up reactor system for chemical agent destruction, and preliminary design package for the Shchuch'ye CWDF;
Continue testing of the munitions destruction process lines;
Continue detailed design package for the CWDF;
Continue CWDF site preparation for construction of industrial area and supporting infrastructure, procurement of long lead equipment items, and construction of site utilities and selected buildings; and,
Provide consolidated logistical support to maintain CTR provided equipment.
Initiate security enhancements projects at Shchuch'ye and Kizner.

FY 2001 funds will:

Continue equipment acquisitions for CWDF;
Continue construction on the main destruction building and the bituminization building;
Continue construction of the CWDF support facilities; and,
Continue CW Destruction theory training and drafting standard operating procedures.

**DEFENSE THREAT REDUCTION AGENCY
Former Soviet Union Threat Reduction
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IV. Performance Criteria and Evaluation Summary (Continued):

	(\$'s in Thousands)			
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
K. <u>Defense and Military Contacts</u>	9,337		2,000	7,800

FY 1998 funds will provide approximately 180 defense and military exchanges.

In FY 1999, the defense and military exchanges will be maintained at 180 events by using prior year funds.

FY 2000 funds will provide approximately 40 defense and military exchanges. The defense and military exchanges will be maintained at 180 events by using prior year funds.

FY 2001 funds will provide approximately 145 defense and military exchanges. The defense and military exchanges will be maintained at 180 events by using prior year funds.

DEFENSE THREAT REDUCTION AGENCY
Former Soviet Union Threat Reduction
FY 2000/2001 Biennial Budget Estimates

IV. Performance Criteria and Evaluation Summary (Continued):

	(\$'s in Thousands)			
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
L. <u>Other Assessments/Administrative Support</u>	20,500	8,000	1,800	6,300

FY 1998 funded 7 A&Es were conducted in Russia, 6 in Ukraine, 4 in Kazakhstan, and 2 in Belarus, for a total of 19 and fund contracts for technical and program support.

FY 1999 funds will conduct 22 A&Es and fund contracts for technical and program support.

FY 2000 funds will conduct 20 A&Es and fund contracts for technical and program support.

FY 2001 funds will conduct 20 A&Es and fund contracts for technical and program support.

V. Personnel Summary: N/A

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VI. Summary of Price and Program Changes (\$ in Thousands):

Subactivity Group	FY 1998	Price	Program	FY 1999	Price	Program	FY 2000	Price	Program	FY 2001
	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
308 Travel of Persons	1,200	13	12	1,225	18	57	1,300	20	80	1,400
771 Commercial Transp.	625	7	18	650	10	40	700	11	39	750
925 Equipment Purchases	34,000	374	136	34,510	518	-28	35,000	525	-25	35,500
933 Studies, Analysis, and Evaluation	6,200	68	32	6,300	94	-5,394	1,000	15	4,335	5,350
989 Other Contracts	339,512	3,735	54,468	397,715	5,966	33,819	437,500	6,563	13,937	458,000
Total	381,537	4,197	54,666	440,400	6,606	28,494	475,500	7,134	18,366	501,000

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

(\$ in Millions)

FY 1998 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 1999 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2000 <u>Estimate</u>
3,134.3*	17.9	-841.9	2,298.6**	3.4	85.6	2,387.6

* O&M costs incurred in Service/Agency appropriations.

** Amounts appropriated in FY 1999 were \$1,956.1 million. In addition, \$342.5 million is available from amounts appropriated in FY 1998.

Note: All entries exclude funds appropriated to Service Military Personnel appropriations.

I. Narrative Description:

The Overseas Contingency Operations Transfer Fund was established by the FY 1997 DoD Appropriations Act to meet operational requirements in support of contingency operations without disrupting approved program execution or force readiness. The fund was established as a “no year” transfer account. The fund provides additional flexibility to meet operational requirements by transferring the assets to the Military Components based on actual execution experience as events unfold during the year of execution. The fund supports the operation and maintenance requirements of the respective Services and Agencies for operations in Southwest Asia (SWA) and Bosnia.

II. Financial Summary:

<u>Program Funding</u> (\$ in millions)	FY 1998 <u>Actual</u>	FY 1999 <u>Request</u>	FY 1999 <u>Appropriated</u>	FY 1999 <u>Current</u>	FY 2000 <u>Request</u>
Bosnia	1,637.5	1,512.4	1,516.7	1,415.6	1,462.6
Southwest Asia	1,496.8	746.9	439.4	883.0	925.0
Total	*3,134.3	2,259.3	1,956.1	**2,298.6	2,387.6

* O&M costs incurred in Service/Agency appropriations.

** Includes \$342.5 million available from amounts appropriated in FY 1998.

Note: All entries exclude funds appropriated to Service Military Personnel appropriations.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

(\$ in Thousands)

<u>Program Increases/Decreases</u>	<u>Change FY 1999/1999</u>	<u>Change FY 1999/2000</u>
Baseline Funding	2,259,300	2,298,582
Congressional Adjustments	-303,218	-
Price Change	-	+3,400
Funds Available from Prior Year	+342,500	-
Program Change	-	+85,618
Current Estimate	2,298,582	2,387,600

III. Description of Program Requirements:

BOSNIA: FY 1999 funding for Bosnia assumed a steady U.S. troop level of 6,900, which was the approximate number of personnel in Bosnia at the beginning of that fiscal year. After the budget submission, a decision was made to reduce the U.S. troop strength from 6,900 to 6,200. This reduction will be completed by the end of FY 1999. The cost savings in FY 1999, if any, and FY 2000 have not been determined as of the publication of this document. The National Defense Authorization Act for FY 1999 limits expenditures from the OCOTF for peacekeeping operations in Bosnia for that fiscal year to \$1,858.6 million, with specific limits on military personnel (\$346.2 million) and operation and maintenance (\$1,512.4 million). Pursuant to section 1004 of the Act, the President may waive the limitations upon fulfillment of certain requirements, including a request for an additional Bosnia peacekeeping appropriation. These amounts do not include any costs for operations in Kosovo. The FY 2000 budget request contains the same assumptions about troop strength and Kosovo operations as in FY 1999.

SOUTHWEST ASIA: The FY 1998 appropriation supported U.S. forces deployed to the area of responsibility (AOR), who countered potential aggression by Iraq, continued enforcement of the no-fly zones in Iraq and supported the maritime intercept force. During FY 1998, the Department reduced force levels in SWA below those projected in the budget amendment and ended the fiscal year with a balance of \$342.5 million in the OCOTF, which was applied to FY 1999 contingency requirements. The FY 1999 appropriation assumed the OCOTF carryover balance, force structure level and operating tempo in place at the end of FY 1998, but did not fund Desert Thunder (the aborted strike on Iraq in November 1998), Desert Fox or other enhanced SWA operations in FY 1999. The Department anticipates requesting supplemental funding for these increased requirements. The FY 2000 budget assumes a steady-state force level based on the force structure in place at the end of FY 1998.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

(\$ in Millions)

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
<u>Army</u>	<u>1,643.6</u>	<u>1,184.7</u>	<u>1,250.6</u>
Bosnia	1,262.8	1,046.4	1,103.0
Southwest Asia	380.8	138.3	147.6
<u>Navy</u>	<u>315.2</u>	<u>177.3</u>	<u>194.2</u>
Bosnia	63.9	71.6	77.4
Southwest Asia	251.3	105.7	116.8
<u>Navy Reserve</u>	<u>.2.5</u>	<u>.3</u>	<u>.2</u>
Bosnia	-	.1	.1
Southwest Asia	2.5	.2	.1
<u>Marine Corps</u>	<u>5.9</u>	<u>2.7</u>	<u>2.7</u>
Bosnia	2.0	2.2	2.2
Southwest Asia	3.9	.5	.5
<u>Air Force</u>	<u>998.8</u>	<u>816.3</u>	<u>830.9</u>
Bosnia	185.8	191.1	185.5
Southwest Asia	813.0	625.2	645.5
<u>USSOCOM</u>	<u>41.9</u>	<u>24.5</u>	<u>25.7</u>
Bosnia	28.5	19.3	19.7
Southwest Asia	13.4	5.2	5.9
<u>DIA</u>	<u>9.2</u>	=	=
Bosnia	7.0	-	-
Southwest Asia	2.2	-	-
<u>NSA</u>	<u>6.3</u>	=	=
Bosnia	6.3	-	-

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

(\$ in Millions)

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
<u>DISA</u>	<u>31.3</u>	<u>13.7</u>	<u>-</u>
Bosnia	31.3	13.7	-
<u>DLA</u>	<u>10.0</u>	<u>9.8</u>	<u>9.5</u>
Bosnia	10.0	9.8	9.5
<u>NIMA</u>	<u>11.6</u>	-	<u>-</u>
Bosnia	5.6	-	-
Southwest Asia	6.0	-	-
<u>OSIA</u>	<u>2.8</u>	-	<u>-</u>
Southwest Asia	2.8	-	-
<u>DTRA</u>	-	<u>3.6</u>	<u>3.7</u>
Southwest Asia	-	3.6	3.7
<u>DHP</u>	<u>16.7</u>	<u>17.3</u>	<u>18.0</u>
Bosnia	12.0	12.7	13.1
Southwest Asia	4.7	4.6	4.9
<u>AFIS</u>	<u>1.7</u>	<u>.1</u>	<u>.1</u>
Bosnia	.5	.1	.1
Southwest Asia	1.2	-	-
<u>Classified Programs</u>	<u>36.8</u>	<u>48.3</u>	<u>52.0</u>
Bosnia	21.8	36.9	52.0
Southwest Asia	15.0	11.4	-
TOTALS	<u>3,134.3</u>	<u>2,298.6</u>	<u>2,387.6</u>
BOSNIA	<u>1,637.5</u>	<u>1,403.9</u>	<u>1,462.6</u>
SOUTHWEST ASIA	<u>1,496.8</u>	<u>894.7</u>	<u>925.0</u>

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

(\$ in Thousands)

JUSTIFICATION OF REQUIREMENTS

Reconciliation of Increases & Decreases

1.	<u>FY 1999 Budget Request</u>	2,259,300
	Bosnia	1,512,400
	Southwest Asia	746,900
2.	Congressional Adjustments	<u>-303,218</u>
	Bosnia	+4,282
	Southwest Asia	-307,500
3.	<u>FY 1999 Appropriated Amount</u>	1,956,082
	Bosnia	1,516,682
	Southwest Asia	439,400
4.	Balance Available from Prior Year	<u>+342,500</u>
	Bosnia	-
	Southwest Asia	+342,500
5.	Program Adjustment	=
	Bosnia	-101,100
	Southwest Asia	+101,100
6.	<u>FY 1999 Current Estimate</u>	2,298,582
	Bosnia	1,415,582
	Southwest Asia	883,000
7.	Price Change	<u>+3,400</u>
	Bosnia	+2,110
	Southwest Asia	+1,290

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

(\$ in Thousands)

8.	Program Change	+85,618
	Bosnia	+44,908
	Southwest Asia	+40,710

Bosnia – This increase reflects the continued need for U.S. presence in Bosnia. It does not take into account any potential cost savings resulting from the projected reduction in U.S. end strength initiated at the beginning of the fiscal year.

Southwest Asia – The program increase reflects the impact of unanticipated security requirements and enhanced force deployments in reaction to continued Iraqi intransigence. FY 1999 figures do not take into account Operations Desert Thunder and Fox or enhanced Northern and Southern Watch.

9 .	<u>FY 2000 Budget Request</u>	<u>2,387,600</u>
	Bosnia	1,462,600
	Southwest Asia	925,000

**OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID
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I. Narrative Description:

The Overseas Humanitarian, Disaster, and Civic Aid (OHDACA) appropriation includes two sub-activities: the Humanitarian Assistance/Foreign Disaster Relief Program, and the Humanitarian Demining Program.

The OHDACA programs support U.S. military forces in meeting two key requirements specified in the Administration's National Security Strategy. The first is to maintain a robust overseas presence aimed at shaping the international security environment in a manner that deters would-be aggressors, strengthens friends and allies, and promotes peace and democracy in unstable regions. The second requirement is for U.S. forces to respond effectively to crises across the full range of military operations including assisting the victims of storms, earthquakes and other natural or manmade disasters.

OHDACA programs meet these needs by providing regional Unified Commanders-in-Chief (CINC's) with unobtrusive, low cost, but highly effective instruments to carry out their peacetime engagement missions. These programs also augment the CINC's capabilities to respond rapidly and effectively to humanitarian crises. The U.S. military obtains substantial training and access benefits by participating in OHDACA activities. OHDACA programs enhance readiness across a number of operational areas – including C3I, civil affairs, civil engineering, medical, and logistical support.

All OHDACA programs are coordinated with the Department of State, and approved by the Office of the Secretary of Defense (OSD), to ensure U.S. Government (USG) unity of effort and compliance with national security and foreign policy interests.

Humanitarian Assistance and Foreign Disaster Relief Program: Established in 1986, this program is designed to shape the military environment and enable crisis response. It seeks to avert humanitarian crises, promote democratic development and regional stability, and enable countries to recover from conflict. By providing early assistance, the program minimizes the potential for crises to develop or escalate further. Accordingly, regional

**OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID
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stability is enhanced, minimizing the risk of eventual large-scale deployments of U.S. military forces.

Humanitarian assistance and foreign disaster relief accomplishes these objectives in several ways. It supports the donation of excess non-lethal Department of Defense (DoD) property (including the refurbishment, storage, inspection, packaging, transportation and spare parts support for such property) by regional commands to countries in need. In addition, the program arranges transportation assistance for relief supplies donated by private voluntary and non-governmental agencies and international organizations; funds procurement of specialty items in support of DoD's humanitarian mission, such as Humanitarian Daily Rations (HDR), a low-cost alternative to Meals-Ready-to-Eat (MRE); and sponsors various on-the-ground assistance activities carried out by U.S. military personnel, which are aimed at relieving suffering and improving USG presence. Such activities include assessment visits, training, and modest construction projects, as well as medical, technical and logistical assistance.

In non-crisis peacetime settings, DoD humanitarian assistance supports the CINCs' regional engagement strategy by providing access to selected countries, and fostering goodwill for the U.S. military in these countries. Correspondingly, the disaster relief element of the program supports CINCs readiness by enabling rapid responses to sudden emergencies. The same rationale also supports ongoing procurement of the HDR, which is specifically designed as an alternative to drawing down more expensive DoD MRE stocks.

The CINCs have a unique capability to respond to major disasters. On short notice, they can make available transportation to deliver urgent relief. In times of severe natural disaster, the U.S. military has long been, and will continue to be, called upon to provide aid and assistance. OHDACA funding allows the CINCs to provide life-saving immediate assistance to countries in their regions. These funds have helped the Services and the CINCs defray the costs of operations, including responses to disasters in Colombia, Indonesia, China, Poland, East Africa, and the Dominican Republic, as well as costs of transportation in support of USG responses to humanitarian crises in Bosnia, the Former

**OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID
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Soviet Union and sub-Saharan Africa. For example, in FY 1999, Hurricane Mitch, the fourth strongest storm recorded in the Atlantic Basin and the worst ever in the western Caribbean Sea, brought devastation of unimaginable magnitude to Central America. The DoD community responded immediately and in just a few short and intense weeks transported approximately 13 million pounds of relief supplies to the region.

OHDACA funding is also available to support the DoD response and to provide seed money aimed at leveraging larger assistance packages from national and international donors responding to complex emergencies. DoD plays a key role in humanitarian crises (in coordination with the Department of State and the Agency for International Development) as it can offer unique assets for effective response when the magnitude of the emergency exceeds what civilian agencies can initially manage. The U.S. military offers exceptional operational reach and can be immediately deployed to "jump-start" operations. DoD's unique rapid response abilities assists in the containment of crises and, by augmenting private sector capability, limit threats to regional stability by transporting and providing relief aid within hours or a few days of a disaster. DoD has unmatched capabilities in logistics, transportation, command, control, and communications, and in the quantity of cargo that can be transported by available air assets. These capabilities would be extremely expensive to develop and maintain in other USG agencies.

Humanitarian Demining Program: This program is a major component of the USG and DoD's peacetime engagement efforts. In 1996, the President directed several unilateral actions in announcing his new anti-personnel landmine (APL) policy:

- "we must strengthen efforts to clear existing minefields."
- "the Department of Defense will expand its efforts to develop better mine-detection and mine clearing technology for use in the many countries that are still plagued by mines."

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- "We will also strengthen our program for training and assisting other nations as they strive to rid their territory of these devices."

Subsequent yearly programs proved to be highly effective in meeting these goals set out by the President. The FY 1998 and outyear program was expanded substantially by the President on September 17, 1997 when he announced that the United States "will significantly increase our demining programs...increase assistance to landmine victims and expand our training programs". On October 31, 1997, the Secretaries of Defense and State announced the Demining 2010 Initiative, which seeks to focus the efforts of the United States in cooperation with the international community to eliminate the world-wide landmine problem. Prior to this initiative, the global approach to the problem was piecemeal and not coordinated. If that approach were continued, it would be decades before life in many areas of the undeveloped world could return to any meaningful semblance of normality. At the same time, a huge cost would be incurred with continued loss of human lives and productivity that is unacceptable. U.S. leadership is vital to the effective coordination of efforts to remove this scourge. Doing so will require focus and leadership - the objective of the United States is to continue to provide such leadership in humanitarian demining as we have provided since 1993.

This budget request fully supports the President's guidance in his Demining 2010 Initiative. The Humanitarian Demining Program assists countries that are experiencing the adverse affects of uncleared landmines. The program also aids in the development of leadership and organizational skills of local personnel to sustain the programs after U.S. military trainers have redeployed. The five components of humanitarian demining are: mine awareness, infrastructure development (such as building-up a national mine action center), civil-military cooperation, demining training, and victims assistance. U.S. military personnel do not enter active minefields or remove emplaced landmines. Significant benefits accrue to U.S. military forces. The program provides access to geographical areas otherwise not easily available to U.S. forces. It also contributes to unit and individual readiness by providing unique in-country training opportunities that cannot be duplicated in the United States. For example, U.S. military forces hone critical wartime, civil-

**OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID
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military, language, cultural, and foreign internal defense skills. Additionally, DoD health services professionals are conducting programs to assist victims of landmines. These victims assistance programs include epidemiological studies of landmine injuries, first responder training, educational material development, surgical care and training, and enhancement of consultation services using telemedicine technology. Victim assistance programs benefit DoD by expanding U.S. military medical contacts with foreign medical providers and provide direct humanitarian assistance

This CINC-executed program helps governments educate civilian populations on the dangers of landmines and how to identify and report them; trains local demining cadre to find and destroy landmines and return mined areas to productive use; and provides supplies, services, and equipment, to a limited degree, to host country personnel to clear mined areas that impede the repatriation of refugees and obstruct the means to lead productive lives. The Humanitarian Demining Program improves USG and CINC's relations with host nations, enhances the deployment and warfighting skills of our military forces, and is instrumental in promoting regional stability.

The Humanitarian Demining Program, executed by the Geographic CINCs, permits DoD to contribute to alleviating a highly visible, worldwide problem, while at the same time accruing significant training and readiness-enhancing benefits to U.S. forces. The Department of State estimates that approximately 60 - 70 million landmines are scattered across the globe today. They are the residue of civil wars and internal conflicts on virtually every continent. Increasingly, landmines have been targeted against civilians to deny them their livelihoods, uproot them from their lands, and promote political instability. Today, anti-personnel landmines kill or maim hundreds of people every month - most of them innocent civilians. This important DoD program is helping to alleviate the worldwide scourge of landmines.

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II. Description of Operations Financed:

The FY 2000 President's Budget (PB) submission requests \$55.8 million in the OHDACA appropriation to finance the DoD humanitarian assistance, foreign disaster relief, and humanitarian demining activities described below.

1. Humanitarian Assistance and Foreign Disaster Relief: The FY 2000 budget includes \$30.2 million to finance worldwide humanitarian assistance and foreign disaster relief activities. Programs include: humanitarian excess property programs; emergency response and preparedness projects carried out by the CINCs (to include providing Humanitarian Daily Rations); and transporting privately donated relief supplies.

a. CINC humanitarian assistance programs: The budget includes \$21.2 million in FY 2000 for CINC humanitarian assistance activities. Programs include transportation, excess property, and other targeted assistance for Sub-Saharan Africa, the Pacific Rim and Asia, Europe, North Africa, Latin America, the Caribbean, and the Middle East. Current plans call for the CINCs to conduct humanitarian assistance activities as part of their peacetime engagement strategy and to enhance readiness for crisis response to humanitarian emergencies in their regions. CINC humanitarian assistance (HA) activities reflect the priorities of the Secretary of Defense and the Chairman, Joint Chiefs of Staff. These activities support initiatives that ensure proper administration of the program and allow DoD to anticipate future requirements and understand key issues related to HA. Programs include technical and administrative assistance and studies to support CINC plans to improve civilian-military cooperation and coordination in humanitarian programs and operations. This also allows for response to priorities defined as important to the bilateral military relations of the United States, including requests from other agencies of the USG which further U.S. national security and foreign policy objectives.

b. CINC Emergency Response/Preparedness: The budget proposes \$8.0 million in FY 2000 to improve the capacity of the Department, through the CINCs and other subordinate

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elements, to respond to disasters and manage the humanitarian aspects of crises. Among the activities covered by this item are transportation of material and supplies during foreign disasters and planning for programs to mitigate the effects of such disasters. Of this amount, \$1.7 million is to procure and store 400,000 Humanitarian Daily Rations (HDRs) in various locations. FY 2000 purchases are based on historical data and provide for a minimum level of recurring requirements to be able to response to crises. Prior to 1993, DoD was required to draw down Meals-Ready-to-Eat (MREs) from U.S. military stocks to meet emergency requirements in Northern Iraq and Bosnia. DoD's initiative to develop and purchase HDRs allows the USG to more effectively meet foreign disaster relief requirements at one-third of the cost of MREs. The remaining \$6.3 million is included to cover the costs of other DoD crisis response and preparedness activities. Such programs include systematic collection and analysis of information relating to disasters and other humanitarian crises, establishment of collaborative relations and programs with non-governmental and international organizations (NGO/IO), and training in issues relevant to humanitarian crisis response. This program also provides funding for the CINCs to support unanticipated humanitarian assistance requirements. Emergency response activities include transportation, logistical support, medical evacuation, and refugee assistance, in the form of both supplies and services. Projects also include those that build NGO/IO and host nation emergency response capabilities to reduce or alleviate the potential need for future U.S. military involvement in crisis response.

c. Transportation of donated relief: The FY 2000 budget includes \$1.0 million to transport privately donated goods. Providing this support to NGOs provides two principal benefits to DoD. First, it supplements the total assistance available for humanitarian response with private material resources, thus reducing DoD's potential requirements. Secondly, it cultivates goodwill between DoD and NGOs with which U.S. forces are increasingly called upon to collaborate in the complex contemporary battlefield. DoD transport for other organizations' relief supplies is accomplished by using the lowest cost transportation (usually by sea or in-theater air assets).

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2. Humanitarian Demining Program: Since 1996, the President's policy directed a significant expansion in DoD humanitarian demining clearance and mine awareness training programs. To support the President's anti-personnel landmine policy, \$25.6 million is reflected in FY 2000 to fund geographical Commander-in Chief's (CINC) humanitarian demining activities. In addition to these FY 2000 funds, the budget presumes that \$8.8 million of unobligated FY 1999 funds will be available to partially finance the FY 2000 program requirements. Therefore, funds available in FY 2000 to meet demining requirements will total \$34.4 million. These funds will provide for assessments of newly designated countries, ongoing worldwide training operations, incremental funding of high-priority, emerging operations such as Yemen, and evaluations of current programs to determine if projected "end states" have been met. Travel and transportation requirements for deploying forces are a major expense of the program. Deployments utilize highly skilled Special Operations Forces (SOF), Explosive Ordnance Disposal personnel, and U.S. Army Engineers to establish indigenous demining programs and train and advise host nation cadre in managing sustainment operations. Countries that will receive humanitarian demining assistance or are under consideration for such assistance include Bosnia, Cambodia, Chad, Costa Rica, Croatia, Estonia, Egypt, Guatemala, Honduras, Jordan, Mauritania, Moldavia, Mozambique, Laos, Lebanon, Namibia, Nicaragua, Oman, Rwanda, Swaziland, Thailand, Vietnam, Yemen, and Zimbabwe.

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II. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group</u>	FY 1998	FY 1999		FY 2000
	<u>Actuals</u>	<u>Budget Request</u>	<u>Appropriation</u>	<u>President's Budget</u>
OHDACA	83,630*	63,311	50,000	55,800
B. <u>Reconciliation Summary:</u>		Change		Change
		<u>FY 1999/FY 1999</u>		<u>FY 1999/FY 2000</u>
Baseline Funding		50,000		50,000
Price Change		-		633
Program Changes		-		5,167
Current Estimate		50,000		55,800

* Includes \$36.5 million provided by the FY 1998 Supplemental Appropriations and Recission Act, Public Law 105-174, May 1, 1998, for a grant to the American Red Cross for emergency support of the armed forces and overseas disaster assistance.

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C. Reconciliation of Increases and Decreases:

1.	FY 1999 President's Budget Request	63,311
2.	Congressional Adjustments	-13,311
3.	FY 1999 Current	50,000
4.	Price Growth	633
5.	Program Increases	
	Increased humanitarian assistance program to improve the Department's ability to respond to humanitarian disaster and to enhance CINC humanitarian peacetime engagement activities	14,251
6.	Total Program Increases	14,251
7.	Program Decreases	
	Offset to be financed in FY 2000 using projected FY 1999 unobligated demining "carry-over" amounts	-9,084
8.	Total Decreases	-9,084
	FY 2000 President's Budget	55,800

III. Performance Criteria and Evaluation Summary:

As is the case with humanitarian/disaster crises, additional requirements emerge during the execution year. Accordingly, performance criteria are difficult to summarize. Useful measures are: (1) the amount of actual obligations reported to Congress under

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existing notification requirements (10 U.S. Code, section 2551) and, (2) other information provided as part of the budget justification process.

IV. Performance Criteria and Evaluation Summary (continued):

	<u>FY 1998 Actuals</u>	<u>FY 1999 Estimate</u>	<u>FY 2000 Estimate</u>
Humanitarian Demining:			
Number of Countries Served	21	23	28
Funding Level (dollars in millions)	25.1	34.1	25.6
Humanitarian Assistance and Foreign Disaster Relief:			
Number of transportation missions	38	42	46
Pounds of material delivered	1,852,608	2,037,868	2,241,655
Funding Level (dollars in millions)	22.0	23.0	30.2
Number of Humanitarian Daily Rations Procured (in thousands)	300,000	400,000	400,000

V. Personnel Summary: None

VI. <u>Outyear Summary:</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
O&M (\$000)	64,900	66,200	67,600	69,300	71,000

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VII. OP 32 Line Items (Dollars in Thousands):

	FY 1998 <u>Actual</u>	Change Price <u>Growth</u>	1998/1999 Program <u>Growth</u>	FY 1999 <u>Estimate</u>	Change Price <u>Growth</u>	1999/2000 Program <u>Growth</u>	FY 2000 <u>Estimate</u>
Travel of Persons	5,770	63	0	5,833	87	208	6,128
Army Supplies & Materials	26	2	0	28	0	3	31
DLA Supplies & Materials	1,780	-18	0	1,762	83	638	2,483
Supplies & Materials (GSA Managed)	4,453	49	0	4,502	68	49	4,619
DLA Distribution Depot	1,868	-284	0	1,584	-5	1,075	2,654
Military Sealift Cmd	2,141	-216	0	1,925	0	1,144	3,069
MAC SAAM	3,554	32		3,586	0	468	4,054
MSC Cargo	3,242	-642	0	2,600	0	2,057	4,657
MTMC (Other)	1,548	0	0	1,548	0	59	1,607
Commercial Cargo	2,359	26	0	2,385	36	379	2,800
Rents (Non-GSA)	624	7	0	631	9	80	720
Supplies & Materials (Non-GSA)	829	9	0	838	13	75	926
Equipment Maint. by Contract	1,817	20	0	1,837	28	409	2,274
Equip Purchases	2,820	31	0	2,851	43	-13	2,881
Mgmt & Prof. Svcs	646	7	0	653	10	86	749
Grants	36,500	402	-36,902	0	0	0	0
Other Contracts	13,653	150	3,634	17,437	261	-1,550	16,148
TOTAL	83,630	-362	-33,268	50,000	633	5,167	55,800

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I. Description of Operations Financed{PRIVATE }:

Section 1117 of the FY 1983 Department of Defense Authorization Act (Public Law 97-252) established an Inspector General for the Department of Defense by amending Public Law 95-454, the Inspector General Act of 1978.

The Inspectors General for the Federal Government are independent offices within their agencies which: (1) audit and investigate their agency's programs and operations; (2) recommend policies for and coordinate activities to promote economy, efficiency, and effectiveness in their programs and operations by preventing and detecting fraud and abuse; and (3) keep the heads of the establishment and the Congress fully informed about the problems and deficiencies in their programs and operations and the necessity for and progress of corrective action.

In addition to the duties and responsibilities shared with other Federal Inspectors General, the Inspector General, Department of Defense: (1) is the principal advisor to the Secretary of Defense for preventing and detecting fraud, waste, abuse, and mismanagement in the programs and operations of the Department which includes the Military Departments, Defense Agencies, and other Department of Defense components; (2) initiates, conducts, and supervises audits, evaluations, and investigations in the Department of Defense which the Inspector General, Department of Defense considers appropriate; (3) provides policy direction for audits and investigations on fraud, waste, abuse, mismanagement, and program effectiveness; (4) investigates fraud, waste, abuse, and mismanagement; (5) develops policy, monitors and evaluates program performance, and provides guidance to all Department activities on criminal investigation programs; (6) monitors and evaluates the adherence of Department auditors to internal audit, contract audit, and internal review principles, policies, and procedures; (7) develops policy, evaluates program performance, and monitors actions taken by Department of Defense components in response to contract audits, internal audits, and internal review reports, and General Accounting Office reviews and reports; (8) oversees Department of Defense audit followup programs and provides liaison services with the General Accounting Office; and (9) coordinates with the internal audit, inspection, and investigative units of the Military Departments to avoid duplication of efforts and to ensure effective coverage.

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II. Force Structure Summary:

Audit

The Office of the Assistant Inspector General for Auditing conducts audits and evaluations on all facets of DoD operations. The work results in recommendations for reducing costs, improving performance, strengthening internal controls and achieving compliance with laws and regulations. Audit and evaluation topics are determined by law, requests from the Secretary of Defense and other managers, Hotline allegations, congressional requests, and analyses of risk in DoD programs. There is particular emphasis on acquisition, logistics and financial management. The IG auditors and evaluators also assist in investigations and litigation, lead DoD-wide audits, and participate at DoD management request in numerous internal task forces, process actions teams and studies that may not result in reports per se. In addition, the office provides the oversight and policy for activities of the Service Audit organizations and the Defense Contract Audit Agency. It is also the focal point for General Accounting Office activity in the DoD and performs follow up tracking on General Accounting Office and Office of Inspector General reports.

Criminal Investigations

The Office of the Assistant Inspector General for Investigations consists of its headquarters office, and operating field locations. The operating field elements, as the criminal investigation arm of the IG, initiate and conduct investigations of suspected criminal violations, primarily contract and procurement fraud, computer fraud, antitrust violations, cost-mischarging violations, bribery, corruption, large-scale thefts of Government property from the Defense Reutilization Management Office, and health care provider fraud; develop information related to criminal investigations, detect fraud where it currently exists, and promote awareness in all elements of the DoD regarding the impact of fraud on resources and programs. The headquarters provides administrative support, oversight, and operational guidance to the operating field elements. Recently, a Computer Intrusion Investigation Team was developed to expand current investigative capability in detecting and combating computer fraud. Pursuant to Section 1185 of the DoD Authorization Act of FY 1994 the headquarters activity reviews certain death investigations of members of the Armed Forces that may have resulted from self-inflicted causes. The DoD Hotline receives reports from DoD personnel and the public of allegations of fraud, waste and mismanagement. The DoD Hotline conducts inquiries as well as tracks cases referred to

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other DoD investigative, audit, and operational organizations resulting from DoD Hotline contacts. The DoD Hotline provides oversight with respect to hotlines operated by inspectors general of other DoD components. The Office of Criminal Investigative Policy and Oversight provides oversight and develops criminal investigative policy for the DoD investigative community, manages the DoD voluntary disclosure program and the IG subpoena program.

Other Office of the Inspector General

The Inspector General and Deputy Inspector General provide general management and supervision of the activities of the Inspector General organization. They participate in all major policy, planning and operational decisions. The Deputy Inspector General assumes the duties of the Inspector General in the absence of the latter.

The Office of Congressional Liaison is a staff element of the immediate Office of the Inspector General. It reviews and analyzes pending and proposed legislation affecting the Department and the Inspector General; provides support for Inspector General witnesses who testify at congressional hearings; processes responses to congressional correspondence and coordinates meetings with congressional staff.

The Office of Departmental Inquiries reports to the Deputy Inspector General. This office conducts non-criminal investigations into allegations of waste, mismanagement, whistleblower reprisal, and senior official misconduct and performs oversight on similar types of investigations conducted by the DoD components.

The Office of Intelligence Review reports to the Deputy Inspector General. This office evaluates, monitors, and reviews the programs, policies, procedures, and functions of the intelligence community within the Department of Defense, ensuring intelligence resources are properly managed.

The Assistant Inspector General for Administration and Information Management is the principal assistant and advisor to the Inspector General on administrative support matters. The Assistant Inspector General for Administration and Information Management oversees five directorates: the Financial Management Directorate; the Personnel and Security Directorate; the Information Systems Directorate; the Administration and

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Logistics Services Directorate; and, the Equal Employment Opportunity Office. Each supervise and carry out administrative and logistical functions in support of the day-to-day operations of the Office of Inspector General.

III. Financial Summary (\$ in thousands)

A. Activity Group

{PRIVATE }

	FY 1998 <u>ACTUAL</u>	FY 1999			FY 2000 <u>ESTIMATE</u>
		<u>BUDGET REQUEST</u>	<u>APPROPRIATION</u>	<u>CURRENT ESTIMATE</u>	
AUDIT	62,533	61,649	61,649	60,110	66,964
Civ Pay	48,335	48,809	48,809	47,375	52,635
Travel	3,030	3,230	3,230	2,904	3,105
Other	11,168	9,610	9,610	9,831	11,224
INVESTIGATIONS	55,310	50,980	50,980	53,099	54,879
Civ Pay	42,268	41,195	41,195	42,192	42,637
Travel	2,703	2,510	2,510	2,707	2,654
Other	10,339	7,275	7,275	8,200	9,588
OTHER OIG	18,152	18,135	18,135	17,555	16,901
Civ Pay	14,418	14,405	14,405	14,168	13,600
Travel	320	370	370	307	278
Other	3,414	3,360	3,360	3,080	3,023
OPERATIONS TOTAL	135,995	130,764	130,764	130,764	138,744
PROCUREMENT	1,800	1,300	1,300	1,300	2,100
TOTAL	137,795	132,064	132,064	132,064	140,844

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III. Financial Summary (\$ in thousands)

B. Reconciliation Summary:

{PRIVATE }	<u>Change</u> <u>FY 1999/1999</u>	<u>Change</u> <u>FY 1999/2000</u>
Baseline Funding	132,064	132,064
Congressional Adjustments	0	0
Supplemental Request	0	0
Price Change	1,130	4,543
Functional Transfer	0	0
Program Changes	-1,130	4,237
Current Estimate	132,064	140,844

C. Reconciliation of Increases and Decreases:

1. FY 1999 President's Budget	132,064
2. Congressional Adjustments	0
3. FY 1999 Appropriation Enacted	132,064
4. Proposed Supplementals	0
5. Transfers In	0
6. Transfers Out	0
7. Price Growth	+1,130
8. Program Increases	
a. Increased use of contracted support for information technology support for help center and administrative support	+375

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III. Financial Summary (\$ in thousands) (Cont.)

C. Reconciliation of Increases and Decreases:

9. Total Increases		+375
10. Program Decreases		
a. Reduction in 18 programmed workyears due to greater attrition in FY 1998 resulting in lower starting level than anticipated.	-1,505	
11. Total Decreases		-1,505
12. Revised FY 1999 Budget Estimate		132,064
13. Price Growth		4,543
14. Transfers In		0
15. Transfers Out		0
16. Program Increases		
a. Sustained workforce level and related support cost(increase of 18 FTE) for mandatory IG missions, particularly financial statement audit and high risk area coverage and computer intrusion and financial investigative requirements.	+1,536	
b. Contracted support for computer intrusion investigations	+1,000	
c. Increase contracted information systems support	+800	
d. Hardware requirements to implement the Defense Audit Management Information System	+400	
e. Increase in workers' compensation bill	+35	
f. Increase in criminal investigative operations requiring emergency and extraordinary expense funding	+200	
g. Replacement requirements for equipment (notebooks and computer workstations) and the network operating system	+600	

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III. Financial Summary (\$ in thousands) (Cont.)

C. Reconciliation of Increases and Decreases:

17. Total Increases		+4,571
18. Program Decreases		
a. No planned voluntary separation payments	-250	
b. Reduction in Defense Finance and Accounting Service charges	-84	
19. Total Decrease		-334
20. FY 2000 Budget Request		140,844

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IV. Performance Criteria and Evaluation:

Audit performance should be assessed in terms of impact on DoD programs. In FY 1998, the Office of the Assistant Inspector General for Auditing produced 231 reports, which identified potential monetary benefits of \$2.56 billion. In addition, several hundred recommendations were made and about 96 percent were implemented to improve the Department's operational effectiveness and protect assets from misuse. The Congress and senior DoD officials requested and used IG audit and evaluation reports on such significant matters as Year 2000 computer conversion, other information system projects, chemical and biological defense, contract pricing, maintenance, supply management, special acquisition programs, outsourcing decisions, communications, financial management, health care, environmental compliance, base closures, special operations, and construction.

The Department of Defense is confronting a period of higher than normal risks throughout its operations. Those risks are elevated by the disruptions caused by continued downsizing and restructuring; ever-increasing reliance on automated information systems and a history of developmental problems, security vulnerabilities and now Year 2000 computing problems with such systems; and the introduction of numerous new processes, many of which are untried in DoD settings and not well understood by the workforce. Given those risks, the bulk of the audit effort is focused on the high risk areas like contract management, the Year 2000 computing problem, and inventory management. This is becoming increasingly difficult. The Chief Financial Officer Act of 1990, as amended by the Federal Financial Management Act of 1994, necessitates the largest recurring commitment of auditors ever to a single purpose. In addition, the IG has been called on increasingly to participate in joint efforts like a task force on computer security, acquisition reform studies, and process action teams to revamp DoD travel, transportation and bill paying processes. The auditors are currently supporting over 40 such efforts. The combination of those commitments and overall staffing reductions, especially the latter, significantly reduces the number of operational audits and evaluations. The budget request fully funds the mandatory financial statement auditing requirements, but the level of effort in other high risk areas remains considerably reduced.

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IV. Performance Criteria and Evaluation (Cont.)

The OIG also conducts reviews to ensure the quality of the performance of other DoD audit agencies and outside public accounting firms. In FY 1998, the OIG issued 16 reports that contained recommendations for overall improvements and efficiencies of the audit process.

The basic criteria for evaluating the investigative operations of the Office of the Inspector General are indictments, convictions, fines, the amount of recoveries and restitutions; Hotline activities; policy and oversight reports issued; voluntary disclosures processed; subpoenas processed; and number of reviews of death investigations of members of the Armed Forces that may have resulted from self-inflicted death causes. In FY 1998, fines, penalties, restitutions, and recoveries totalled \$345 million; indictments or charges against individuals or firms totalled 300 and convictions of persons or firms totalled 232. In FY 1998, the DoD Hotline handled an average of 1,395 calls and letters per month. As of September 30, 1998, the Office of the Assistant Inspector General for Investigations, with 12 percent of the total DoD criminal investigative resources, was involved in over 90 percent of the total recoveries, fines, penalties and restitutions involving procurement fraud and major health care area investigations reported by all DoD investigative components. There were 10 evaluation reports issued, 12 voluntary disclosures opened and 30 closed, and 333 subpoenas processed.

It is difficult to quantify the results of criminal investigative operations. For example, in bribery and kickback cases, the dollar impact on the cost of a major contract is not readily identifiable, yet it is recognized that bribes and kickbacks undermine the integrity and efficiency of departmental programs and operations. The OIG also identifies areas of criminal vulnerability regarding Department of Defense activities and ensures that corrective actions are taken when deficiencies are detected. Another valuable by-product of criminal investigative activities is the deterrent effect which results from an awareness that violations of the law are being vigorously pursued. The Office of the Inspector General, Department of Defense, attempts to ensure that appropriate administrative action is taken by the Department regardless of whether or not prosecutions

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IV. Performance Criteria and Evaluation (Cont.)

are obtained. The IG seeks to have disreputable contractors suspended or debarred and to recover totally whatever monies are due the Department.

The basic criteria for evaluating the operations of the Office of Departmental Inquiries are the number of investigations conducted or oversights. In FY 1998, the office completed 447 investigations and performed oversight on 579 investigations by DoD components. Whistleblower protection for DoD service members remains a major focus of the organization, as well as the investigation of allegations against senior officials within the Department. To further the oversight role, the office hosted training workshops on the conduct of military whistleblower reprisal investigations for representatives of the Military Services, the Joint Chiefs of Staff, the Office of the Under Secretary of Defense for Personnel and Readiness, and six defense agencies. It also revised and published the "Guide to Investigating Reprisal and Improper Referrals for Mental Health Evaluations." Recent examples in the area of senior official inquiries include substantiated allegations of sexual harassment by a Pentagon official, inappropriate workplace conduct by an Army attorney, misuse of Government resources by the director of a senior service school, and improper relationships by an Army general. As part of its responsibility to fully inform the President and Senate of adverse information concerning senior officials being nominated for advancement or other action, the office conducted 3,000 name checks on DoD senior officials in the past year. In addition, the office issued a comprehensive report to the Senate regarding the quality of senior official investigations being conducted by the Service IGs.

The Office of Intelligence Review now reports directly to the Deputy Inspector General ensuring enhanced visibility of intelligence review activities of the OIG. The oversight and review functions are focused on assessing the efficient, effective and appropriate use of intelligence personnel and resources with emphasis on support to the warfighter. Reports are provided to DoD management and Congress on such critical issues as the shutdown of Brothers to the Rescue aircraft by Cuban MIGs in February 1996, the Zona Rosa massacre in El Salvador, and intelligence-related training provided to Latin American military personnel. In FY 1998, 10 reports were issued which identified potential monetary benefits of \$1.3 million.

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IV. Performance Criteria and Evaluation (Cont.)

{PRIVATE }	FY 1998	FY 1999	FY 2000
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
<u>AUDIT</u>			
Reports issued	231	235	240
Potential monetary benefits (\$ Billions)	2.56	*	*
GAO surveys and reviews processed	210	240	240
GAO draft and final reports processed	413	380	380
Audit oversight reports	16	15	15
<u>CRIMINAL INVESTIGATIONS</u>			
Indictments and convictions	532	550	570
Fines/penalties/restitutions, etc. (\$ Millions)	\$345	\$375	\$400
Self-inflicted death cases	10	5	0
Hotline calls/letters received	16,739	17,000	18,000
Substantive cases generated	2,400	2,300	2,400
Policy and Oversight Reports Issued	10	5	5
Voluntary disclosures opened	12	10	10
Voluntary disclosures closed	30	25	25
Annual monetary benefits from disclosures (\$ Millions)	\$10.8	\$10	\$10
Subpoenas processed	333	250	250
<u>DEPARTMENTAL INQUIRIES</u>			
Special inquiries opened	256	260	280
Special inquiries closed	395	320	300
Special inquiries oversight	237	175	150
Program integrity opened	28	40	40
Program integrity closed	52	60	60
Program integrity oversight	342	350	375
<u>INTELLIGENCE REVIEW</u>			
Reports issued	10	10	10
Potential monetary benefits (\$ Millions)	\$1.3	*	*

*In some cases, the outputs cannot be reliably estimated.

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V. Personnel Summary:

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change</u> <u>FY 1999-FY 2000</u>
<u>Active Military End</u> <u>Strength (Total)</u>	39	29	29	0
Officer	39	29	29	0
<u>Civilian End Strength</u> <u>(Total)</u>	1,226	1,243	1,237	-6
U.S Direct Hire	1,225	1,242	1,236	-6
FN Indirect Hire	1	1	1	0
(Reimbursable Civilians Included Above)	(2)	(0)	(0)	(0)
<u>Active Military Average</u> <u>Strength (Total)</u>	38	34	29	0
Officer	38	34	29	0
<u>Civilian Workyears</u> <u>(Total)</u>	1,270	1,225	1,243	+18
U.S. Direct Hire	1,269	1,224	1,242	+18
FN Indirect Hire	1	1	1	0
(Reimbursable Civilians Included Above (Memo))	(1)	(2)	(0)	(-2)

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VI. OP 32 Line Items as Applicable (Dollars in Thousands)

{PRIVATE }

	<u>FY 1998 ACTUAL</u>	<u>Change FY 1998/FY 1999</u>		<u>FY 1999 ESTIMATE</u>	<u>Change FY 1999/FY 2000</u>		<u>FY 2000 ESTIMATE</u>
		<u>PRICE GROWTH</u>	<u>PROGRAM GROWTH</u>		<u>PRICE GROWTH</u>	<u>PROGRAM GROWTH</u>	
Exec, General and Spec	103,701	3,550	-4,144	103,107	4,130	1,221	108,458
Wage Board	37	1	0	38	1	0	39
Voluntary Separation Inc Pay	977	0	-727	250	0	-250	0
Disability Compensation	306	0	34	340	0	35	375
TOTAL CIVILIAN PERSONNEL	105,021	3,551	-4,837	103,735	4,131	1,006	108,872
Travel	6,053	67	-202	5,918	89	30	6,037
GSA Managed Supplies	15	0	-15	0	0	0	0
GSA Managed Equipment	11	0	0	11	0	0	11
Other Fund Purchases							
Defense Public & Printing	101	6	-5	102	-1	22	123
DISA Info Services	246	-27	-43	176	-17	-32	127
Communications Svcs (DISA)	63	0	0	63	10	36	109
DFAS	553	20	38	611	9	-84	536
TOTAL OTHER FUND	963	-1	-10	952	1	-58	895
Transport - Commercial Land	282	3	-25	260	4	20	284
Other Purchases							
Foreign National Indirect	70	2	0	72	3	0	75
Rent Payments to GSA	9,315	279	-394	9,200	138	-38	9,300
Purchased Communications	2,394	26	-7	2,413	36	35	2,484
Rents (non-GSA)	143	2	-4	141	2	2	145
Postal Services (U.S.P.S)	74	0	1	75	0	0	75
Supplies & Materials (non-	1,648	18	-49	1,617	24	24	1,665
Printing & Reproduction	90	1	-1	90	1	-18	73
Equipment Maintenance	675	7	-13	695	10	1	706
Facility Maintenance	371	4	-125	250	4	-74	180
Equipment Purchases (non-	6,252	69	-3,935	2,386	36	1,053	3,475

OFFICE OF THE INSPECTOR GENERAL
 FY 2000/2001 BIENNIAL BUDGET ESTIMATES

{PRIVATE }

	FY 1998 <u>ACTUAL</u>	Change <u>FY 1998/FY 1999</u>		FY 1999 <u>ESTIMATE</u>	Change <u>FY 1999/FY 2000</u>		FY 2000 <u>ESTIMATE</u>
		<u>PRICE GROWTH</u>	<u>PROGRAM GROWTH</u>		<u>PRICE GROWTH</u>	<u>PROGRAM GROWTH</u>	
Mgt and Prof Spt Svcs	65	1	50	116	2	-15	103
Other Contracts	4,353	48	-268	4,133	62	-141	6,464
TOTAL OTHER PURCHASES	25,450	458	-4,720	21,188	319	1,093	24,745
TOTAL	137,795	4,077	-9,808	132,064	4,543	4,237	140,844